

FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2019 (PRELIMINARY DATA)

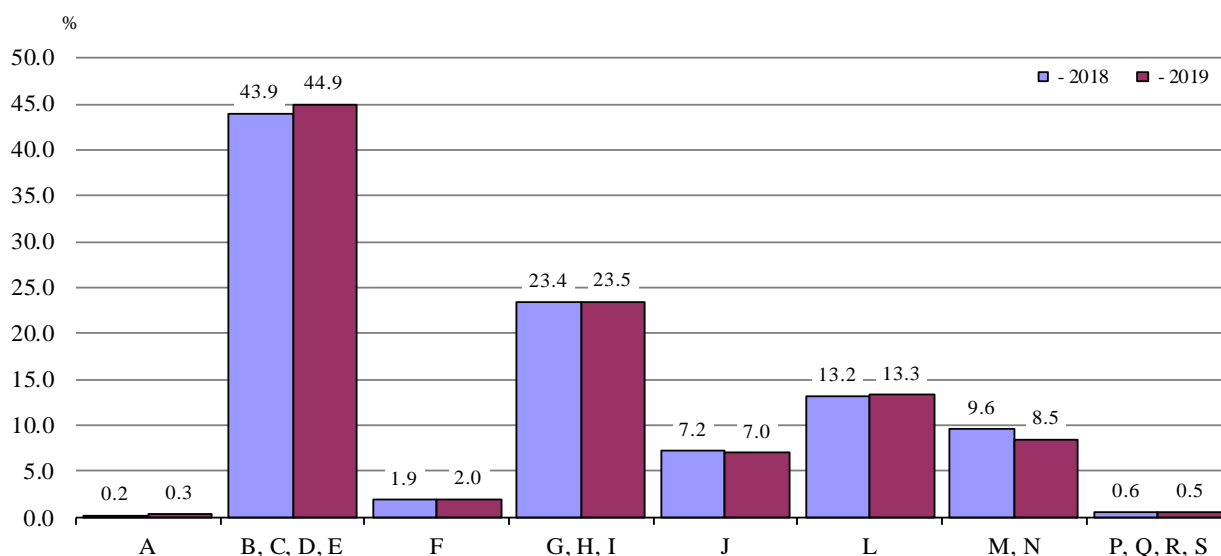
1. Foreign direct investments

According to preliminary data the foreign direct investments (FDI) in the *non-financial sector* as of 31.12.2019 amounted to 25 427 million Euro at current prices.

In 2019 the largest volume of the foreign direct investments was made in Industry sector - 11 422 million Euro. Next by FDI volume was Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 5 978 million Euro.

In 2019, in the structure of the foreign direct investments by economic activity an increase was observed in the investments made in Industry sector, as their relative share increased by 1.0 percentage points compared to the previous year, while the relative share of FDI in Professional, scientific, technical, administration and support service activities decreased by 1.1 percentage points compared to 2018.

Figure 1. Structure of the foreign direct investments in non-financial enterprises by economic activity as of 31.12.



Economic activities by section (NACE Rev. 2)

A - Agriculture, forestry and fishing

B, C, D, E - Manufacturing; Mining and quarrying and other industry

F - Construction

G, H, I - Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities

J - Information and communication

L - Real estate activities

M, N - Professional, scientific and technical activities; Administration and support service activities

P, Q, R, S - Education; Human health and social work activities; Arts, entertainment and recreation; Other service activities

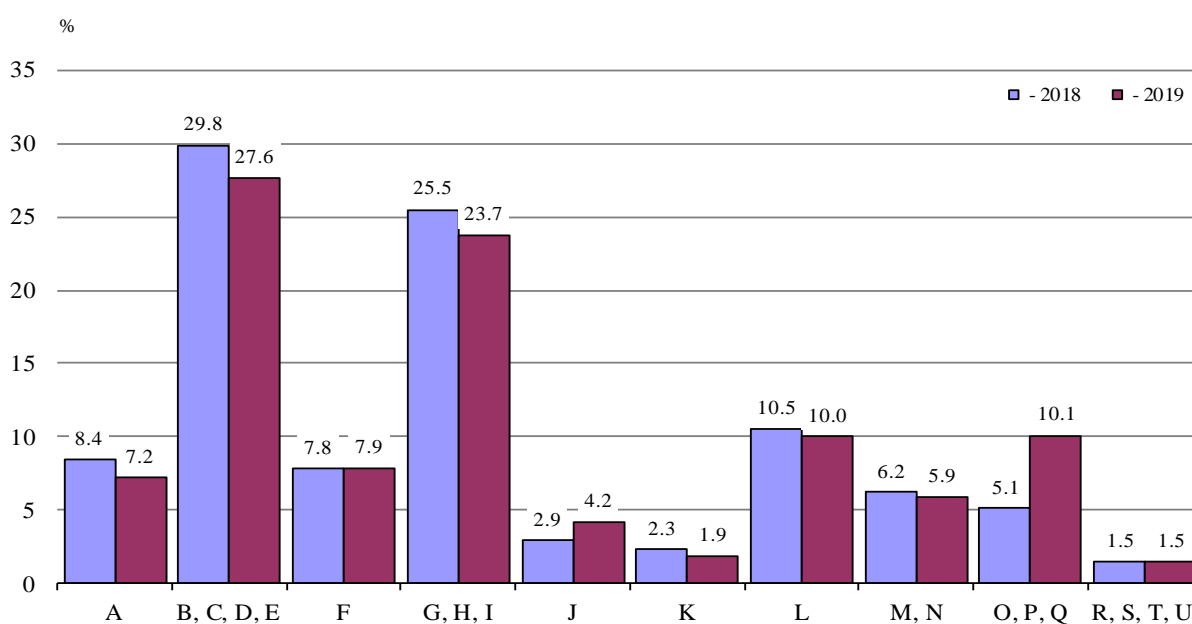
2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2019 the expenditure on acquisition of tangible fixed assets in *all sectors of the economy* amounted to 21 769 million BGN at current prices.

The largest volume of investments in tangible fixed assets was in the sector of Industry - 6 000 million BGN. The second sector by volume of investments in tangible fixed assets was Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 5 167 million BGN.

In 2019, in the structure of expenditure on acquisition of tangible fixed assets by economic activity an decrease was observed in the investments made in Industry and Service sectors, as their relative share decreased by 2.2 and 1.8 percentage points respectively compared to the previous year.

Figure 2. Structure of the expenditure on acquisition of tangible fixed assets in 2018 and 2019 by economic activity



Economic activities by section (NACE Rev. 2)

A - Agriculture, forestry and fishing

B, C, D, E - Manufacturing; Mining and quarrying and other industry

F - Construction

G, H, I - Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities

J - Information and communication

K - Financial and insurance activities

L - Real estate activities

M, N - Professional, scientific and technical activities; Administration and support service activities

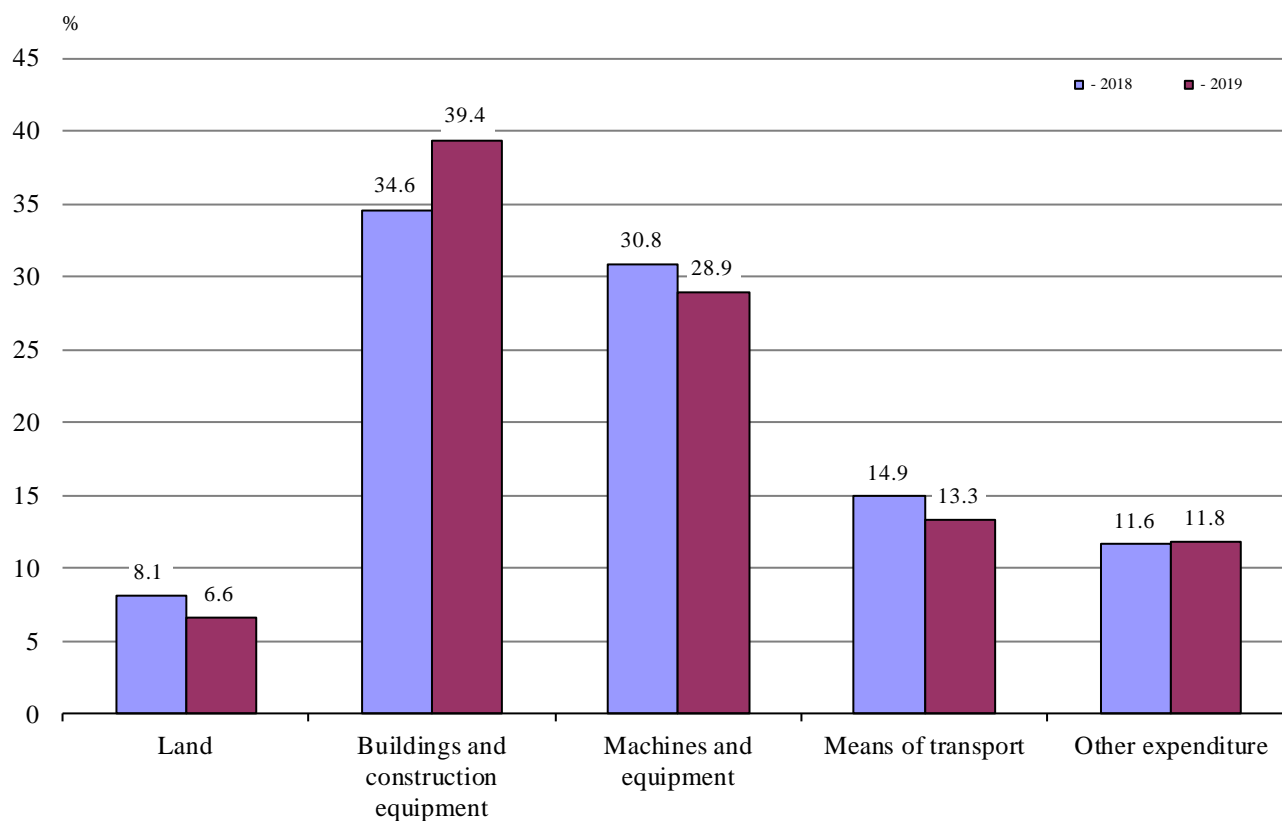
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services

www.nsi.bg

In 2019, in the structure of expenditure on acquisition of tangible fixed assets by kind an increase was observed in the investments made in buildings and construction equipment, as their relative share increased by 4.8 percentage points compared to the previous year.

Figure 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2018 and 2019



Methodological notes

Foreign direct investment is an investment, which includes long-term relationship, referring to a significant degree of influence of a resident of a foreign economy (foreign direct investor) on the management of an enterprise - resident of the Bulgarian economy (investment enterprise). Direct investment comprises not only the initial transaction establishing the relationship between the investor and the enterprise but also all subsequent transactions between them.

The volume of the foreign direct investment in the investment enterprise is defined as a sum:

- Of the foreign share in the equity capital of the enterprise;
- Plus the amount of the unpaid part of long and short-term loans and trade credits granted by the foreign investor to the investment enterprise as of 31.12. of the surveyed year;
- Minus the amount of unpaid part of the long and short-term loans and trade credits granted by the investment enterprise to the foreign investor as of 31.12. of the surveyed year.

The expenditure on acquisition of tangible fixed assets during the period under review include the actual costs: land purchase and building construction, construction equipment and mechanisms through order and produced by own account, for delivery and installation of tangible fixed assets, for machinery, equipment and means of transport, for geological and hydrological prospecting, for research and design related to construction and other expenditure, connected with acquiring tangible fixed assets.

The current maintenance cost of existing tangible fixed assets is not included in the volume of expenditure on acquisition of tangible fixed assets.

Annex

Table 1

Foreign direct investments¹ in non-financial enterprises by economic activity as of 31.12

(Million Euro)

Economic activity groupings (A10)	NACE Rev.2 code	2016	2017	2018	2019*
Non-financial enterprises²		23509	24475	24920	25427
Agriculture, forestry and fishing	A	84	68	54	64
Industry (except Construction)	B-E	10120	10723	10935	11422
Construction	F	609	626	463	514
Wholesale and retail trade, transport, accomodation and food service activities	G-I	5867	5714	5824	5978
Information and communication	J	1832	1687	1795	1790
Real estate activities	L	3136	3152	3306	3391
Professional, scientific, technical, administration and support service activities	M_N	1692	2325	2387	2152
Public administration, defence, education, human health and social work activities	O-Q	29	30	32	32
Arts, entertainment and recreation; other activities	R-U	140	150	124	84

¹ Data at current prices.

² The non-financial enterprises include all sections by NACE Rev. 2 with the exception of 'Financial and insurance activities', 'Public administration and defence, compulsory social security', 'Activities of membership organisations' and 'Activities of households'.

* Preliminary data.

Table 2

Expenditure on acquisition of tangible fixed assets¹ by economic activity

(Million BGN)

Economic activity groupings (A10)	NACE Rev. 2 code	2016	2017	2018	2019*
Total		17672	17629	19249	21769
Agriculture, forestry and fishing	A	1316	1452	1622	1577
Industry (except Construction)	B-E	5692	5484	5730	6000
Construction	F	1075	1121	1503	1721
Wholesale and retail trade, transport, accommodation and food service activities	G-I	4745	4572	4910	5166
Information and communication	J	673	581	555	902
Financial and insurance activities	K	407	294	447	413
Real estate activities	L	1552	1866	2019	2186
Professional, scientific, technical, administration and support service activities	M_N	967	1068	1198	1273
Public administration, defence, education, human health and social work activities	O-Q	979	938	980	2206
Arts, entertainment and recreation; other activities	R-U	266	253	285	325

¹ Data at current prices.

* Preliminary data.