

FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2020 (PRELIMINARY DATA)

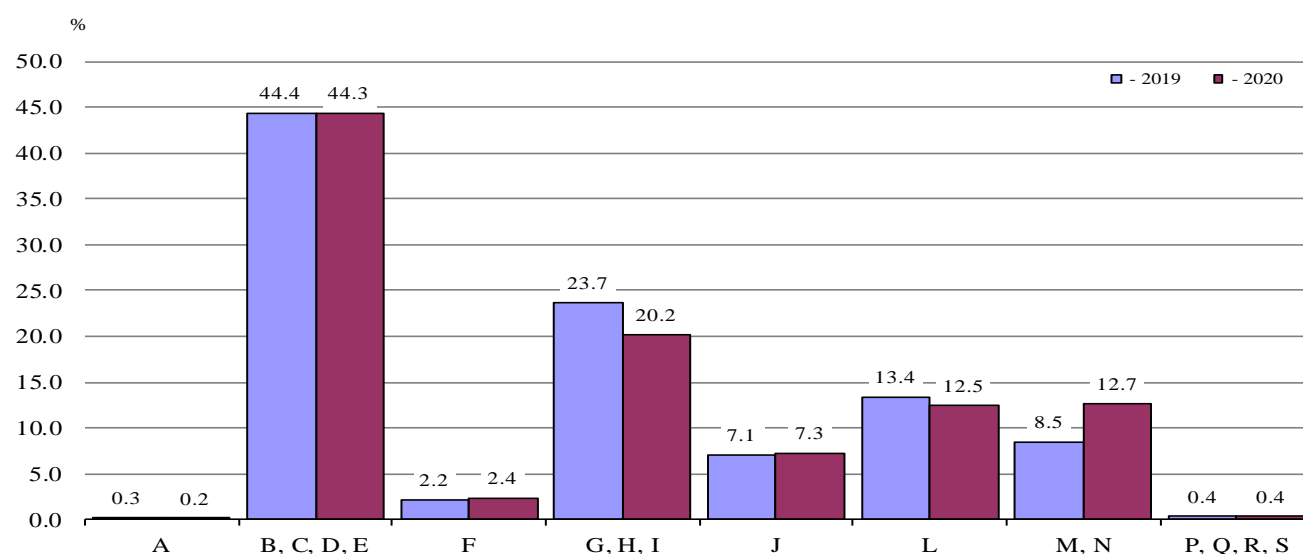
1. Foreign direct investments

According to preliminary data the foreign direct investments (FDI) in the *non-financial sector* as of 31.12.2020 amounted to 26 288 million euro at current prices.

In 2020 the largest volume of the foreign direct investments was made in Industry sector - 11 653 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) - 5 298 million euro.

In 2020, in the structure of FDI by economic activity an increase was observed in the investments made in Professional, scientific, technical, administration and support service activities, as their relative share increased by 4.2 percentage points compared to the previous year. At the same time, the relative share of FDI in Industry sector decreased by 1.0 percentage points in comparison with 2019.

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

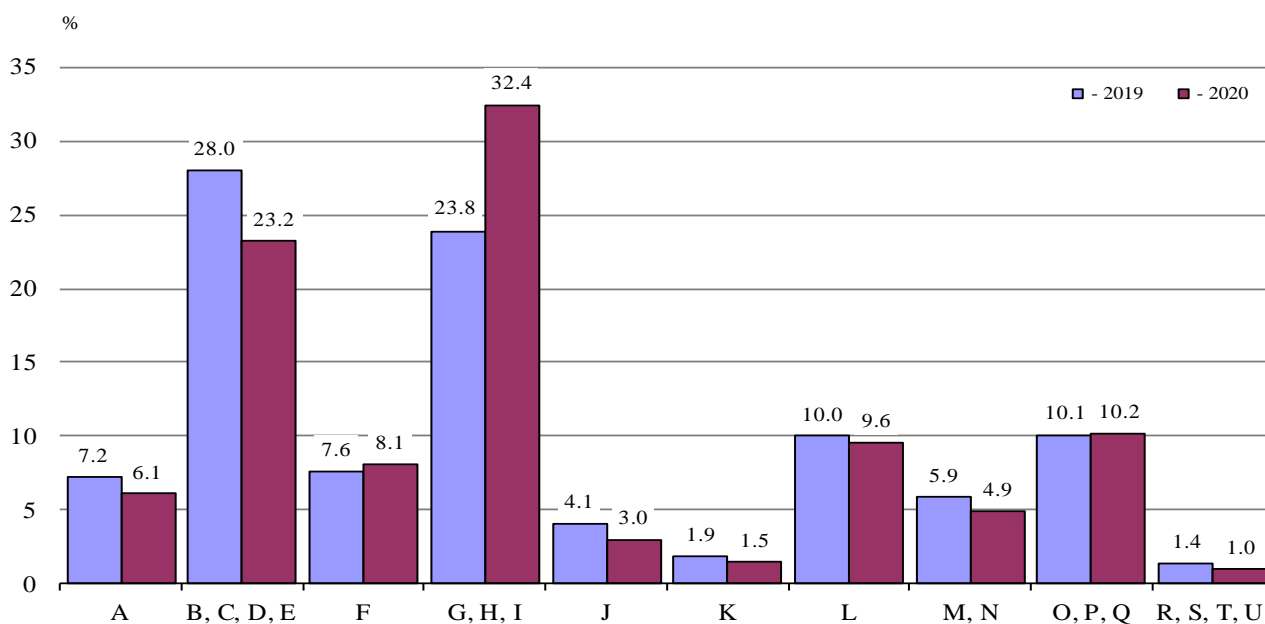
2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2020 the expenditure on acquisition of tangible fixed assets in *all sectors of the economy* amounted to 23 125 million BGN at current prices.

The largest volume of investments in tangible fixed assets was in the sector of Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 7 494 million BGN, followed by Industry with 5 370 million BGN.

In 2020, in the structure of expenditure on acquisition of tangible fixed assets by economic activity an increase was observed in the investments made in Service sectors (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities), as their relative share increased by 8.6 percentage points compared to 2019 and a decrease in the industrial sector by 4.8 points.

Figure 2. Structure of the expenditure on acquisition of tangible fixed assets in 2019 and 2020 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

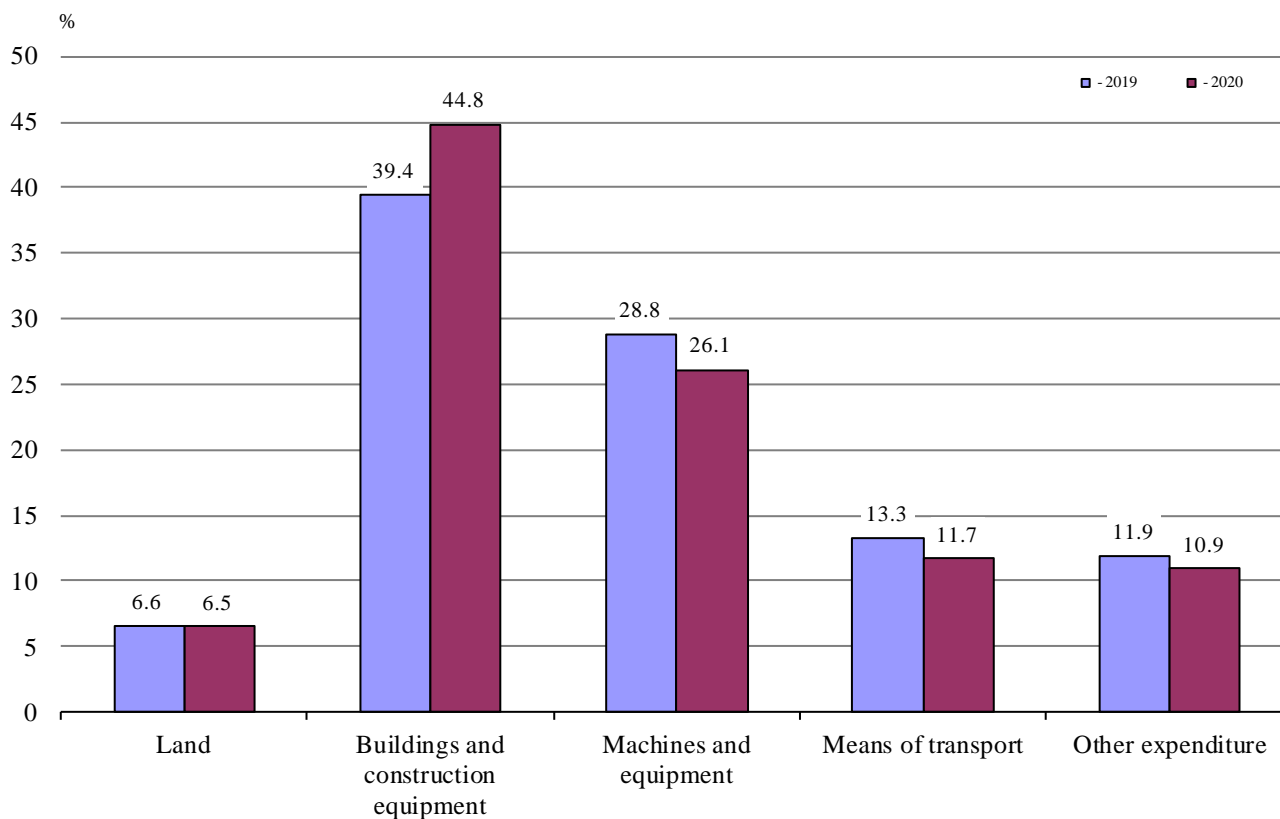
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services

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In 2020, 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 5.4 percentage points compared to the previous year.

Figure 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2019 and 2020



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	2017	2018	2019	2020*
Non-financial enterprises²		24475	24920	25342	26288
Agriculture, forestry and fishing	A	68	54	65	58
Industry (except Construction)	B-E	10723	10935	11267	11653
Construction	F	626	463	557	632
Wholesale and retail trade, transport, accomodation and food service activities	G-I	5714	5824	5995	5298
Information and communication	J	1687	1795	1788	1908
Real estate activities	L	3152	3306	3406	3285
Professional, scientific, technical, administration and support service activities	M_N	2325	2387	2158	3350
Public administration, defence, education, human health and social work activities	O-Q	30	32	32	36
Arts, entertainment and recreation; other activities	R-U	150	124	74	68

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	2017	2018	2019	2020*
Total		17629	19249	21874	23125
Agriculture, forestry and fishing	A	1452	1622	1582	1406
Industry (except Construction)	B-E	5484	5730	6116	5370
Construction	F	1121	1503	1656	1874
Wholesale and retail trade, transport, accommodation and food service activities	G-I	4572	4910	5205	7494
Information and communication	J	581	555	895	699
Financial and insurance activities	K	294	447	413	336
Real estate activities	L	1866	2019	2195	2218
Professional, scientific, technical, administration and support service activities	M_N	1068	1198	1292	1125
Public administration, defence, education, human health and social work activities	O-Q	938	980	2213	2354
Arts, entertainment and recreation; other activities	R-U	253	285	307	249

¹ Data at current prices.

* Preliminary data.