

## FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2021 (PRELIMINARY DATA)

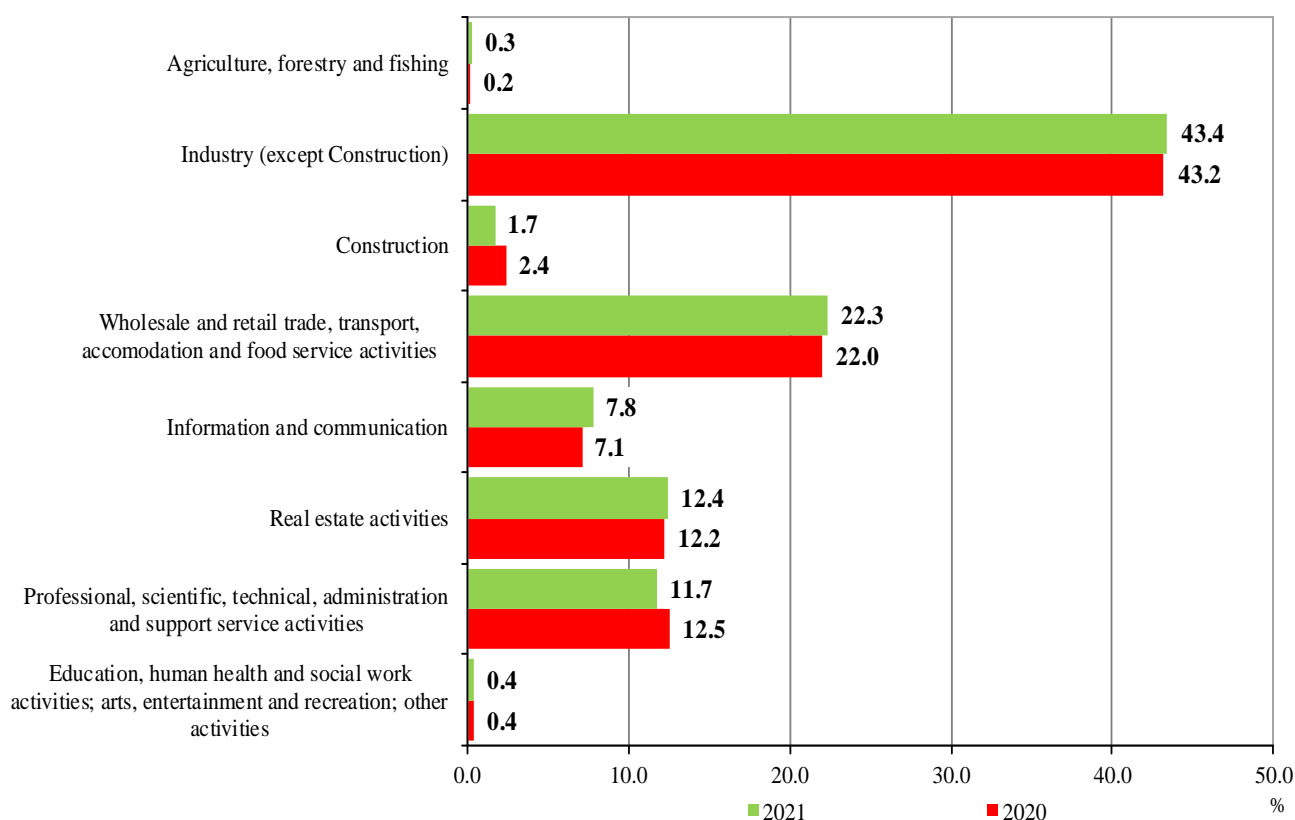
### 1. Foreign direct investments

The foreign direct investments (FDI) in the *non-financial sector* as of 31.12.2021 amounted to 28 137 million euro at current prices (according to preliminary data).

In 2021 the largest volume of the foreign direct investments was made in Industry sector - 12 210 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) - 6 278 million euro.

In 2021, in the structure of FDI by economic activity an increase was observed in the investments made in Information and communication sector, as their relative share increased by 0.7 percentage points compared to the previous year. At the same time, the relative share of FDI in Construction sector decreased by 0.7 percentage points in comparison with 2020.

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



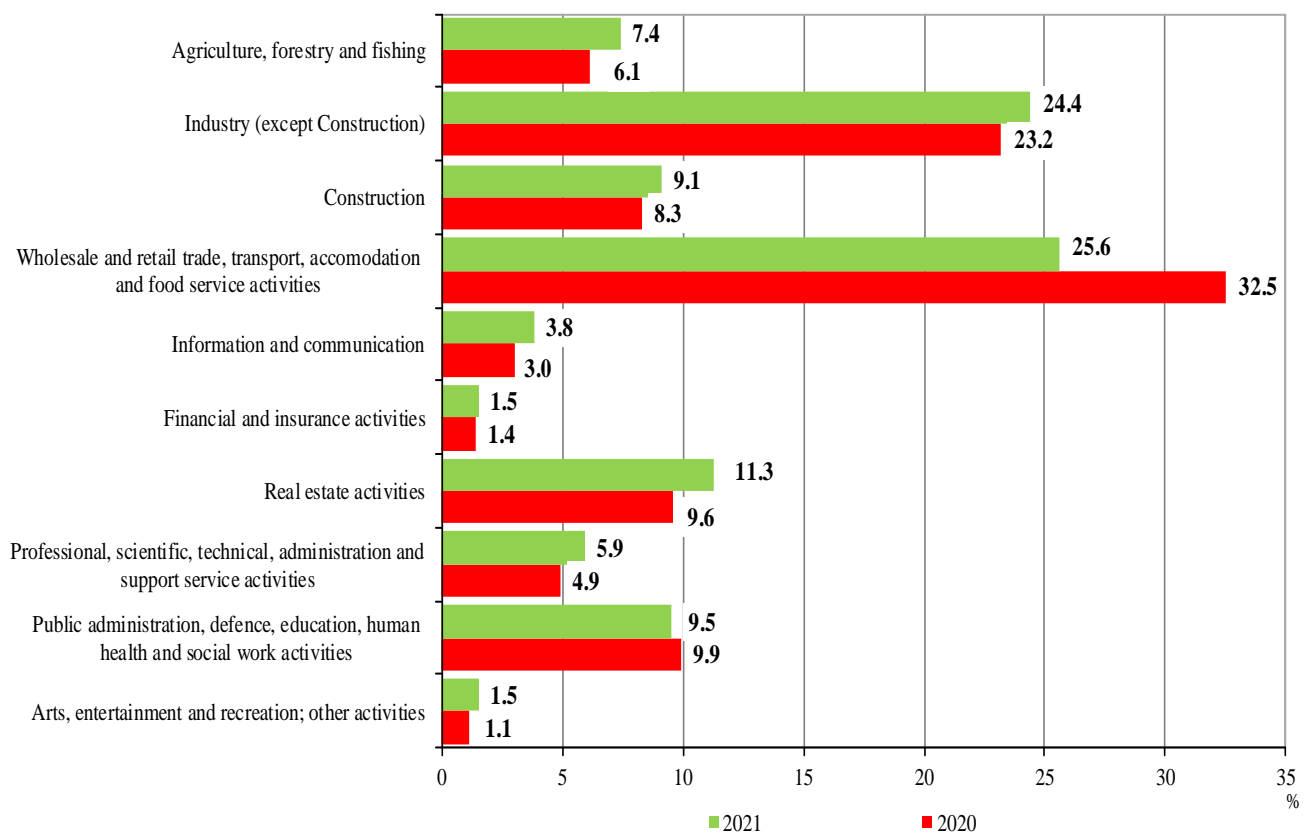
## 2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2021 the expenditure on acquisition of tangible fixed assets in *all sectors of the economy* amounted to 23 048 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) - 5 908 million BGN, followed by Industry with 5 623 million BGN.

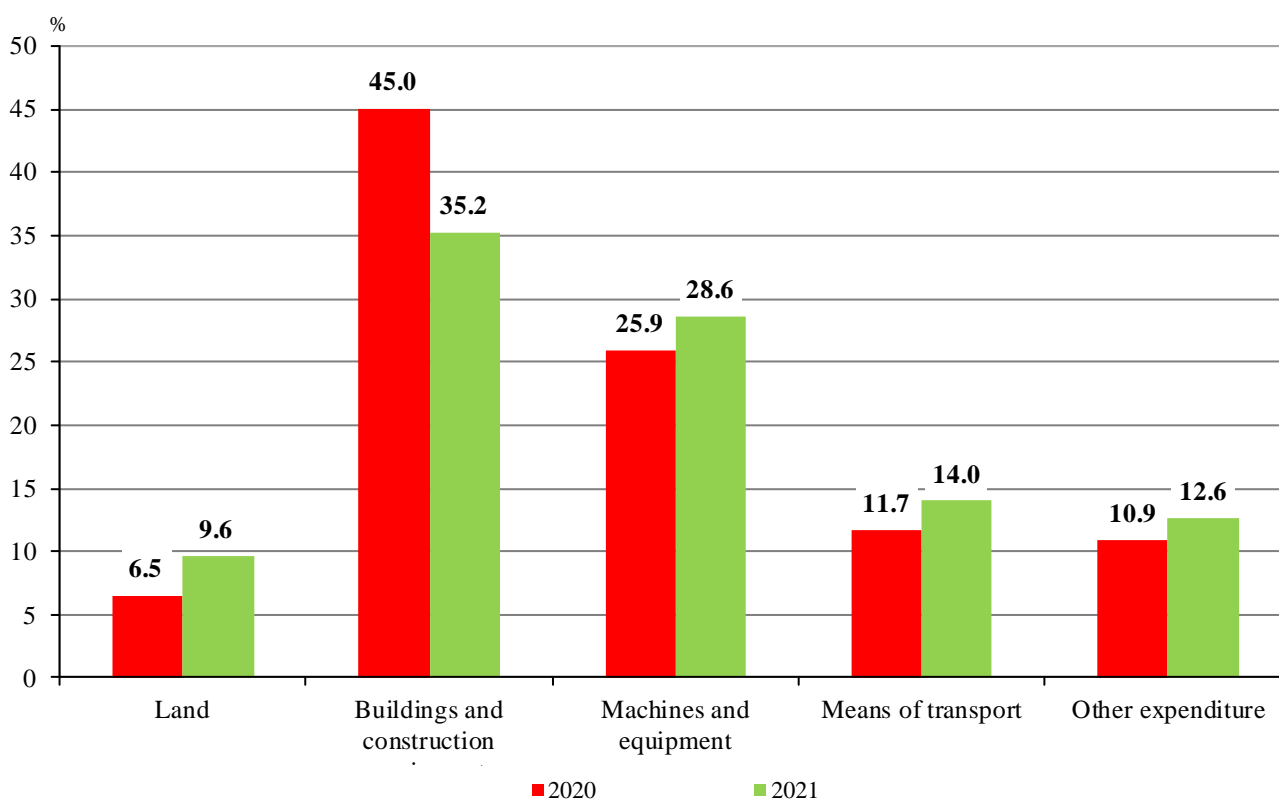
In 2021, in the structure of expenditure on acquisition of tangible fixed assets by economic activity an increase was observed in the investments made in industrial sector, as their relative share increased by 1.2 percentage points compared to 2020 and a decrease in the Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) by 6.9 percentage points.

**Figure 2. Structure of the expenditure on acquisition of tangible fixed assets in 2020 and 2021 by economic activity**



In 2021 the structure of expenditure on acquisition of tangible fixed assets by kind was changed. The relative share of investments for buildings and construction equipment decreased by 9.8 percentage points compared to the previous year and reached 35.2%. At the same time the expenditure for machines and equipment increased by 2.7 percentage points, for the purchase of land - by 3.1 percentage points and for means of transport - by 2.3 percentage points which formed 28.6%, 9.6% and 14.0% of total investments of tangible fixed assets respectively.

**Figure 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2020 and 2021**





## 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 investments<sup>1</sup> in non-financial enterprises by economic activity as of 31.12**

(Million euro)

Economic activity groupings (A10)	NACE Rev.2 code	2018	2019	2020	2021*
<b>Non-financial enterprises<sup>2</sup></b>		<b>24920</b>	<b>25342</b>	<b>26884</b>	<b>28137</b>
Agriculture, forestry and fishing	A	54	65	58	72
Industry (except Construction)	B-E	10935	11267	11622	12210
Construction	F	463	557	645	480
Wholesale and retail trade, transport, accomodation and food service activities	G-I	5824	5995	5917	6278
Information and communication	J	1795	1788	1905	2195
Real estate activities	L	3306	3406	3279	3494
Professional, scientific, technical, administration and support service activities	M_N	2387	2158	3354	3294
Public administration, defence, education, human health and social work activities	O-Q	32	32	36	34
Arts, entertainment and recreation; other activities	R-U	124	74	68	80

<sup>1</sup> Data at current prices.

<sup>2</sup> 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 assets<sup>1</sup> by economic activity**

(Million BGN)

Economic activity groupings (A10)	NACE Rev.2 code	2018	2019	2020	2021*
<b>Total</b>		<b>19249</b>	<b>21874</b>	<b>23157</b>	<b>23048</b>
Agriculture, forestry and fishing	A	1622	1582	1406	1713
Industry (except Construction)	B-E	5730	6116	5378	5623
Construction	F	1503	1656	1917	2099
Wholesale and retail trade, transport, accommodation and food service activities	G-I	4910	5205	7516	5908
Information and communication	J	555	895	700	886
Financial and insurance activities	K	447	413	336	340
Real estate activities	L	2019	2195	2223	2598
Professional, scientific, technical, administration and support service activities	M_N	1198	1292	1127	1355
Public administration, defence, education, human health and social work activities	O-Q	980	2213	2304	2182
Arts, entertainment and recreation; other activities	R-U	285	307	250	344

<sup>1</sup> Data at current prices.

\* Preliminary data.