

## DIRECT INVESTMENT (January – March 2010)<sup>1</sup>

According to preliminary data, the **Foreign direct investment in Bulgaria** for January – March 2010 decreased by EUR 21.9 million (0.1% of GDP) compared to EUR 926 million (2.7% of GDP) attracted in January – March 2009.

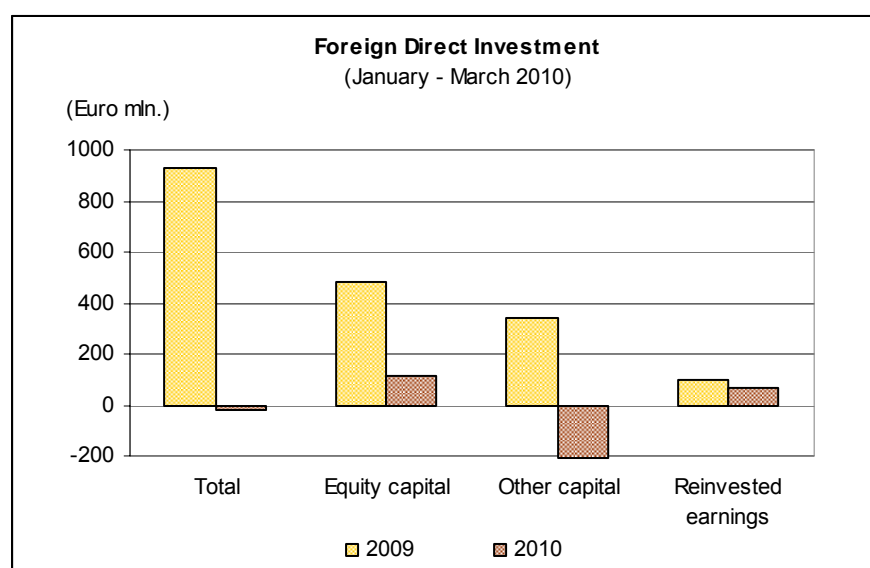
(EUR million)

	2009						2010		2010 - 2009
	III	I - III	IV - VI	VII - IX	X - XII	Общо	III	I - III	I - III
<b>Direct investment, net</b>	<b>364.8</b>	<b>904.2</b>	<b>667.1</b>	<b>597.0</b>	<b>1142.0</b>	<b>3310.5</b>	<b>-181.9</b>	<b>-41.2</b>	<b>-945.5</b>
<b>Direct investment abroad *</b>	<b>-6.2</b>	<b>-21.7</b>	<b>-23.5</b>	<b>-43.6</b>	<b>186.8</b>	<b>97.9</b>	<b>-13.1</b>	<b>-19.3</b>	<b>2.4</b>
Equity capital	-4.1	-17.2	-16.9	-36.4	197.0	126.6	-12.5	-18.4	-1.3
Other capital	-2.2	-4.8	-6.8	-8.1	-10.7	-30.4	-0.6	-0.9	3.9
Reinvested earnings	0.1	0.3	0.1	0.9	0.5	1.8	0.0	0.0	-0.3
<b>Foreign Direct Investment</b>	<b>371.0</b>	<b>926.0</b>	<b>690.7</b>	<b>640.6</b>	<b>955.2</b>	<b>3212.5</b>	<b>-168.8</b>	<b>-21.9</b>	<b>-947.9</b>
Equity capital, incl.	237.4	483.7	632.9	503.9	583.7	2204.2	80.7	116.2	-367.5
<i>from privatisation</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>non-privatisation flows</i>	237.4	483.7	632.9	503.9	583.7	2204.2	80.7	116.2	-367.5
Other capital	101.1	344.8	-34.2	86.3	302.9	699.8	-271.9	-205.9	-550.7
Reinvested earnings	32.5	97.5	92.0	50.5	68.5	308.5	22.5	67.8	-29.7

Source: direct investment companies, Privatisation Agency, the National Statistical Institute, the Central Depository, banks.

<sup>1</sup>For assets, a minus sign denotes an increase in holdings, and a positive figure represents a decrease.

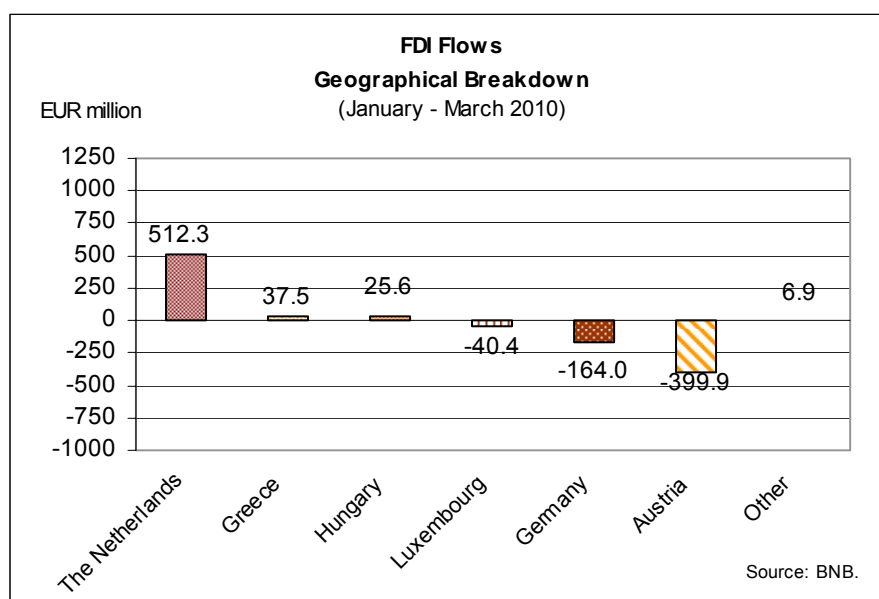
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – March 2010 amounted to EUR 116.2 million. It decreased by EUR 367.5 million compared to that attracted in the same period of 2009 (EUR 483.7 million). *The receipts from real estate investments of non-residents* amounted to EUR 42.7 million compared to EUR 133 million for January – March 2009.



The *other capital, net* (the change in the net liabilities of the direct investment enterprise to the direct investor on financial loans, suppliers' credits and debt securities) was negative, amounting to EUR 205.9 million in January – March 2010, compared to a positive *net other capital* amounting to EUR 344.8 million in the same period of 2009. In accordance with the preliminary data<sup>1</sup> the negative flow of intercompany lending was mainly due to: first, lower levels of received intercompany credits compared to previous years, except for the revolving credits, and second, payments on intercompany lending in accordance with the loan repayment schedules of enterprises.

According to preliminary data, the *Reinvested Earnings*<sup>2</sup> (the share of non-residents in the undistributed earnings/ loss of the enterprise) in January – March 2010 are estimated at EUR 67.8 million compared to EUR 97.5 million in the same period of 2009.

By country, the largest net direct investments in Bulgaria for the period January – March 2010 was that of the Netherlands (EUR 512.3 million), Greece (EUR 37.5 million) and Hungary (EUR 25.6 million). Net payments towards Austria and Germany amounted to EUR 399.9 million and EUR 164 million. The higher net receipts from the Netherlands and the higher net payments towards Austria and Germany were mainly due to usual operations with revolving intercompany credits.



<sup>1</sup> Preliminary data for 2009 and 2010. The data for February 2010 are revised.

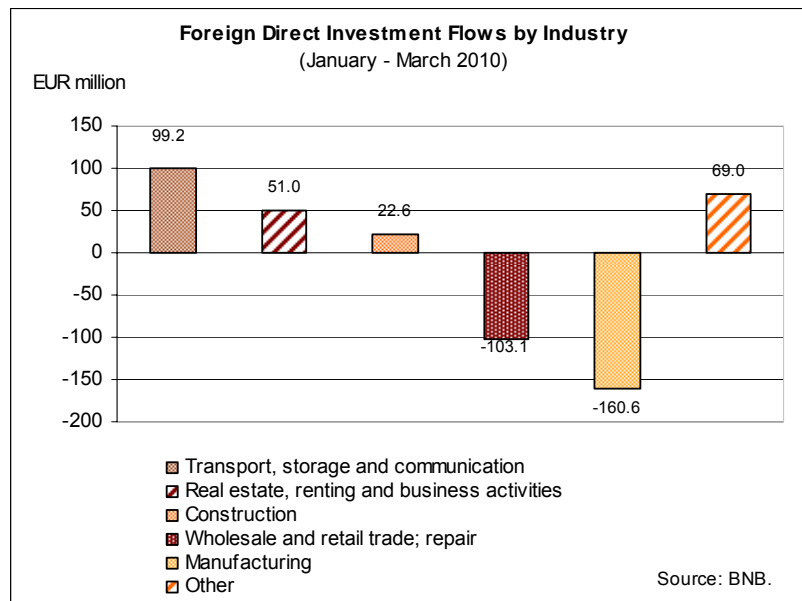
When comparing the data you it should be taken into account that the initial data on the January – March 2009 FDI, published in a BNB press release as of May 15, 2009 ([www.bnb.bg](http://www.bnb.bg), section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised.

With the January – April 2010 report revisions of January – March 2010 data will be presented. The 2009 and 2010 data are subject to revisions with the quarterly reports to the BNB from foreign direct investment enterprises and with the annual NSI data, and for 2010 also with the quarterly NSI data.

GDP for 2009 - EUR 33,876.3 million (preliminary NSI data as of 11.03.2010) and GDP for 2010 (estimated by the BNB) – EUR 34,497 million.

<sup>2</sup> The 2009 and 2010 data include only banks' data on reinvested earnings.

By branch, the largest investments for January – March 2010 were in *Transport, Storage and Communication* (EUR 99.2 million) and *Real Estate* (EUR 51 million). The largest net payments in the reporting period were in *Manufacturing* (EUR 160.6 million) and in *Wholesale and Retail Trade, Repair* (EUR 103.1 million).



According to preliminary data in January – March 2010 **Direct investment abroad** increased by EUR 19.3 million compared to an increase of EUR 21.7 million in January – March 2009.