

DIRECT INVESTMENT
(January – May 2010)¹

According to preliminary data, the **Foreign direct investment in Bulgaria** for January – May 2010 was EUR 253 million (0.7% of GDP) compared to EUR 1,211.1 million (3.6% of GDP) attracted in January – May 2009.

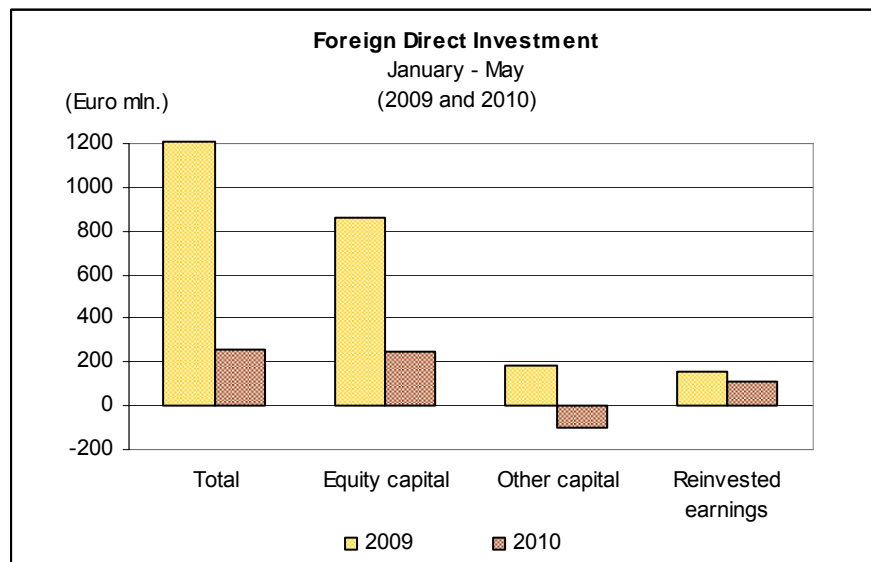
(EUR million)

| | 2009 г. | | | | 2010 г. | | | | 2010 г. - 2009 г. |
|-----------------------------------|--------------|--------------|--------------|---------------|--------------|-------------|-------------|--------------|-------------------|
| | I-III | IV | V | I - V | I-III | IV | V | I - V | |
| Direct investment, net | 904.2 | 15.6 | 261.8 | 1181.6 | 108.6 | 51.8 | 63.6 | 224.0 | -957.6 |
| Direct investment abroad * | -21.7 | -13.5 | 5.7 | -29.5 | -22.9 | -1.5 | -4.6 | -29.0 | 0.5 |
| Equity capital | -17.2 | -13.2 | 8.0 | -22.4 | -20.2 | -1.5 | -4.6 | -26.3 | -4.0 |
| Other capital | -4.8 | -0.3 | -2.4 | -7.5 | -2.7 | 0.0 | 0.0 | -2.7 | 4.8 |
| Reinvested earnings | 0.3 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 |
| Foreign Direct Investment | 926.0 | 29.0 | 256.1 | 1211.1 | 131.5 | 53.3 | 68.2 | 253.0 | -958.1 |
| Equity capital, incl. | 483.7 | 216.8 | 164.5 | 865.0 | 174.4 | 33.3 | 36.4 | 244.1 | -620.9 |
| <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> | 483.7 | 216.8 | 164.5 | 865.0 | 174.4 | 33.3 | 36.4 | 244.1 | -620.9 |
| Other capital | 344.8 | -218.4 | 60.9 | 187.3 | -110.3 | -2.4 | 9.3 | -103.5 | -290.8 |
| Reinvested earnings | 97.5 | 30.7 | 30.7 | 158.8 | 67.4 | 22.5 | 22.5 | 112.4 | -46.4 |

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

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

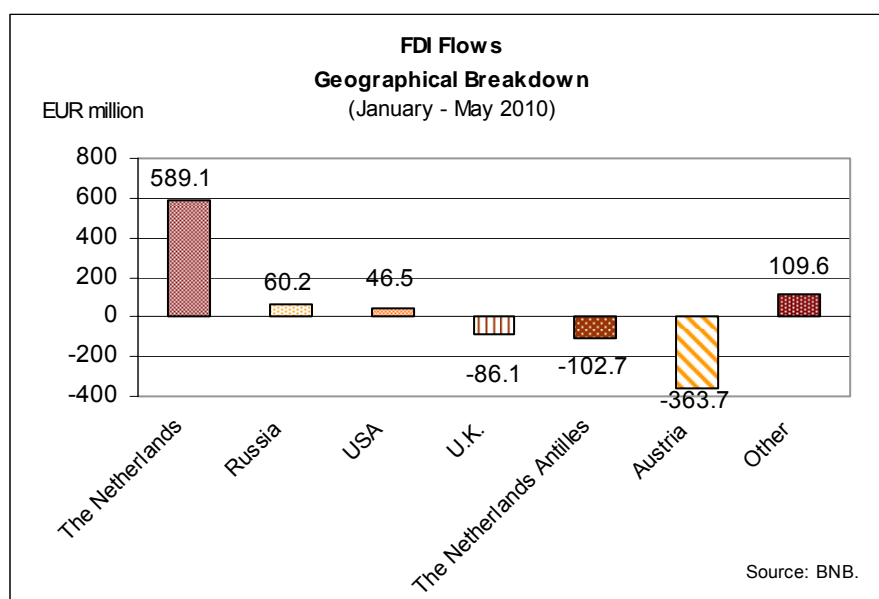
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – May 2010 amounted to EUR 244.1 million. It decreased by EUR 620.9 million compared to that attracted in the same period of 2009 (EUR 865 million). *The receipts from real estate investments of non-residents* amounted to EUR 73.1 million compared to EUR 229.1 million for January – May 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 103.5 million in January – May 2010, compared to a positive *net other capital* amounting to EUR 187.3 million in the same period of 2009. In accordance with the preliminary data¹ the negative flow of intercompany lending was mainly due to: first, lower levels of received intercompany credits compared to previous years and second, payments on intercompany lending in accordance with the loan repayment schedules of enterprises.

According to preliminary data, the *Reinvested Earnings*² (the share of non-residents in the undistributed earnings/ loss of the enterprise) in January – May 2010 are estimated at EUR 112.4 million compared to EUR 158.8 million in the same period of 2009.

By country, the largest net direct investments in Bulgaria for the period January – May 2010 was that of the Netherlands (EUR 589.1 million), Russia (EUR 60.2 million) and the USA (EUR 46.5 million). Net payments towards Austria, the Netherlands Antilles and the UK amounted respectively to EUR 363.7 million, EUR 102.7 million and EUR 86.1 million. The higher net receipts from the Netherlands and the higher net payments towards Austria were mainly due to operations with revolving intercompany credits.



According to preliminary data in January – May 2010 **Direct investment abroad** increased by EUR 29 million compared to an increase of EUR 29.5 million in January – May 2009.

¹ Preliminary data for 2009 and 2010. Data for April 2010 are revised.

When comparing the data yoy it should be taken into account that the initial data on the January – May 2009 FDI, published in a BNB press release as of July 14, 2009 (www.bnb.bg, section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised.

With the January – June 2010 report revisions of May 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 34,825 million.

² The 2009 and 2010 data include only banks' data on reinvested earnings.