

DIRECT INVESTMENT (January – June 2010)¹

According to preliminary data, the *Foreign direct investment in Bulgaria* for January – June 2010 was EUR 358.5 million (1% of GDP), compared to EUR 1616.7 million (4.8% of GDP) attracted in January – June 2009.

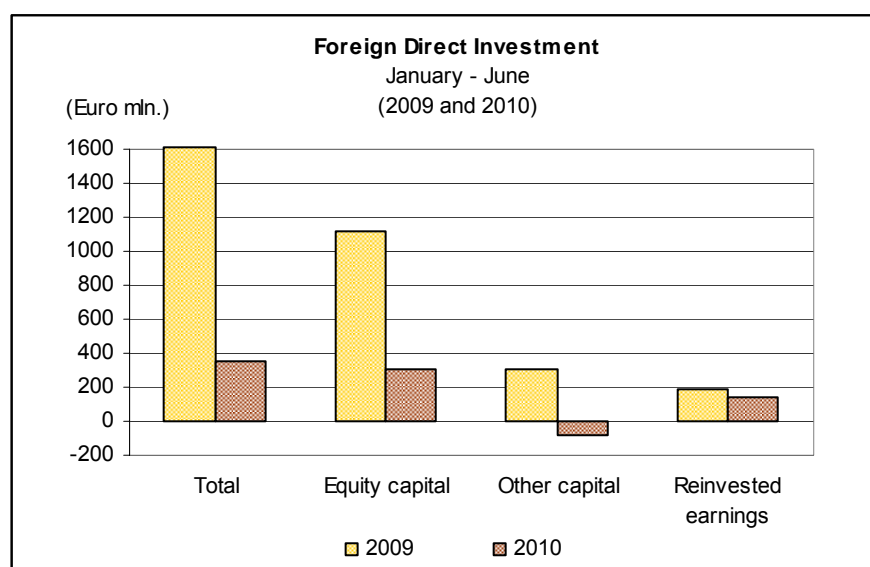
(EUR million)

	2009				2010				2010 - 2009
	I-III	IV-VI	VI	I - VI	I-III	IV-VI	VI	I - VI	I - VI
Direct investment, net	904.2	667.1	389.8	1571.4	108.6	191.3	98.3	299.9	-1271.5
Direct investment abroad *	-21.7	-23.5	-15.7	-45.3	-22.9	-35.7	-20.7	-58.6	-13.4
Equity capital	-17.2	-16.9	-11.7	-34.0	-20.2	-18.1	-10.8	-38.3	-4.3
Other capital	-4.8	-6.8	-4.1	-11.6	-2.7	-17.6	-9.9	-20.3	-8.7
Reinvested earnings	0.3	0.1	0.0	0.4	0.0	0.0	0.0	0.0	-0.4
Foreign Direct Investment	926.0	690.7	405.5	1616.7	131.5	227.0	118.9	358.5	-1258.2
Equity capital, incl.	483.7	632.9	251.6	1116.6	174.4	131.9	77.2	306.3	-810.3
<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	632.9	251.6	1116.6	174.4	131.9	77.2	306.3	-810.3
Other capital	344.8	-34.2	123.2	310.6	-110.3	22.7	16.8	-87.6	-398.2
Reinvested earnings	97.5	92.0	30.7	189.5	67.4	72.4	25.0	139.8	-49.6

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

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

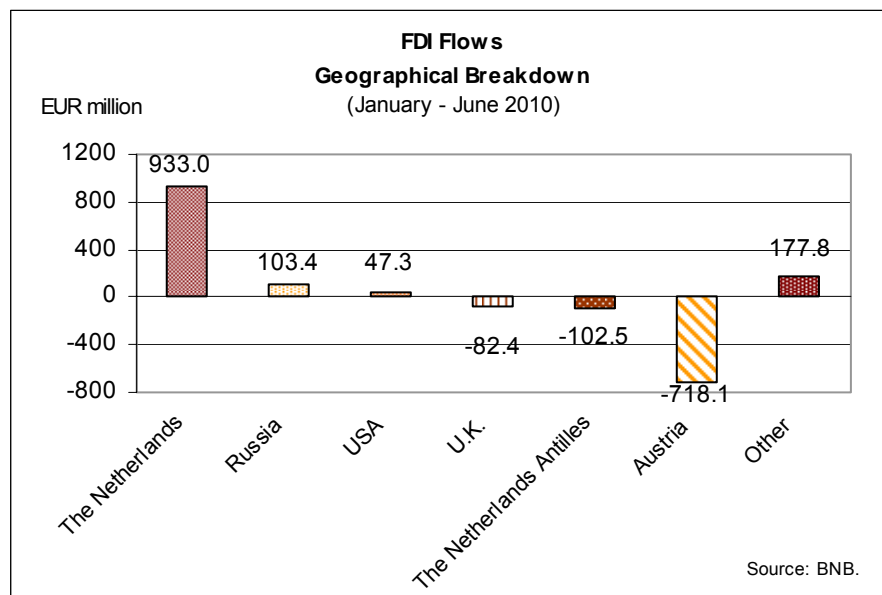
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – June 2010 amounted to EUR 306.3 million. It decreased by EUR 810.3 million compared to that attracted in the same period of 2009 (EUR 1116.6 million). *The receipts from real estate investments of non-residents* amounted to EUR 98.5 million, against EUR 317.5 million for the period January – June 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 87.6 million in January – June 2010, whereas it was positive, amounting to EUR 310.6 million in January – June 2009. In accordance with the preliminary data¹ the negative flow of intercompany lending was mainly due to the lower levels of received intercompany credits compared to previous year, on the one hand, and on the other – to the 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 – June 2010 are estimated at EUR 139.8 million, against EUR 189.5 million in the same period of 2009.

By country, the largest net direct investments in Bulgaria for the period January – June 2010 were those of the Netherlands (EUR 933 million), Russia (EUR 103.4 million) and the USA (EUR 47.3 million). The net payments to Austria, the Netherlands Antilles and the UK amounted to EUR 718.1 million, EUR 102.5 million and EUR 82.4 million respectively. The higher net receipts from the Netherlands and respectively net payments to Austria were mainly due to transactions associated with revolving intercompany credits.



¹ Preliminary data for 2009 and 2010. The data for May 2010 are revised.

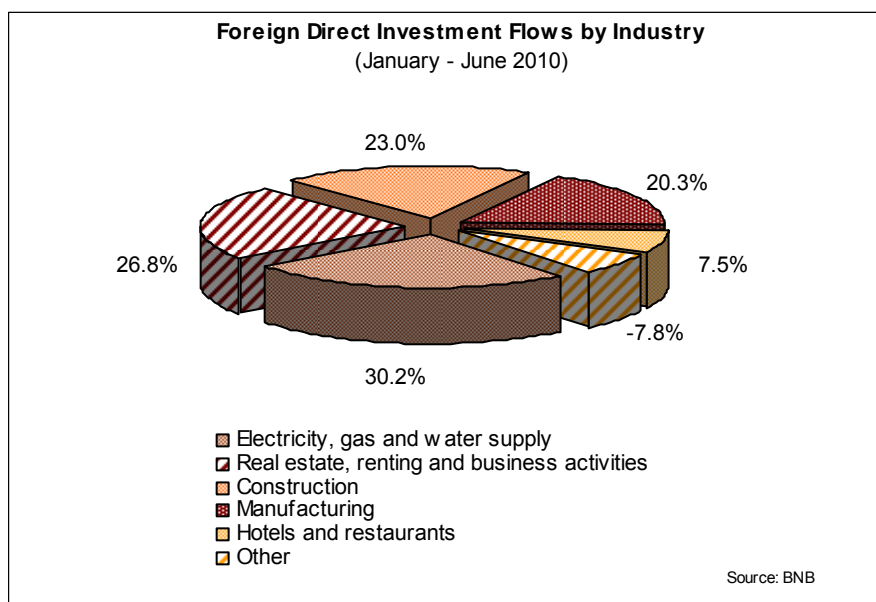
When comparing the data yoy it should be taken into account that the initial data on the January – June 2009 FDI, published in a BNB press release as of August 13, 2009 (www.bnb.bg, section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised.

With the January – July 2010 report revisions of the January 2007 – June 2010 data will be presented. The 2009 and 2010 data are subject to revisions with the quarterly reports of FDI enterprises submitted to the BNB, as well as 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.

By branch³, the largest investments for January – June 2010 were in *Electricity, gas and water supply* (EUR 108.2 million) and *Real estate* (EUR 96 million). The largest net payments in the reporting period were in *Wholesale and retail trade and repair* (EUR -146.7 million).



According to preliminary data in January – June 2010 **Direct investment abroad** increased by EUR 58.6 million compared to an increase of EUR 45.3 million in January – June 2009.

³ Data are available on a quarterly basis.