

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

According to preliminary data, the *Foreign direct investment in Bulgaria* for January – September 2010 was EUR 901.4 million (2.5% of GDP), compared to EUR 2233.5 million (6.4% of GDP) attracted in January – September 2009.

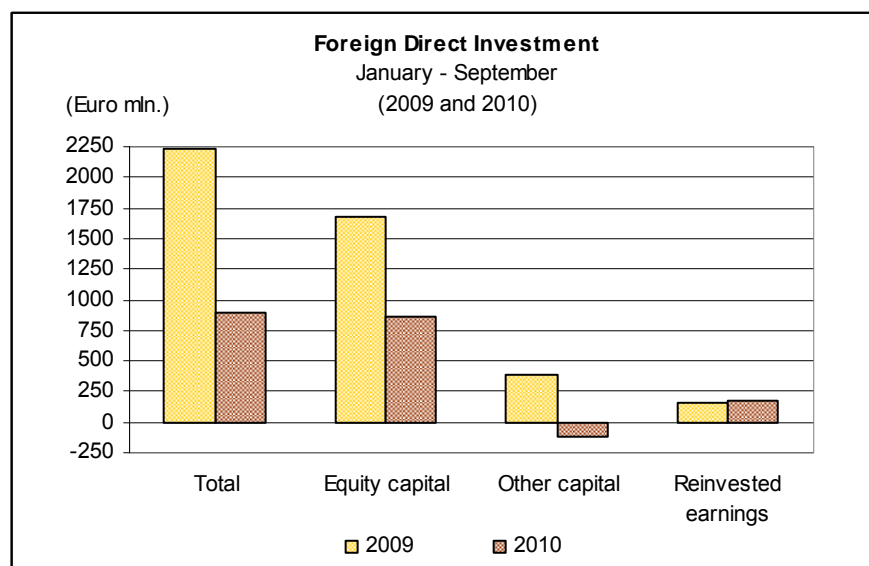
(EUR million)

	2009					2010					2010 - 2009
	I - III	IV - VI	VII - IX	IX	I - IX	I - III	IV - VI	VII - IX	IX	I - IX	I - IX
<b>Direct investment, net</b>	<b>893.2</b>	<b>658.4</b>	<b>591.4</b>	<b>104.9</b>	<b>2142.9</b>	<b>16.5</b>	<b>527.9</b>	<b>280.3</b>	<b>101.0</b>	<b>824.7</b>	<b>-1318.2</b>
<b>Direct investment abroad *</b>	<b>-24.7</b>	<b>-22.5</b>	<b>-43.4</b>	<b>-9.8</b>	<b>-90.6</b>	<b>-19.9</b>	<b>-40.2</b>	<b>-16.6</b>	<b>-3.2</b>	<b>-76.8</b>	<b>13.8</b>
Equity capital	-17.2	-16.9	-36.4	-7.9	-70.5	-20.3	-19.4	-14.3	-3.1	-54.0	16.5
Other capital	-9.0	-6.9	-9.1	-2.6	-25.1	-2.4	-20.8	-2.3	0.0	-25.5	-0.4
Reinvested earnings	1.5	1.4	2.1	0.7	5.0	2.7	0.0	0.0	0.0	2.7	-2.2
<b>Foreign Direct Investment</b>	<b>917.9</b>	<b>680.8</b>	<b>634.7</b>	<b>114.7</b>	<b>2233.5</b>	<b>36.4</b>	<b>568.2</b>	<b>296.9</b>	<b>104.2</b>	<b>901.4</b>	<b>-1332.0</b>
Equity capital, incl.	508.4	664.2	511.2	136.7	1683.8	180.7	272.6	404.4	205.9	857.7	-826.1
<i>from privatisation</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>non-privatisation flows</i>	508.4	664.2	511.2	136.7	1683.8	180.7	272.6	404.4	205.9	857.7	-826.1
Other capital	340.2	-39.3	84.8	-34.8	385.6	-201.9	230.4	-154.3	-114.2	-125.9	-511.5
Reinvested earnings	69.3	56.0	38.7	12.9	164.1	57.6	65.2	46.8	12.5	169.6	5.5

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.

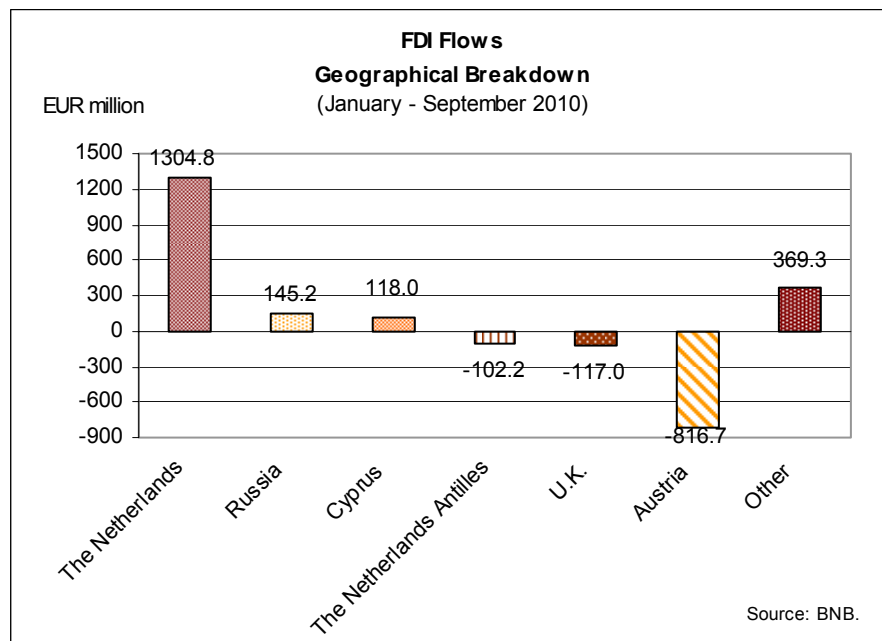
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – September 2010 amounted to EUR 857.7 million. It decreased by EUR 826.1 million compared to that attracted in the same period of 2009 (EUR 1,683.8 million). *The receipts from real estate investments of non-residents* amounted to EUR 184.6 million, against EUR 450.1 million for the period January – September 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 125.9 million in January – September 2010, compared to EUR 385.6 million in January – September 2009. In accordance with the preliminary data<sup>1</sup> the difference of the flows for the reporting period in comparison with the same period in the previous year was mainly due to the lower levels of received intercompany credits for the reporting period compared to previous years, on the one hand, and on the other – to the payments on intercompany lending in accordance with the loan repayment schedules of enterprises.

Based on preliminary data on profit/loss, the *Reinvested Earnings*<sup>2</sup> (the share of non-residents in the undistributed earnings/ loss of the enterprise) in January – September 2010 were estimated at EUR 169.6 million, against EUR 164.1 million in the same period of 2009.

By country, the largest net direct investments in Bulgaria for the period January – September 2010 were those of the Netherlands (EUR 1,304.8 million), Russia (EUR 145.2 million) and Cyprus (EUR 118 million). The net payments to Austria, the Netherlands Antilles and the UK amounted to EUR 816.7 million, EUR 102.2 million and EUR 117 million. The higher net receipts from the Netherlands and respectively net payments to Austria were mainly due to transactions associated with revolving intercompany credits.



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

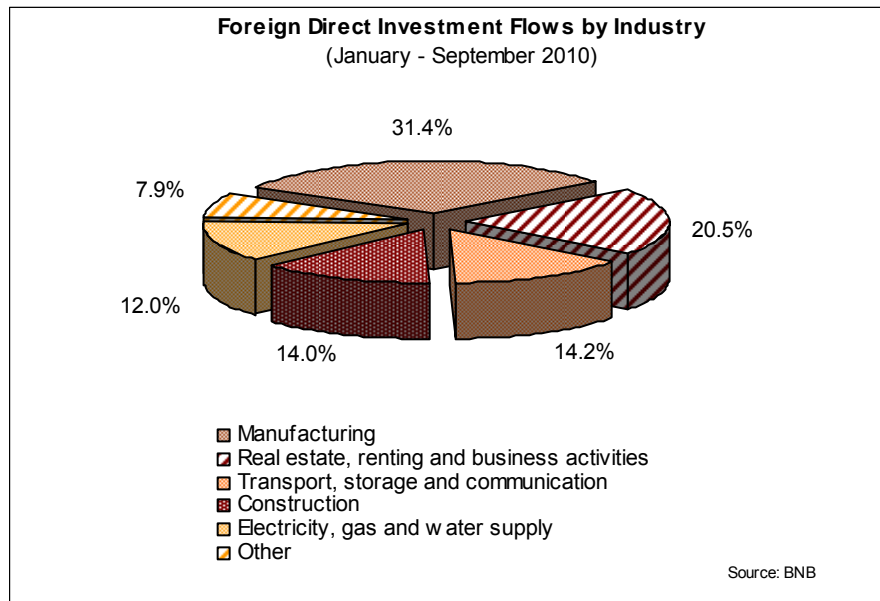
When comparing the data you it should be taken into account that the initial data on the January – September 2009 FDI, published in a BNB press release as of November 13, 2009 ([www.bnb.bg](http://www.bnb.bg), section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised.

With the January – October 2010 report revisions of the April – September 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 35,042.5 million (NSI data as of 08.09.2010) and GDP for 2010 (estimated by the BNB) – EUR 36,136 million.

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

By branch, the largest investments for January – September 2010 were in *Manufacturing* (EUR 282.7 million) and *Real estate* (EUR 185.1 million). The largest net payments in the reporting period were in *Wholesale and retail trade and repair* (EUR 127.1 million).



According to preliminary data in January – September 2010 **Direct investment abroad** increased by EUR 76.8 million compared to an increase of EUR 90.6 million in January – September 2009.