

DIRECT INVESTMENT (January – December 2010)¹

According to preliminary data, the *Foreign direct investment in Bulgaria* for January – December 2010 was EUR 1359.5 million (3.8% of GDP), compared to EUR 3,281.9 million (9.4% of GDP) attracted in January – December 2009.

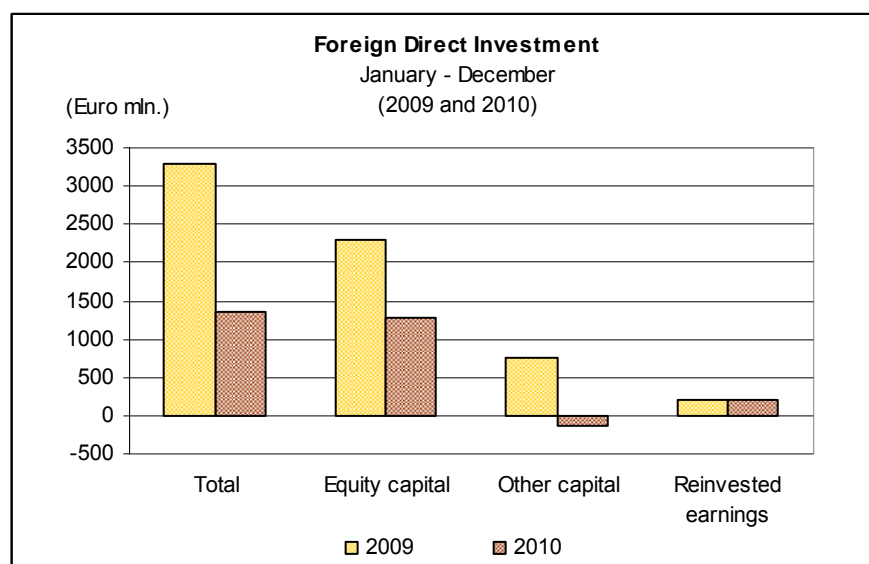
(EUR million)

	2009						2010						2010 - 2009
	I - III	IV - VI	VII - IX	X - XII	XII	I - XII	I - III	IV - VI	VII - IX	X - XII	XII	I - XII	I - XII
Direct investment, net	893.2	658.4	591.4	1228.6	474.5	3371.5	16.5	404.7	341.2	447.2	255.7	1209.6	-2161.9
Direct investment abroad *	-24.7	-22.5	-43.4	180.1	-25.3	89.6	-19.9	-62.1	-43.3	-24.4	-11.6	-149.8	-239.4
Equity capital	-17.2	-16.9	-36.4	196.7	-21.1	126.2	-20.3	-19.3	-12.8	-32.5	-23.3	-84.8	-211.1
Other capital	-9.0	-6.9	-9.1	-18.2	-4.7	-43.3	-2.4	-34.8	-26.2	8.1	11.7	-55.3	-12.0
Reinvested earnings	1.5	1.4	2.1	1.7	0.6	6.6	2.7	-8.1	-4.3	0.0	0.0	-9.7	-16.3
Foreign Direct Investment	917.9	680.8	634.7	1048.5	499.7	3281.9	36.4	466.9	384.5	471.7	267.3	1359.5	-1922.5
Equity capital, incl.	508.4	664.2	511.2	617.2	335.6	2301.0	180.7	273.4	513.8	312.3	163.4	1280.2	-1020.8
<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	0.0	0.0
<i>non-privatisation flows</i>	508.4	664.2	511.2	617.2	335.6	2301.0	180.7	273.4	513.8	312.3	163.4	1280.2	-1020.8
Other capital	340.2	-39.3	84.8	379.2	146.8	764.8	-201.9	128.3	-166.9	114.6	87.8	-125.9	-890.7
Reinvested earnings	69.3	56.0	38.7	52.0	17.3	216.1	57.6	65.2	37.6	44.7	16.1	205.1	-11.0

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.

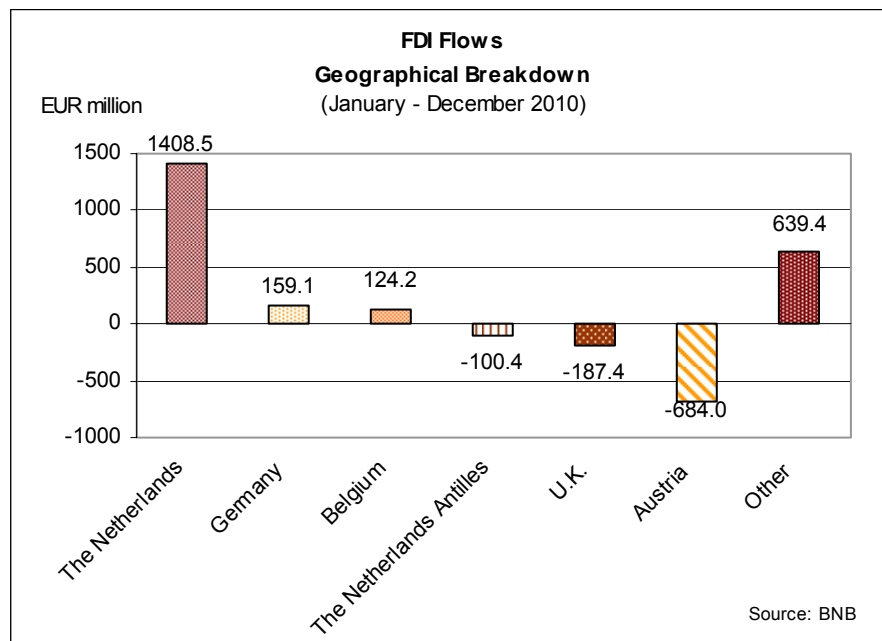
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – December 2010 amounted to EUR 1,280.2 million. It decreased by EUR 1,020.8 million compared to that attracted in the same period of 2009 (EUR 2,301 million). *The receipts from real estate investments of non-residents* amounted to EUR 238.9 million, against EUR 551.1 million for the period January – December 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 – December 2010, compared to a positive *other capital, net* of EUR 764.8 million in January – December 2009. In accordance with the preliminary data¹ 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 amount of the 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*² (the share of non-residents in the undistributed earnings/ loss of the enterprise) in January – December 2010 were estimated at EUR 205.1 million, against EUR 216.1 million in the same period of 2009.

By country, the largest net direct investments in Bulgaria for the period January – December 2010 were those of the Netherlands (EUR 1,408.5 million), Germany (EUR 159.1 million) and Belgium (EUR 124.2 million). The net payments to Austria, the Netherlands Antilles and the UK amounted to EUR 684 million, EUR 100.4 million and EUR 187.4 million. 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 November 2010 are revised.

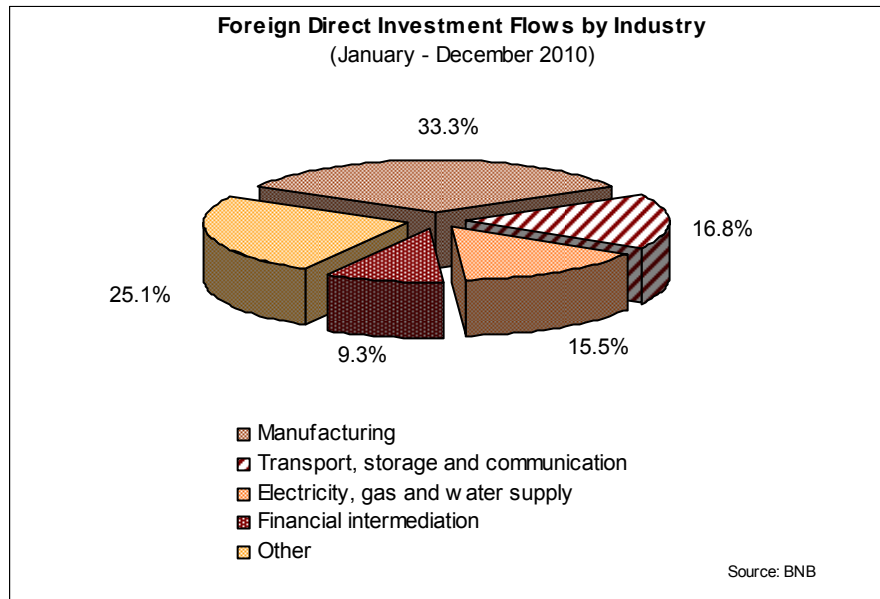
When comparing the data you it should be taken into account that the initial data on the January – December 2009 FDI, published in a BNB press release as of February 15, 2010 (www.bnb.bg, section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised.

With the January – December 2010 report revisions of the December 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 35,737 million.

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

By branch, the largest investments for January – December 2010 were in *Manufacturing* (EUR 452.8 million), *Transport, storage and communication* (EUR 228.1 million) and *Electricity, gas and water supply* (EUR 211.2 million). The largest net payments in the reporting period were in *Wholesale and retail trade and repair* (EUR 166.8 million).



According to preliminary data in January – December 2010 *Direct investment abroad* increased by EUR 149.8 million compared to a decrease of EUR 89.6 million in January – December 2009.