

## DIRECT INVESTMENT (January – May 2011)<sup>1</sup>

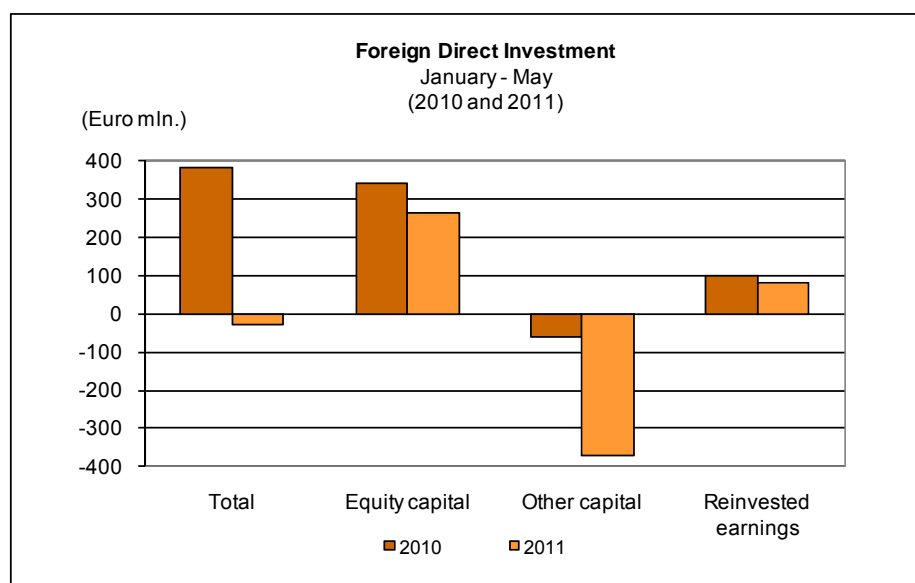
Due to net payments on intercompany credits in accordance with the loan repayment schedules of enterprises, according to preliminary data, the *Foreign direct investment in Bulgaria* for January – May 2011 decreased by EUR 26.9 million (0.1% of GDP), compared to an increase of EUR 384 million (1.1% of GDP) attracted in January – May 2010.

	2010				2011				2011 - 2010
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<b>Direct investment, net</b>	<b>23.8</b>	<b>316.3</b>	<b>-17.4</b>	<b>322.7</b>	<b>-79.9</b>	<b>-4.8</b>	<b>28.7</b>	<b>-56.0</b>	<b>-378.7</b>
<b>Direct investment abroad *</b>	<b>-28.9</b>	<b>-9.8</b>	<b>-22.5</b>	<b>-61.3</b>	<b>-20.2</b>	<b>-4.3</b>	<b>-4.6</b>	<b>-29.1</b>	<b>32.2</b>
Equity capital	-22.7	-1.4	-6.9	-31.0	-17.5	-4.4	-4.8	-26.7	4.3
Other capital	-4.1	-6.2	-13.4	-23.7	-2.7	0.1	0.2	-2.4	21.3
Reinvested earnings	-2.1	-2.2	-2.2	-6.6	0.0	0.0	0.0	0.0	6.6
<b>Foreign Direct Investment</b>	<b>52.7</b>	<b>326.2</b>	<b>5.1</b>	<b>384.0</b>	<b>-59.7</b>	<b>-0.5</b>	<b>33.3</b>	<b>-26.9</b>	<b>-410.9</b>
Equity capital, incl.	176.0	114.9	50.2	341.2	196.5	38.6	30.1	265.2	-76.0
<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>	176.0	114.9	50.2	341.2	196.5	38.6	30.1	265.2	-76.0
Other capital	-180.9	189.5	-66.8	-58.3	-304.3	-55.2	-13.4	-373.0	-314.7
Reinvested earnings	57.6	21.7	21.7	101.1	48.1	16.0	16.7	80.8	-20.3

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

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

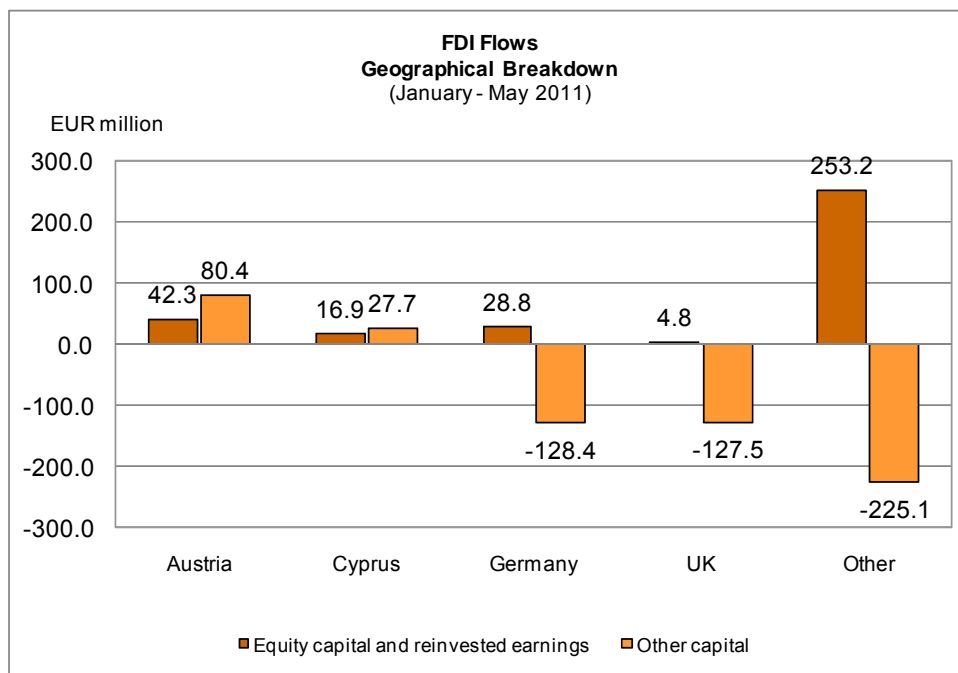
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – May 2011 amounted to EUR 265.2 million. It decreased by EUR 76 million compared to that attracted in the same period of 2010 (EUR 341.2 million). *The receipts from real estate investments of non-residents* amounted to EUR 72.9 million against EUR 73.2 million in January – May 2010.



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 373 million in January – May 2011, compared to a negative *other capital, net* of EUR 58.3 million in January – May 2010.

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 – May 2011 were estimated at EUR 80.8 million, against EUR 101.1 million in the same period of 2010.

By country, the largest net direct investments in Bulgaria for the period January – May 2011 were those of Austria (EUR 122. million) and Cyprus (EUR 44.6 million). The net payments to Germany and the UK amounted to EUR 99.6 million and EUR 122.7 million. The negative flows were due to net payments on intercompany credits in accordance with the loan repayment schedules of enterprises.



According to preliminary data in January – May 2011 Direct investment abroad increased by EUR 29.1 million compared to an increase of EUR 61.3 million in January – May 2010.

<sup>1</sup> Preliminary data for 2010 and 2011. The data for April 2011 are revised.

When comparing the data yoy it should be taken into account that the initial data on the January – May 2010 FDI, published in a BNB press release as of July 15, 2010 ([www.bnb.bg](http://www.bnb.bg), section Press Releases/Statistical Press Releases/Balance of Payments), was subsequently revised. In accordance with the preliminary data the flow difference for the reporting period and for the same period in the previous year was mainly due to the payments on received intercompany credits in accordance with the loan repayment schedules of enterprises.

With the January – June 2011 report revisions of May 2011 data will be presented.

The 2010 and 2011 data are subject to revisions with the quarterly reports to the BNB from foreign direct investment enterprises and with the annual NSI data.

GDP for 2011 - EUR 38,892 million (BNB estimate) and GDP for 2010 -- NSI data (as of 11.03.2011) at EUR 36,032.9 million.

<sup>2</sup> The 2010 and 2011 data include only estimates of banks' data on reinvested earnings.