

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

Mainly 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 – June 2011 increased only by EUR 7.9 million, compared to an increase of EUR 532.7 million (1.5% of GDP) attracted in January – June 2010.

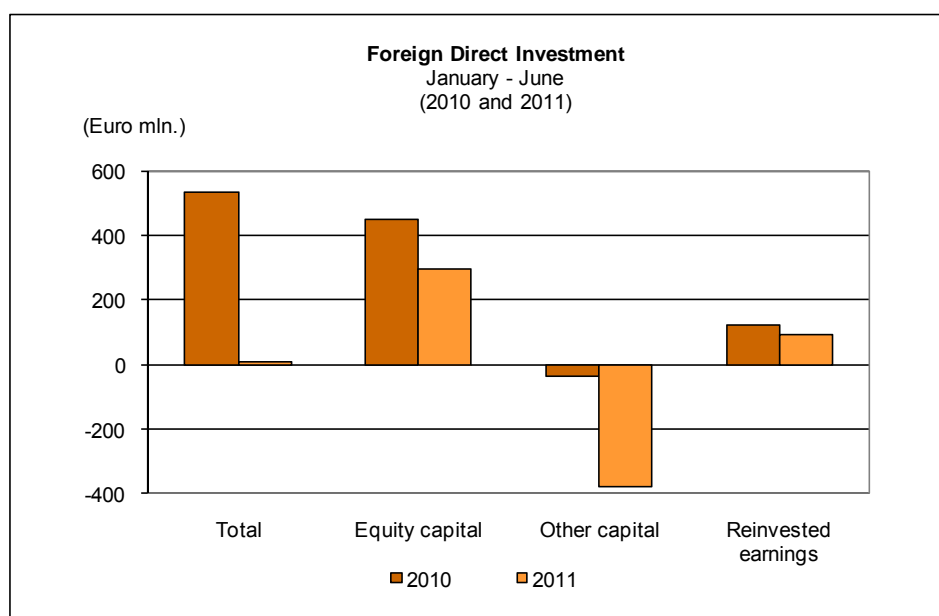
(EUR million)

	2010				2011				2011 - 2010
	I-III	IV-VI	VI	I - VI	I-III	IV-VI	VI	I - VI	I - VI
<b>Direct investment, net</b>	<b>23.8</b>	<b>419.6</b>	<b>120.7</b>	<b>443.4</b>	<b>-79.9</b>	<b>56.2</b>	<b>19.7</b>	<b>-23.7</b>	<b>-467.1</b>
<b>Direct investment abroad *</b>	<b>-28.9</b>	<b>-60.4</b>	<b>-28.1</b>	<b>-89.3</b>	<b>-20.2</b>	<b>-11.3</b>	<b>-4.1</b>	<b>-31.6</b>	<b>57.8</b>
Equity capital	-22.7	-19.3	-11.0	-41.9	-17.5	-12.3	-3.2	-29.8	12.1
Other capital	-4.1	-34.5	-14.9	-38.6	-2.7	1.0	-0.9	-1.7	36.9
Reinvested earnings	-2.1	-6.7	-2.2	-8.8	0.0	0.0	0.0	0.0	8.8
<b>Foreign Direct Investment</b>	<b>52.7</b>	<b>480.0</b>	<b>148.7</b>	<b>532.7</b>	<b>-59.7</b>	<b>67.6</b>	<b>23.8</b>	<b>7.9</b>	<b>-524.8</b>
Equity capital, incl.	176.0	272.5	107.3	448.5	196.5	99.6	78.8	296.1	-152.3
<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>	176.0	272.5	107.3	448.5	196.5	99.6	78.8	296.1	-152.3
Other capital	-180.9	142.3	19.7	-38.6	-304.3	-75.9	-68.9	-380.3	-341.7
Reinvested earnings	57.6	65.2	21.7	122.8	48.1	43.9	13.9	92.0	-30.8

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

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

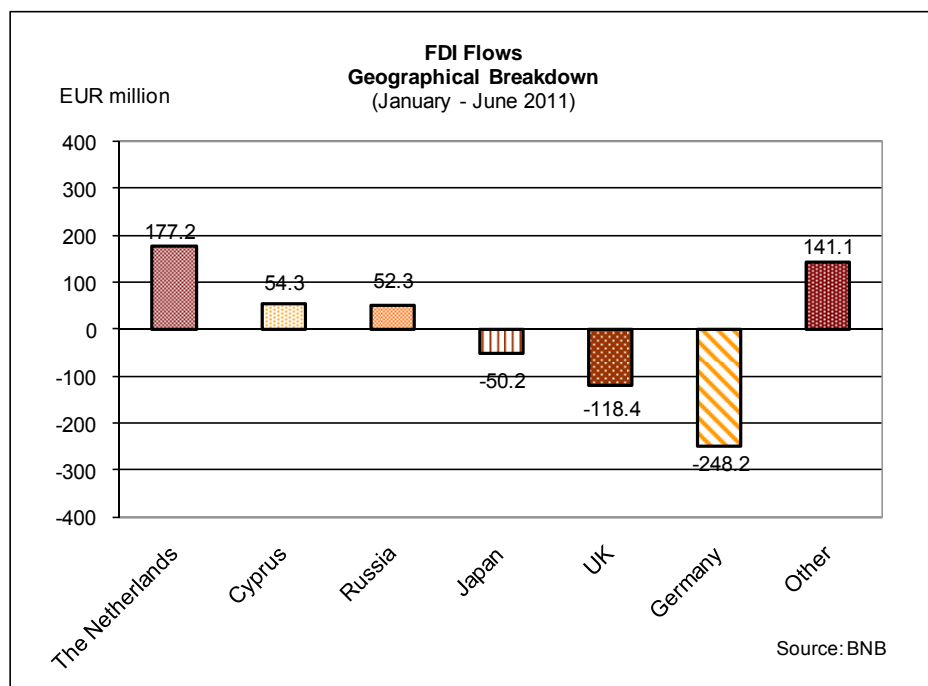
The attracted *Equity Capital (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country)* for January – June 2011 amounted to EUR 296.1 million. It decreased by EUR 152.3 million compared to that attracted in the same period of 2010 (EUR 448.5 million). *The receipts from real estate investments of non-residents* amounted to EUR 97.7 million against EUR 98.7 million in January – June 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 380.3 million in January – June 2011, compared to a negative *other capital, net* of EUR 38.6 million in January – June 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 – June 2011 were estimated at EUR 92 million, against EUR 122.8 million in the same period of 2010.

By country, the largest net direct investments in Bulgaria for the period January – June 2011 were those of the Netherlands (EUR 177.2 million), Cyprus (EUR 54.3 million) and Russia (EUR 52.3 million). The net payments to Germany and the UK amounted to EUR 248.2 million and EUR 118.4 million. The negative flows were due to net payments on intercompany credits in accordance with the loan repayment schedules of enterprises.



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

When comparing the data you it should be taken into account that the initial data on the January – June 2010 FDI, published in a BNB press release as of August 16, 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.

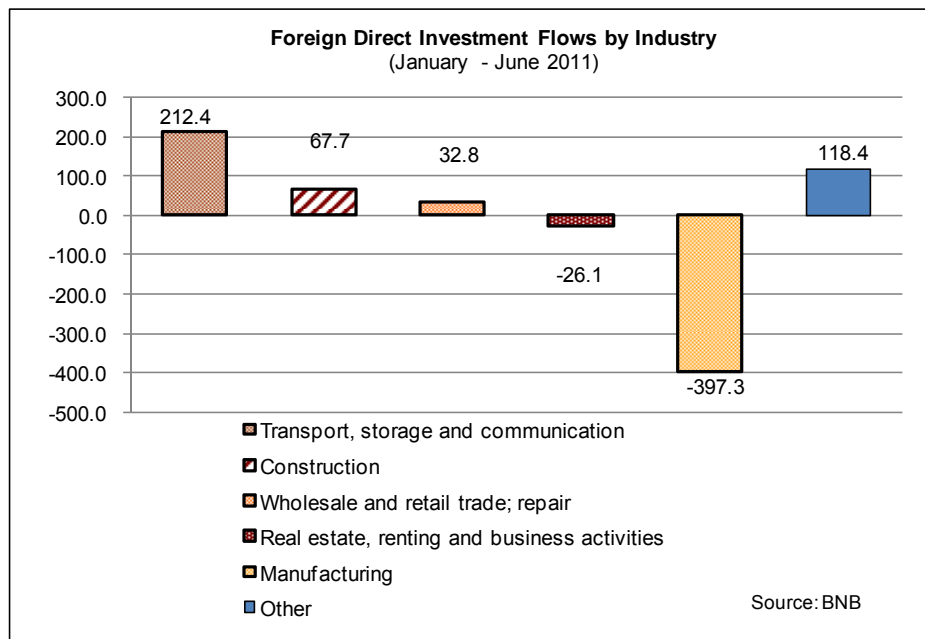
With the January – July 2011 report revisions of January 2008 -- June 2011 data will be presented.

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.

By branch<sup>3</sup>, the largest investments for January – June 2011 were in *Transport, storage and communication* (EUR 212.4 million). The largest net payments in the reporting period were in *Manufacturing* (EUR 397.3 million).



According to preliminary data in January – June 2011 Direct investment abroad increased by EUR 31.6 million compared to an increase of EUR 89.3 million in January – June 2010.

<sup>3</sup> The data are presented on a quarterly basis.