

## DIRECT INVESTMENT (January – October 2016)<sup>1</sup>

According to preliminary data, *foreign direct investment in Bulgaria* presented according to the *directional principle* amounted to EUR 942 million (2.1% of GDP<sup>2</sup>) in January – October 2016, dropping by EUR 806.2 million (46.1%) from January – October 2015 (EUR 1,748.3 million, 3.9% of GDP)<sup>3</sup>. In October 2016 *foreign direct investment in Bulgaria* dropped by EUR 25.2 million, compared with an increase of EUR 137.8 million in October 2015.

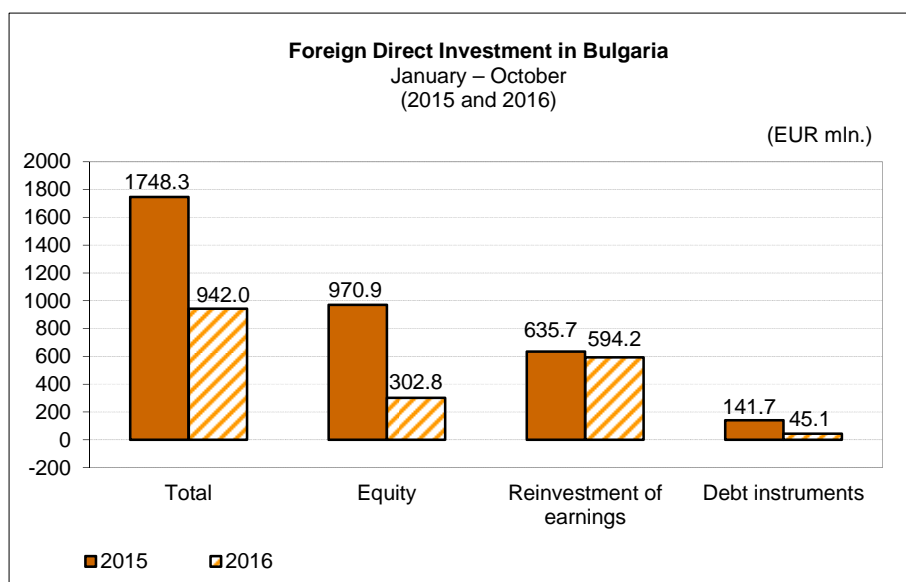
	2015					2016					(EUR million)
	Q1	Q2	Q3	October	Jan - Oct	Q1	Q2	Q3	October	Jan - Oct	2016/2015
<b>Direct investment, net</b>	<b>-557.3</b>	<b>-396.8</b>	<b>-611.7</b>	<b>-124.7</b>	<b>-1690.4</b>	<b>-258.2</b>	<b>-462.4</b>	<b>-146.1</b>	<b>17.1</b>	<b>-849.6</b>	<b>840.8</b>
<b>Direct investment abroad *</b>	<b>20.9</b>	<b>-22.0</b>	<b>45.8</b>	<b>13.1</b>	<b>57.8</b>	<b>9.8</b>	<b>47.2</b>	<b>43.6</b>	<b>-8.1</b>	<b>92.5</b>	<b>34.6</b>
Equity	31.4	23.2	15.9	9.5	80.0	16.2	64.7	28.0	0.8	109.6	29.6
Reinvestment of earnings	-9.6	-5.6	-6.1	-5.2	-26.5	-35.6	-9.2	0.2	0.0	-44.7	-18.2
Debt instruments	-0.8	-39.7	36.0	8.8	4.3	29.2	-8.2	15.5	-8.9	27.5	23.2
<b>Foreign Direct Investment</b>	<b>578.3</b>	<b>374.7</b>	<b>657.5</b>	<b>137.8</b>	<b>1748.3</b>	<b>268.0</b>	<b>509.6</b>	<b>189.7</b>	<b>-25.2</b>	<b>942.0</b>	<b>-806.2</b>
Equity	90.1	-33.4	883.8	30.4	970.9	144.5	23.8	130.0	4.5	302.8	-668.2
Reinvestment of earnings	213.6	234.0	163.2	24.8	635.7	139.0	237.4	217.8	0.0	594.2	-41.5
Debt instruments	274.6	174.1	-389.6	82.6	141.7	-15.6	248.4	-158.0	-29.7	45.1	-96.6

Data presented following the directional principle and compiled in accordance with the methodological requirements of the Sixth Edition of the *Balance of Payments and International Investment Position Manual (IMF, 2008)*.

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

A positive sign denotes an increase in assets and liabilities; a negative sign denotes a decrease in assets and liabilities.

*Equity* (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) amounted to EUR 302.8 million in January – October 2016. It fell by EUR 668.2 million in comparison with that attracted in January – October 2015 (EUR 970.9 million).



<sup>1</sup> Preliminary data. The data for October 2016 are to be revised with the November 2016 report. The 2015 and 2016 data are subject to revisions with the annual NSI data and reports from foreign direct investment enterprises.

<sup>2</sup> GDP amounting to EUR 45,474 million for 2016 (BNB forecast), and EUR 45,285.8 million for 2015 (NSI data as of 11 October 2016).

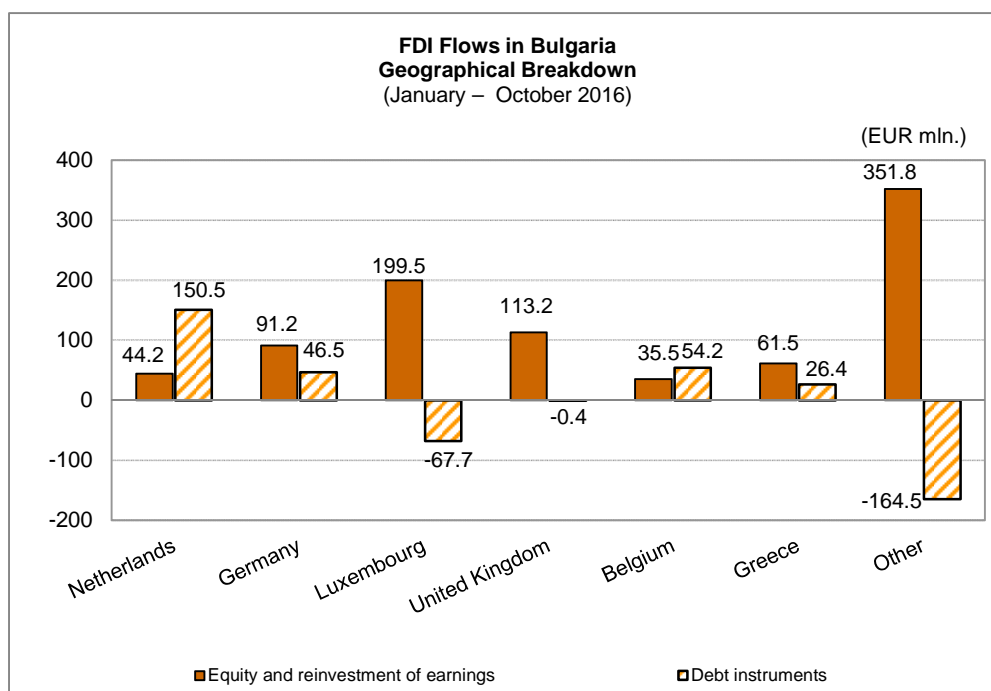
<sup>3</sup> When comparing the data year-on-year it should be taken into account that the initial FDI data for January – October 2015, published in the BNB press release on 17 December 2015, have been subsequently revised ([www.bnb.bg](http://www.bnb.bg), section Press Office/Statistical Press Releases/Balance of Payments).

*Real estate investments of non-residents* totalled EUR 53.3 million, compared with EUR 52.7 million attracted in January – October 2015. The largest inflow of real estate investment was from Switzerland – EUR 22.7 million (42.6% of the total amount for January – October 2016), Russia (EUR 6.4 million, 12% of the total amount for the period), and Norway (EUR 6.1 million, 11.5% of the total amount for the period).

*Reinvestment of earnings* (the share of non-residents in the undistributed earnings/ loss of the enterprise based on preliminary profit and loss data) was estimated at EUR 594.2 million for January – October 2016, compared with EUR 635.7 million in the same period of 2015.

The net *debt instruments* (the change in the net liabilities between affiliated enterprises on financial loans, suppliers' credits and debt securities) were positive amounting EUR 45.1 million in January – October 2016, compared with a positive balance of EUR 141.7 million in January – October 2015<sup>4</sup>.

The largest net direct investment inflow in Bulgaria for January – October 2016 was from the Netherlands (EUR 194.7 million, 20.7% of the total amount for the period), Germany (EUR 137.7 million, 14.6%), and Luxembourg (EUR 131.8 million, 14%).



According to preliminary data, *direct investment abroad* totalled EUR 92.5 million in January – October 2016, compared with an increase of EUR 57.8 million in January – October 2015. In October 2016 it dropped by EUR 8.1 million, compared with an increase of EUR 13.1 million in October 2015.

<sup>4</sup> The data on *debt instruments* are based on preliminary information from foreign direct investment enterprises on credits extended/received to/from nonresidents. The data for 2015 and 2016 are subject to revisions with their quarterly and annual reports.