

DIRECT INVESTMENT (January – December 2014)¹

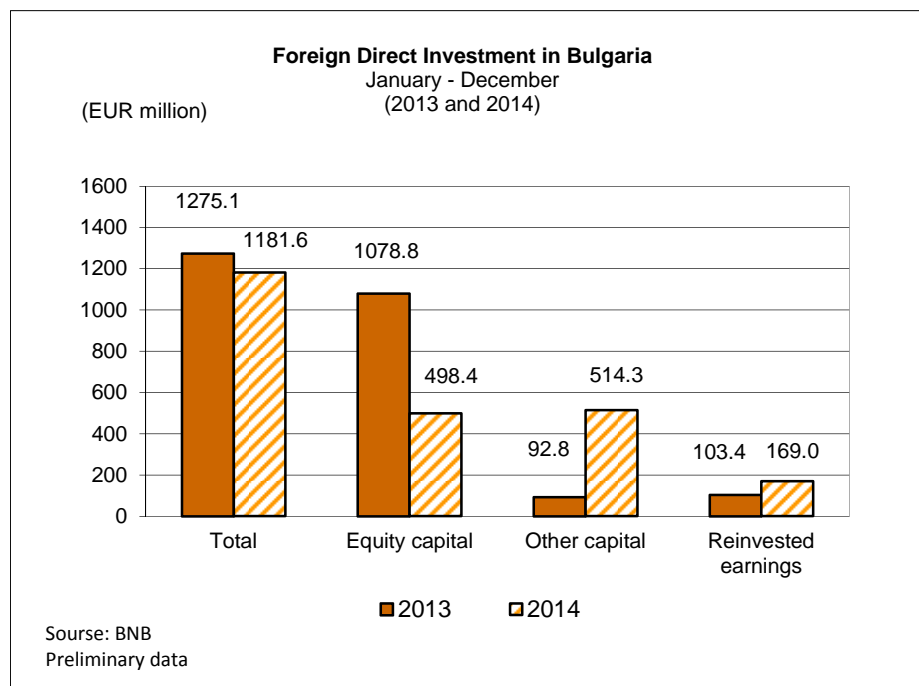
Foreign direct investment in Bulgaria recorded a net inflow of EUR 1,181.6 (2.8% of GDP) in January – December 2014 according to preliminary data, dropping by EUR 93.5 million (7.3%) from January – December 2013 (an inflow of EUR 1,275.1 million, 3.1% of GDP)². In December 2014 they grew by EUR 119.6 million, compared with an outflow of EUR 270 million in December 2013.

	2013						2014						2014/2013
	Q1	Q2	Q3	Nov.	Dec.	Jan-Dec	Q1	Q2	Q3	Nov.	Dec.	Jan-Dec	Jan-Dec
Direct investment, net	389.4	395.2	418.8	221.6	-302.5	1094.3	464.6	-14.3	-0.9	243.6	87.7	996.3	-98.0
Direct investment abroad *	-16.1	-46.3	-52.9	-13.1	-32.5	-180.8	-44.3	-66.6	-27.5	-10.9	-31.9	-185.3	-4.5
Equity capital	-14.6	-30.6	-33.7	-4.0	-19.1	-109.8	-15.5	-60.5	-24.5	-2.1	-23.9	-129.4	-19.6
Other capital	-10.4	-10.6	-17.1	-9.1	-13.4	-72.8	-28.8	-6.0	-3.0	-8.7	-8.0	-55.9	16.9
Reinvested earnings	8.9	-5.1	-2.1	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	-1.7
Foreign Direct Investment	405.5	441.5	471.7	234.7	-270.0	1275.1	508.9	52.2	26.6	254.4	119.6	1181.6	-93.5
Equity capital, incl.	251.4	320.3	194.1	35.1	217.7	1078.8	100.3	-0.7	287.2	50.9	43.7	498.4	-580.5
<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>	251.4	320.3	194.1	35.1	217.7	1078.8	100.3	-0.7	287.2	50.9	43.7	498.4	-580.5
Other capital	127.7	107.8	244.1	189.5	-497.8	92.8	366.3	14.1	-306.4	190.1	62.5	514.3	421.4
Reinvested earnings	26.4	13.4	33.5	10.1	10.1	103.4	42.2	38.8	45.8	13.4	13.4	169.0	65.5

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

With assets, a minus sign denotes an increase in holdings, and a positive figure represents a decrease.

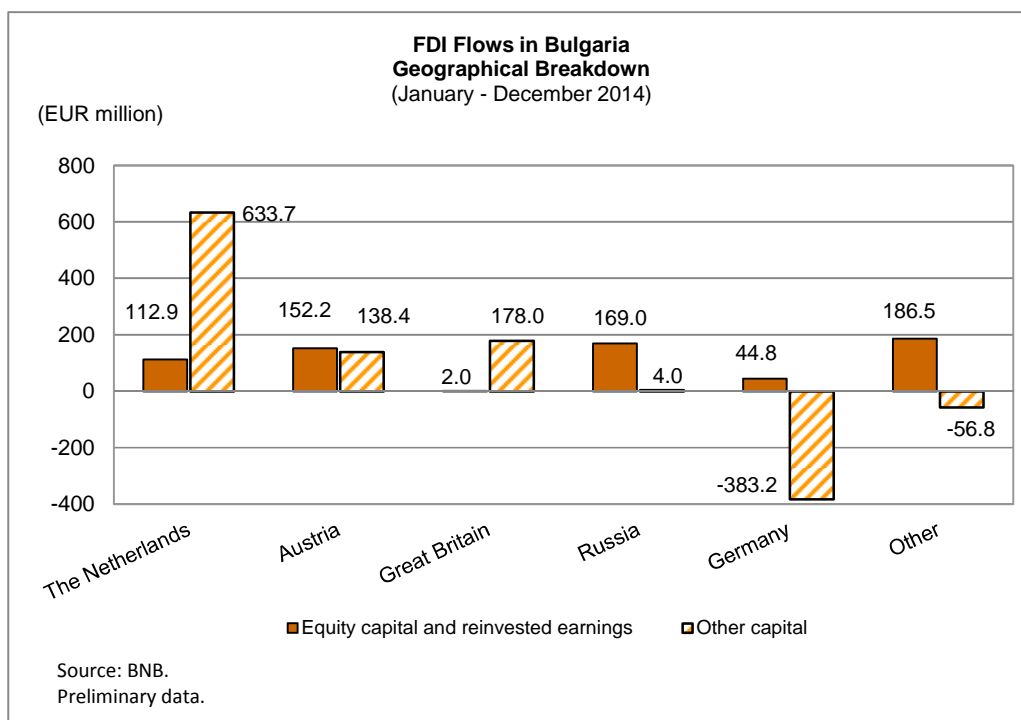
The *equity capital* (acquisition/disposal of shares and equities in cash and contributions in kind by non-residents in/from the capital and reserves of Bulgarian enterprises and receipts/payments from/for real estate deals in the country) amounted to EUR 498.4 million. It decreased by EUR 580.5 million compared to that attracted in the same period of 2013 (EUR 1,078.8 million). *The receipts from real estate investments of non-residents* amounted to EUR 118.3 million, compared with EUR 151.8 million attracted in January – December 2013.



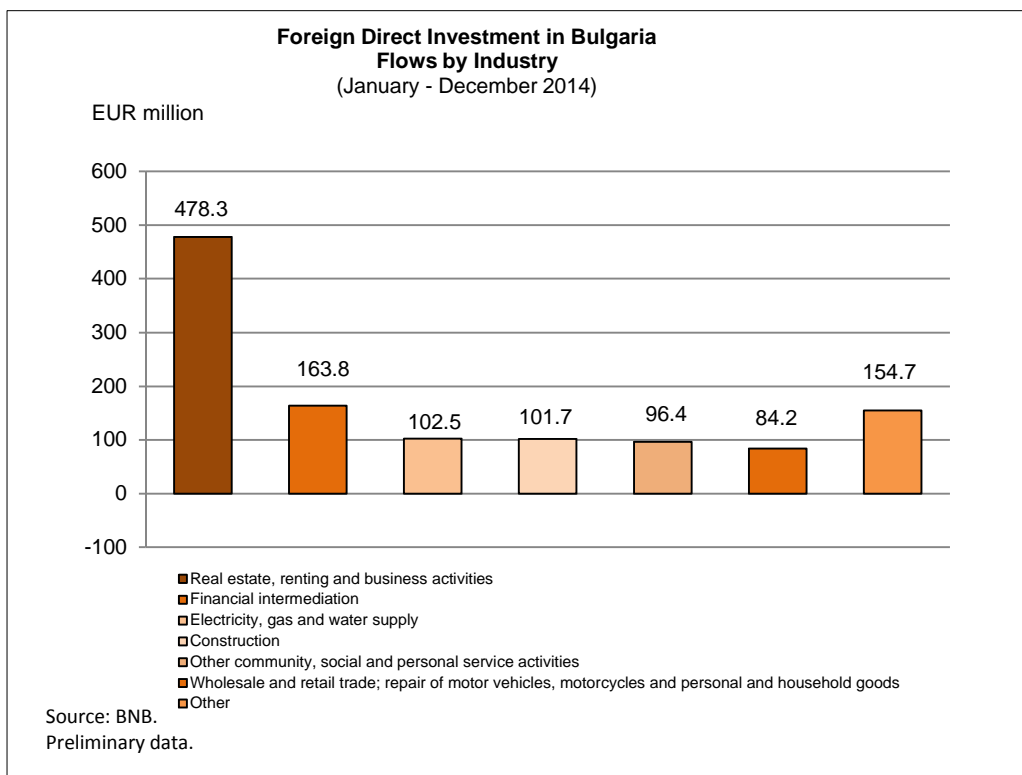
The net *other capital* (the change in the net liabilities of the direct investment enterprise to the direct investor on financial loans, suppliers' credits and debt securities) was positive, amounting to EUR 514.3 million in January – December 2014, compared with a positive one of EUR 92.8 million in January – December 2013.³

Based on preliminary data on profit/loss, the *reinvested earnings*⁴ (the share of non-residents in the undistributed earnings/ loss of the enterprise) were estimated at EUR 169 million for January – December 2014, compared with EUR 103.4 million in the same period of 2013.

By country, the largest net direct investment in Bulgaria in January – December 2014 were those from the Netherlands (EUR 746.6 million). The largest net outflows for the period were to Germany (EUR 338.4 million).



By branch, the largest investments for January – December 2014 were in *Real estate, renting and business activities* (EUR 478.3 million), *Financial intermediation* (EUR 163.8 million), and *Electricity, gas and water supply* (EUR 102.5 million).



According to preliminary data, *direct investment abroad* totalled EUR 185.3 million in January – December 2014, compared with an increase of EUR 180.8 million in January – December 2013. In December 2014 they grew by EUR 31.9 million, compared with an increase of EUR 32.5 million in December 2013.

¹ Preliminary data. When comparing the data year-on-year it should be taken into account that the initial data on FDI for January – December 2013 in the BNB press release of 14 February 2014, have been subsequently revised (www.bnb.bg, section Press Releases/Statistical Press Releases/Balance of Payments). The data for 2013 and 2014 are to be revised with the January 2015 report. The 2013 and 2014 data are subject to revisions with the annual NSI data and reports from foreign direct investment enterprises.

² GDP amounting to EUR 41,963 million for 2014 (BNB estimate), and EUR 41,047.3 million for 2013 (NSI data as of 01.10.2014) according to ESA 2010.

³ The data on *other capital* are based on preliminary information from foreign direct investment enterprises on credits extended/received to/from nonresidents. The 2013 and 2014 data are subject to revisions with their quarterly and annual reports.

⁴ The 2013 and 2014 data include estimates of reinvested earnings of *banks*. Data on reinvested earnings of *non-financial enterprises* for 2013 will be presented with the January 2015 report.