

## DIRECT INVESTMENT (January – July 2022)<sup>1</sup>

According to preliminary data, the net flows<sup>2</sup> of *foreign direct investment in Bulgaria* presented according to the *directional principle* recorded a positive value of EUR 924.9 million (1.2% of GDP<sup>3</sup>) in January – July 2022, dropping by EUR 134.1 million (12.7%) from January – July 2021 (positive value of EUR 1059 million, 1.6% of GDP)<sup>4</sup>. Foreign direct investment in Bulgaria recorded a net inflow of EUR 158.5 million in July 2022, compared with an inflow of EUR 202.5 million in July 2021.

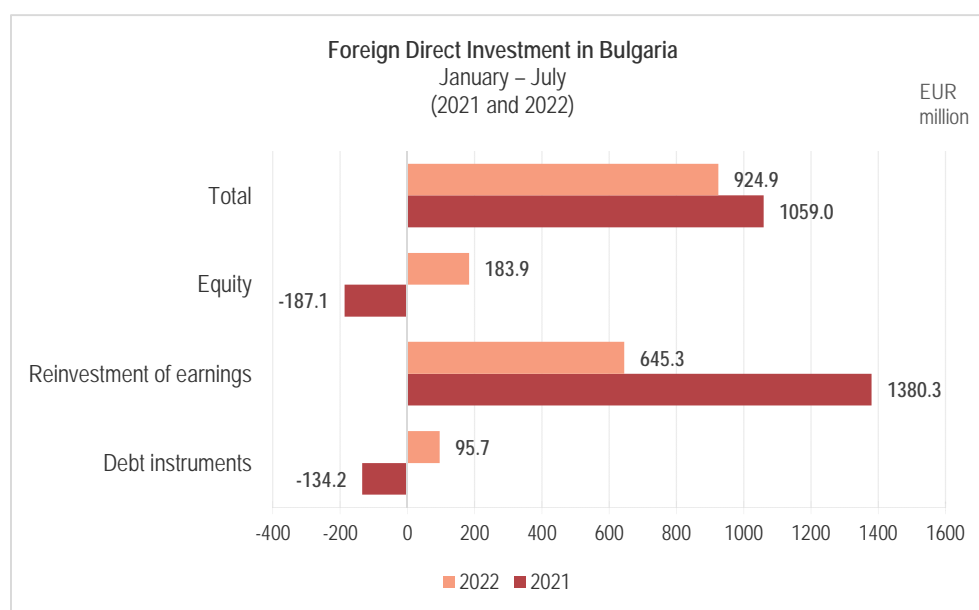
(EUR million)

	2021				2022				2022/2021
	Q1	Q2	Jul	Jan–Jul	Q1	Q2	July	Jan–Jul	Jan–Jul
<b>Direct investment, net</b>	<b>-365.2</b>	<b>-368.1</b>	<b>-221.1</b>	<b>-954.4</b>	<b>-1230.4</b>	<b>659.9</b>	<b>-134.8</b>	<b>-705.3</b>	<b>249.1</b>
<b>Direct investment abroad</b>	<b>82.0</b>	<b>41.1</b>	<b>-18.6</b>	<b>104.5</b>	<b>148.9</b>	<b>46.9</b>	<b>23.8</b>	<b>219.6</b>	<b>115.1</b>
Equity	21.1	31.9	3.7	56.7	24.9	45.8	7.3	78.0	21.4
Reinvestment of earnings	24.9	35.0	20.5	80.4	58.9	20.4	0.0	79.3	-1.1
Debt instruments	36.1	-25.8	-42.8	-32.5	65.1	-19.2	16.5	62.3	94.8
<b>Foreign Direct Investment</b>	<b>447.3</b>	<b>409.2</b>	<b>202.5</b>	<b>1059.0</b>	<b>1379.3</b>	<b>-612.9</b>	<b>158.5</b>	<b>924.9</b>	<b>-134.1</b>
Equity	-143.6	-17.3	-26.2	-187.1	146.4	28.5	9.0	183.9	371.1
Reinvestment of earnings	765.9	436.4	178.0	1380.3	997.8	-467.3	114.8	645.3	-735.0
Debt instruments	-175.1	-9.9	50.8	-134.2	235.1	-174.2	34.7	95.7	229.8

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, Public Enterprises and Control 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) recorded a positive value of EUR 183.9 million in January – July 2022, growing by EUR 371.1 million from a negative value of EUR 187.1

<sup>1</sup> Preliminary data. In accordance with the practice of the BNB and the data revision requirements of the ECB (included in the *ECB Timetable for Exchange of Balance of Payments, International Investment Position and Reserve Assets Statistics within the ESCB*), the data for the period January 2020 – June 2022 have been revised. The data for July 2022 are to be revised with the August 2022 report. The 2021 and 2022 data are subject to revisions with the annual NSI data and reports from foreign direct investment enterprises.

<sup>2</sup> The BNB publishes monthly data on FDI net flows (transactions) for the reporting month which include all transactions made during the reporting month.

<sup>3</sup> GDP amounting to EUR 79,020 million for 2022 (BNB forecast), and EUR 67,871.1 million for 2021 (NSI data as of 08.03.2022).

<sup>4</sup> When comparing the data year-on-year, please note that the initial FDI data for January – July 2021, published in the BNB press release on 17.09.2021, have been subsequently revised ([www.bnb.bg](http://www.bnb.bg), section Press Office/Statistical Press Releases/Balance of Payments).

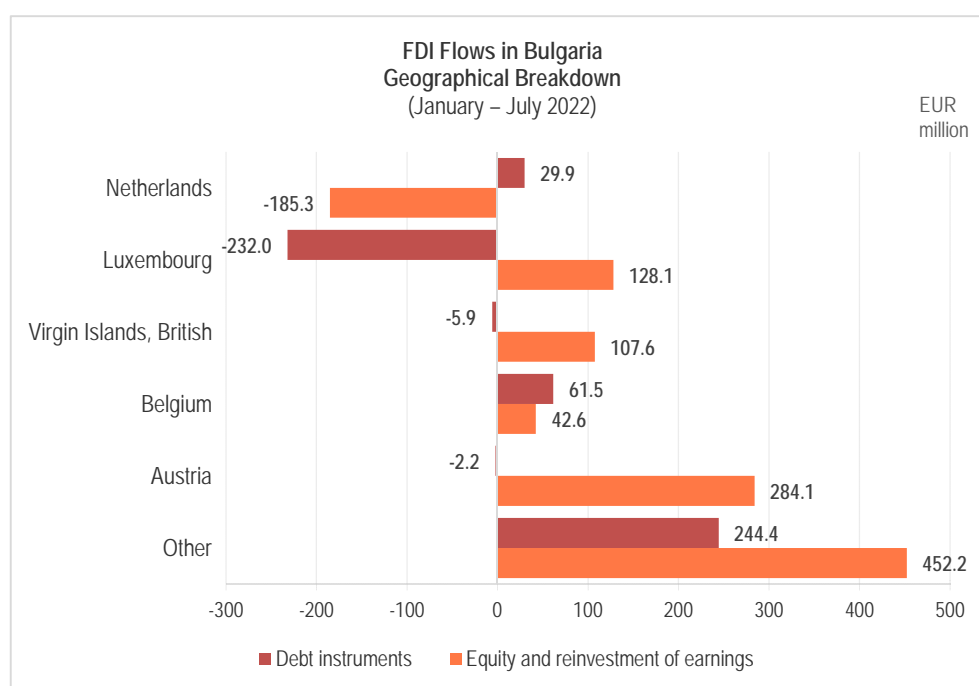
million in January – July 2021.

*Real estate investments of non-residents* recorded an outflow of EUR 16.1 million (including an outflow of EUR 12.3 million from Russia), compared with a negative value of EUR 3.7 million in January – July 2021.

*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 a positive value of EUR 645.3 million, compared with a positive value of EUR 1380.3 million in January – July 2021.

The net flow on *debt instruments* (the change in the net liabilities between affiliated enterprises on financial loans, suppliers' credits and debt securities) recorded a positive value of EUR 95.7 million in January – July 2022, compared with a negative value of EUR 134.2 million in January – July 2021<sup>5</sup>.

The largest net direct investment inflows in Bulgaria for January – July 2022 were from Austria (EUR 281.9 million), Belgium (EUR 104 million), and Virgin Islands, British (EUR 101.7 million), whereas the largest net outflows was to Netherlands (EUR 155.4 million) and Luxembourg (EUR 103.9 million).



According to preliminary data, *direct investment abroad* totalled EUR 219.6 million (0.3% of GDP), compared with EUR 104.5 million (0.2% of GDP) in January – July 2021. It recorded a positive value of EUR 23.8 million in July 2022, compared with a negative value of EUR 18.6 million in July 2021.

According to preliminary data, the stocks<sup>6</sup> of foreign direct investment in Bulgaria stood at EUR 51,298.3 million at end-March 2022, compared with EUR 50,901.2 million at end-2021. *Equity and reinvestment of earnings* totalled EUR 42,046.6 million, growing by EUR 817 million from EUR 41,229.6 million in December 2021. *Debt instruments* amounted to EUR 9,251.7 million, dropping by EUR 419.9 million from December 2021 (EUR 9,671.6 million).

<sup>5</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 2021 – 2022 are subject to revisions with their quarterly and annual reports.

<sup>6</sup> The BNB publishes quarterly data on FDI positions (stocks) as of the end of the reporting quarter, whereas positions refer to the stocks at the end of the reporting period. Changes in FDI stocks arise from net transactions, as well as from exchange rate changes, price changes, and other changes in volume. Stocks data as of end-July 2022 are to be published on 30.09.2022.