

## DIRECT INVESTMENT (January – December 2023)<sup>1</sup>

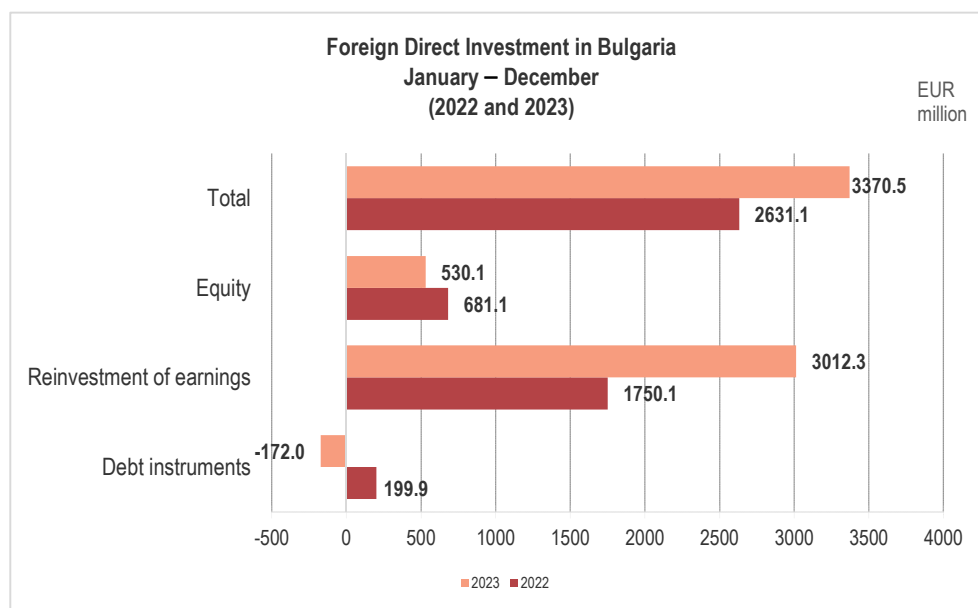
According to preliminary data, the net flows<sup>2</sup> of *foreign direct investment in Bulgaria* presented according to the *directional principle* recorded a positive value of EUR 3,370.5 million (3.6% of GDP<sup>3</sup>) in January – December 2023, growing by EUR 739.4 million (28.1%) from January – December 2022 (positive value of EUR 2,631.1 million, 3.1% of GDP)<sup>4</sup>. Foreign direct investment in Bulgaria recorded a net outflow of EUR 60.1 million in December 2023, compared with an inflow of EUR 68.4 million in December 2022.

	2022						2023						(EUR million)	
	Q1	Q2	Q3	Q4	December	Jan – Dec	Q1	Q2	Q3	Q4	December	Jan – Dec	2023/2022	Jan – Dec
<b>Direct investment, net</b>	-1250.7	103.3	-551.9	-398.8	-53.4	-2098.1	-1695.9	143.0	-1231.9	-117.0	67.2	-2901.8	-803.6	
<b>Direct investment abroad</b>	169.1	91.1	179.1	93.7	15.0	532.9	161.9	167.8	84.9	54.1	7.0	468.7	-64.2	
Equity	26.2	42.0	22.2	71.2	43.6	161.5	45.6	103.2	57.7	16.6	7.7	223.1	61.6	
Reinvestment of earnings	59.1	69.2	91.7	63.3	21.1	283.4	9.1	9.7	21.2	-1.5	-0.6	38.5	-244.8	
Debt instruments	83.8	-20.1	65.2	-40.8	-49.8	88.0	107.1	55.0	6.0	39.0	-0.1	207.1	119.0	
<b>Foreign Direct Investment</b>	1419.8	-12.2	731.0	492.5	68.4	2631.1	1857.7	24.8	1316.8	171.1	-60.1	3370.5	739.4	
Equity	247.1	49.2	22.8	361.9	221.7	681.1	316.1	99.0	42.6	72.5	-47.9	530.1	-151.0	
Reinvestment of earnings	979.3	61.7	258.8	450.3	80.3	1750.1	732.3	758.5	1131.7	389.9	108.3	3012.3	1262.3	
Debt instruments	193.3	-123.1	449.4	-319.7	-233.5	199.9	809.4	-832.6	142.5	-291.3	-120.6	-172.0	-371.9	

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 530.1 million in January – December 2023, dropping by EUR 151 million from a positive value of EUR 681.1 million in January – December 2022.

<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 October – November 2023 have been revised. The data for the period January 2022 – December 2023 are to be revised with the January 2024 report. The 2022 and 2023 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 94,093 million for 2023 (BNB forecast), and EUR 85,799.4 million for 2022 (NSI data as of 19.10.2023).

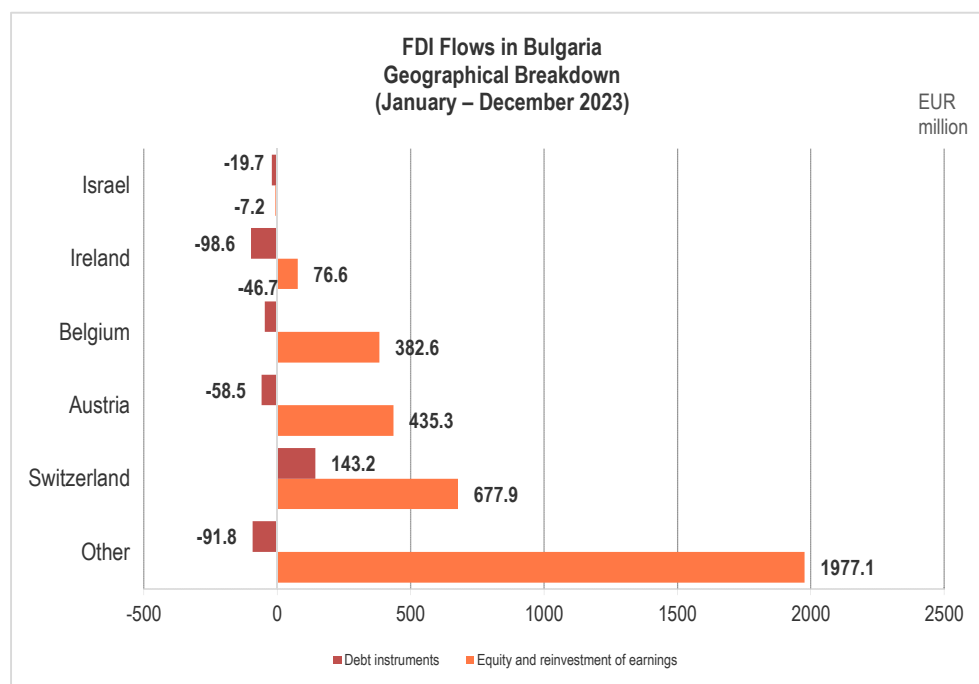
<sup>4</sup> When comparing the data year-on-year, please note that the initial FDI data for January – December 2022, published in the BNB press release on 16.02.2023, have been subsequently revised ([www.bnb.bg](http://www.bnb.bg), section About BNB/Press Office/Statistical Press Releases/Balance of Payments).

*Real estate investments of non-residents* recorded an outflow of EUR 13.9 million (including an outflow of EUR 18.1 million for Russia), compared with a negative value of EUR 23.1 million in January – December 2022.

*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 3,012.3 million, compared with a positive value of EUR 1,750.1 million in January – December 2022.

The net flow on *debt instruments* (the change in net liabilities between affiliated enterprises on financial loans, suppliers' credits and debt securities) recorded a negative value of EUR 172 million in January – December 2023, compared with a positive value of EUR 199.9 million in January – December 2022<sup>5</sup>.

The largest net direct investment inflows in Bulgaria for January – December 2023 were from the Switzerland (EUR 821.2 million), Austria (EUR 376.8 million) and Belgium (EUR 335.9 million), whereas the largest net outflows were to Israel (EUR 26.9 million) and Ireland (EUR 22 million).



According to preliminary data, *direct investment abroad* totalled EUR 468.7 million (0.5% of GDP), compared with EUR 532.9 million (0.6% of GDP) in January – December 2022. It recorded a positive value of EUR 7 million in December 2023, compared with a positive value of EUR 15 million in December 2022.

According to preliminary data, the stocks<sup>6</sup> of foreign direct investment in Bulgaria stood at EUR 54,515 million at end-September 2023, compared with EUR 53,309.4 million at end-September 2022. *Equity and reinvestment of earnings* totalled EUR 45,386.9 million, growing by EUR 1,526.6 million from EUR 43,860.3 million at end-September 2022. *Debt instruments* amounted to EUR 9,128.1 million, dropping by EUR 320.9 million from end-September 2022 (EUR 9,449 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 2022 – 2023 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-December 2023 are to be published on 29.03.2024.