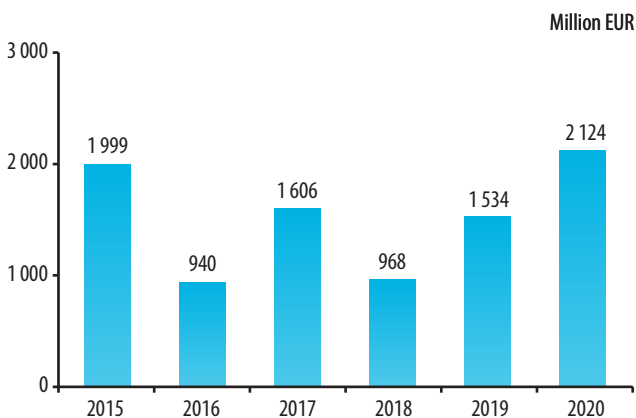


## FOREIGN DIRECT INVESTMENT

Foreign direct investment in Bulgaria reached EUR 2 124 million in 2020.

The composition of FDI by country in 2020 suggests that foreign direct investment attracted from Luxembourg (EUR 1 000 million), the Netherlands (EUR 394 million) and the Bahamas (EUR 349 million) accounted for the largest shares.

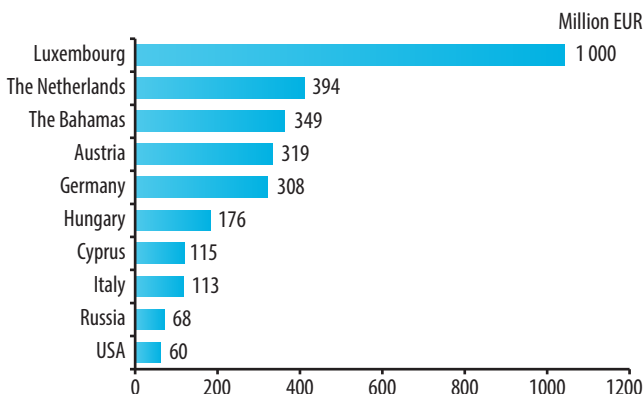
### Foreign direct investment flows in Bulgaria by years



Source: Bulgarian National Bank

### Foreign direct investment flows in Bulgaria by geographical region

Wholesale and retail trade and Real estate activities attracted about 70% of FDI flows in 2020.



Source: Bulgarian National Bank

## Foreign direct investment flows in Bulgaria by economic activity

Professional, scientific and technical activities and Financial and insurance activities attracted about 89% of FDI flows in 2020.

Million EUR

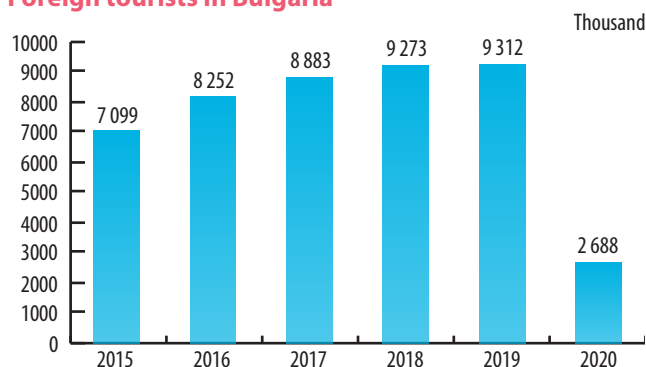
Year	2020
<b>All FDI activities</b>	<b>2 124</b>
Professional, scientific and technical activities	1 172
Financial and insurance activities	711,4
Electricity, gas, steam and air conditioning supply	136,8
Transportation and storage	136,6
Construction	64,7
Manufacturing	54,9
Real estate activities	16,6
Administrative and support service activities	15,8
Mining and quarrying	15,4
Not allocated	12,1
Agriculture, forestry and fishing	7,0
Water supply; sewerage, waste management and remediation activities	3,9
Other service activities	1,7
Education	0,7
Human health and social work activities	-0,5
Arts, entertainment and recreation	-7,1
Accommodation and food service activities	-12,8
Information and communication	-41,4
Wholesale and retail trade; repair of motor vehicles and motorcycles	-163,4

Source: Bulgarian National Bank

## TOURISM

Tourism plays an important role in Bulgaria because of its economic, social and employment potential. The number of international tourists is growing rapidly until 2019. Unfortunately, the Covid-19 pandemic put the sector to a severe test. In Bulgaria, tourism with small breaks continued to function throughout 2020 but with significantly reduced capacities.

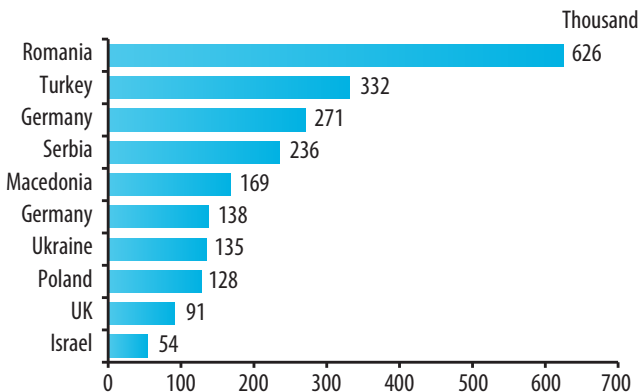
### Foreign tourists in Bulgaria



Source: Ministry of Tourism of the Republic of Bulgaria

In 2020, the number of tourists in our country is 2 688 million people. The number of tourist visits of foreigners in Bulgaria has decreased by 71% compared to 2019.

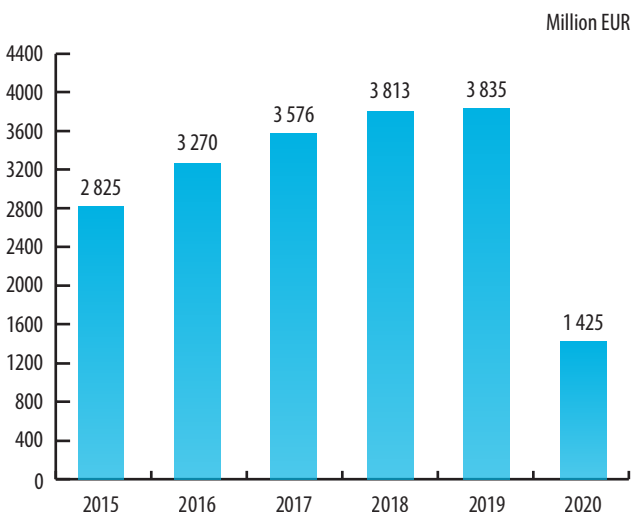
### TOP 10 countries ranked by number of tourists in Bulgaria for 2020



Source: Ministry of Tourism of the Republic of Bulgaria

The ranking by number of tourists for 2020 is headed by Romania with 626 thousand tourists, followed by Turkey with 332 thousand tourists, and Greece with 271 thousand tourists.

### Revenue from international tourism in Bulgaria



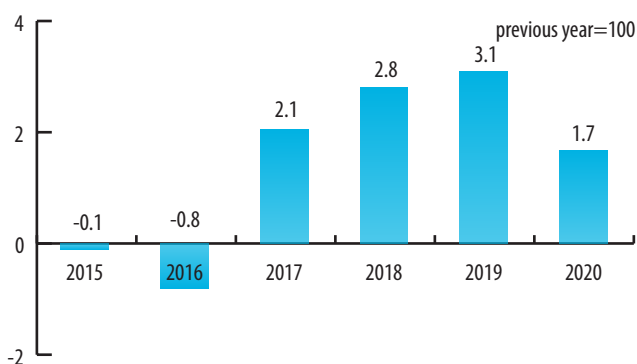
Source: Bulgarian National Bank

## CONSUMER PRICES

### Consumer price indices and annual inflation

In 2020 the average consumer price index was positive at +1.7%. Increased prices of all product groups had the contribution to the rise in the inflation with an exception of Transport, Clothing and Footwear, and Communication.

#### Consumer price index (annual average inflation rates – %)



Source: National Statistical Institute

#### Annual average consumer price index by main categories (annual average inflation rates – %)

Main categories	2015	2016	2017	2018	2019	2020
<b>Average consumer price index (CPI)</b>	<b>-0,1</b>	<b>-0,8</b>	<b>2,1</b>	<b>2,8</b>	<b>3,1</b>	<b>1,7</b>
Food and non-alcoholic beverages	0,3	-0,2	4,0	2,2	5,2	5,4
Alcoholic beverages and tobacco	0,8	2,0	1,5	3,4	2,2	1,6
Clothing and footwear	0,6	-0,5	-1,4	-1,4	-0,7	-1,7
Housing, water, electricity, gas and other fuels	3,4	0,0	3,2	4,6	3,9	1,0
Furnishings, household equipment and routine household maintenance	-0,4	-1,5	-0,3	1,6	0,9	0,9
Health	-1,6	-0,2	0,2	0,2	1,3	2,8
Transport	-9,1	-6,4	3,7	4,9	0,0	-7,3
Communication	-3,1	-3,7	-2,6	2,6	-0,7	-1,4
Recreation and culture	2,8	-0,5	-2,5	3,5	4,5	0,6
Education	2,7	2,7	4,5	3,0	2,8	3,8
Restaurants and hotels	1,1	1,4	2,5	4,5	5,3	4,7
Miscellaneous goods and service	-0,2	-1,2	0,3	2,0	2,1	1,7

Source: National Statistical Institute

# LABOUR MARKET

## Labour force

According to the latest statistics, in 2020 the labor force in Bulgaria consisted of 3.3 million people - 54% men and 46% women.

The majority of the workforce (89%) has completed some forms of higher or higher secondary education.

### Labour force

	2016	2017	2018	2019	2020
	Thousand				
<b>Total</b>	<b>3 264</b>	<b>3 357</b>	<b>3 326</b>	<b>3 376</b>	<b>3 290</b>
<b>By sex</b>					
Male	1 749	1 797	1 787	1 814	1 772
Female	1 515	1 560	1 539	1 562	1 518
<b>By level of education</b>					
Higher	1 014	1 020	1 021	996	1 053
Upper secondary	1 849	1 921	1 887	1 848	1 831
Lower secondary	339	349	346	357	337
Primary or lower	62	67	72	76	70

Source: National Statistical Institute

## Employment

In 2020 the employment rate fell by -1.6% after six years of positive growth. The main reason for the changes was the pandemic of Covid-19. The number of employees decreased by 111 thousand people numbered 3.1 million. The largest share of employees is in private enterprises - 67%, followed by employees in the public sector -22% and self-employed 7%.

### Employment

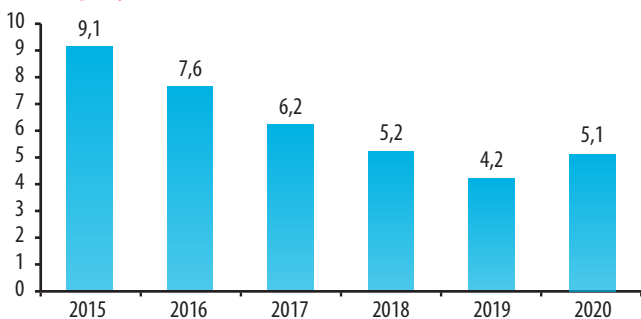
	2016	2017	2018	2019	2020
Employment rate (15-64 years), %	<b>63,4</b>	<b>66,9</b>	<b>67,7</b>	<b>70,1</b>	<b>68,5</b>
	Thousand				
<b>Total employment</b>	<b>3017</b>	<b>3150</b>	<b>3153</b>	<b>3233</b>	<b>3122</b>
Employees in private enterprises	1982	2102	2114	2199	2091
Employees in public enterprises	681	674	672	684	685
Self-employed	228	235	227	215	215
Employers	107	115	117	115	112
Unpaid family workers	19	25	24	20	19

Source: National Statistical Institute

## Unemployment

In 2019 the unemployment rate was at its lowest level in more than 30 years. Due to the extremely low levels of unemployment in our country and the inclusion of measures to preserve jobs, the impact of COVID 19 was less felt. Unemployment in 2020 remains at lower levels than the EU average - 5.1% for Bulgaria compared to 7.1% for the EU27.

### Unemployment

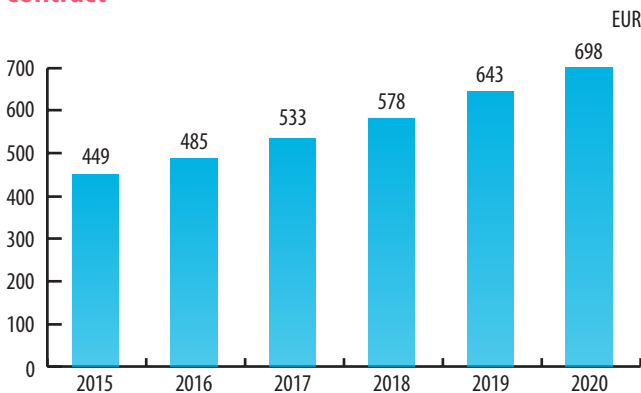


Source: National Statistical Institute

## Average monthly salary

In 2020 average hourly labour costs recorded in Bulgaria (EUR 6.5) were more than 4 times lower than the EU average (EUR 28.5). Despite the economic and health crisis, wages in Bulgaria continue to rise. In 2020 the average monthly wage per employee in Bulgaria amounted to EUR 698, an increase in nominal terms by 9%.

### Average monthly salary of employees by labor contract



Source: National Statistical Institute, Bulgarian Chamber of Commerce and Industry