



Bulgaria

Overview

EIB INVESTMENT SURVEY

2018

EIB Group survey on investment
and investment finance
Country overview

Bulgaria

EIB Group Survey on Investment and Investment Finance Country Overview: Bulgaria

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique, EU-wide, annual survey of some 12 300 firms. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all 28 member States of the EU, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI. For more information see: <http://www.eib.org/eibis>.

About this publication

This Country Overview is one of a series covering each of the 28 EU Member States, plus an EU-wide overview. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 40 economists, is headed by Debora Revoltella, Director of Economics.

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Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methodological and communications expertise, helps ensure that our research makes a difference for decision makers and communities.

EIBIS 2018 – COUNTRY OVERVIEW

Bulgaria

This country overview presents selected findings based on telephone interviews with 476 firms in Bulgaria in 2018 (carried out between April and July).

Key results

Macroeconomic context:	Aggregate investment in Bulgaria has been stagnant ever since the global financial crisis even though the Bulgarian economy picked up in early 2015. The corporate sector and, to a lesser extent, the general government are the main contributors to the investment weakness in the country.
Investment outlook:	More firms expect to increase than reduce investment in the current financial year , though only marginally. Large firms are most positive on balance, but slightly more manufacturers, service sector firms and SMEs expect to reduce than increase investment.
Investment activity:	64% of firms invested in the last financial year , similar to the results in EIBIS 2017 (63%), and well below the EU average. Bulgarian firms invest relatively low shares in intangible assets and development of new products and services.
Perceived investment gap:	19% of firms report investing too little over the last three years, above the EU average (16%) . The perceived average share of state-of-the art machinery and equipment in firms is below the EU average (24% versus 45%). However, the share of building stock that is said to satisfy high efficiency standards now matches the EU average (both 37%).
Investment barriers:	Availability of skilled staff and uncertainty about the future remain the two most cited barriers to investment in Bulgaria and the EU, with skilled staff more likely to be mentioned in Bulgaria (by 86%, versus 77% across the EU). Business regulation and labour market regulation remain relevant impediments, but are both less likely to be viewed as barriers in Bulgaria now than they were last year.
External finance:	Internal funds account for 75% of investment finance compared with 70% reported as part of EIBIS 2017 and an EU average of 62%. Bank finance still makes up the majority of external finance (72%). 9% of Bulgarian firms are finance constrained, versus the EU average of 5%. Where dissatisfaction exists, Bulgarian firms are mostly dissatisfied with cost of finance and with collateral requirements.
Firm performance:	Firms' productivity remains significantly lower than the EU average , with a large share of firms in the bottom EU quintile. Large firms with 250+ employees contribute 39% of value added versus the EU average of 50%.

INVESTMENT DYNAMICS

INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR

64% of firms in Bulgaria invested in the last financial year (similar to the 63% recorded in EIBIS 2017) and well below the EU average (87%). In the EU, this share is lower only in Greece (63%).

Firms in the manufacturing and infrastructure sectors (72% and 67% respectively) are more likely to invest than service sector firms (54%).

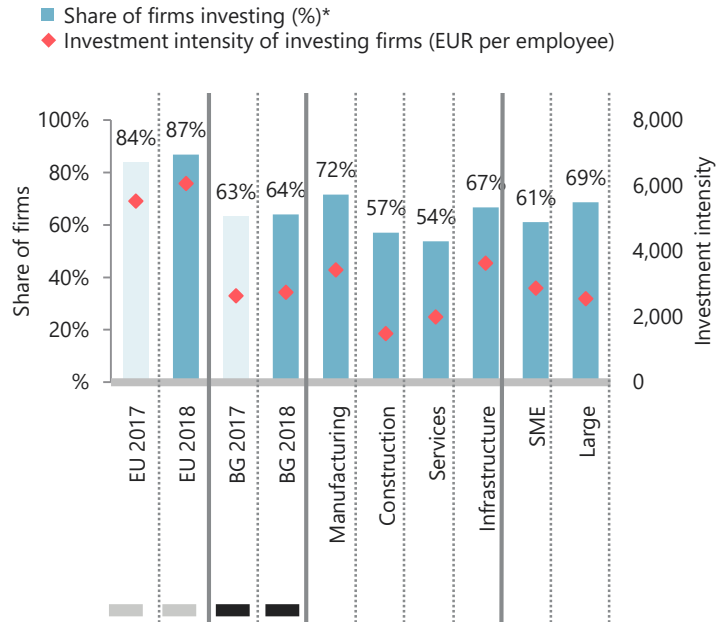
Large firms are more likely to invest than SMEs (69% versus 61%).

**The blue bars indicate the proportion of firms who have invested in the last financial year.*

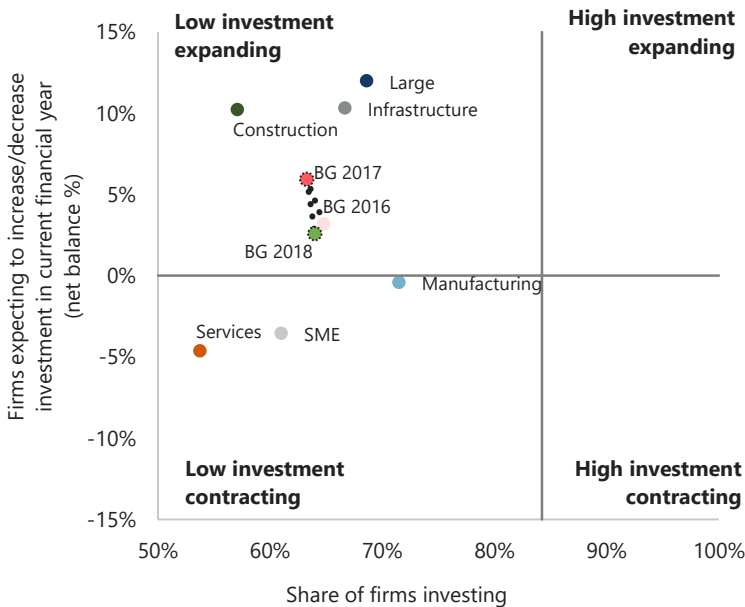
A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities. Investment intensity is the median investment per employee of investing firms.

Investment intensity is reported in real terms using the Eurostat GFCF deflator (indexed to the 2016 wave).

Base: All firms (excluding don't know/refused responses)



INVESTMENT CYCLE



Bulgaria remains in the 'low investment expanding' quadrant on the investment cycle.

Large firms and those in the manufacturing sector in Bulgaria invest relatively more; large firms are most positive about increasing investment in the current financial year.

Conversely, more service sector firms and SMEs expect to reduce rather than increase investment in the current year, and are in the 'low investment contracting' quadrant.

Base: All firms

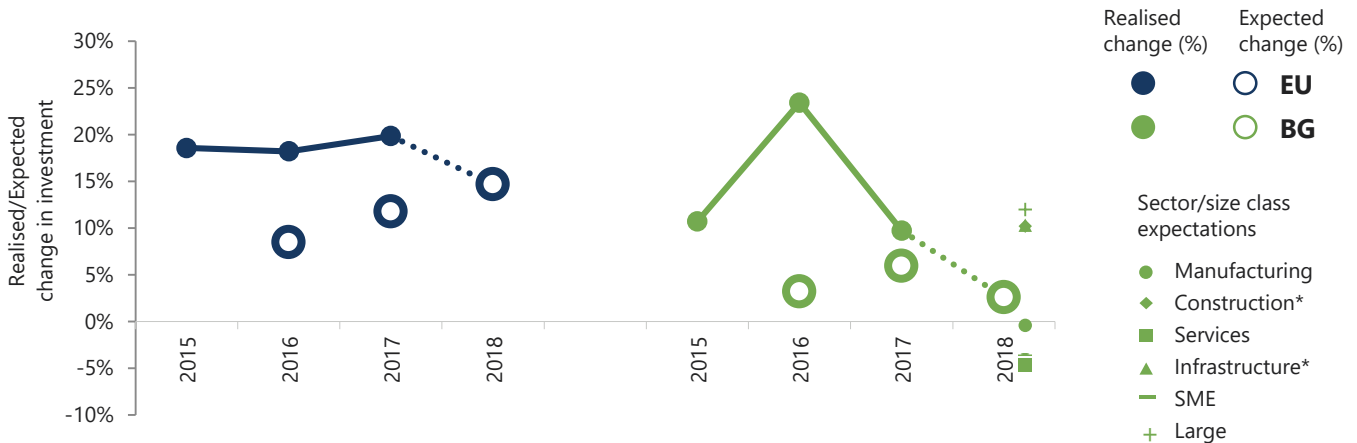
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500

The y-axis line crosses x-axis on the EU average for 2016

INVESTMENT DYNAMICS

EVOLUTION OF INVESTMENT EXPECTATIONS

More firms in Bulgaria increased than reduced their investment activities in 2017, exceeding expectations from 2016 (collected as part of EIBIS 2017). For 2018, the outlook remains positive but to a lesser extent and also well below the EU average. On balance, large firms are most confident of expecting to increase investment in 2018. Slightly more SMEs, service sector and manufacturing firms expect to reduce than increase investment.

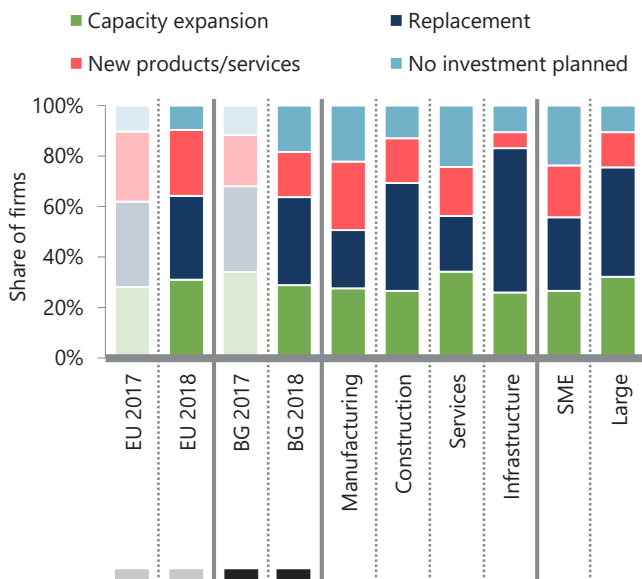


Base: All firms

'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

* Icons are partially obscured by each other – the net balance for Infrastructure firms is +10.3%, and for Construction firms is +10.2%.

FUTURE INVESTMENT PRIORITIES (% of firms)



Base: All firms (excluding don't know/refused responses)

Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Looking ahead to the next three years, investment in replacing existing assets is most commonly cited as a priority (35%), followed by capacity expansion for existing products and services (29%).

Developing or introducing new products or services is less likely to be a priority for firms in Bulgaria than across the EU (18% versus 26%). While 28% of Bulgarian manufacturers prioritise new products, this is down from 38% a year ago.

In the infrastructure sector, more than half of firms view replacement of existing buildings, machinery, equipment and IT as their priority (57%).

The share of firms planning no investment (18%) is the highest in the EU and higher than that recorded in EIBIS 2017 (12%). It is particularly high in manufacturing, services and among SMEs.

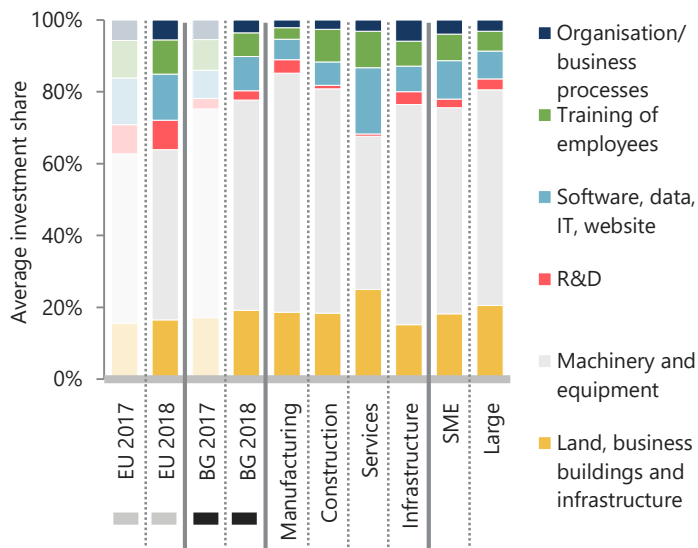
INVESTMENT FOCUS

INVESTMENT AREAS

Investment in machinery and equipment has the highest share of total investment of Bulgarian firms (59%). It is well above the EU average (47%). Land, business buildings and infrastructure (19%) has the second largest share in investment spending of Bulgarian firms.

Bulgarian firms allocate significantly lower shares of investment to intangible assets, like R&D and employee training, than their EU counterparts. The share of intangible assets in total investment in Bulgaria is 14 percentage points lower than the EU average.

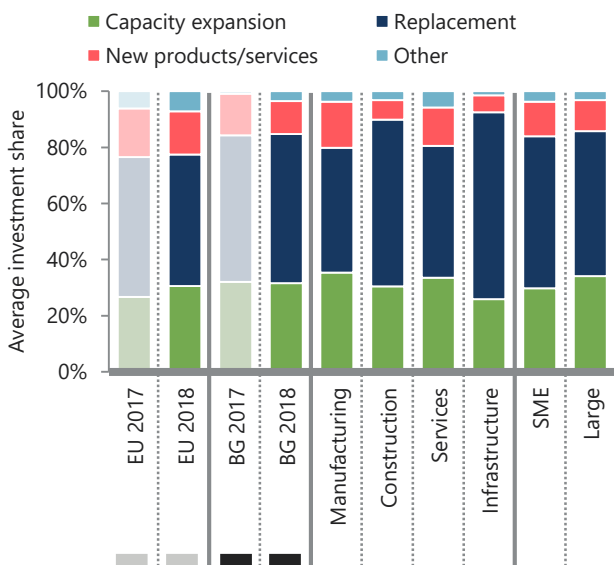
The service sector has the highest share of investment in software, data and IT.



Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)



The largest share of investment in Bulgaria is driven by the need to replace existing buildings, machinery, equipment and IT (53%), higher than the EU average of 47%, but following a broadly similar pattern overall and also similar to the data from EIBIS 2017.

The manufacturing and service sectors have the largest shares in investment for both capacity expansion (35% and 34% respectively) and new products, processes and services (16% and 14% respectively).

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

INVESTMENT FOCUS

INNOVATION ACTIVITY

Around one in five firms in Bulgaria (21%) claim to have developed or introduced new products, processes or services in the last financial year. This is lower than the EU average (34%), and also a slight decrease since EIBS 2017 (24%).

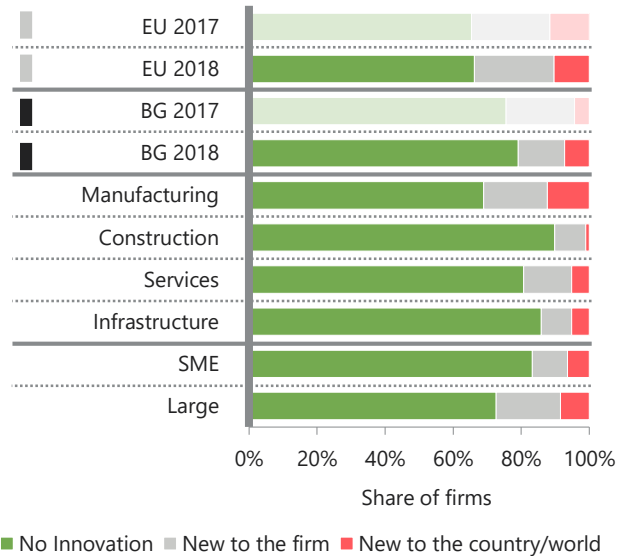
Firms in the manufacturing sector are more likely to innovate (31%). Large firms are significantly more likely to report innovative activities (27%) than SMEs (17%).

Bulgaria is mostly lagging the EU in terms of innovation that is new to the firm (i.e. adoption). The gap between Bulgaria and the EU is much smaller in terms of the proportion of firms claiming to undertake innovation new to the country or world (7% in Bulgaria, 10% EU-wide).

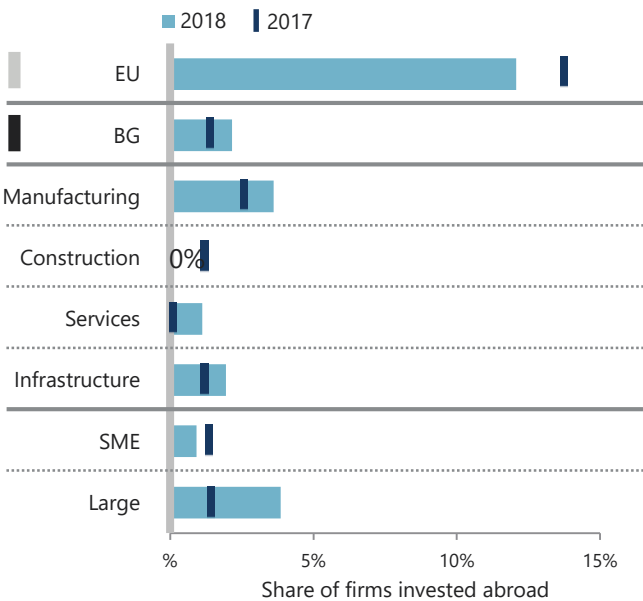
Base: All firms (excluding don't know/refused responses)

Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?



INVESTMENT ABROAD



Base: All firms who invested in the last financial year

Q. In the last financial year, has your company invested in another country?

Only two per cent of firms in Bulgaria invested abroad in the last financial year, which is well below the EU average (12%).

Large firms and those in the manufacturing sector are most likely to have invested abroad (though only 4% of both did so), while construction firms and SMEs are the least likely to invest abroad.

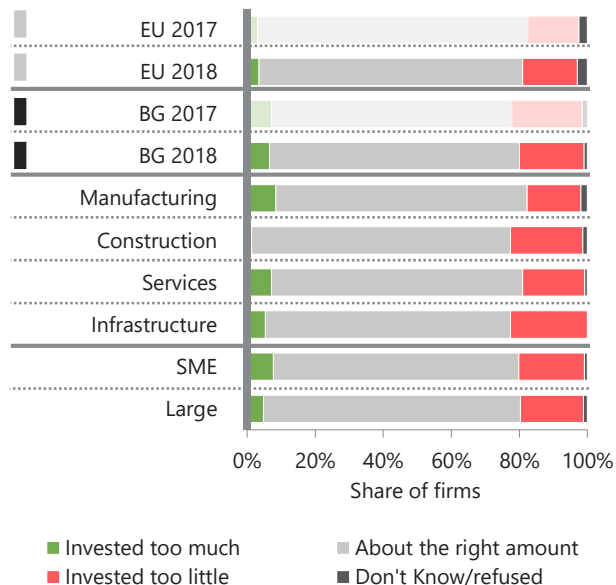
INVESTMENT NEEDS

PERCEIVED INVESTMENT GAP

Around one in five Bulgarian firms (19%) say they have under-invested in the last three years, broadly similar to the 21% that said this in the previous wave (EIBIS 2017) and above the 16% EU average.

Nearly three-quarters of firms in Bulgaria believe they have invested the right amount (73%), again comparable with the 70% of firms saying this in EIBIS 2017.

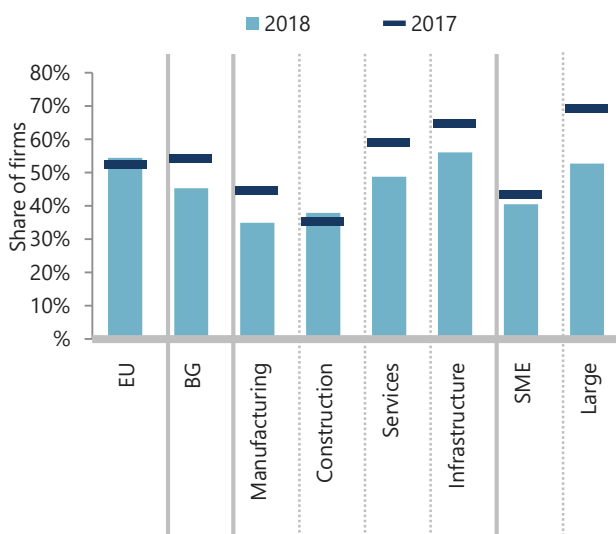
Perceived under-investment ranges from 16% among manufacturing firms to 23% in the infrastructure sector.



Base: All firms (excluding 'Company didn't exist three years ago' responses)

Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Base: All firms

Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Fewer than half of Bulgarian firms (45%) report operating at or above maximum capacity in the last financial year, a fall of nine percentage points vis-à-vis EIBIS 2017 and also below the EU average in this wave (both 54%).

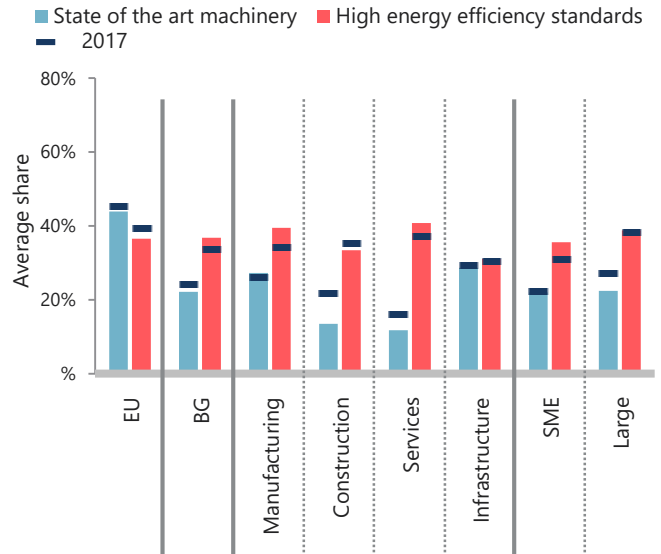
Firms in the infrastructure sector are more likely than average to report operating at or above full capacity (56%), and more than half of large firms were at or above full capacity (53%, compared with 41% of SMEs).

INVESTMENT NEEDS

SHARE OF STATE OF THE ART MACHINERY AND BUILDING STOCK MEETING HIGH ENERGY EFFICIENCY STANDARDS

The average share of machinery and equipment in Bulgarian firms that is perceived to be state-of-the-art is considerably below the EU average (24% versus 45%). The average share of state-of-the-art machinery and equipment ranges from 29% among infrastructure firms to 16% in the service sector.

The average share of building stock perceived to satisfy high energy efficiency standards however matches the EU-wide average (both 37%).

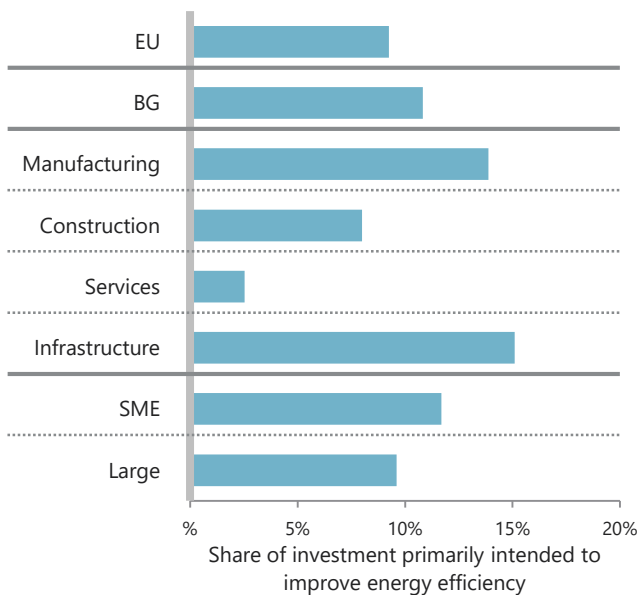


Base: All firms (excluding don't know/refused responses)

Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?

Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

ENERGY EFFICIENCY INVESTMENT



Bulgarian firms devote 11% of their investment towards measures aimed at improving energy efficiency, compared with an EU average of 9%.

The share varies noticeably by sector, with 15% of investment in infrastructure firms going towards improving energy efficiency, compared to just 3% in the service sector.

SMEs devote 12% of their total investment to measures intended to improve energy efficiency, whereas for large firms it is 10%.

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

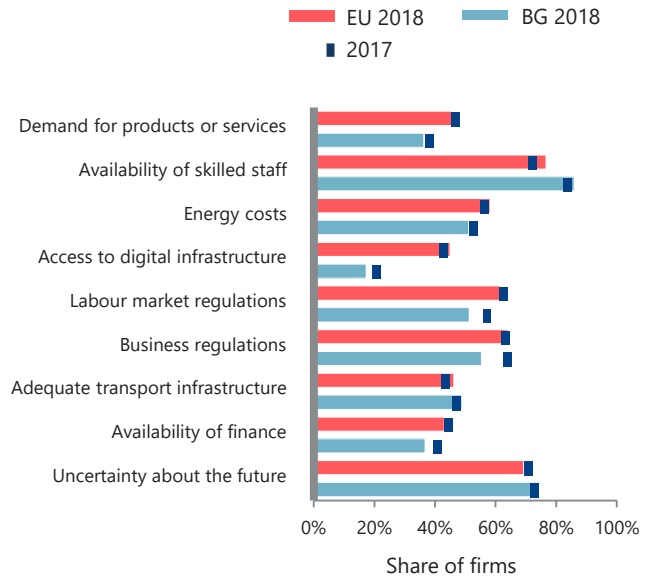
DRIVERS AND CONSTRAINTS

LONG TERM BARRIERS TO INVESTMENT

Availability of skilled staff and uncertainty about the future remain the two most cited barriers to investment in both Bulgaria and the EU.

Bulgarian firms are more likely than the EU average to view the availability of skilled staff as a barrier (86% versus 77%), and this applied to 94% of manufacturing firms in Bulgaria.

Uncertainty was viewed similarly in Bulgaria and the EU, and by different firm sizes and sectors. Other barriers are less commonly cited in Bulgaria than the EU overall. The proportion of Bulgarian firms citing business regulations as a barrier has fallen from 64% in EIBIS 2017 to 55% now, though higher proportions of SMEs than large firms view regulations as a barrier to investment.

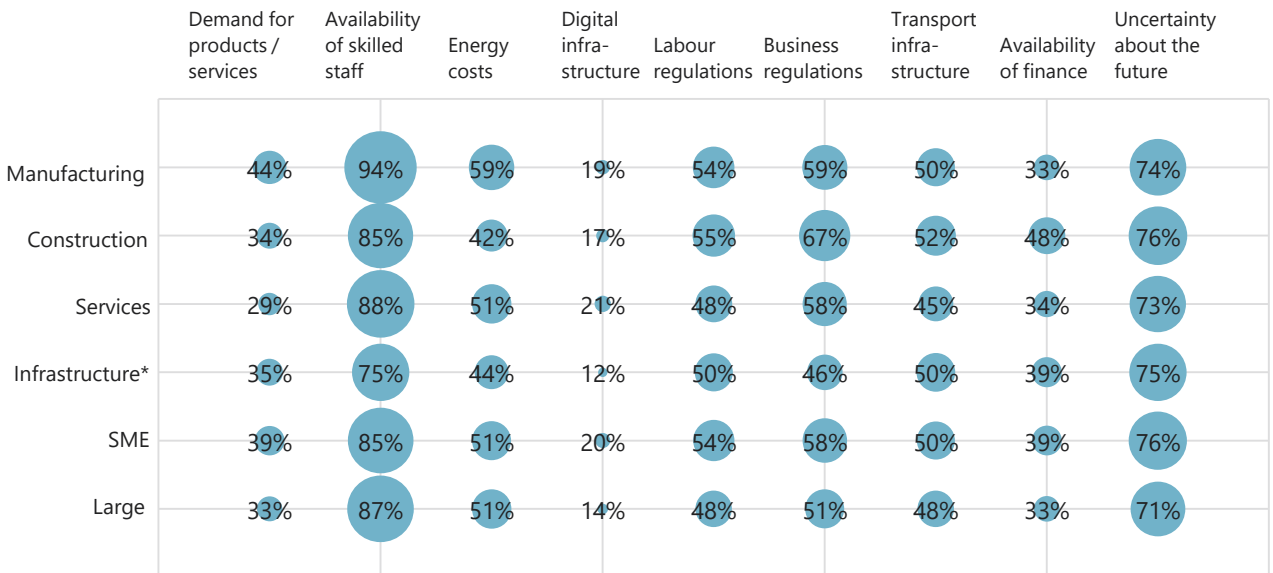


Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Q. Thinking about your investment activities in Bulgaria, to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

LONG TERM BARRIERS BY SECTOR AND SIZE



Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Q. Thinking about your investment activities in Bulgaria, to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

*Low base size for Infrastructure firms (n = 27)

DRIVERS AND CONSTRAINTS

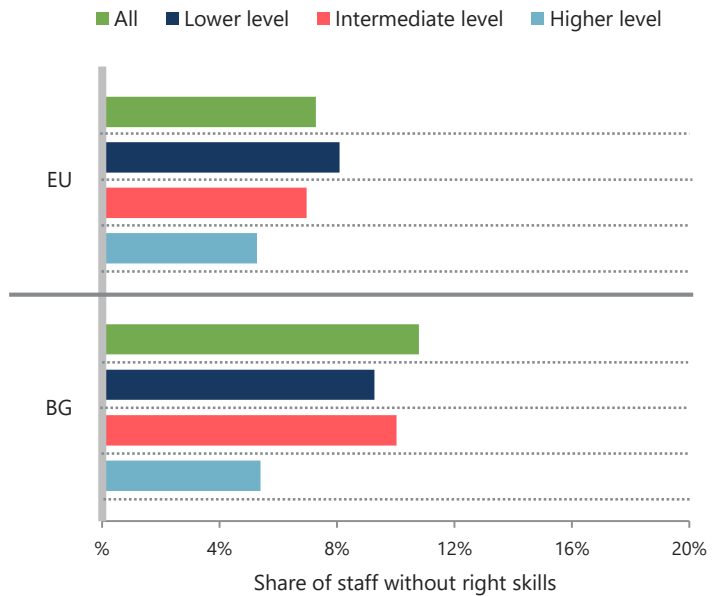
PERCEIVED SKILLS MIS-MATCH

Firms in Bulgaria are more likely than the EU average to state that their staff do not have the right skills to meet their company's current needs (11% versus 7%).

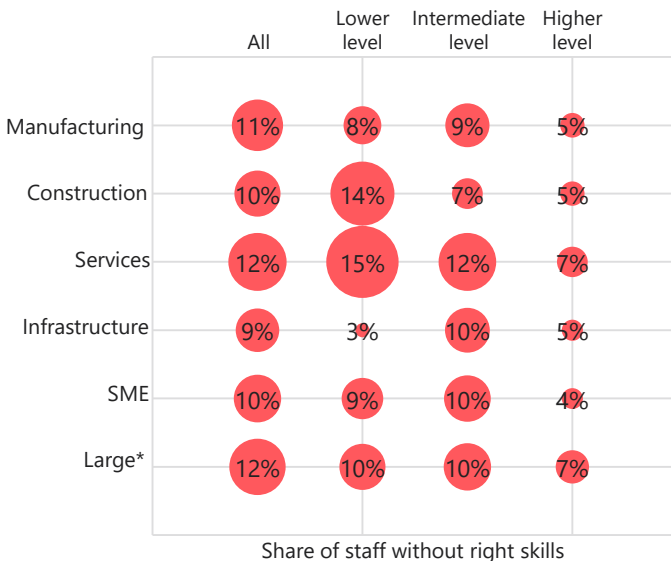
The difference is due to employees with lower and intermediate skills. When considering only employees in higher level occupations, 5% of staff in both Bulgaria and the EU are viewed as not having the right skills.

**Note: Data for Lower, Intermediate and Higher level occupations is included for each firm where answered, but "All" is only calculated if data is available for all levels of occupation present within a firm – hence the 'All' % may be higher than the three other percentages.*

Base: All firms with staff in lower/intermediate/higher level occupations (excluding don't know/refused responses)
 Q. How many of your existing staff would you regard as having the right skills to fit your company's current needs?



PERCEIVED SKILLS MIS-MATCH BY SECTOR AND SIZE



There is variation in the proportion of staff without the right skills when looking at the sectors.

The service sector has the highest proportion of skills mis-match across all levels of occupation, peaking at 15% among staff in lower level occupations.

Large businesses tend to report similar or only marginally higher levels of skills mis-match than SMEs.

Base: All firms with staff in lower/intermediate/higher level occupations (excluding don't know/refused responses)

Q. How many of your existing staff would you regard as having the right skills to fit your company's current needs?

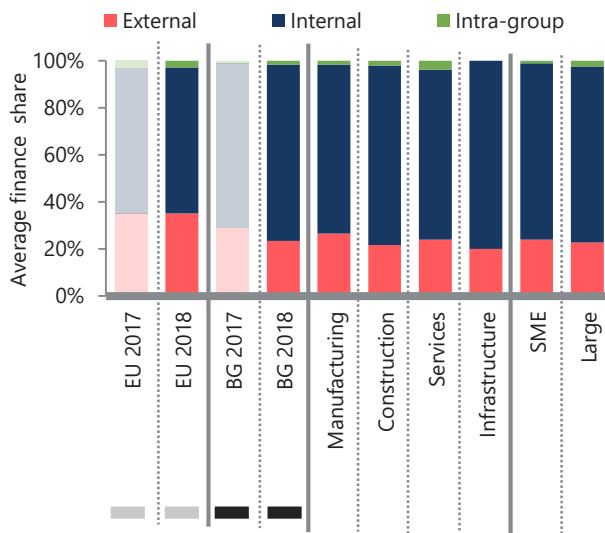
**Note: Data for Lower, Intermediate and Higher level occupations is included for each firm where answered, but "All" is only calculated if data is available for all levels of occupation present within a firm – hence the 'All' % may be higher than the three other percentages*

INVESTMENT FINANCE

SOURCE OF INVESTMENT FINANCE

Internal funds account for three-quarters of investment finance (75%), compared with 70% recorded as part of EIBIS 2017. This remains higher than the EU average (62% in both waves).

The share of external finance in Bulgarian firms' investment mix (23%) ranges from 20% in the infrastructure sector to 27% among manufacturing firms. Manufacturing is the only sector not to record a fall in the share of external finance vis-à-vis EIBIS 2017.

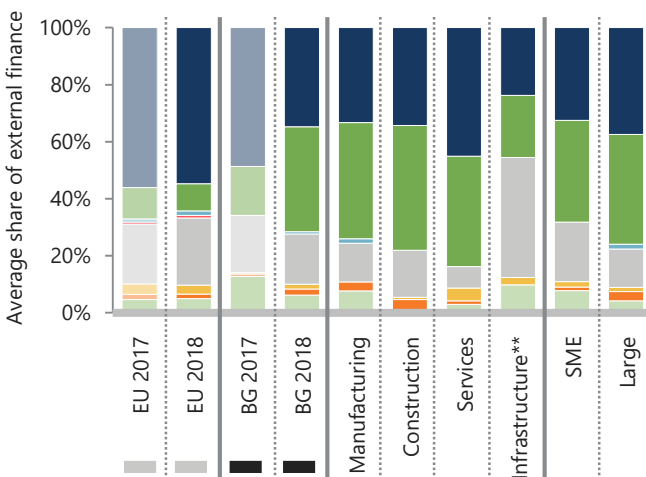


Base: All firms who invested in the last financial year (excluding don't know/refused responses)

Q. What proportion of your investment was financed by each of the following?

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES

- Bank loan
- Equity
- Non-institutional loans*
- Other bank finance
- Leasing
- Grants
- Bonds
- Factoring
- Other



Bank finance provides the majority of external finance - 72% in Bulgaria, compared to the EU average of 64%.

The share of bank loans declined relative to EIBIS 2017 (from 49% to 35%). This decline was compensated by the increasing share of other bank finance such as overdrafts and other credit lines (17% to 37%). This is in contrast to the EU average, where bank loans account for 55% of all external finance, similar to EIBIS 2017 (56%).

There is also variation by sector, with bank loans comprising the highest share of external finance in the service sector (45%), and leasing and hire purchases providing the highest share of infrastructure firms' external finance (42%).

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

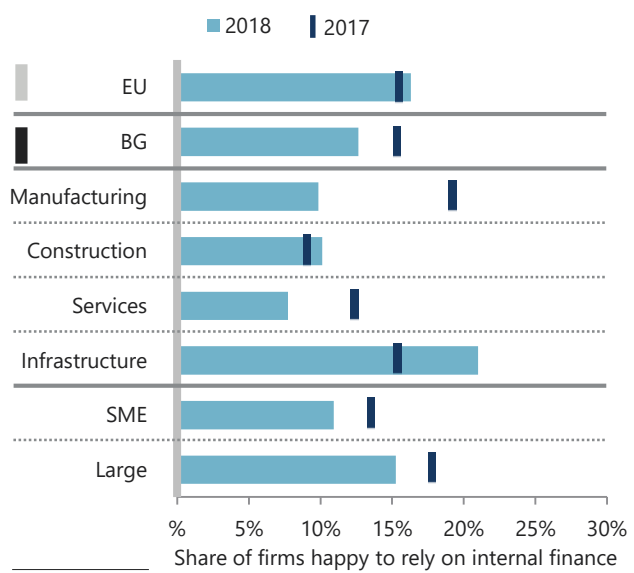
Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

**Caution very small base size less than 30

INVESTMENT FINANCE

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT



For 13% of all firms in Bulgaria, the main reason for not applying for external finance is that they are happy to use internal funds or do not have a need for it.

This compares to the EU average of 16%, which was also the level recorded among Bulgarian firms in the previous wave (EIBIS 2017).

Infrastructure firms are most likely to say they are happy to rely exclusively on internal sources to finance investment (21%) and service sector firms the least (8%). The proportion of manufacturing firms citing this has halved from 19% to 10%.

Base: All firms

Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

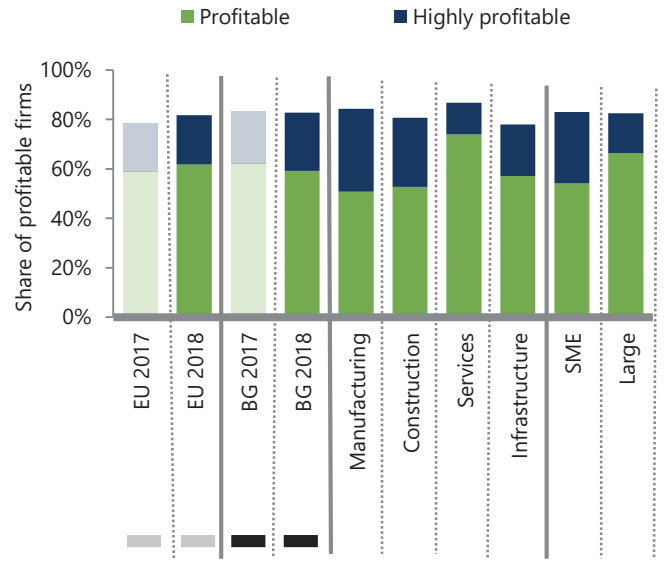
SHARE OF PROFITABLE FIRMS

Nearly one in four firms in Bulgaria (24%) report being highly profitable, compared to 21% in EIBIS 2017.

The EU overall has a similar share of highly profitable such firms (20% in both waves).

Manufacturing sector firms in Bulgaria are more likely than average to be highly profitable (33%), as are SMEs (29%).

More generally, 83% of Bulgarian firms claim to make a profit – this is unchanged from EIBIS 2017, and also in line with the EU average (82%).



Base: All firms (excluding don't know/refused)

Q: Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

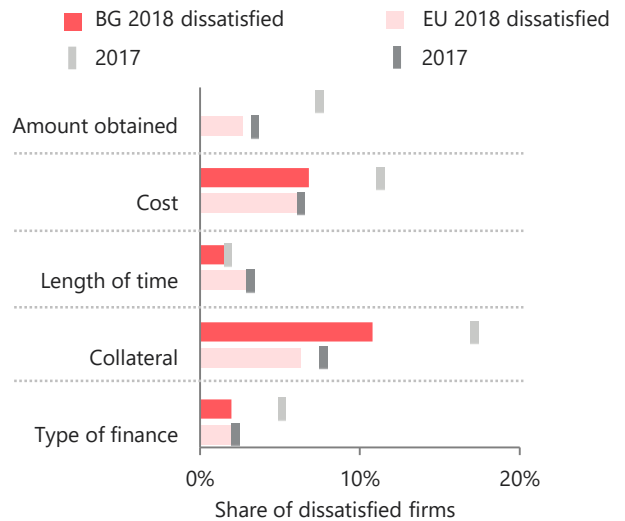
SATISFACTION WITH FINANCE

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that used external finance are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

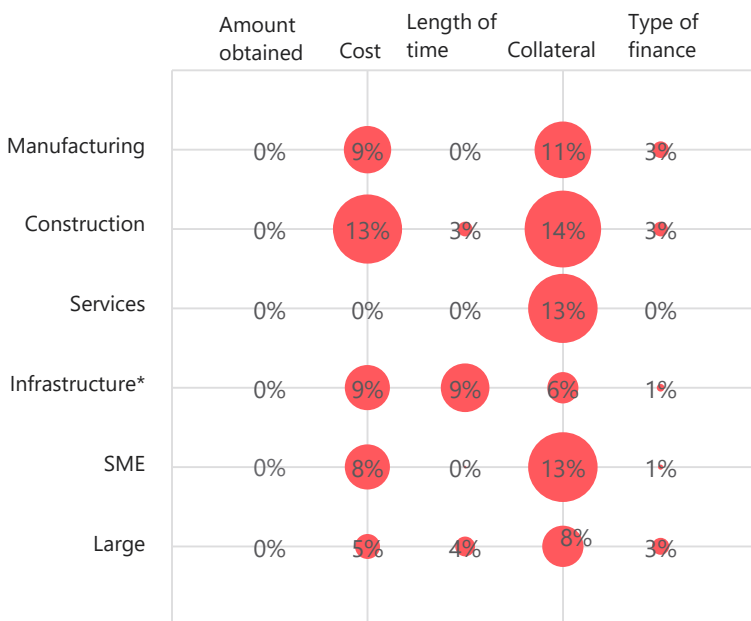
Eleven per cent of Bulgarian firms are dissatisfied with collateral requirements, compared with 17% in the previous wave (EIBIS 2017) and well above the EU average of 6% in EIBIS 2018.

Compared to EIBIS 2017, dissatisfaction remained broadly unchanged. No firms registered dissatisfaction with the amount of finance obtained.



Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)
 Q. How satisfied or dissatisfied are you with?

DISSATISFACTION BY SECTOR AND SIZE



Dissatisfaction is highest with collateral requirements, except for firms in the infrastructure sector where the cost of finance and length of repayment time are the most likely to cause dissatisfaction (both 9%).

Dissatisfaction with collateral requirements peaks at 14% among construction firms, indicating the generally low levels of dissatisfaction expressed.

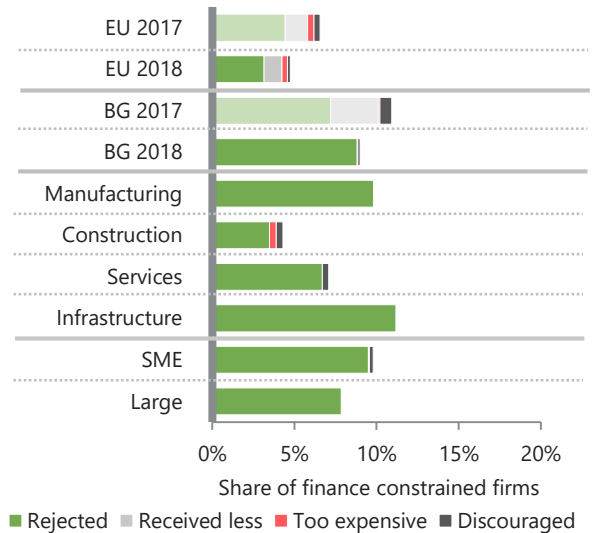
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)
 Q. How satisfied or dissatisfied are you with?
 *Caution very small base size less than 30

SATISFACTION WITH FINANCE

SHARE OF FINANCE CONSTRAINED FIRMS

Nine per cent of all firms can be considered finance constrained, higher than the EU average (5%). In both Bulgaria and across the EU, there has been a two percentage point reduction in the share of finance constrained firms from EIBIS 2017.

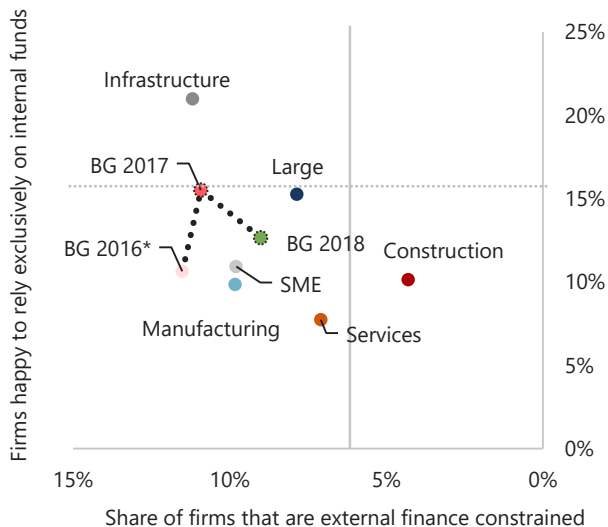
The share of finance constrained firms among those investing is significantly higher than that among non-investing firms in Bulgaria. In the EU, these two are broadly equal.



Base: All firms

Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

FINANCING CROSS



Bulgarian firms are more likely to be finance constrained and a little less likely to be happy to rely exclusively on internal funds when compared with EU benchmarks.

Within Bulgaria, construction sector firms are least likely to be finance constrained, with infrastructure firms being the most likely. Infrastructure sector firms are, however, most likely to be happy to rely exclusively on internal funding.

Base: All firms

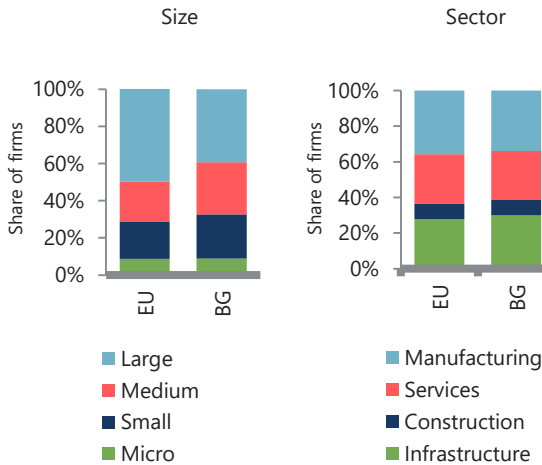
Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

The x- and y-axes lines cross on the EU average for 2016

*Financing constraints for 2016 among non-investing firms estimated

PROFILE OF FIRMS

CONTRIBUTION TO VALUE ADDED



Larger firms account for the greatest share of value-added (39%) in Bulgaria, but this is below the EU average (50%).

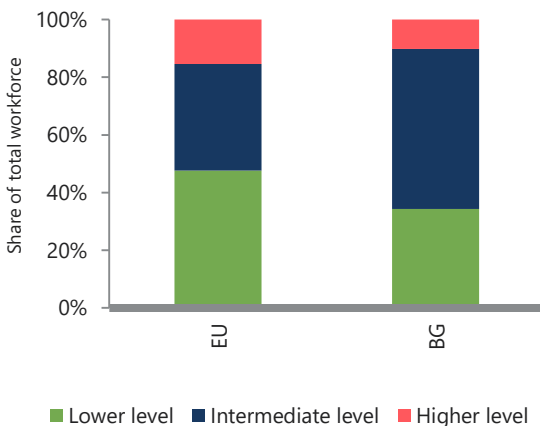
Firms in Bulgaria say that 10% of their staff are in higher-level occupations, compared with an EU average of 15%; there is a greater share of staff in intermediate occupations and a lesser share of staff in lower-level occupations than the EU average.

Productivity of firms in Bulgaria remains considerably below the EU average, with most Bulgarian firms in the lowest EU quintile – though this applies to a lesser extent in the service sector.

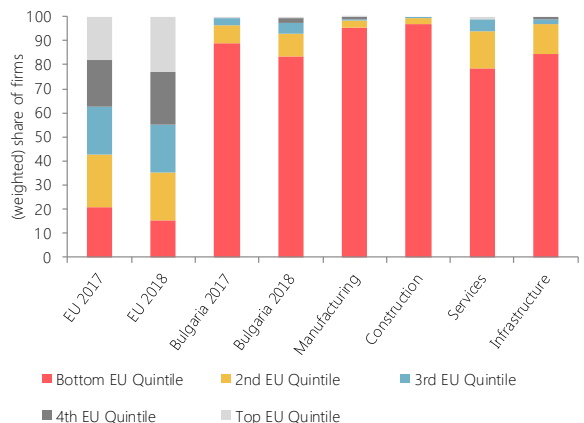
Base: All firms

The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

DISTRIBUTION OF STAFF BY OCCUPATIONAL CLASSIFICATION



DISTRIBUTION OF FIRMS BY PRODUCTIVITY CLASS

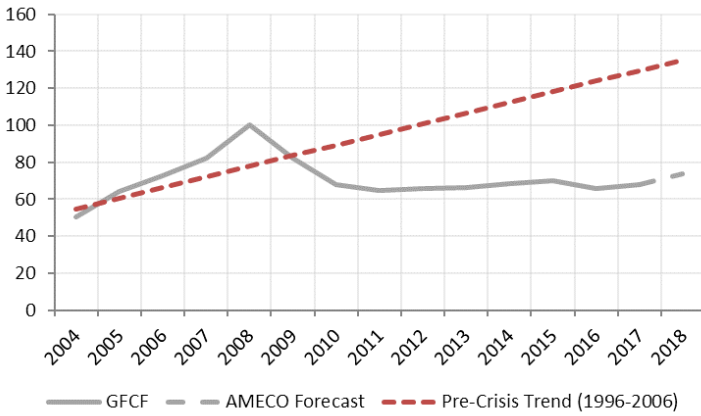


Base: All firms (excluding don't know/refused responses)
Q. Approximately how many of your staff across all locations are employed in... occupations?

Share of firms by productivity class (Total Factor Productivity). Productivity classes are defined on the basis of the entire EU sample.

MACROECONOMIC INVESTMENT CONTEXT

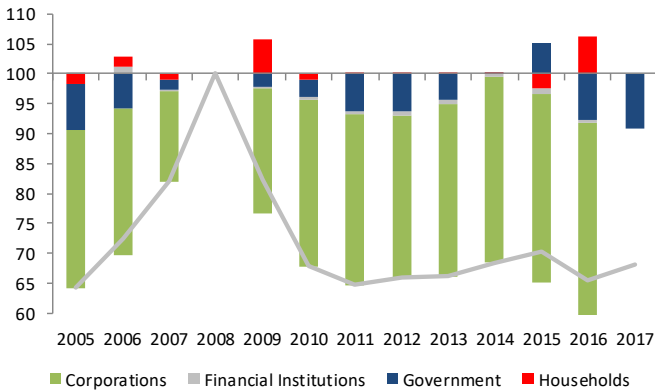
Investment Dynamics over time



- Investment in Bulgaria has been stagnant ever since the global financial crisis and the bursting of the real estate bubble.
- Compared to a pre-crisis trend growth of about 5%, investment has grown by 0.8% per year since the beginning of the investment recovery in 2011.
- The corporate sector and, to a lesser extent, the general government are the main contributors to the investment weakness in the country.

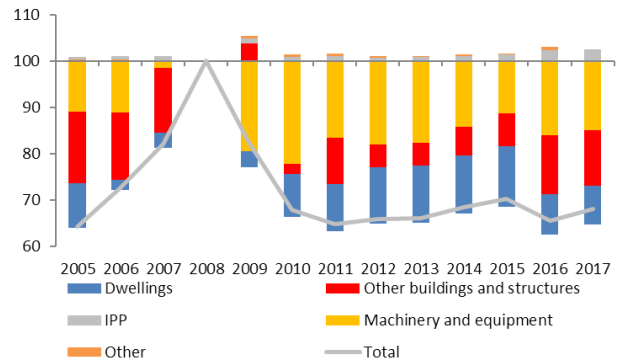
The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); against the series 'pre-crisis trend'. The data has been indexed to equal 100 in 2008. Source: Eurostat/AMECO.

Investment Dynamics by Institutional Sector



The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by institutional sector. The data has been indexed to equal 100 in 2008. Source: Eurostat.

Investment Dynamics by Asset Class



The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by asset class. The data has been indexed to equal 100 in 2008. IPP stands for Intellectual Property Product. Source: Eurostat.

EIB 2018 – COUNTRY TECHNICAL DETAILS

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Bulgaria, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	Bulgaria	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs Bulgaria	Manufacturing vs Construction	SME vs Large
	(12355)	(476)	(128)	(115)	(113)	(118)	(393)	(83)	(12355 vs 476)	(128 vs 115)	(393 vs 83)
10% or 90%	1.0%	2.7%	4.8%	5.0%	5.4%	5.3%	2.8%	5.5%	2.9%	6.9%	6.2%
30% or 70%	1.5%	4.2%	7.4%	7.6%	8.2%	8.1%	4.2%	8.4%	4.5%	10.5%	9.4%
50%	1.7%	4.6%	8.1%	8.3%	9.0%	8.8%	4.6%	9.2%	4.9%	11.5%	10.3%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Productivity	Total factor productivity is a measure of how efficiently a firm is converting inputs (capital and labor) into output (value-added). It is estimated by means of an industry-by-industry regression analysis (with country dummies).
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

EIB 2018 – COUNTRY TECHNICAL DETAILS

BASE SIZES (* Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2017/ 2018	BG 2017/2018	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, 3, 6, 9, 11, 13, 14	12338/ 12355	475/ 476	128	115	113	118	393	83
All firms (excluding don't know/refused responses), p. 2	11839/ 11790	468/ 464	126	112	109	115	383	81
All firms (excluding don't know/refused responses), p. 3	12020/ 12095	454/ 463	123	112	109	117	381	82
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10321/ 10126	370/ 378	110	93	79	94	302	76
All firms (excluding don't know/refused responses), p. 5	12073/ 12080	471/ 474	127	115	112	118	392	82
All firms who invested in the last financial year, p. 5	10889/ 10873	382/ 391	113	96	83	97	313	78
All firms (excluding 'company didn't exist three years ago' responses), p. 6	12306/ 12335	473/ 476	128	115	113	118	393	83
All firms (excluding don't know/refused responses), p. 7*	11265/ 11358	467/ 462	124	113	110	113	385	77
All firms who invested in the last financial year (excluding don't know/refused responses), p. 7	NA/ 10004	NA/ 376	107	92	80	95	303	73
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 8	12338/ 12355	475/ 476	128	115	113	118	393	83
All firms with staff in higher / intermediate lower level occupations (excluding don't know/refused responses), p. 9*	NA/ 8354	NA/ 310	97	85	73	54	252	58
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 10	9131/ 9030	358/ 351	100	91	71	87	287	64
All firms who used external finance in the last financial year (excluding don't know/refused responses) p. 10	4206/ 4323	166/ 144	52	34	30	27	112	32
All firms (excluding don't know/refused responses), p. 11	10778/ 10865	415/ 397	113	95	91	96	323	74
All firms who used external finance in the last financial year (excluding don't know/refused responses) p. 12	4212/ 4339	164/ 142	50	34	30	27	110	32
All firms (excluding don't know/refused responses), p. 14	NA/ 11466	NA/ 457	119	112	111	113	385	72



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print: QH-05-18-035-EN-C ISBN 978-92-861-4015-0 doi:10.2867/682069
digital: QH-05-18-035-EN-N ISBN 978-92-861-4014-3 doi:10.2867/97335
eBook QH-05-18-035-EN-E ISBN 978-92-861-4016-7 doi:10.2867/829061

Bulgaria

Overview

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2018