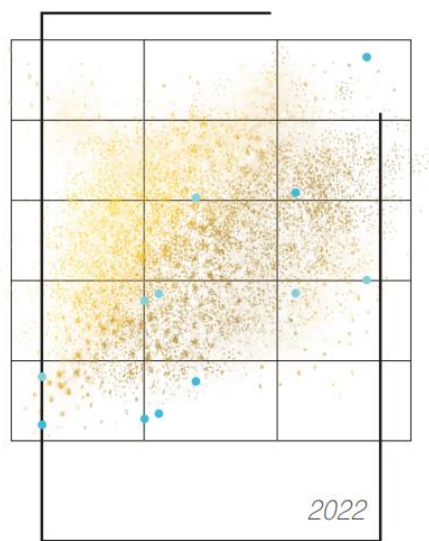


REGIONAL PROFILES



INDICATORS OF DEVELOPMENT

Regional Profiles: Indicators of Development 2022

www.ime.bg

www.regionalprofiles.bg

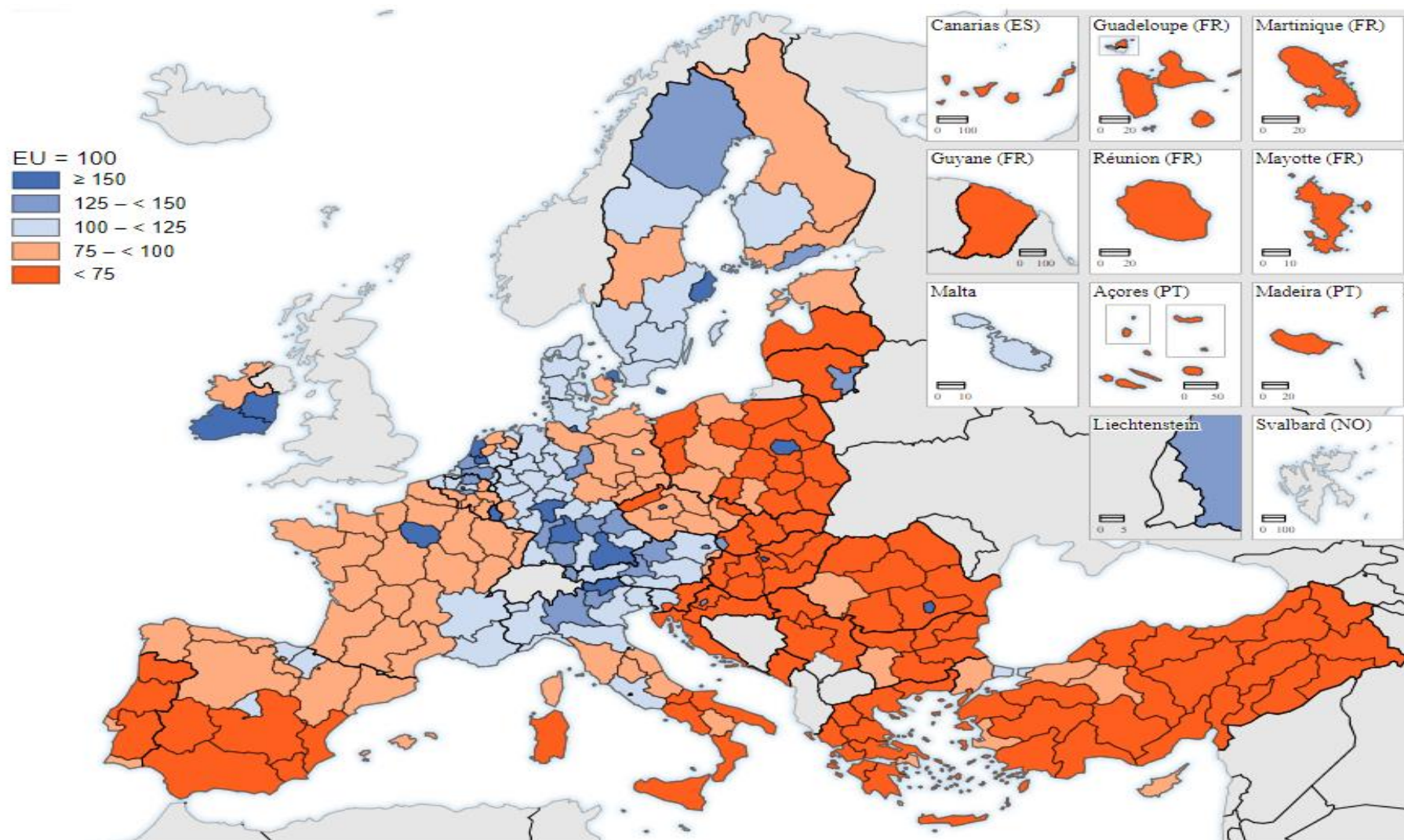
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Regional Profiles 2022

 ECONOMIC DEVELOPMENT	 SOCIAL DEVELOPMENT
 Income and living conditions	 Demographics
 Labour market	 Education
 Investments	 Healthcare
 Infrastructure	 Security and justice
 Taxes	 Environment
 Administration	 Culture

- Tracking the trajectory of economic and social development of Bulgarian regions for more than 10 years;
- The study is based on 68 indicators evaluating the economic and social environment in the country's 28 districts;
- IME team wishes to express their gratitude to the America for Bulgaria Foundation for their partnership and lasting support in preparing and publishing the Regional Profiles.

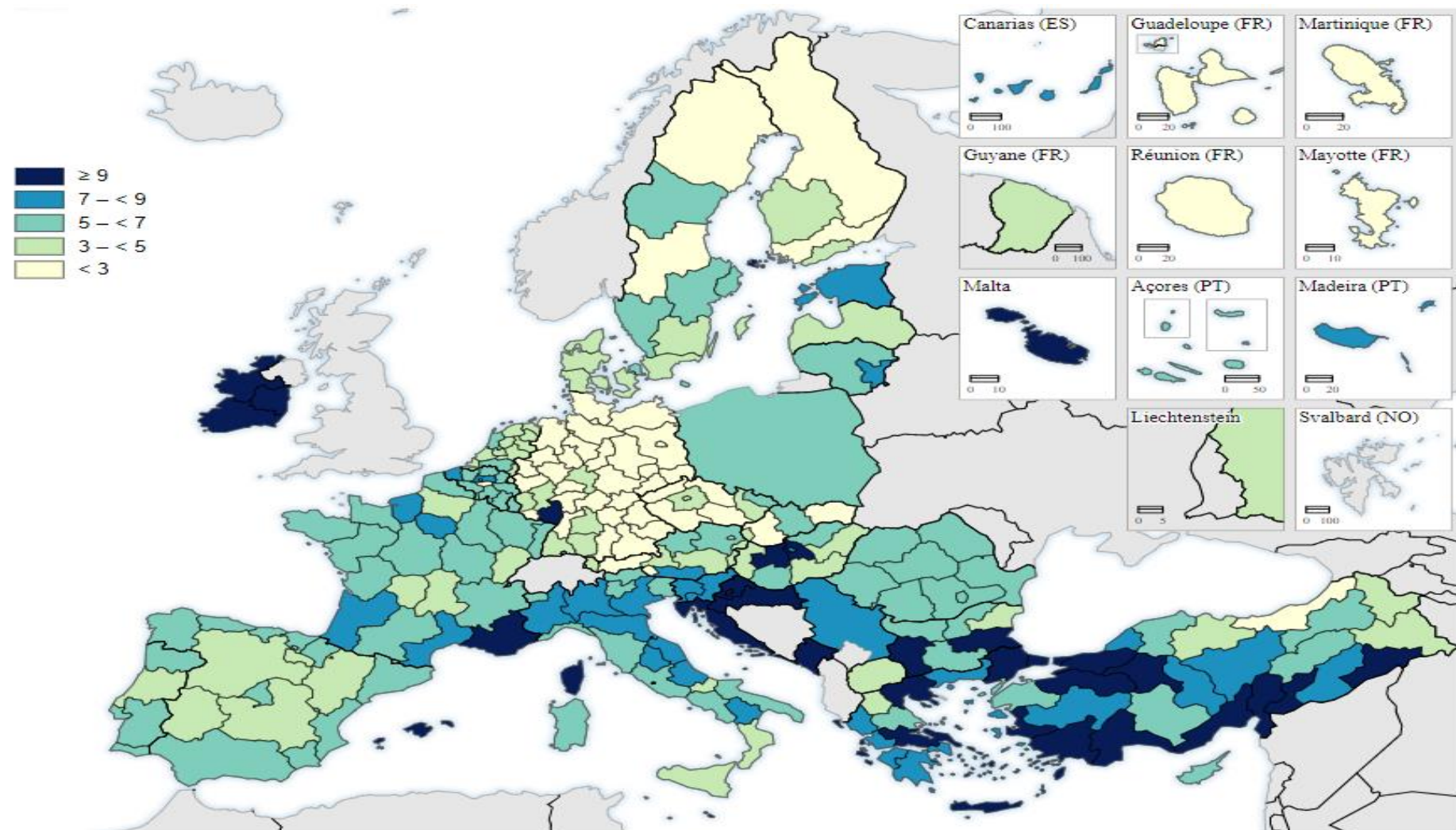
GDP per capita in the EU regions (NUTS 2), 2021 (in purchasing power standards)



Estonia, Cyprus, Latvia, Luxembourg, Malta and Montenegro:
single regions at this level of detail.

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 02/2023

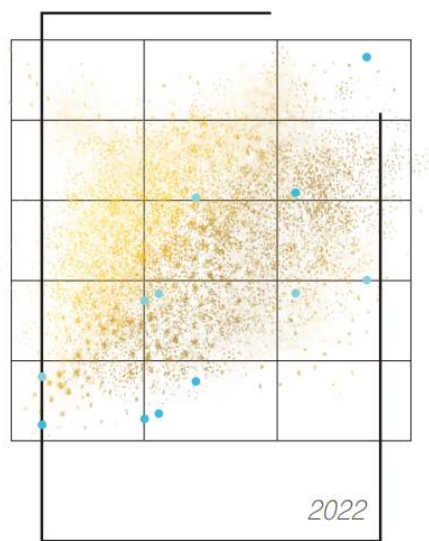
GDP change in the EU regions (NUTS 2), 2021 (% change in volume compared with previous year)



Estonia, Cyprus, Latvia, Luxembourg, Malta, Montenegro and North Macedonia: single regions at this level of detail.
Poland: regional data on GDP change not available.

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat – IMAGE, 02/2023

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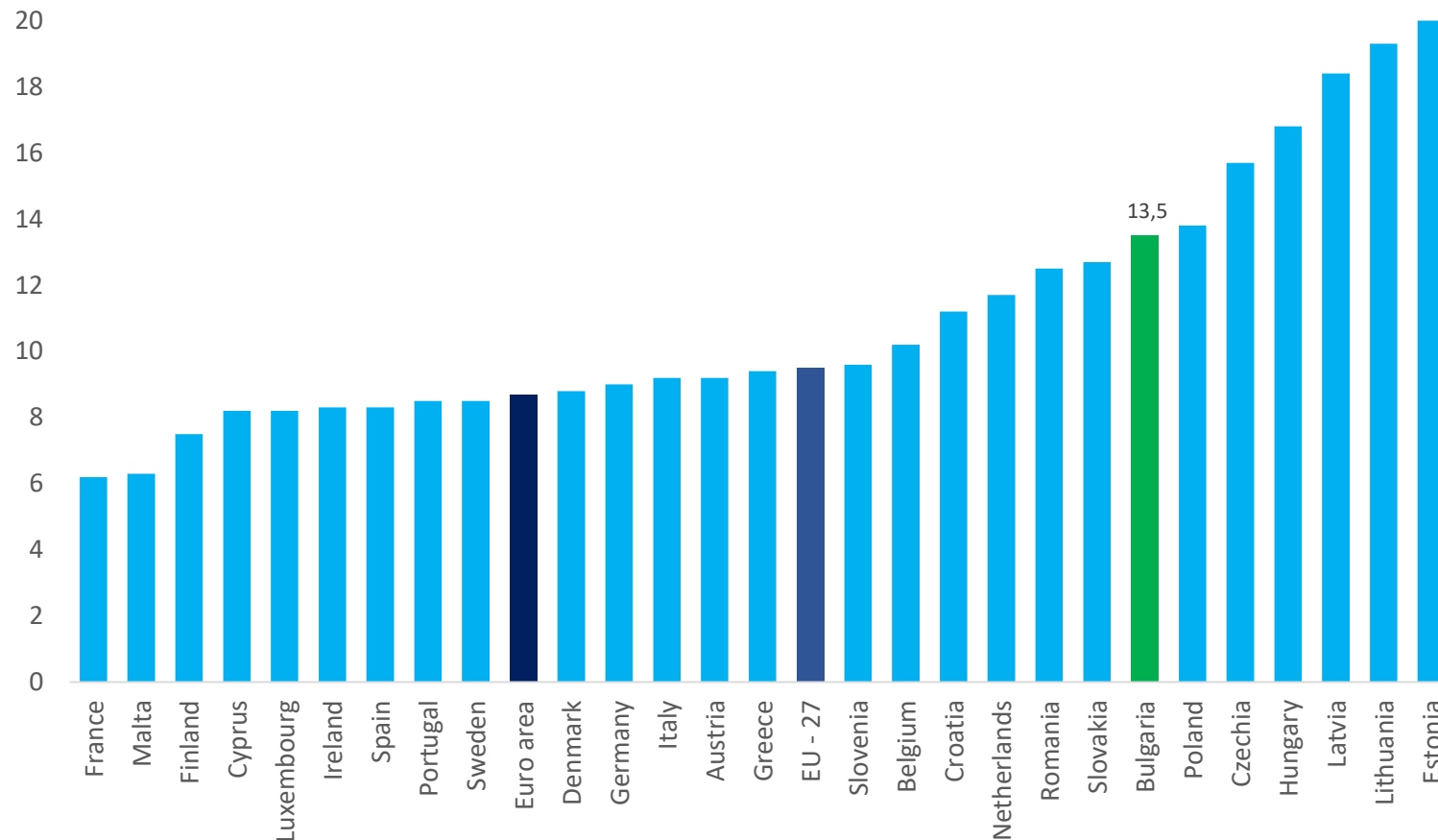
INDICATORS OF DEVELOPMENT

Overview of the Bulgarian Economy in 2022

Latchezar Bogdanov, IME
bogdanov@ime.bg

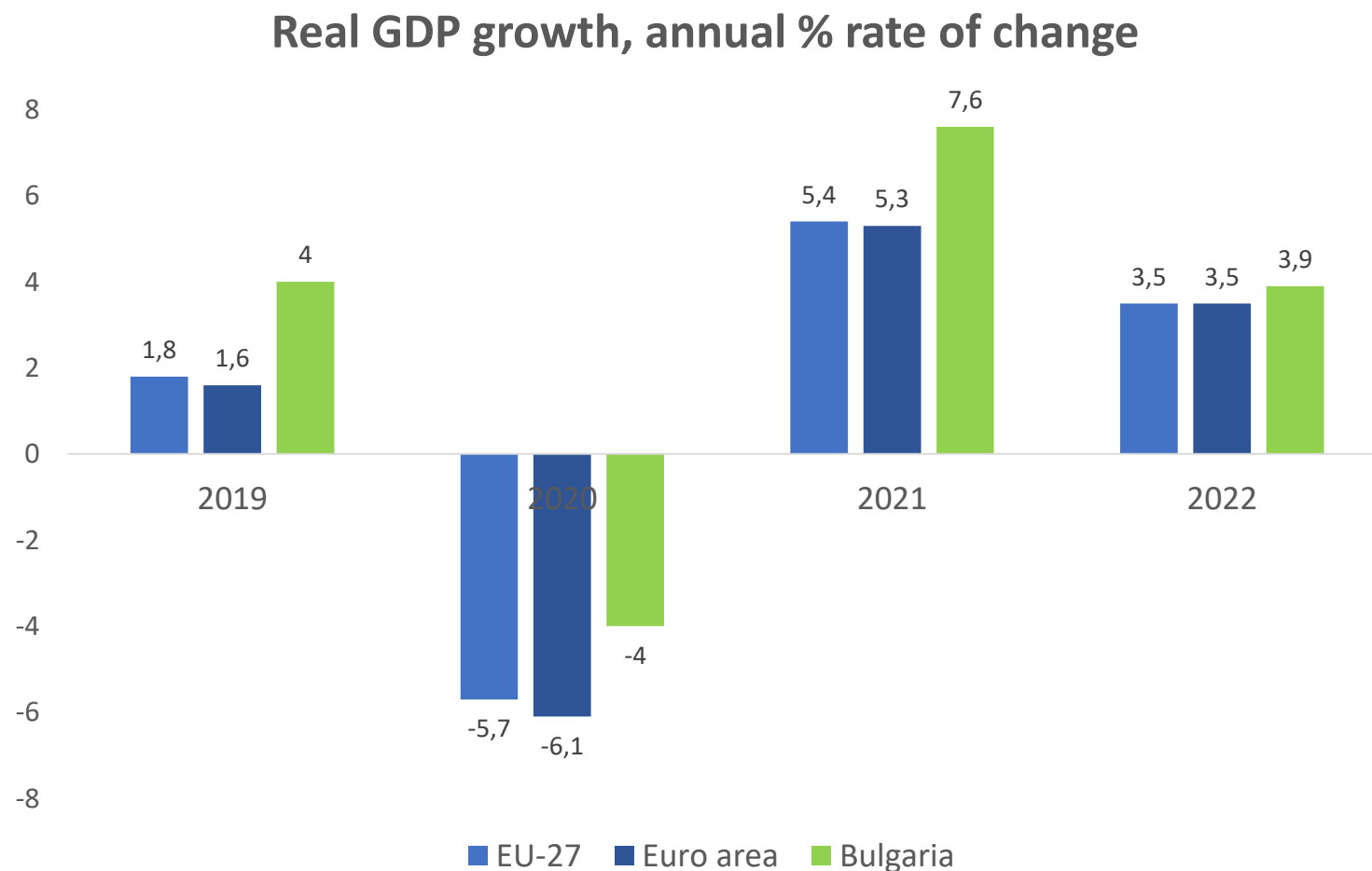
Energy and inflation challenge in 2021-2022

Annual average HICP, January 2023



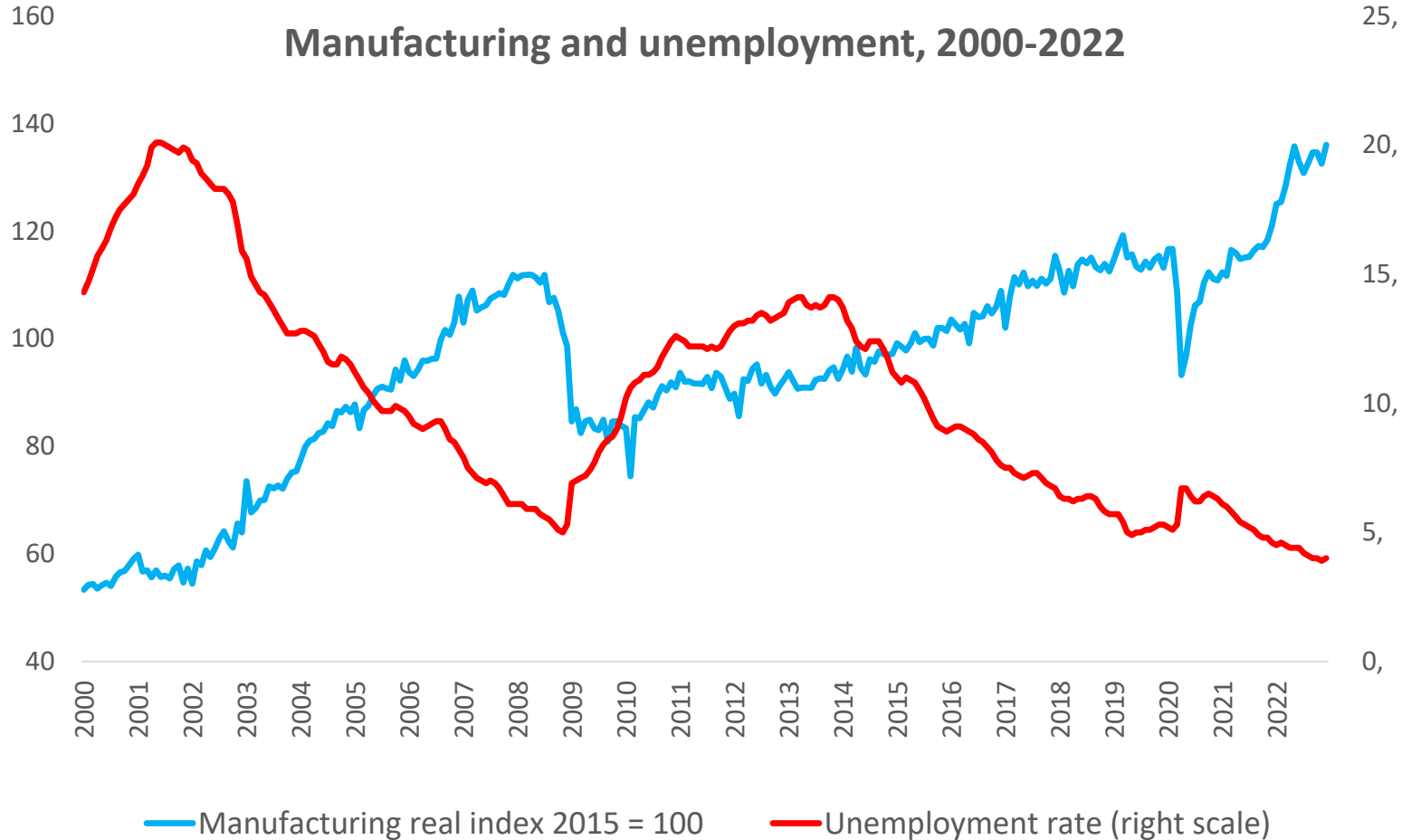
- Europe and Bulgaria suffered an energy supply shock unseen in four decades, inflation rose to record levels;
- CEE countries experience higher-than-average inflation, due to their economic structure and relatively higher dependency on trade with Russia;
- Bulgaria is not the worst case, inflation is subsiding since September 2022, but is still well above euro area average.

Post-pandemic recovery



- Bulgaria suffered a shallower shock during 2020 while GDP growth afterwards was higher than EU average;
- For now, it seems that Bulgaria has returned to a growth path that ensures economic convergence with the higher-income countries in the EU.

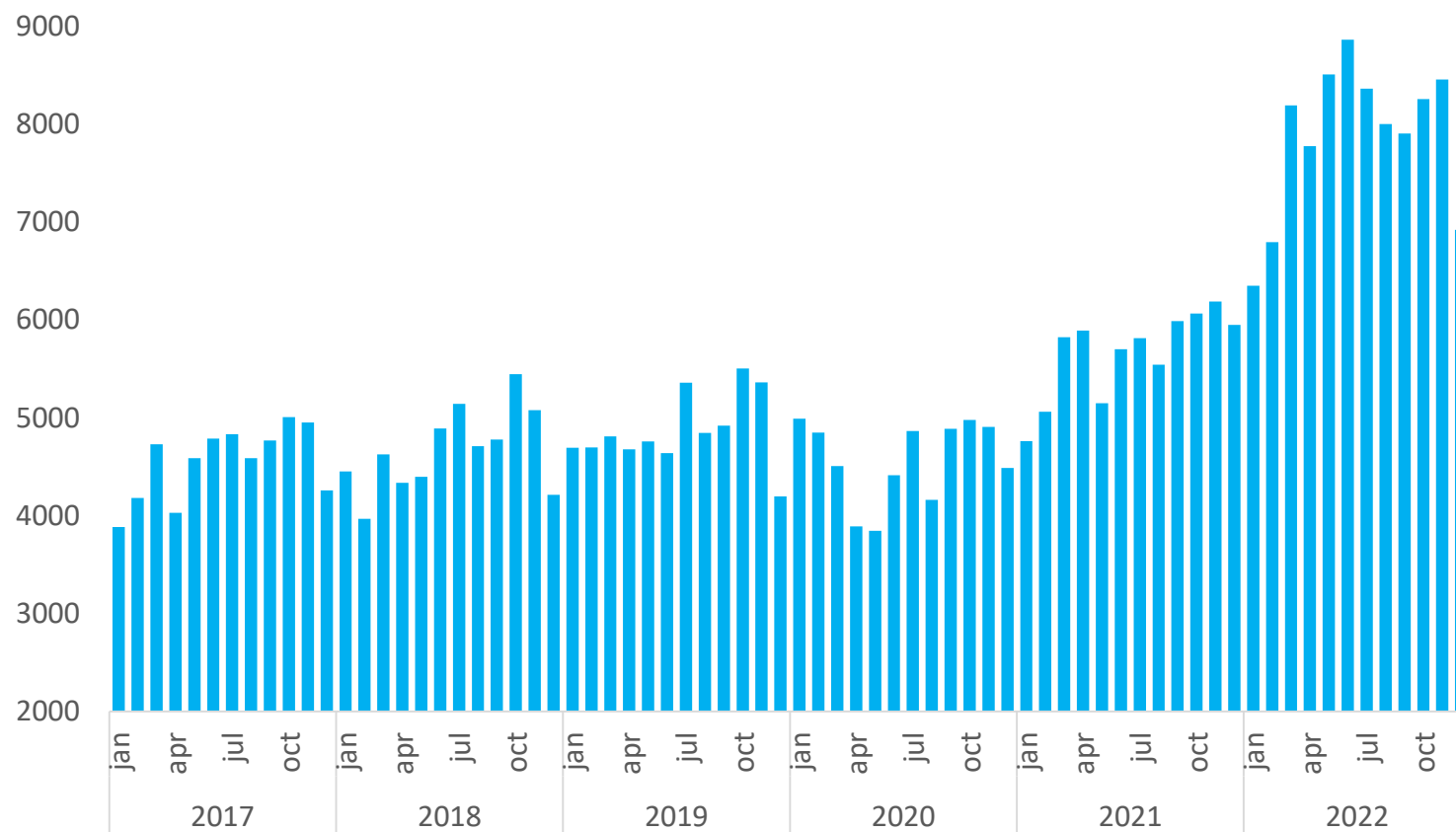
War, energy and economic adjustment: so far, a success



- Despite the war, the energy shock and overall turbulence, manufacturing index set a historic record in December 2022;
- Unemployment is at record lows (4.0%) since such data is collected, though demographic trends and diminishing working-age population play a major role.

Exports-driven recovery

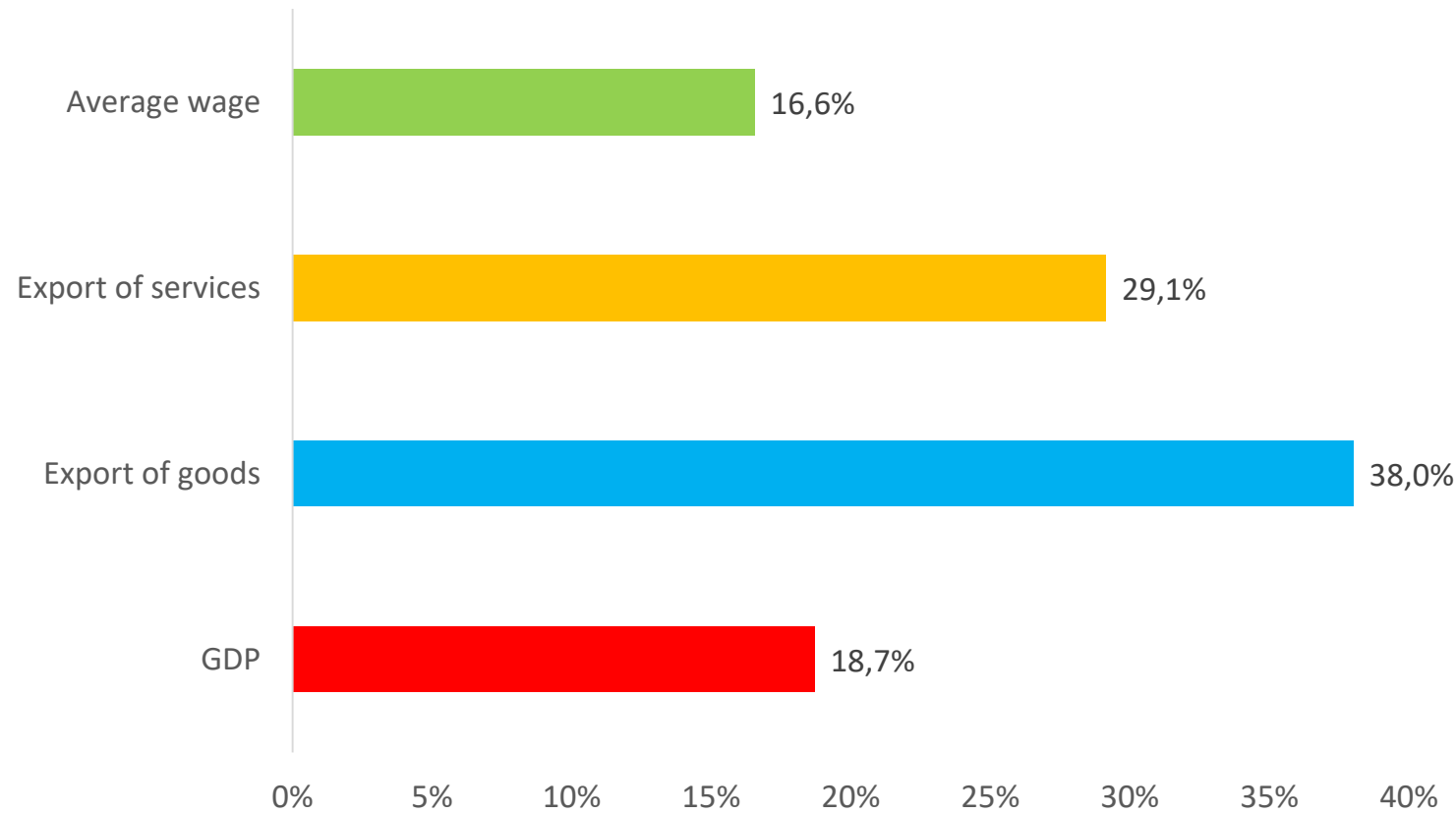
Export of goods, in BGN million



- Export-oriented manufacturing managed to stay competitive and grew fast in 2022, supported by expanded exports of fuels, electricity and arms;
- Such industries however remain vulnerable to the slow-down of economic activity in main trading partners, especially industry-dominated euro area economies.

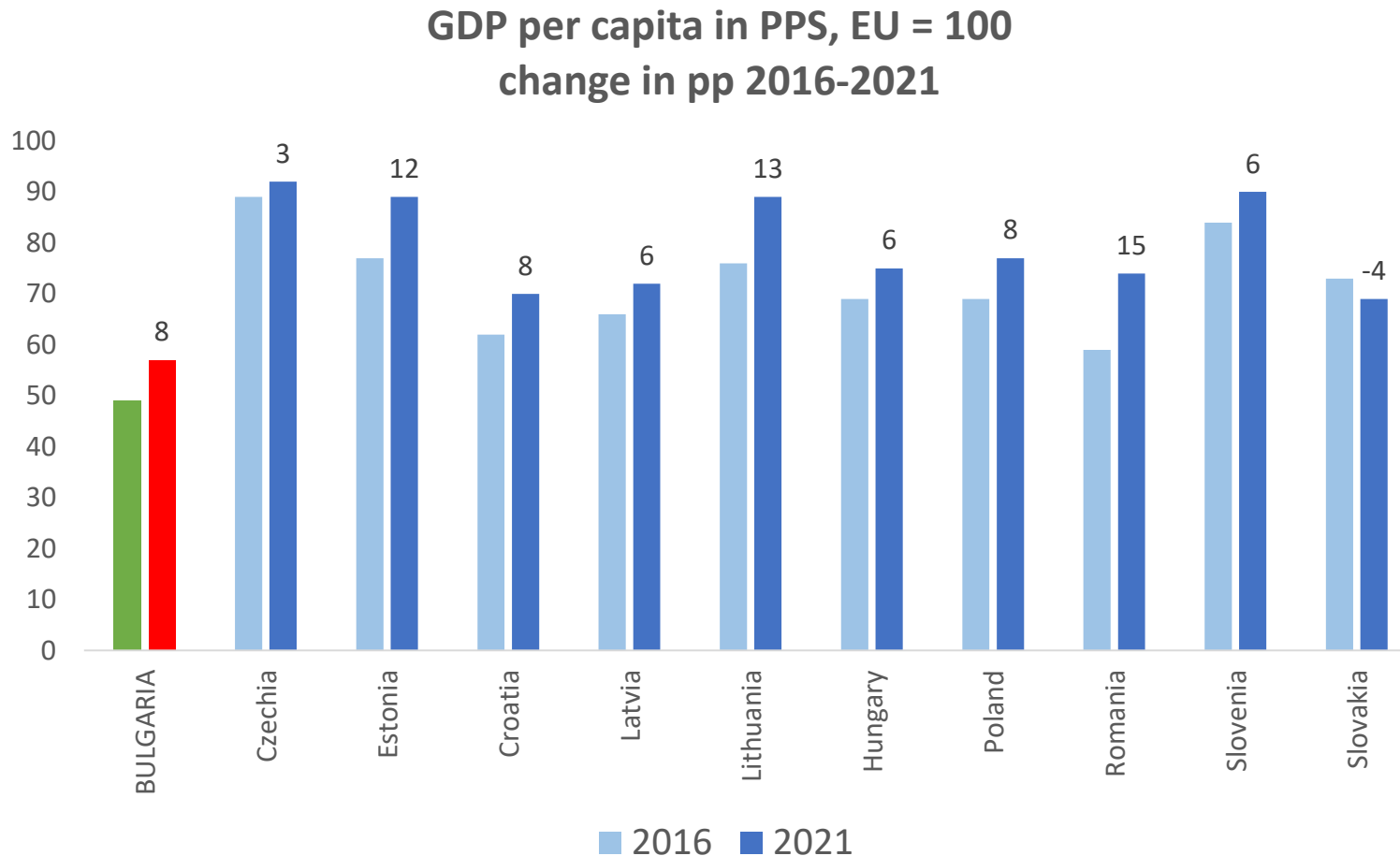
Inflation + real growth = nominal expansion

Nominal change 2022/2021



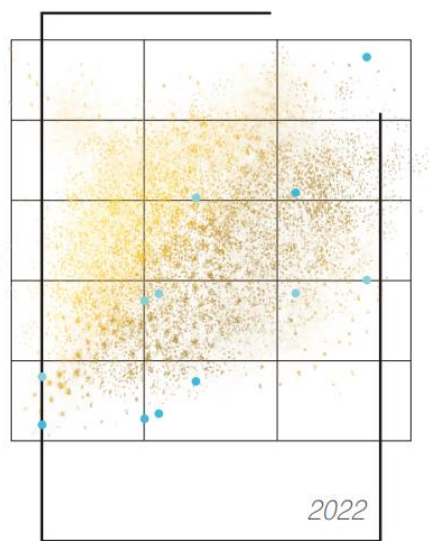
- Export of goods grew by 38% in nominal terms, export of services grew by more than 29% (tourism recovered from Covid-19 crisis, IT services posted solid growth);
- Wages are still growing slightly faster than inflation rate (and fastest in the EU);
- GDP grew by 18.7% in BGN terms, reaching BGN 165 billion (EUR 84 billion).

The long-term challenge: convergence to EU income levels



- The long-term challenge is to achieve real economic convergence;
- All but one CEE countries converged noticeably in the last 5 years, Bulgaria is neither a champion nor a failure;
- Bulgaria added 8 percentage points in GDP per capita (PPS) to 57% of EU average in 2021;
- After Census 2021 actual population data are adjusted, the GDP per capita level will be revised upwards, probably by 3-5 p.p.

REGIONAL PROFILES

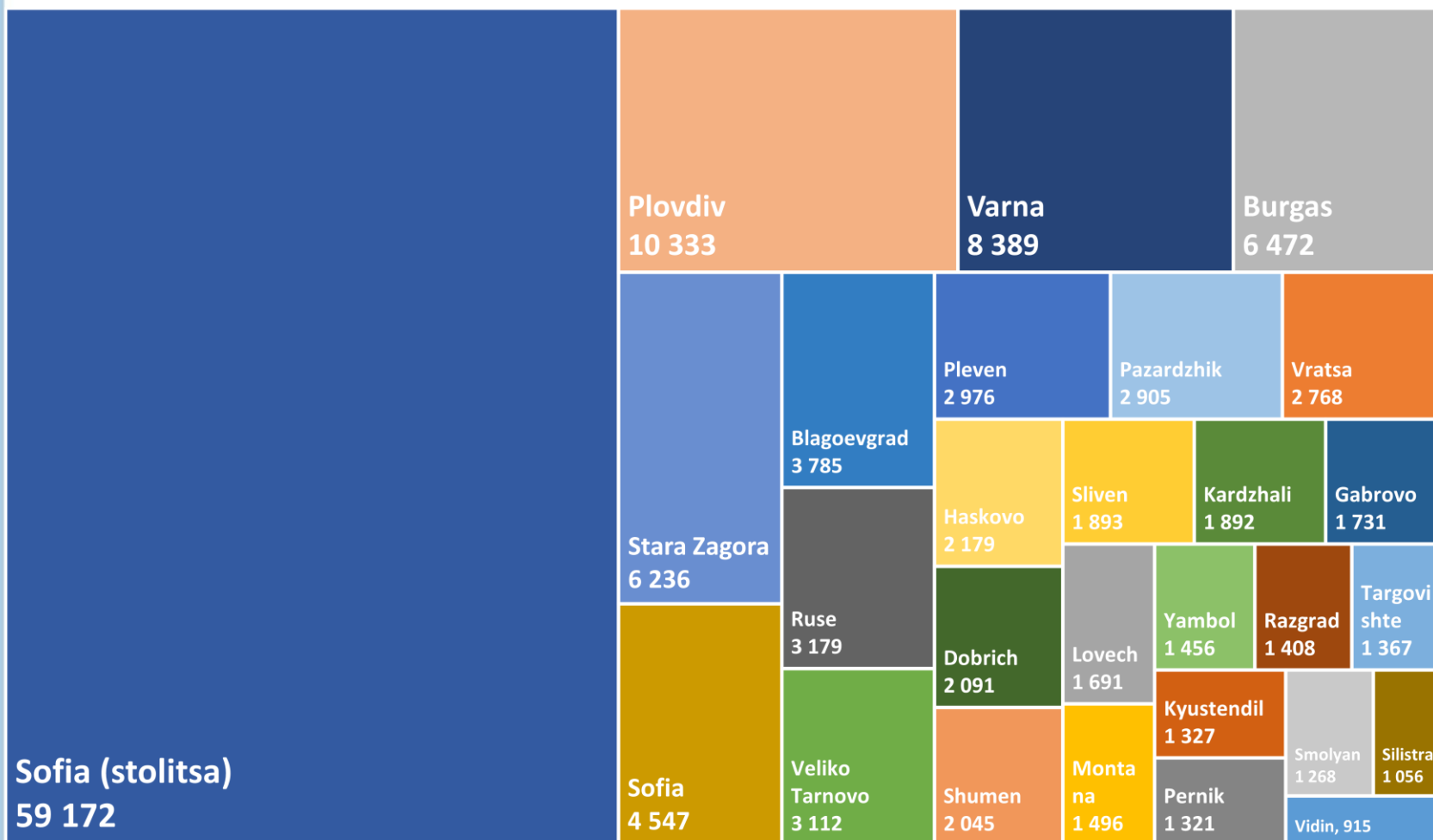


INDICATORS OF DEVELOPMENT

Regional Profiles 2022: Persisting Differences and Potential for Development

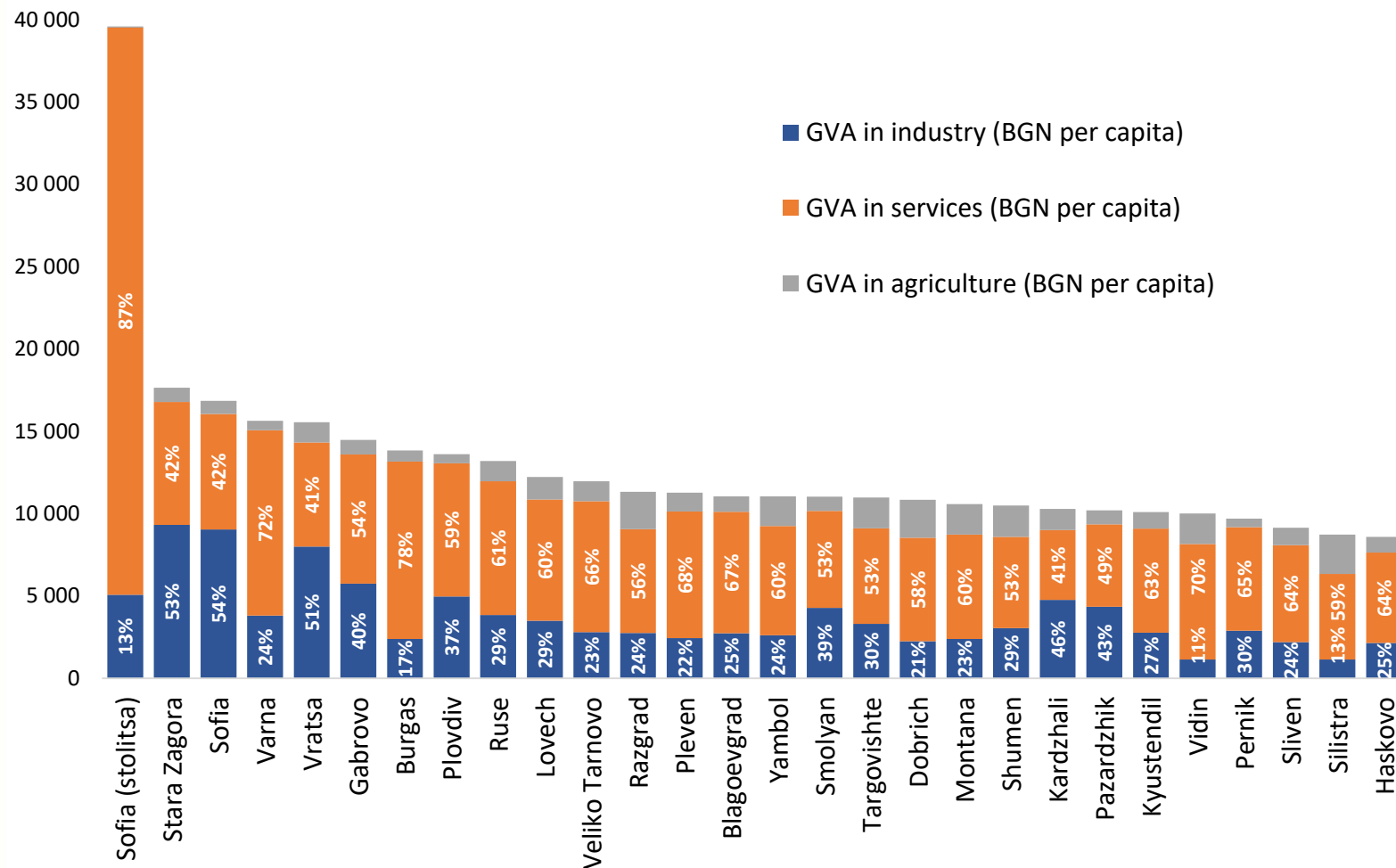
Petar Ganev, IME
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Gross domestic product of the districts in Bulgaria in 2021 (in million BGN)



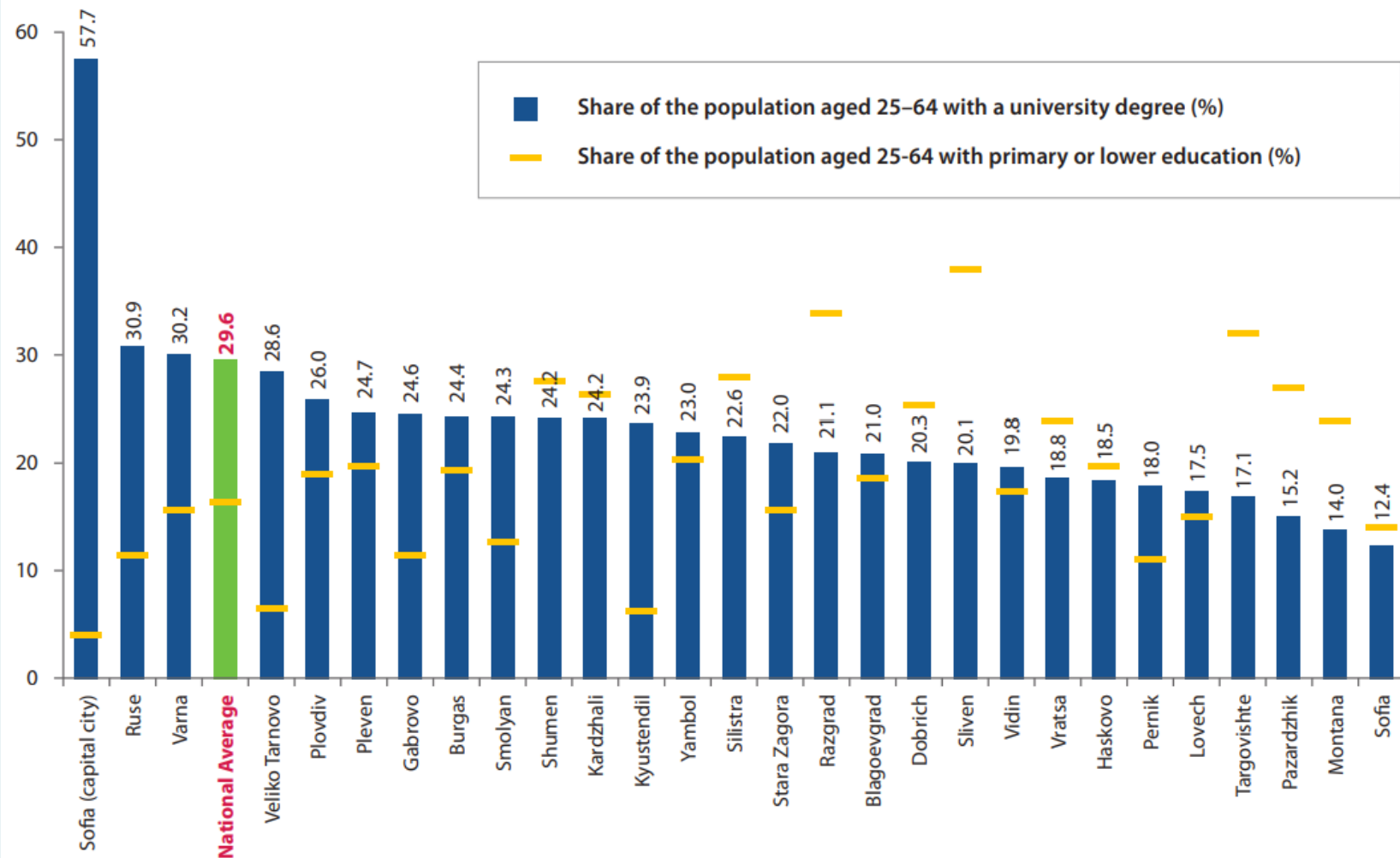
- The gross domestic product (GDP) of Sofia (capital city) reached over 59 billion BGN, which is nearly 43% of the country's economy;
- In southern Bulgaria, the district that stands out is Plovdiv (10.3 billion BGN), followed by Burgas (6,5 billion BGN) and Stara Zagora (6,3 billion BGN);
- In the north, the undisputed leader is Varna (8.4 billion BGN), followed by Ruse and Veliko Tarnovo.

Gross value added per capita by district in 2021



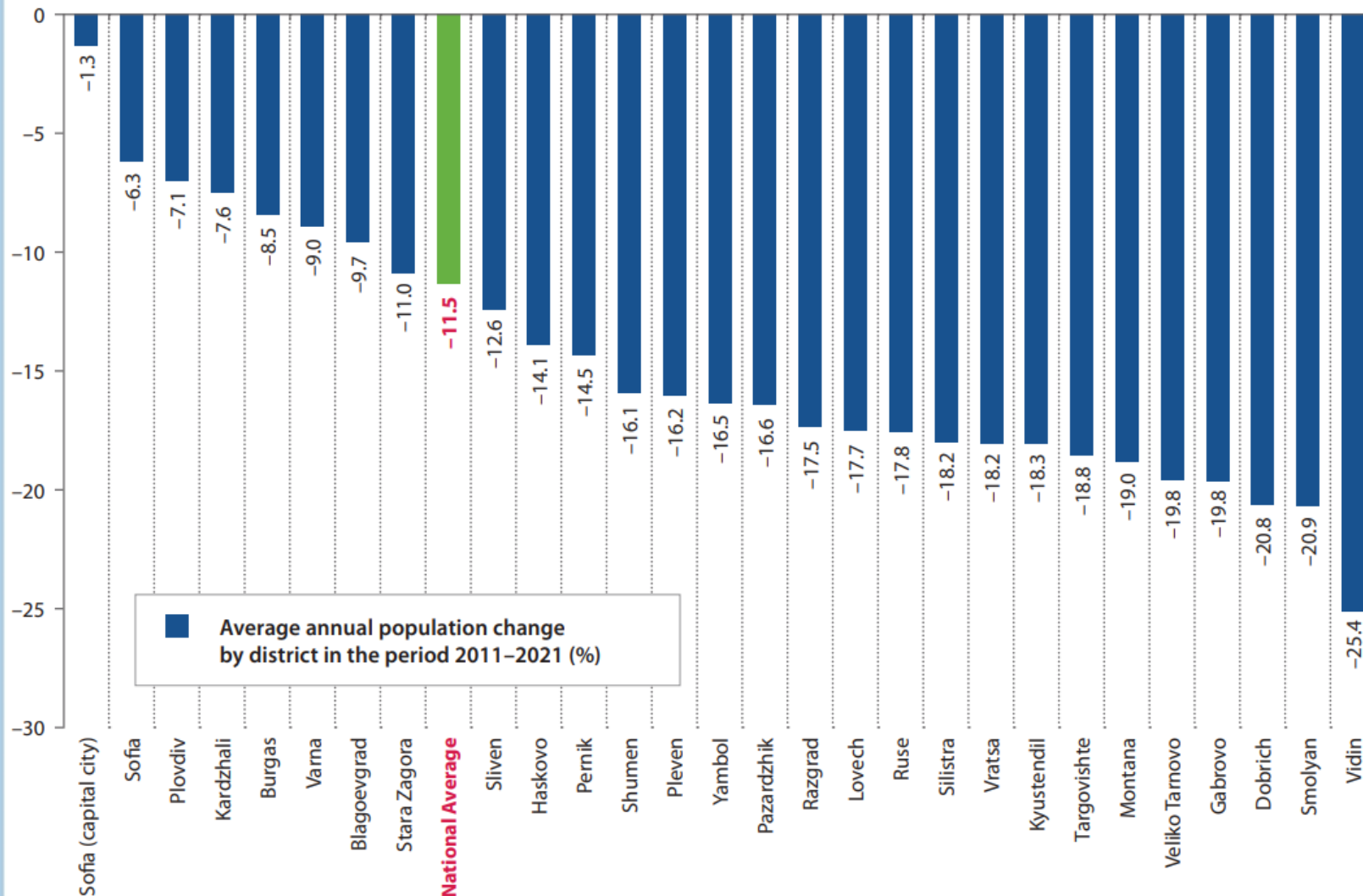
- Gross value added (GVA) per capita by district varies from almost 40,000 BGN in Sofia (capital) to less than 9,000 BGN in Silistra and Haskovo;
- Sofia (capital city) is the leader, with services dominating and creating 87% of the local GVA;
- Stara Zagora and Sofia district come behind, with industry generating more than half of the GVA;
- Traditionally, a high share of the service sector is a feature of the coastal districts of Varna and Burgas.

Educational structure of the workforce by district in 2021



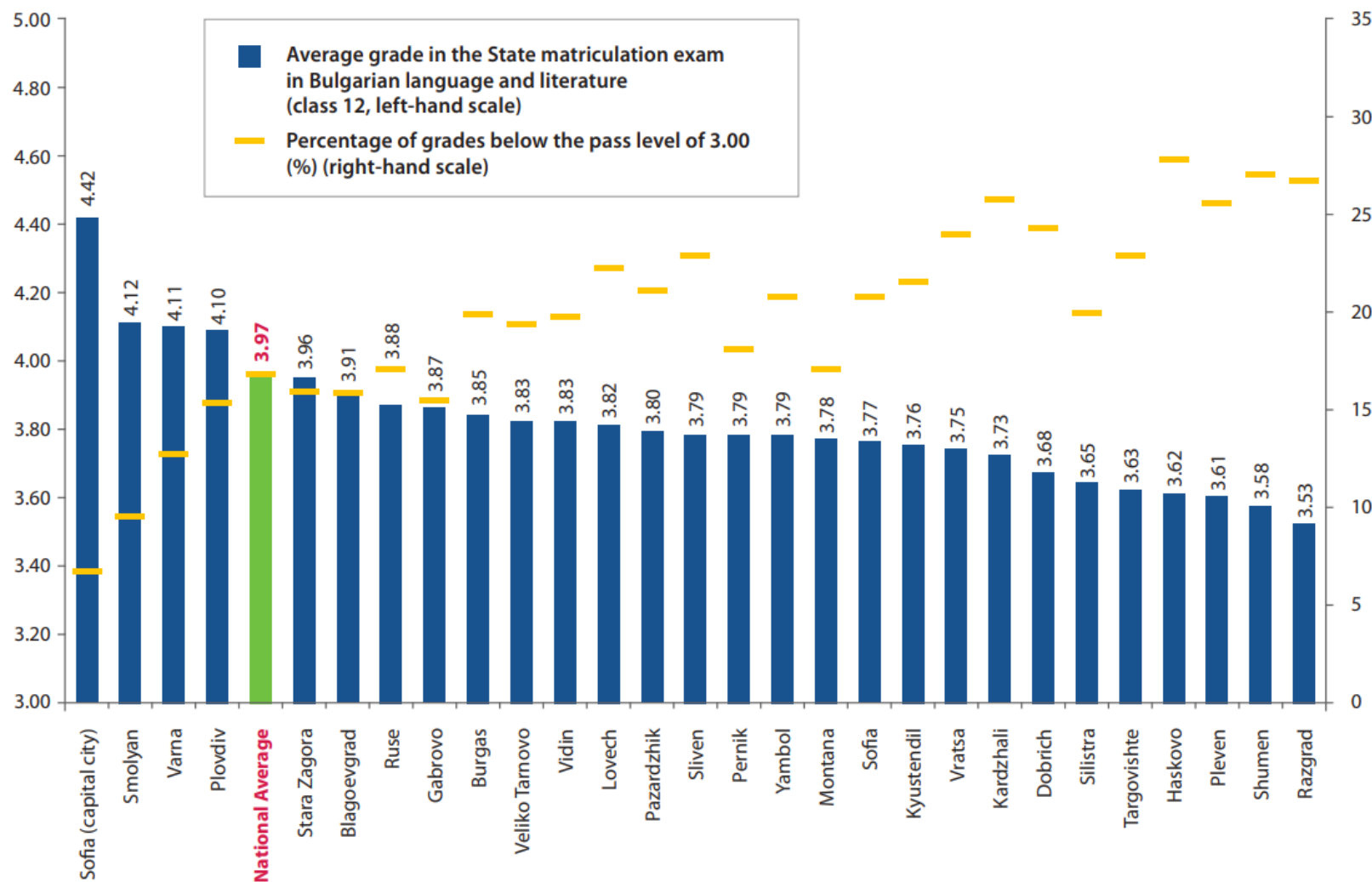
- In 2021, nearly 30% of the workforce (aged 24–64 years) had a university degree, a share that has been rising in recent years;
- The unquestioned leader is Sofia (capital city), where 57.7% of the workforce have higher education;
- Next come the districts of Ruse (30.9%), Varna (30.2%), and Veliko Tarnovo (28.6%).

Population change by district in the period 2011–2021



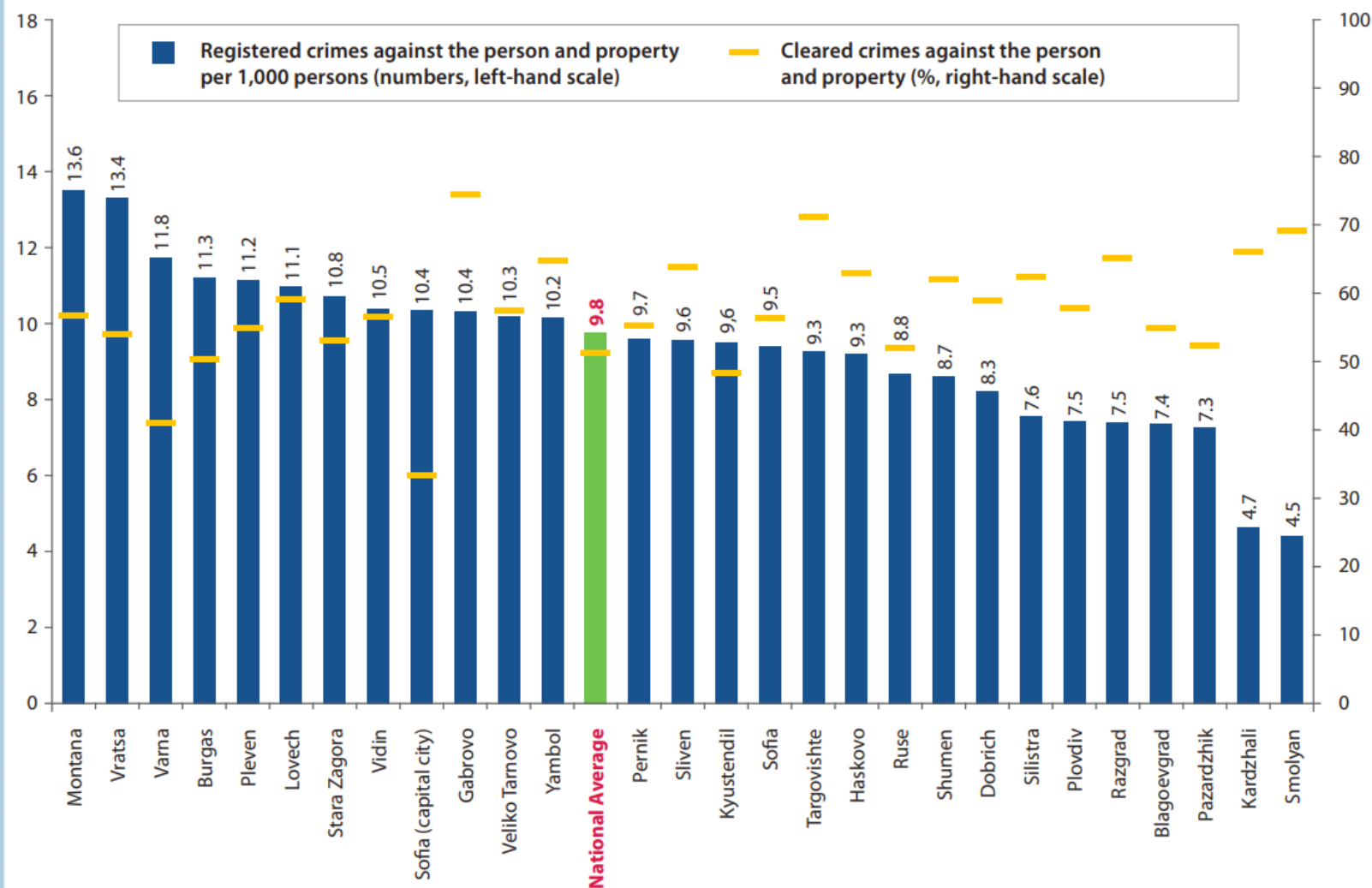
- In 2021, Bulgaria's population was slightly over 6.5 million, and throughout the past decade it has been on the decline in each of the 28 districts;
- The districts with the lowest population decline are those that have managed to attract people, i.e. they have recorded positive net migration;
- These processes are most stable in Sofia (capital city) and Sofia district, as well as in Plovdiv, Burgas, and Varna.

Average grade in the 2022 State matriculation exam in Bulgarian language and literature



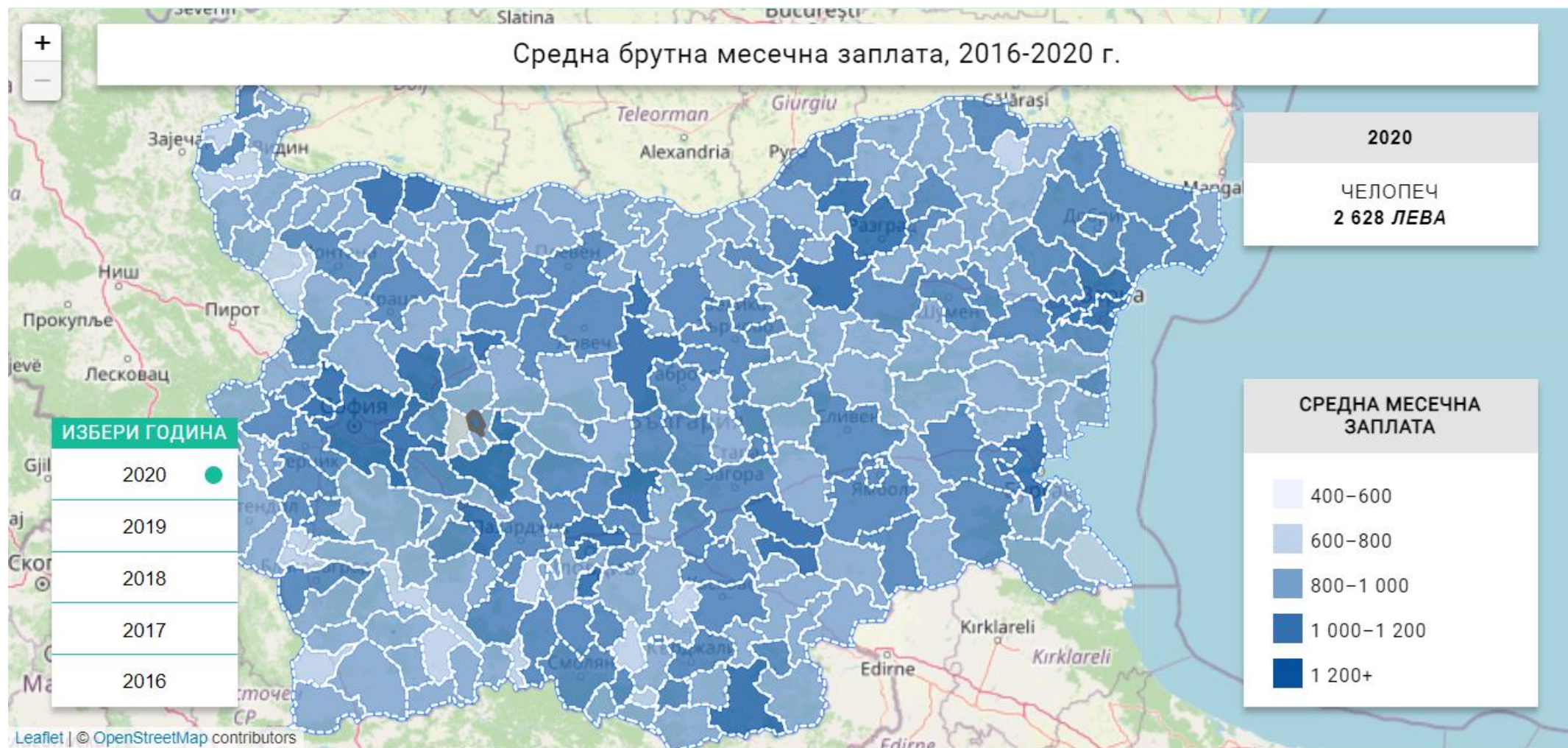
- Education has also been severely affected over the past two years, with students going into online learning for long periods of time;
- The country's leaders in the State matriculation exam in Bulgarian language and literature are not a surprise – they are Sofia (capital), Smolyan, Varna, and Plovdiv;
- In some districts the share of poor grades is reaching over 25%, i.e. one in four children received a poor grade.

Registered crimes against the person and property and detection rates in 2021



- Over the past few years, the country has witnessed a steady decline in the number of registered crimes against the person and property;
- In 2021, an average of 9.8 crimes against the person and property were registered per 1,000 population;
- The districts in the Bulgarian north-west – Montana, Vratza, and Vidin, as well as Varna and Burgas – were notable for the high number of registered crimes.

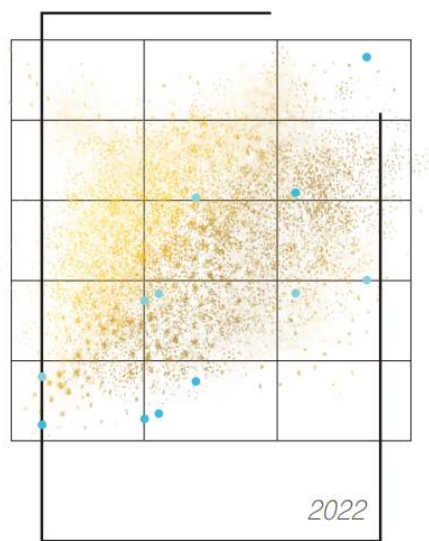
Average gross monthly wage per municipality (BGN, 2020)



Foreign direct investments per municipality (in million BGN, 2020)



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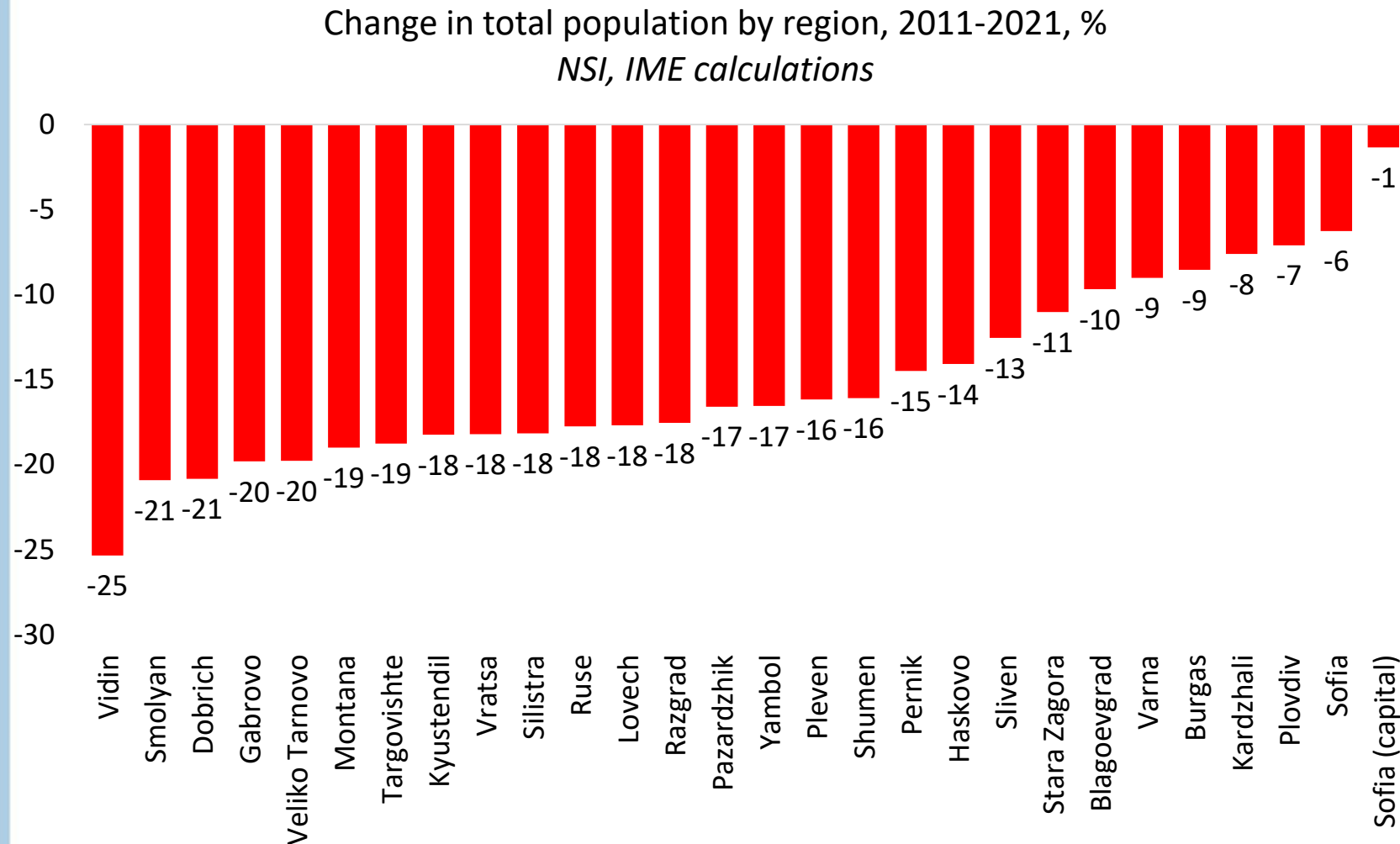
Demography of Bulgarian regions – key takeaways from Census 2021

Adrian Nikolov, IME
nikolov@ime.bg

The Census – why focus on it?

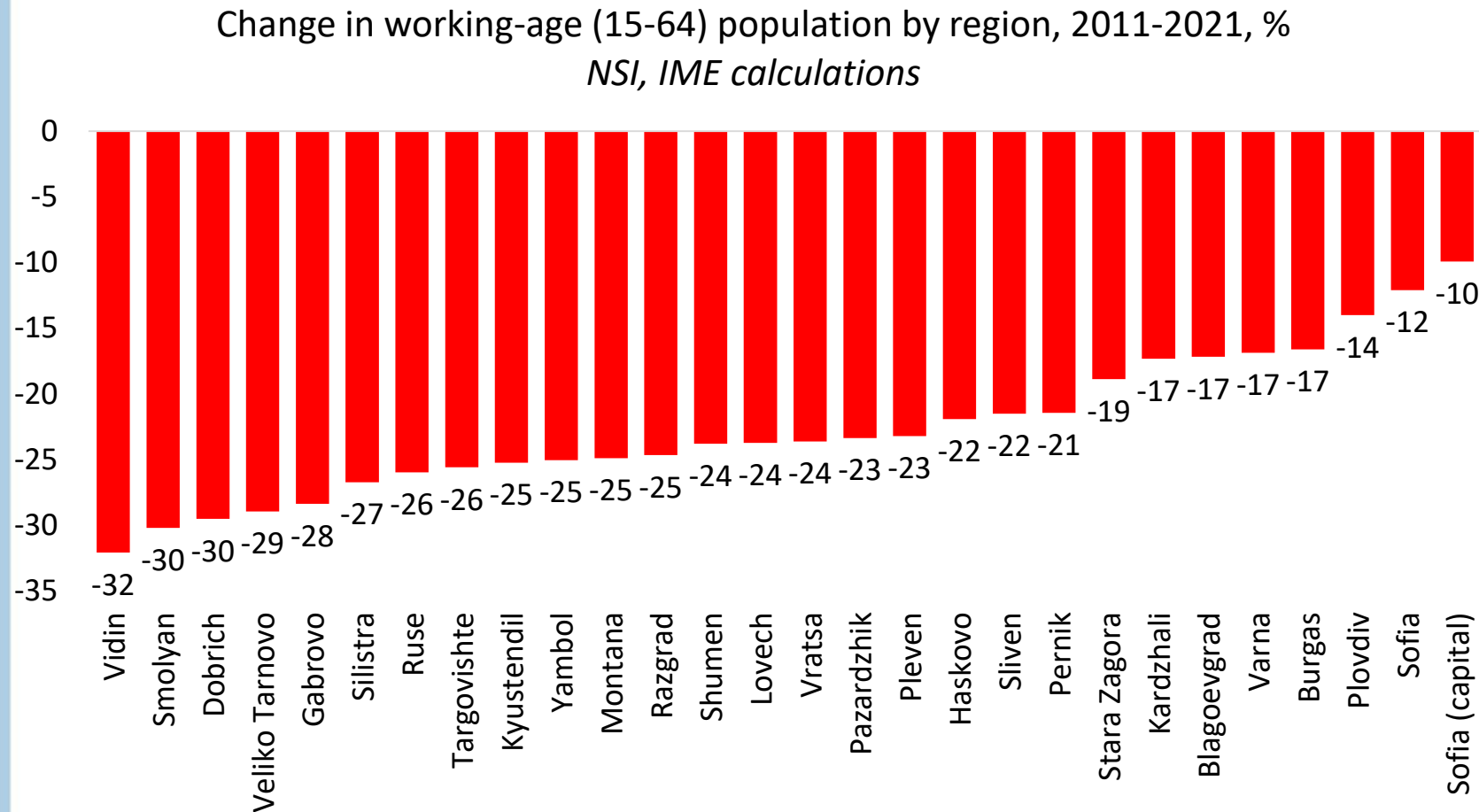
- The only exhaustive study of the population of Bulgaria
- Data not contained in other studies – daily work migration, education at the municipal and city level, detailed population distribution
- A focus on broad demographic trends and developments
- Large gaps in data between survey waves – 10 years

A rapidly declining population



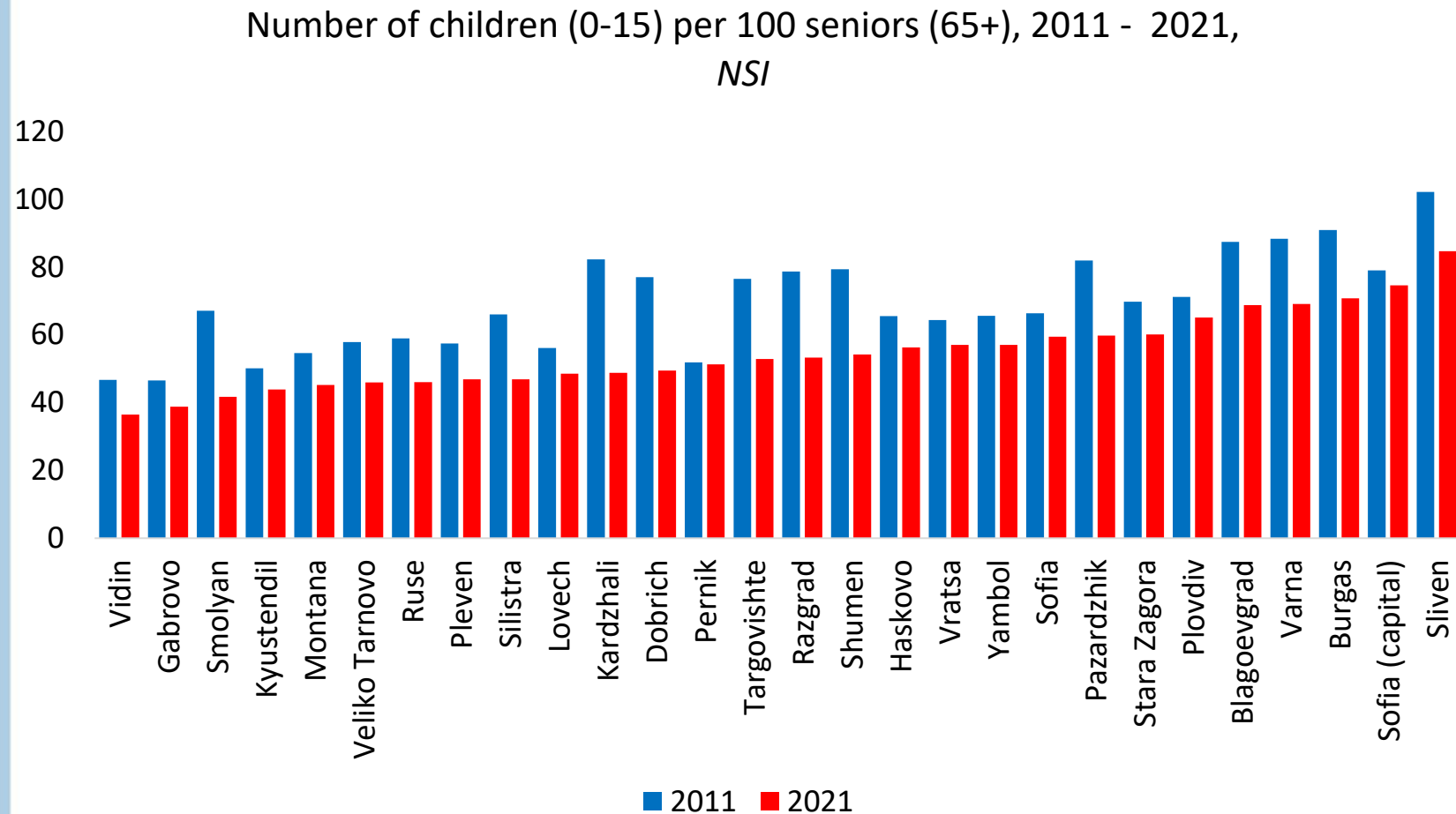
- All regions have lost population over the 10-year period, including the capital;
- Varying rates of decline – from -25% in Vidin to -1% in Sofia (capital);
- Overall drop – 845 thousand people;
- More economically developed regions decline slower, but no “winners”.

An (even more) rapidly declining workforce



- Working-age population is declining at a faster rate than overall – a consequence of aging;
- Losses vary from a total 1/3 of the labour force to 1/10th, but most regions lose over 20%;
- Serious threat to investment and development – do more with less people;
- Key importance of innovation and improving human capital.

Aging – a growing challenge



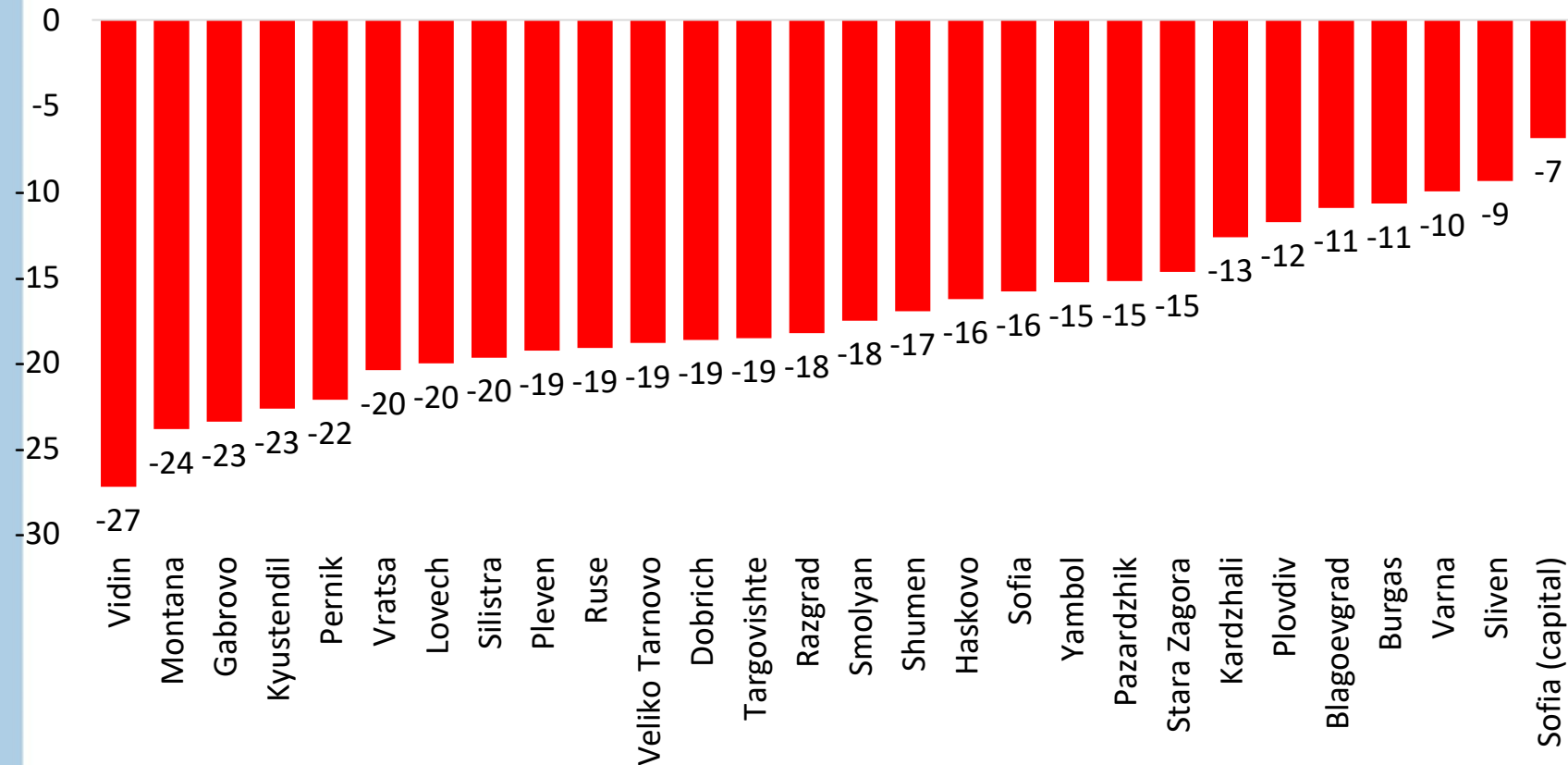
- Aging is ubiquitous – in all regions but Pernik there is a significant decline of the children-to-seniors ratio;
- The ratios vary strongly – the difference between the best and the worst is more than twofold;
- Better developed regions tend to be younger, but Roma populations also play a role;
- Consequences for pensions, social assistance etc.

Driving forces – natural growth

Natural growth rate by region, 2021 recalculated relative to census 2021

population, ‰

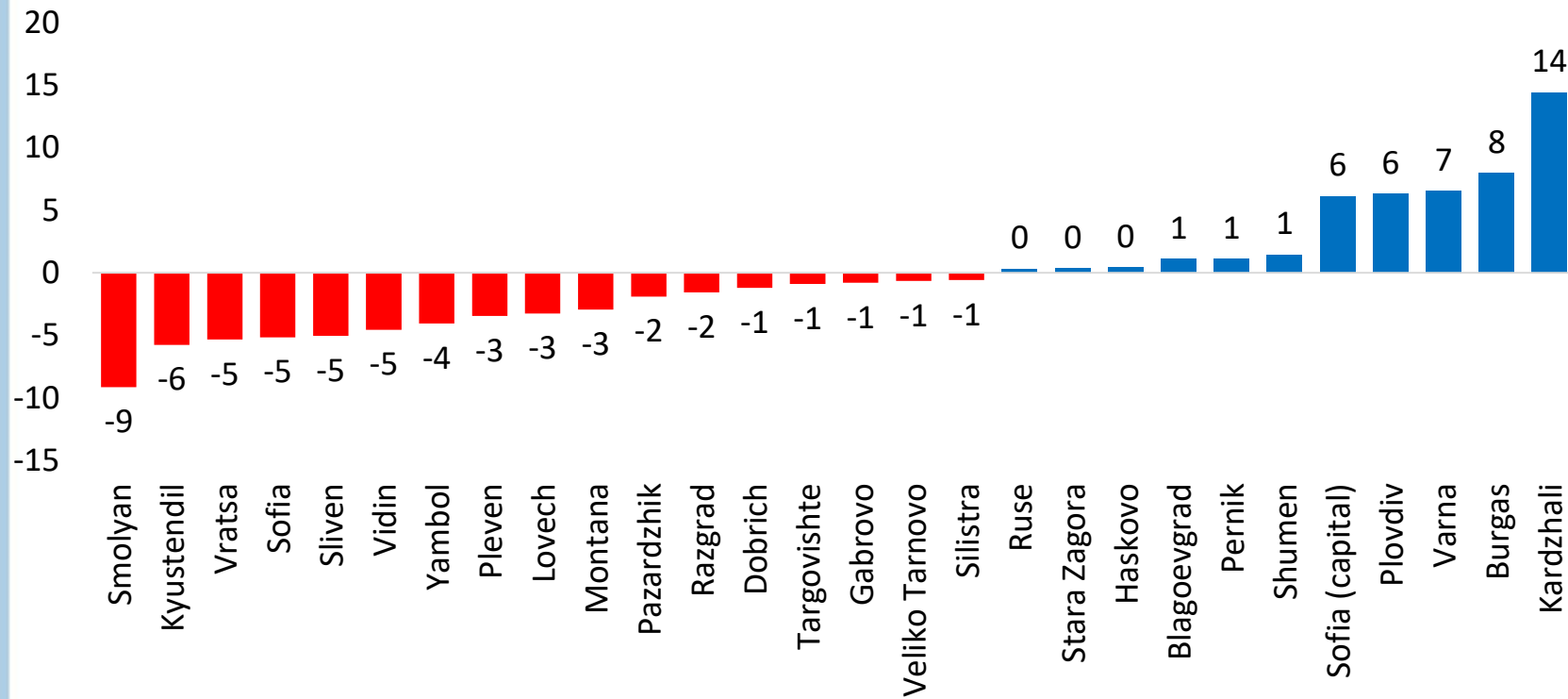
NSI, IME calculations



- No region has more birth than deaths
- The role of Covid-19 – before 2020 Sofia was on balance, so recovery may be possible
- Long-term negative trends, 10 regions losing more than 2% per year only from natural processes
- Reversing particularly hard, will likely take decades

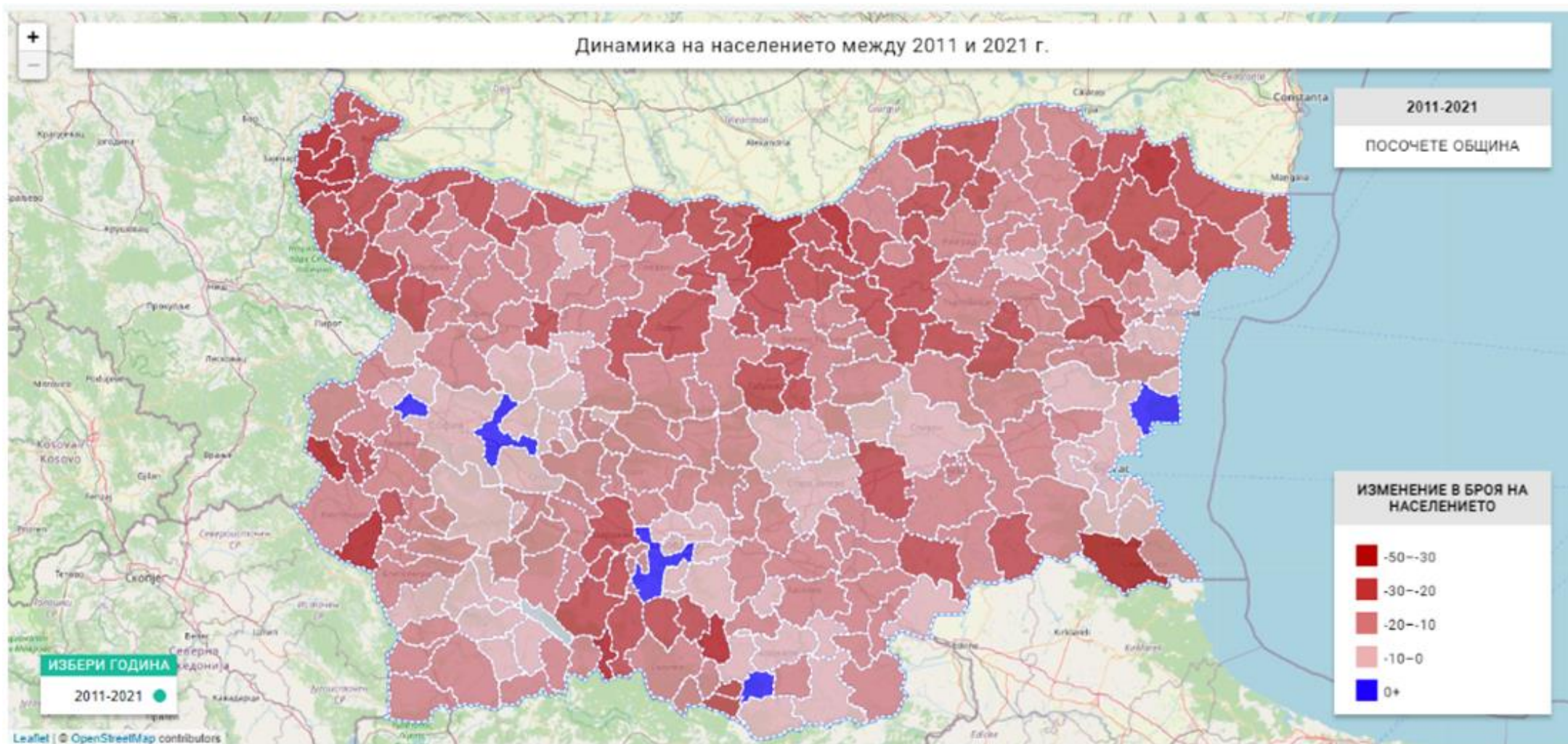
Driving forces – migration

Net migration rate by region, 2021 recalculated relative to census 2021
population, ‰
NSI, IME calculations

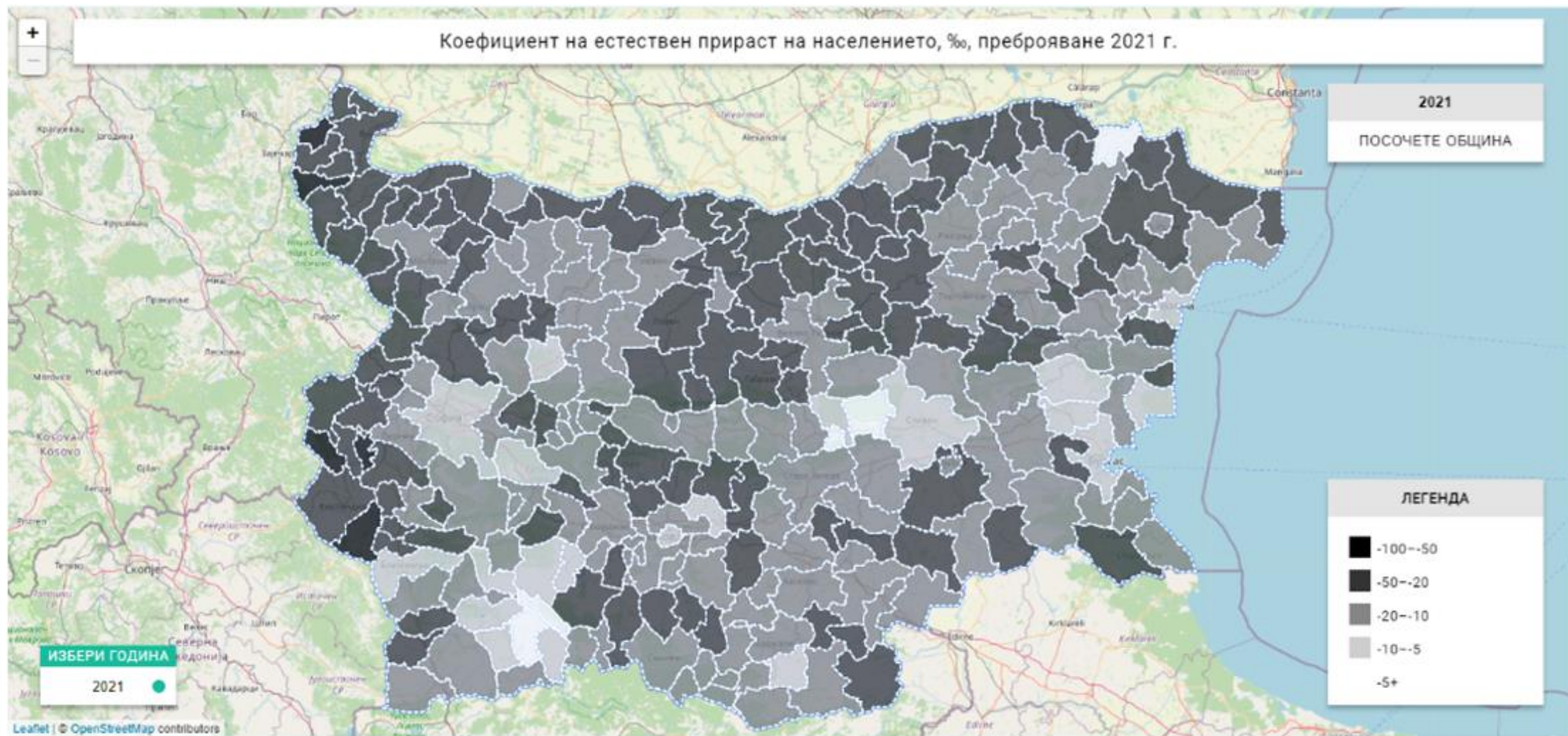


- Migration trends not as clear-cut
- Economically developed regions tend to attract younger, active migrants
- Trans-border migration is also important
- A diverse set of regions source of most migrants, but most close to major centres

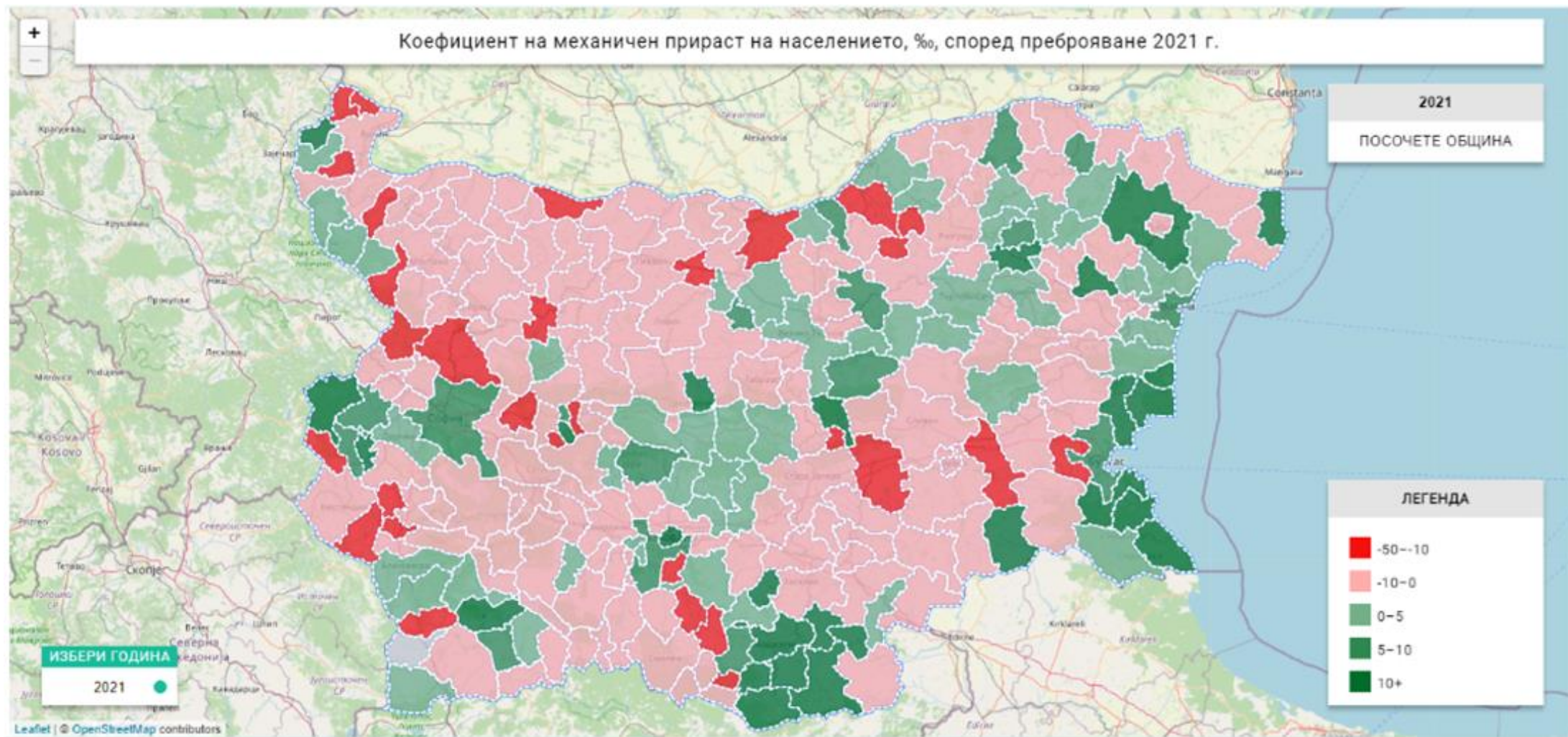
The municipal level – population changes 2011-2021



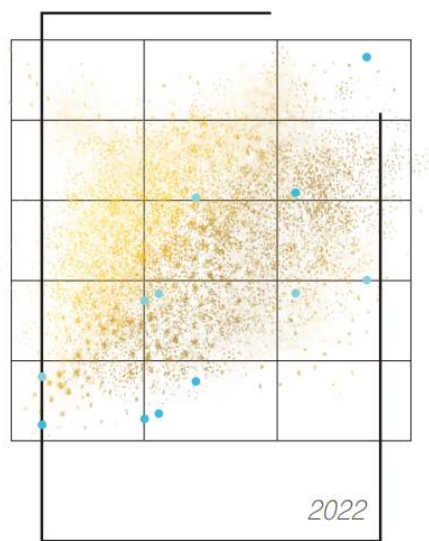
Municipal level population natural growth – negative everywhere



Municipal level migration – positive in pockets



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Regional Profiles

Indicators of Development

The publication „Regional Profiles: Indicators of Development“ aims to provide objective and comprehensive information on the development of Bulgarian districts. Through the elaboration of separate district profiles and regular thematic analyses, the publication presents the economic and social aspects of life in every district.

[Read more about the project](#)

Tourism and city life in Sofia forgot about the pandemic and are already reporting records

27.01.2023

The new "Economic and Investment Profile of Sofia" (2022), prepared by the IME for the Sofia Investment...

The recovery in 2021 rearranged the ranking of regional economies

27.01.2023

Bulgaria's regional development remains very uneven, and the recovery from the covid crisis in 2021...

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SOCIAL DEVELOPMENT



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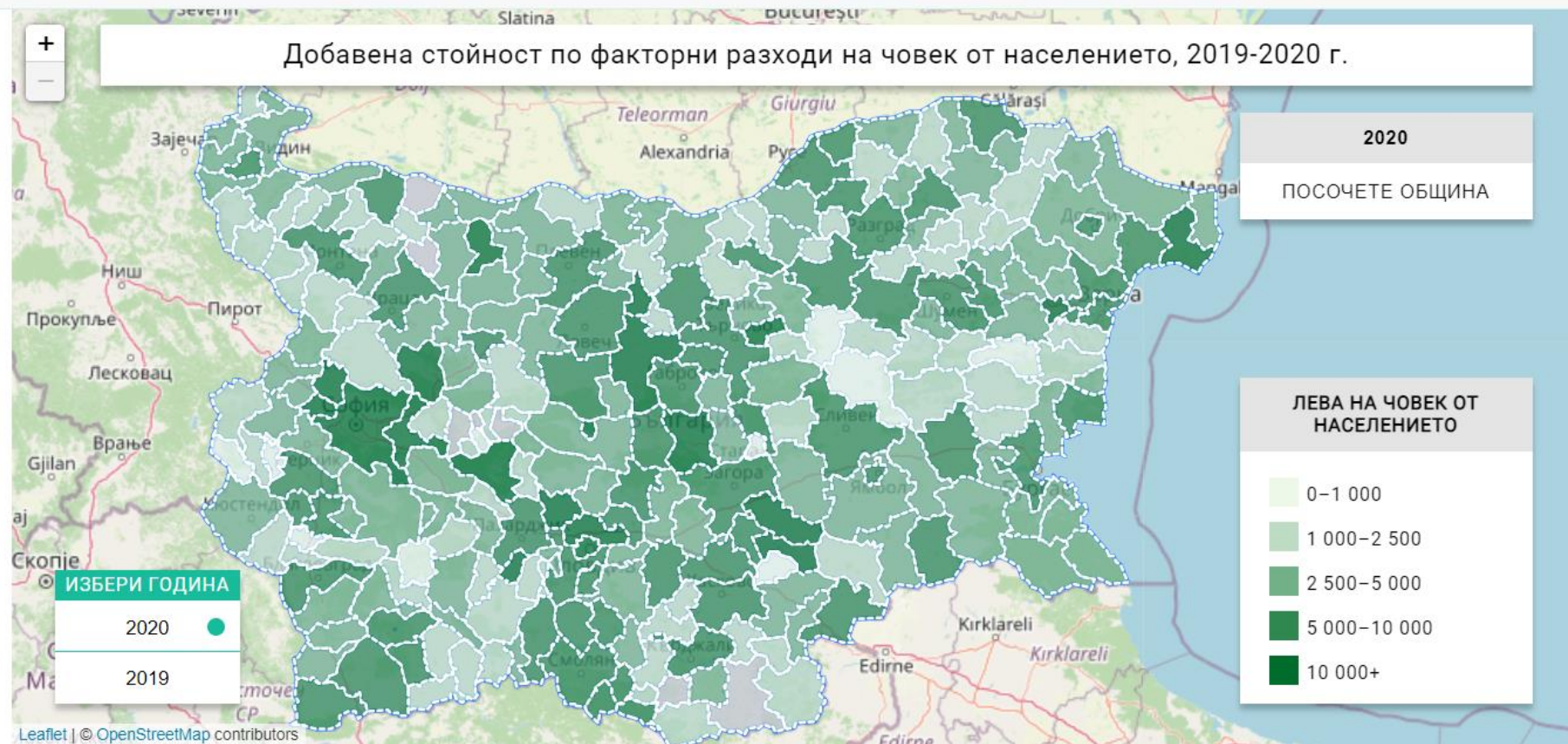
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