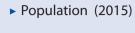
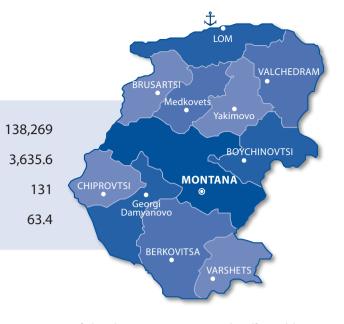
# Montana District



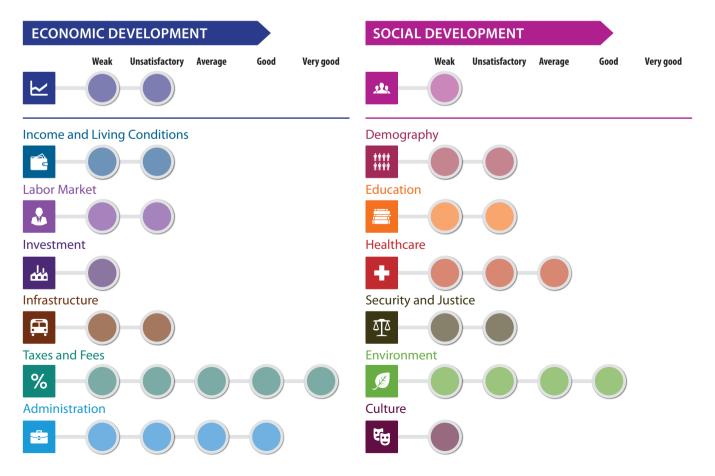
- Area (sq. km)
- Number of settlements
- ► Share of urban population (%)



#### **Overview**

There has been a considerable lag in Montana's economic development. In 2015, employment rates shrank, which entailed a drop in salary incomes, consequently, in average incomes in the district too. Montana remains the least attractive district for foreign investment, and the municipalities in the district have failed to compensate the lack of private investment with sufficient EU fund utilization. The low levels of taxes and fees and the relatively good administrative services have failed to compensate the influence of negative factors such as the poor infrastructural development in the district.

Montana is one of the districts most seriously affected by the country's demographic crisis. The educational system has been successful in enrolling a substantial part of the eligible for education but the deteriorating grades at matriculation exams indicate a decline in quality. Healthcare quality is close to the country average, and the environment is in a relatively good condition. Though crime rates have been below average, the clearance crime rate has gradually been falling and the judicial system is inefficient. The intensity of cultural activities is much lower than the national average levels.



#### ECONOMIC DEVELOPMENT

#### Income and Living Conditions

Similar to its neighboring district, Vidin, Montana's economic development has been lagging considerably behind the country average levels. GDP per capita amounted to 6,611 BGN in 2014, lower by over 40% than the national average value.

Though there are ten districts in Bulgaria where the gross average salaries of employed people or those under labor contracts was lower than that in Montana (7,499 BGN in 2014), NSI data show that household incomes in the district were among the lowest in the country. The chief reason for this is the population's low employment rate. Although salaries are not among the lowest in the country, they constitute only 33% of household incomes. This share is the lowest in the country, far below the average 56.1%.

Low incomes are also the chief factor behind the considerable poverty levels in the district. The relative share of the population below the national poverty line is 41.6% – higher figures have been registered only in Kardzhali and Pazardzhik.

## Labor Market ••

Contrary to national tendencies, the employment situation in Montana declined abruptly in 2015. The employment rate dropped to 53.7%, the fourth lowest figure after Silistra (49.2%), Vratsa (50.3%), and Targovishte (51.6%), while the national average rate was 62.9%. Unemployment rates dropped from 16.3% in 2014 to 8.2% in 2015 but this was due to a slump in the population's economic activity, not to the creation of new jobs. In 2015, 58.5% of the population aged 15 to 64 was economically active, while the national average rate was 69.3%. The only lower rate in the country was registered in Targovishte (56.7%).

Development perspectives for the labor market do not seem any brighter against the background of the low share of people with higher education among the population: 17.3% vs. 27.5% for the country.

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As early as 2013, Montana became the district with the least favorable ratio between cumulative FDI and the total number of the local population. In 2014, an FDI outflow of nearly 4 m euro was registered – i.e., 247.5 euro per capita, which is 12 times lower than the national average level. Montana was also one of three districts (alongside Vidin and Pernik) where companies' FTA acquisition expenditure in 2014 amounted to less than 1,000 BGN per capita while the national average rate was 2,786 BGN per capita.

Unlike other less developed districts, such as neighboring Vidin and Lovech, the municipalities in Montana have failed to rise beyond the national average rates in EU funds utilization. Against this background, it is no surprise that

the only other district where entrepreneurial activity is less vigorous is Kardzhali.

#### ☐ Infrastructure ● ●

The density of both road and railway networks in the district is slightly below the national average: 17.8 km per 100 sq. km and 3.6 km per 100 sq. km, respectively. The differences in infrastructure development mostly concern high speed roads. The only district where the share of motorways and first class roads is smaller is Smolyan, where road infrastructure is poorly developed because of the mountainous terrain. In 2015, 31.4% of road surfaces in Montana were in good condition – the highest figure in the last six years, yet still below the national average of 40.7%. In 2015, again, Montana was one of the districts with the lowest share of households with internet access (36.8%). Only Vratsa and Targovisgte had lower rates.

#### % Taxes and Fees ••••

Local taxes and fees in the district of Montana are considerably below national average rates. The local property acquisition tax is the closest to the average levels. In 2015, the waste collection fee was raised in the municipality of Brusartsi, though lowered in the district center.

The municipality of Montana is one of the few in the country, which dared to raise the annual license tax for retailers in recent years. Though the rate was doubled, its new size of 4 BGN/sq. m is almost three times lower than the national average.

#### Administration ••••

The district of Montana was rated slightly above the national average in terms of administrative development. In the Local Integrity Index of Transparency International the district center, the municipality of Montana, got 3.21 out of the maximum 5 points vs. the national average of 3.14. The AIP Foundation assessed the municipalities' transparency at 42.1% vs. the average rate for Bulgaria 54.2%. Onestop shop services are being introduced relatively fast; the greatest progress in the development of these services was announced by the municipalities of Montana, Varshets, and Yakimovo.

Cadastral map coverage has remained unchanged since 2010 – 12.3%, whereas on national level it grew from 15.9 to 19.8%. The municipalities of Varshets, Lom, and Chiprovtsi have the highest cadastral coverage, while those of Boychinovtsi, Brusartsi, Valchedrum, Medkovets, and Yakimovo have none.

#### SOCIAL DEVELOPMENT

#### E Demography

Between 2001 and 2015 the population in the district of Montana decreased by over 1/4, which is twice faster than the registered national rate. Only in the districts of Vidin, Vratsa, and Razgrad has the population decreased faster. As a result of the negative demographic processes age structure is deteriorating, and in 2015, the district registered the second worst natural growth rate of the population after Vidin. One of the few positive indicators in the demographic development of the district is the relatively low negative net migration rate (–2.4‰ in 2015).

Similar to the other districts in Northwestern Bulgaria, the share of the population living in urban centers, is relatively low: 63.4% vs. 73.1% nationally.

## Education ••

The relatively high enrolment rate of the population in 5th–8th grade and the declining share of high school repeaters (0.9% in the 2014/2015 school year vs. national average rate of 0.1%) should be mentioned as some of the positive characteristics of the district's educational system.

However, the share of dropouts in primary and secondary education has remained above 3% for the second successive year, while the grades of local high school graduates at the matriculation exams in Bulgarian language and literature have been among the worst in Bulgaria. In 2016, the share of failing grades at that exam reached 12.4% vs. the national average rate of 8.7%. In each of the nine years since the introduction of the compulsory matriculation exams, the average grade for the district was below the average for the country. In 2016, the gap was greater than in previous years: "good" 3.88 for Montana and "good" 4.17 nationwide. Lower average grades were observed only among high school leavers in Kardzhali, Razgrad, Silistra, and Yambol. Montana is one of the five districts in the country where there are no universities or university affiliated institutions.

#### + Healthcare • • •

Local hospitals are quite busy, while at the same time the number of beds in general hospitals increased to 864 in 2015. The only districts with a more favorable ratio between the number of beds in general hospitals and the local population are Pleven and Plovdiv. The number of general practitioners in the district is a relatively high, yet, there is a certain shortage of specialists.

In 2015, the infant mortality rate fell to 6.3‰, which indicates an improvement in healthcare. The rate of health-

insured people is high: 89.0% in the district vs. 88.5% on average in the country.

## Security and Justice ● ●

Though crime rates are relatively low in the district, the local judiciary is not very efficient. The only district where the workloads of criminal judges in the district court is lower than that of Montana (4.7 cases a month per judge) is that in the district of Targovishte. Nevertheless, Montana has the second lowest share of criminal cases closed within 3 months – ranked immediately after the capital. Besides, the share of pending criminal cases in Montana (14.5%) is lower than those in the capital and Blagoevgrad (15.4%) only, while the national average is 9.4%.

The only reason why the district's rating is not even lower is the traditionally small number of registered crimes against the person and property. The clearance crime rate is also higher than the national average but the difference is gradually shrinking.

## Environment

The good rating of the environment in the district of Montana is due primarily to the low level of carbon dioxide emissions into the atmosphere. In 2014, they amounted to 7.9 t/sq. km, while lower levels were registered only in Dobrich, Kardzhali, and Smolyan.

In 2015, the Water Cycle construction project in the town of Montana was completed, including the modernization of the town's wastewater treatment plant. Still, the connectivity of the district's population to WWTP (34.2%) remained lower than the national average rate of 56.8%. The share of the population living in areas with public sewerage was also low: 58.8% vs. the national average rate of 74.9%.

# © Culture •

The general tendency of increasing visits to museums and libraries nationwide is not typical of the district of Montana. The number of visits in the district is low and declined further in 2015. Despite the growing number of visits to local theatres, the interest in them continues to be low. Relative to the number of local population the 16,300 visits in 2015 correspond to 118 visits per 1,000 people vs. the national average rate of 302 visits per 1,000 people.

Montana is one of the five districts in the country which continue to have no cinemas in 2015. The other four districts are Kardzhali, Lovech, Pazardzhik, and Pernik.

# Key Indicators for the District of Montana

Indicators of economic development	2010	2011	2012	2013	2014	2015
GDP per capita (BGN, current prices)	5,384	6,078	6,207	6,769	6,611	n.a.
Average annual income per household member (BGN)	3,037	2,961	2,994	3,276	4,117	3,021
Average annual gross salary (BGN)	6,028	6,289	6,572	6,995	7,449	n.a.
Relative share of people living below the national poverty line (%)	42.5	30.6	27.2	41.6	n.a.	n.a.
Annual average economic activity rate of the population aged 15 to 64 (%)	65.2	61.6	62.7	63.8	67.1	58.5
Annual average employment rate of the population aged 15 to 64 (%)	56.9	52.9	53.3	53.0	55.9	53.7
Annual average unemployment rate of the population aged 15 to 64 (%)	12.2	14.1	14.9	16.7	16.3	8.2
Relative share of the population aged 25 to 64 with tertiary education (%)	15.4	15.8	18.1	18.4	17.1	17.3
Number of non-financial enterprises per 1,000 people	32	31	31	31	32	n.a.
Expenditure on the acquisition of fixed tangible assets per capita (BGN)	669	1,128	997	1,077	999	n.a.
Cumulative FDI to non-financial enterprises per capita (EUR)	160	173	217	271	247	n.a.
Relative share of households with internet access (%)	22.7	29.0	37.5	36.4	47.9	36.8
Share of roads in good condition (%)	24.8	25.8	22.0	29.1	31.4	31.4
Share of territory included in cadastral maps (%)	12.3	12.3	12.3	12.3	12.3	12.3

Indicators of social development	2010	2011	2012	2013	2014	2015
Rate of natural increase (‰)	-12.3	-12.3	-12.8	-11.7	-12.8	-13.2
Net migration rate (‰)	-6.2	-3.2	-3.4	-2.7	-3.2	-2.4
Average grades at state matriculation exams	4.1	4.4	4.1	4.2	4.2	4.0
Percent of failed students at state matriculation exams ("average" 3.00)	6.8	3.2	9.4	6.4	6.9	10.7
Net enrolment rate of the population in 5th–8th grade (%)	81.1	81.9	81.1	81.7	80.5	80.6
Health insured persons as share of the population (%)	85.4	87.9	87.1	86.1	87.4	89.0
Cases of hospitalization in general hospitals per 1,000 people	230	245	255	260	261	268
Registered crimes against the person and property per 1,000 people	16.4	14.3	14.1	13.3	11.9	13.4
Clearance rates for crimes against the person and property registered during the year (%)	50.3	46.3	38.4	38.7	43.2	41.5
Share of pending criminal cases (%)	9.4	10.0	12.5	10.3	11.3	14.5
Share of the population living in settlements with public sewerage systems, connected to WTTP (%)	33.3	33.9	34.0	34.2	34.3	n.a.
Carbon dioxide emissions into the atmosphere (t/km2)	5.0	5.4	5.8	6.5	7.9	n.a.
Number of visits to cinemas per 1,000 people	0	0	0	0	0	0
Number of visits to theatres per 1,000 people	72	66	50	67	81	118