

Sofia (Capital City)

▶ Population (2015)	1,318,181
▶ Area (sq. km)	1,348.9
▶ Number of settlements	38
▶ Share of urban population (%)	95.5

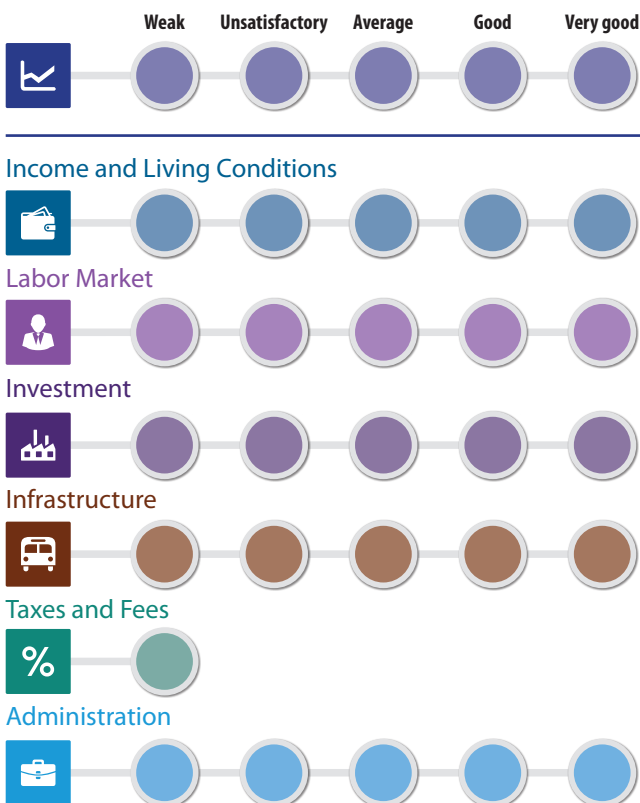


Overview

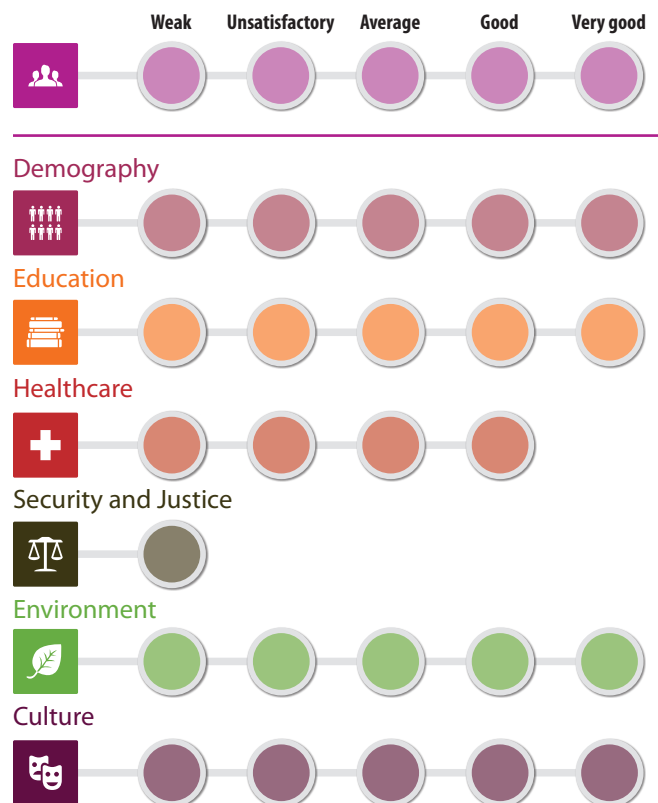
Sofia (capital city) is the district with the highest incomes and the best living conditions. Its labor market is characterized by high employment and low unemployment, and almost half the working age population has higher education. Investment activity in the capital is considerably above the national average level, though it has remained below pre-crisis levels. Infrastructural development is very good, and the administration has received one of the highest ratings for transparency in the country. Local taxes and fees remain high, yet the taxing environment is stable and does not change often.

Though demographically the district is in the best condition among all districts, the nationwide negative tendencies are also valid for the capital. The educational system is very well developed, both in terms of secondary and higher education. Some of the leading healthcare institutions are located in the capital. Crime rates are high and clearance rates are low, while the justice system has been slow in spite of the declining workloads of criminal judges. The environment is in a relatively good condition though air pollution is quite high. Sofia remains the most significant cultural center in the country.

ECONOMIC DEVELOPMENT



SOCIAL DEVELOPMENT



ECONOMIC DEVELOPMENT

Income and Living Conditions

The capital city is the district with the highest incomes and the best living conditions. GDP per capita reached 24,982 BGN in 2014, over twice the national average value. The gross annual average salary in the district went over 10,000 BGN as early as 2010, and in 2014 it was already 13,542 BGN (vs. the national average of 9,860 BGN). Because of high salary levels and high employment, 64% of household incomes were made up by salaries. The annual average income per household member in 2015 reached 7,061 BGN per capita when the average national level was 4,953 BGN per capita.

Although nearly 1/3 of the population in the capital is living in material deprivation, only 7.3% are below the national poverty line (21.8% nationally).

Labor Market

Sofia (capital city) has the highest employment and the lowest unemployment level in the country. In 2015, 71.7% of people aged 15 to 64 were employed and the unemployment rate dropped to 4.3% while the national average rate was 9.1%. The district's workforce is characterized by an exceptionally favorable educational profile. In 2015, the relative share of people aged 25 to 64 with higher education reached 49.6% (vs. 27.5% nationally). Only 3.0% of people in this age group had primary or lower education (vs. 18.1% nationally).

Despite the good condition of the labor market, the demographic crisis in the country has affected the capital, too. In 2015, there were 66 people aged 15 to 19 about to join the labor market for every 100 people aged 60 to 64 about to leave it. Though this rate was higher than the national average of 63.5%, and it continued rising in the last two years, the general prospect for workforce reproduction is negative.

Investment

Investment activity in the capital is considerably higher than the national average level but has still to reach its pre-crisis levels. The variance is most clearly visible with regard to FTA investment, which, because of the bursting of the real estate bubble in the country, has remained lower than the 2008 peak levels by 39%. In 2014, relative to the population it amounted to 6,234 BGN per capita (vs. 2,786 BGN on average in the country). After reaching some stability in 2012 and 2013, the capital once again registered an outflow of foreign investment in 2014. As of the end of 2014, foreign investment amounted to 11.7 bln euro – below the

2009 peak by 7%. Relative to the population, FDI in the capital amounted to 8,857 euro per capita, where the national average level was 3,006 euro per capita.

The only indicator in this category where capital has been lagging behind the average levels in Bulgaria is EU fund utilization from operational programs. As of 31 May 2016, 655 m BGN had been utilized, which is 497 BGN per capita (vs. 689 BGN per capita on average nationally).

Infrastructure

Though there are no roads from the national network on the territory of the capital city, it borders on three motorways: "Hemus", "Trakia", and "Struma". The district also has the highest railway network density, 12.8 km per 100 sq. km, while the national average density was 3.6 km per 100 sq. km. Internet connectivity is also high: in 2015, 75.3% of households had access (vs. 59.1% nationally). Internet usage reached 78% for people aged 16 to 74, or higher than national average levels by 18 pp.

Taxes and Fees

The local tax environment in the capital city has been stable – there have been no changes in the rates of the monitored taxes and fees. There are more considerable variances with average levels in waste collection fees (10‰ in the capital vs. 7.6‰ in Bulgaria) and the annual license tax for retailers (20.0 BGN/sq. m vs. 12.7 BGN/sq. m in the country). The immovable property tax, the vehicle tax, and the property sales tax have registered levels close to national average, somewhat higher.

Administration

The capital city was the district with the highest coverage by cadastral maps in 2015: 96.3% vs. the national average rate of 19.8%. The AIP Foundation rated the municipal administration as the sixth most transparent in the country: Sofia's municipal administration got a transparency rating of 70.2% (vs. 54.2% nationally). The capital shared the first place with the municipality of Burgas with a rate of 3.59/5.00 points (vs. 3.14 on average in Bulgaria). The development of electronic services has been ahead of most other districts but preparedness to offer one-stop shop services is below the national average level.

SOCIAL DEVELOPMENT ●●●●●

Demography ●●●●●

Though Sofia's demographic development has been following the negative tendencies characteristic of the entire country, the district is characterized by better demographic indicators. Sofia is the only district where for each person over 65 there are at least 4 persons of working age (15 to 64). The ratio between senior people (over 65) and children up to age 14 is the second most favorable after that of Burgas: it was 121.3% in 2015 when the national average was 146.4%. The net migration rate has traditionally been positive, which means that more people migrate into the capital than out of it. At the same time, the registered rate of natural increase of 4.2‰ in 2015 was the third lowest in the last 15 years, partly due to the moving of many people from the capital to the wider Sofia district. The rate of natural increase has been the most favorable in the country, though it has stayed negative as in all other districts.

Education ●●●●●

Results achieved by Sofia's high school leavers at matriculation exams in Bulgarian language and literature testify to the high quality of education in the district. In 2016, failing grades at the exam were only 2.1% (vs. 8.7% on average in Bulgaria), while the average grade of "very good" 4.58 was the highest in the country. The capital city still suffers from a relatively low share of enrollment of the population in 5th–8th grade: in 2015, 74.5% enrolled in the capital vs. 78.3% for the country.

At the same time, both the relative share of school dropouts (1.1%) and that of repeaters (0.5%) were considerably below national average figures, 2.8 and 1.0%, respectively. Though the capital is the district with the greatest number of college and university students, the ratio between their number and the local population (80 students per 1,000 people) is the second highest after the district of Veliko Tarnovo (97 students per 1,000 people).

Healthcare ●●●●●

Some of the leading healthcare establishments are located in Sofia. That is the major reason why the ratio between the number of specialist doctors to the local population is the most favorable in the country: 391 people per medical specialist (vs. 344 nationally). The ratio between the number of hospitalizations and the local population in 2015 was slightly above average, probably because people from other districts have been looking for healthcare services in the capital. The number of beds in general hospitals increased in 2015 for the sixth successive year.

In 2015, 87.1% of the district's population was health-insured (vs. 88.5% on average in the country), and a record low was registered in infant mortality rate – only 2.5‰.

Security and Justice ●

In 2015, the capital had the second least favorable ratio between the local population and the number of registered crimes after the district of Burgas. It also had the lowest clearance crime rate, alongside the district of Varna (30.4%). Though the workloads of criminal judges at Sofia district court have been going down in recent years, the speediness of justice administration has been deteriorating further. The share of criminal cases solved within 3 months dropped to 76.0% in 2015 when the national average level was 88.1%. The districts of Sofia (capital city) and Blagoevgrad have the highest shares of pending criminal cases (vs. 15.4%, 9.4% nationally).

Environment ●●●●●

Because of its high level of urbanization the capital has the highest share of population with public sewerage system (96.3%), 96.1% of which was connected to WWTPs in 2014. The national average levels for that year were 74.5 and 56.8%, respectively. In eight out of the last ten years less household waste was generated per person than the national average. In 2015, however, the average figures were surpassed, though by minimal differences: 465 kg per person for Sofia (capital city) and 442 kg per person nationally. Air pollution continues to be a key problem in the district. The level of carbon dioxide emissions into the atmosphere amounted to 1,073.5 t/sq. km of the territory (vs. 314.5 t/sq. km nationally). Only the district of Stara Zagora has higher pollution.

Culture ●●●●●

The rate of visits to cinemas has been almost 3 times higher than the national average, the capital being the only district with at least 2 visits per person. The interest in local museums has continued to increase; after 2012 the rate of museum visits has been above-average and it reached 743 visits per 1,000 people in 2015. Nevertheless, the capital remained far behind districts like Veliko Tarnovo and Gabrovo, where there were 1,988 visits per 1,000 people and 2,979 visits per 1,000 people, respectively. There was a serious drop in registered theater visits: from 852 in 2014 to 721 per 1,000 people in 2015. Still, the only district to have achieved a higher rate of theater visits was Ruse (645 visits per 1,000 people) – the capital had 547 visits per 1,000 person. Only the district of Veliko Tarnovo had a higher rate of visits to libraries.

Key Indicators for the District of Sofia (Capital City)

Indicators of economic development	2010	2011	2012	2013	2014	2015
GDP per capita (BGN, current prices)	23,366	24,536	24,415	24,680	24,982	n.a.
Average annual income per household member (BGN)	4,795	5,438	6,403	7,441	6,890	7,061
Average annual gross salary (BGN)	10,547	11,249	12,059	12,851	13,542	n.a.
Relative share of people living below the national poverty line (%)	6.6	7.3	5.7	7.3	n.a.	n.a.
Annual average economic activity rate of the population aged 15 to 64 (%)	74.1	71.6	72.2	73.5	74.0	75.0
Annual average employment rate of the population aged 15 to 64 (%)	69.1	67.2	66.9	67.5	69.2	71.7
Annual average unemployment rate of the population aged 15 to 64 (%)	6.6	6.1	7.3	8.2	6.3	4.3
Relative share of the population aged 25 to 64 with tertiary education (%)	44.8	42.7	42.9	45.8	48.6	49.6
Number of non-financial enterprises per 1,000 people	85	78	79	81	83	n.a.
Expenditure on the acquisition of fixed tangible assets per capita (BGN)	6,064	6,554	6,143	5,468	6,234	n.a.
Cumulative FDI to non-financial enterprises per capita (EUR)	9,937	8,953	9,009	9,195	8,857	n.a.
Relative share of households with internet access (%)	57.1	67.0	66.2	70.9	69.3	75.3
Share of roads in good condition (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Share of territory included in cadastral maps (%)	30.2	60.7	95.8	95.8	95.8	96.3

Indicators of social development	2010	2011	2012	2013	2014	2015
Rate of natural increase (‰)	0.0	-1.1	-1.4	-1.5	-1.2	-1.7
Net migration rate (‰)	7.6	4.8	5.4	7.1	6.5	4.2
Average grades at state matriculation exams	4.5	4.6	4.3	4.6	4.6	4.6
Percent of failed students at state matriculation exams ("average" 3.00)	1.7	1.6	3.7	2.2	1.9	1.8
Net enrolment rate of the population in 5th–8th grade (%)	80.1	79.0	78.4	76.0	74.8	74.5
Health insured persons as share of the population (%)	90.9	87.5	86.8	85.2	85.9	87.1
Cases of hospitalization in general hospitals per 1,000 people	131	140	238	224	153	253
Registered crimes against the person and property per 1,000 people	25.0	20.3	18.7	20.5	20.2	18.6
Clearance rates for crimes against the person and property registered during the year (%)	37.6	36.1	38.1	32.9	33.1	30.4
Share of pending criminal cases (%)	11.6	12.1	12.8	10.6	14.4	15.4
Share of the population living in settlements with public sewerage systems, connected to WTP (%)	93.5	95.5	95.4	96.1	96.1	n.a.
Carbon dioxide emissions into the atmosphere (t/km ²)	1,239.0	1,239.0	1,205.3	1,073.5	1,073.5	n.a.
Number of visits to cinemas per 1,000 people	2,085	2,099	1,813	2,000	2,061	2126
Number of visits to theatres per 1,000 people	603	614	600	641	649	547