

# Varna District

▶ Population (2015)	473,365
▶ Area (sq. km)	3,819.5
▶ Number of settlements	159
▶ Share of urban population (%)	83.5



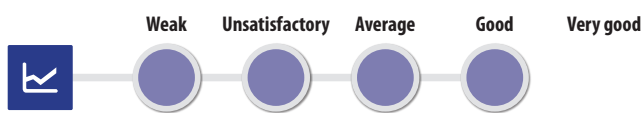
## Overview

The district of Varna ranks third in the country, after the capital and Stara Zagora in welfare measured via GDP per capita in 2014. Household incomes also stayed above average in 2015 but salaries remained low. The labor market in the district improved considerably in 2015. Investment activity stayed relatively high but utilization of EU funds by municipal administrations in the district was below the national average. Varna is a significant transport hub.

The demographic picture in the district of Varna continues to be more favorable than elsewhere in the country.

The share of children attending junior high schools is still relatively low and the share of dropouts is larger than the national. High school graduates perform better at matriculation exams, and Varna occupies one of the first places in the country in number of people with higher education relative to the population. Administration of justice in the district is also given a relatively positive evaluation but the registered crimes remain above the country average number, while clearance crime rate is relatively low. Varna ranks second in the number of visits to cinemas after the capital.

### ECONOMIC DEVELOPMENT



#### Income and Living Conditions



#### Labor Market



#### Investment



#### Infrastructure



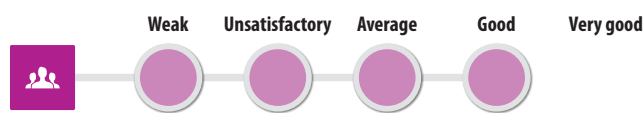
#### Taxes and Fees



#### Administration



### SOCIAL DEVELOPMENT



#### Demography



#### Education



#### Healthcare



#### Security and Justice



#### Environment



#### Culture



## ECONOMIC DEVELOPMENT

### Income and Living Conditions

The district of Varna ranked third (after the capital and Stara Zagora) in the country in welfare measured through GDP per capita in 2014: 12,096 BGN while the country average value was 11,574 BGN. In 2015, household incomes stayed above average again, while their growth in recent years was commensurate with the country average. Salaries, however, remained lower: since the very beginning of the crisis the national average salary overtook that in Varna. In 2014, the average annual gross salary of those employed fulltime in Varna was 9,272 BGN vs. 9,860 BGN in the country.

About half of the district's population lives in material deprivation compared to the 1/3 ratio in Bulgaria. Similar to the situation nationwide, poor people comprise slightly over 1/5 of the local population.

### Labor Market

In 2015, the labor market in Varna district improved considerably. The rate of economic activity rose by 4.8 pp to reach 72.6%, which is higher than the national average (69.3%). Varna was also the district with the highest rise in employment rate compared with the previous year: the employment rate grew by 6.6pp to 68.4% (vs. the national average of 62.9%), and unemployment fell by 3.0 pp to 5.7% vs. the national rate of 9.1%.

The good educational structure of the population creates conditions for further employment growth. In 2015, 30.6% of the population aged 25 to 64 had higher education (vs. the national average of 27.5%), whereas 15.5% had primary or lower education (vs. 18.1% nationally).

The demographic replacement rate in the district is also relatively better than the national average. In 2015 there were 68.5 young people about to join the labor market for each 100 people about to retire in the next few years. By way of comparison, this rate was 63.5% for Bulgaria.

### Investment

Investment activity in the district remained relatively high. In 2014, there were 67 active enterprises per 1,000 inhabitants (vs. 53 for the country). Expenditures on the acquisition of fixed tangible assets were comparable to the average and cumulative foreign direct investment, reaching 1.7 bln euro or 3,547.4 euro per capita (vs. 3,006.6 euro per capita for the country as a whole).

Municipal administrations in the district of Varna have a relatively poor rate of EU funds utilization. By May 31st 2016 the sums paid under contracts with municipalities as beneficiaries were 607.5 BGN per capita (vs. the national average sum of 688.8 BGN per capita. The municipality of Byala

utilized the largest sum: 4,390.0 BGN per capita, while that of Dalgopol utilized the smallest (110.0 BGN per capita).

### Infrastructure

Varna is an important transport hub, and the density of road and railway networks in the district is higher than it is nationwide. The district's share of motorways and first class roads as part of the national road network is significantly higher: 27.4% vs. 18.1% nationwide in 2014. The share of roads in good condition, on the other hand, is only insignificantly higher than it is nationwide though it has been improving constantly in the last few years. In 2015, the share of roads with good quality surface reached 44.0% vs. 40.7% in the country. The main challenge facing the district's road infrastructure is the still unfinished "Hemus" motorway, which will connect Varna and Sofia.

### Taxes and Fees

Municipalities in Varna district maintained higher rates for almost all local taxes and fees in 2016, too. The greatest difference from national average values could be noticed in the annual license tax for retailers, which kept its highest rate in Varna municipality – 20 BGN/sq. m. The lowest rate was in the municipality of Vetrino – 4 BGN/sq. m.

The average waste collection charge for properties of legal entities in the district's municipalities is the only one lower than the country average. It is lowest in the municipality of Avren (3.0‰) and highest in Dalgopol (9.2‰).

### Administration

The district had inconsistent results in this category. On one hand, in 2016 municipalities rated themselves lower than the national average on electronic government: 2.4 points out of 5, while the country average was 2.7 points. On the other hand, the rating for offering one stop-shop services (3.0 points), though declining in 2016, remained above the national average of 2.6 pp.

Municipal administrations in the district of Varna are more transparent than any other in the country. In 2016, they were rated at 56.6% in the Active Transparency Rating of municipal administrations of the AIP Foundation, while the country average was 54.2%. The municipal administrations of Avren, Axakovo, and Provadia had the highest results – 60%, while those of Valchidol, Dalgopol, and Suvorovo got rates below 40%. At the same time, Varna was rated below the national average in the Local Integrity System Index of Transparency International.

## SOCIAL DEVELOPMENT ●●●●

### Demography ●●●●

The demographic situation in the district of Varna continues to be better than it is nationwide, though here, too, the rate of natural growth has been negative and worsening for several years in succession. In 2015 it was -3.5%, whereas the national average was -6.2%. Varna was also one of few districts that attracted population from other districts. In 2015, it had a positive net migration rate of 1.6%.

A relatively huge part of the district's population lives in towns and cities, though in 2015 the share of urban population fell – unlike the tendency in the last 10–15 years in the district and in Bulgaria. In 2015, 83.5% of the population in the district lived in towns vs. the national average of 73.1%.

### Education ●●●

After a lasting decline in the enrollment rate of the population in 5th–8th grade, in about a decade Varna turned from a district with relatively high school attendance into the district with the lowest enrolment rate in 2014: 73.5%. In 2015, however, for the first time, an increase in the share of those enrolled was noted and the district's rate reached 75.5% vs. the country average of 73.5%. In addition, the share of dropouts from primary and secondary school is relatively high, and Varna is still among the districts with the fewest teachers relative to the number of students.

High school graduates performed well at state matriculation exams in 2016, too. The district's average grade was 4.38 (vs. 4.17 nationwide), while the share of poor grades was 5.39 and 8.73% respectively.

Universities located in the district placed Varna among the leading districts in terms of number of students relatively to the population in 2015 as well.

### Healthcare ●●●●

The relatively good rating of Varna in this category is due mainly to the access of people to physicians. One general practitioner in Varna corresponds to an average of 1,547 people (vs. 1,619 in the country as a whole), whereas one medical specialist took care of 447 people (vs. 544 nationwide).

Still, the number of hospital beds in general hospitals relative to the district's population is smaller than the national average (175 per 1,000 people and 232 per 1,000, respectively), which suggests that part of the population seeks medical help outside the district.

### Security and Justice ●●●

Crime is relatively high in the district but there are a great number of criminal judges, which entails a relative low workload for them. That makes the work of criminal judges in the district court relatively fast: up to 93% of cases were closed within 3 months and the share of pending cases was down to 7.2% (vs. the respective national levels of 88.1 and 9.4%).

At the same time, registered crimes remain higher than the country average number relative to the population. In 2015, in the district there were 15.9 crimes against the person and property per 1,000 inhabitants vs. 13.6 in the country. The clearance crime rate in the district rose from 25.8% in 2014 to 30.4% in 2015. Yet, it remains below the average figure for the country – 39.2% in 2015.

### Environment ●●●●

In the district the share of population living in areas with public sewerage systems as well as people who have access to public sewerage systems connected with wastewater treatment plants remained 86.2% in 2014, while reaching the levels of 74.9 and 56.8% respectively, in the country.

The air in the district of Varna continues to be rather polluted. In 2014, the level of carbon dioxide emissions into the atmosphere was 1,106.3 t/m<sup>2</sup> or almost three times above the national average of 314.5 t/km<sup>2</sup>. Varna is also one of the districts with the greatest volume of household waste relative to the population: in 2014, it reached 546 kg per capita while the national average was 442 kg per capita.

### Culture ●●●

Varna has the second greatest number of visits to cinemas after Sofia. In 2015 1,185 people per 1,000 inhabitants went to the cinema, while the average number for the country was 744. The number of visits to museums, on the other hand, was half the national average figure: 355 per 1,000 people vs. 664 nationwide. Fewer visits were also registered to theatres and libraries, though theatre visits rose in the district for the fourth successive year to have reached 283 per 1,000 people vs. 302 per 1,000 people in the country.

Library visits in 2015 kept their 2014 level: 350 per 1,000 inhabitants against 583 per 1,000 people in Bulgaria.

## Key Indicators for the District of Varna

Indicators of economic development	2010	2011	2012	2013	2014	2015
GDP per capita (BGN, current prices)	9,950	10,911	11,395	11,235	12,096	n.a.
Average annual income per household member (BGN)	3,735	3,739	4,306	4,912	5,008	5,168
Average annual gross salary (BGN)	7,533	8,144	8,562	8,922	9,272	n.a.
Relative share of people living below the national poverty line (%)	18.9	20.1	23.1	21.9	n.a.	n.a.
Annual average economic activity rate of the population aged 15 to 64 (%)	64.9	63.1	64.8	67.0	67.8	72.6
Annual average employment rate of the population aged 15 to 64 (%)	59.4	56.6	54.1	57.8	61.8	68.4
Annual average unemployment rate of the population aged 15 to 64 (%)	8.2	10.3	16.4	13.7	8.7	5.7
Relative share of the population aged 25 to 64 with tertiary education (%)	25.6	25.4	26.0	31.4	33.8	30.6
Number of non-financial enterprises per 1,000 people	71	65	66	66	67	n.a.
Expenditure on the acquisition of fixed tangible assets per capita (BGN)	2,406	2,299	2,137	2,385	2,323	n.a.
Cumulative FDI to non-financial enterprises per capita (EUR)	3,292	3,162	3,105	3,005	3,547	n.a.
Relative share of households with internet access (%)	28.1	40.1	51.3	57.1	58.9	57.8
Share of roads in good condition (%)	23.1	36.7	39.0	42.6	43.5	44.4
Share of territory included in cadastral maps (%)	11.1	11.1	11.1	11.4	11.9	17.5

Indicators of social development	2010	2011	2012	2013	2014	2015
Rate of natural increase (‰)	-1.1	-1.5	-2.1	-2.4	-2.7	-3.5
Net migration rate (‰)	0.3	0.5	-0.2	3.8	2.1	1.6
Average grades at state matriculation exams	4.4	4.5	4.2	4.4	4.3	4.4
Percent of failed students at state matriculation exams ("average" 3.00)	4.0	3.5	5.1	4.7	5.1	5.2
Net enrolment rate of the population in 5th–8th grade (%)	82.7	80.5	78.9	76.9	73.5	75.5
Health insured persons as share of the population (%)	87.9	85.2	84.4	83.2	83.8	85.1
Cases of hospitalization in general hospitals per 1,000 people	163	155	170	178	170	175
Registered crimes against the person and property per 1,000 people	18.7	17.6	18.4	18.5	17.5	15.9
Clearance rates for crimes against the person and property registered during the year (%)	39.4	27.0	26.8	27.0	25.8	30.4
Share of pending criminal cases (%)	5.8	5.7	5.8	8.3	11.3	7.2
Share of the population living in settlements with public sewerage systems, connected to WTP (%)	84.8	85.1	86.1	86.2	86.2	n.a.
Carbon dioxide emissions into the atmosphere (t/km <sup>2</sup> )	1,613.9	1,742.6	1,284.1	974.3	1,106.3	n.a.
Number of visits to cinemas per 1,000 people	1,026	1,159	1,108	1,157	1,193	1,185
Number of visits to theatres per 1,000 people	177	171	179	218	234	283