

# Sofia District (capital city)



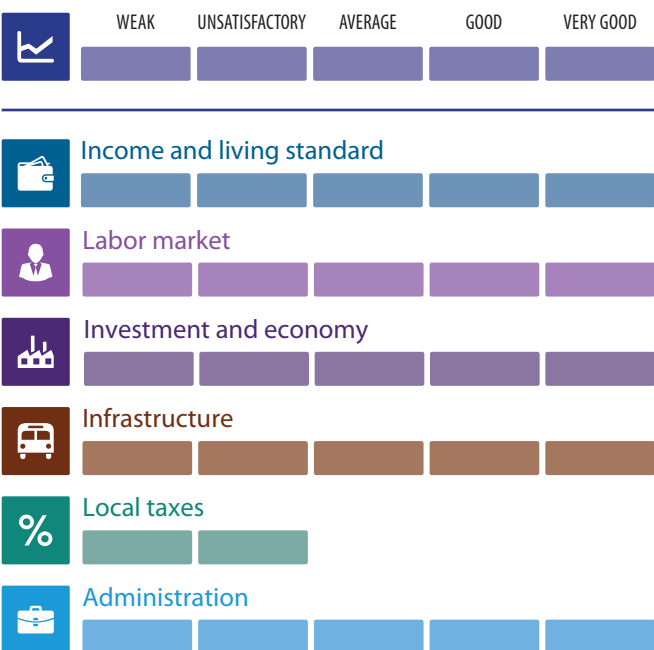
▶ Population (2018)	1,326,775
▶ Territory (sq. km)	1348.9
▶ Number of settlements	38
▶ Share of urban population (%)	96

The capital was the most economically developed district in Bulgaria, showing significant differences from the rest of Bulgarian regions in 2018. GDP per capita was double the national average, while salaries and household incomes were higher by over a third. In the district there were half as many households living in material deprivation or below the poverty line. Good economic performance was also manifested in the capital's labor market: in 2018 unemployment dropped to 2.1%, while employment went over 75%. The workforce is well educated with favorable prospects for its medium-term dynamics. Sofia attracts most foreign investment in the country. As a result of the restructuring and the increased role of services, FTA acquisition expenditure has declined slightly but the capital is still the district with the highest production value per capita. The capital has high quality infrastructure, especially

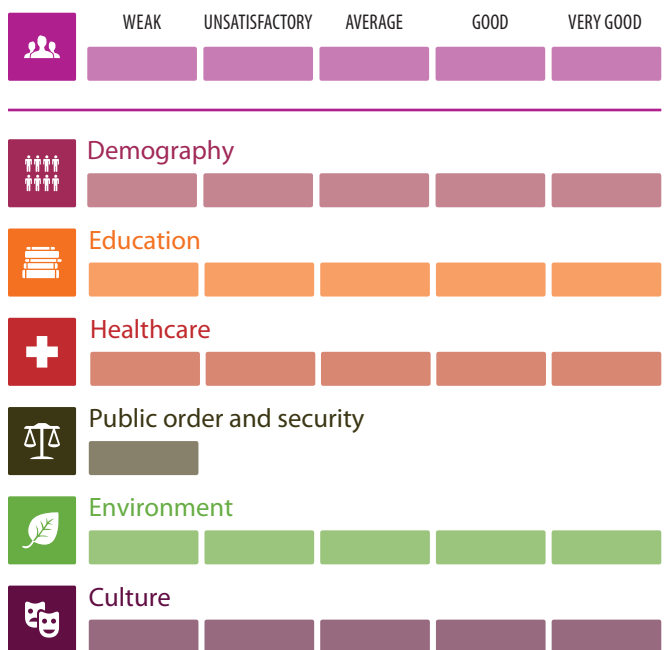
high speed internet access. However, the capital city maintains relatively high rates in local taxes, especially for retail trade and taxi services.

Sofia is one of the few districts in Bulgaria to enjoy positive migration processes. That contributes to softening the effect of negative natural population growth; as a result, the capital has the youngest population in the country. The district offers the best in both secondary and tertiary education in the country, ranking invariably first in both average grade and lowest share of fail grades at matriculation exams. Sofia offers very good healthcare, too, especially in terms of access to specialist doctors. The high court workloads, on the other hand, entail slow processing of criminal cases, while crime rates are above national average levels. The capital leads in cultural life, too. The state of the environment is relatively good except for air purity.

## ECONOMIC DEVELOPMENT



## SOCIAL DEVELOPMENT



## ECONOMIC DEVELOPMENT

### Incomes and living standard

The capital had the highest GDP per capita in the country: in 2017 it grew by 6.4% to reach 30,295 BGN/person or over twice the national average value. That concentration of economic activity has brought Sofia close to Central European levels of GDP per capita, taking into account differences in purchasing power. The high economic activity, the strong presence of sectors with high added value as well as the concentration effect in the capital/largest city in the national economy led to considerably higher salaries of people in employment: 17,199 BGN in 2017 or over 38% higher than the national average.

Favorable economic indicators were the main prerequisite for the high average income per household member, which reached 7,603 BGN in 2017 versus the national average rate of 5,586. The good living standard in Sofia is also visible in the low share of the population living in material deprivation, 12.2% in 2018, or half the national average. With barely 8.8% of the population having income below the poverty line, the capital ranks first in Bulgaria.

### Labor market

Improved living standards in the capital have been to a considerable extent the result of the rapid expansion of the labor market in the last five years. Between 2013 and 2018 unemployment in the district shrank from 8.2 to 2.1%, and is now bordering on “natural” levels. The low unemployment was paired off with record high employment: in 2018, the employment rate of the population aged 15–64 approached 76%, a value approaching those in the economically most powerful regions of the European Union.

The good results in the labor market have been supported by relatively good medium-term prospects, expressed in demographic replacement ratios. The ratio of the population aged 15–19 to that aged 60–64 is 72.4%, considerably more favorable than the national average. Another significant fact is that over half the active age population has tertiary education, while that with primary or lower education is below 5%.

### Investment and economy

Sofia is a leader in investment activity. It had the greatest number of companies per capita: 89 per 1,000 people in 2017 with a tendency for their number to grow fast. In 2017 cumulative FDI was 9,294 EUR/person, two and a half times over the na-

tional average and about 40% of its total amount in the national economy. As investment was mostly in the service sector FTA expenditure slightly declined in recent years but the capital was way ahead all other regions on this indicator. Production value, amounting to an average of 46 thousand BGN/person, was also the highest in Bulgaria in 2017, though Sofia district has been approaching similar levels, too.

Sofia (capital city) took the second place after Gabrovo in cumulative EU funds utilization with 3,129 BGN/person as of mid-2019. A considerable part of those were invested in the construction of new underground lines.

### Infrastructure

There are no roads from the national road network in Sofia (capital city), though its territory borders directly on several highways. Sofia railway station, on the other hand, is the chief railway hub in the country; the density of Sofia railway network, 12.8 km/100 sq. km, is considerably higher than the national average. The share of households with high speed Internet continued to rise to reach 81.9% in 2018.

### Local taxes

The low rating of the capital's municipal administration for the local tax burden is mostly a consequence of the high tax on taxi transportation, which amounts to 850 BGN a year as well as the patent tax for retail trade of 20 BGN/sq. m, both of which are the highest in Bulgaria and almost double the average levels. The remaining three local taxes have rates very close to average levels.

### Administration

The cadastral map of Sofia is practically complete: the most recent data indicate coverage of the territory of over 99%. However, the municipal administration's self-evaluation for electronic government went down by a digit during the last year to 3 out of 5 points. The evaluation for offered one-stop-shop services has remained unchanged: 4 out of 5 points, while the Active transparency rating of local government was 77%.

## SOCIAL DEVELOPMENT

### Demography

Sofia (capital city) was one of the districts with positive migration processes; in 2018 only Kardzhali had a higher net migration rate than the capital's 3.9‰. That indicator registered significant changes in different years, though. Besides, the city is among the main centers attracting daily labor commuters from other municipalities. Its natural population growth rate of -1.9‰ is negative but also the most favorable in the country, albeit with a negative tendency.

Nevertheless, the district has the best demographic replacement ratios: for every 100 people in the 0–14 age group there are 119 of those over 65 (versus an average of 148 for the country). Sofia is almost totally urbanized territory – 95.6% of it, and, quite predictably, the density in its urban part is very high, reaching 4,890 people/sq. km.

### Education

Most of the best schools and universities in Bulgaria are located in Sofia. In 2018 the capital reported 73 students per 1,000 people, though, like elsewhere in the country, due to demographic processes their number is gradually declining. The number of teachers relative to pupils in secondary education was very close to average – 83 per 1,000 due to the relatively large number of children. Enrolment in schools was high: the rate of those enrolled in 5th–8th grade was 89.4%, while that of dropouts was exceptionally low, a little below 1%.

On the whole, the achieved results of pupils in Sofia were the best in the country in 2018. The relative share of repeaters was 0.36% (versus 0.91% in Bulgaria). Results at matriculation exams have traditionally been the highest with the average grade in Bulgarian language and literature in 2019 at “very good” 4.53 (versus “good” 4.06 in the country). The share of poor grades at that matriculation exam was also very low: Sofia shared the first place with Smolyan with 0.96 and 0.95% of those who sat the exam, respectively.

### Healthcare

The capital is characterized by a relatively high number of specialist physicians: an average of 354 people per physician in 2018, with Pleven being the single district to perform better in this indicator. The number of patients served by one GP is very close to the national average of 1,665 people; this number has been on a gradual rise in recent years. The most recent rate of people with health insurance was 86.6% – below the national average rate by almost 1 p.p. Access to hospital care has been improving gradually: in 2018 there were 5.2 hospital beds per 1,000 people compared to 3.9 in 2012, which reflects consider-

able investment in reconstruction of old ones and construction of new hospitals.

Morbidity, measured by the number of patients to be hospitalized, was close to national average: 165 per 1,000 people. It should be noted, however, that the hospitals and clinics in Sofia also attract numerous patients from outside the district. The infant mortality rate was very low: 2.7‰ versus 5.8‰ on average in Bulgaria.

### Public order and security

The overloaded courts in Sofia are the main reason for the district's poor rating in this category. Though Sofia's results have improved on all indicators, the share of criminal cases closed within 3 months has remained low: 83.6% versus 90.2% on average in the country, while that of pending cases is higher: 11.4% versus 8.7%. Registered crimes against the person and property are much more than the average rate – the district ranks third in the country; their detection rate was the lowest except for the rate reported in Varna. There are good reasons to expect further improvement as the workloads of criminal judges have been on a gradual decline: from an average of 18 cases a month in 2010 to 14 in 2018.

### Environment

In 2017 generated household waste in Sofia was above average (565 kg/person annually) with only Gabrovo reporting more. Its tendency is to increase and that reflects both rising incomes and an increasing active age population. Practically the entire population has access to public sewerage, including sewerage connected with wastewater treatment plants: coverage above 96% in both indicators, the highest in the country.

### Culture

In 2018 Sofia ranked first in visits to cinemas and theaters. Cinemas reported 1,884 visits per 1,000 people and theaters – 684 per 1,000 people. Differences in comparison with the national average rates are considerable in both indicators. Library visits, too, were twice the average rate: 1,376 though here the capital was lagging behind the first-ranking district of Veliko Tarnovo. Interest in the district's museums was less intense with visit numbers close to average: 748 versus 724; the district was not among the leaders in this respect.

## Key indicators for the district of Sofia (capital city)

Indicators of economic development	2014	2015	2016	2017	2018
GDP per capita (BGN, current prices)	24,890	26,690	28,465	30,295	n.a.
Average annual income per household member (BGN)	6,890	7,061	7,349	7,603	n.a.
Average annual gross salary per employed person (BGN)	13,542	14,531	15,658	17,199	n.a.
Share of the poor relative to the country poverty line (%)	7.4	8.0	9.9	8.8	n.a.
Economic activity rate of the population aged 15–64 (%)	74.0	75.0	75.4	76.7	77.2
Employment rate of the population aged 15–64 (%)	69.2	71.7	72.5	74.6	75.6
Unemployment rate of the population aged 15–64 (%)	6.3	4.3	3.9	2.8	2.1
Share of people with tertiary education aged 25–64 (%)	48.6	49.6	51.4	50.8	51.4
Number of non-financial enterprises per 1,000 people	83	85	88	89	n.a.
Expenditure on fixed tangible asset acquisition (BGN per capita)	6,234	6,052	5,573	5,134	n.a.
Cumulative foreign direct investment in non-financial enterprises (EUR per capita)	8,891	9,164	9,239	9,294	n.a.
Share of households with Internet access (%)	69.3	75.3	69.4	75.6	81.9
Share of roads in good condition (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Cadastral map coverage (%)	95.8	96.3	97.9	97.9	99.2

Indicators of social development	2014	2015	2016	2017	2018
Natural growth rate of the population (‰)	-1.2	-1.7	-1.5	-1.3	-1.9
Net migration rate (‰)	6.5	4.2	4.4	2.7	3.9
Average grade at the matriculation exam in Bulgarian language and literature	4.60	4.63	4.58	4.61	4.45
Percent of grades lower than 3.00 (pass level) at the matriculation exam in Bulgarian language and literature	1.9	1.8	2.1	2.0	1.5
Net enrolment of the population in 5th–8th grade (%)	74.8	74.5	75.4	90.1	89.4
Share of people with health insurance (%)	85.9	87.1	86.2	86.3	86.6
Hospitalizations per 1,000 people	152.5	253.1	257.5	281.3	164.5
Registered crimes against the person and property per 1,000 people	20.2	18.6	16.6	16.8	15.1
Clearance rate for crimes against the person and property from those registered in the current year (%)	33.1	30.4	32.2	29.9	34.0
Share of pending criminal cases from those registered in the current year (%)	14.4	15.4	13.0	13.1	11.4
Share of the population with access to sewerage connected to wastewater treatment plants (%)	96.1	96.1	96.2	96.2	n.a.
Carbon dioxide emissions into the atmosphere (tons of harmful emissions/sq. km)	1,073.5	1,073.5	1,073.5	1,073.5	n.a.
Visits to the cinema per 1,000 people	2,061	2,126	2,161	2,101	1,884
Visits to the theater per 1,000 people	649	547	603	584	684