

Veliko Tarnovo District

▶ Population (2018)	237,420
▶ Territory (sq. km)	4661.6
▶ Number of settlements	337
▶ Share of urban population (%)	71



The state of the labor market in the district of Veliko Tarnovo has improved considerably since 2013, which has allowed the average gross annual salary to keep up with the average pace of growth for the country. Veliko Tarnovo is one of the districts with the smallest relative share of population aged 25–64 with primary or lower education, but it is not one of the districts that could be said to attract foreign investors. It is characterized by a relatively good infrastructure and its perspective for future development is considerable due to the resumed construction works on the *Hemus highway*. The relatively high local taxes can be listed as an obstacle to the business environment, particularly the immovable property tax, as well as the relatively low quality of the local administration's work.

The deterioration in demographic indicators has been more clearly visible in recent years, with the natural population

growth dropping to 9.4% in 2018 – the lowest rate in the district up to that point. Like the educational system in the district of Ruse, that in Veliko Tarnovo has had some difficulty enlisting and keeping children in school, while at the same time showing results close to or better than the average. Both districts have also had traditions in higher education despite the continuously dropping student numbers. In Veliko Tarnovo there are considerable deficiencies in hospital beds, GPs and specialist doctors – all factors blocking access to healthcare. There is a low crime rate and a detection rate above average of registered crimes. Low and constantly dropping carbon dioxide emissions entail improved rating on the state of the environment. Museum visits are over 5 times the national average figure, which gives the district one of the highest ratings in the culture sphere.

ECONOMIC DEVELOPMENT



Income and living standard



Labor market



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Infrastructure



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SOCIAL DEVELOPMENT



Demography



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ECONOMIC DEVELOPMENT

Income and living conditions

In 2017 GDP per capita in Veliko Tarnovo amounted to 9,254 BGN, or about 65% of the country average. During the last decade the gross annual salary growth rate of employed in the district followed that in the country as a whole; its 2017 level of 9,665 BGN was 78% of the country average.

Both the relative share of people living in material deprivation (26.6%) and the share of those living below the national poverty line (28.8%) were higher by about 6 p.p. than the national average figures of 20.9 and 22.0%, respectively.

Labor market

The state of the labor market in the district of Veliko Tarnovo has improved significantly since 2013. In 2018 a record high economic activity of the population aged 15–64 (70.4%) was registered, as well as a record high employment rate (66.6%) of the same age group. The unemployment rate went up slightly from the record low of 4.6% in 2017 to 5.4% in 2018, in tune with average levels in the country. What that minimal increase in unemployment indicates is a rising economic activity of the population rather than a break in the positive trend.

The educational structure of the workforce is relatively favorable. Veliko Tarnovo is one of the districts with the lowest shares of population aged 25–64 with primary or lower education. The share of college graduates in 2018 was 26.8%, a fact explained by the district's traditions in higher education, while the lag compared with the national average rate of 28.2% was minimal.

Potentially, the further development of the labor market might face the problem of the low demographic replacement ratio: 59.0% relative to 65.7% on average. Veliko Tarnovo has the seventh lowest ratio on this indicator. In other words, for every 100 people aged 60–64 in the district there are 59 people aged 15–19 to take their place.

Investment and economy

Veliko Tarnovo is not among the districts, which have attracted foreign investors. As of the end of 2017, the cumulative FDI amounted to 134 m EUR (557 EUR/person, 6 times lower than the national average rate). There were only five districts with lower rates: Kyustendil, Montana, Silistra, Haskovo, and Yambol. In 2017 enterprise FTA expenditures rose to 1,582 BGN/person. Though values were lower than the record high of 2,056 BGN/person registered in 2015, there was an increase in the 2017 annual investment figures which were comparable with the district's average levels between 2011 and 2014.

As of 15 June 2019, the district utilized EU funds worth 350 m BGN, or 1,477 BGN/person (82% of the national average). The highest utilization rates were achieved in the municipalities

of Veliko Tarnovo (1,781 BGN) and Svishtov (1,624 BGN), while utilization rates were lowest in Polski Trambesh (187 BGN) and Elena (141 BGN).

Infrastructure

The district of Veliko Tarnovo is characterized by a relatively good level of infrastructural development, as well as good prospects for connectivity development in view of the resumed construction works on the *Hemus highway*. The density of both the road network and the railroads is higher than the country average, though the relative share of highways and first-class roads (16.3%) is below that in most districts. What presents a bigger problem, however, is the poor road surface quality: in 2018 only 29.7% of roads in the district were in good condition, compared with an average of 40.5% in the country as a whole.

Digital infrastructure is another sphere in which the district has failed: in 2018, 66.6% of households had Internet access, or 6 p.p. below the national average rate.

Local taxes

The district is characterized by relatively high local tax rates, especially real estate tax. The annual average rate of the tax on the immovable property of legal entities reached 2.35‰ in 2019 (vs. the national average rate of 1.95‰) and the real property transfer tax reached 2.64% (vs. 2.52% on average for the country). It was precisely these rates that affected the most recent cases of raising local tax registered in Veliko Tarnovo municipalities. In 2017 the annual property tax for legal entities was raised in four of them: Elena, Lyaskovets, Strazhitsa, and Suhindol. The license tax for retailers, as well as the annual license tax for taxi transportation were below national average rates, but the difference in the former was insignificant, while the latter's influence on incomes or living / business conditions was limited.

Administration

The self-assessment of municipal administrations for the range of digital services they offer (3.40 points out of 5.00) is higher than the national average (2.95 out of 5.00), but there is a certain lag in their readiness to provide one-stop-shop services to individuals and businesses. AIP estimates administration transparency at 73%, Strazhitsa getting the highest rating of 84%, while Elena got the lowest (52%).

In 2018 the cadastral map already covered 91.5% of the district's territory, a rate considerably higher than the national average of 72.4%; this marked a serious increase from 2017 (45.8%) and 2016 (11%).

SOCIAL DEVELOPMENT

Demography

Demographic tendencies in the district have followed the national trend, although from 2001 to 2018 its population decreased at a relatively faster pace. Deterioration in demographic indicators has been more visible in recent years. In 2018 the natural population growth dropped to -9.4% , the lowest level for the district up to that point, while the net migration dropped to -5% , the least favorable rate since 2014.

Veliko Tarnovo is one of the districts with relatively strong urbanization; the relative share of urban population reached 70.5% in 2018.

Education

The indicators for the state of school education in Veliko Tarnovo pull in contradictory directions. The high relative share of dropouts from primary and secondary education (4.08% relative to 2.98% for the country as a whole) partly explains the small percentage of repeaters (0.55% relative to the average of 0.91%). The educational system's problems in enlisting and keeping in school the population subject to compulsory education are connected with the low enrolment rate of the population in 5th–8th grade (84.0% compared to 87.4% nationally).

The indicators for quality of education, on the other hand, are more on the positive side. Between 2016 and 2019, the relative share of school leavers who failed at the matriculation exam in Bulgarian language and literature was below the national average level, while in 2019 the district's average grade of "good" 4.05 was analogous with the national average.

Despite its lasting traditions in higher education, Veliko Tarnovo is also the district with the fastest decreasing number of college students per 1,000 people. In 2018 their share was 69 students per 1,000 people (the only district with a higher share was the capital), while the share in 2012 was 109 students per 1,000 people.

Healthcare

The local population's access to hospital beds in general hospitals of 3.7 beds per 1,000 people is considerably below the national average rate of 5.34 beds per 1,000 people. Access to health services faces the additional difficulty of a certain shortage in both GPs and specialists, while the relative share of health insured people at 83.9% is below the country average of 87.9%.

There are only two indicators in this category where the district of Veliko Tarnovo has achieved better results. In 2018 the infant mortality rate dropped to 3.2‰, the lowest value after those of the capital, Kardzhali, Montana and Smolyan.

The population's morbidity, measured by the number of hospitalizations in local general hospitals, is also lower than the average rate for the country.

Public order and security

Crime rates are low in the district of Veliko Tarnovo, while the detection rate of registered crimes is above average. The fact that the workload of criminal judges at the District court is below average (7.2 cases a month per judge) contributes to the relatively speedy trial process. The relative share of criminal cases closed within 3 months (90.2%) is similar to national average levels, while the relative share of pending cases is only 7.6%.

Environment

The good assessment of Veliko Tarnovo in this category is due to the low and constantly decreasing carbon dioxide emissions into the atmosphere, as well as the amount of generated household waste, which is below average. In 2017, 67.1% of the population in the district lived in settlements with access to public sewerage systems, while 58.9% had connectivity to wastewater treatment plants.

Culture

The capital and Gabrovo are the only districts with higher ratings in the sphere of culture than the rating of Veliko Tarnovo. The reason behind this fact is primarily the high number of museum visits in the district, almost five times above the national average number. Local theaters also enjoyed considerable interest, registering 143 visits per 1,000 people compared to 340 visits in the country as a whole. The period from 2015 to 2018 was the most successful one for the local cinemas, the visits to which, however, remained below national average figures.

Key indicators for the district of Veliko Tarnovo

Indicators of economic development	2014	2015	2016	2017	2018
GDP per capita (BGN, current prices)	7,832	8,288	8,611	9,254	n.a
Average annual income per household member (BGN)	4,288	4,180	4,967	6,024	n.a
Average annual gross salary per employed person (BGN)	7,662	8,213	8,934	9,665	n.a.
Share of the poor relative to the country poverty line (%)	24.4	30.8	30	28.8	n.a.
Economic activity rate of the population aged 15–64 (%)	68.1	69.8	70.3	69.6	70.4
Employment rate of the population aged 15–64 (%)	60.0	65.0	65.0	66.3	66.6
Unemployment rate of the population aged 15–64 (%)	11.7	6.8	7.6	4.6	5.4
Share of people with tertiary education aged 25–64 (%)	27.3	26.9	27.3	22.1	26.8
Number of non-financial enterprises per 1,000 people	41	43	43	44	n.a.
Expenditure on fixed tangible asset acquisition (BGN per capita)	1,541	2,056	1,488	1,582	n.a.
Cumulative foreign direct investment in non-financial enterprises (EUR per capita)	434	500	608	557	n.a.
Share of households with Internet access (%)	55.0	60.7	56.9	66.4	66.6
Share of roads in good condition (%)	27.7	26.7	25.4	26.1	29.7
Cadastral map coverage (%)	6.7	10.4	11.0	45.8	91.5

Indicators of social development	2014	2015	2016	2017	2018
Natural growth rate of the population (‰)	-8.2	-8.2	-8.0	-9.1	-9.4
Net migration rate (‰)	-5.2	-3.1	-3.3	-3.9	-5.0
Average grade at the matriculation exam in Bulgarian language and literature	4.24	4.24	4.10	4.2	3.96
Percent of grades lower than 3.00 (pass level) at the matriculation exam in Bulgarian language and literature	5.5	6.2	8.6	7.8	5.3
Net enrolment of the population in 5th–8th grade (%)	78.7	78.2	77.7	88.0	84.0
Share of people with health insurance (%)	83.1	84.5	84.2	83.6	83.9
Hospitalizations per 1,000 people	149.4	146.4	155.2	152.6	156.6
Registered crimes against the person and property per 1,000 people	10.7	11.4	11.1	12.1	10.1
Clearance rate for crimes against the person and property from those registered in the current year (%)	60.1	57.5	65.4	60.5	62.1
Share of pending criminal cases from those registered in the current year (%)	8.0	9.5	10.0	7.3	7.6
Share of the population with access to sewerage connected to wastewater treatment plants (%)	44.8	61.7	59	58.9	n.a.
Carbon dioxide emissions into the atmosphere (tons of harmful emissions/sq. km)	131.1	46.6	34	28.4	n.a.
Visits to the cinema per 1,000 people	471	444	338	530	408
Visits to the theater per 1,000 people	122	71	125	148	143