

# Varna District

▶ Population (2019)	469,885
▶ Territory (sq. km)	3,819.5
▶ Number of settlements	159
▶ Share of urban population (%)	84.0



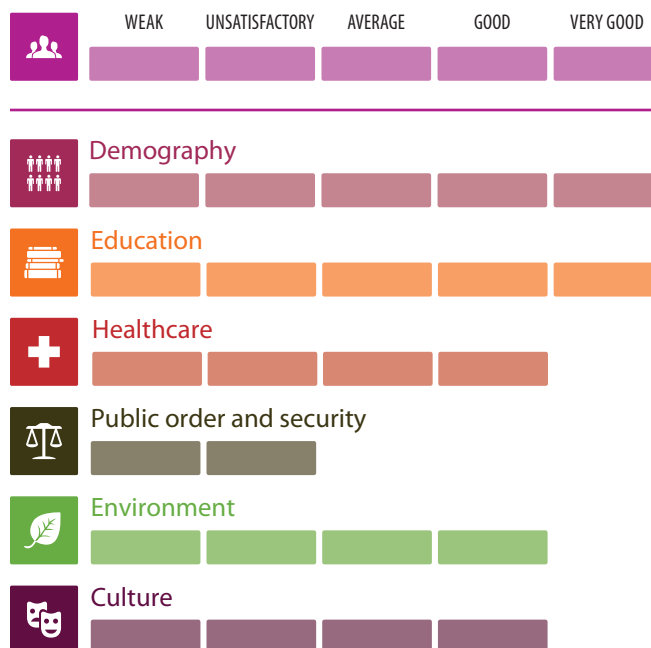
**G**DP per capita in the district of Varna rose sharply in 2018, exceeding the average growth rate in the country and again bringing the district close to the average GDP rates. Salaries also grew considerably. These two processes resulted in the reduction of poverty levels in the region. Labor market trends remained favorable in 2019. The district also reported moderate investment activity. Against the general background in the country, the district of Varna performed very well as regards its infrastructure. Local tax rates were extremely high, exceeded only by those in the capital. In 2020 the functioning of e-administration and one-stop shop services in the district municipalities were evaluated less positively, bringing the district below the national averages.

In 2019, Varna was among Bulgaria's regions registering the most favorable demographic development. The indicators for the educational sphere also ranked it very high. The proportion of GPs came close to the country's average, and that of specialist physicians was even higher; however, the limited number of beds in the local general hospitals remained a problem. The workloads of the local criminal judges remained considerably below the national average rates in 2019, which resulted in faster delivery of justice. The crime rate in proportion to the population of the district of Varna was high and detection was low. More household waste was generated but a large part of it was handed over for treatment and recycling. Cultural life in the district was relatively active.

## ECONOMIC DEVELOPMENT



## SOCIAL DEVELOPMENT



## ECONOMIC DEVELOPMENT ■■■■

### Income and living standard ■■■■

GDP per capita in the district of Varna rose sharply in 2018, exceeding the average growth rate in the country and again bringing the district close to the average GDP rates nationwide. GDP thus amounted to 15,500 BGN per capita, with 15,600 BGN as the average national figure. Salaries also rose considerably, up to 13,000 BGN as the average annual gross figure, though they still failed to reach the national average of 13,800 BGN. Incomes were stagnant in 2018, but in 2019 they underwent a considerable increase, reaching 5,883 BGN/household member, against the country's average of 6,013 BGN/household member.

These processes have resulted in the reduction of poverty levels in the region, both in terms of the proportion of people living in material deprivation and of those living below the national poverty line.

### Labor market ■■■■

Trends in the labor market remained favorable in 2019. Economic activity rose, but due to fluctuations in the previous years it still failed to catch up with the national average. Employment rates also rose sharply, reaching 69.6%, compared to the national average of 70.1%, while unemployment rates shrank further, falling to 3.0%, versus 4.2% in the country on average.

The educational structure of the workforce is close to but less favorable than that in the country as a whole. Though there are universities on the district's territory, the share of the population with higher education is 25%, against 28% as the national average. This is due to the migration of the highly educated towards Bulgaria's capital and to countries abroad.

The district of Varna holds the second place in the country as regards the demographic replacement ratio (the ratio between people aged 15-19 and those aged 60-64) – 75%, against the national average of 66%. Thus for every 100 people who will leave the workforce in the next few years, there are 75 young people who will be entering the labor market.

### Investment and economy ■■■■

Investment activity in the district of Varna remained moderate in 2018. The proportion of enterprises was still quite high (70 per 1,000 persons, against 59 per 1,000 persons as the national average), while local and foreign investment rose, albeit by a small margin. FTA expenditures reached 2,761 BGN/person, and FDI per capita was 3,968 EUR/person, compared to the national average of 3,560 EUR/person. Production value per capita also registered some growth, though at 22,200 BGN/person it remained below the national average of 25,900 BGN/person.

Varna district still lags behind the national averages in terms of the utilization of EU funding in proportion to

population numbers. By 15 June 2020 payments made in the district under operational programs amounted to 1,383 BGN/person, compared to the national average of 1,976 BGN/person. The top place in the district again was held by the Byala municipality (4,901 BGN/person), while the lowest rates of utilization were registered in the Vetrino and Dalgopol municipalities.

### Infrastructure ■■■■

Against the general situation in the country, Varna is performing very well in terms of the district's infrastructure. The road and railroad network density in the district is considerably higher than the national average. What is more, Varna has the fourth largest concentration of railroad infrastructure after the capital, Plovdiv and Ruse – 5.2 km/100 sq.km of its territory.

The share of highways and first class roads in 2019 was also relatively high – 27.4%, compared to 18.6% in the country on average, and that of road surfaces in good condition (43.5%) was higher than the national average of 41.4%

The relative share of households with internet access (73.5%) in 2019 was not much different from the national average of 75.1%.

### Local taxes ■■

The average level of the monitored selection of local taxes is extremely high: their level is higher only in the capital. In that respect Varna is similar to most of Bulgaria's better developing districts, where local taxes are typically high. In 2020 all monitored local taxes in the district of Varna were high and not a single municipality lowered any of them. The margin between the retail trade tax rates in Varna district and elsewhere in the country reached a whole 30%. The annual average tax rate for taxi transportation in the municipalities in the district was 20% higher than the national average. The remaining local tax rates were higher than the average figures for the country as a whole by around 10%.

### Administration ■■■

In 2020, the assessment of the performance of e-administration and the provision of one-stop shop administrative services in the district municipalities was less positive and fell below the national averages. At the same time, the AIP Active transparency rating of the local administration rose slightly by 2 p.p. to reach 75%, thus increasing the margin from the national average of 71%. The highest ratings in the district of Varna were achieved by the municipalities of the city of Varna, Devnya and Beloslav.

## SOCIAL DEVELOPMENT

### Demography

In 2019, Varna remained among the districts showing the most favorable demographic development. The natural population growth rate rose slightly and in spite of its negative value, at  $-3.6\text{‰}$  it was twice as high as in the rest of the country ( $-6.7\text{‰}$ ). At the same time, Varna remained among the districts attracting new population. The net migration ratio remained positive, although in the past three years it went down.

All this has led to more favourable age dependency ratios, though in the district of Varna, no less than in the country as a whole, population ageing is a fact. The age dependency ratio as a ratio between people aged 65+ and those aged 0-14 years reached 126%, against 150% for the country on average, and the ratio between people aged 65+ and those aged 15-64 was 29%, with 34% as the national average.

Varna district came second only to the capital in terms of the share of population living in urban areas – 84%, versus 74% nationally, which accounts for the relatively high population density.

### Education

The indicators in the field of education place Varna very high among Bulgaria's districts. The net enrolment of children in 5<sup>th</sup>-8<sup>th</sup> grade went slightly up in 2019, though it remained below the national average by a small margin. At the same time, the shares of dropouts from primary and secondary education and of repeaters also went down to levels considerably lower than the respective average national figures. Thus, the share of repeaters dropped to 0.5%, versus 0.9% as the national average.

The results achieved by the students in the district also remained higher than average in 2020. The district's average score in the external examination in mathematics at the end of 7<sup>th</sup> grade rose to 43 points, compared to 36 points in the country on average. Scores in the matriculation exam in Bulgarian language and literature were also relatively high: 4.34, compared to 4.20 nationally, while the share of "fail" (below 3.00) grades was 6.3%, versus 8.2% on average nationwide.

Varna also kept its position among the districts with the highest share of university students in 2019 – 51 per 1,000 persons, versus 32 per 1,000 persons for the country on average.

### Healthcare

In 2019 the proportion of GPs to the total population came close to the country's average, and that of specialist physicians was even higher due to the presence of the Medical University in the district center. A problem that still persists is the limited number of beds in the local general hospitals – they were 440 per 100,000 persons, while the average figure nationwide was 550 per 100,000 persons.

The share of people with health insurance continued to rise in 2019, albeit insignificantly, and reached 84%, though it was still below the national average of 89%.

### Public order and security

The workloads of criminal judges remained considerably below the national average in 2019, which resulted in relatively faster delivery of justice. Thus, one judge heard an average of 6.7 cases a month, compared to 9.1 nationally. The share of criminal cases closed within 3 months reached 93%, against the national average of 90%.

The number of registered crimes fell but still remained considerably above the national average. The figure for crimes against the person and property registered in 2019 was 14.1 per 1,000 persons versus 11.1 per 1,000 persons nationwide. At the same time, detection rates remained relatively low – 36%, against 52% in the country on average.

### Environment

The district's carbon emissions in 2018 remained twice as high as those in the country as a whole: 554 t/sq.km, which is much more than the national average of 275 t/sq.km. The population also generated greater amounts of household waste, though the share handed over for treatment and recycling was large – 78%, against 71% on average across the whole country.

In the district of Varna, the concentration of quite a large part of the population in urban areas is the prerequisite for the relatively large share of those living in settlements with access to public sewerage systems – 86% (with the national average rate at 76%). Access to wastewater treatment plants is also high – 86% of the population's sewerage, versus 64% on average across the country.

### Culture

Cultural life in the district of Varna is traditionally quite active and it remained so in 2019. Theater visits rose to 462 per 1,000 persons, while in the country the average figure was 362 per 1,000 persons. Cinema visits were even twice as high as the average ones – 1,132 per 1,000 persons, while the national average was 659 per 1,000 persons.

However, museums and libraries enjoy less popularity. Museum visits in the district numbered 647 per 1,000 persons, against 770 per 1,000 persons on a national level, and library visits – 368 per 1,000 persons, compared to 683 per 1,000 persons as the national average.

## Key indicators for the district of Varna

Indicators of economic development	2017	2018	2019	National average
GDP per capita (BGN, current prices)	13,809	15,479	n.a.	<b>15,615</b>
Average annual income per household member (BGN)	5,407	5,407	5,883	<b>6,013</b>
Average annual gross salary per employed person (BGN)	11,700	13,008	n.a.	<b>13,775</b>
Share of the poor relative to the national poverty line (%)	n.a.	18.5	18.4	<b>22.6</b>
Employment rate of the population aged 15-64 (%)	66.0	66.3	69.6	<b>70.1</b>
Unemployment rate of the population aged 15-64 (%)	7.3	4.4	3.0	<b>4.2</b>
Share of the population aged 25-64 with primary or lower education (%)	18.3	19.1	18.8	<b>17.6</b>
Share of the population aged 25-64 with tertiary education (%)	32.5	29.5	25.3	<b>28.0</b>
Production value (BGN/person)	20,681	22,164	n.a.	<b>25,855</b>
Expenditure on fixed tangible asset acquisition (BGN/person)	2,680	2,761	n.a.	<b>2,750</b>
Cumulative foreign direct investment in non-financial enterprises (EUR/person)	4,120	3,968	n.a.	<b>3,560</b>
Share of households with Internet (%)	71.2	76.6	73.5	<b>75.1</b>
Share of roads in good condition (%)	43.2	42.7	43.5	<b>41.4</b>
Density of the road network (km/100 sq.km territory)	18.8	18.8	18.8	<b>17.9</b>
AIP active transparency rating of the local self-government (%)*	78.7	73.0	75.3	<b>70.7</b>

Indicators of social development	2017	2018	2019	National average
Natural population growth rate (‰)	-3.6	-4.0	-3.6	<b>-6.7</b>
Net migration rate (‰)	2.4	2.2	0.7	<b>-0.3</b>
Average grade in the matriculation exam in Bulgarian language and literature**	4.21	4.26	4.34	<b>4.20</b>
Average grade in the external exam in mathematics at the end of 7 <sup>th</sup> grade (points)**	32.6	38.6	43.3	<b>36.3</b>
Number of teachers in primary and secondary schools per 1,000 students	81	83	87	<b>89</b>
Net enrolment of the population in 5 <sup>th</sup> -8 <sup>th</sup> grade (%)	85.5	84.2	84.7	<b>86.6</b>
Share of people with health insurance (%)	83.4	83.5	84.0	<b>88.8</b>
Population per one GP (number of people)	1,534	1,655	1,655	<b>1,688</b>
Registered crimes against the person and property per 1,000 people	15.7	14.3	14.1	<b>11.1</b>
Workload of criminal judges in office (cases/month)	6.6	6.3	6.7	<b>9.1</b>
Share of the population with access to public sewerage networks (%)	86.2	86.4	n.a.	<b>76.2</b>
Generated household waste per capita (kg/person/year)	547	498	n.a.	<b>409</b>
Share of household waste handed over for treatment and recycling (%)	79.6	78.1	n.a.	<b>70.9</b>
Visits to the cinema per 1,000 persons	1,184	1,043	1,132	<b>659</b>
Visits to the theater per 1,000 persons	360	449	462	<b>362</b>

\* The data for 2019 are included in the 2020 study. The same also applies for the previous years.

\*\* The data refer to the 2019-2020 academic year while the matriculation exam was held in 2020. The same also applies for the previous years.