

# Sofia (capital city)

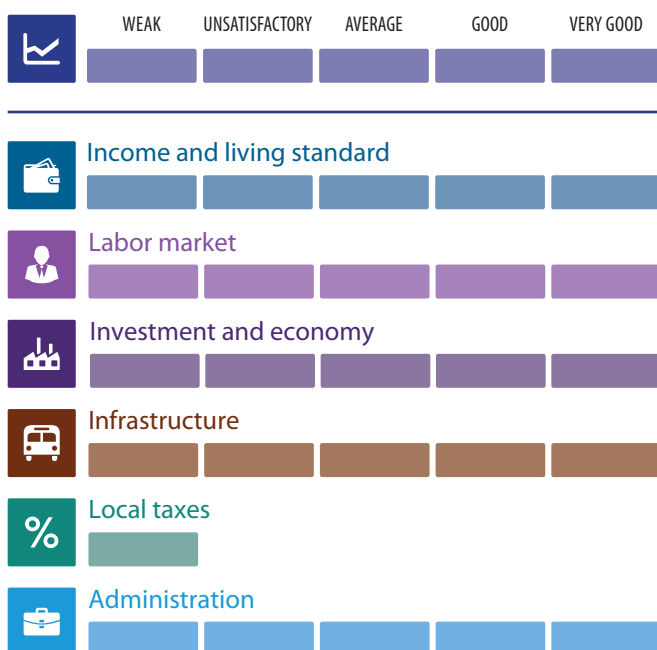


|                                 |           |
|---------------------------------|-----------|
| ▶ Population (2020)             | 1,318,601 |
| ▶ Territory (sq. km)            | 1,348.9   |
| ▶ Number of settlements         | 38        |
| ▶ Share of urban population (%) | 95.5      |

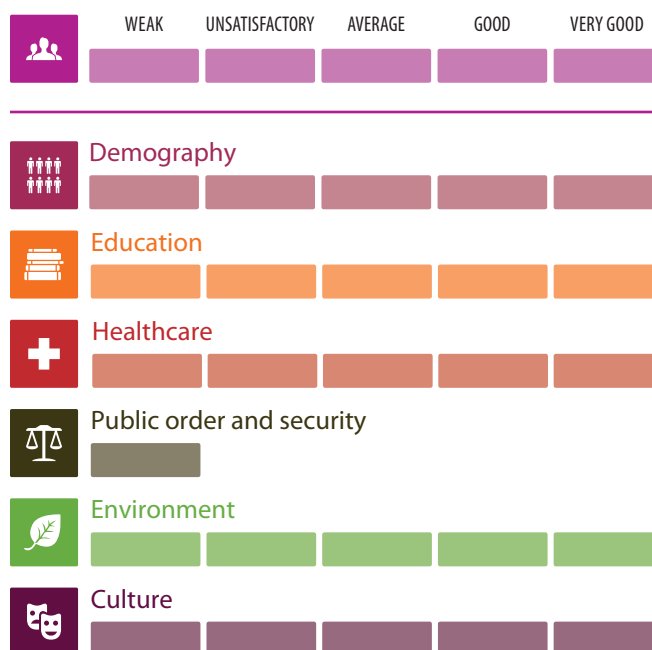
Sofia (capital) has the highest GDP per capita in Bulgaria, with a value double the national average and twice that of the district ranking second in this indicator – Sofia district. Its good performance in the indicators for economic development is also manifested in the favorable dynamics of the local labor market. The capital remains the district with the best educational structure of its workforce. It is also the undisputed leader in investment activity. The share of households with access to broadband internet continues to increase. In 2021, the capital was once again the district with the highest local taxes. It has the highest scores in the municipal administration's self-assessments on the development of e-government and the provision of one-stop shop administrative services.

The pandemic, the shutting down of entire sectors and the opportunities for working from home have affected Sofia's population size. The capital is once again the leader in the field of education, with a high enrolment rate, a low share of repeaters and dropouts, good student performance and a high number of university students. The number of specialist physicians is the highest in the country. The capital's poor result and its last place in the country in the public order and security category is a consequence of the heavy workloads of the local judges and the low detection rate. The district's high level of urbanization accounts for the large share of population with access to public sewerage networks. Sofia remains the district with the most intensive cultural life.

## ECONOMIC DEVELOPMENT



## SOCIAL DEVELOPMENT



## ECONOMIC DEVELOPMENT

### Income and living standard

The capital is the district with the highest GDP per capita, with a value twice the national average and double that of Sofia district which ranks second in this category. In 2019, GDP per capita in Sofia rose at a faster rate than the national average and reached 38,600 BGN, against 17,200 BGN in the country.

Salaries and incomes are growing at a rate similar to the national average, but their amounts are significantly higher. The average annual gross salary reached 21,000 BGN in 2019, against 15,200 BGN in the country, while the average annual income per household member reached 8,200 BGN in 2019, compared to 6,000 in the country.

The capital remained the district with the lowest poverty level in 2019. The share of the population living with material deprivation amounted to 10.8%, versus 19.9% nationally, while that of people living below the national poverty line was 10.0%, compared to 22.6% in the country.

### Labor market

The capital's good performance in the indicators for economic development is also manifested in the favorable dynamics of the local labor market. Economic activity decreased slightly in 2020 in unison with the general shrinkage across the whole country, but remained relatively high – 77.2%, compared to 73.7% nationally. Parallel to this decline was an increase in unemployment and a decrease in employment, with the rates for both indicators slightly higher than the respective national averages. The employment rate went down to 74.4%, against 68.5% nationally, and the unemployment rate went up to 2.86%, versus 5.2% nationally.

The capital remains the district with the best educational structure of its workforce, which in 2020 continued to improve. The share of the population aged 25–64 with a university degree reached 56.8%, against 29.2% in the country, while employed people with primary or lower education made up 3.9%, compared to 16.9% nationally.

Sofia has overtaken Varna district and now has the second highest (after Sliven) population replacement ratio of people aged 15–19 to those aged 60–64 – 78.7%, compared to 67.1% nationwide. This means that for every 100 people who are about to leave the labor market in the next few years, there will be 79 young people joining the workforce.

### Investment and economy

In 2019, Sofia remained the undisputed leader in investment activity. The district has the largest number of enterprises relative to its population – 93 per 1,000 persons, compared to an average of 61 per 1,000 persons in the country. The growth rate of FTA acquisition expenditures is double the national av-

erage and the capital has now moved even further ahead of the country's average and of the district ranked second in this category. Production value in the district has also grown at a higher rate to reach 56,700 BGN/person, compared to 28,000 BGN/person in the country. Significantly higher than the average national figures is cumulative FDI – 9,626 EUR/person.

By 15 June 2021, the capital again occupied the top place as regards utilization of EU funds. Payments made in Sofia (capital) district to beneficiaries under EU operational programs amounted to 3,676 BGN/person, compared to 2,217 BGN/person nationally.

### Infrastructure

There are no roads from the national road network within Sofia (capital) district, but its territory is bordered directly by several highways. Sofia Central Railway Station is one of the main railway hubs in the country and the density of the railway network of 12.8 km/100 sq. km in the capital district significantly exceeds the national average of 3.6 km/100 sq. km. The share of households with access to high-speed internet has continued to increase and in 2020 it reached 90.8%, compared to 78.9% in the country. The share of households connected to a gas supply is also relatively high – 4.4%, against 3.1% in the country.

### Local taxes

The level of local taxation in Sofia (capital) district again remained the highest in the whole country in 2021. The biggest differences in comparison to the national figures were recorded in the retail trade tax, the tax on non-gratuitous acquisition of property and on taxi transportation

From the other monitored taxes, the only one that remained below the average nationwide rates was the tax on immovable non-residential real estate for legal entities.

### Administration

In 2021, the work of Sofia's municipal administration lost its top place for transparency ratings, where it was outranked by the districts of Dobrich, Gabrovo, Varna and Sliven, although its AIP Active transparency rating was considerably higher than the national average – 78.3%, against the national average of 73.2%. Sofia is also the district with the highest results in its local administration self-assessments for the development of e-government and the provision of one-stop shop administrative services, with the maximum of 4 points.

Almost the whole of the capital's territory was already included in the cadastral map in 2019 – 99.2%, against 91.4% nationally.

## SOCIAL DEVELOPMENT

### Demography

In 2020, Sofia (capital) remained the district with the most favourable demographic conditions in the country. Although here, as elsewhere in Bulgaria, the natural population growth rate was negative, it still held the top place with  $-3.5\%$ , compared to the national average of  $-9.5\%$ . The pandemic, the shutting down of entire sectors and the opportunities for working from home have affected Sofia's population size. Thus Sofia (capital) has become the district with the greatest loss of population and net migration of  $-12.0\%$ .

The age dependency ratios in the district remained considerably more favourable than in the country on average. The ratio of people aged 65+ to those aged 0–14 years reached 117.4%, compared to 150.61% nationally, and to those aged 15–64 years – 26.2%, versus 34.1% nationwide.

The district's specificity is a prerequisite for the extremely high level of urbanization – 95.5% of its territory, and the population density is three times the country's average – 4,860 persons/sq. km, compared to 1,506 persons/sq. km nationally.

### Education

The capital remains the country's leader in education, with a high rate of enrolment, low shares of repeaters and dropouts, good student performance and a high number of university students.

The only less favorable figures pertain to the teacher-student ratios, which can be explained with the opportunities for large-size schools and classes.

The shares of repeaters and dropouts from primary and secondary education are considerably smaller than the country's averages. In 2021, the students in the capital achieved an average score of 50.1 points in the external examination in mathematics after 7th grade, which is far above the national average of 37.9 points. Also, the average grade in the State matriculation exam in Bulgarian language and literature was 4.58, compared to the average of 4.21 countrywide, while the share of "fail" grades (below 3.00) was only 1.8%, against the national average of 7.0%.

In 2020, the number of university students in Sofia again remained considerably above the national average.

### Healthcare

In 2020, the capital remained among the districts with the best healthcare in the country (outranked only by Pleven district), characterized by easy access to specialist physicians and low infant mortality.

The indicator for access to GPs is similar to the national average – one doctor cares for an average of 1,728 persons, compared to 1,727 persons on average for the country. The hospital bed capacity is also similar to the national average – 5.72 beds in general hospitals per 1,000 persons, compared

to 5.52 beds nationally. The number of hospitalizations is 122 per 1,000 persons, against 138 per 1,000 persons countrywide. The infant mortality rate continues to decline and is half the national average.

### Public order and security

The capital's poor results and its last place in the whole country in the indicator of security and justice is a consequence of the heavy workloads of the local judges and the low detection rate.

In 2020, one criminal judge in Sofia (capital) heard an average of 10.6 cases a month, compared to 8.6 cases per judge nationally. These heavy workloads had a negative impact on the speed of delivery of justice. The proportion of criminal cases closed within 3 months was 84%, compared to the average of 90% nationwide, and pending cases constituted 17%, versus less than 11% countrywide. The number of crimes against the person and property registered in the capital district dropped in 2020 to 11.4 per 1,000 persons but still remained high compared to the national average of 9.9 per 1,000 persons. These are all factors contributing to the exceptionally low share of cleared crimes – a bare 32.1%, versus 52.1% for the country.

### Environment

The capital remained the district with the highest annual volume of generated household waste in 2018, with 499 kg/person, compared to 409 kg for the country. However, almost all waste was handed over for treatment and recycling – 97%, compared to 71% on average for the country.

The high degree of urbanization in the district entails high figures for accessibility to public sewerage systems – 96.3% of the population, versus 76.4% nationally, while the whole sewerage network is connected to waste water treatment plants, compared to 64.6% on average countrywide.

Carbon dioxide emissions into the atmosphere remain at the second highest level in the country (after the district of Stara Zagora).

### Culture

The pandemic-induced restrictions on cultural activities in 2020 affected cultural life in Sofia (capital) as well. Still, the drop in the number of visits was similar to the national average and the capital remained the district with the most intense cultural life. Cinema visits dropped by 73%, compared to 71% nationally, and amounted to 473 per 1,000 persons, against 190 per 1,000 persons in the country. Visits to the local libraries decreased by 23% to 855 per 1,000 persons, against 480 per 1,000 persons nationally. Only museum visits still remained below the national average, with 207 per 1,000 persons, compared to 322 per 1,000 persons countrywide.

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

| Indicators of economic development   | 2018   | 2019   | 2020 | National average |
|--|--------|--------|------|------------------|
| GDP per capita (BGN, current prices)   | 33,437 | 38,603 | n.a. | <b>17,170</b>    |
| Average annual income per household member (BGN)                               | 7,603  | 8,224  | n.a. | <b>6,013</b>     |
| Average annual gross salary per employed person (BGN)                          | 19,026 | 21,040 | n.a. | <b>15,209</b>    |
| Share of the population living below the national poverty line (%)             | 8.8    | 10.0   | n.a. | <b>22.6</b>      |
| Employment rate of the population aged 15–64 (%)                               | 75.6   | 76.4   | 74.4 | <b>68.5</b>      |
| Unemployment rate of the population over 15 years of age (%)                   | 2.1    | 1.6    | 2.8  | <b>5.2</b>       |
| Share of the population aged 25–64 with primary or lower education (%)         | 4.2    | 4.9    | 3.9  | <b>16.9</b>      |
| Share of the population aged 25–64 with higher education (%)                   | 51.4   | 52.8   | 56.8 | <b>29.2</b>      |
| Production value (BGN/person)  | 50,416 | 56,667 | n.a. | <b>28,027</b>    |
| Expenditure on the acquisition of fixed tangible assets (BGN/person)           | 5,568  | 7,147  | n.a. | <b>3,155</b>     |
| Cumulative foreign direct investment in non-financial enterprises (EUR/person) | 9,361  | 9,626  | n.a. | <b>3,655</b>     |
| Share of households with Internet (%)  | 81.9   | 83.0   | 90.8 | <b>78.9</b>      |
| Share of roads in good condition (%)   | 0.0    | 0.0    | n.a. | <b>41.4</b>      |
| Road network density (km/100 sq. km territory)                                 | 0.0    | 0.0    | 0.0  | <b>17.9</b>      |
| AIP active transparency rating of local government bodies (%)*                 | 77.0   | 78.8   | 78.3 | <b>73.2</b>      |

| Indicators of social development  | 2018  | 2019  | 2020  | National average |
|---|-------|-------|-------|------------------|
| Rate of natural increase (‰)  | -1.9  | -2.0  | -3.5  | <b>-9.5</b>      |
| Net migration rate (‰)  | 3.9   | 2.4   | -12.0 | <b>4.4</b>       |
| Average grade in the State matriculation exam in Bulgarian language and literature**  | 4.53  | 4.63  | 4.58  | <b>4.21</b>      |
| Average grade in the National external exam in mathematics after 7th grade (points)** | 44.6  | 48.1  | 50.1  | <b>37.9</b>      |
| Net enrolment of the population in 5th–8th grade (%)                                  | 89.4  | 89.4  | 88.8  | <b>86.5</b>      |
| Number of teachers in primary and secondary schools per 1,000 students                | 82    | 87    | 83    | <b>87</b>        |
| Share of population with health insurance (%)   | 86.6  | 87.1  | 87.1  | <b>88.7</b>      |
| Population per one GP (number of people)  | 1,665 | 1,712 | 1,728 | <b>1,727</b>     |
| Registered crimes against the person and property per 1,000 people                    | 15.1  | 13.3  | 11.4  | <b>9.9</b>       |
| Workloads of criminal judges in office (cases/month)                                  | 14.2  | 12.0  | 10.6  | <b>8.6</b>       |
| Share of population living in settlements with public sewerage networks (%)           | 96.3  | 96.3  | n.a.  | <b>76.4</b>      |
| Generated household waste per capita (kg/person/year)                                 | 499   | n.a.  | n.a.  | <b>409</b>       |
| Share of household waste handed over for treatment and recycling (%)                  | 96.8  | n.a.  | n.a.  | <b>70.9</b>      |
| Visits to cinemas per 1,000 persons   | 1,884 | 1,756 | 473   | <b>190</b>       |
| Visits to museums per 1,000 persons   | 748   | 652   | 207   | <b>322</b>       |

\* The data for 2021 are included in the 2021 study. The same also applies for the previous years.

\*\* The data refer to the 2020–2021 academic year while the matriculation exam was held in 2021. The same also applies for the previous years.