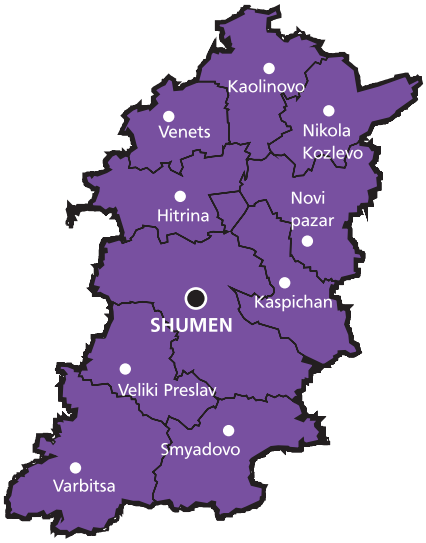
Shumen

GDP per capita, current prices, BGN (2009)	5335
Population (2011)	180188
Employment rate of the population over 15 years (2011)	42,3
Area (sq. km.)	3389,7

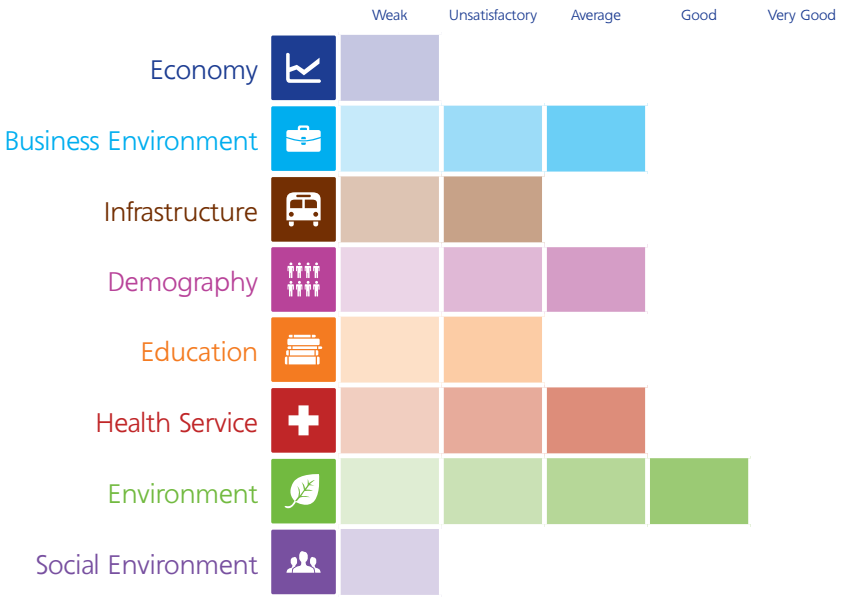


Overview

The district of Shumen is located in the central part of North-Eastern Bulgaria. In addition to the town of Shumen, the district centre, covering 150 populated areas in 10 municipalities: Veliki Preslav, Venets, Varbitsa, Kaolinovo, Kaspichan, Nikola Kozlevo, Novi Pazar, Smyadovo, Hitrino, and Shumen.

Shumen District is characterized by relatively good demography and a clean environment. The district covers the national average indicators in the „Healthcare" and „Business Environment" categories. At the same time, the standard of living of the local population remains below the national average, and in the period after 2008, the economic environment is characterized by high unemployment and a significant decrease of foreign direct investment.

Economic activity is concentrated in several of the larger municipalities located along the Hemus Highway. In addition to the significantly deteriorated economic situation in later years, the district faces the challenges of the inadequate education level of the local population and the underdeveloped infrastructure.



Economy

The district is characterised by an unemployment rate high for the country; at the end of 2011, one out of every four people of working age were jobless, although they actively sought and were ready to take up employment. Employment in the district is about 3-4 percentage points lower than the national average. In 2011, the employment rate for people over 15 was about 42%. The gross domestic product per capita was approximately 4 times lower than in the capital city and about 40 per cent lower than the national average, ranking the district among those with living standards below the national average. The average income per household member in 2010, as an indicator of the standard of living, was also about 12% lower than the national average. The investment activity in the district, judging by the amount of investment in fixed assets per capita, fell sharply after 2007, then continued to decline, albeit at a slower pace. At the same time, the profitability of sales of businesses in 2010 returned to levels similar to those prior to the crisis, showing rising profits for companies that continued operating in the district. Economic activity in the district is concentrated in the municipalities of Shumen, Kaspichan, Novi Pazar, and Veliki Preslav.

By the end of 2011, municipal administrations had absorbed over EUR 20 million under EU operational programmes. Shumen lags behind in attracting foreign direct investment. Over the period 2008-2010, the volume of foreign capital into the district shrank to half its previous amount.

Business Environment

Among the key factors that have a negative impact on the business environment in the district according to local businesses, is the underdeveloped infrastructure, shortage of qualified labour, and the reduced domestic consumption. The local judiciary is among the lowest rated in the country, with over 40% of respondents who had been party to litigation in the district expressing doubts about the impartiality of judicial decisions, and more than 60% uncertain of the integrity of the judiciary.

The majority of municipalities in Shumen provide only the most basic administrative services electronically; two-way communication with businesses and citizens is only possible Smyadovo, Novi Pazar, and Shumen. The municipalities of Preslav and Smyadovo said they were quite prepared to provide one-stop-shop services, but overall the service is still gaining popularity. Despite the relatively low prevalence and popularity of electronic services in local government (only one out of four respondents said they had used such services) the level of satisfaction of businesses is relatively high.

Most local taxes are close to the country average. The district's advantage is that in most municipalities the rate for annual license tax for retail and the fee for use of industrial goods' markets are lower than those in the rest of the country.

Infrastructure

The district has a well-developed road and rail infrastructure, with the density of the road network and railways above the national average. However, neither local businesses nor citizens in the district rated infrastructure as a factor having a positive impact on their life and operations. The low proportion of the population with Internet access continues to be a problem. At the end of 2011, only 33% of households had access. About 43% of those aged between 16 and 74 years used the Internet in 2011.

Shumen is one of the few districts in the country where the volume of water fed into the water supply system increased in 2010 compared to 2007. By 2010, the volume of water increased by more than 2 million cubic metres, with a more significant increase only reported in Sliven. Between 2008 and 2010, losses in the transport of water in public water supply and irrigation systems shrank by over 40%. However, relative to population, losses in the transport of water remained above average for the country.

Demography

Over the period 2001 - 2011, the population of Shumen District has decreased by 11.6%. However, the demography in the district is relatively favourable in comparison with the rest of the country, due mainly to the age structure of the population. Although the proportion of younger to elderly people in the district is deteriorating, this process is developing at a slower pace than in many other districts.

At the end of 2011, to every 4 people aged up to 14 years, there were about 5 people over the age of 65. At the same time, the working age population is nearly four times larger than that of the elderly over 65 years. On both indicators, Shumen is performing better than the national average. Over the period 2001-2011, the rate of natural increase and net emigration remained stable. Although both indicators continued to be negative during almost the entire period, Shumen is among the districts that have the lowest negative net migration and rate of natural increase.

About 63% of the population live in urban areas, indicating a low degree of urbanisation of the district. Shumen remained one of the most sparsely populated areas in the country in 2010, with just under 1,000 people for every square kilometre.

Education

Education indicators place Shumen at a level close to but still below the national average. In line with trends throughout the country, both the number of teachers and students in primary and secondary education decreased by about 30% over the last decade. Since 2001, 54 out of a total of 128 schools were closed in the district. More than half of them were closed in 2007 and 2008 as a result of the abovementioned decrease of the number of students in the district.

The scores from the mandatory matriculation exam in Bulgarian language and literature in 2011 showed that the quality of secondary education in one of the lowest in the country. The average grade from the matriculation exam in 2012 was 3.98; only school leavers in Razgrad (3.88) and Targovishte (3.91) performed worse. In the same year, 10.6% of the students who sat for the exam achieved an average score below 3.00, that is, failed the exam. This high proportion of fails is the second worst result for 2011, after Razgrad District, that is at the bottom of the chart, with 12.1% failed the exam. A major problem is that the proportion of failed students in Shumen district doubled in just one year, from 5.11% in 2010 to over 10% in 2011.

The net enrolment rate of the population in Grades 5 through 8 in 2011 was about 85.7%, that is above average for the country. The percentage of repeaters and the percentage of school dropouts is close to the national average, 0.9% and 2.4%, respectively. In the period from 2006 to 2011, the number of students in the district decreased by nearly 15%. By end 2011, 18.8% of the population of the district had tertiary education.

Healthcare

The number of hospitals in the district remained unchanged for the past ten years despite the gradual shrinking of the population. In 2011, approximately 90% of the population of the district had valid health insurance. The number of GPs had been declining until 2006, and then began to rise again. At the same time, the number of specialist doctors in recent years remained unchanged. One exception are specialists in internal medicine, whose number has more than halved in the past eight years. The shortage of specialist doctors in the district is confirmed by field studies conducted, according to which one-third of the people who used medical services had to leave the district to receive the necessary care.

The ratio of specialist physicians in the district to the number of population remains below the national average, due to the fact that no new hospitals have been opened in the last year, and the relatively low morbidity in the district. As compared to 2001, about 16% more patients sought hospital treatment in 2011, against the national average increase of nearly 60%. Nevertheless, local residents rated relatively highly the performance of hospitals compared with the opinion of residents in other districts.

Environment

The positive environmental indicators are due to the amount of municipal waste collected and the design capacity of the waste water treatment plants. In 2010, the municipal waste collected per population served was also below the national average: 259 kg per person per year. Shumen is one of the districts with the lowest emissions of harmful substances into the country. The average daily design capacity of waste water treatment plants in the district is nearly 60% higher than the national average. Four new facilities are currently under construction: three wastewater and one potable water treatment installation, which will further improve the environmental situation in the district. A major problem in the district is the low percentage of the population living in areas with access to public sewerage. In 2010, only 59% of the population had access to sanitation at an average ratio of 70% for the country.

Social Environment

In 2009, nearly half the population of the district qualified as living in material deprivation, and one in four people was living below the relative poverty line for the district. In the same year, about 8% of people in the district were living in households with a low intensity of economic activity.

Residents of the district emphasised as major problems the low standard of living, the lack of opportunities for a good education and career development. From among institutions, the local community appears to give the lowest possible level of confidence to regional offices of government structures, and the judiciary.

Life in the district is relatively quiet, that is confirmed by the relatively low number of registered crimes. Relative

to the number of the local population, the number of registered crimes against the person and property is about one-third below the national average. For the period 2000-2010, the number of reported crimes in the area has fallen by over 30%. Nearly 9% of surveyed residents said that they would leave it, given a chance, that ranks the district among those with the lowest percentage of potential emigrants.