



***Seminar on Business Cooperation  
Opportunities in Bulgaria***



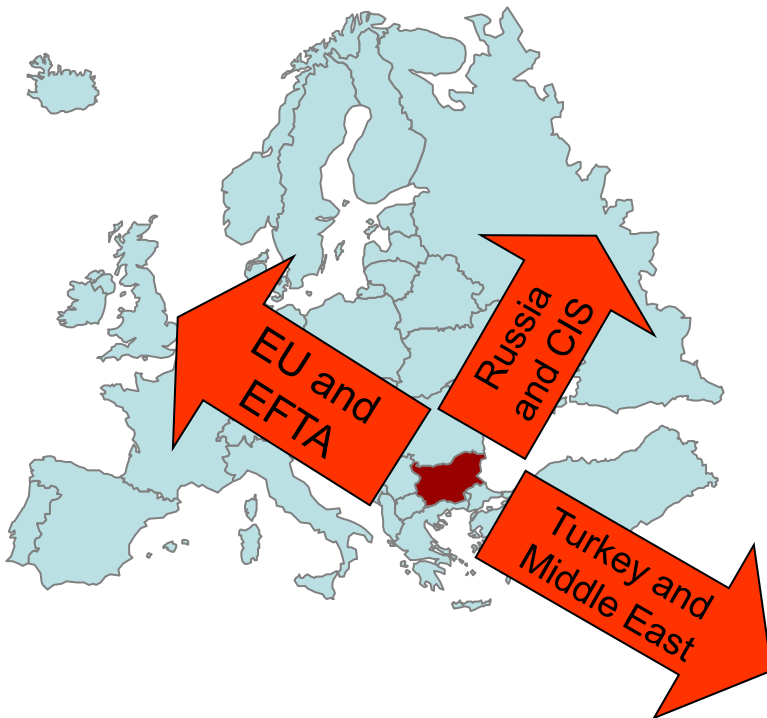
## General information

Official name:	Republic of Bulgaria
Area:	110 994 sq.km.
Population:	7.2 million
Capital:	Sofia
Time zone:	EET (UTC+2)
Official language:	Bulgarian
Currency:	Lev (BGN)
Fixed exchange rate:	€ 1 = BGN 1.95583
Corporate income tax:	10%
Personal income tax:	10%
VAT(standard):	20%
Type of government:	Parliamentary democracy

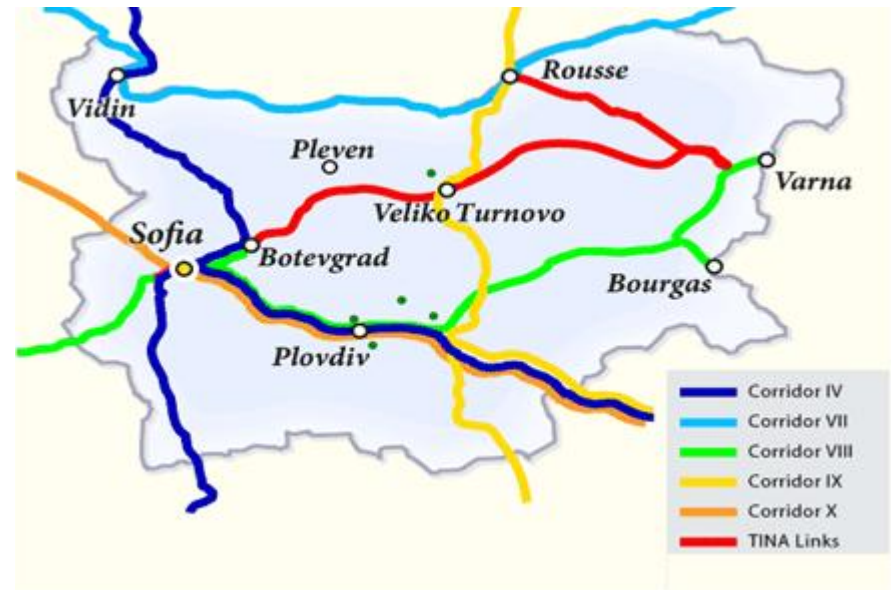


# Bulgaria is only 3 hours flight from all major destinations in Europe, Russia and the Mediterranean region

## Strategic geographic location



## Major transport corridors passing through Bulgaria



## Did you know that Bulgaria...?



...ranks **FIRST** in the world in the production of **lavender**. For the past three years, our country has managed to surpass France from the first place and France is historically a leader in this field.



...is the **SECOND** largest exporter of **sunflower seeds worldwide** in 2014. Our market share in the exports of this commodity on the planet is 14.5%.



...is the **BEST outsourcing destination** in Europe, according to Cushman & Wakefield's rating for 2015. In the world our country takes the third place.



...has accommodated about **50 companies** producing components and systems for the **global automotive industry**. They are making different types of auto parts for brands like BMW, Mercedes, Audi, Ford, Volvo, Peugeot, Renault, Dacia and others. In eight of every ten cars in Europe, some of the parts are produced in Bulgaria

# Did you know that Sofia – capital of Bulgaria...?



... ranks **FOURTH** among major European cities in the group of **the best investment destinations in terms of cost efficiency** according to ranking of fDi Magazine of the most promising investment destinations in Europe in 2016/2017.



... falls in the **TOP 10** global destinations for **creating startup** according to ranking of the Swiss company "Seedstars World", published in 2015.

## ***Reasons to invest in BULGARIA***



### **1. Political and business stability**

- EU, NATO & WTO member
- Currency board
- Low budget deficit and government debt

### **2. Low cost of doing business**

- 10% Corporate and Personal tax rates
- Lowest cost of labor
- Favorable office rents and low cost of utilities

### **3. Access to markets**

- European Union / EFTA
- Russia
- Turkey/Middle East

### **4. Educated & skilled workforce**

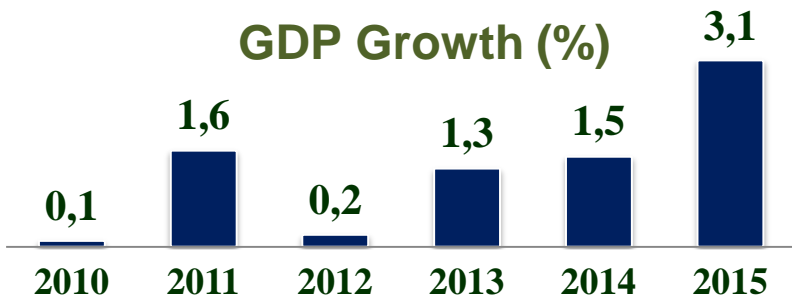
- 80 000 students abroad
- 25% of population hold university degree
- 46% of population speak at least one foreign language

### **5. Government incentives**

- Social security benefits
- Tax benefits
- Vocational education benefits

# Macroeconomic indicators

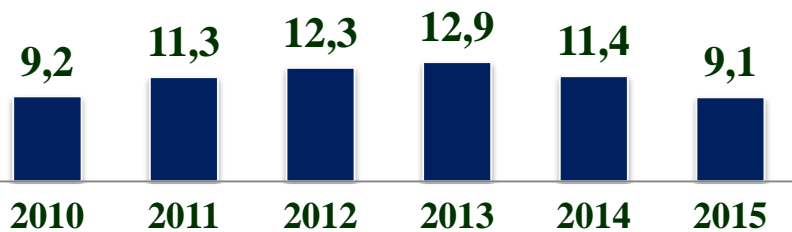
**GDP Growth (%)**



**Inflation Rate (%)**



**Unemployment Rate (%)**

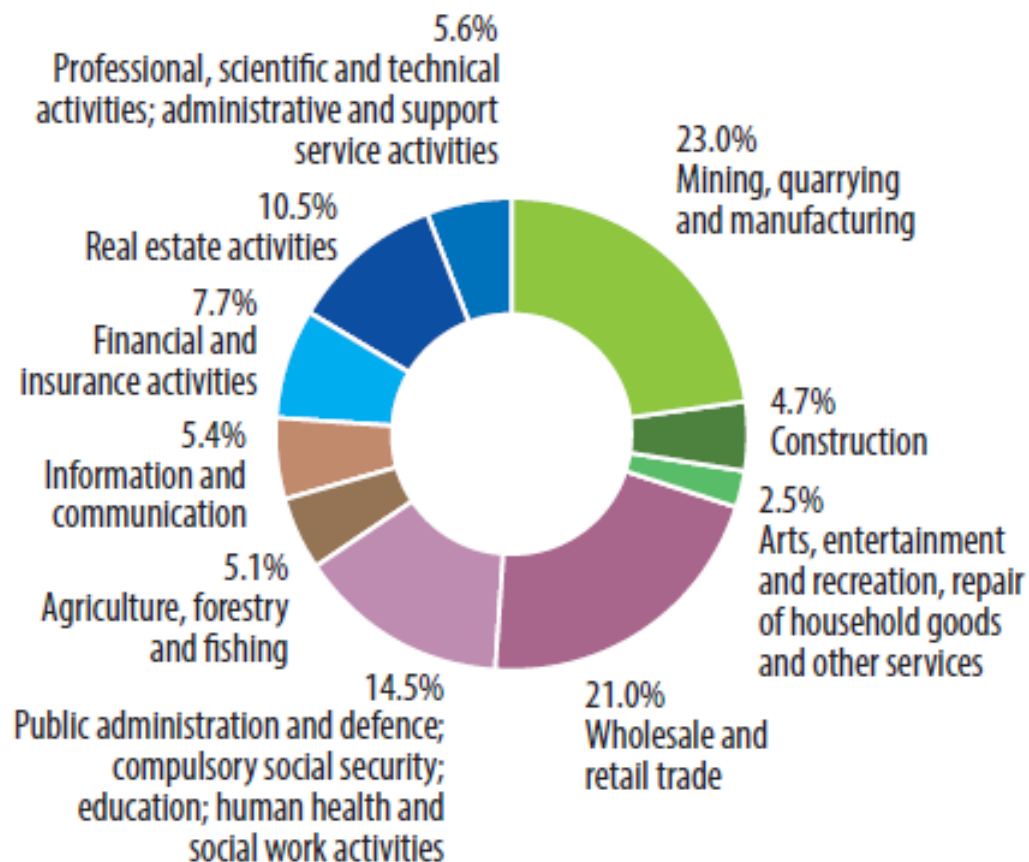


## Macroeconomic forecast

	2016	2017	2018	2019
GDP (mill. EUR)	45 617	47 257	49 073	50 991
GDP (real growth rate %)	2,1	2,5	2,7	2,7
Exports (real growth rate %)	4,5	4,7	4,9	5,1
Imports (real growth rate %)	2,6	3,6	4,7	5,2
Average inflation rate (%)	-0,8	1,1	1,2	1,4
Unemployment rate (%)	8,6	7,9	7,4	7,1

## Structure of the Gross Value Added (2015)

The sectors that reported the largest contribution to GVA in 2015 (share of 44%) were: Mining, quarrying and manufacturing and Wholesale and retail trade.

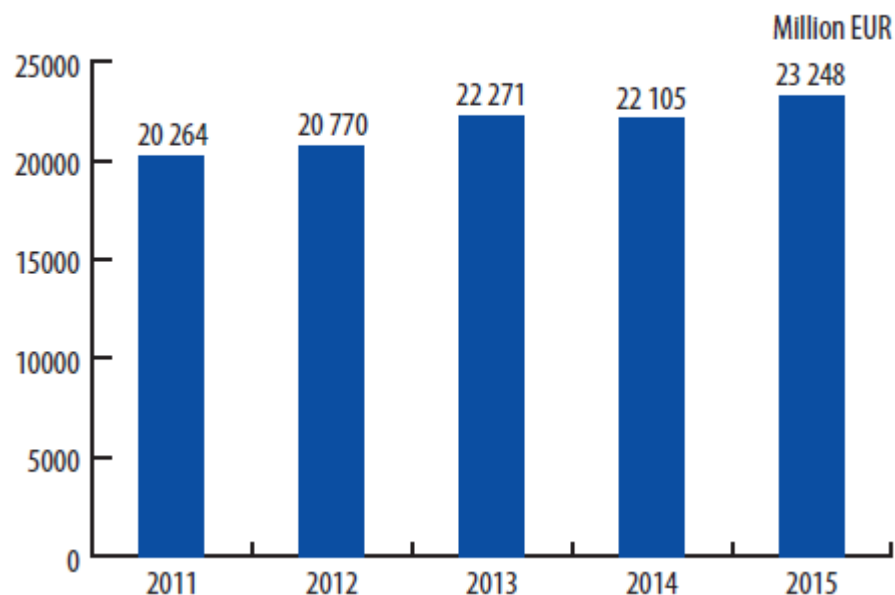




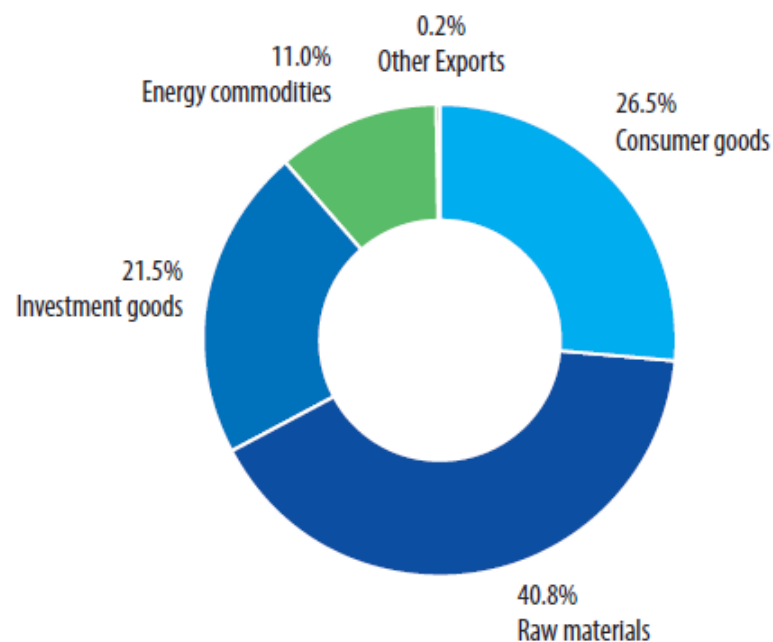
## Exports of goods

Exports (FOB) in 2015 amounted to EUR 23.2 billion. In 2015 compared to a year earlier the exportation of investment goods increased by 16% and for consumer goods the growth was 7%.

### Exports by years



### Structure of exports by commodity groups in 2015

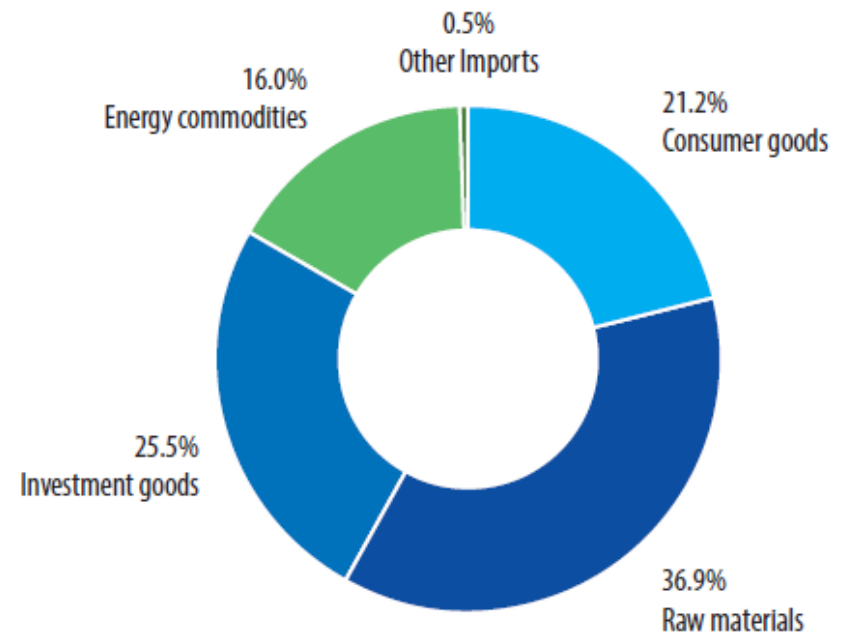
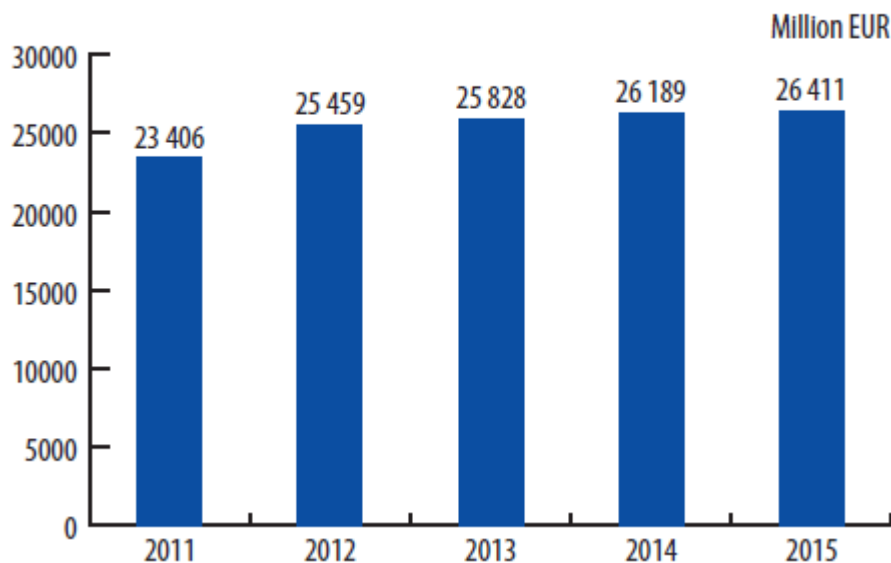


# Imports of goods

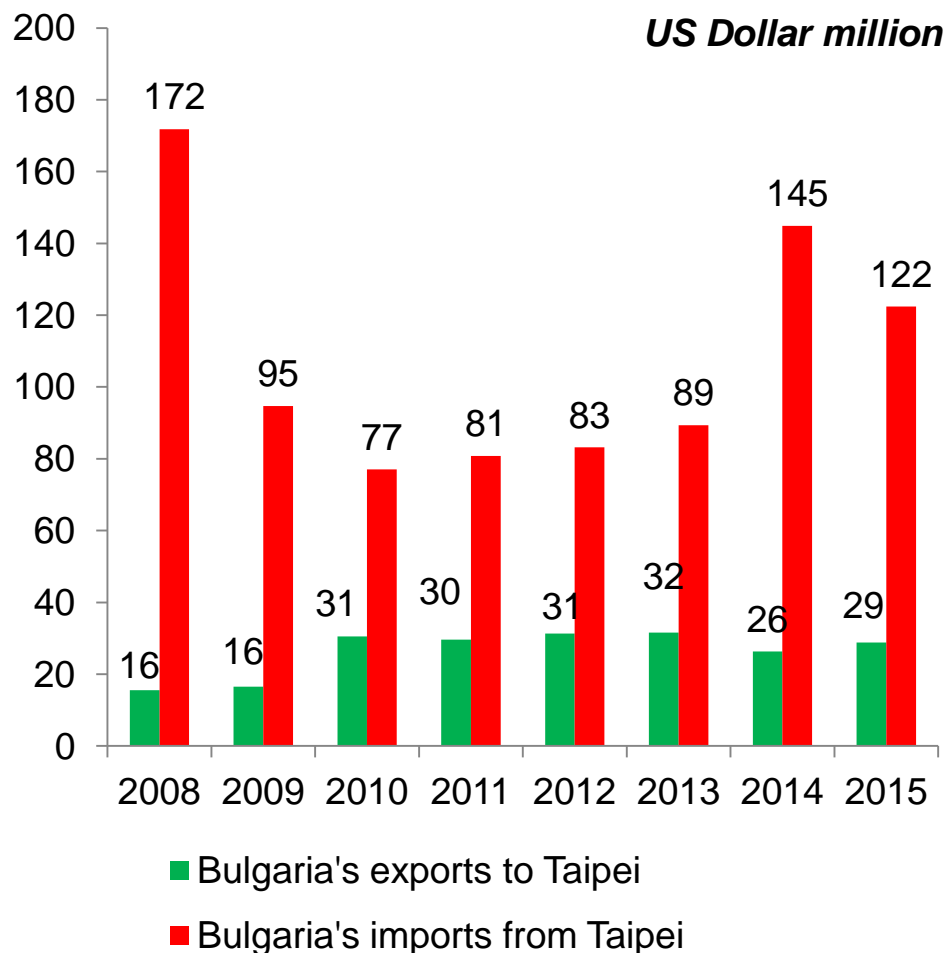
According to the balance of payments data, at the end of 2015 imports reached EUR 26.4 billion. Imports of Consumer goods posted the most significant increase – 9% compared to the corresponding period of the previous year. With the highest rate in this commodity group was import of automobiles – 17% growth.

## Structure of imports by commodity groups in 2015

### Imports by years



# Bilateral trade between Bulgaria and Taipei



## Leading products of **Bulgarian exports** to Taipei:

- Electrical, electronic equipment
- Pharmaceutical products
- Animal feed preparations
- Cars

## Leading products of **Bulgarian imports** from Taipei:

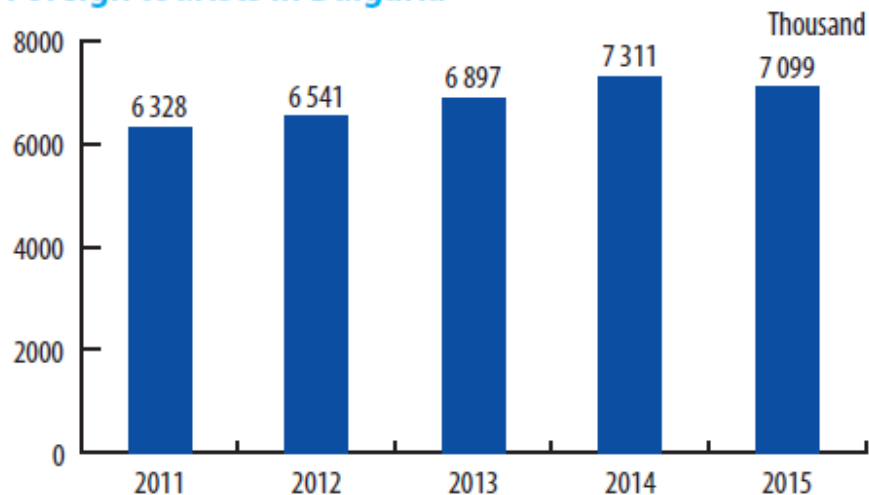
- Machinery
- Electrical, electronic equipment
- Parts and accessories of motorcycles
- Toys, games, sports requisites
- Articles of iron or steel

# Tourism

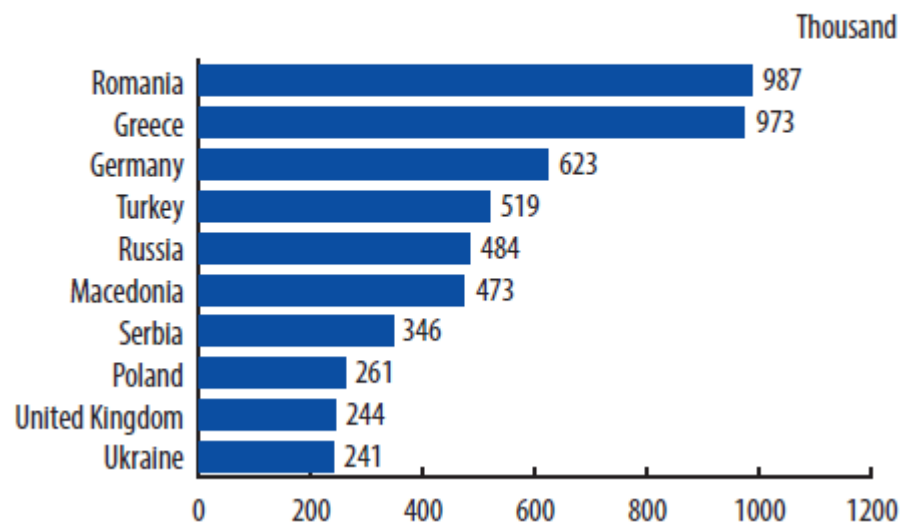
Tourism plays an important role in Bulgaria because of its economic, social and employment potential. In 2015 Bulgaria was visited by 7.1 million tourists.

The ranking by number of tourists for 2015 is headed by Romania with 987 thousand tourists, followed by Greece with 973 thousand tourists and by Germany with 623 thousand tourists.

Foreign tourists in Bulgaria



TOP 10 countries ranked by number of tourists in Bulgaria for 2015

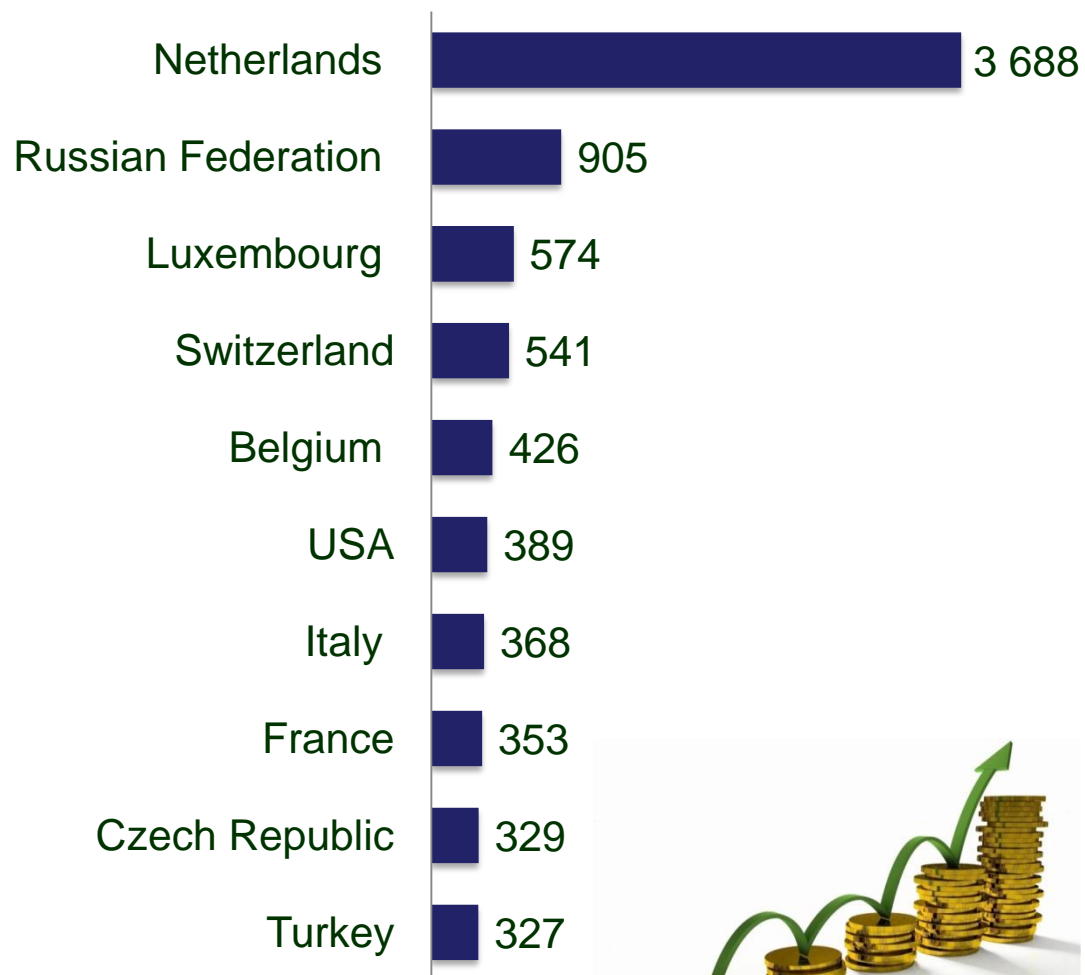


# Foreign direct investment in Bulgaria

FDI Inflow (€ mln.)



FDI by host country, 2010 - 2015 (€ mln.)



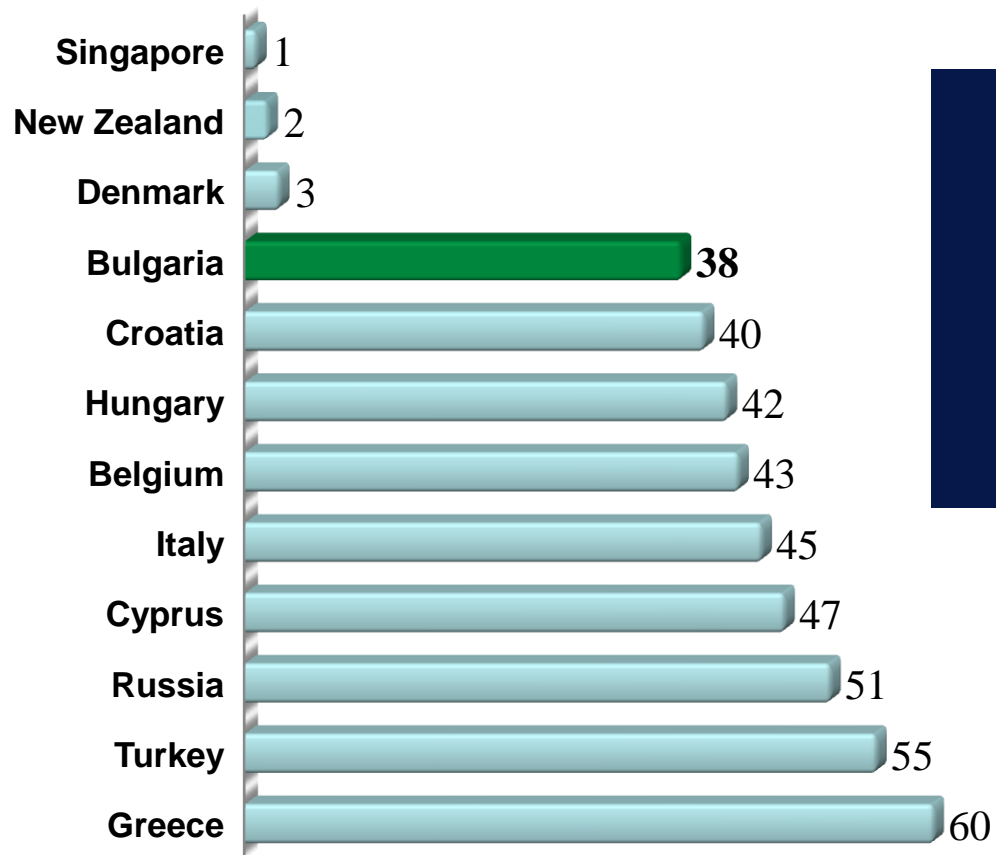
# Bulgaria has competitive positions in different international indices (1)



## Bulgaria has competitive positions in different international indices (2)



# Doing business





# Cost of doing business - Bulgaria



**Electricity**

**0.069(€/kWh)**



**Gas**

**0.032(€/kWh)**

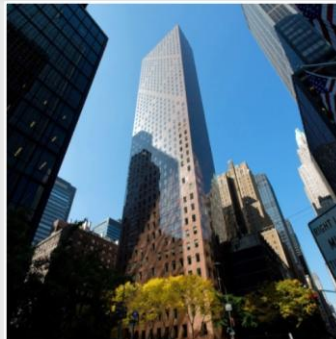


**Water**

**1.09(€/1m3)**



**Industrial Rents**  
**From 2.5 €**  
**(m2/month)**



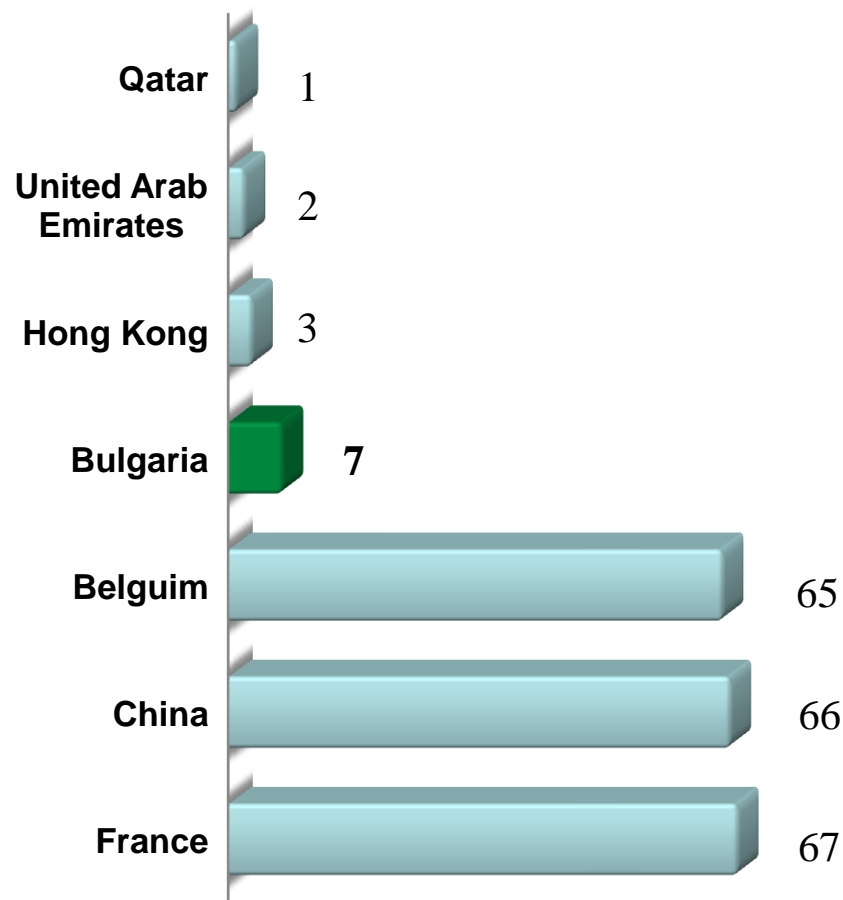
**Office Rents**  
**From 12 €**  
**(m2/month)**



**Cost of Labor**  
**Salary(Min.) - 215 €**  
**Salary(Avg.) - 468 €**

**One of the most competitive costs in Europe!**

## Taxation



Bulgaria is the 7<sup>th</sup> least tax burden country in Forbes ranking of “Tax misery and Reform Index” 2009

# Forbes

## Taxation rate

Country	Income Tax(%)		Social Security(%)		VAT(%)
	Corporate	Individual	Employer	Employee	
Bulgaria	10	10	17.9-18.5	12.9	20
Serbia	15	10-20	16.9	16.9	20
Romania	16	16	28.45	16.5	24
Hungary	10/19	16	28.5	18.5	27
Czech Rep.	19	22	34	11	21
Poland	19	18/32	22.14	13.7	23
Turkey	20	15-35	27	15	18
Slovakia	23	19-25	34.8	13.4	20
UK	23	0-45	13.8	12	20
Italy	27.5	23-43	30	10	21
Spain	30	24, 75-52	29.9	6.35	21
Germany	30-33	14-45	19.7	20.6	19
France	33.33	5.5-41	50	20	19.6



# What Bulgaria offers

**GOVERNMENT AS A PROACTIVE PARTNER**

**REDUCE RISK**  
- Political Stability  
- Economic Stability

**INCREASE COMPETITIVENESS**  
- Staff qualification  
- Improving productive capacity

**REDUCE COST**  
- Competitive cost of labor  
- Lowest tax rate in EU

**Investor**

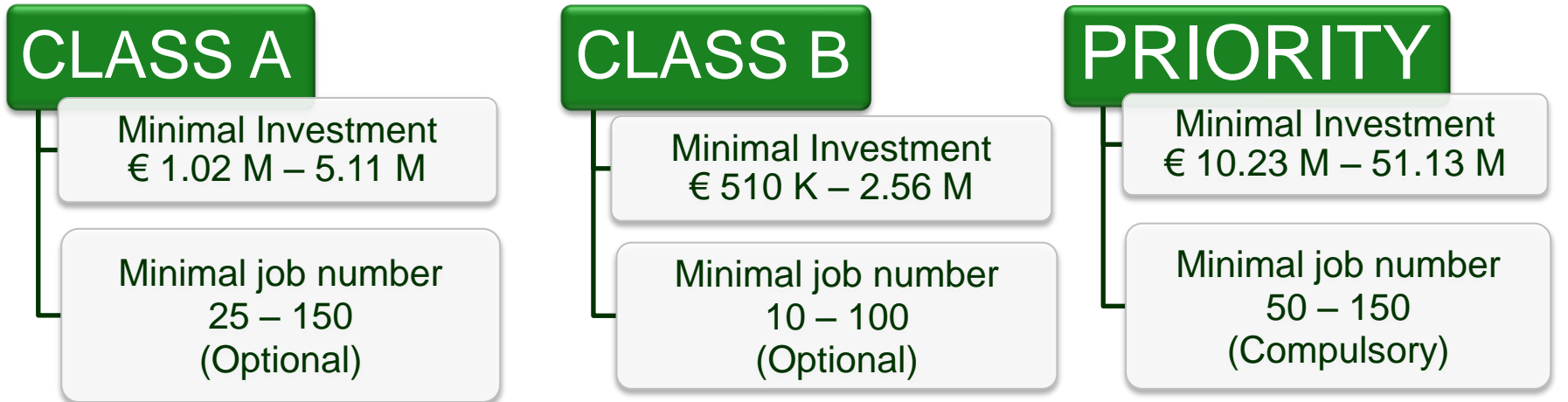
**GOVERNMENT INCENTIVES**

# The government supports specific industries under the Investment Promotion Act (IPA):

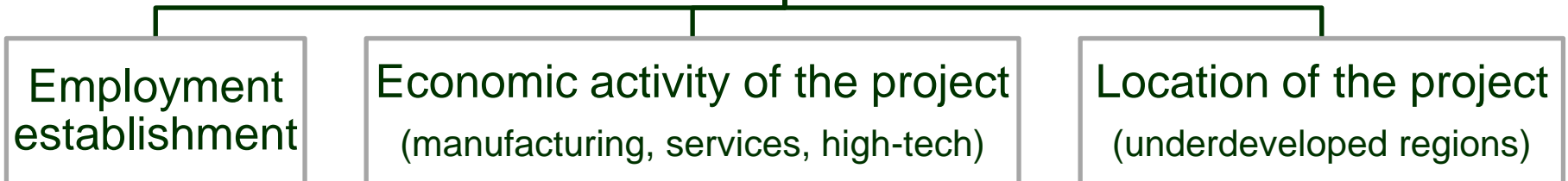
- Investments must be related to the following sectors:
  - Manufacturing
  - Research & development
  - Education
  - Healthcare
  - High-tech services
  - Warehousing and logistics
- Minimum investment amounts must exceed €2.5m
  - €1m in regions with high unemployment and €0.5m for investment projects in high-tech services
- Benefits for certified investors include:
  - Shortened administrative procedures
  - Preferential acquisition of state or municipal land
  - Financial support for professional training / education
  - Infrastructure subsidies
  - Labor cost subsidies
  - Individual administrative services



## Criteria for certification



### THE CRITERIA DEPENDS ON:



**InvestBulgaria  
Agency**

<http://www.investbg.government.bg/en>

31 Aksakov Street  
Sofia 1000, Bulgaria  
Tel.: ( +359 2 ) 985-5500  
Fax: ( +359 2 ) 980-1320  
E-mail: [iba@investbg.government.bg](mailto:iba@investbg.government.bg)

# Administrative incentives

- **Information services**
- **Shortened administrative procedures** -  
The central and local government authorities will provide administrative services shortened by 1/3rd of the time period established by the law
- **Consulting and individual administrative services**, provided by the Agency
- **Establishment of public-private partnerships** with municipalities, universities, other organizations from the academic society etc.
- Institutional Support by **establishing an intergovernmental group** to deal with possible obstacles for the investors
- **Acquisition of real estate** (private state or private municipal property) without a tender procedure and competition



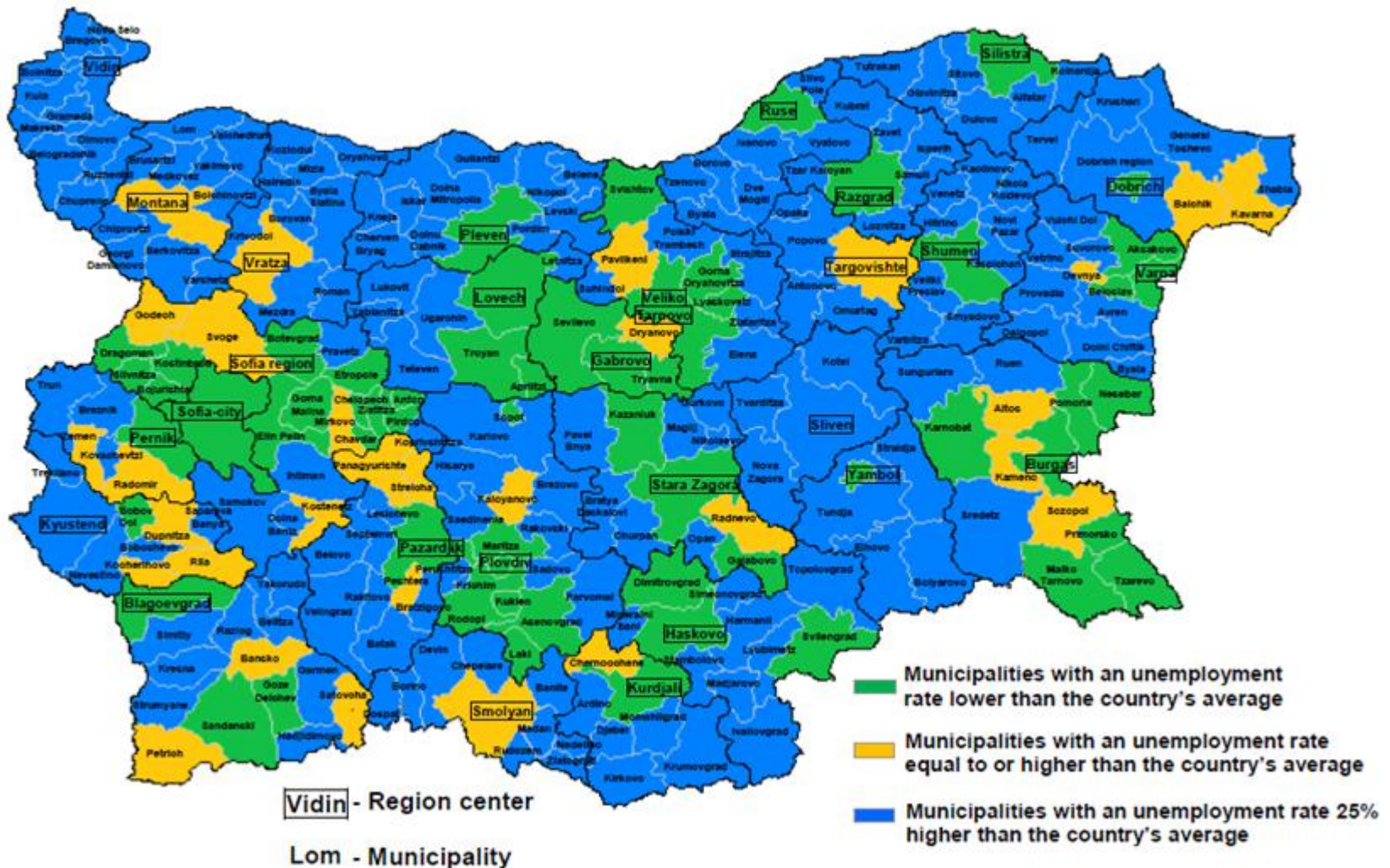
## Financial incentives

- **Acquisition** of the real estate with no tender and at a **price lower than the market**, but not lower than the tax assessment of the property.
- Financial support for **construction of technical infrastructure elements** to the borders of the project site, needed for implementation of one or more investment projects.
- Financial support for the **vocational training** for obtaining professional qualifications.
- **Reimbursement of labor costs** for social security paid by the employer.
- **Financial grants** for education, R&D and manufacturing projects.
- State **tax exemption** for changing the land status from agricultural into industrial.

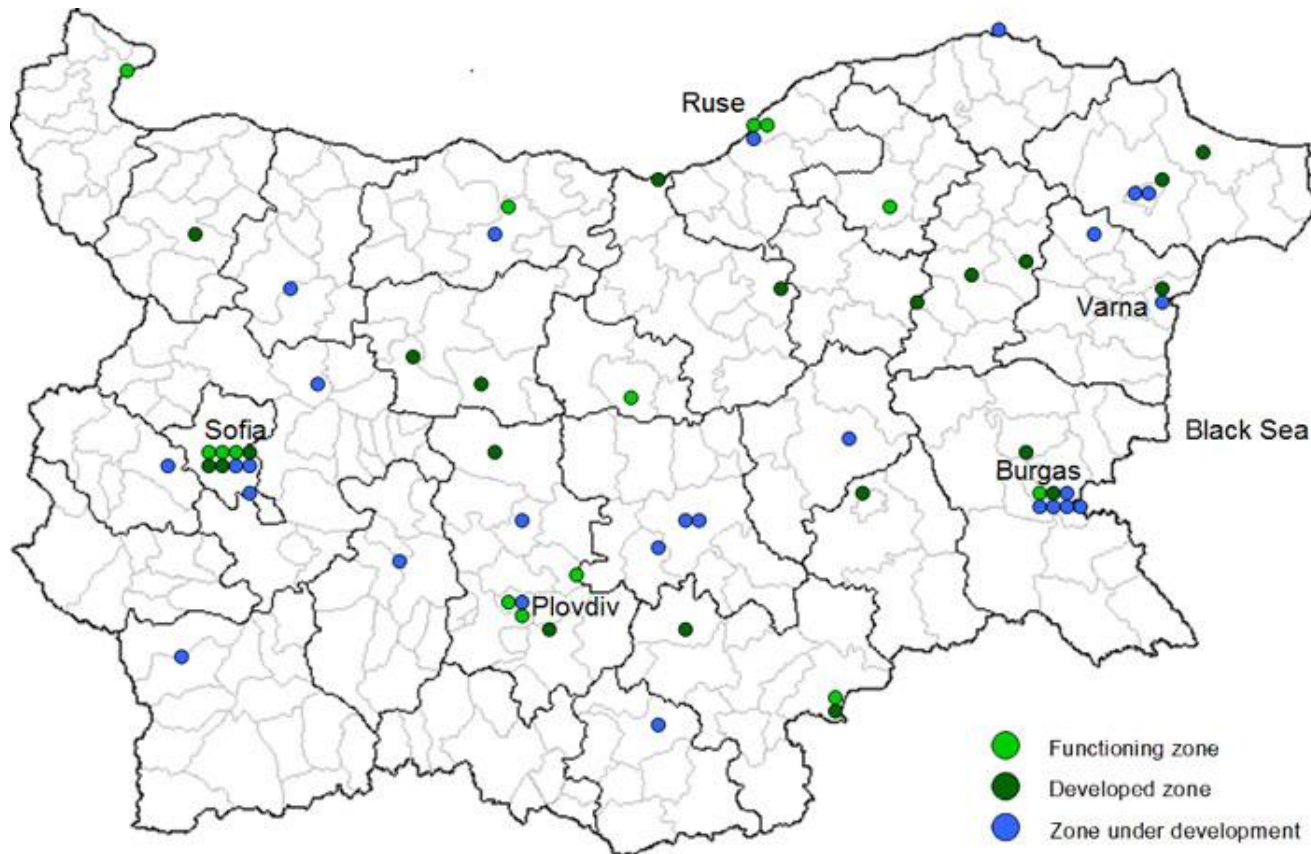




# 0% corporate tax in areas with unemployment 25% higher than the country average



# Industrial zones



For more information and details about each zone, visit the following address:  
<http://www.bcci.bg/zones/>

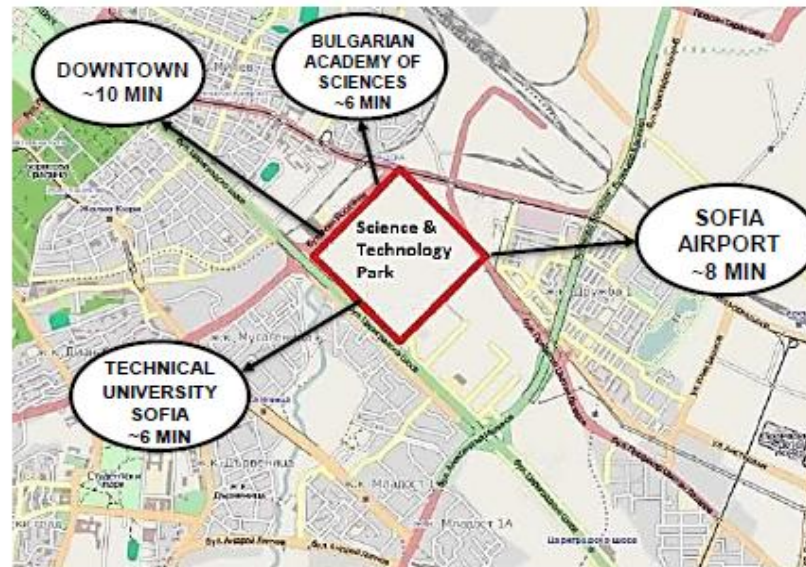
# Sofia Tech Park



## PROJECT & MISSION



- **Science and Technology Park** is a large-scale development project designed to advance research, innovation and technology growth in Bulgaria.
- **Sofia** was chosen as the most suitable location – a place with the highest potential and concentration of universities, researchers, start-up businesses, local and multinational R&D companies.



# Companies invested in Bulgaria

IT development	Outsourcing	Chemical and Metal Industry	Engineering	Food & Beverage
     	     	    	     	     

## Sector: **Business process outsourcing**

- ❑ More than 30 000 people work in the sector
- ❑ 3% of GDP was generated by the sector in 2015
- ❑ 8 000 EUR annual starting salaries per employee

### Advantages:

- Bulgaria offers qualified and cost-effective workforce and advantageous rents of commercial space
- BPO sector generates over € 964 million revenues  
Bulgaria is the best outsourcing destination in Europe
- The average BPO company in Bulgaria provides services in more than 25 languages



### Successful examples:



## Sector: Information technology

- More than 17 500 specialists work in the sector
- 1,9% of GDP was generated by the sector in 2015
- 20 600 EUR annual average wages per employee

### Advantages:

- Established traditions and experience in the sector
- One of the fastest growing sectors of the economy
- The revenues of Bulgarian IT Companies grew by 11%
- Over 4 300 students get a degree in IT each year
- Bulgarian Internet speed is one of the fastest in the world

### Successful examples:

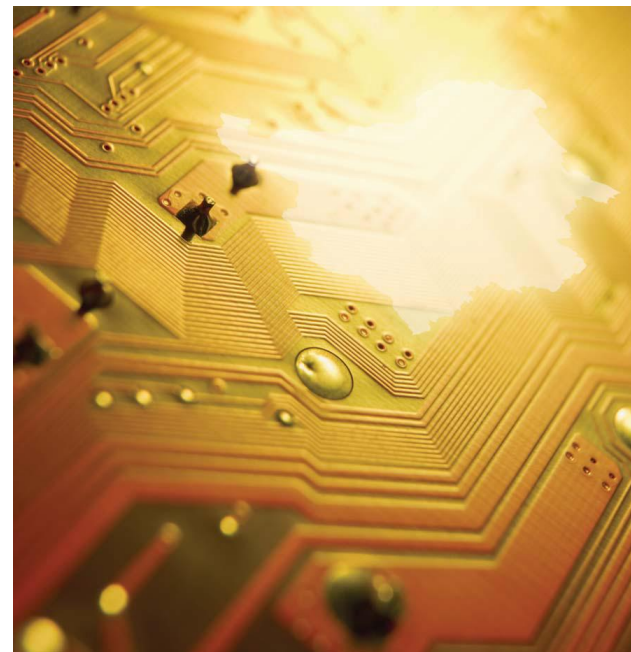


## Sector: **Electronics**

- More than 45 000 specialists work in the sector
- 6000 EUR annual wages per employee

### Advantages:

- Availability of experienced engineers
- Qualified assembly workforce at affordable cost
- Easy access to EU, Russian and Middle East markets
- More than 75% of the production of the Electronics manufactured in Bulgaria is exported
- Bulgarian universities are working together with the companies in the sector to create qualified workforce



### Successful examples:

 **YAZAKI**

**FESTO**

**ABB**

**LIEBHERR**

**SIEMENS**

 **HYUNDAI**

**Schneider**  
 **Electric**

## Sector: **Machine building**

- ❑ More than 200 000 people work in the sector
- ❑ 18% of GDP was generated by the sector in 2015
- ❑ 5 000 EUR annual average salaries per employee

### Advantages:

- Established traditions and experience in the sector
- Continuous growth between 2000 and 2015
- Qualified work force at affordable price
- Easy access to the markets
- Networks of technical universities and colleges
- Available physical infrastructure



### Successful examples:





# Bulgarian Chamber of Commerce and Industry

## BCCI in figures:

- Established in 1895
- Leading employers' association in Bulgaria – comprising more than 53 000 members (voluntary membership). Access to the BCCI Trade Register: <http://regiter.bcci.bg/IMS/default.aspx>
- 28 Regional Chambers of Commerce and Industry are united in the Unified System of Bulgarian Chambers of Commerce and Industry <http://www.bcci.bg/council-rcci-map-en.html>
- The 105 Sectoral Organizations are united in a Council of Sectoral Organizations at the BCCI <http://www.bcci.bg/members-en.html>
- The BCCI participates in over 247 public-private bodies (as a social partner) and over 10 Joint Chambers of Commerce and Councils. <http://www.bcci.bg/JointChamBG/en/>

## International participation:



International Organization of Employers



International Chamber of Commerce



EUROCHAMBRES



Enterprise Europe Network



Association of the Balkan Chambers (ABC)



World Trade Centers Association



BSEC Business Council (BSEC BC)



CEFTA  
Central European Free Trade Agreement  
SECRETARIAT

Central European Free Trade Agreement (CEFTA)



Regional Cooperation Council

Regional Cooperation Council (RCC)



Southeast European Cooperative Initiative (SECI)



Central European Initiative (CEI)



The global language of business

International Association GS1

# Bulgarian Chamber of Commerce and Industry (2)

## Our services:

### TRADE REGISTER AND MEMBERSHIP

- Trade Register Services
- Membership with BCCI
- Issuance and validation of documents: *Certificates of origin of goods; Validation of signatures.*
- Issuance and validation of ATA Carnets
- Issuance of Force-Majeure Certificates
- Assistance for validation of invitation-declarations for business trips of foreigners to Bulgaria.
- Excellent SME certificate

*For contacts: [z.georgieva@bccci.bg](mailto:z.georgieva@bccci.bg)*

### INTERNATIONAL COOPERATION

- Business delegations in the country and abroad
- Workshops and seminars for entrepreneurs
- Business offers /demand, supply, cooperation/

*For contacts: [interdpt@bccci.bg](mailto:interdpt@bccci.bg) , [G.Dimitrova@bccci.bg](mailto:G.Dimitrova@bccci.bg)*



# Bulgarian Chamber of Commerce and Industry (3)

## Our services:

### CONSULTATIONS on:

- Economic activity
- Legal and tax issues
- Projects for financing
- Marketing research

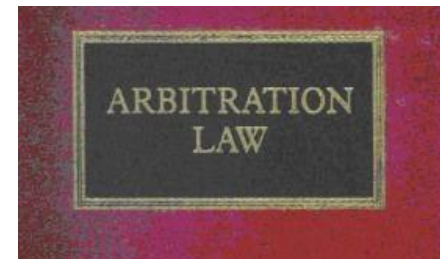
*For Contacts: [M.Damyanova@bccci.bg](mailto:M.Damyanova@bccci.bg)*



### ARBITRATION COURT

- Simplified procedure notified in advance to both the parties.
- The arbitration procedure is average 6 times faster than state court;
- Arbitration fee for cases with a value more than 1 mln. USD is 6 times cheaper than state court;
- The procedure is of one instance. 98 % of the cases are settled usually within 12 months.
- The arbitration awards are final;
- The parties and their legal and contractual representatives have electronic access to the cases.

*For contacts: [acourt@bccci.bg](mailto:acourt@bccci.bg)*



# GS1 Bulgaria

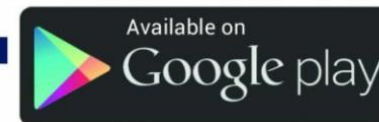
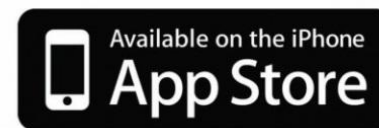
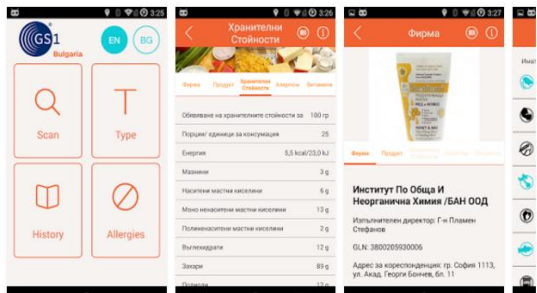
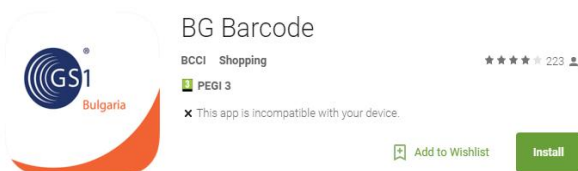
## GS1 BULGARIA

- Member of the global organization GS1, which allocates global identification number for marking with barcodes of the products and supports the electronic data interchange between trading partners.

BG Barcode



For contacts: [gs1bulgaria@gs1bg.org](mailto:gs1bulgaria@gs1bg.org)



## BCCI's best practices

- New mobile applications for Android and iOS
- Data base with legislation changes
- National Competition for young people
- Trainings at the BCCI's Court of Arbitration



**Thank you for your attention!**

**Tsvetan Simeonov**  
**President of BCCI**  
**Chairman of GS1 Bulgaria**

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