

# **Bulgaria – Financial & Business Environment**

## **Bulgarian Chamber of Commerce and Industry**

***1<sup>st</sup> MEETING OF BALKAN CHAMBERS***

## Focus on Bulgaria



- ❑ Member of EU, NATO and WTO
- ❑ Strategic geographical location and openness to foreign markets: crossroad between Europe, Asia and Africa
- ❑ Competitive labour cost and favourable taxes in the EU

### BULGARIA SOVEREIGN CREDIT RATINGS

**Fitch**Ratings

BBB- Stable  
19.06.2015

**MOODY'S**

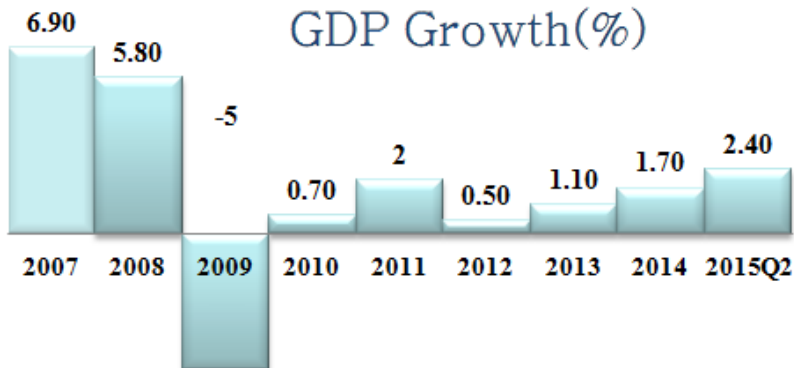
Baa2 Stable  
05.06.2015

**STANDARD  
& POOR'S**

BB+  
12.06.2015

# Macroeconomic indicators

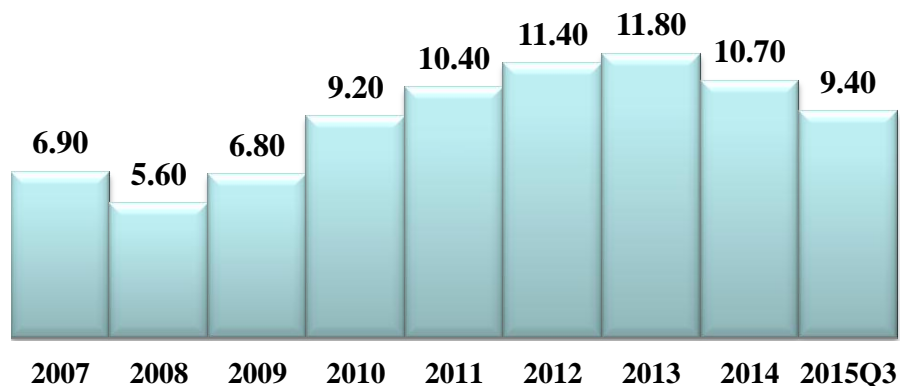
GDP Growth(%)



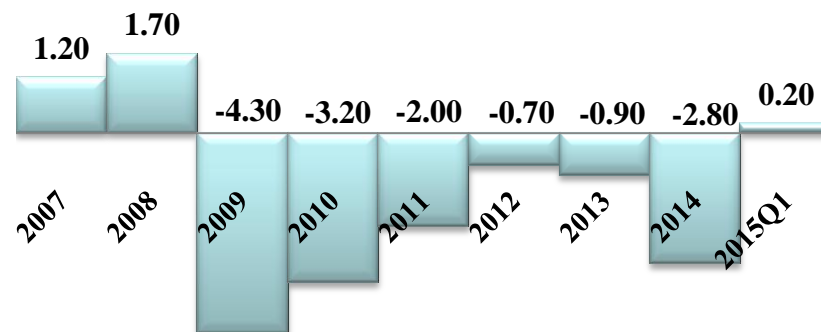
Inflation rate(%)



Unemployment rate(%)



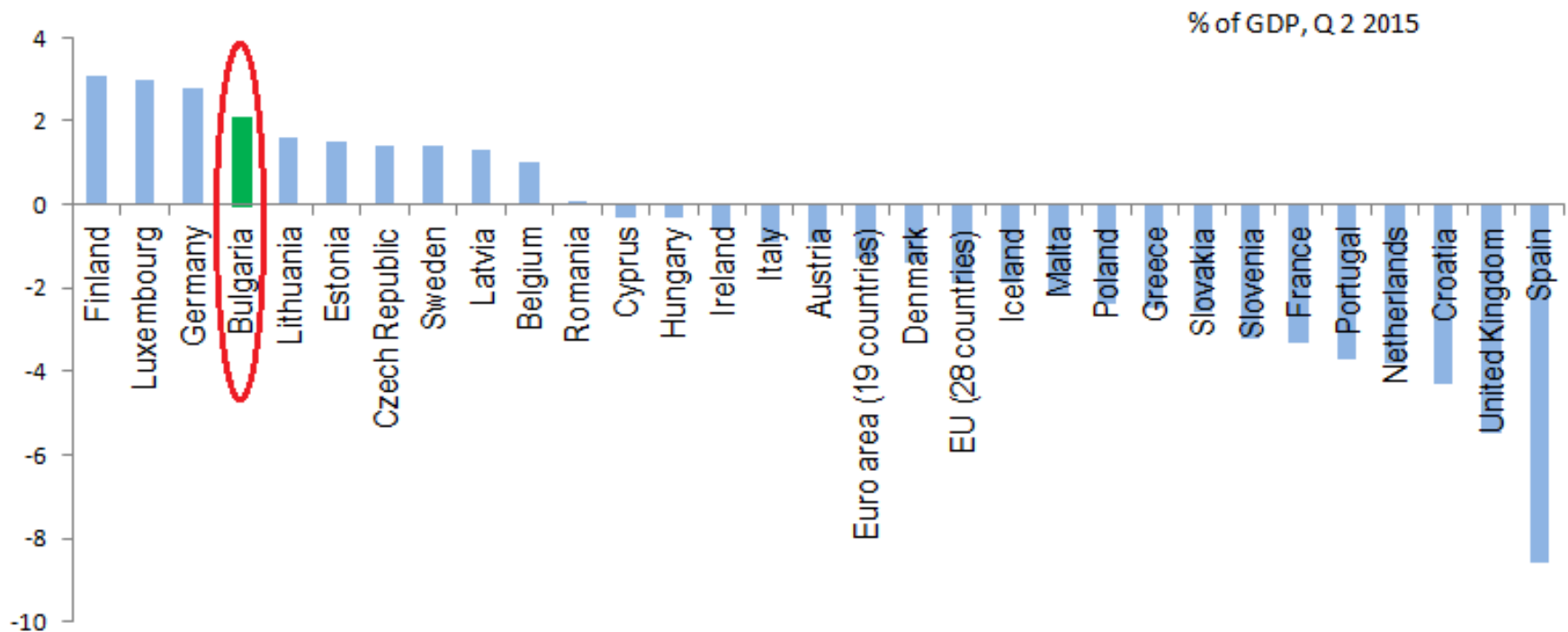
Government deficit/surplus(%)



## Financial stability

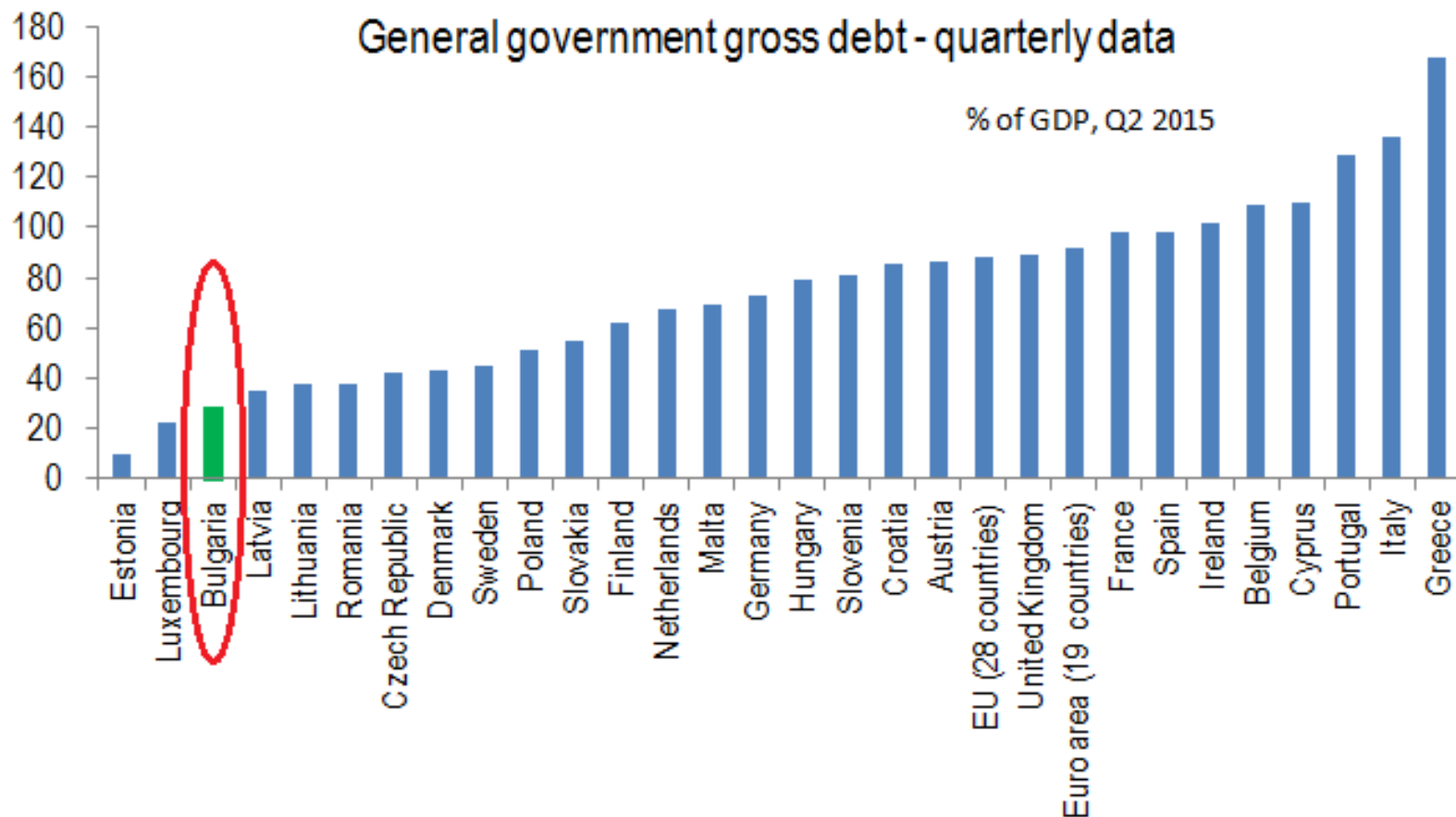
Bulgaria has one of leading positions by highest budget surplus (2.1%) – 4<sup>th</sup> place in the EU for Q2 2015

General government deficit (-) and surplus (+) - quarterly data



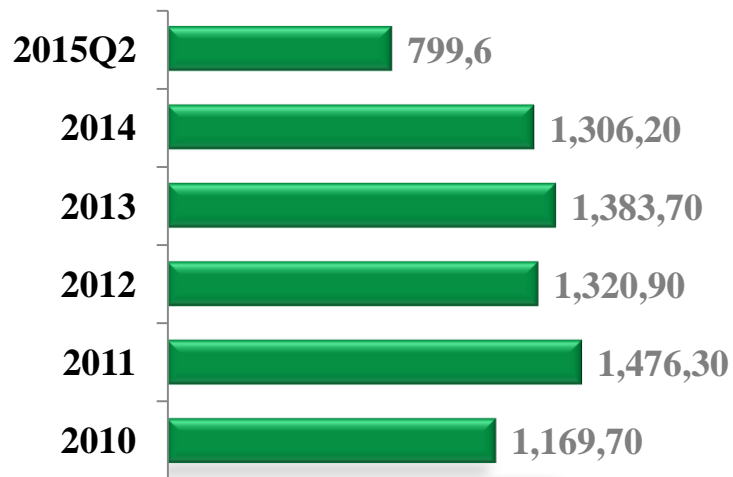
## Financial stability (2)

Bulgaria has the THIRD lowest government debt (28.3%) in EU

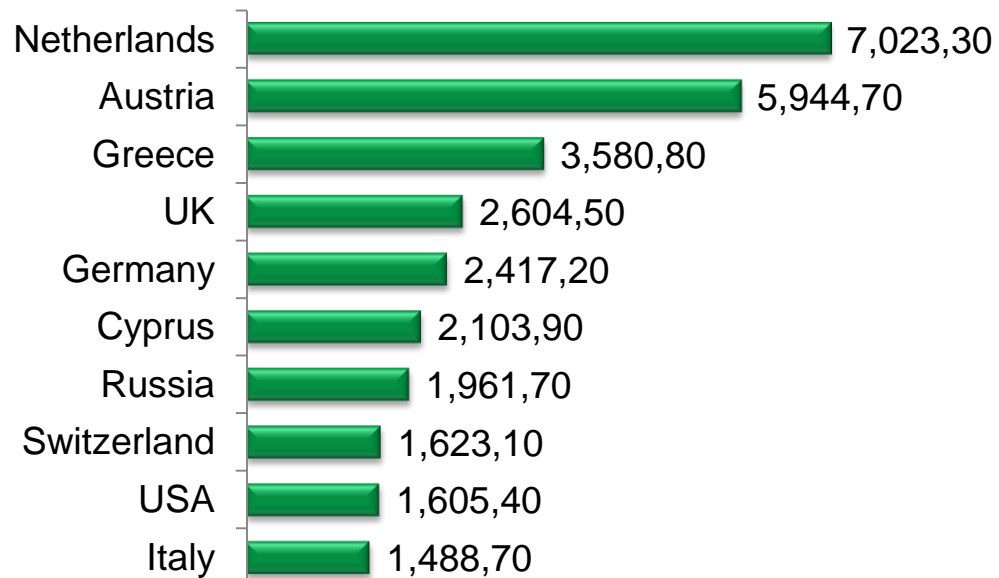


# FOREIGN DIRECT INVESTMENT

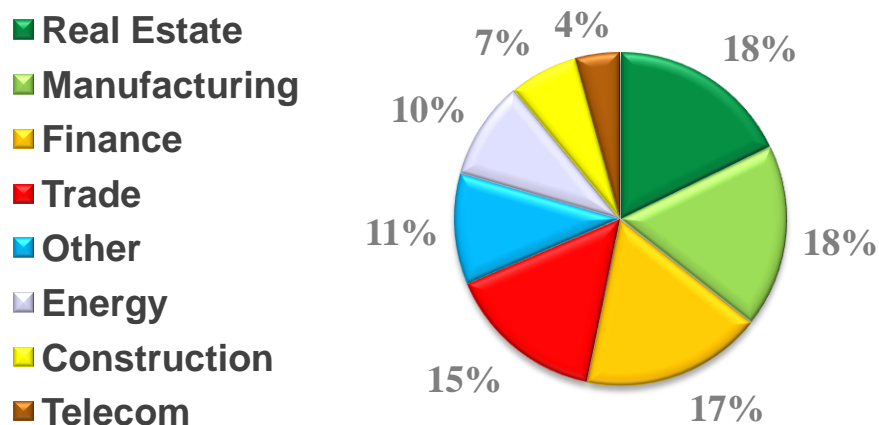
FDI Inflow(€ mln.)



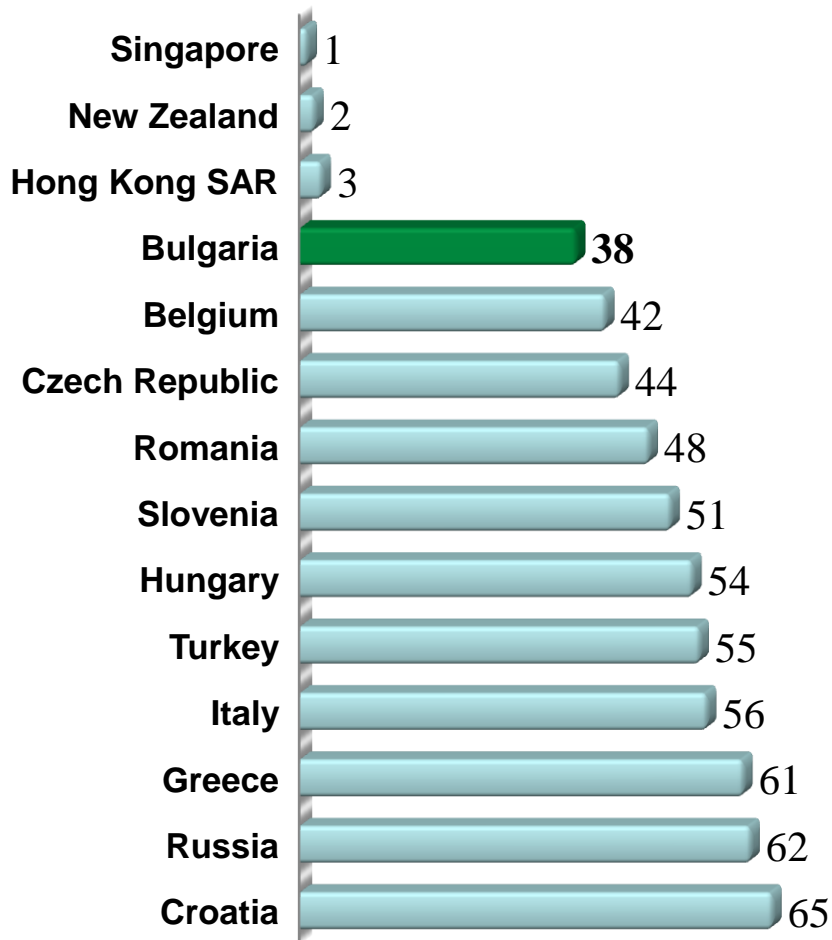
FDI by host country, 1996-2014(€ mln.)



FDI Inflow by Industry(€ mln.)



# Doing business



## Doing Business 2015 Going Beyond Efficiency



COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 189 ECONOMIES

A World Bank Group Flagship Report

## Cost of doing business



**Electricity**

**0.84(€/kWh)**



**Gas**

**0.034(€/kWh)**



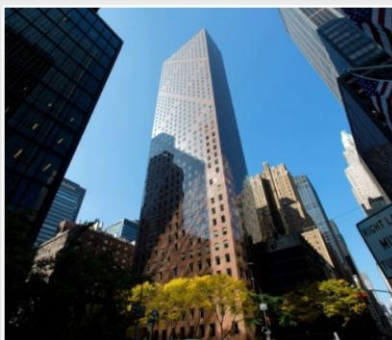
**Water**

**1.09(€/1m3)**



**Industrial Rents**

**3.75 € (m<sup>2</sup>/mon)**



**Office Rents**

**12.50 € (m<sup>2</sup>/mon)**



**Cost of Labor**

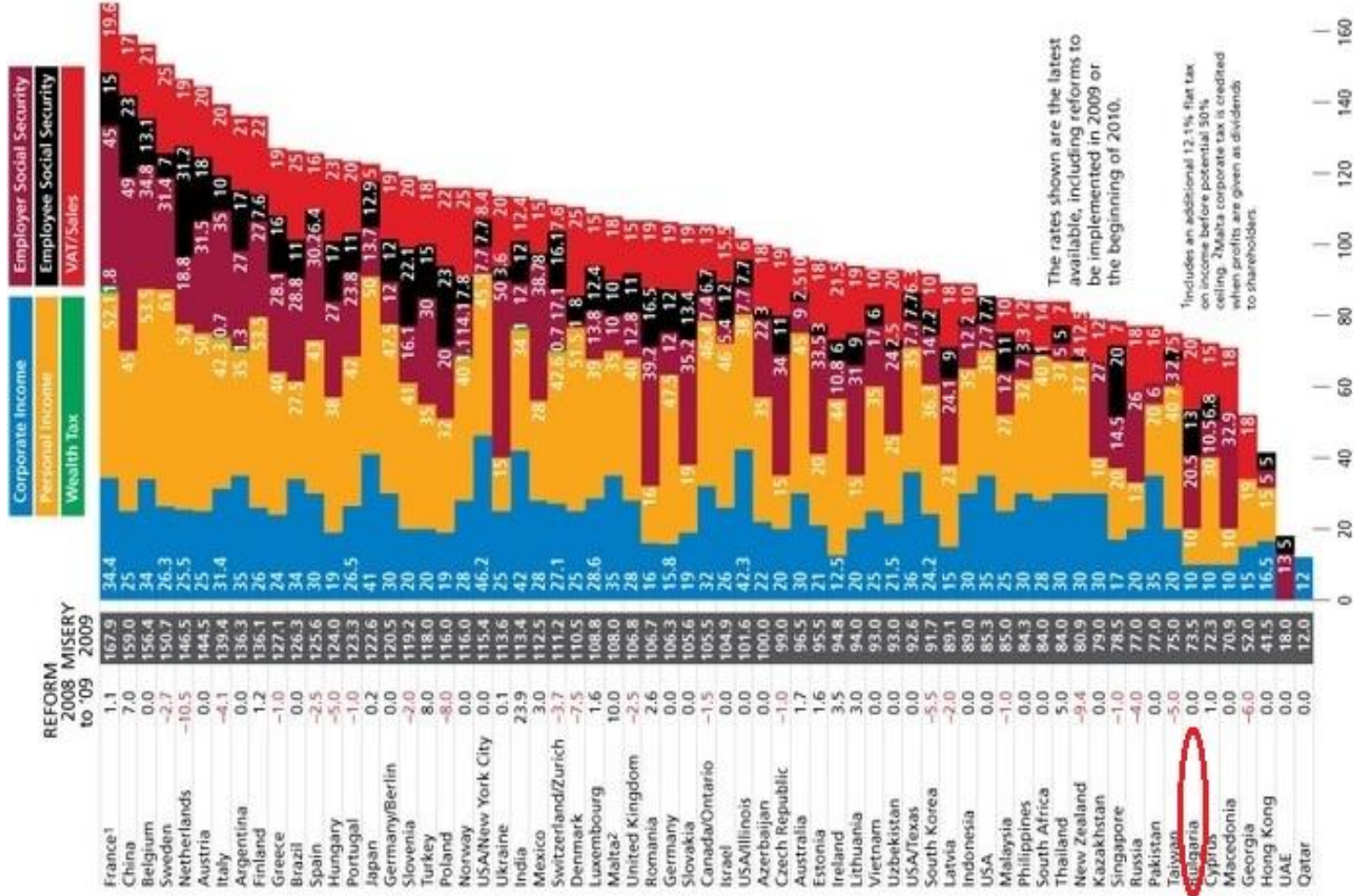
**Salary(Min.) - 196 €**

**Salary(Avg.) - 450 €**



# Taxation

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

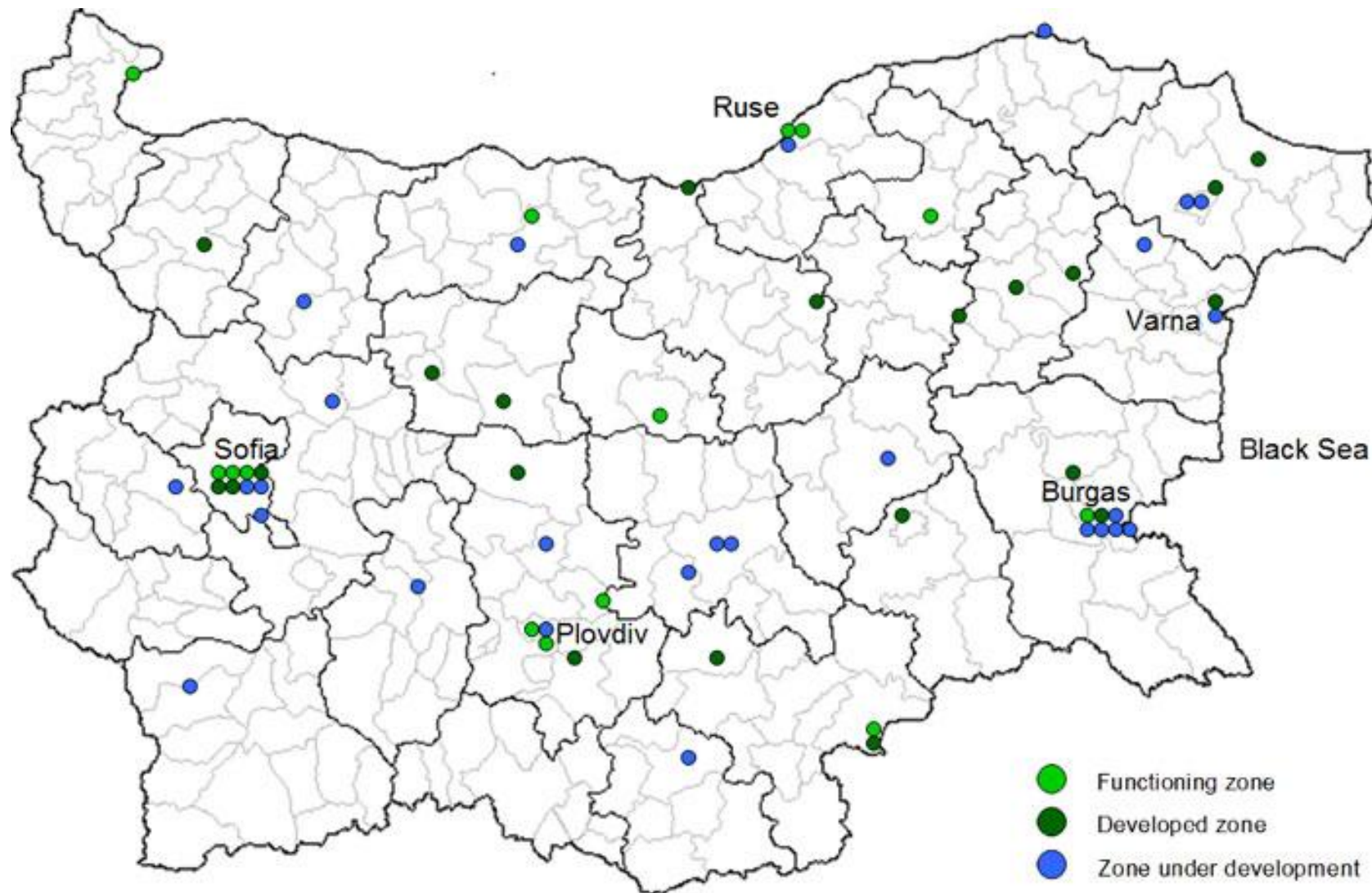


## Taxation rate

Country	Income Taxes(%)		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



## Industrial zones



## DID YOU KNOW THAT BULGARIA...?



...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, the parts are produced in 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 largest exporter of sunflower seeds worldwide in 2013. Our market share in the exports of this commodity in the planet is 17.8%.

# BULGARIAN CHAMBER OF COMMERCE AND INDUSTRY

## The role of the BCCI:

- Promotion of the international economic relations
- Joined activities with partnering organizations
- Equal services for Bulgarian and foreign companies
  - approximately 53 000 members*
  - 104 sectorial organizations*
- Good contact with the Government
- Participation in the social dialogue with the state
- 28 Regional Chambers of Commerce and Industry
- Provision of a great number of services to the business
- Foreign-economic co-operation
- Settlement of trade disputes

## International participation:



World Trade Centers Association



World Trade Centers Association



EUROCHAMBRES



Enterprise Europe Network



Association of the Balkan Chambers (ABC)



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

## Our services

- Consultations on economic activity
- Detailed business information about companies operated in Bulgaria
- Financial data about leading companies
- Business delegations in the country and abroad
- Consultations on marketing research
- Workshops and seminars for entrepreneurs
- Consultations on legal and tax issues
- Consultations on projects for financing
- Arbitration Court
- Council GS1 Bulgaria



# International cooperation and international organisations

## Business delegations and forums /in Bulgaria and abroad/

- Accompanying governmental representatives – presidents, prime-ministers and ministers
- BCCI initiatives
- Bilateral meetings between interested companies of the relevant countries

## Seminars, presentations and conferences

- Seminars on topics of interest for BCCI members
- Local or international lecturers
- Presentations on request
- Conferences on hot economic issues

## Workshops for entrepreneurs, sectorial organizations and regional chambers on topical issues connected with changes in the:

- Bulgarian and European legislation
- Marketing
- Foreign trade, etc.

## Business offers /demand, supply, cooperation/

## Gathering and disseminating of useful information for the business

## Information about potential business partners



# Consultation Services

## Consultations on economic activity

- ❑ The opportunities to carry out economic activity in the Republic of Bulgaria

## Consultations on legal issues

- ❑ Consultations on disputes which have arisen in connection with infringed contractual relations

## Consultations on projects for financing

- ❑ Provides assistance for drafting of project proposals for financing. Development of business plans and projects

## Consultations on marketing research

- ❑ Marketing research of the internal and international market

## Consultations on tax issues

- ❑ Provides consultations on tax, accounting and social security legislation

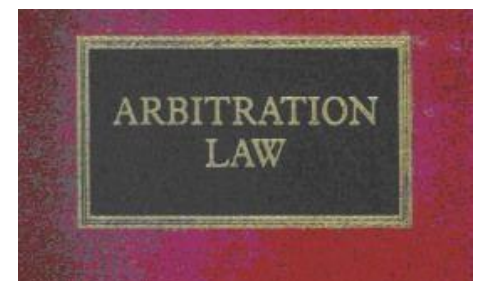




# Arbitration Court at BCCI

## Advantages of the Arbitration Procedure

- ❑ The parties participate in the composition of the arbitral tribunal by the nomination of the arbitrators.
- ❑ The dispute is settled by a simplified procedure notified in advance to both the parties.
- ❑ The speed is one of the greatest advantages of the arbitration. The procedure is of one instance. The cases are settled usually within 6 - 9 months.
- ❑ The arbitration awards are final, subject to enforcement and are stable, because they are subject to recourse only by a way of a court action.
- ❑ The arbitration procedure is cheaper. The fee is decreasing with the increase of the value of the action.
- ❑ The arbitration procedure is confidential and not public. So the arbitration is able to avoid deterioration of the relations between the parties.
- ❑ The AC at BCCI developed a new case status electronic processing software. All materials pertaining to the cases are available on an electronic carrier whereby arbitrators, experts, the parties and their legal and contractual representatives have distance electronic access to such materials.



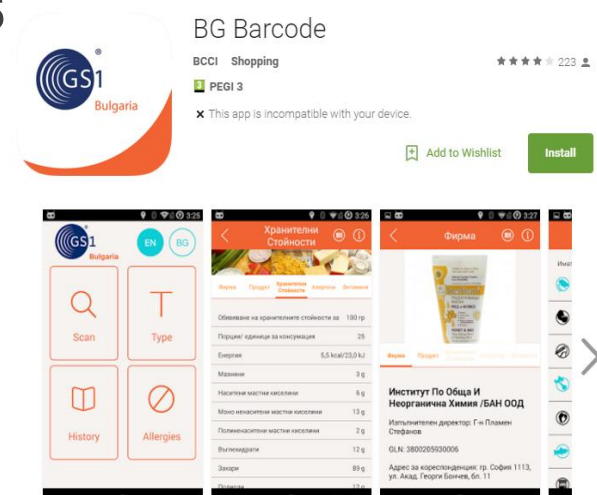
## GS1 Council at BCCI

- GS1 is a leading global organization
- Dedicated to the design and implementation of global standards and solutions to improve efficiency and visibility in supply and demand chains globally and across sectors
- The GS1 system of standards is the most widely used supply chain standards system in the world
- Allocates identification numbers to the users of the System
- Controls the application of the System in the territory of the country
- Organizes seminars, symposiums and presentations on the application of the System
- Creates and maintains a data base of its members in a register
- Represents the interests of its members on GS1 forums
- Cooperates with similar foreign bodies and organizations
- Participates in international projects in relation to the application and development of the System
- Verifies master films and printed barcodes



## BCCI's best practices

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



# Thank you for your attention!

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