

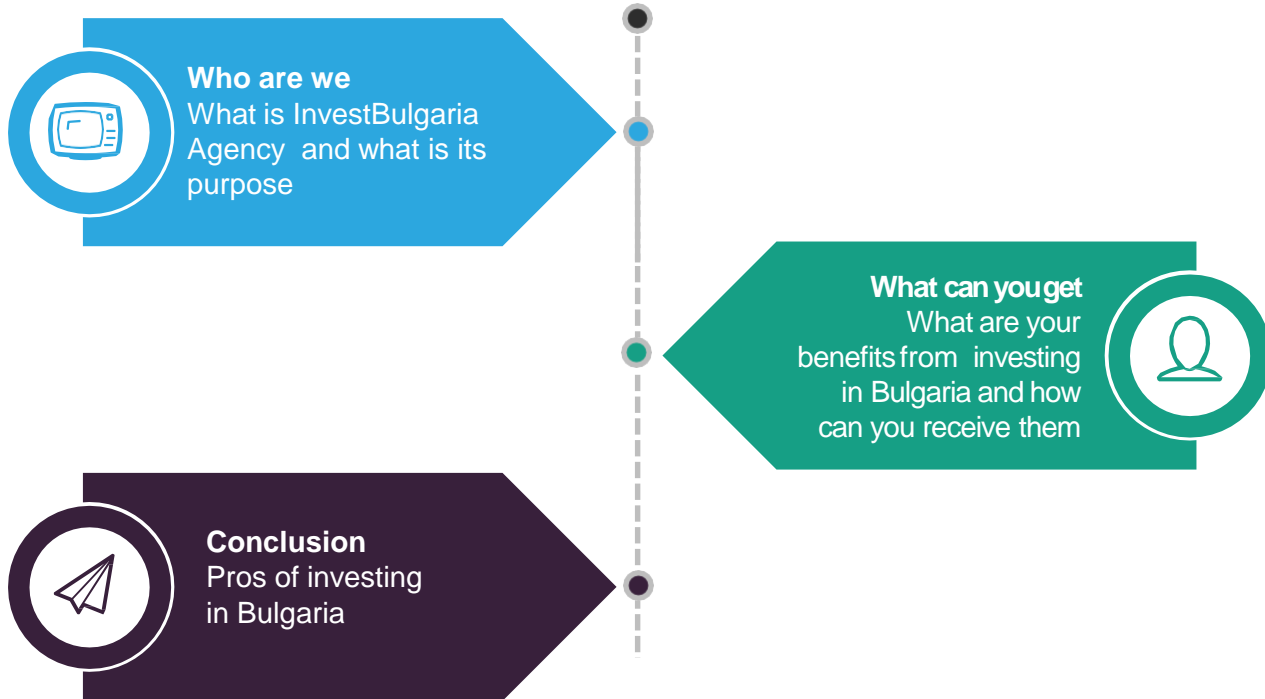


InvestBulgaria Agency

Empower your Investment



Content



What is InvestBulgaria Agency



About us

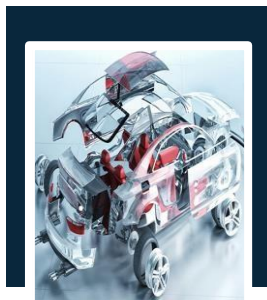
InvestBulgaria Agency (IBA) is a government organization, established to attract investments to Bulgaria, to assist project set-up and to ensure successful project development resulting in new jobs, exports and know-how transfer for the Bulgarian economy. We help potential and existing investors explore the investment opportunities in Bulgaria and carry out greenfield investment projects in the country.

Did you know?



Best outsourcing destination

In Europe for 2015 according to Cushman and Wakefield's rating



Automotive producer

More than 100 companies. 80% of the cars in Europe have parts, produced in Bulgaria



Largest Lavender Producer

For the past years Bulgaria has successfully surpassed France



And what else?

Fast Internet Speed

Bulgaria is among the top countries in the world with fastest internet connection!

What Bulgaria offers

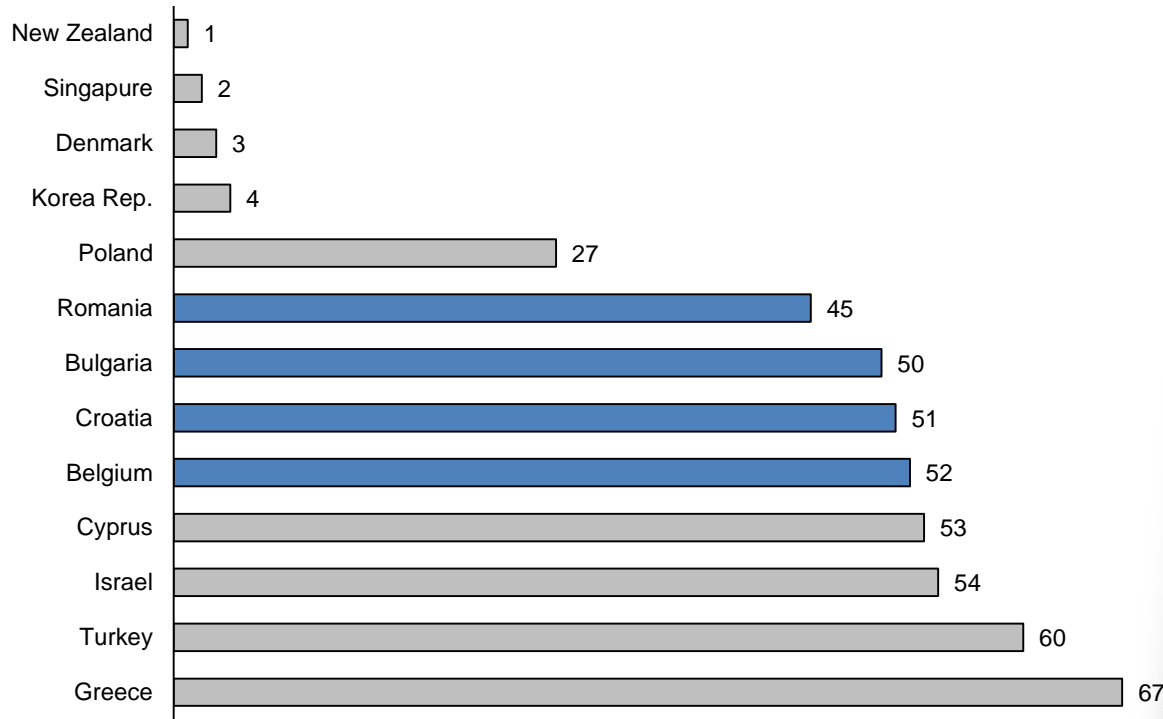
Points of success

InvestBulgaria Agency promotes the great investment conditions in Bulgaria and how these conditions help the potential investors.

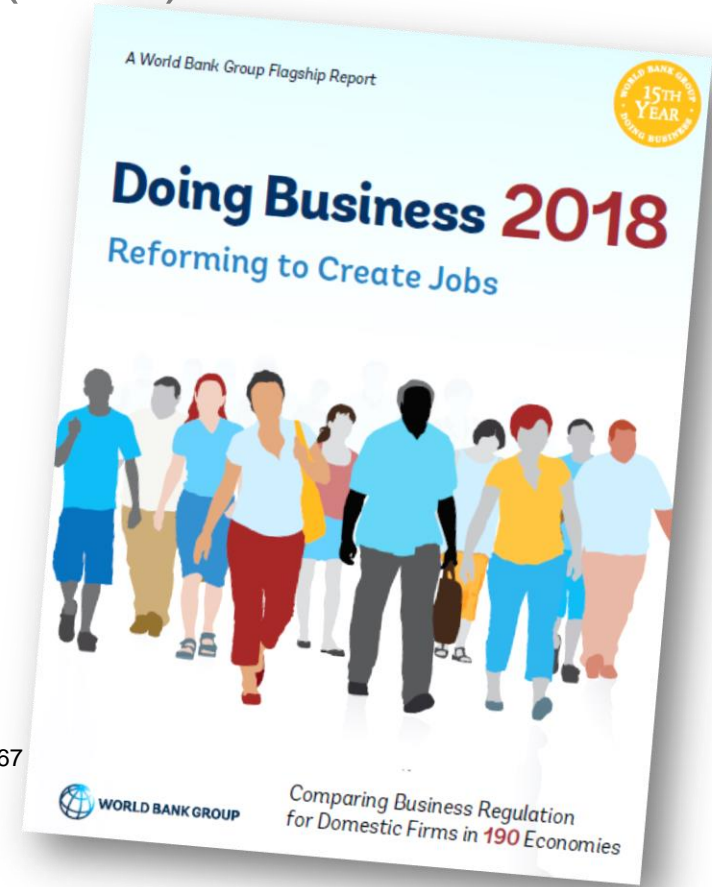
-  **Government Incentives**
Social security and tax benefits
-  **Educated and Skilled Workforce**
High staff qualification and improvement in the production capacity
-  **Easy Market Access**
Easy access to EU markets as well as Russia, Turkey and Middle East
-  **Reduced Cost and Risk**
Political and economic stability along with competitive cost labor and low tax rate



Bulgaria ranks 50th according to the annual “Doing business” report (2018)

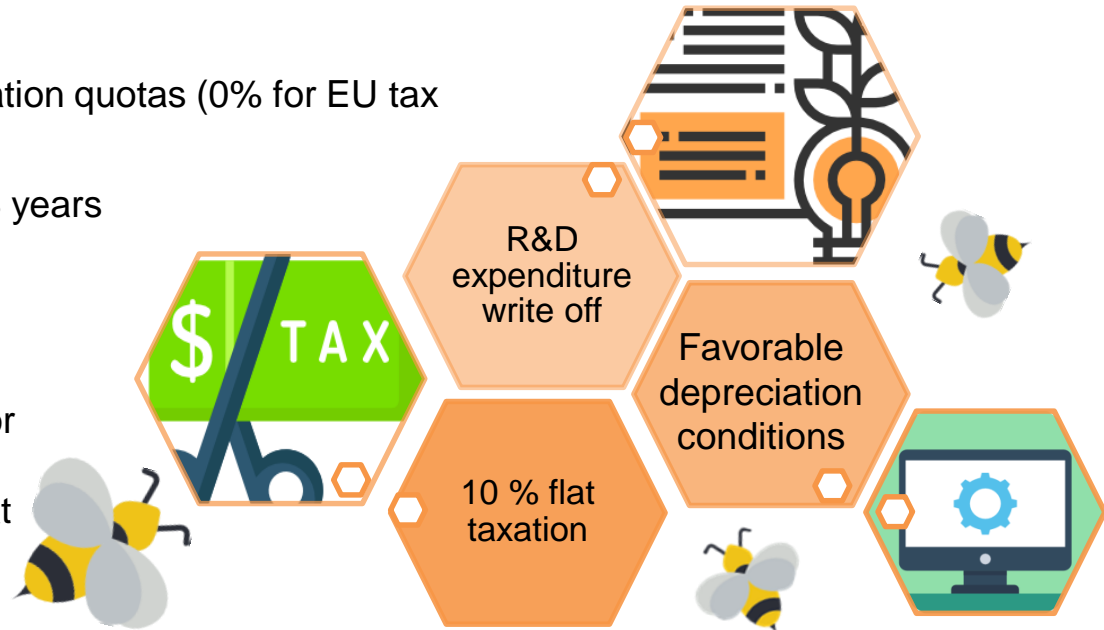


Source: International Bank for Reconstruction and Development/
The World Bank, 2018



Investments Incentives in Bulgaria

- ✓ 10% corporate income tax (0% for companies in areas with high unemployment)
- ✓ Opportunity for R&D expenditure write-off
- ✓ 5% withholding tax on dividends and liquidation quotas (0% for EU tax residents)
- ✓ Depreciation of 2 years for computers and 3 years for new manufacturing equipment
- ✓ Up to 6 months minimum salary & social security paid by the Employment Agency to the employer for hiring unemployed young or disadvantaged people registered at the the Employment Agency (Labor contract to be at least for 1 year)



Legal framework based on the premises of bilateral agreements



Geographic proximity to Kosovo is a good prerequisite for active and multi-faceted economic ties between Bulgaria and Kosovo.

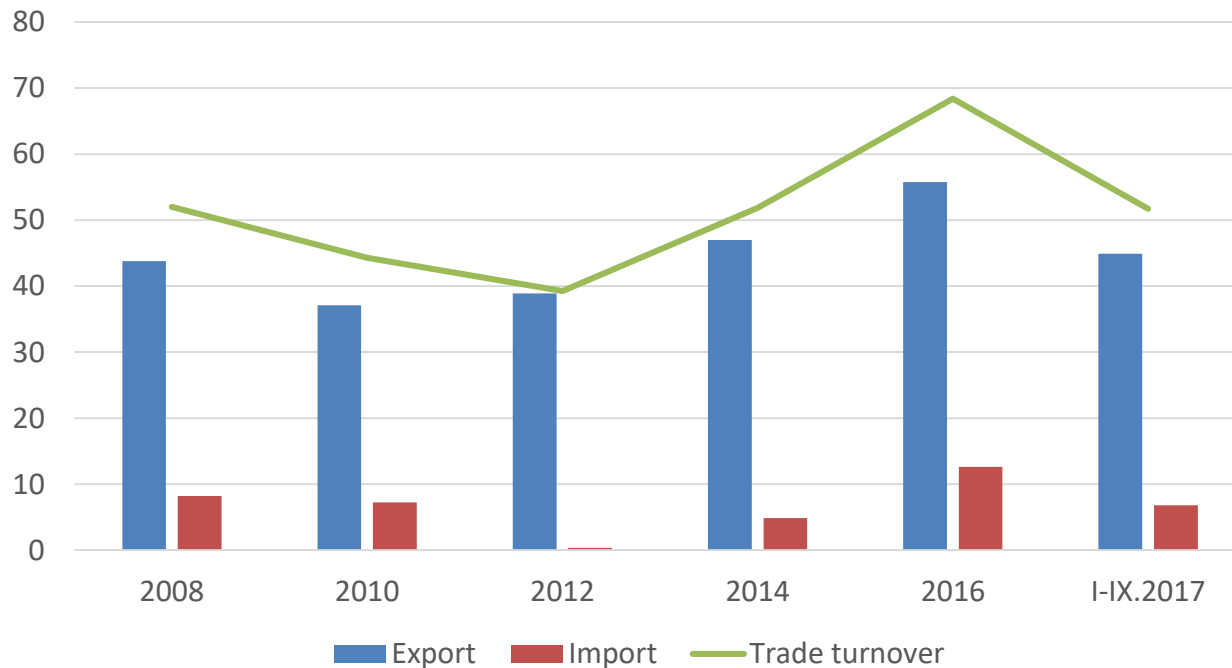
- Bulgaria recognizes the proclaimed Independence of the Republic of Kosovo – 20.03.2008. The establishment of diplomatic relations follows.
- Memorandum of Understanding in the field of Energy between the Ministry of Economy and Energy of the Republic of Bulgaria and the Ministry of Energy and Mining of the Republic of Kosovo – 26.02.2010
- Agreement on cooperation in the field of transport – 06.2011

And what are the figures concerning the bilateral trade between Bulgaria and Kosovo for the same period?



Bilateral commercial relations since the Proclamation of Independence of Kosovo

Bulgaria – Kosovo Trade relations
(in mln. EUR)*

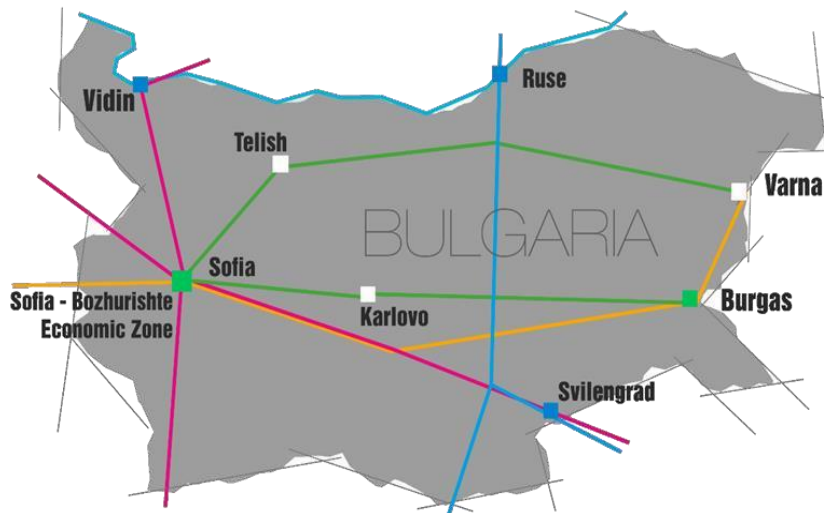


*Figures according to customs declarations

Traditional goods and resources of bilateral exchange(2012-2017)

Exports from Bulgaria	Imports from Kosovo
Petroleum oils and oils obtained from bituminous minerals (70% clear content), other than crude; not elsewhere specified or included	Lead ores and concentrates thereof
Bakery, pastry or biscuit products	Waters, including mineral waters and carbonated waters
Sunflower, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified	Petroleum oils and oils obtained from bituminous minerals (70% clear content), other than crude; not elsewhere specified or included
Polymers of ethylene in primary forms	Plastic tubes and hoses and their accessories
Passenger cars and other motor vehicles designed for the transport of persons	

INDUSTRIAL ZONES in Bulgaria



A total of 9 projects

- 6 804 095 m² total area
- 76 409 m² built-up area
- 240 500 m² open-air warehouses

Four operating zones

- Free Zone **Ruse**
- Free Zone **Vidin**
- Free Zone **Svilengrad**
- **Transit Trade Zone** – Varna

Two newly constructed zones

- **Sofia – Bozhurishte Economic Zone**
- Industrial & Logistics Park – **Burgas**

Three zones under development

- Industrial Zone **Karlovo**
- Industrial Zone **Telish** /Pleven/
- Industrial Zone **Varna** West

Manufacture of Chemical and Pharmaceutical Products in Bulgaria

Strengths of the sector:

- ✓ Availability of the necessary raw materials and resources for the manufacture of chemical and pharmaceutical products
- ✓ Availability of experts with higher education working in the sector
- ✓ Increase of the volume of production and added value in most product groups
- ✓ High share of enterprises with certificates and own trademarks

Export advantages for the Bulgarian enterprises in the sector:

- ✓ Access to the EU markets
- ✓ Bulgarian production of chemical and pharmaceutical products is well-known on the markets in Russia and the Middle East
- ✓ Availability of resources for financial support of the Bulgarian participation in international fairs and exhibitions



Manufacture of metal products

Strengths and opportunities

- ✓ The sector is defined as export-oriented according to the estimation of the Bulgarian government
- ✓ Existing traditions in manufacture and export
- ✓ Availability of public incentives for the formation of clusters with export orientation
- ✓ Existence of experts with good qualification and experience in production
- ✓ Good cooperation with the international partners
- ✓ Strong branch organization, contacts through the branch organization with international branch associations
- ✓ Project financing under the Structure Funds (SF) of the EU



Food and Agriculture



Strengths of the sector:

- ✓ Unique natural conditions for the cultivation of a wide variety of crops, fruits, and vegetables
- ✓ Quality local raw materials as a result of preserved natural environment
- ✓ Very high quality of organic products (ban on GMOs)
- ✓ Technological equipment complying with EU requirements

Export advantages for the Bulgarian enterprises in the sector:

- ✓ A leading sector in terms of turnover and value added among the export-oriented sectors identified by the state
 - ✓ Long-standing distribution channels in the former Eastern Bloc
 - ✓ Introduced quality standards

Strengths of the sector:

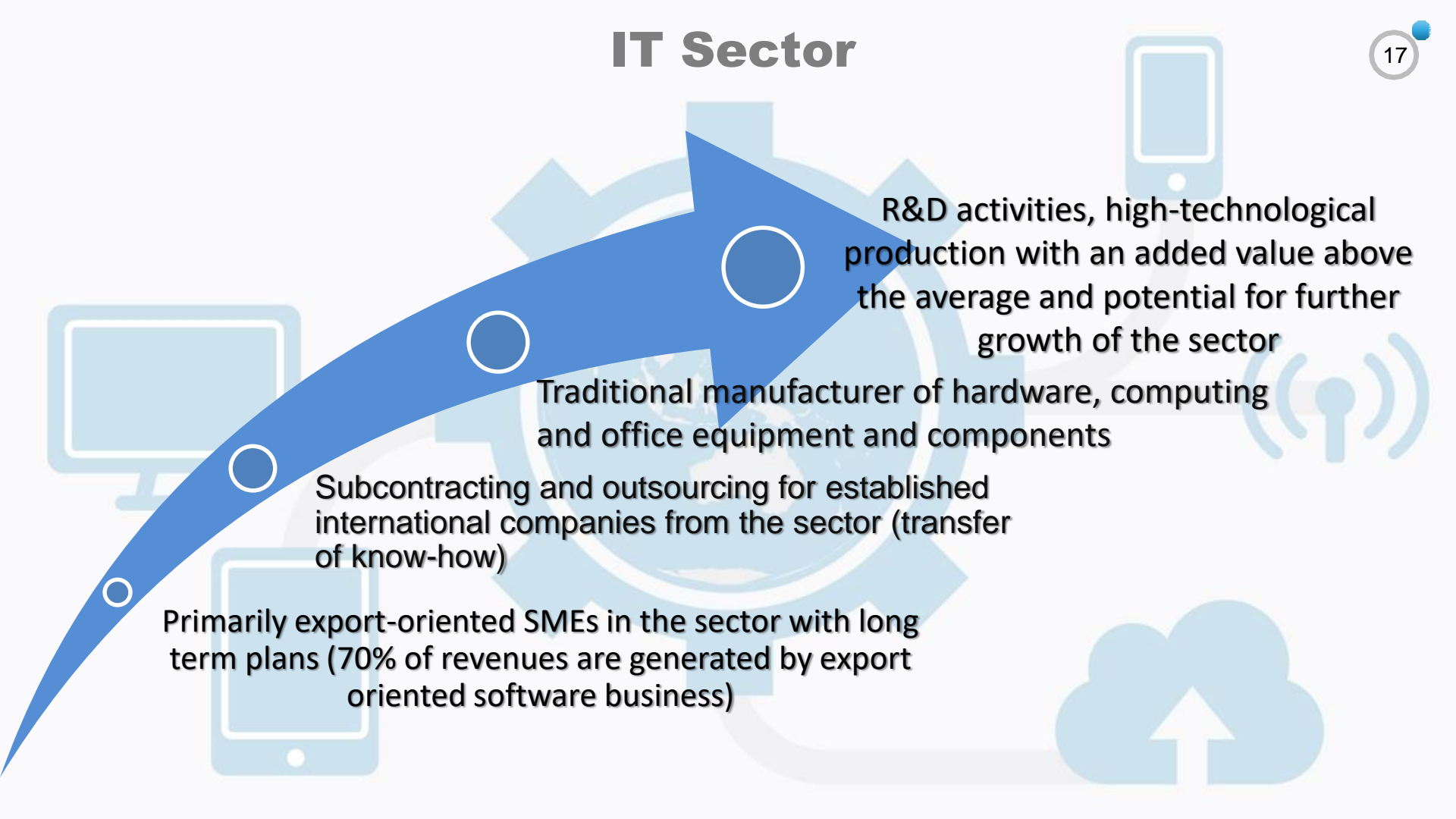
- ✓ Bulgaria is ideally located to provide easy access to the markets in Europe, Russia, the CIS countries, Turkey and the Middle East
- ✓ Lowest costs of utilities and fuels in Europe
- ✓ Bulgaria has established a very comprehensive infrastructure
- ✓ Potential for growth



Export advantages for the Bulgarian enterprises in the sector:

- ✓ As an EU-member Bulgaria applies favorable tariff and tax regulations
- ✓ Bulgaria is an entry to the growing markets of Southeast Europe
- ✓ Five Pan-European corridors pass through the country

IT Sector



R&D activities, high-technological production with an added value above the average and potential for further growth of the sector

Traditional manufacturer of hardware, computing and office equipment and components

Subcontracting and outsourcing for established international companies from the sector (transfer of know-how)

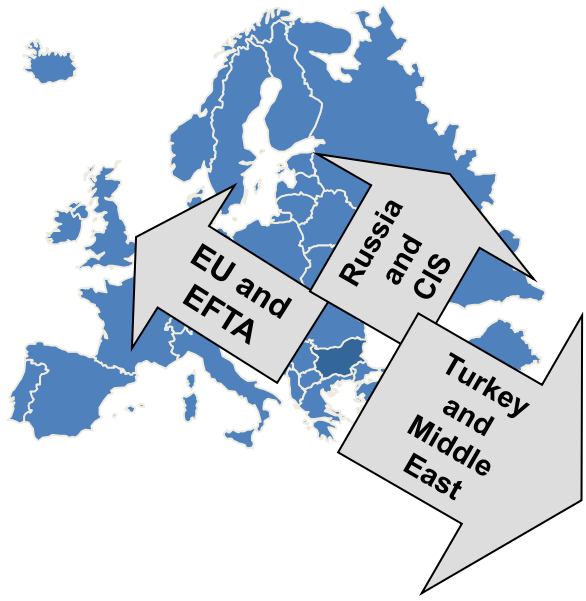
Primarily export-oriented SMEs in the sector with long term plans (70% of revenues are generated by export oriented software business)

Good examples

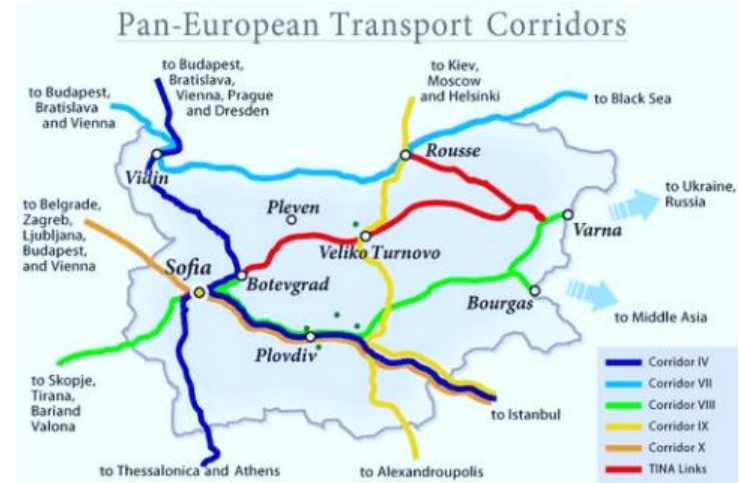
- ✓ Despite the favorable geographic locations and short distances between the two countries, it should be noted that so far the commercial contacts have been made mainly through the territory of Serbia or Macedonia.
- ✓ One of the biggest Bulgarian construction companies, "Glavbolgarstroy", has been trusted with erecting the first site of the new administrative district in the capital of Kosovo – the Court of justice. The five buildings on the outskirts of the city are housing the Supreme Courts, the Supreme Prosecutor's Office and the Commercial Court, as well as the judicial authorities of the capital.
The site represents the most modern administrative building in Kosovo.
- ✓ Referring to the Memorandum of Understanding in the field of Energy, there is further potential for deepening energy cooperation between the two countries. At present, four Bulgarian energy companies are operating in Kosovo:
(1) Energoremont Holding, (2) Hyundai Trafo, (3) Prista Oil and (4) CERB.

Bulgaria is only a 3-hour flight away from all major destinations in Europe, Russia and the Mediterranean region

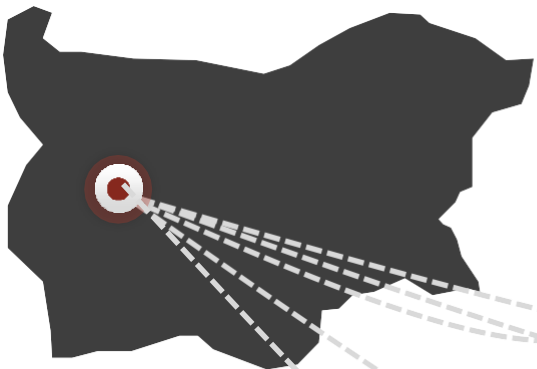
Strategic geographic location



Major transport corridors passing through Bulgaria



Competitive cost of business



Electricity



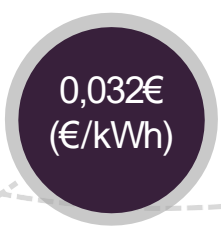
Rents



Labor
Cost



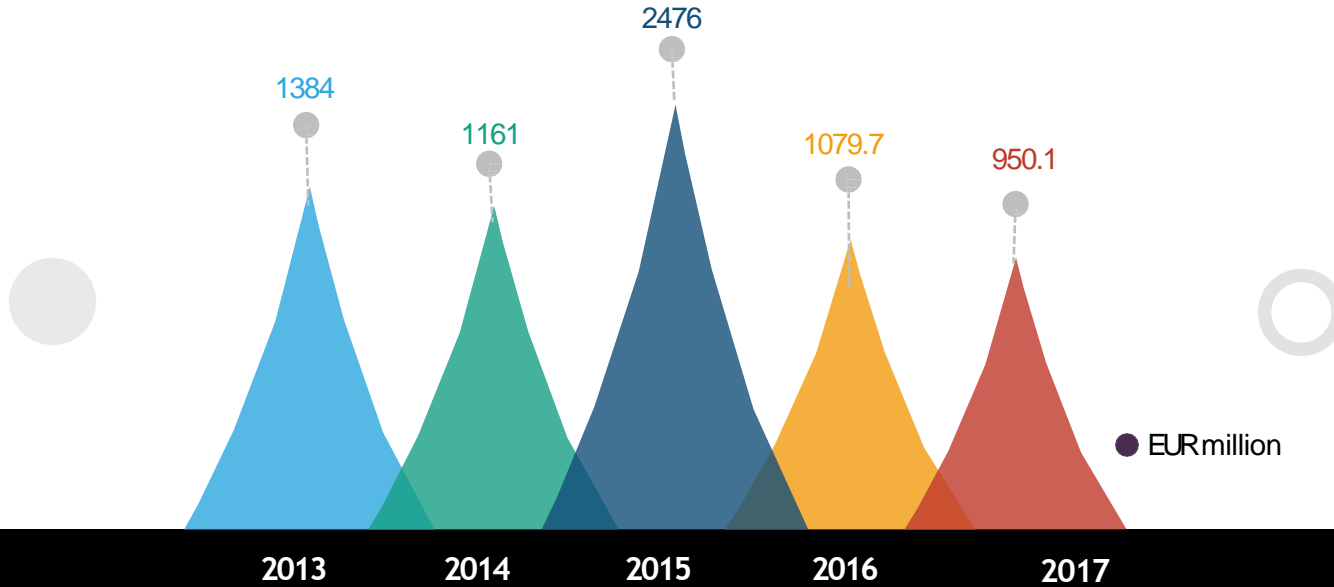
Gas



Water

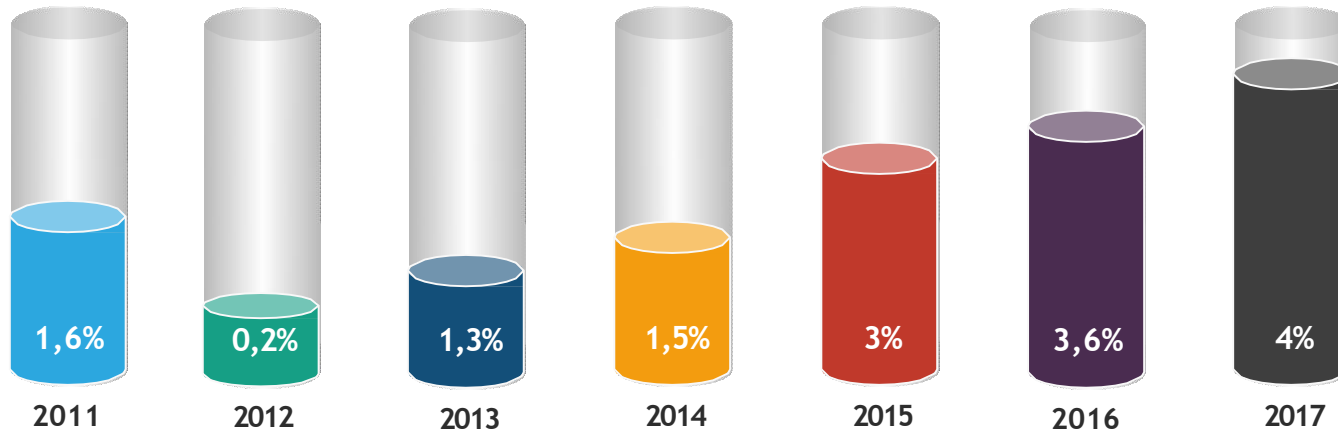


FDI Inflow



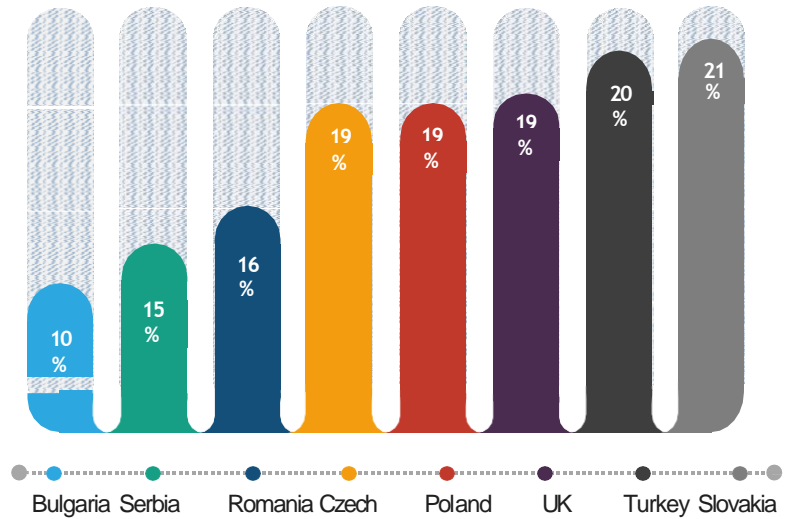
The Data provided in this slide is according to the Bulgarian National Bank

GDP Growth Rate



GDP growth has been accelerating for the last five years. The other major macroeconomic indicators such as unemployment and inflation rate have also shown a positive trend, making Bulgaria a sweet spot for investors.

Taxation Rates



Bulgaria has attractive taxation system.

Certification Criteria



Employment establishment. Creating new working places is within the requirements for receiving certificate by the investor.



Economic activity. The targeted sectors are defined by The State and high-tech ones are with preference and therefore with lowered financial requirements for the investment.



Location. Establishment of the project in a region with high unemployment will reflect in doubling the period of reimbursement of social security payments. Additionally it will result in 0% corporate taxation rate.

Certificates

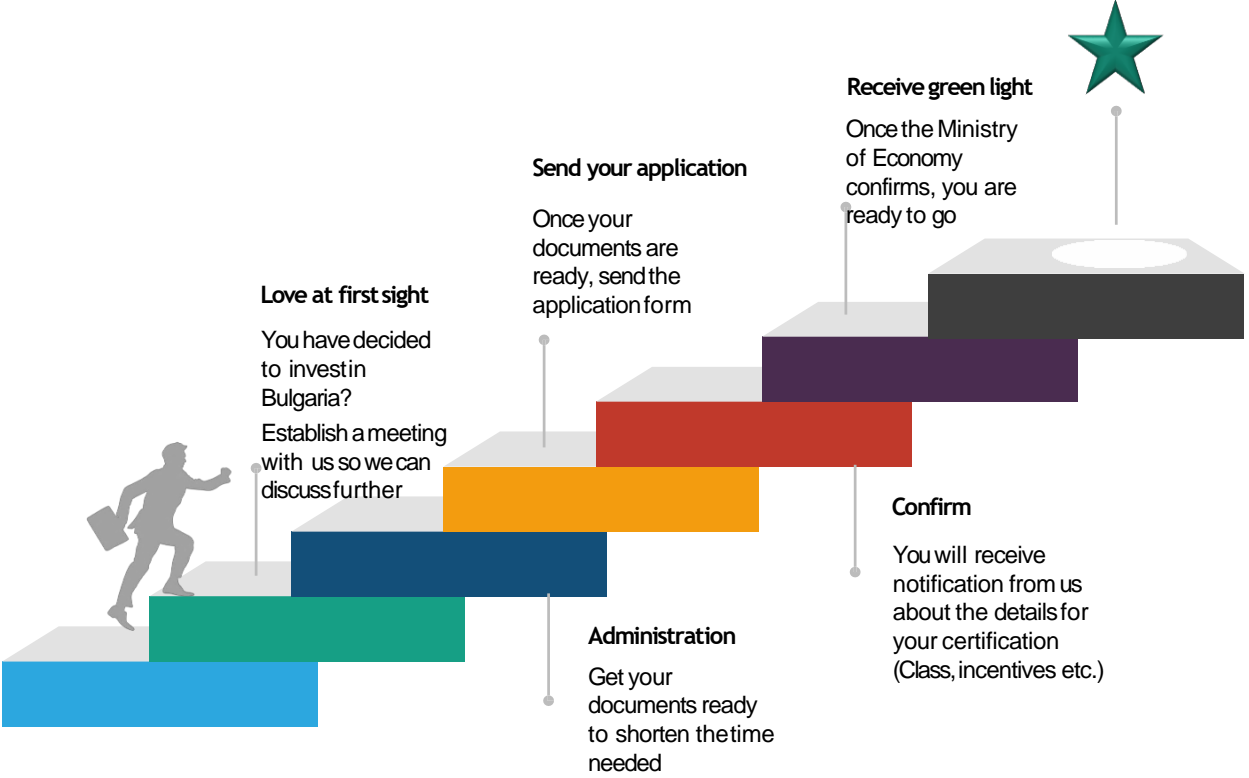
	Priority Class	Class A	Class B
INCENTIVES	€ 50.00 M 50 – 150 Jobs	€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K– 2.50 M 10 – 100 Jobs
SHORT CUT ON ADMINISTRATIVE TERMS	✓	✓	✓
NO TENDER – NO COMPETITION	✓	✓	✓
FINANCING VOCATIONAL TRAINING	✓	✓	✓
SOCIAL SECURITY CASH BACK	✓	✓	✓
INDIVIDUAL SERVICES	✓	✓	
FINANCING TECHNICAL INFRASTRUCTURE	✓	✓	
PUBLIC-PRIVATE PARTNERSHIP	✓		
NO TAX ON CHANGING LAND STATUS	✓		
BUYING PUBLIC LAND ON FAVOURABLE PRICES	✓		
GRANTS FOR R&D	✓		

How to get certified?

Next step to success

Step by Step Process

Getting a certificate for investment in Bulgaria is pretty easy. However there are few steps and administrative procedures that have to be passed.



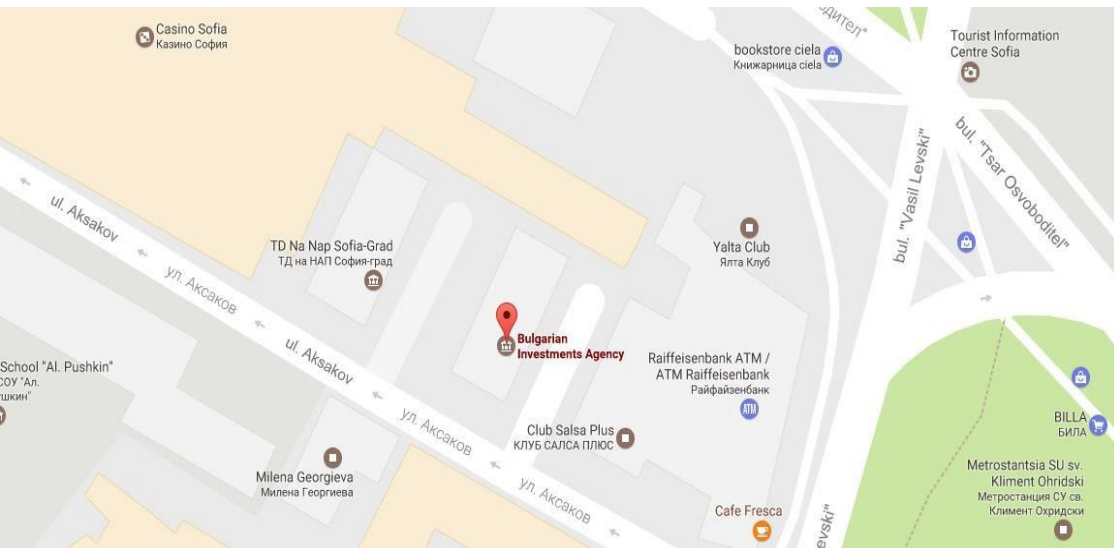
What Bulgaria offers



InvestBulgaria Agency has the main purpose of not only attracting investors but also retaining them. Post investment services that we offer are just as important as pre-investment ones.

Office Map

Where are we



Head Office

InvestBulgaria Agency

31 Aksakov Street

Sofia 1000, Bulgaria

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Fax: (+359 2) 980-1320

E-mail: iba@investbg.government.bg



**THANKS FOR
WATCHING**

Next step to your
success is BULGARIA