



**INVEST IN
BULGARIA**



GENERAL INFORMATION

Official name:	Republic of Bulgaria
Area:	110 994 sq.m.
Population:	7.4 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(standart):	20%
Type of government:	Parliamentary democracy
Member of:	EU, NATO, WTO





WHO WE ARE?

INVEST BULGARIA AGENCY (IBA) is a Government institution providing information, contacts and project management support to potential investors.

IBA services:

- ✓ Macroeconomic data on Bulgaria
- ✓ Legal advice
- ✓ Data on operational costs
- ✓ Regional information: industrial zones and infrastructure, data on unemployment, skilled labour force and level of education
- ✓ Recommendation of investment project sites
- ✓ Identification of potential suppliers, contract manufacturers and joint-venture partners
- ✓ Personalized administrative servicing
- ✓ Liaison with central and local governments
- ✓ Liaison with branch chambers and NGOs





WHY INVEST IN BULGARIA?

5 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 tax rate
- ✓ 10% Personal tax rate
- ✓ 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 and skilled workforce

5. Government incentives



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.



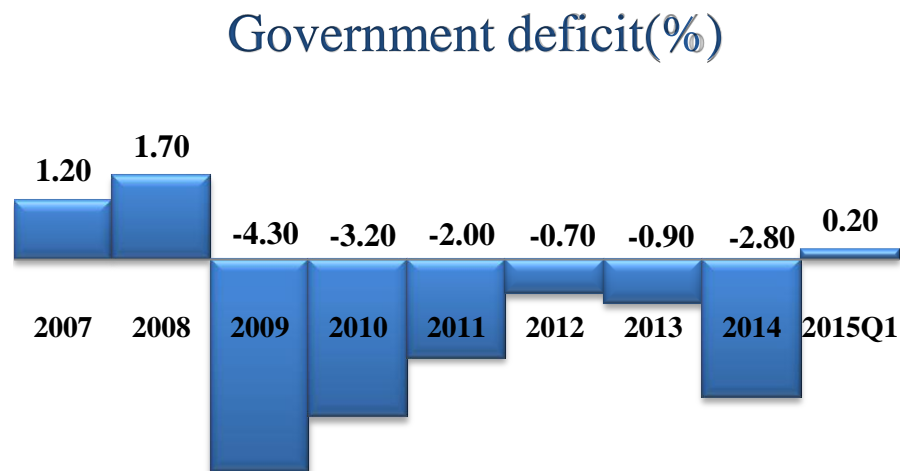
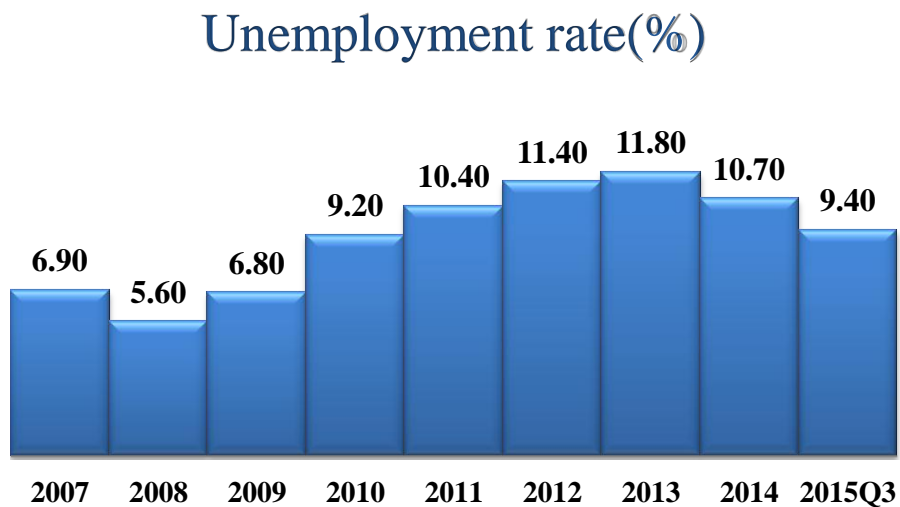
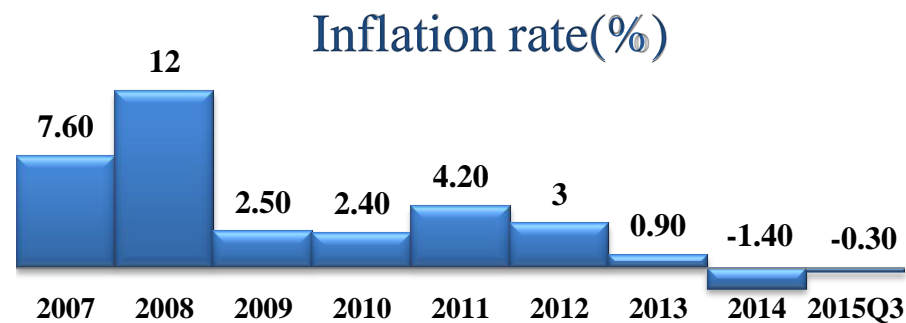
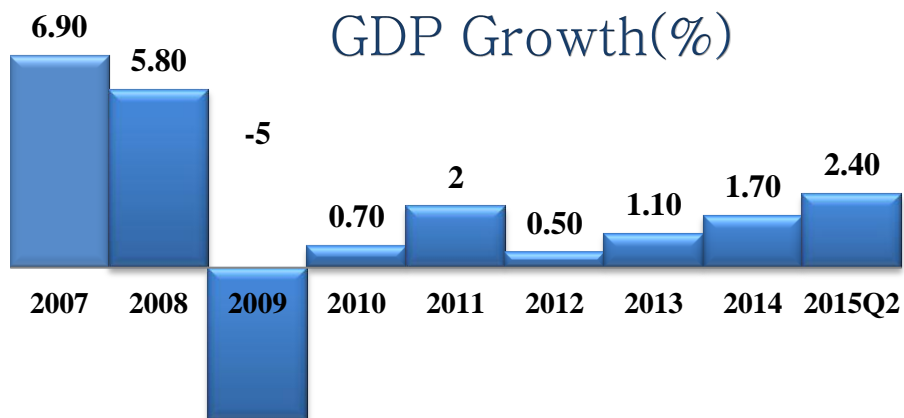
...ranks first in the world in the production of lavender. For the past three years, our country has managed to surpass France from the first place and France is historically a leader in this field.



...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%.

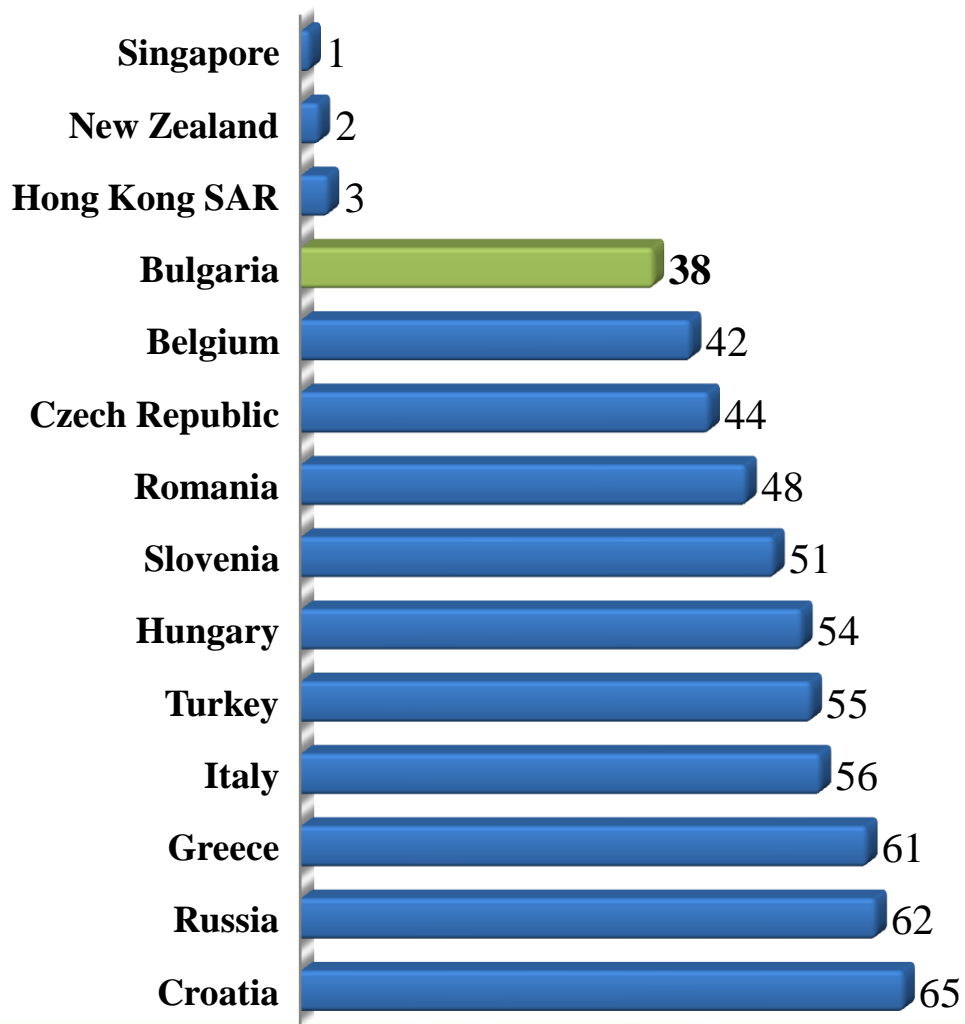


MACROECONOMIC INDICATORS





BUSINESS ENVIRONMENT



Doing Business 2015

Going Beyond Efficiency



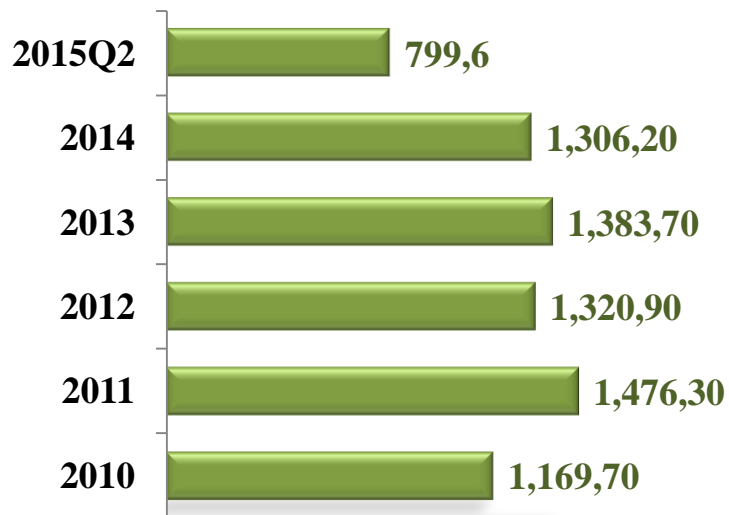
COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 189 ECONOMIES

A World Bank Group Flagship Report

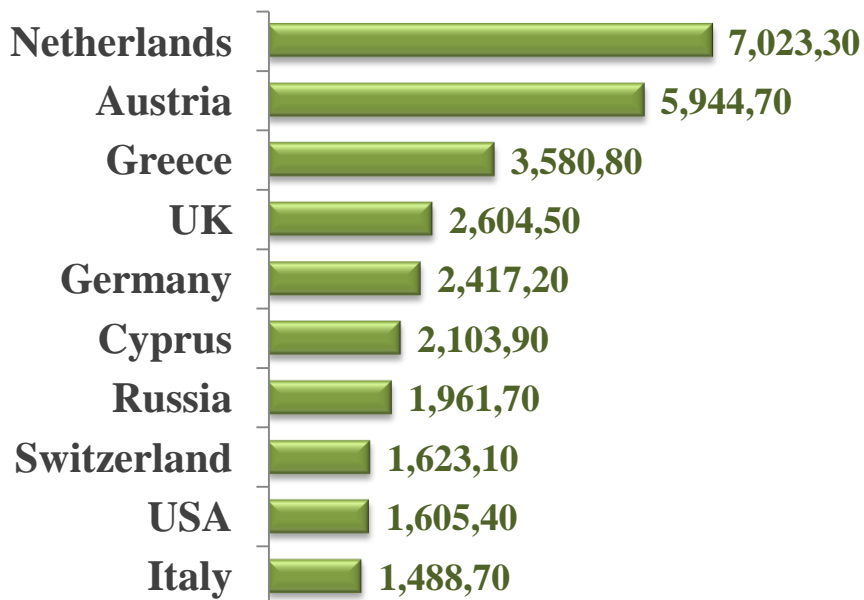


FOREIGN DIRECT INVESTMENT

FDI Inflow(€ mln.)

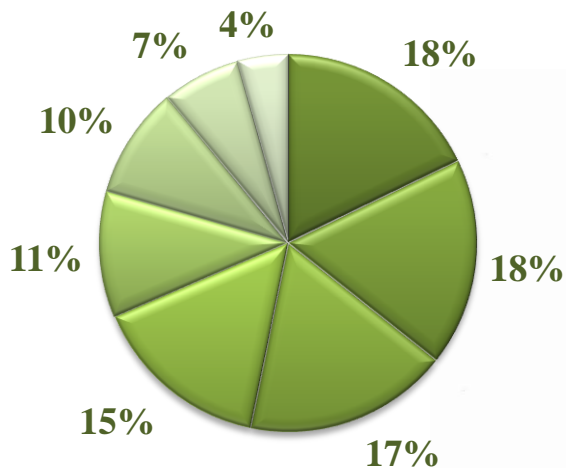


FDI by host country, 1996-2014(€ mln.)



FDI Inflow by Industry(€ mln.)

- Real Estate
- Manufacturing
- Finance
- Trade
- Other
- Energy
- Construction
- Telecom





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





COST OF DOING BUSINESS



Electricity

0.84(€/kWh)



Gas

0.034(€/kWh)



Water

1.09(€/1M3)



Industrial Rents

3.75 € (m²/mon)



Office Rents

12.50 € (m²/mon)



Cost of Labor

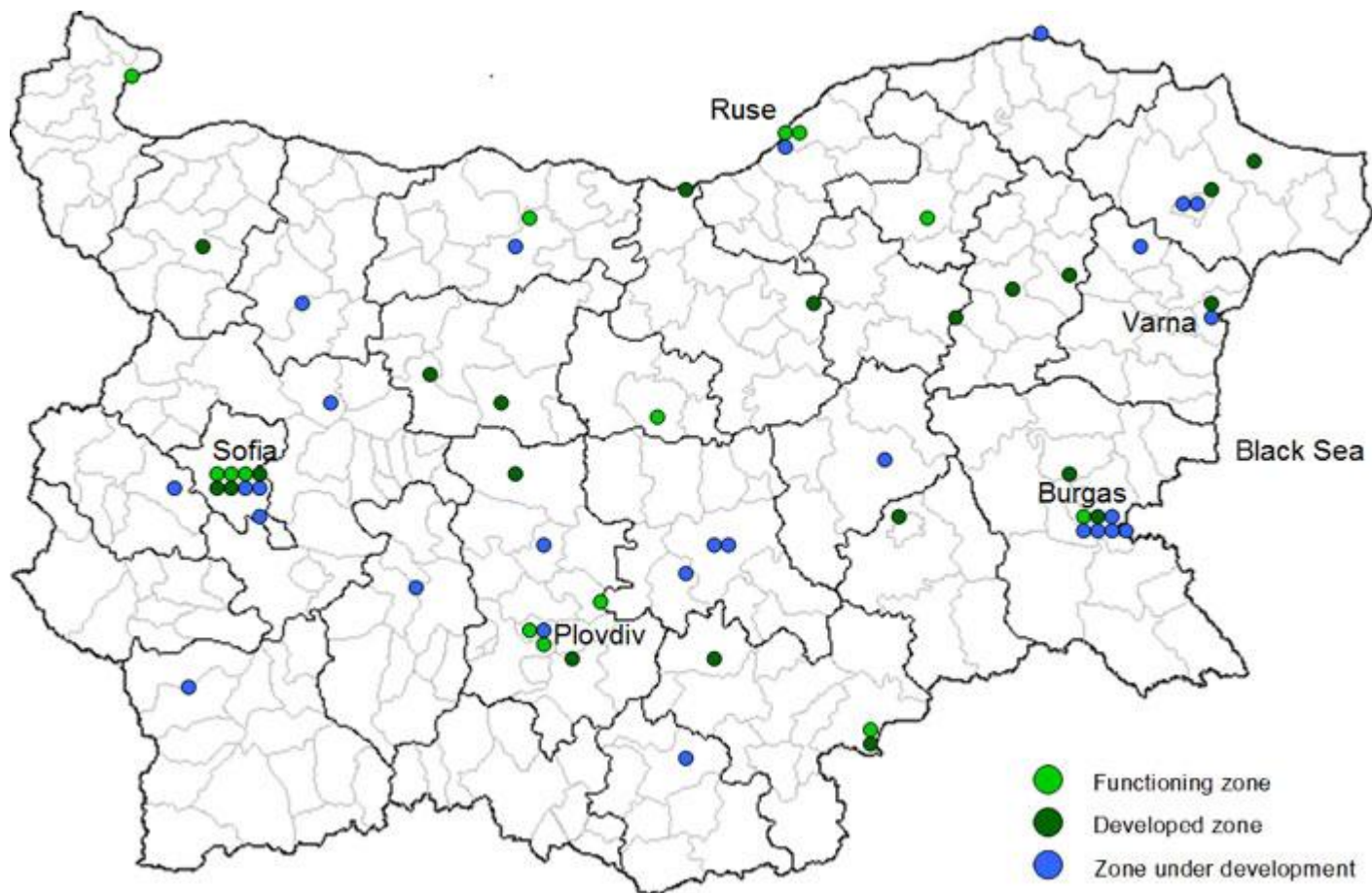
Salary(Min.) - 196 €

Salary(Avg.) - 450 €

One of the most competitive costs in Europe!



INDUSTRIAL ZONES IN BULGARIA



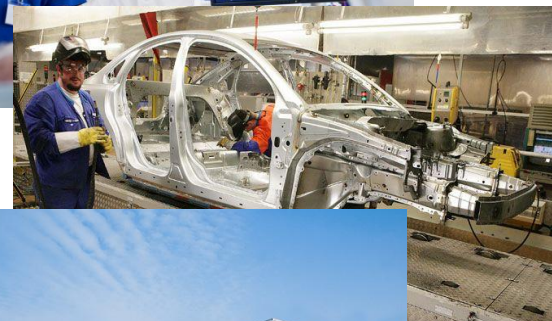


THE GOVERNMENT SUPPORTS

The Investment Promotion Act (IPA) and the Regulations for Application of the Investment Promotion Act (RAIPA) introduce a system of promotion measures for initial investments in tangible and intangible fixed assets and creating new employment linked thereto, according to the European Commission Regulation (EC) No. 651/2014.

✓ Investments must be related to the following sectors:

- ❑ Manufacturing
- ❑ Research & development
- ❑ Education
- ❑ Healthcare
- ❑ High-tech services
- ❑ Warehousing and logistics

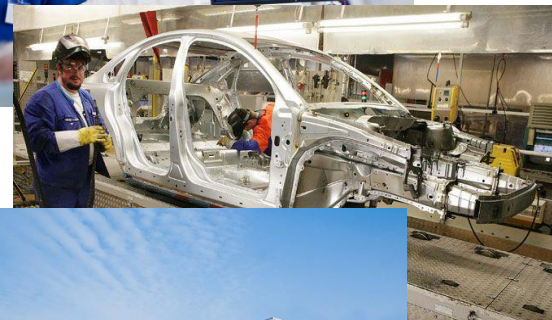




THE GOVERNMENT SUPPORTS

✓ 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





CLASS A, B & PRIORITY INVESTMENT CRITERIA

CLASS A

Manufacturing Industry

- €5m or €2m and 150 working places

High-Tech Manufacturing

- €2m or 25 working places

Services sector (incl.BPO)

- €1.5m or €0.5m and 150 working places

High-Tech Services

- €1m or 50 working places

Regions with high unemployment rate

- €2m or 25 working places

CLASS B

Manufacturing Industry

- €2.5m or €1m and 100 working places

High-Tech Manufacturing

- €1m or 10 working places

Services sector (incl.BPO)

- €0.75m or €0.25m and 100 working places

High-Tech Services

- €0.5m or 25 working places

Regions with high unemployment rate

- €1m or 10 working places

PRIORITY

Manufacturing Industry

- €50/25m and 200 working places

High-Tech Manufacturing

- €15m or 100 working places

Services sector (incl.BPO)

- €50m and 200 working places

High-Tech Services

- €10m or 50 working places

Regions with high unemployment rate

- €25m or 100 working places





CLASS A, B & PRIORITY GOVERNMENT INCENTIVES

- Information services
- Shortened administrative procedures - The central and local government authorities will provide administrative services shortened with one-third of the time period established by the law
- Financial support of up to 25% for the vocational training for obtaining professional qualifications
- Reimbursement of labor costs paid by the employer
- On the request of certified investor the corresponding authorities may transfer ownership rights or establish a limited ownership right over real estate (private state or private municipal property) without a tender

Only for Class A investment incentives:

- Consulting and individual administrative services.
- Financial support for construction of technical infrastructure elements to the borders of the project site, needed for implementation of one or more investment projects.

Only for Priority investment incentives:

- Institutional support
- Financial grants of up to 50% for education and R&D projects and up to 10% for manufacturing projects
- State tax exemption for changing the land status
- Acquisition of real estate private state or private municipal property without a tender and at a price lower than the market, but not lower than the tax assessment of the property
- Establishment of public-private partnerships with municipalities, universities, other organizations from the academic society and etc.

Knowledge + Incentives

GET SUCCESS

www.investbg.government.bg





LEADING GLOBAL COMPANIES INVESTED IN BULGARIA

IT development	Back office operations	Chemical and metal Industry	Engineering	Food
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KNAUF

ABB



SITEL



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THANK YOU FOR YOUR ATTENTION!

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