

IN BUL
GO BE

About us

Invest Bulgaria agency 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.

WE PROVIDE CONFIDENTIAL AND FREE SUPPORT



Did you know?

Bulgaria in numbers and facts

MOVE TO BE MOVED

Bulgaria is in Top 10 countries in the world with fastest mobile internet connection.

Bulgaria is at the top of the world rankings in mathematics.

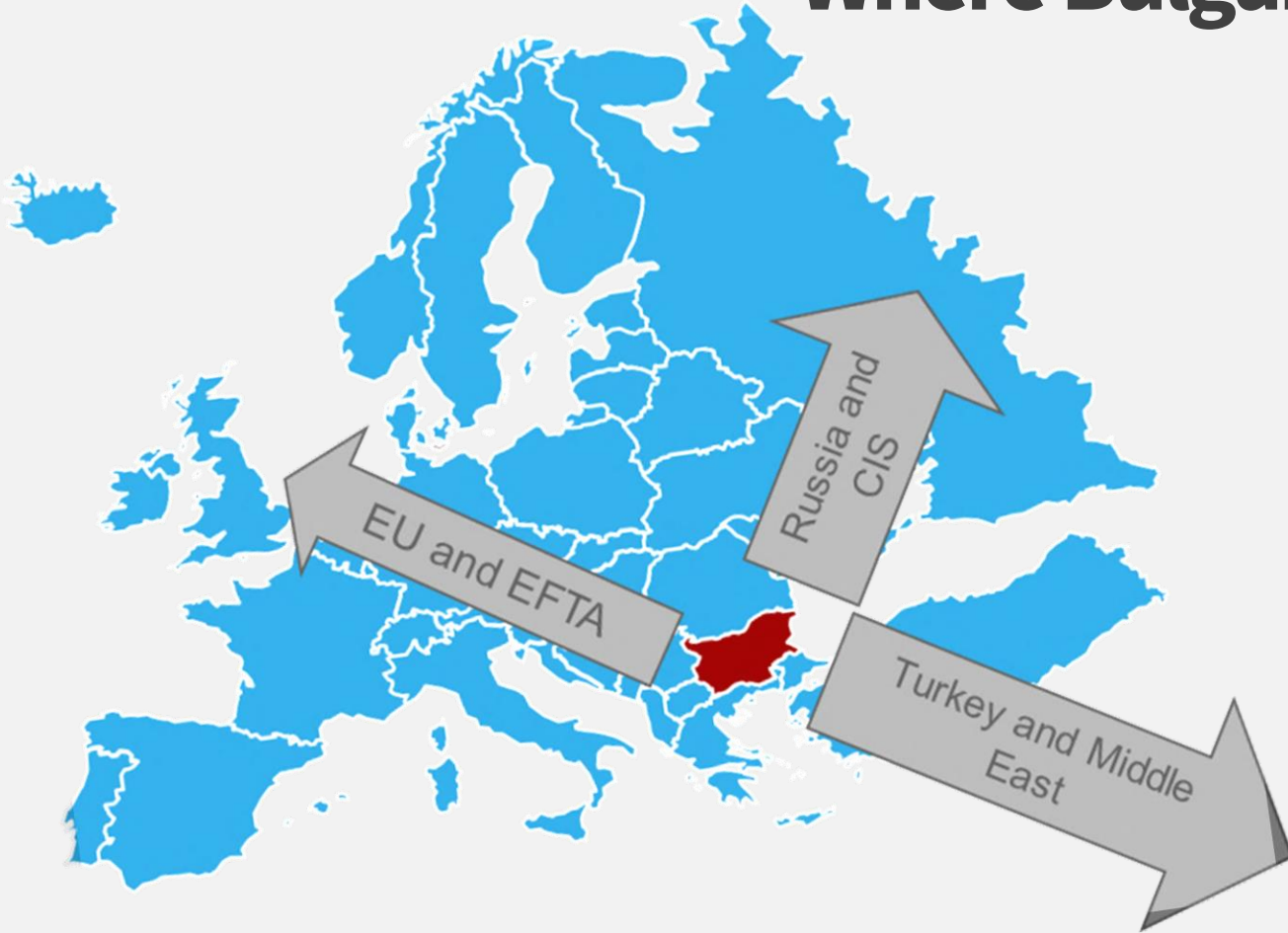
3rd in the world of I.T.
Specialists per capita

49,5 % of the population speaks at least one foreign language

Bulgaria ranks 3rd in terms of cultural and historical heritage in Europe



Where Bulgaria stands



STRATEGIC LOCATION

- Four major airports/ Sofia, Plovdiv, Varna, Burgas
- Two seaports/ Varna and Burgas
- Free exports to the EU countries
- Access to the Middle East
- Access to 1.3 bln. Customers
- Over 40 trade agreements with 80 countries

Member of the European Union, NATO and WTO



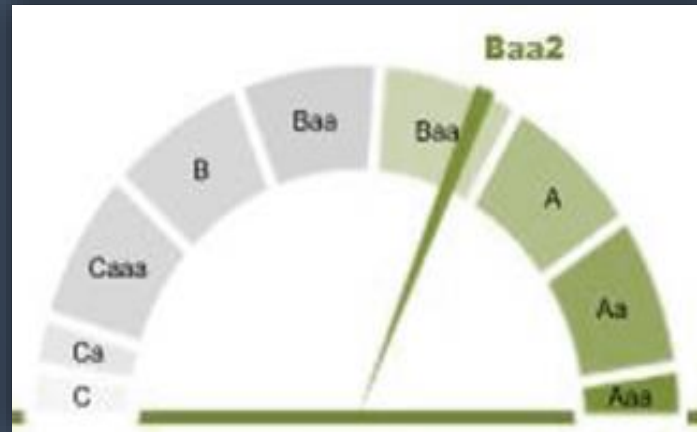
Credit Ratings

THE STATE OF BEING STABLE

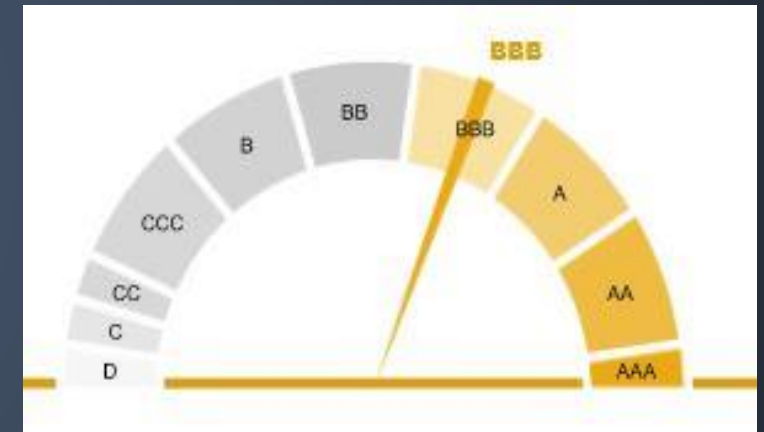
Fitch



Moody's



Standard & Poor's



Taxation Rates

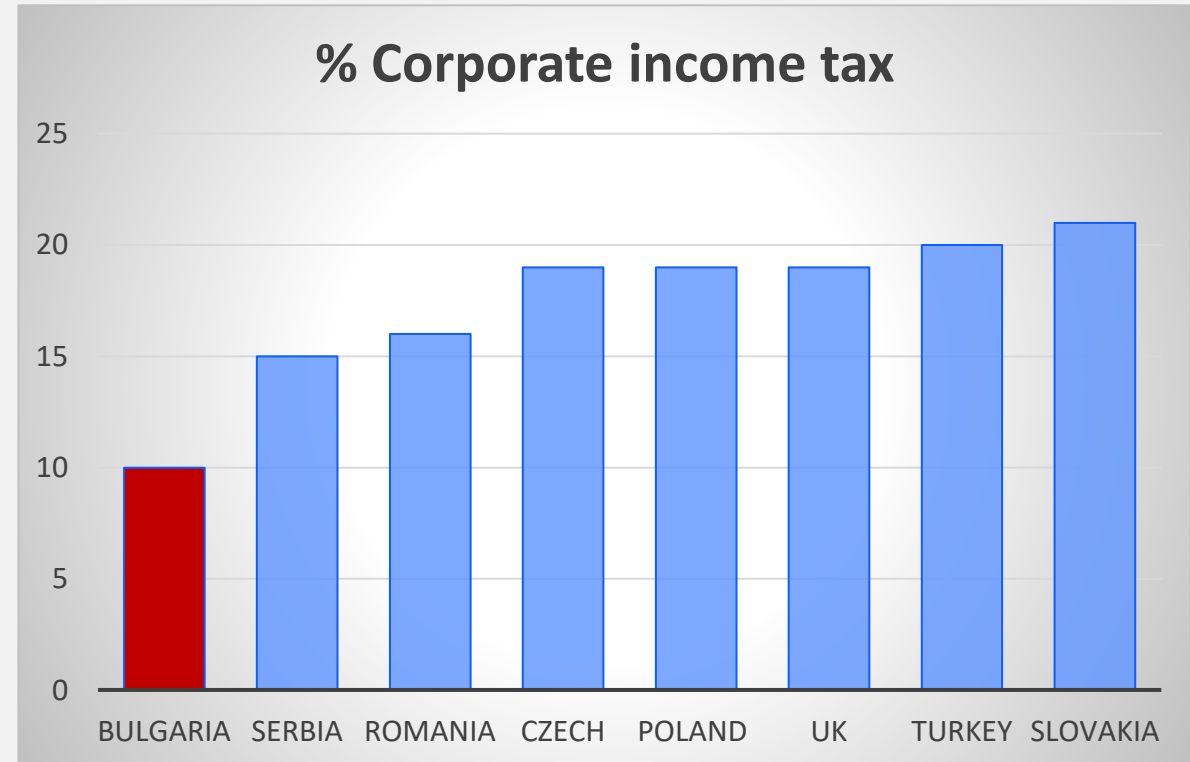
Bulgaria has attractive taxation system.

One of the lowest in the EU

10 % Corporate income tax

10 % Personal income tax

General VAT is 20 %



0% corporate tax rate in zones with unemployment 25% or higher than the average

Cost of business



ELECTRICITY

0,1155 €
(€/kWh)

(all taxes and levies included)



GAS

0.0368 €
(€/kWh)



WATER

1.09 €
(€/m³)



RENTS

8 €
(m²/month)



LABOR COST

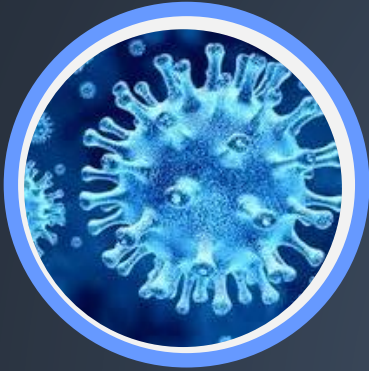
332 €
Minimum

One of the most competitive costs in Europe!



GDP growth accelerated until 2020. With the start of the COVID-19 pandemic, the GDP was in decline. However a year later the Bulgarian economy is recovering and is expected to return to pre-crisis levels.

The effect of COVID-19 on the Bulgarian economy



The annual inflation rate in Bulgaria is 2.0%.



The unemployment rate for Q1 2021 is 6.3% marking an annual decline of 2.8%



A factor that potentially increases the risk to the Bulgarian economy is the large number of small and medium – sized enterprises (SMEs) expected to be most affected by the crisis - more than 98% of all companies away



According to the latest World Bank report Bulgaria's economy is expected to grow by 2.6% in 2021 and by 3.3% in 2022.

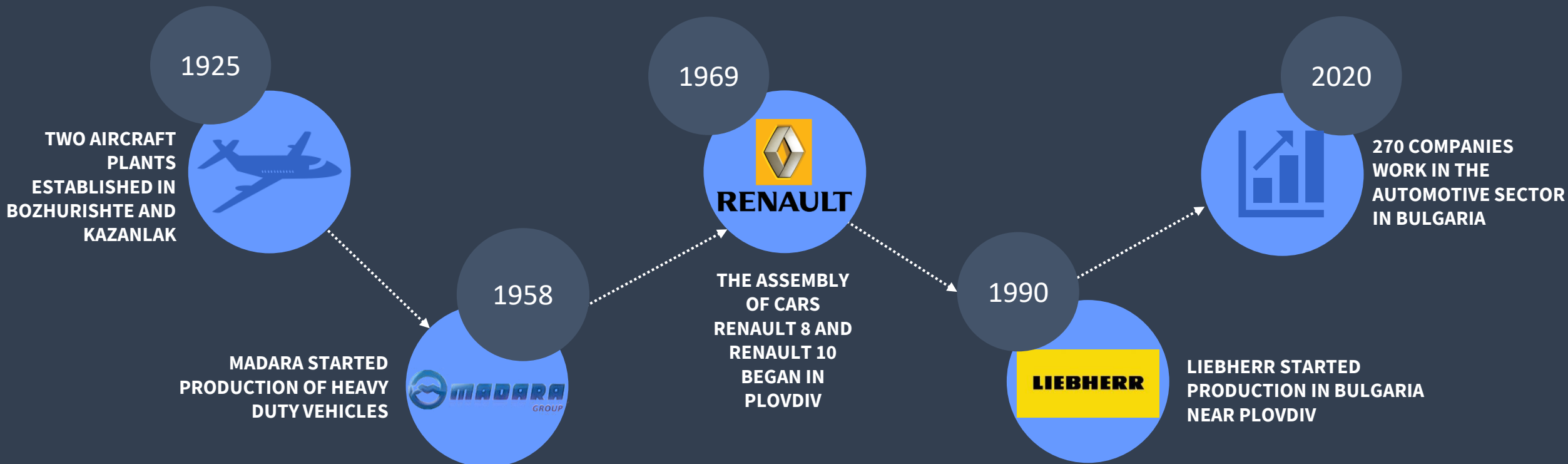
AUTOMOTIVE SECTOR IN BULGARIA

OVERVIEW OF THE SECTOR



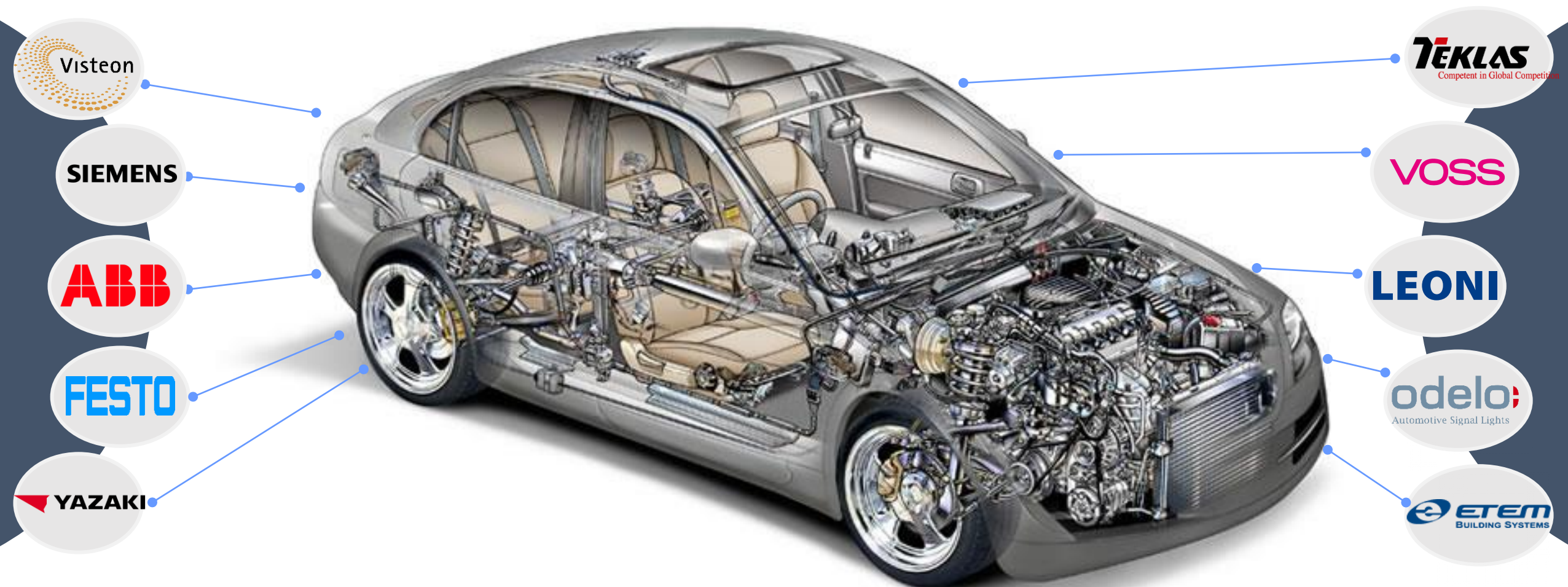
90% OF THE CARS IN EUROPE HAVE PARTS PRODUCED IN BULGARIA

BASIC HISTORY FACTS



AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA

80% OF THE SENSORS IN ALL EUROPEAN CARS ARE MADE IN BULGARIA



IT AND BPO SECTOR IN BULGARIA

The sector in figures

€ 3.9 B ANNUAL
TURNOVER

6369
ITO & BPO COMPANIES

90 427 FULL-TIME
EMPLOYEES

Educational System

13 000

students graduated in
computer science,
software development
and mathematics
2015-2020

12 900

students were enrolled
in these majors in
2020/2021

20 000

university and college
graduates that could be
suitable employees for
the sourcing industry in
2021

**... another
positive trend**

Rapid development of
private initiatives for
adult and formal
secondary IT education



THE IT COMPANIES PREPARE BY THEMSELVES THE NEW GENERATION OF IT SPECIALISTS FOR THE DIGITAL FUTURE

ELECTRONICS AND ELECTRICAL ENGINEERING IN BULGARIA

Did you know?



Electric machines

The electronics and electrical engineering sector, represented by electric machines, as a product group, has achieved the most significant progress in the export of the country.



Rich History & Established Traditions



1890

FIRST STEPS

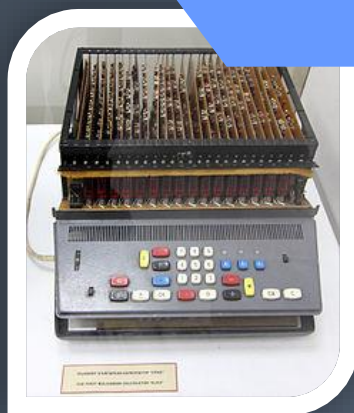
SIEMENS PARTICIPATED IN BUILDING THE TELEGRAPHIC NETWORK IN BULGARIA.



1985 - 1988

PEAK OF THE INDUSTRY – THE MODERN COMPUTERS

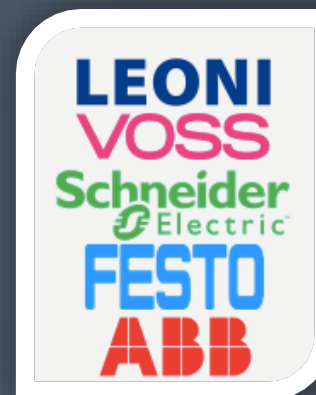
ELECTRONICS COMPRISES 25% OF BULGARIAN MANUFACTURING AND MORE THAN 40% OF THE MAINFRAMES AND PERSONAL COMPUTERS IN EASTERN EUROPE. 130 000 PEOPLE ARE EMPLOYED IN THE INDUSTRY.



1965

ELKA

IS A BULGARIAN BRAND OF ELECTRONIC CALCULATOR, DEVELOPED BY THE CENTRAL INSTITUTE FOR COMPUTATION TECHNOLOGIES AND BUILT AT THE ELEKTRONIKA PLANT IN SOFIA.



1990 - 2020

PRIVATISATION AND INTERNATIONALISATION

THE BEGINNING OF PRIVATIZATION OF STATE OWNED ELECTRONICS AND ELECTRICAL ENGINEERING ENTERPRISES, FOLLOWED BY ESTABLISHMENT OF OPERATIONS OF MANY INTERNATIONAL COMPANIES IN BULGARIA

OVERVIEW OF THE SECTOR



64% OF THE WORKFOCE IN
THE SECTOR IS A RESULTS OF
DIRECT FOREIGN INVESTORS

45 019

WORKFORCE



FOREIGN INVESTORS ACTIVELY
PARTICIPATE IN THE
OPERATIONS OF 68 OF TOTAL
408 ENTERPRISES IN
BULGARIA

408

NUMBER OF ENTERPRISES



THE ANNUAL SALES REVENUE OF
FOREIGN INVESTORS IN THE SECTOR
ACCOUNTS TO 59% OR BGN 1714.4 MLN
OF THE OVERALL SALES REVENUE

EUR
2 896.3 M

SALES REVENUE

GOVERNMENT INCENTIVES

Certification Criteria

Under the Investment Promotion Act (IPA)



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

Incentives under the Investment Promotion Act



Common EU rules and procedures exist



Special Rules for Big Projects

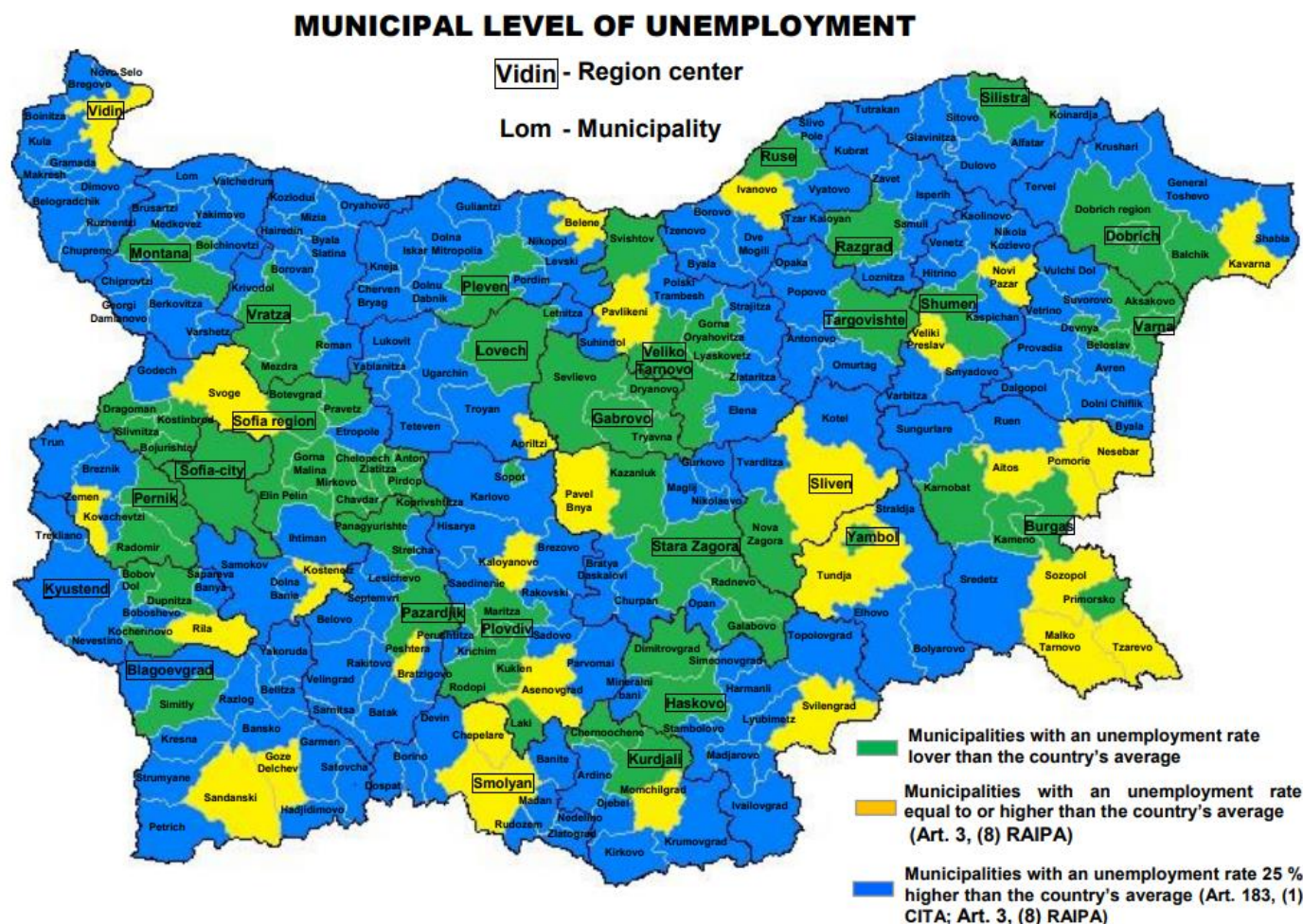


Bulgaria, as a Member State of the EU, is required to apply the State aid regime

	Priority Class	Class A	Class B
THRESHOLD	€ 50.00 M 50 – 150 Jobs	€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K– 2.50 M 10 – 100 Jobs
INCENTIVES			
SHORT CUT ON ADMINISTRATIVE TERMS	✓	✓	✓
NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND	✓	✓	✓
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	✓		

Unemployment map

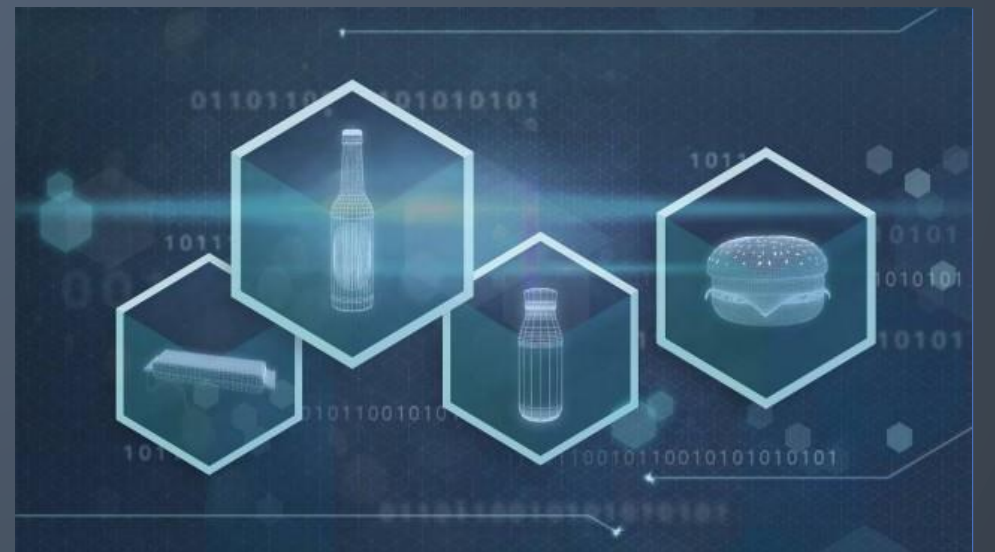
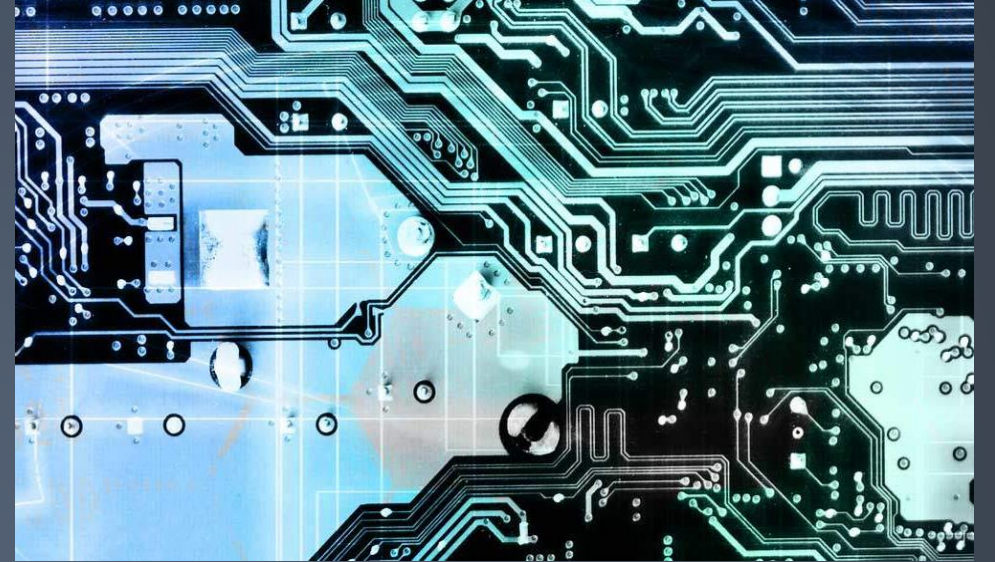
0% corporate tax rate in zones with unemployment 25% or higher than the average



Municipal unemployment

According to the Bulgarian legislation any taxable person shall be allowed to retain up to 100% of the corporate tax in respect of the tax profit derived from the manufacturing activities in municipalities with unemployment rate over 25% higher than the country's average.

SUCCESSFUL COMPANIES



What Bulgaria offers ?

STABILITY

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

EDUCATED AND SKILLED WORKFORCE

- ❑ 80 000 students abroad
- ❑ 25 % of population hold university degree
- ❑ 49,5 % of population speak at least one foreign language

EASY MARKET ACCESS

- ❑ European Union
- ❑ Russia
- ❑ Turkey
- ❑ Middle East

REDUCED COST AND RISK

- ❑ Attractive taxation system
- ❑ Competitive cost of labor
- ❑ Favorable office rents and low cost of utilities

GOVERNMENT INCENTIVES

- ❑ Social security benefits
- ❑ Tax benefits
- ❑ Vocational education benefits

THANK YOU



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