



INVEST IN BULGARIA

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.

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 bn. customers
- Over 40 trade agreements with 80 countries

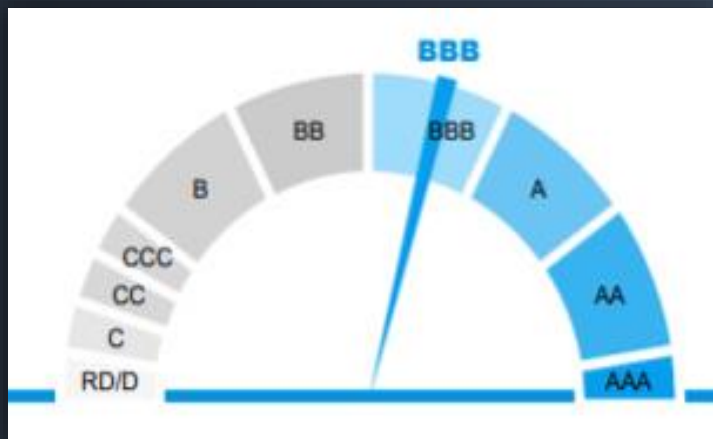
Member of the European Union, NATO and WTO



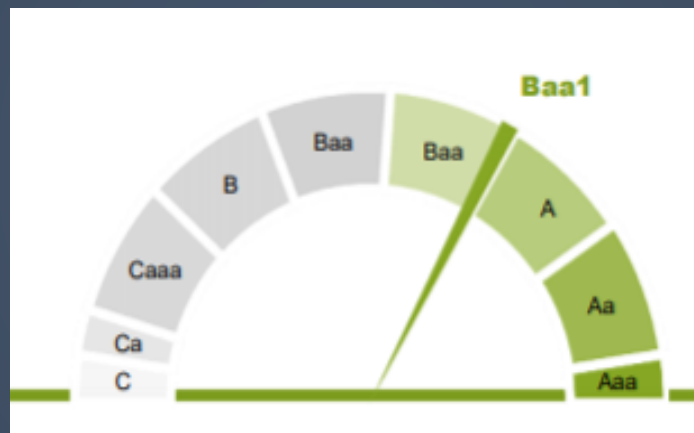
Credit Ratings

THE STATE OF BEING STABLE

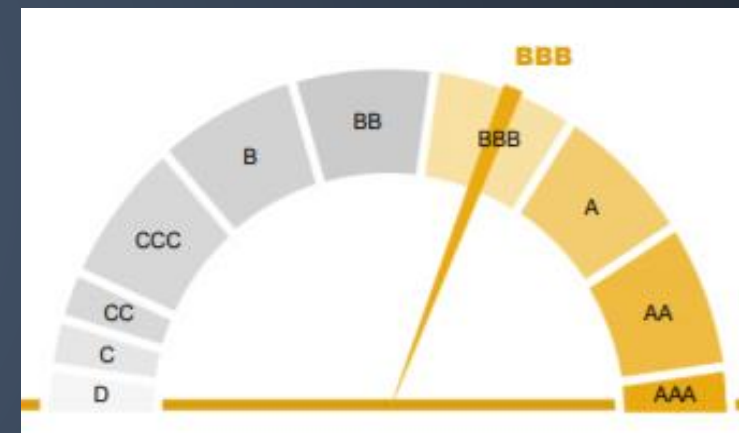
Fitch



Moody's



Standard & Poor's



Taxation Rates

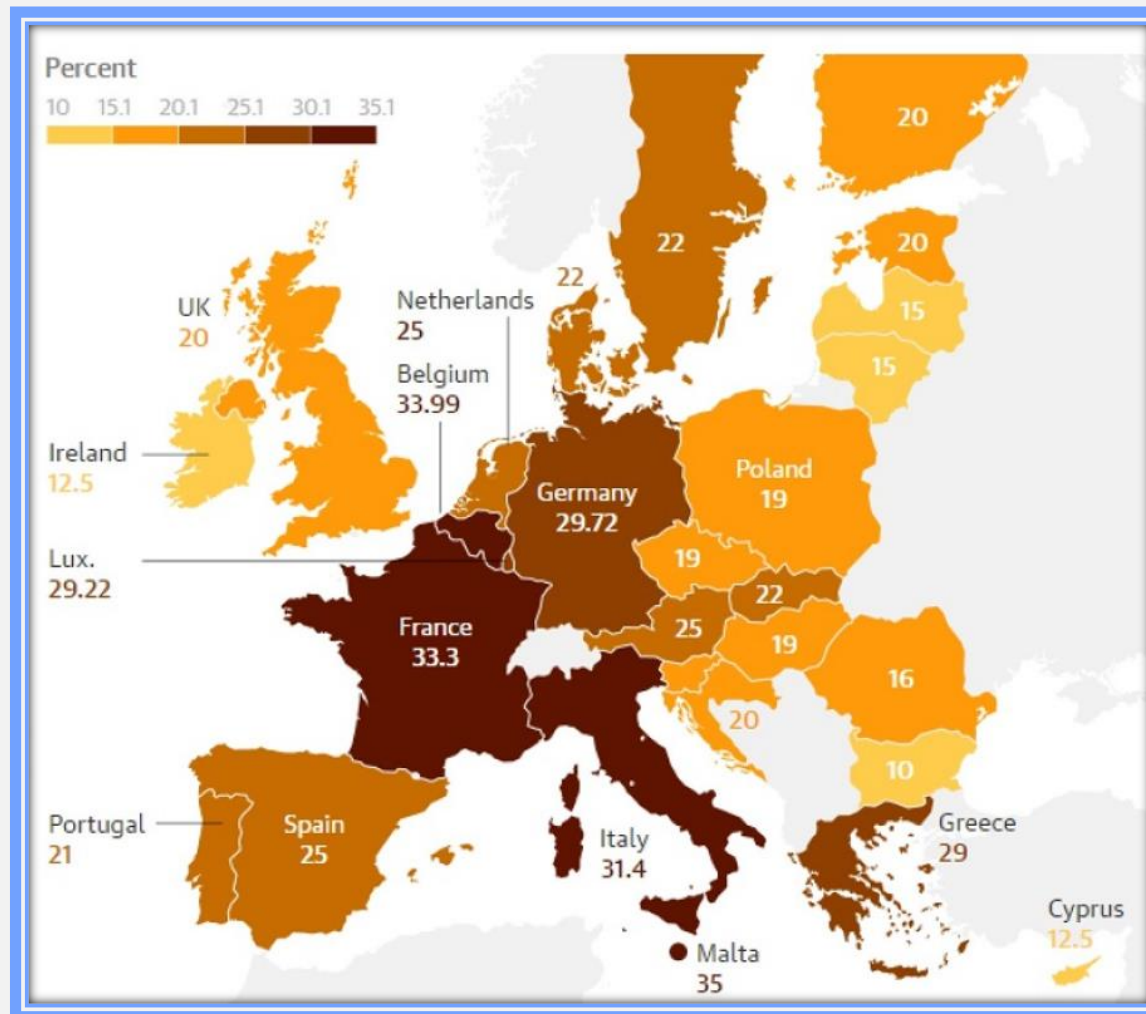
Average EU Corporate Income tax
of 20.9%

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 living in Bulgaria



Cost of living	One person	Family of 4
Total with rent	\$654	\$1610
Without rent	\$362	\$1128
Rent & utilities	\$293	\$483
Food	\$247	\$663
Transport	\$44	\$118

Monthly salary after tax is \$729

Cost of living by cities



Sofia One person

Total with rent	\$795
Without rent	\$409
Rent & utilities	\$386
Food	\$261
Transport	\$71



Plovdiv

	\$637
	\$361
	\$277
	\$245
	\$41



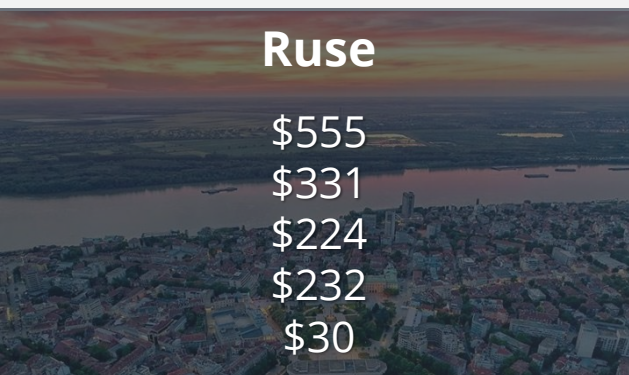
Varna

	\$667
	\$380
	\$287
	\$267
	\$41



Burgas

	\$603
	\$351
	\$252
	\$243
	\$35



Ruse

	\$555
	\$331
	\$224
	\$232
	\$30



Pleven

	\$556
	\$324
	\$232
	\$241
	\$20



Stara Zagora

	\$592
	\$362
	\$230
	\$272
	\$24



Blagoevgrad

	\$516
	\$278
	\$238
	\$206
	\$18

Macroeconomic overview



- ✓ Annual GDP growth (2021) is 4.2 %
- ✓ FDI in Bulgaria (2021) amount to EUR 1 265 M, 1.9% of GDP
- ✓ The unemployment rate for 2021 is 5.3%
- ✓ In 2021, exports increased by 24.0% and imports by 27.5% on an annual basis.
- ✓ According to the latest Ministry of Finance report Bulgaria's economy is expected to grow by 2.6% in 2022 and by 2.8% in 2023 (revised from 4.6% and 3.7% due to the war in Ukraine). IMF forecast for growth is tentatively projected near 3 percent this year.

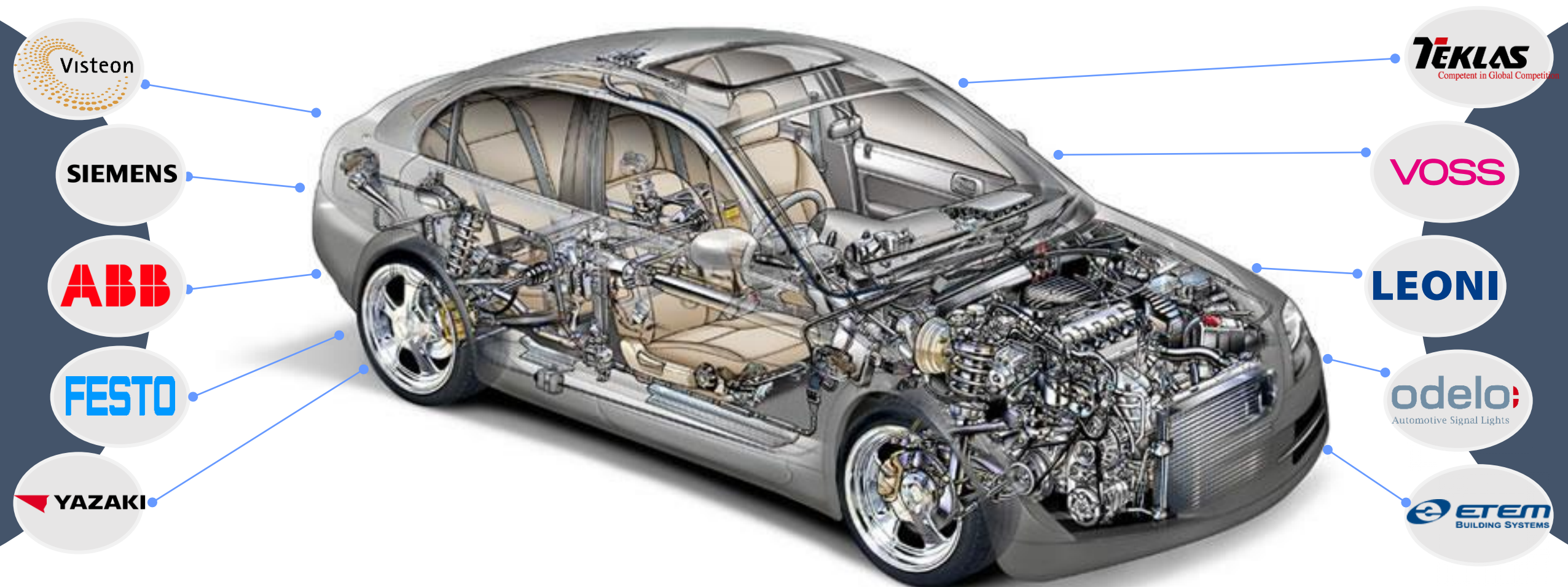
AUTOMOTIVE AND MECHATRONICS IN BULGARIA

OVERVIEW OF THE SECTORS




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

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



AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA



MECHANICAL ENGINEERING IN BULGARIA

OVERVIEW OF THE SECTOR

41 000

PEOPLE EMPLOYEED
IN THE SECTOR

550

COMPANIES WORKING
IN THE SECTOR

€2.1 B

ANNUAL TURNOVER

IT AND BPO SECTORS IN BULGARIA

The sector in figures

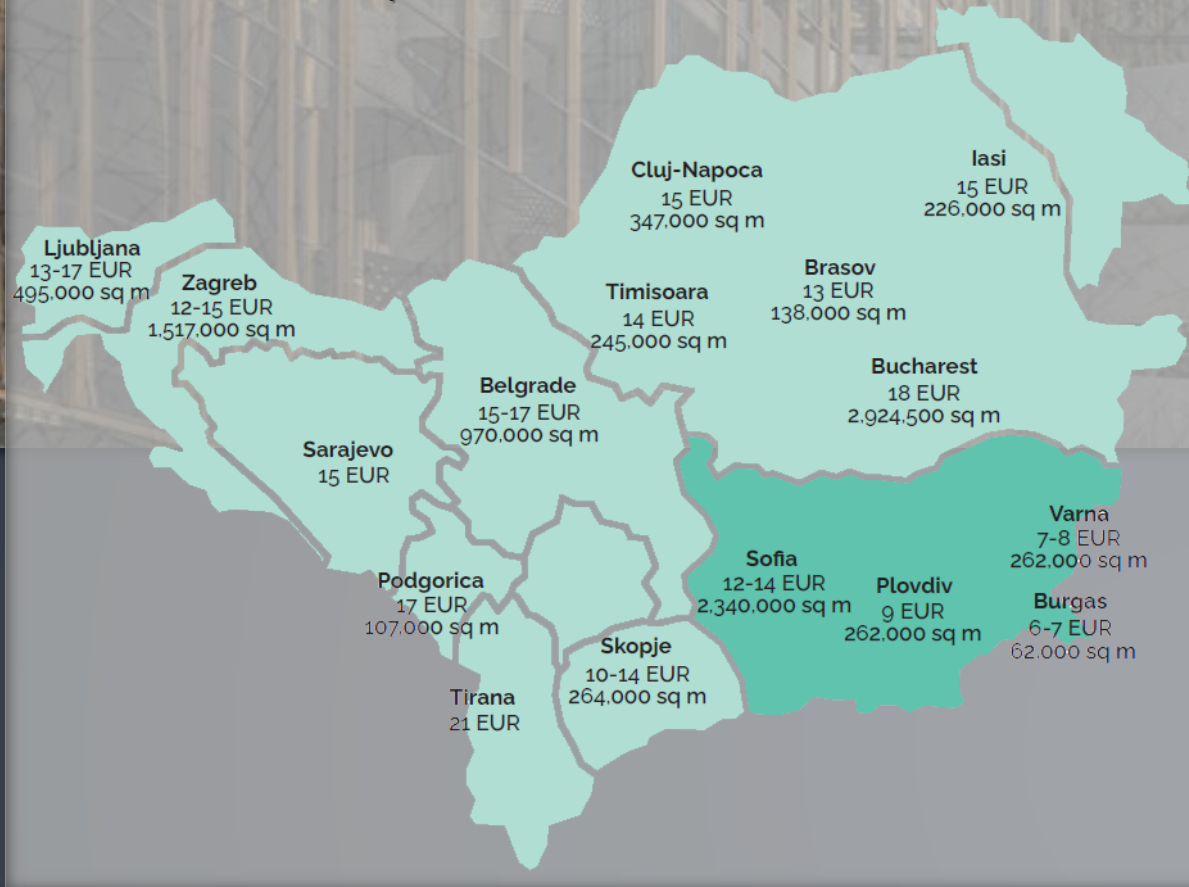
€3.9 B ANNUAL
TURNOVER

6300
ITO & BPO COMPANIES

90 000 FULL-TIME
EMPLOYEES

Office space

Average monthly asking rent for Class A office space (EUR/m²) and available office space



At a regional level, rental prices in Bulgaria's main sourcing locations are the lowest among the 15 major cities in SEE.

Supply continues to grow, fueled by the large number of ongoing new office developments.

Educational System

13 000

students graduated in
computer science,
software development
and mathematics
2015-2021

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.



OVERVIEW OF THE SECTOR



BIOTECHNOLOGIES IN BULGARIA

OVERVIEW OF THE SECTOR



MORE THAN
25 000
EMPLOYEES



1100
BIOTECHNOLOGICAL
COMPANIES



EUR
905 M
ANNUAL TURNOVER

ENERGY INDUSTRY AND RENEWABLE ENERGY SOURCES IN BULGARIA

ENERGY INDUSTRY AND R.E.S.

Renewable energy sources



Electricity, gas, steam and air conditioning supply



- ❑ 8000 people employed in the RES sector;
- ❑ € 1.8 B annual turnover;
- ❑ Total energy supply – 2 550 thousand tonnes of oil equivalent
- ❑ Share of renewable energy in gross final energy consumption in BG is 23% compared to EU 22%.

- ❑ 1 700 enterprises;
- ❑ 31 000 employed in the industry;
- ❑ € 8.4 B annual turnover;
- ❑ € 3.7 B production value.

RESEARCH & DEVELOPMENT

R & D

TOTAL COSTS: EUR 0.52 Billion

TOTAL R&D PERSONNEL: 35 000

TOTAL INTRAMURAL R&D EXPENDITURE BY FIELDS OF SCIENCE

Fields of science	Total (thousand EUR)
Natural sciences	83 593
Engineering and technology	282 729
Medical and health sciences	95 366
Agricultural and veterinary sciences	26 644
Social sciences	12 565
Humanities and the arts	21 143

Reasons to invest in R&D activities:

1. Continuous improvement **2.** New cash flows and higher profits **3.** Reducing the operating expense **4.** Attracting investors **5.** Profit from the protection of the intellectual property

BALNEOLOGY IN BULGARIA

BALNEOLOGY

Bulgaria has about 600 operating deposits of mineral water and 1 600 springs, only 30% of them are being used:

- ❑ Temperature (10° C - 103° C) with proven medicinal properties
- ❑ 0.5 - 63 l / sec - capacity of the mineral springs
- ❑ The total capacity is about 270 million litres per 24 hours
- ❑ 400-1500 m depth of the mineral springs 55% of the total flow is low alkaline water (pH 7.2 -8.2)
- ❑ There are about 65 balneological resorts
- ❑ Mineral waters are fit for human consumption
- ❑ Most resorts are located in mountainous regions of Bulgaria and provide fresh air and perfect conditions for recovery



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	✓		

Class A Investment Incentives



- Individual administrative services;**
- Shortcut on administrative terms – Central and local authorities will reduce the time for providing administrative services by one third compared to the statutory;**
- Financial support for training for acquiring professional qualification**
- Financial support for partial reimbursement of the compulsory insurance contributions made by the investor at his expense, for the state social insurance, for the additional compulsory pension insurance and for the compulsory health insurance for newly hired workers;**
- Acquisition of land or limited rights in rem over immovable property without tender procedure;**
- Financial support for the construction of elements of the technical infrastructure necessary for the implementation of one or more investment projects.**

Class B Investment Incentives



✓ Shortcut on administrative terms – Central and local authorities will reduce the time for providing administrative services by one third compared to the statutory;

✓ Financial support for training for acquiring professional qualification;

✓ Financial support for partial reimbursement of the compulsory insurance contributions made by the investor at his expense, for the state social insurance, for the additional compulsory pension insurance and for the compulsory health insurance for newly hired workers;

✓ Acquisition of land or limited rights in rem over immovable property without tender procedure.

Priority Class Investment Incentives



✓ Includes all Class A Investment incentives;

✓ Acquisition of property rights or limited real rights over properties without tender or competition, including at lower than market prices - by tax assessment;

✓ Exemption from state fees in case of change of land use;

✓ Institutional support through the establishment of the interdepartmental working group for administrative support;

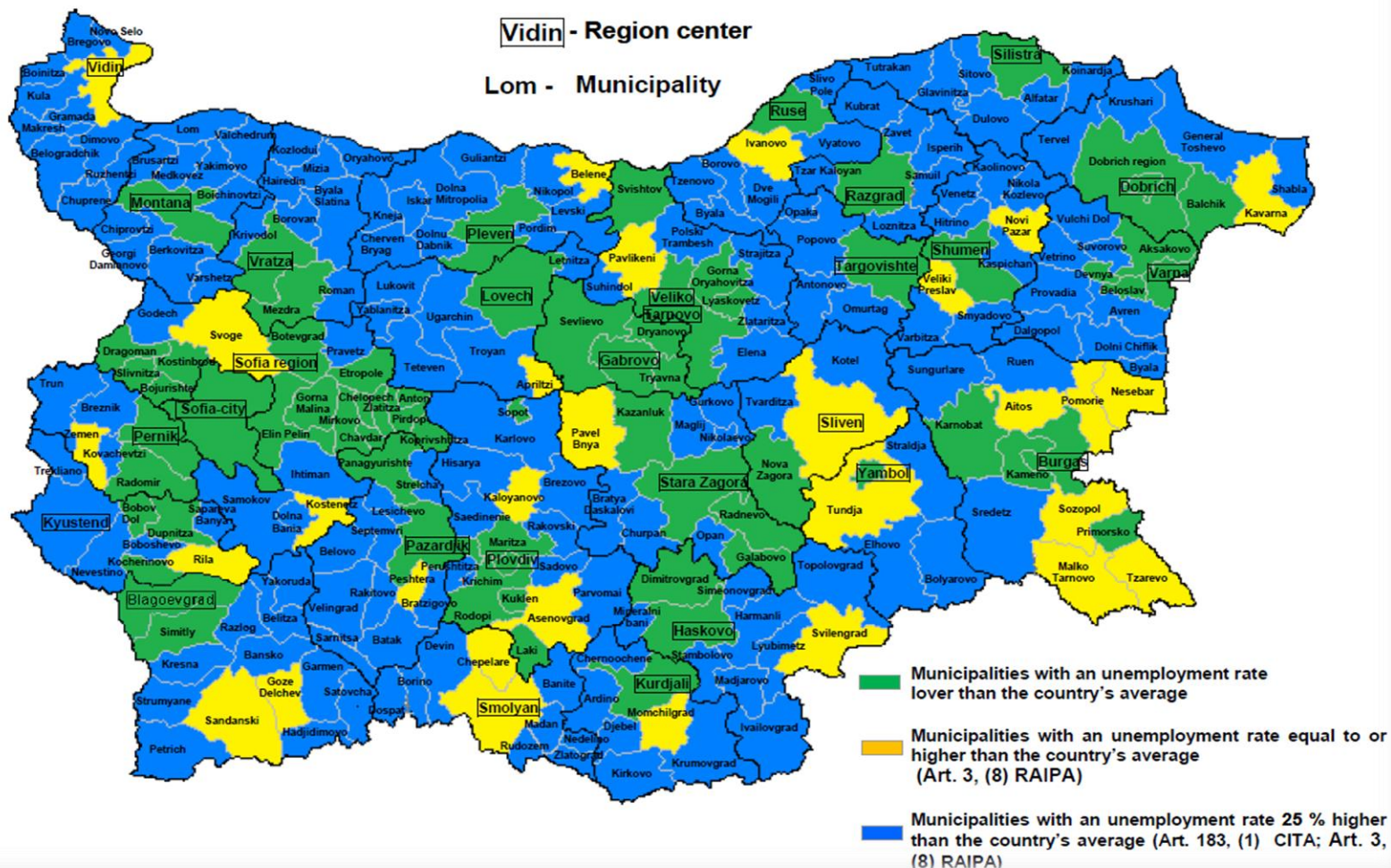
✓ Provision of grants up to 50 percent maximum aid intensity for investments in education and R&D sectors;

✓ Provision of a grant up to the ceiling of the maximum aid intensity for investment in the processing industry.

Unemployment map

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

MUNICIPAL LEVEL OF UNEMPLOYMENT



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.

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
- ❑ 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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