



INVEST IN BULGARIA
MOVE TO BE MOVED

Content



**MACROECONOMIC
INDICATORS**



**COST OF
BUSINESS**



**SECTORS
IN BULGARIA**



**EDUCATIONAL
SYSTEM**



**WHAT
BULGARIA
OFFERS**

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
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

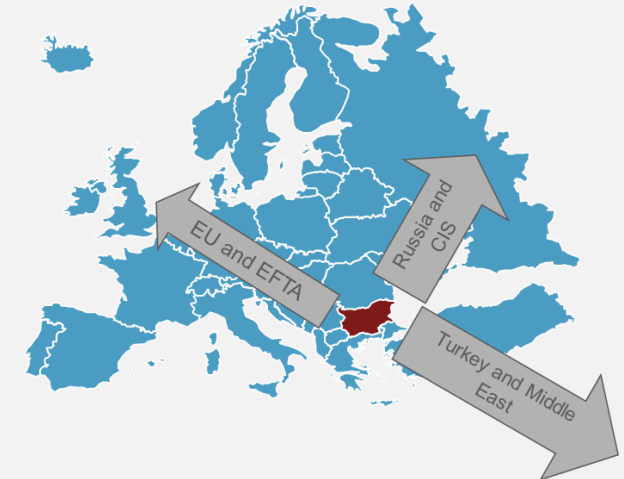


Where Bulgaria stands



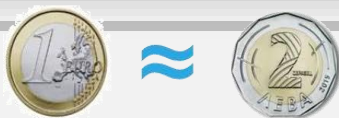
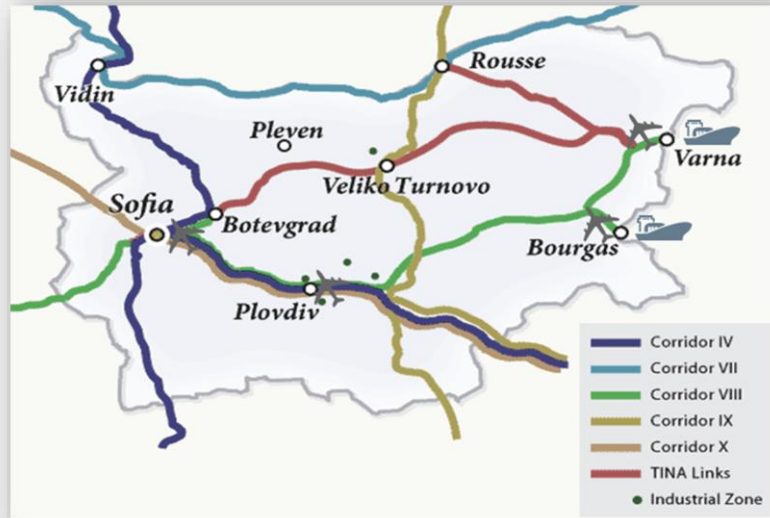
POLITICAL STABILITY

Bulgaria is a member of the European Union, NATO and WTO.



STRATEGIC LOCATION

Five Pan-European corridors which pass through the country
Four major airports: Sofia, Plovdiv, Varna and Burgas
Two main seaports: Varna and Burgas
Numerous ports along the Danube River



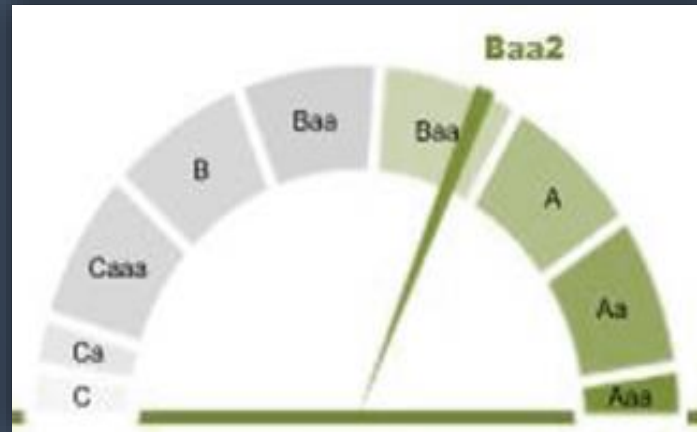
Credit Ratings

THE STATE OF BEING STABLE

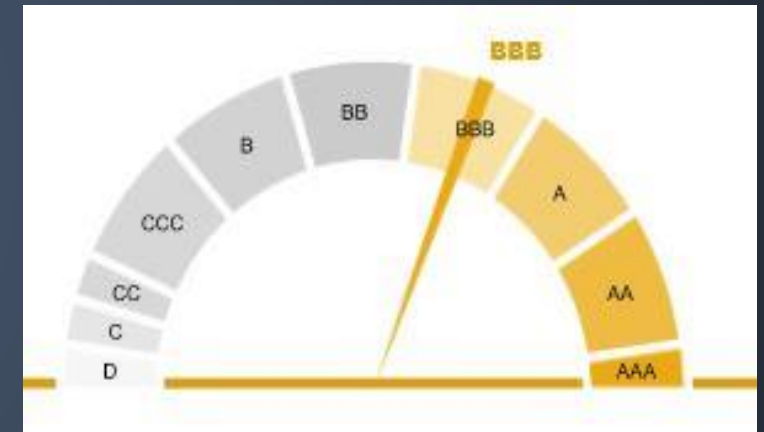
Fitch



Moody's



Standard & Poor's



Cost of business



ELECTRICITY

0,116 €
(€/kWh)



GAS

0.031€
(€/KWh)



WATER

1.09 €
(€/m³)



RENTS

8 €
(m²/month)



LABOR COST

312 €
Minimum

One of the most competitive costs in Europe!



3.8%
GDP GROWTH
RATE IN 2017

3.1%
GDP GROWTH
RATE IN 2018

3.4%
GDP GROWTH
RATE IN 2019

GDP growth has been accelerating for the last few 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

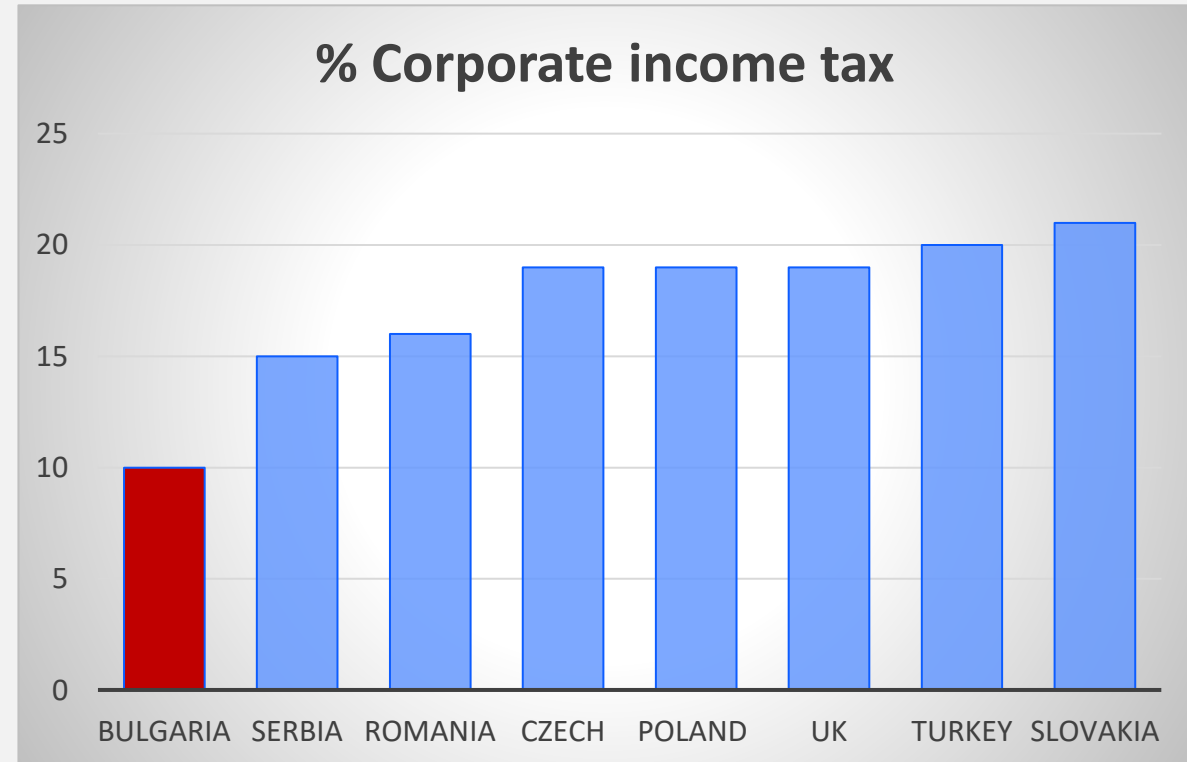
Bulgaria has attractive taxation system.

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

Bulgaria: Vocational secondary education

Talanted People



430

VOCATIONAL SECONDARY
SCHOOLS



21 239

VOCATIONAL EDUCATION
STUDENTS



307

VOCATIONAL TRAINING
SCHOOLS WITH TECHNICAL
SPECIALTIES



134 616

STUDENTS STUDYING
VIII - XII GRADE

651

SECONDARY AND UPPER
SECONDARY SCHOOLS

2 346

STUDENTS IN DUAL TRAINING

Starting a Business

Workflow of registration a company



THE PROJECT

Bulgaria has aligned its regulations & institutions with the most efficient practices in business registration.



+ € 150

Lawyer fees for registration a company



Have company documents notarized
€50 notary fees

1
day

Deposit paid – up capital in a bank
€1 paid – up capital / €30 bank fees

1
day

Registration in the commercial register
€28 state tax (online – based registration)

2
day

Registration for VAT at the national revenue agency free

14
day

INDUSTRIAL ZONES

A total of 11 projects

- Over 8 000 000 m² total area
- 76 409 m² built-up area
- 240 500 m² open-air warehouses



Six operating zones

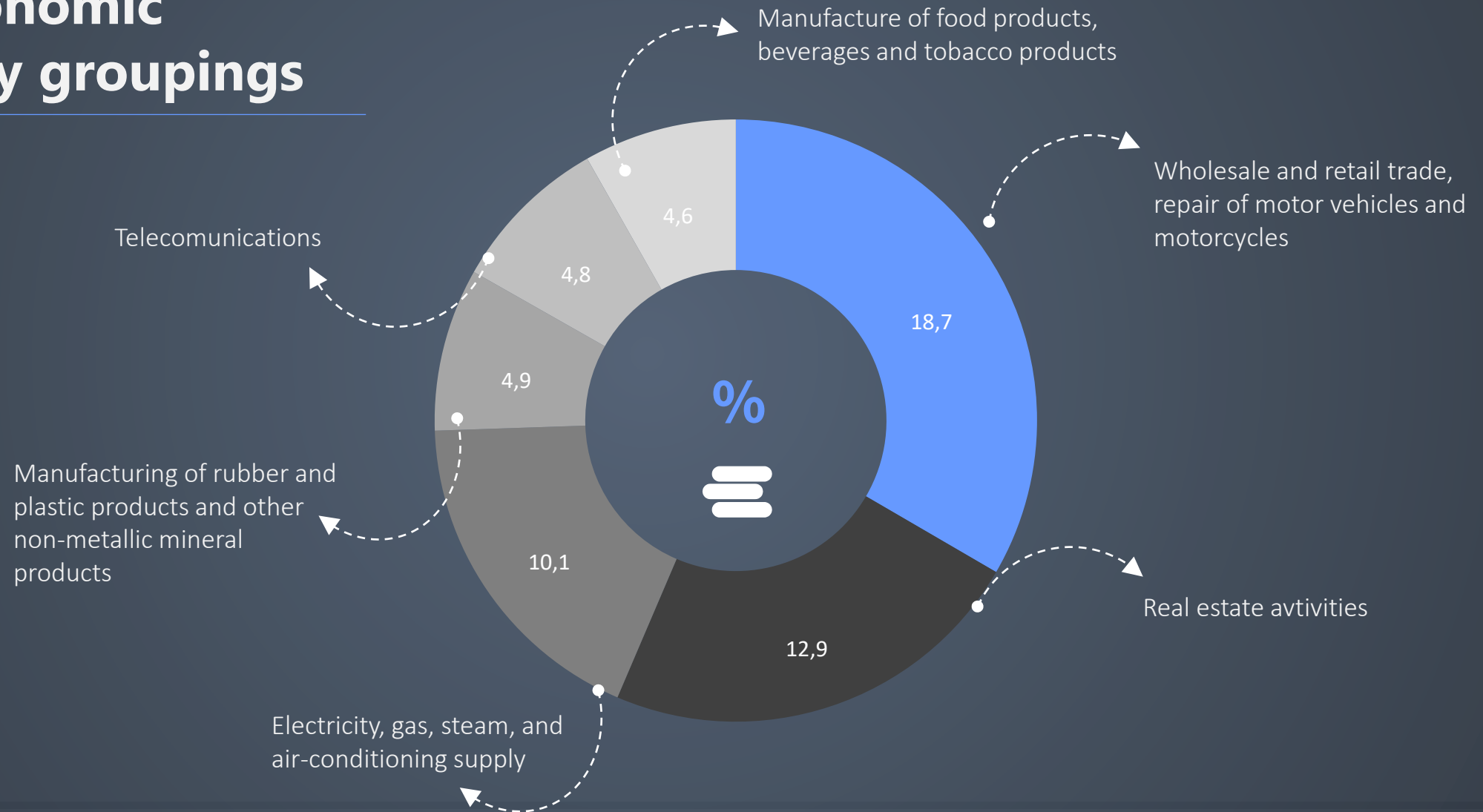
- **Sofia-Bozhurishte** Economic Zone
- Industrial & Logistics Park – **Bourgas**
- Free Zone **Rousse**
- Free Zone **Svilengrad**

Five zones under development

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

Foreign direct investments

By economic activity groupings



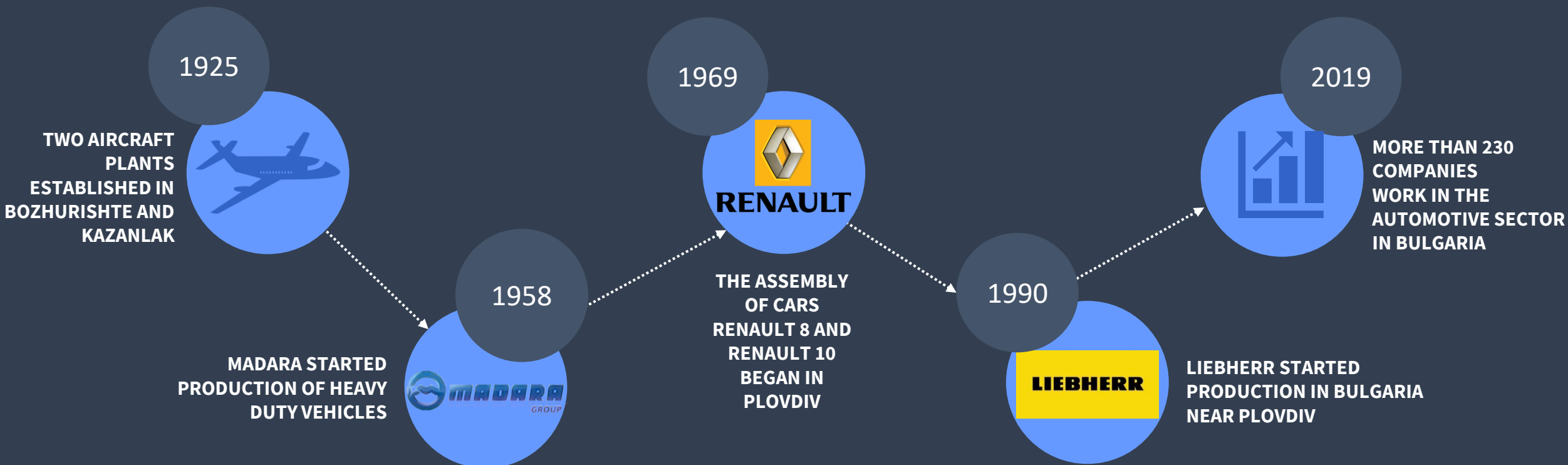
AUTOMOTIVE SECTOR IN BULGARIA

OVERVIEW OF THE SECTOR



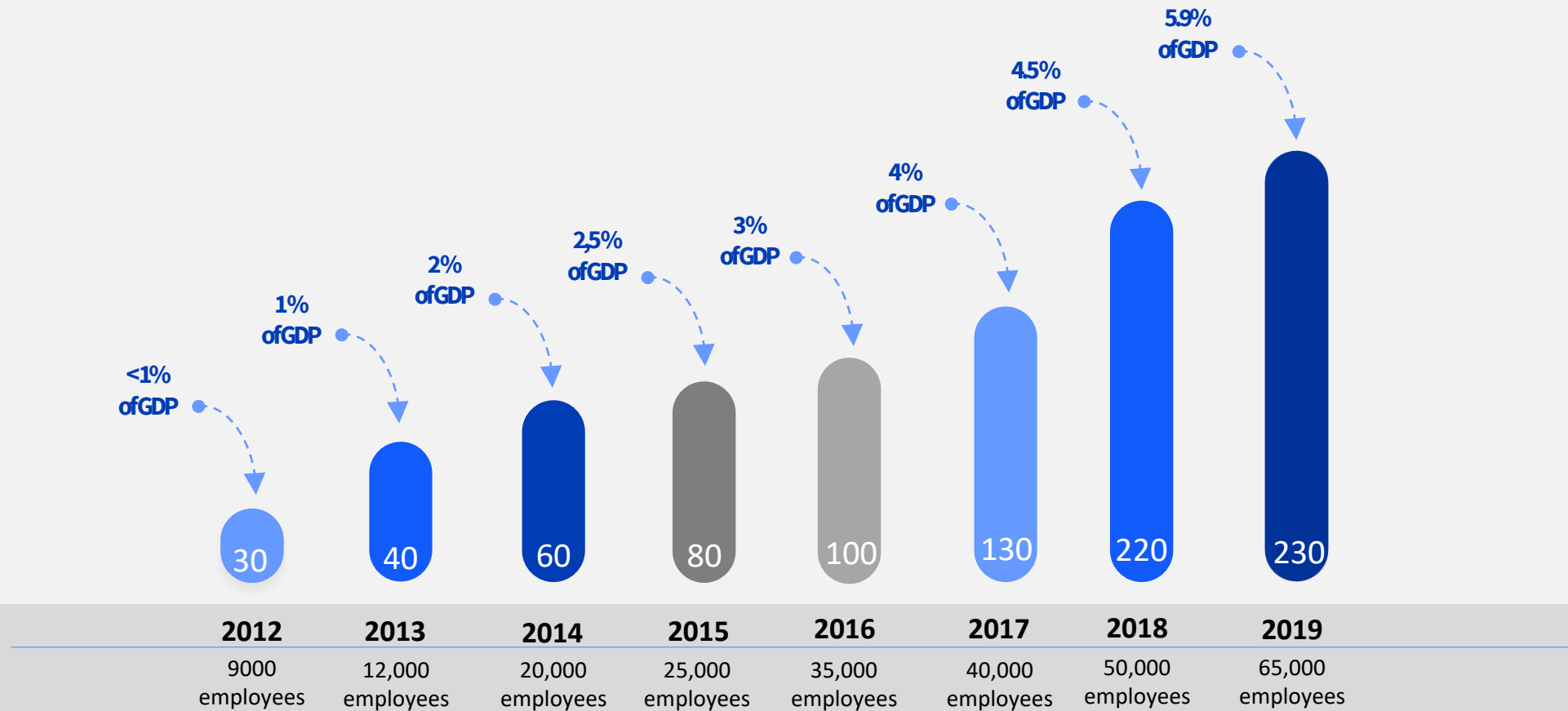
90% OF THE CARS IN EUROPE HAVE PARTS PRODUCED IN BULGARIA

BASIC HISTORY FACTS

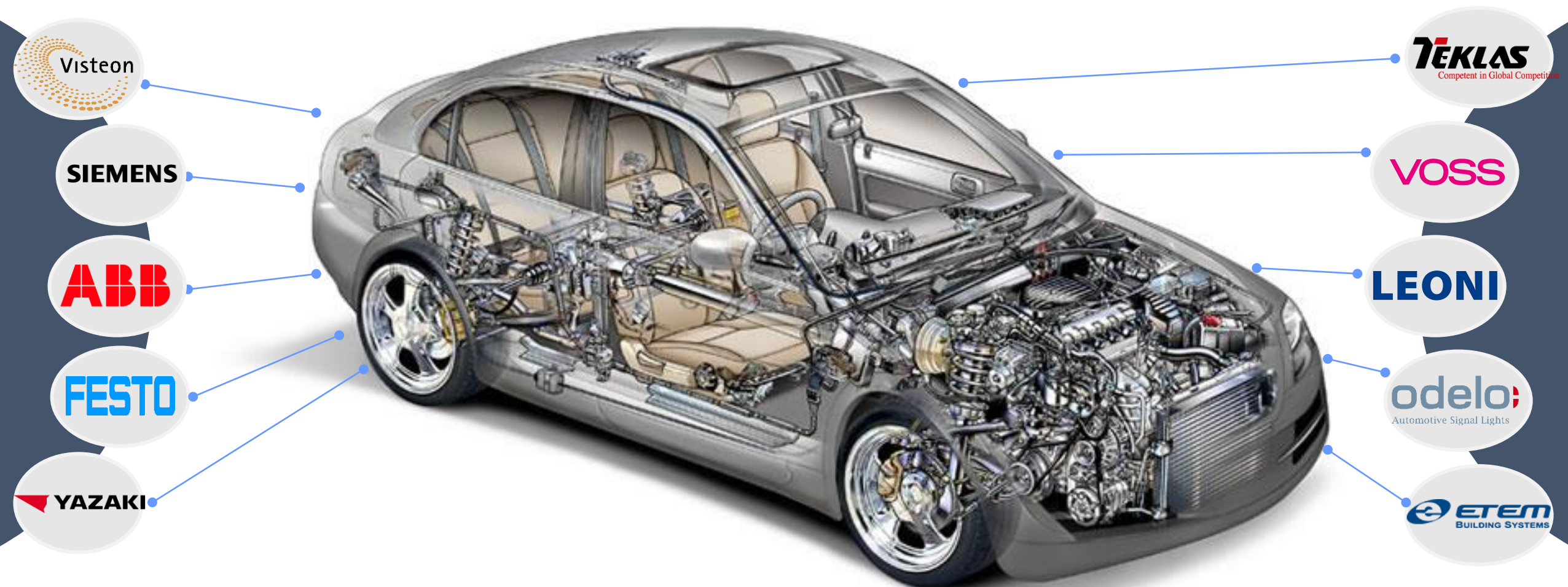


AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA

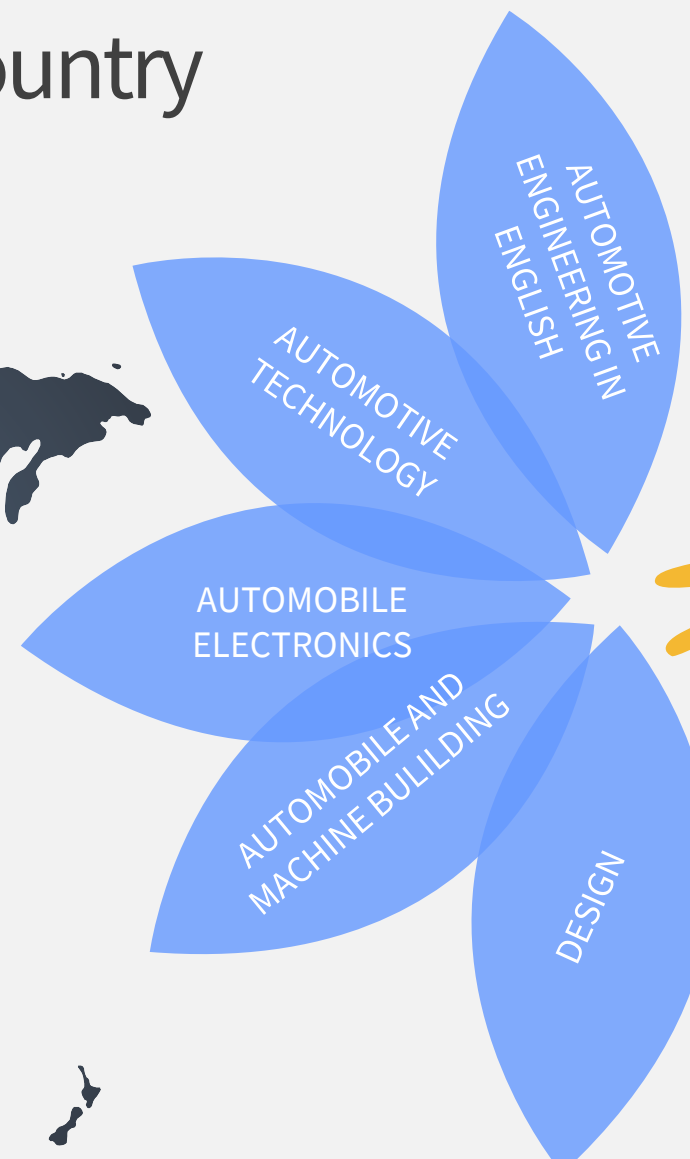
Companies Growth in the Automotive Industry



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



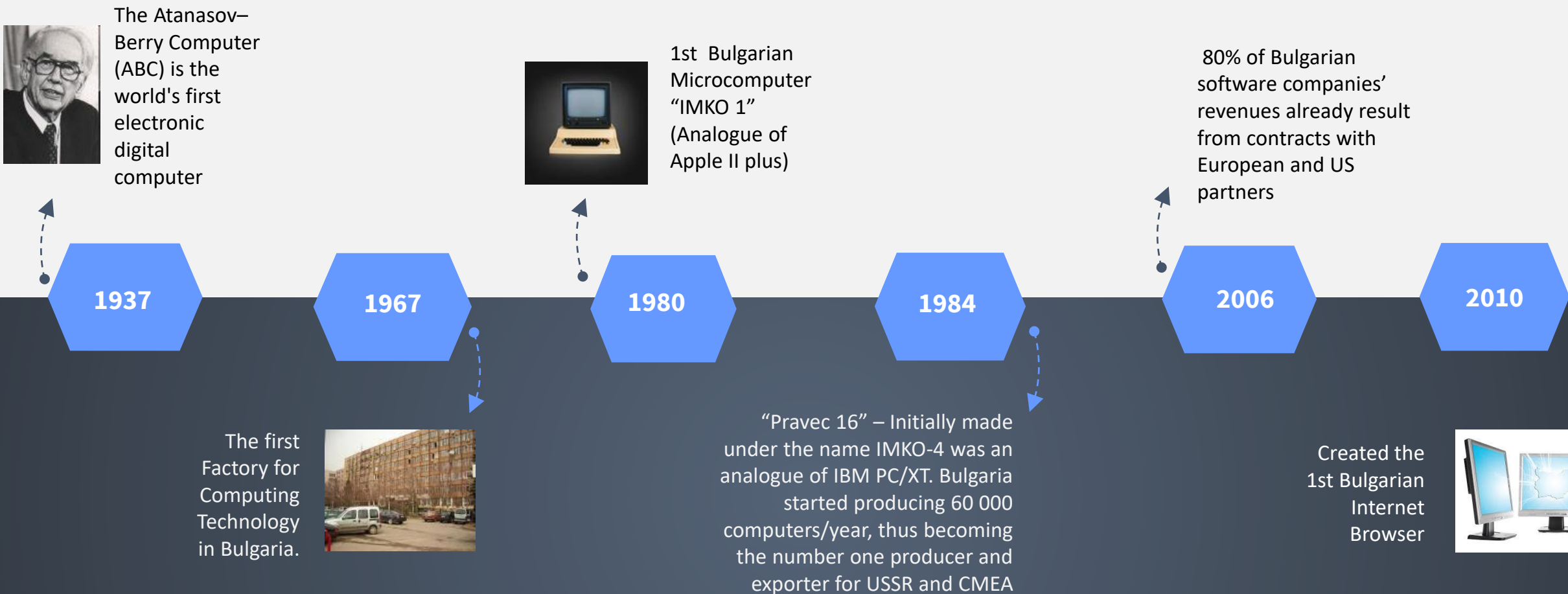
Technical High Schools and Universities are located all over the country



11 Technical Universities in Bulgaria

IT AND BPO SECTOR IN BULGARIA

Bulgaria has long experience and traditions in the IT Sector



Data for 2018

€ 2.4 B CONTRIBUTION TO
GDP/2018
5.2%

€ 2.4 M ANNUAL
OPERATING
REVENUE
19.5% growth

583 BPO & ITO
COMPANIES

€ 4.8 B EXPECTED
TURNOVER
by 2022
x2 growth

€ 174 M NET PROFIT
57.4% growth

67 000 FULL-TIME
EMPLOYEES

Educational System

10 400

students graduated in
computer science,
software development
and mathematics
2014-2019

12 000

students were enrolled
in these majors in
2018/2019

20 000

university and college
graduates that could be
suitable employees for
the sourcing industry in
2018

**... 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.



1st in Export by Product Group

Between 2007 and 2018 the export of the product group has increased 4 times - from EUR 776 M to EUR 3.06 B



Rich History & Established Traditions



1890

FIRST STEPS

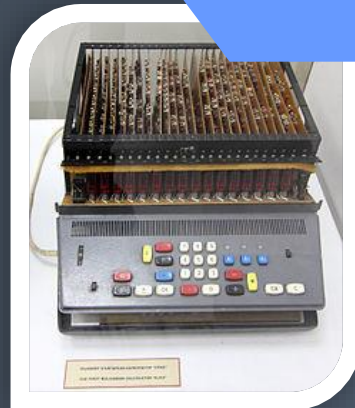
SIEMENS PARTICIPATED IN BUILDING THE TELEGRAPHIC NETWORK IN BULGARIA.



1985 - 1988

PEAK OF THE INDUSTRY – THE MODERN COMPUTERS

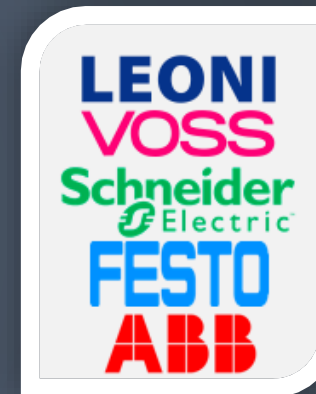
ELECTRONICS COMPRISES 25% OF BULGARIAN MANUFACTURING AND MORE THAN 40% OF THE MAINFRAMES AND PERSONAL COMPUTERS IN EASTERN EUROPE. 130 000 PEOPLE ARE EMPLOYED IN THE INDUSTRY.



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 - 2019

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.

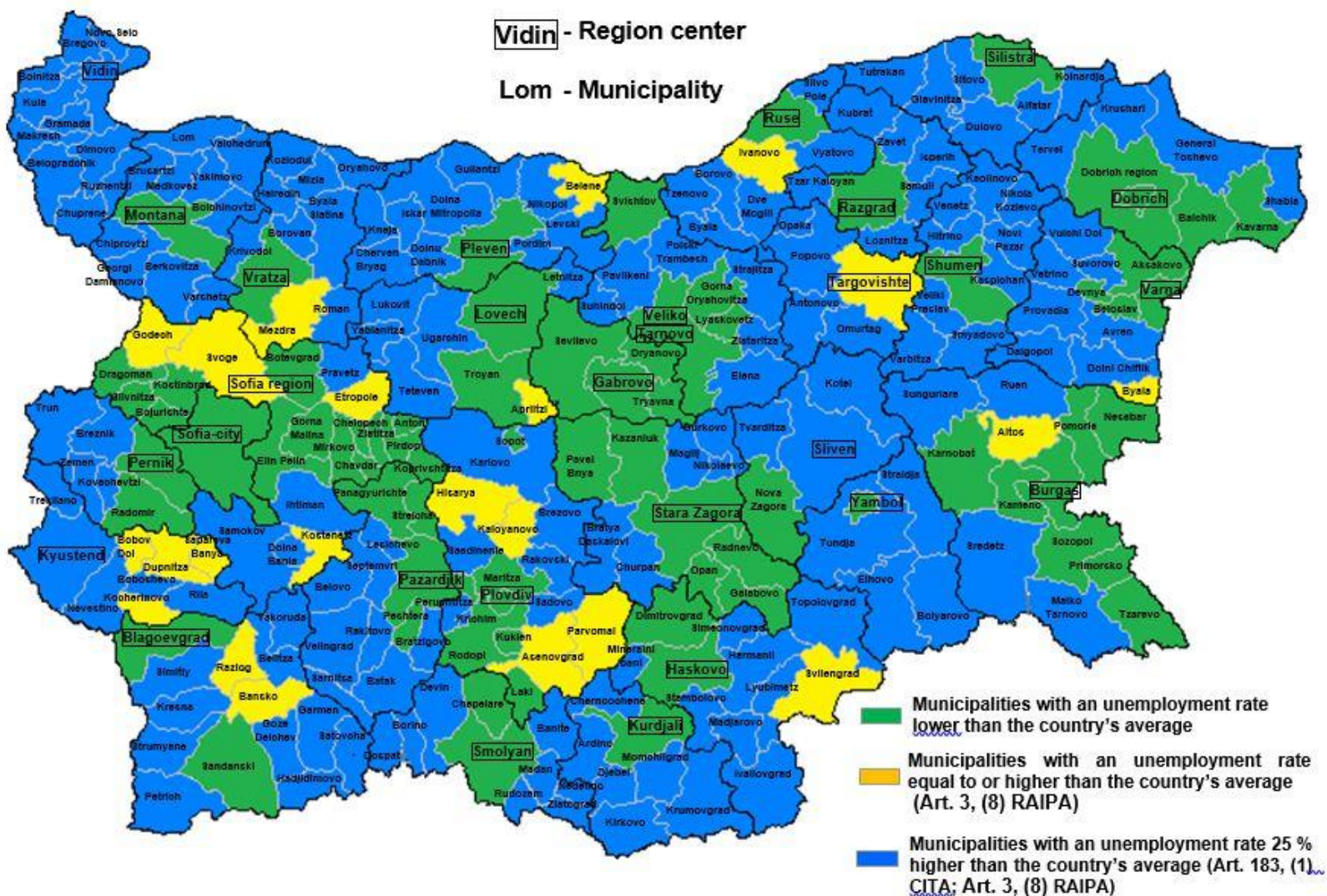
Certificates

Incentives under the Investment Promotion Act

		Priority Class	Class A	Class B
		€ 50.00 M 50 – 150 Jobs	€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K– 2.50 M 10 – 100 Jobs
	 Common EU rules and procedures exist	THRESHOLD		
		INCENTIVES		
		SHORT CUT ON ADMINISTRATIVE TERMS	✓	✓
		NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND	✓	✓
	 Special Rules for Big Projects	FINANCING VOCATIONAL TRAINING	✓	✓
		SOCIAL SECURITY CASH BACK	✓	✓
		INDIVIDUAL SERVICES	✓	
		FINANCING TECHNICAL INFRASTRUCTURE	✓	
	 Bulgaria, as a Member State of the EU, is required to apply the State aid regime	PUBLIC-PRIVATE PARTNERSHIP	✓	
		NO TAX ON CHANGING LAND STATUS	✓	
		BUYING PUBLIC LAND ON FAVOURABLE PRICES	✓	
		GRANTS FOR R&D	✓	

Unemployment map

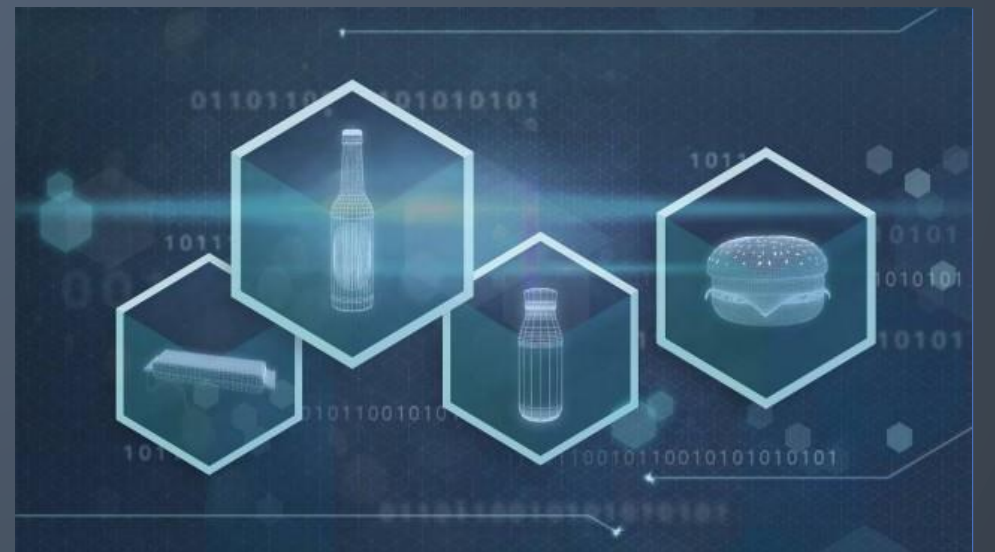
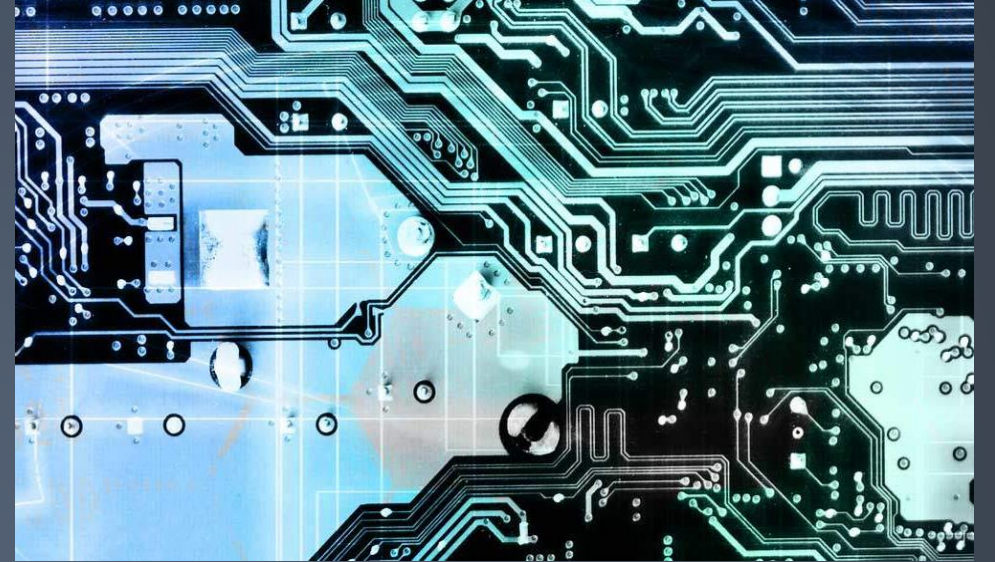
0% corporate tax rate in zones with unemployment 25% or higher than the average



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 ?

POLITICAL AND BUSINESS 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

MOVE TO BE MOVED



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