



BULGARIA:
Economic overview



General information

Official name:	Republic of Bulgaria
Area:	110 994 sq.m.
Population:	7.2 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



Focus on Bulgaria



- Member of EU, NATO and WTO
- Strategic geographical location and openness to foreign markets: crossroad between Europe, Asia and Africa
- Lowest labour cost and favourable taxes in the EU

BULGARIA SOVEREIGN CREDIT RATINGS

FitchRatings

BBB- Stable
04.12.2015

MOODY'S

Baa2 Stable
05.06.2015

**STANDARD
& POOR'S**

BB+
11.12.2015

Did you know that 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%.

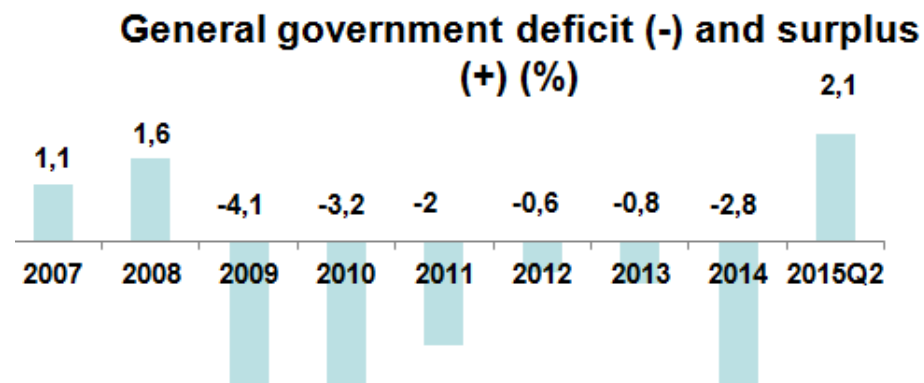
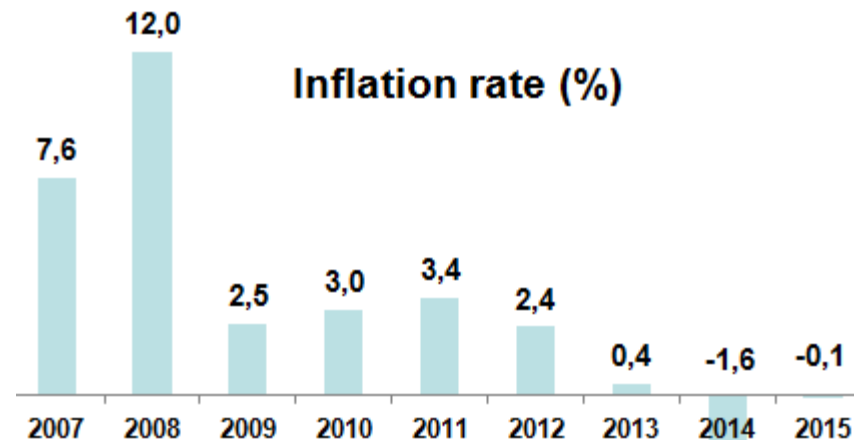
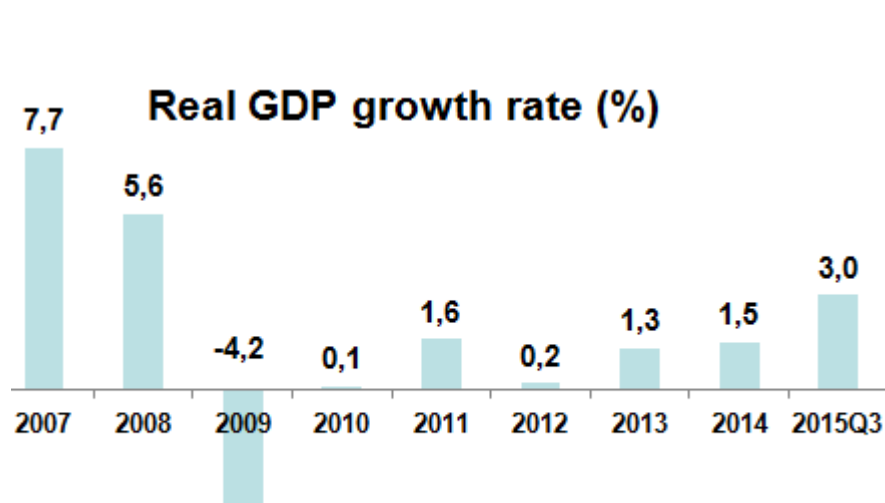


...is the best outsourcing destination in Europe, according to Cushman & Wakefield's rating for 2015. In the world our country takes the third place.



...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

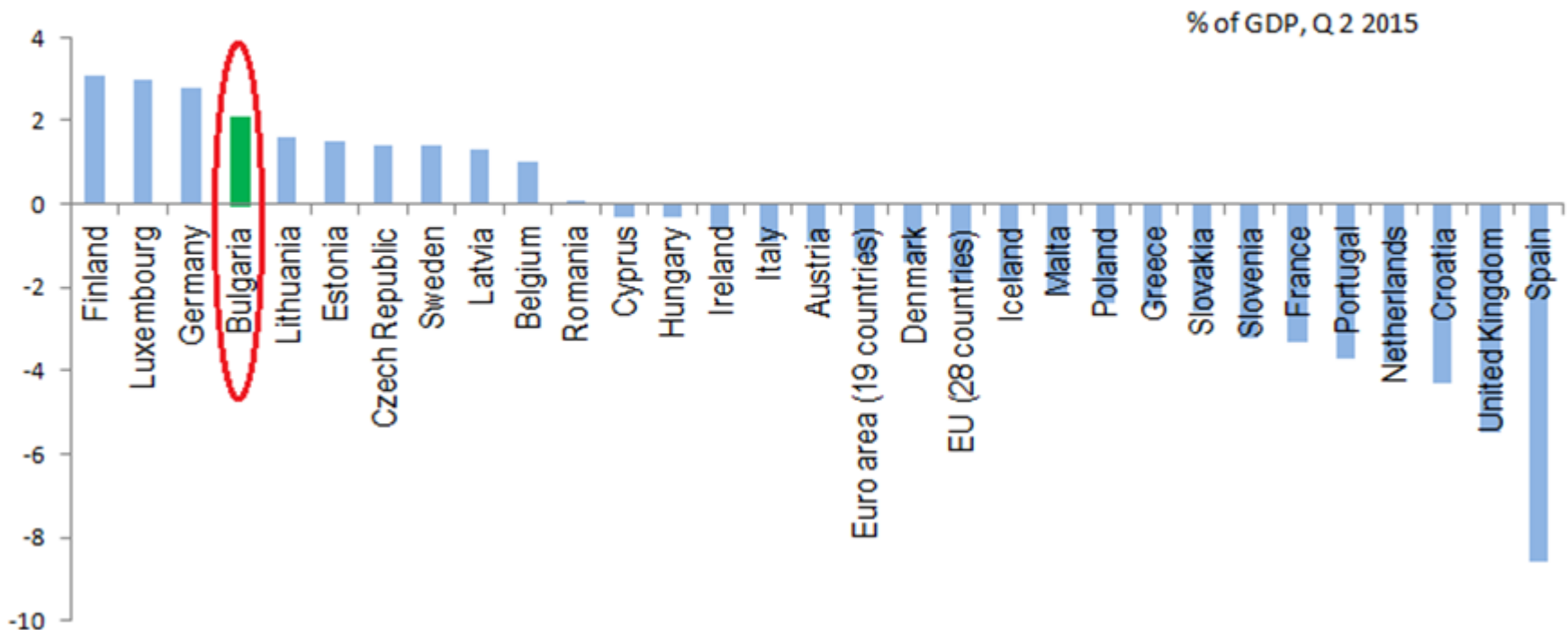
Macroeconomic indicators



Financial stability

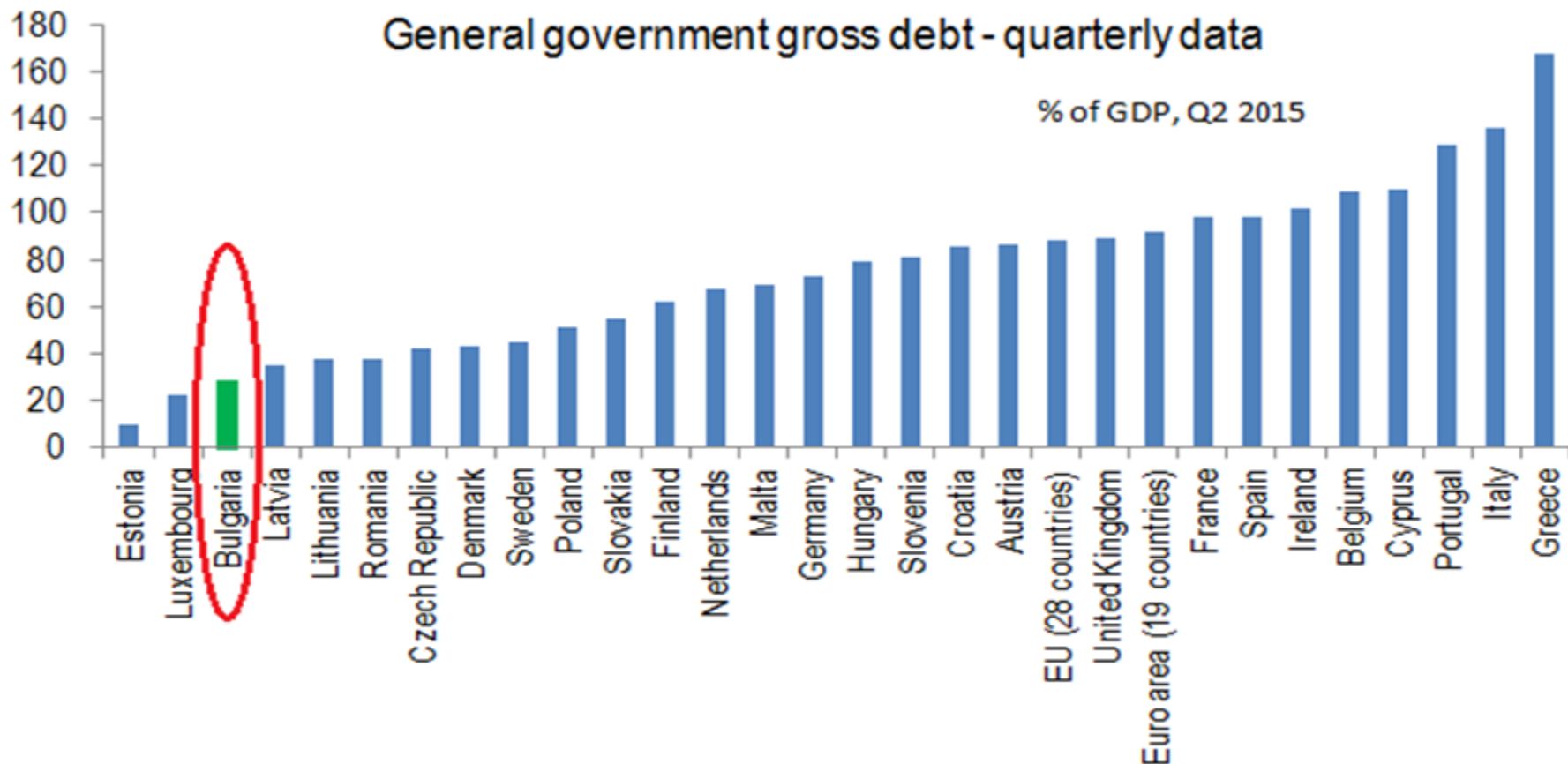
Bulgaria has one of leading positions by highest budget surplus (2.1%) – 4th place in the EU for Q2 2015

General government deficit (-) and surplus (+) - quarterly data



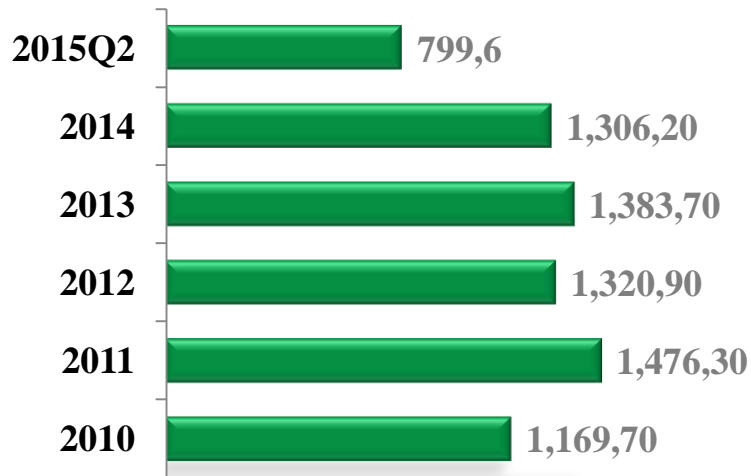
Financial stability (2)

Bulgaria has the **THIRD** lowest government debt (28.3%) in EU

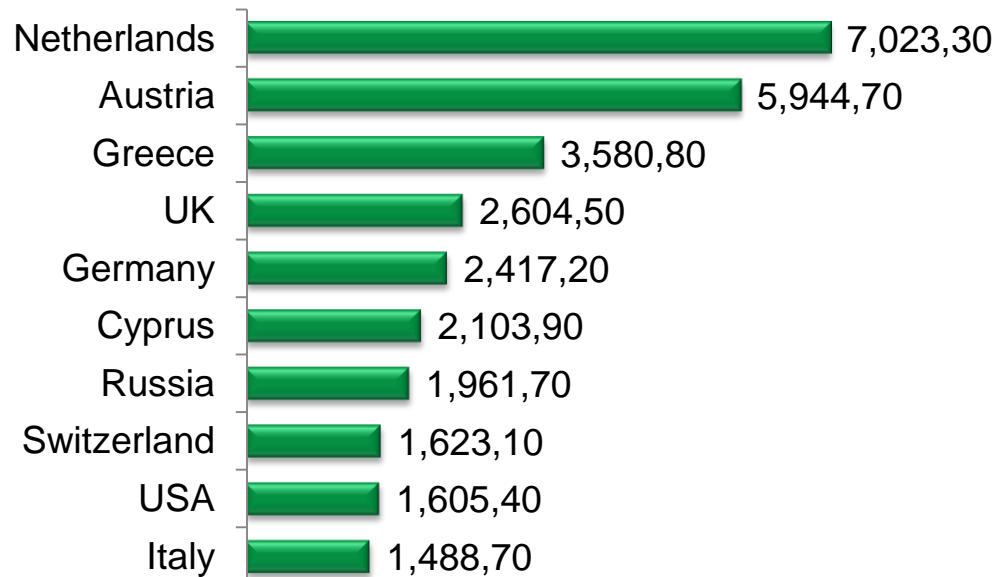


Foreign direct investment

FDI Inflow(€ mln.)

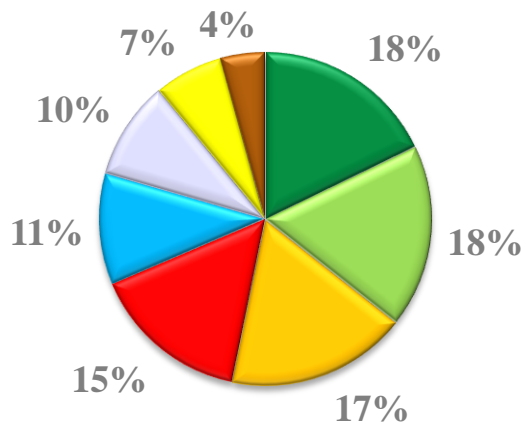


FDI by host country, 1996-2014(€ mln.)

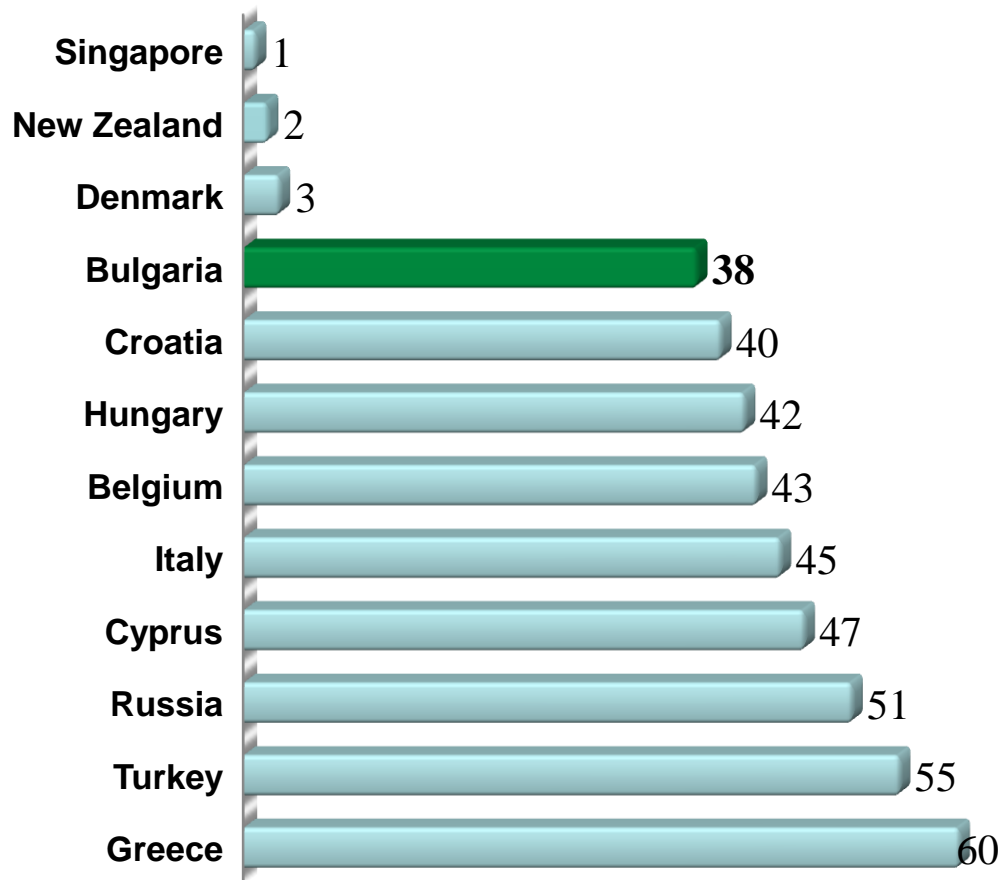


FDI Inflow by Industry(€ mln.)

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



Doing business



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)

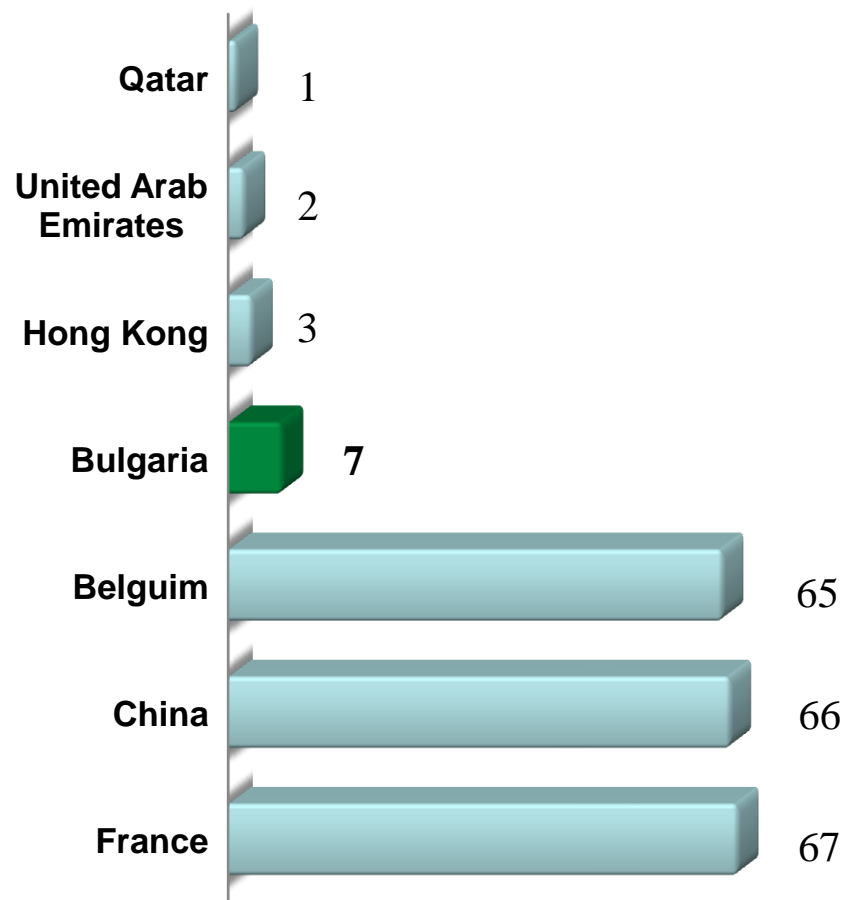


Cost of Labor

Salary(Min.) - 196 €

Salary(Avg.) - 450 €

Taxation



Bulgaria is the 7th least tax burden country in Forbes ranking of “Tax misery and Reform Index” 2009

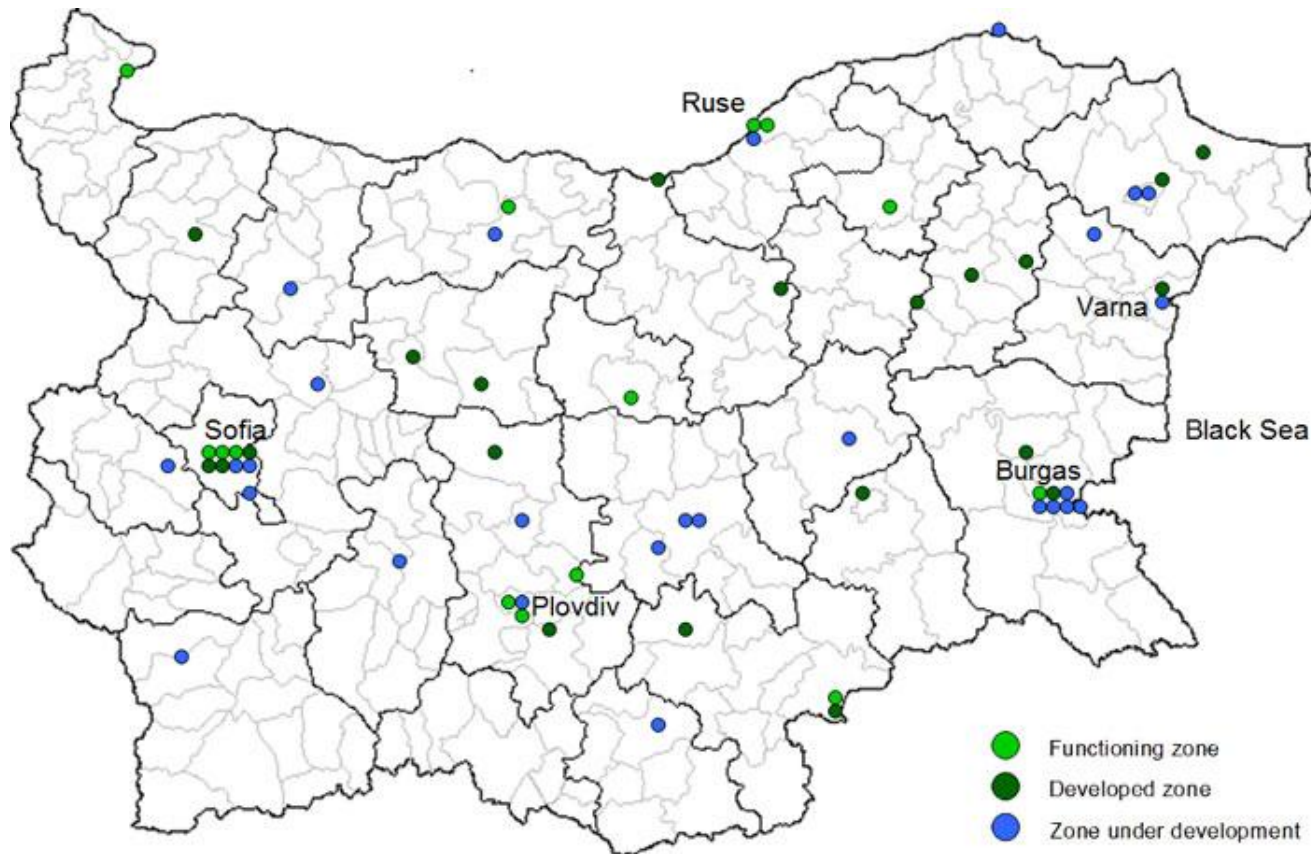
Forbes

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

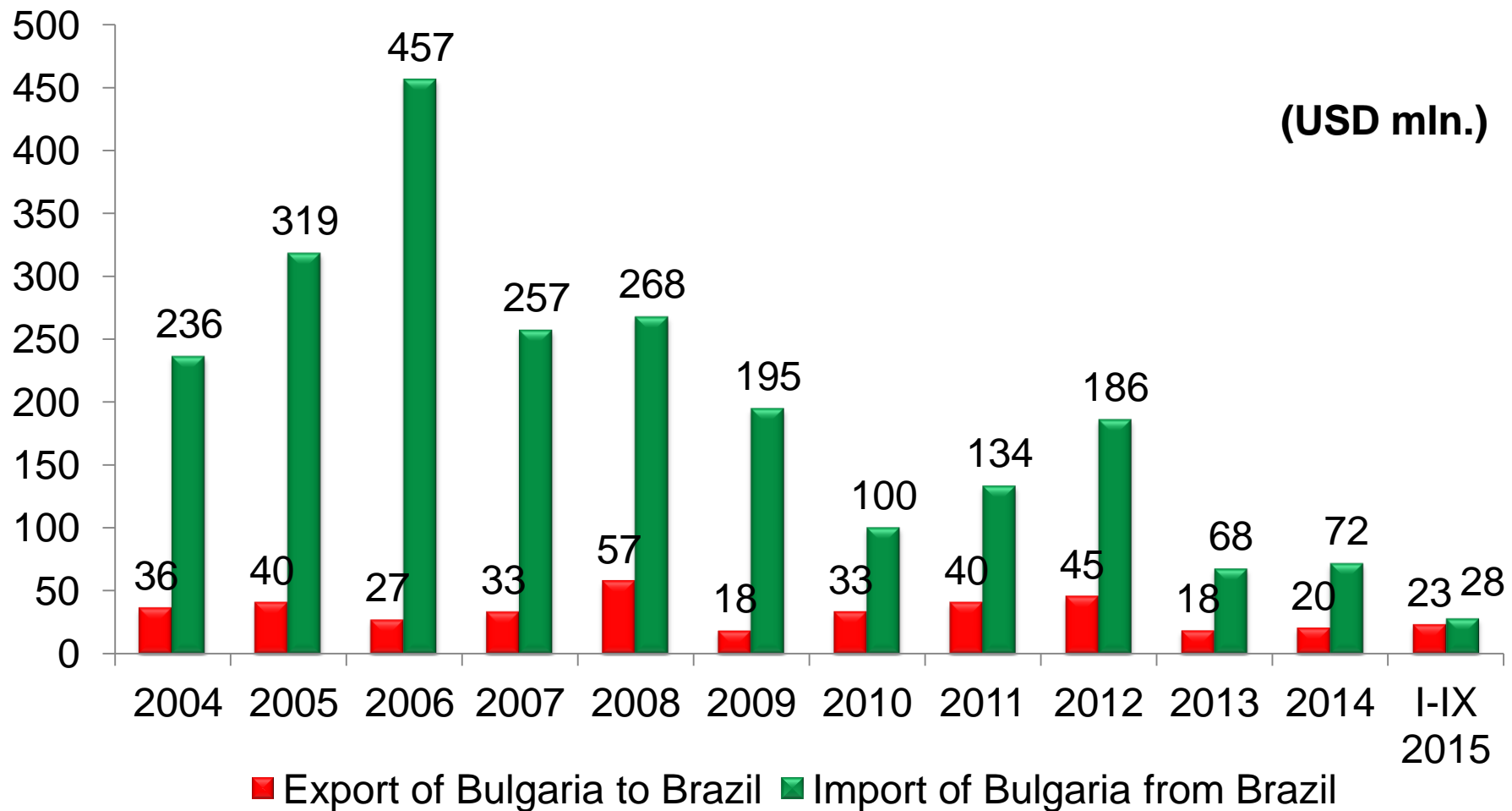


Industrial zones



For more information and details of each zone, visit the following address:
<http://www.bcci.bg/zones/>

Bilateral relations Bulgaria-Brazil



The government supports specific industries under the Investment Promotion Act (IPA):

- Investments must be related to the following sectors:
 - Manufacturing
 - Research & development
 - Education
 - Healthcare
 - High-tech services
 - Warehousing and logistics
- Minimum investment amounts must exceed €2.5m
 - €1m in regions with high unemployment and €0.5m for investment projects in high-tech services
- 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 and B 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



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<http://www.investbg.government.bg/en>

Incentives for priority investment projects:

- All the incentives for Class A and B
- Special incentives for priority investment projects:
 - 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.

Bulgarian Chamber of Commerce and Industry

BCCI in figures:

- Established in 1895
- Leading employers' association in Bulgaria – comprising of over 53 000 members (voluntary membership). Access to the BCCI Trade Register: <http://regiter.bcci.bg/IMS/default.aspx>
- 28 Regional Chambers of Commerce and Industry are united in the Unified System of Bulgarian Chambers of Commerce and Industry <http://www.bcci.bg/council-rcci-map-en.html>
- The 105 Sectorial Organizations are united in a Council of Sectorial Organizations at the BCCI <http://www.bcci.bg/members-en.html>
- The BCCI participates in over 247 public-private bodies (as a social partner) and over 10 Joint Chambers of Commerce and Councils. <http://www.bcci.bg/JointChamBG/en/>

International participation:



International Organization of Employers



International Chamber of Commerce



EUROCHAMBRES



Enterprise Europe Network



Association of the Balkan Chambers (ABC)



World Trade Centers Association



BSEC Business Council (BSEC BC)



CEFTA
Central European Free Trade Agreement
SECRETARIAT

Central European Free Trade Agreement (CEFTA)



Regional Cooperation Council

Regional Cooperation Council (RCC)



Southeast European Cooperative Initiative (SECI)



Central European Initiative (CEI)



The global language of business

International Association GS1

Bulgarian Chamber of Commerce and Industry (2)

Our services:

CONSULTATIONS on:

- Economic activity
- Legal and tax issues
- Projects for financing
- Marketing research

For Contacts: M.Damyanova@bccci.bg

INTERNATIONAL COOPERATION

- Business delegations in the country and abroad
- Workshops and seminars for entrepreneurs
- Business offers /demand, supply, cooperation/

For Contacts: interdpt@bccci.bg , G.Dimitrova@bccci.bg

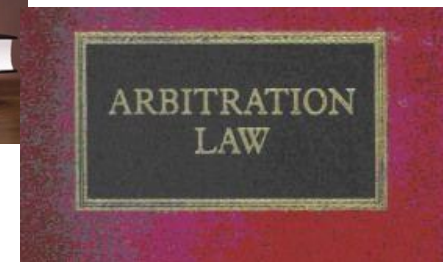


Bulgarian Chamber of Commerce and Industry (3)

Our services:

ARBITRATION COURT

- Simplified procedure notified in advance to both the parties.
- The arbitration procedure is average 6 times faster than state court;
- Arbitration fee for cases than 1 mln USD is 6 times cheaper than state court;
- The procedure is of one instance. 98 % of the cases are settled usually within 12 months.
- The arbitration awards are final;
- The parties and their legal and contractual, representatives have electronic access to the cases.



For Contacts: acourt@bccci.bg

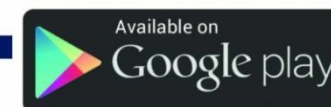
BG Barcode



GS1 BULGARIA

- Member of the global organization GS1, which allocates global identification number for marking with barcodes of the products and supports the electronic data interchange between trading partners.

For Contacts: gs1bulgaria@gs1bg.org



BCCI's best practices

- New mobile applications for Android and iOS
- Data base with legislation changes
- National Competition for young people
- Trainings at the BCCI's Court of Arbitration



Thank you for your attention!

Tsvetan Simeonov BCCI President

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