



# **Bulgaria – an attractive place for business and investment**

29<sup>th</sup> October 2014

Budapest, Hungary

# Main principles and priorities

BCCI stands for:

- More equity investment friendly tax regimes
- Low government debt
- Low business costs
- Political and business stability
- Internationalization of markets
- Balance between professional and vocational education

# International participation of the Bulgarian Chamber of Commerce and Industry



International Chamber of Commerce



Regional Cooperation Council (RCC)



World Trade Centers Association



Southeast European Cooperative Initiative (SECI)



Association of European Chamber of Commerce



Central European Initiative (CEI)



Association of the Balkan Chambers (ABC)



Enterprise Europe Network



BSEC Business Council (BSEC BC)



International Association GS1



Central European Free Trade Agreement (CEFTA)

## The role of the BCCI

- **Promotion of the international economic relations**
- **Joined activities with partnering organizations**
- **Equal services for Bulgarian and foreign companies**
  - approximately 53 000 members
  - 104 sectorial organizations
  - 28 Regional Chambers
- **Good contact with the Government**
- **Participation in the social dialogue with the state**
- **Provision of a great number of services to the business**
- **Foreign-economic co-operation**
- **Settlement of trade disputes**

## 28 Regional Chambers of Commerce and Industry



## Challenges before BCCI as an employers' organization

- Requests for less regulations
- Limiting the preconditions for corruption in the procurement procedures
- Creating peaceful and more flexible labor market, as well as simplified conditions for initiating and terminating the employment

## Our services

- **Consultations on economic activity**
- **Detailed business information about companies operating in Bulgaria**
- **Financial data about leading companies**
- **Business delegations in the country and abroad**
- **Consultations on marketing research**
- **Workshops and seminars for entrepreneurs**
- **Consultations on legal and tax issues**
- **Consultations on projects for financing**
- **Arbitration Court**
- **Council GS1 Bulgaria**

# Bulgaria – an Attractive Destination for Foreign Direct Investments

## ➤ Political and business stability

- EU and NATO member
- Currency board
- Low budget deficit and government debt

## ➤ Low cost of doing business

- 10% corporate tax rate (0% in high unemployment areas)
- 10% personal income tax
- Lowest cost of labor within EU
- Favorable office rents and low cost of utilities

## ➤ Access to markets

- European Union / EFTA
- Russia
- Turkey / Middle East

## ➤ Educated and skilled workforce

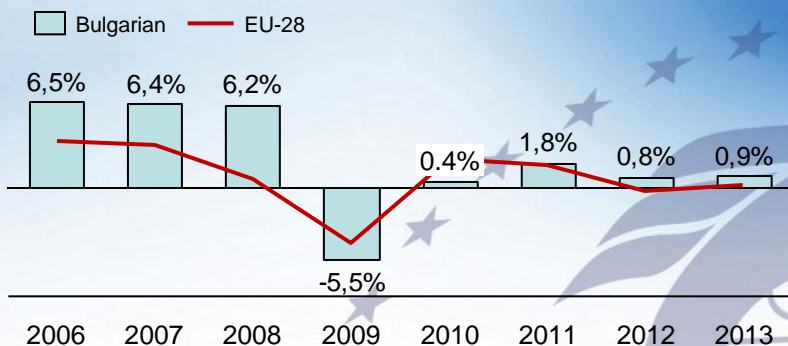
## ➤ Government incentives



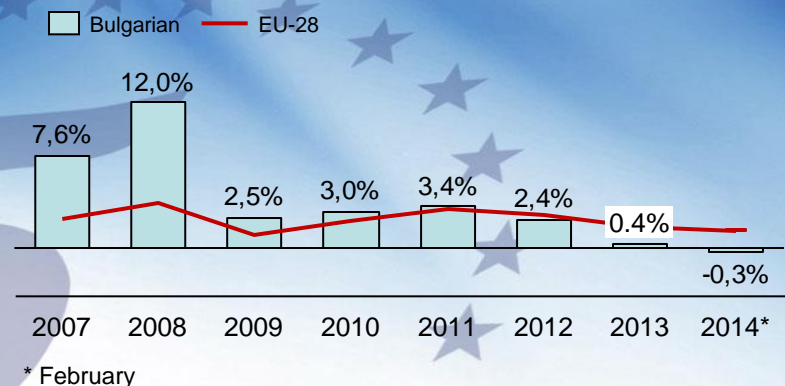


# Macroeconomic indicators

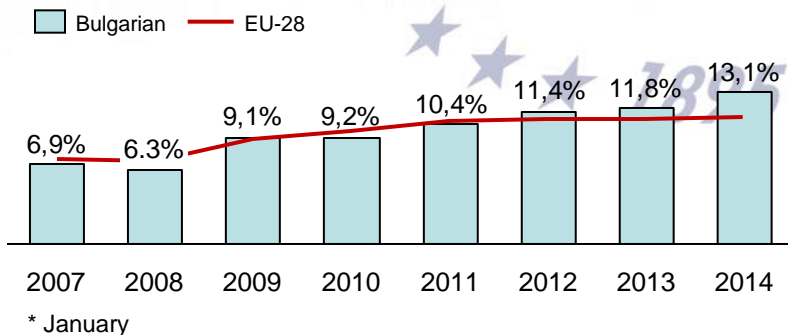
## Real GDP Growth



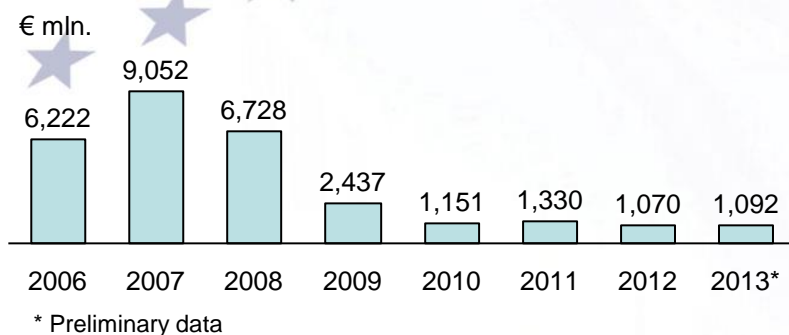
## Inflation (HICP)



## Unemployment

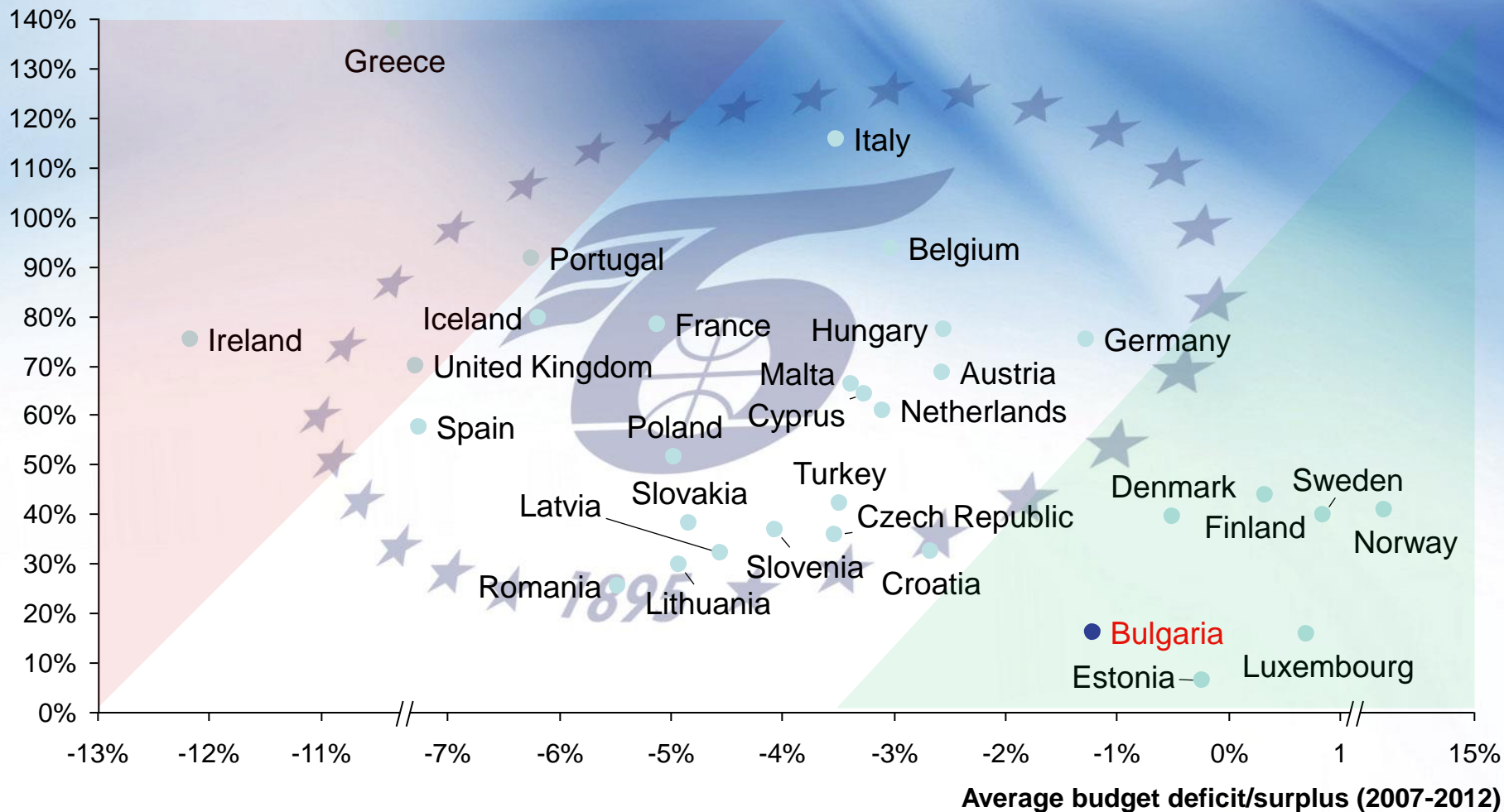


## FDI Inflow



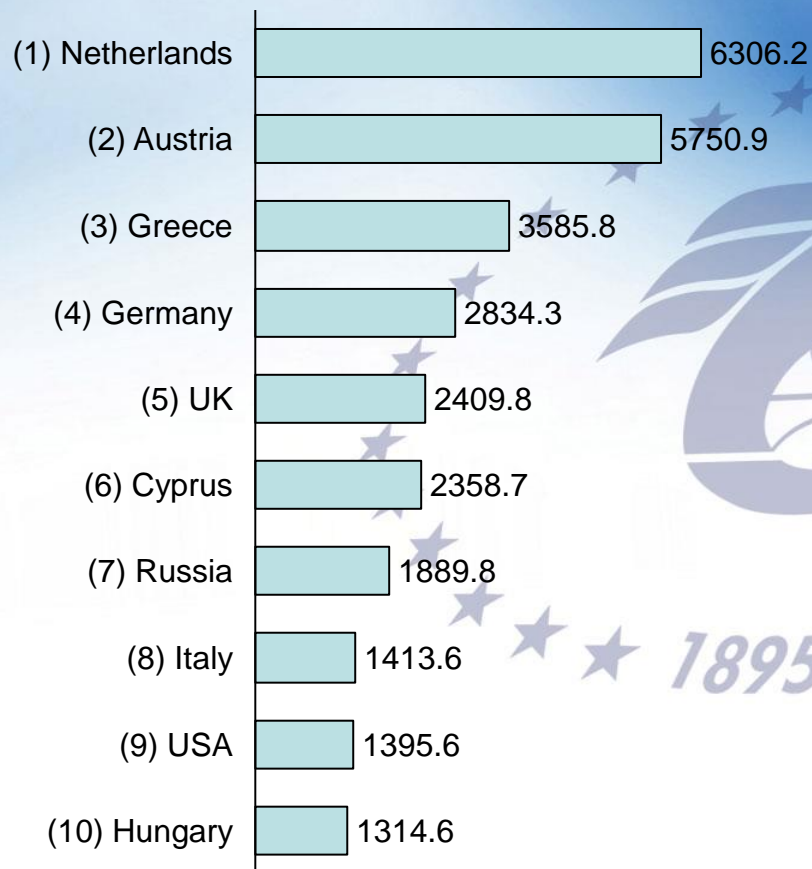
# Macroeconomic indicators - 2

Average government debt (2007-2012)

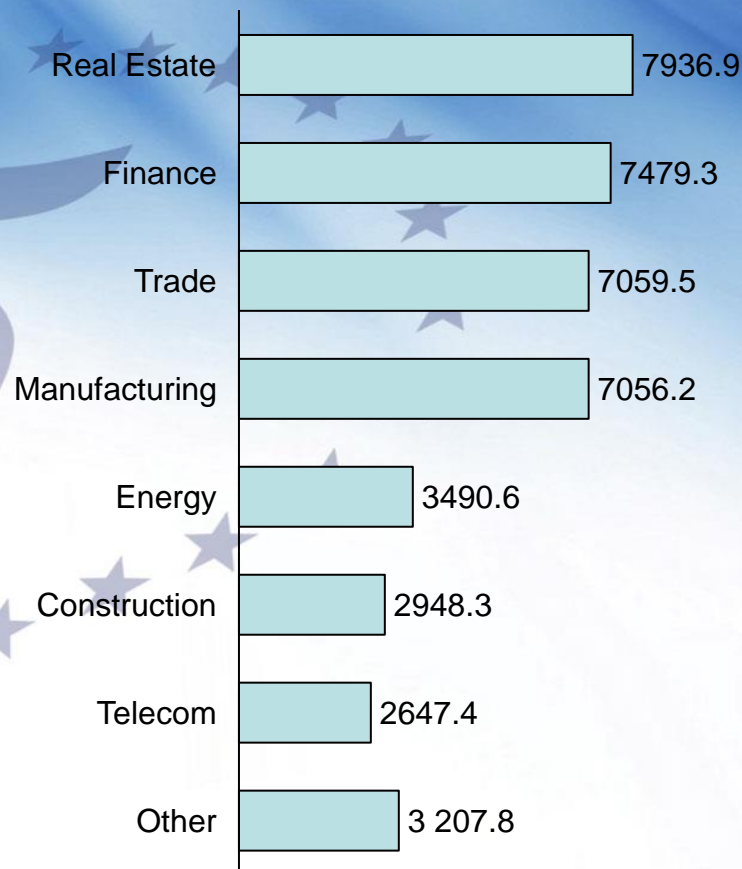


# FDIs in Bulgaria

FDI by host country, 1996-2013 (€ mln.)



FDI flows by industry, 1996-2013 (€ mln.)

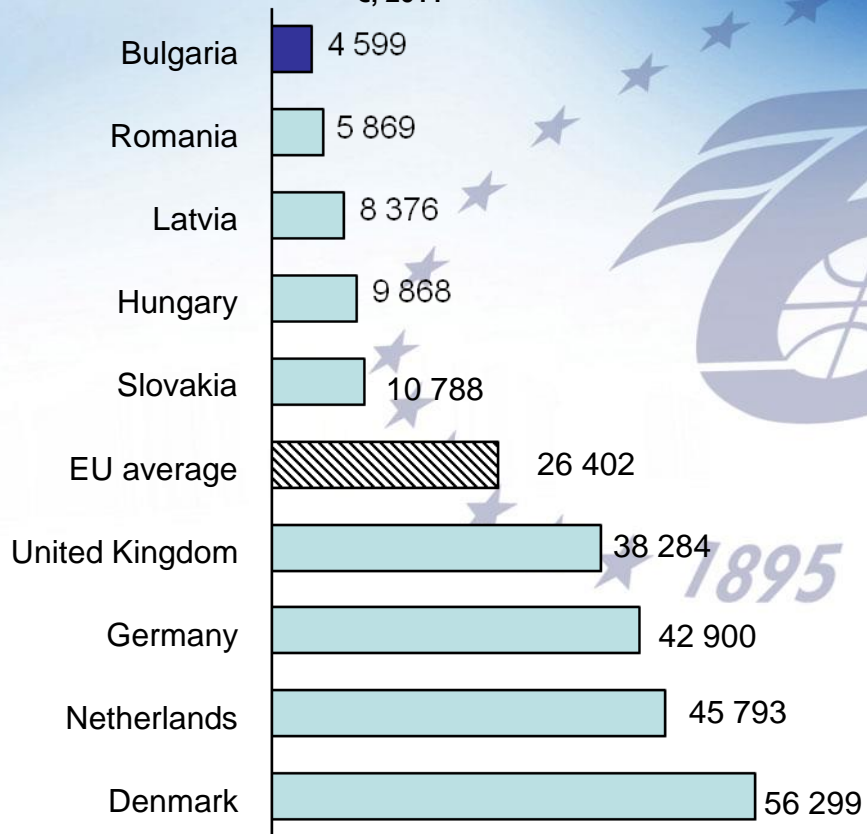


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# Low business costs

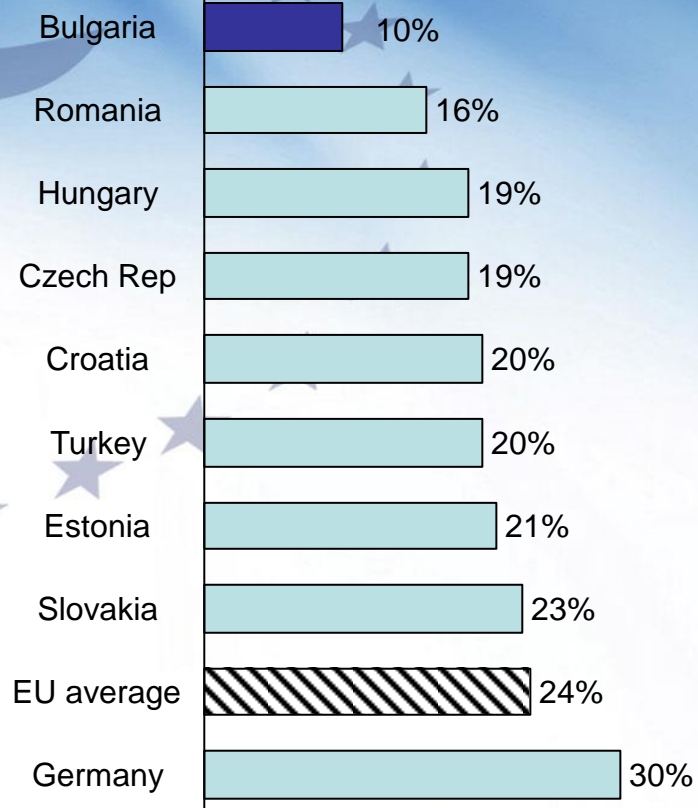
**Average gross annual salaries in industry and services**

€, 2011



**Lowest corporate income tax rate in Europe**

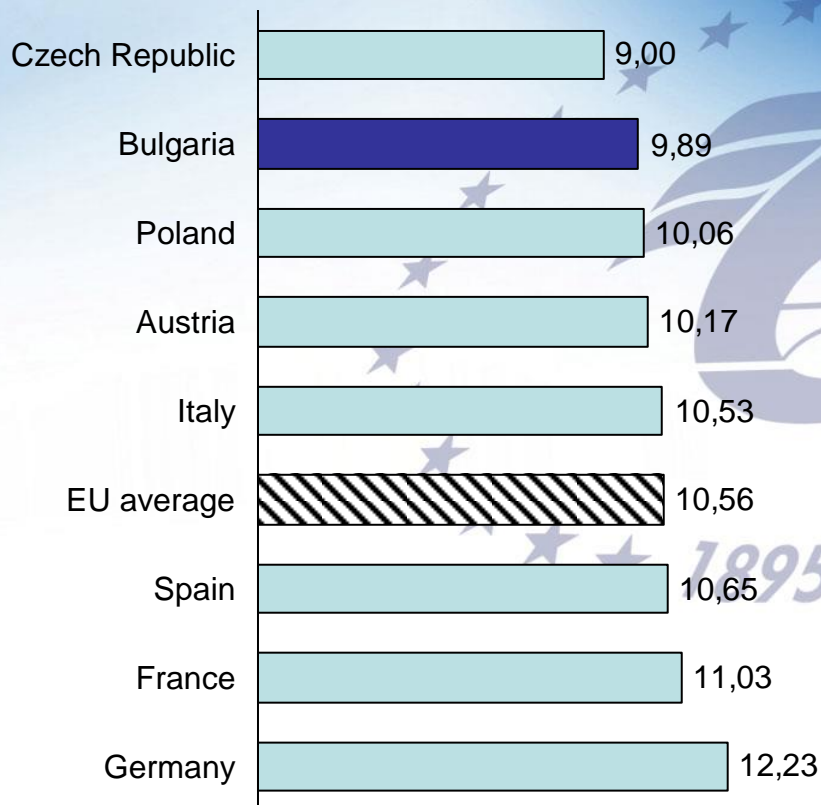
%, 2014



## Low business costs - 2

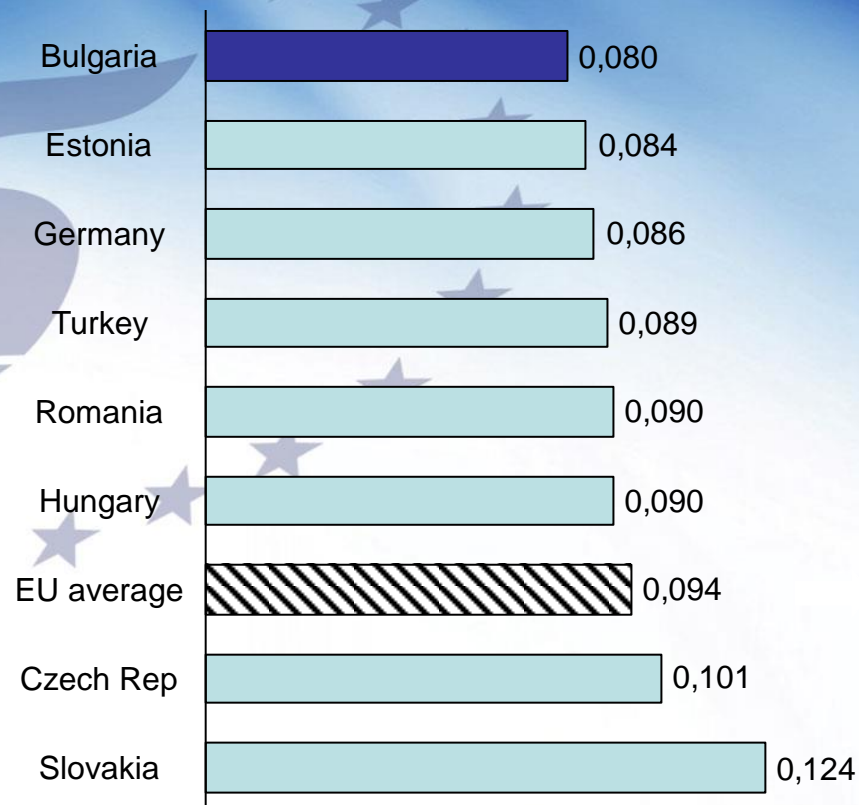
Gas prices for industrial users in Europe

€/Gigajoule, 2013



Electricity prices for industrial users in Europe

€/kWh, 2013

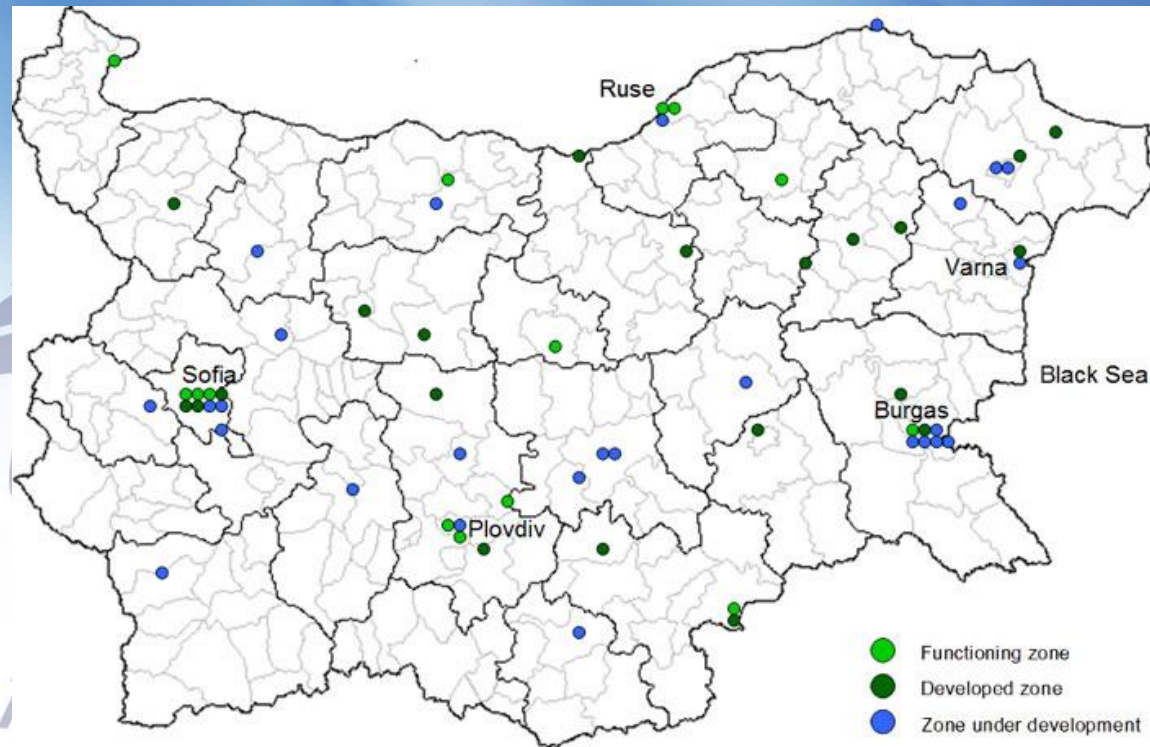


# Major transport corridors passing through Bulgaria



# Industrial zones Bulgaria

- The industrial zones in Bulgaria offer attractive conditions for establishing production, warehousing, logistics and other activities
- Investment projects are supported by the Government, the Municipal Authorities, the Bulgarian Chamber of Commerce and Industry and by the foreign Chambers in Bulgaria.
- Currently, in Bulgaria there are about **14 functioning zones**, with active local and foreign investors. Also, there are about **21 zones, either with fully or mostly developed infrastructure** and ready to be invested in, and about **27 zones under development**.



For more information of each zone:

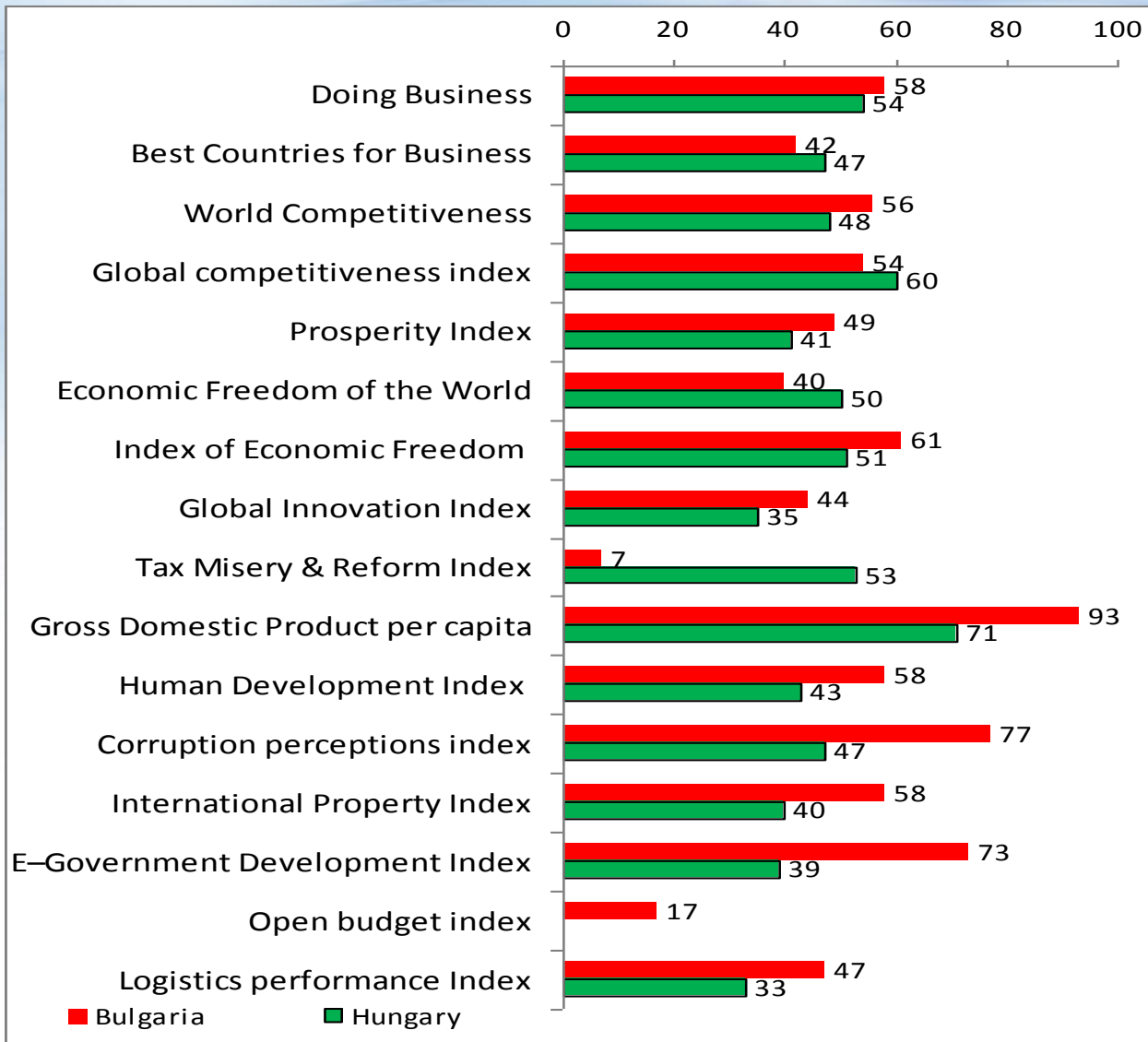
<http://www.bcci.bg/zones/>

# Bulgaria – an Attractive Place for Tourism

- Sea tourism – each year approximately 4 million tourists come to visit main Bulgarian sea resorts on a 378 km Black Sea coastline – Sunny Beach, Golden Sands, Albena, Sozopol, Nessebar.
- Mountain tourism – Bulgaria has 5 major mountains with a large number of peaks surpassing 2000 m. of altitude. Most of them are located in the Southwestern part of the country. Great opportunities for winter sports – total length of the ski tracks in Bulgaria is 210 km.
- Cultural tourism – Bulgaria is a country with more than 13 centuries of history with 9 UNESCO World heritage sites within its territory. More than 330 museums and 160 monasteries are open for a visit in Bulgaria.
- SPA and balneology tourism – great opportunities for developing SPA and balneology tourism, there are many SPA resorts in the country built on proximity to mineral water springs – only 5% of existing mineral water deposits in Bulgaria are in use.



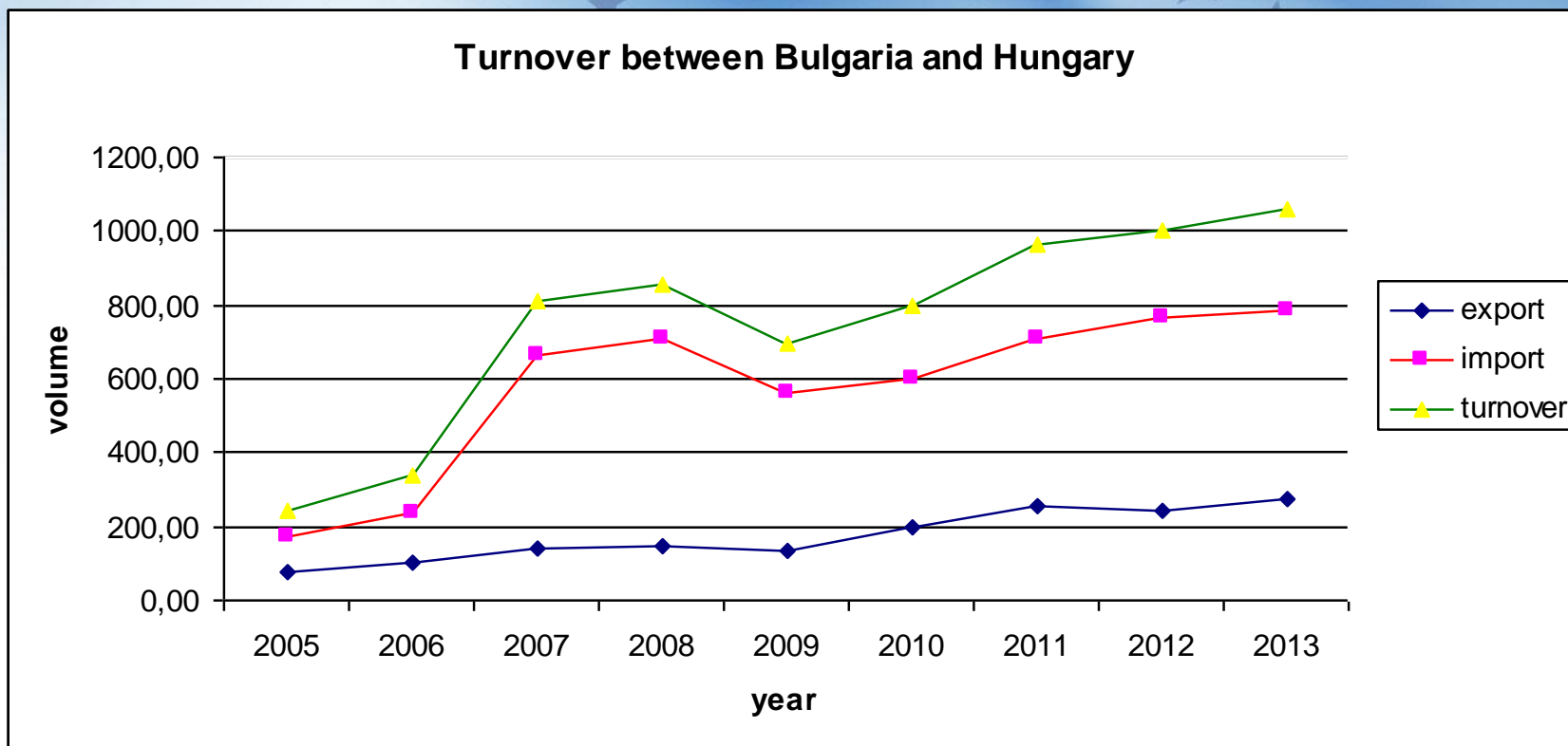




# Bulgaria and Hungary in the international rankings

# Bilateral Economic Relations Bulgaria - Hungary

EUR



# Sectors of Bilateral Interest

- **Bulgarian export to Hungary**
  - Footwear, food industry, machine building, textiles, organic chemistry, batteries, etc..
  - The largest share has exports of petroleum oils and oils obtained from bituminous minerals
- **Bulgarian import from Hungary**
  - Television and radios, automobiles, pharmaceuticals, electrical equipment, meat, tools and other basic industrial goods.



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