



INVESTBULGARIA
AGENCY



WHO ARE WE



InvestBulgaria Agency (IBA) is a Government institution providing information, contacts and project management support to potential investors.

IBA services:

- ✓ Macroeconomic data on Bulgaria
- ✓ Data on operational costs
- ✓ Regional information
- ✓ Personalized administrative servicing
- ✓ Legal advice
- ✓ Liaison with central and local governments
- ✓ Liaison with branch chambers and NGOs

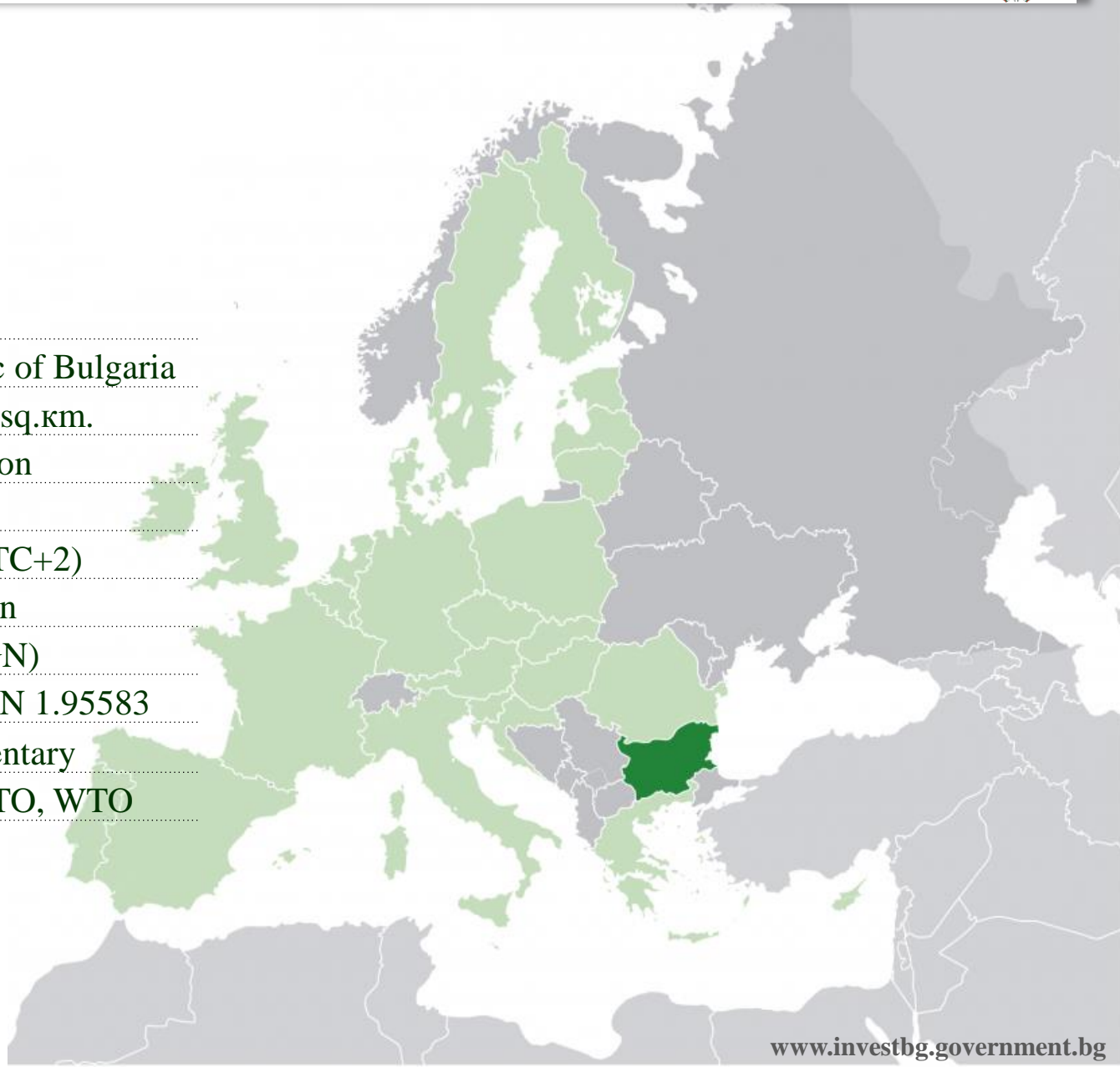
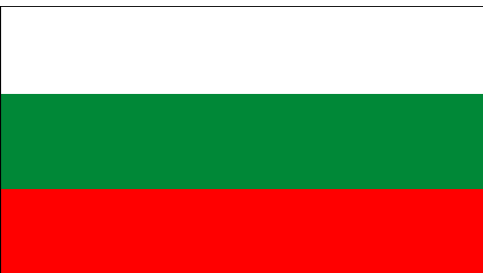




GENERAL INFORMATION



Official name:	Republic of Bulgaria
Area:	110 994 sq.km.
Population:	7.4 million
Capital:	Sofia
Time zone:	EET (UTC+2)
Official language:	Bulgarian
Currency:	Lev (BGN)
Fixed exchange rate:	€1 = BGN 1.95583
Type of government:	Parliamentary
Member of:	EU, NATO, WTO





DID YOU KNOW THAT BULGARIA



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



Accommodated about 50 companies producing components and systems for the global automotive industry. In eight of every ten cars in Europe, the parts are produced in Bulgaria.



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.



The largest exporter of sunflower seeds worldwide in 2013. Our market share in the exports of this commodity in the planet is 17.8%.



INVEST IN BULGARIA



5

reasons

invest in BULGARIA

1. Political and business stability

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

2. Competitive cost of doing business

- ✓ 10% Corporate and Personal tax rates
- ✓ Competitive cost of labor
- ✓ Favorable office rents and low cost of utilities

3. Access to markets

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

4. Educated & skilled workforce

- ✓ 80 000 students abroad
- ✓ 25% of population hold university degree
- ✓ 46% of population speak at least one foreign language

5. Government incentives

- ✓ Social security benefits
- ✓ Tax benefits
- ✓ Vocational education benefits



MACROECONOMIC INDICATORS



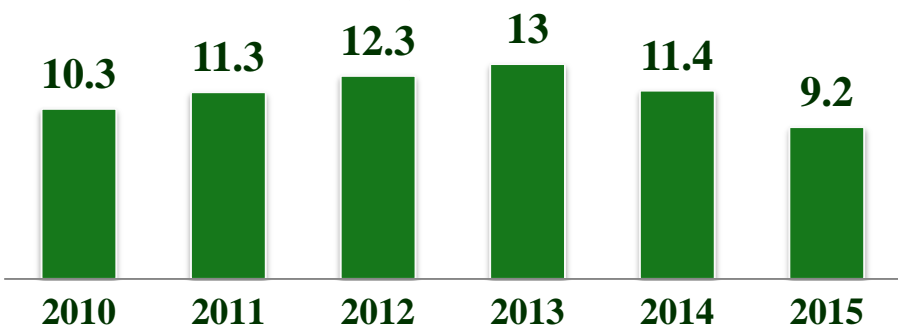
GDP Growth (%)



Inflation Rate (%)



Unemployment Rate (%)



MACROECONOMICS DATA

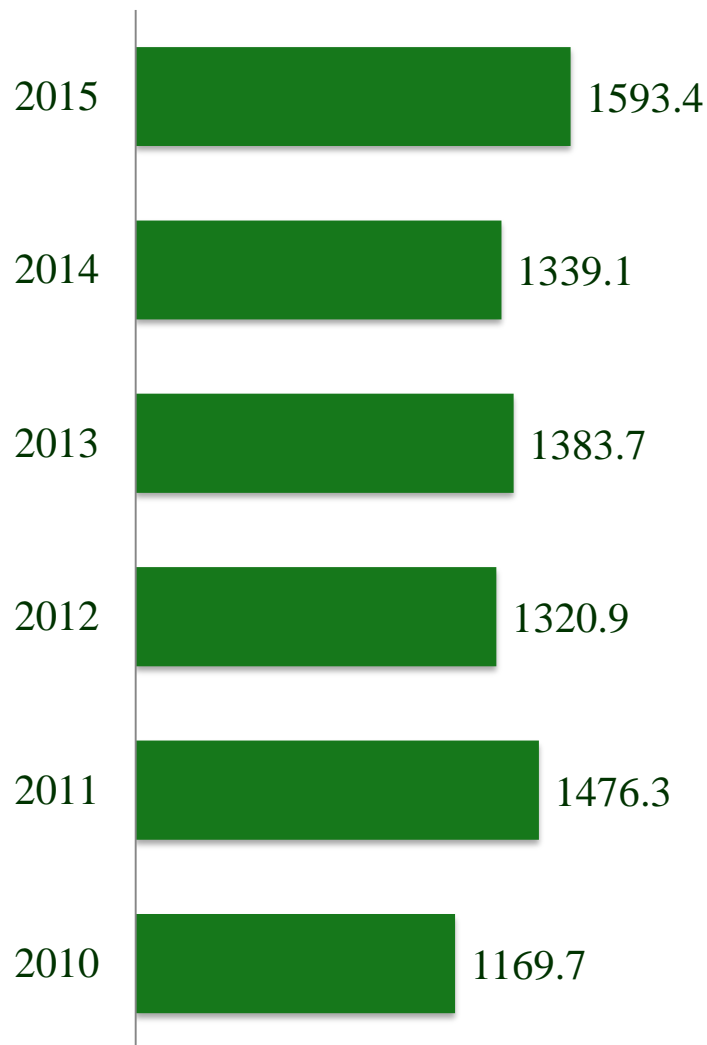
- GDP: 44.16 billion EUR
- GDP per capita: 5 700 EUR
- Budget Deficit: -3.1% of GDP
- Government debt: 27.2% of GDP
- Exports, FOB: 52.1% of GDP
- Imports, CIF: 59.2% of GDP
- Trade balance: -7.1% of GDP



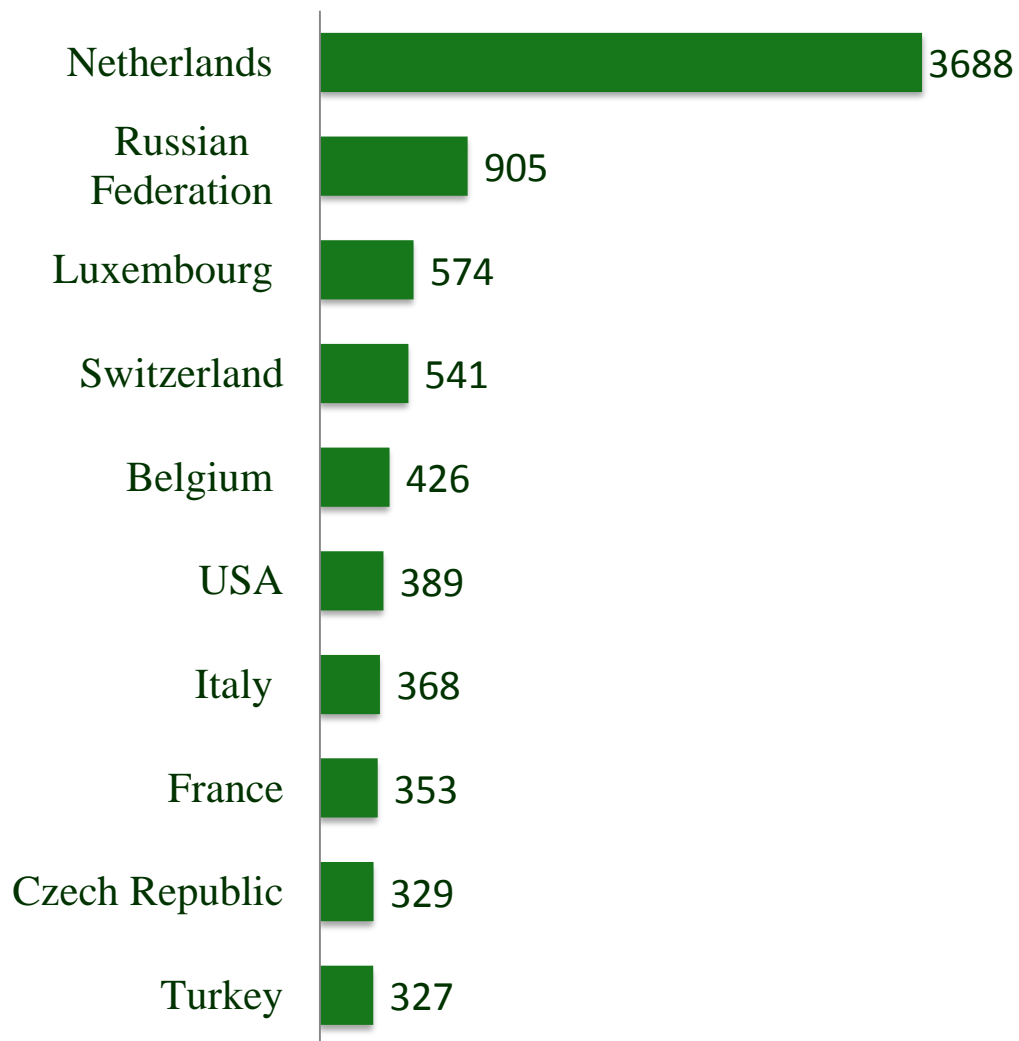
FOREIGN DIRECT INVESTMENT



FDI Inflow, 2010 - 2015 (€ mln.)

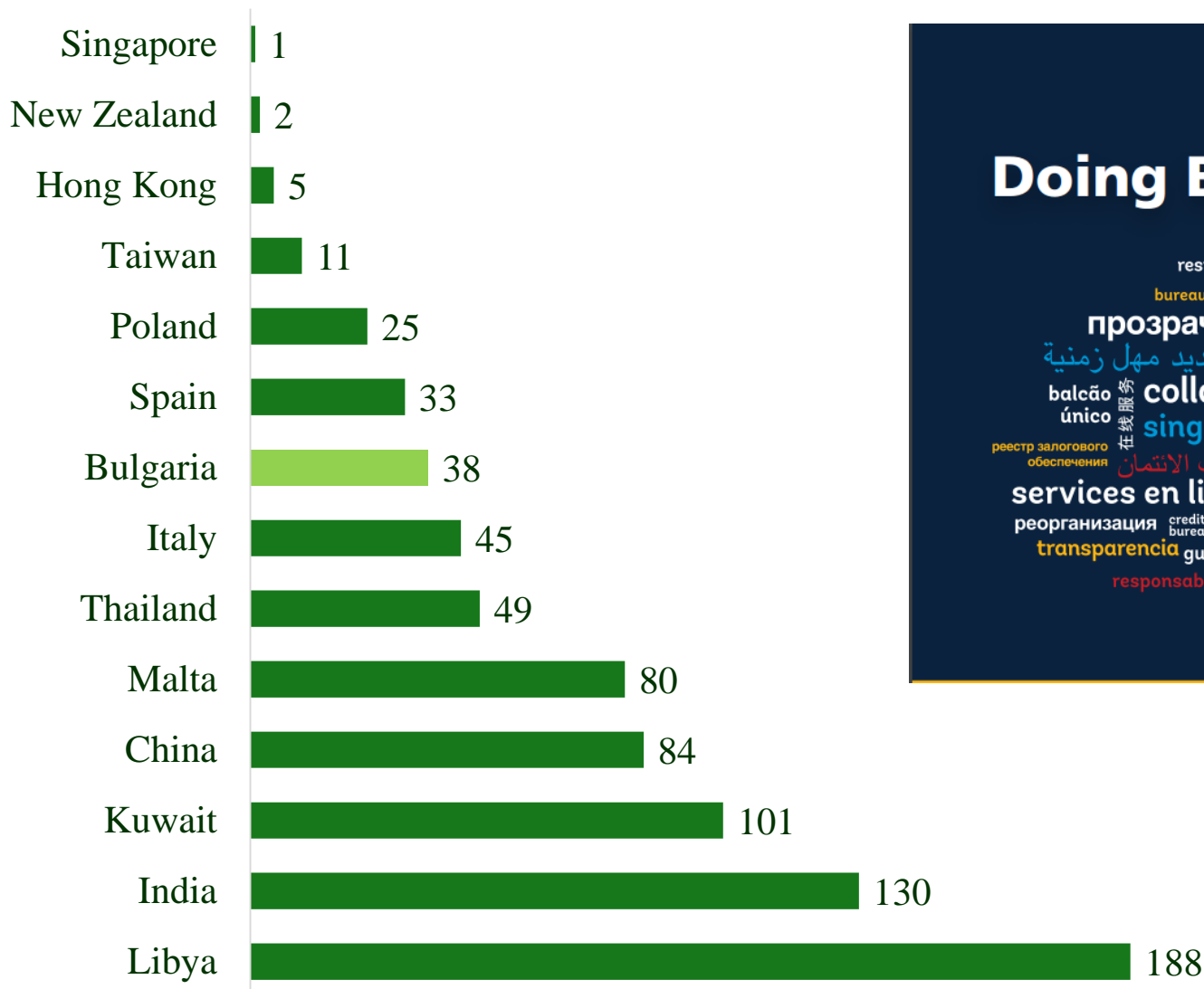


FDI by host country, 2010 - 2015 (€ mln.)





BUSINESS ENVIRONMENT





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
Cyprus	12.5	20-35	7.8	7.8	19



COMPETITIVE COST OF DOING BUSINESS



Electricity

0.069(€/kWh)



Gas

0.032(€/kWh)



Water

1.09(€/1m³)



Industrial Rents(Sofia)

**From 2.5 €
(m²/month)**



Office Rents(Sofia)

**From 12 €
(m²/month)**



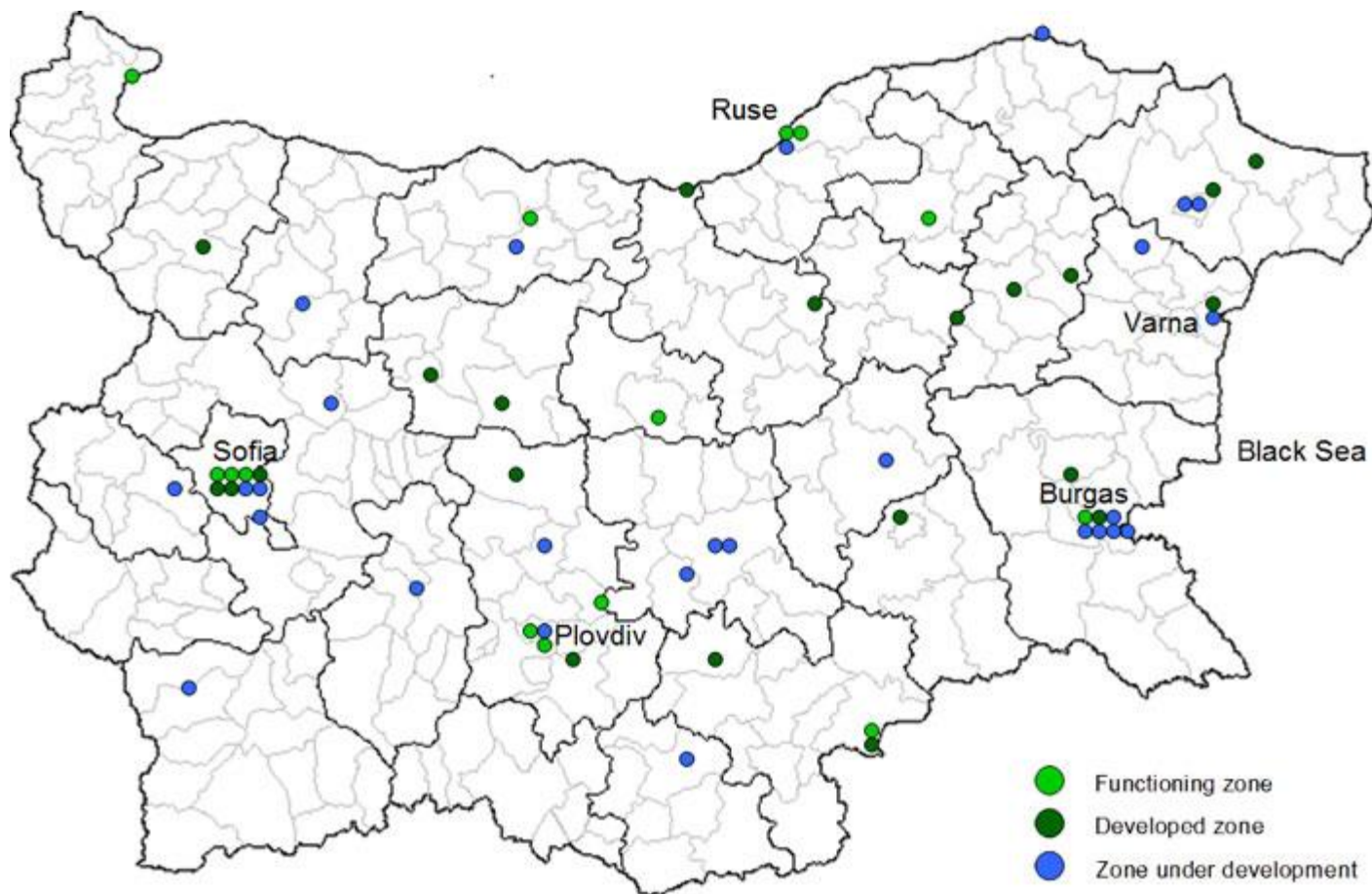
Competitive Cost of Labor

**Salary(Min.) - 215 €
Salary(Avg.) - 468 €**

One of the most competitive costs in Europe!



INDUSTRIAL ZONES IN BULGARIA

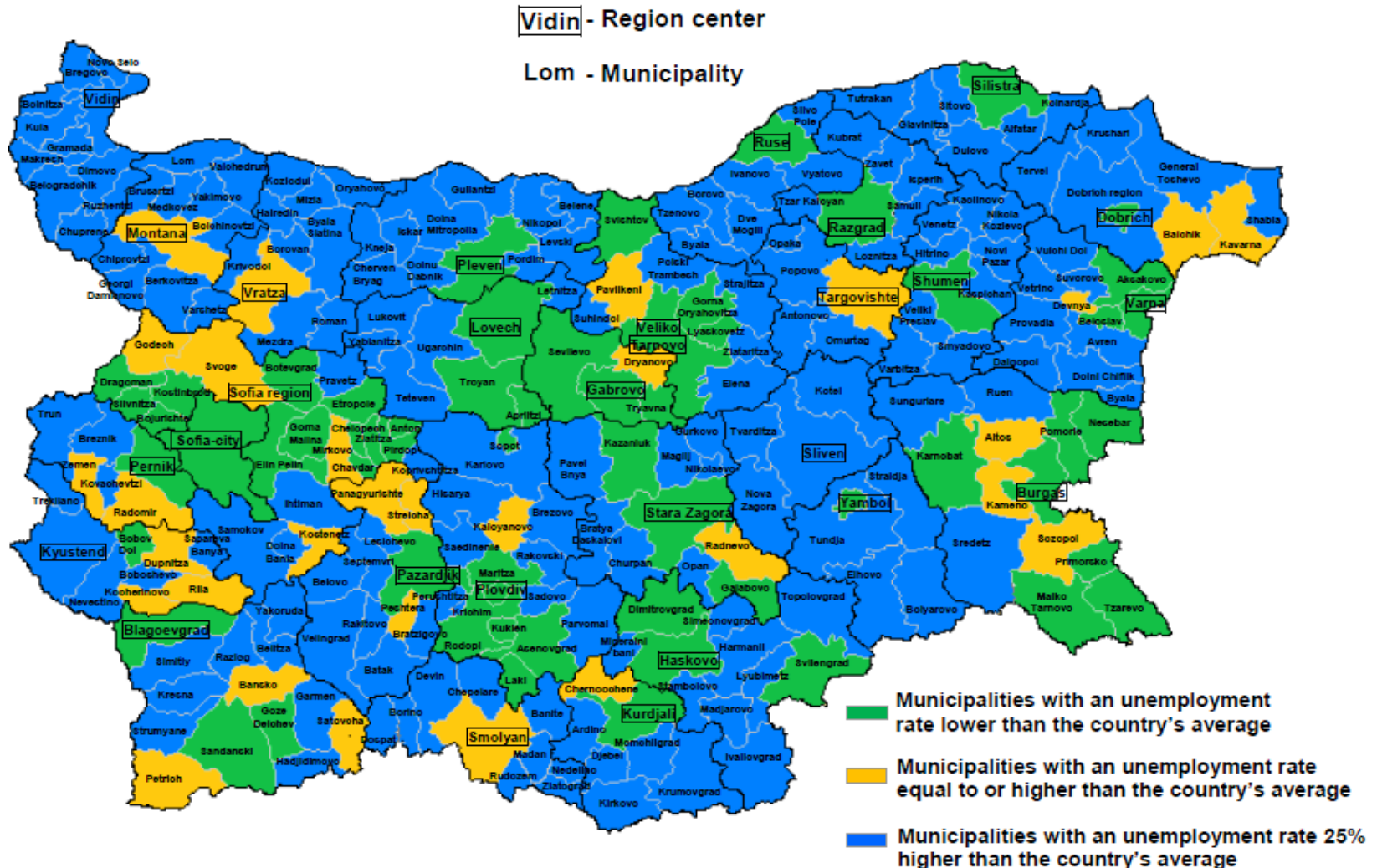




UNEMPLOYMENT IN MUNICIPALITIES



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





BUSINESS PROCESS OUTSOURCING



The Sector:

- ✓ More than 30 000 people work in The Sector
- ✓ 3% of GDP was generate by The Sector in 2015
- ✓ 8 000 € annual starting salaries per Employee

Advantages:

- ✓ Bulgaria offers qualified and cost-effective workforce and advantageous rents of commercial space
- ✓ BPO sector generates over € 964 million revenues Bulgaria is the best outsourcing destination in Europe
- ✓ The average BPO company in Bulgaria provides services in more than 25 languages



Successful examples:





INFORMATION TECHNOLOGY



The Sector:

- ✓ More than 17 500 specialists work in The Sector
- ✓ 1.86 % of GDP was generate by The Sector in 2015
- ✓ 20 600€ annual wages per Employee

Advantages:

- ✓ Established traditions and experience in the sector
- ✓ One of the fastest growing sectors of the economy
- ✓ The revenues of Bulgarian IT Companies grew by 11%
- ✓ Over 4 300 students get a degree in IT each year
- ✓ Bulgarian Internet speed is one of the fastest in the world



Successful examples:





ELECTRONICS

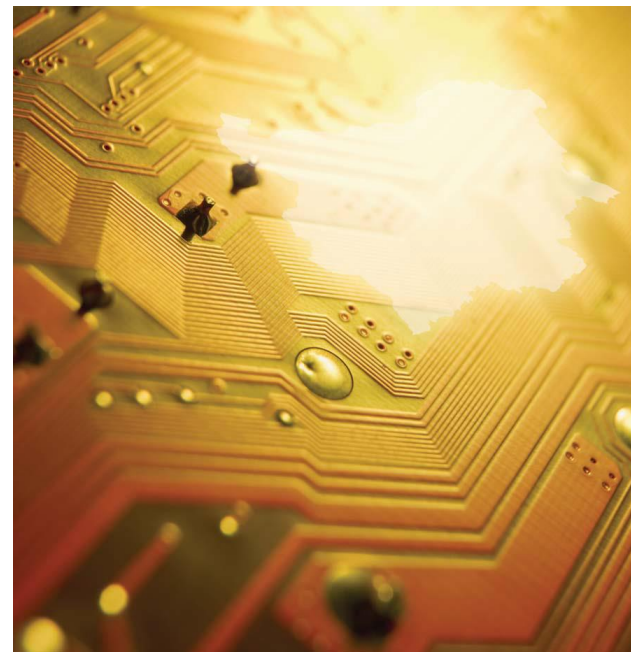


The Sector:

- ✓ More than 45 000 people work in The Sector
- ✓ 6 000 € annual wages per Employee

Advantages:

- ✓ Availability of experienced engineers
- ✓ Qualified assembly workforce at affordable cost
- ✓ Easy access to EU, Russian and Middle East markets
- ✓ More than 75% of the production of the Electronics manufactured in Bulgaria is exported
- ✓ Bulgarian universities are working together with the companies in the sector to create qualified workforce



Successful examples:





MACHINE BUILDING

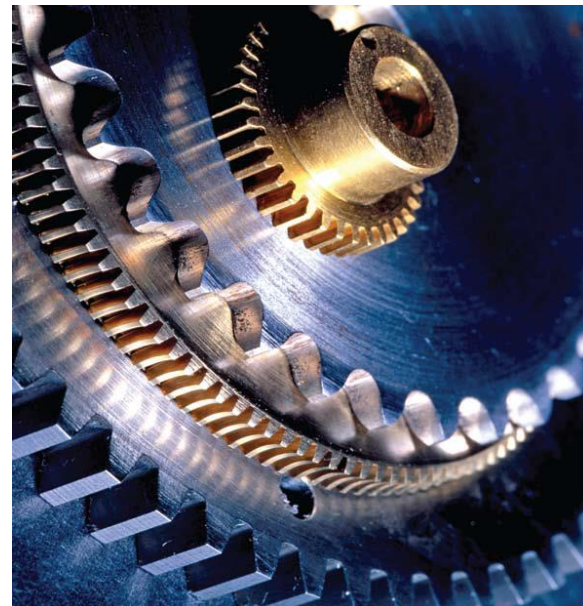


The Sector:

- ✓ More than 200 000 people, working in The Sector
- ✓ 18% of GDP was generate by The Sector for 2015
- ✓ 5 000 € annual wages per Employee

Advantages:

- ✓ Established traditions and experience in the sector
- ✓ Continuous growth between 2000 and 2015
- ✓ Qualified work force at affordable price
- ✓ Easy access to the markets
- ✓ Networks of technical universities and colleges
- ✓ Available physical infrastructure



Successful examples:





FOOD & BEVERAGE



The Sector:

- ✓ More than 666 000 people work in The Sector
- ✓ 5% of GDP was generated by The Sector
- ✓ 5 300€ annual wages per Employee

Advantages:

- ✓ Unique natural conditions for the cultivation of a wide variety of crops, fruits, and vegetables
- ✓ 49% of the country's territory is farming land
- ✓ A well-established infrastructure available
- ✓ Highly qualified and affordable human resources
- ✓ Strategically located to provide routes to Europe, Russia, CIS, the Middle East, and North Africa



Successful examples:





CRITERIA FOR CERTIFICATION



THE CRITERIA DEPENDS ON:

Employment
establishment

Economic activity of the
project
(manufacturing, services, high-
tech)

Location of the
project
(underdeveloped regions)

CLASS A

Minimal Investment
€ 1.00 M – 5.00 M

Minimal job number
25 – 150
(Optional)

CLASS B

Minimal Investment
€ 500 K – 2.50 M

Minimal job number
10 – 100
(Optional)

PRIORITY

Minimal Investment
€ 10.00 M – 50.00 M

Minimal job number
50 – 150
(Compulsory)



ADMINISTRATIVE INCENTIVES



- ✓ **Information services**
- ✓ **Shortened administrative procedures** -
The central and local government authorities will provide administrative services shortened by 1/3rd of the time period established by the law
- ✓ **Consulting and individual administrative services**, provided by the Agency
- ✓ **Establishment of public-private partnerships** with municipalities, universities, other organizations from the academic society and etc.
- ✓ Institutional Support by **establishing an intergovernmental group** to deal with possible obstacles for the investors
- ✓ **Acquisition of real estate** (private state or private municipal property) without a tender procedure and competition





FINANCIAL INCENTIVES



- ✓ **Acquisition** of the real estate with no tender and at a **price lower than the market**, but not lower than the tax assessment of the property.
- ✓ Financial support for **construction of technical infrastructure elements** to the borders of the project site, needed for implementation of one or more investment projects.
- ✓ Financial support for the **vocational training** for obtaining professional qualifications.
- ✓ **Reimbursement of labor costs** for social security paid by the employer.
- ✓ **Financial grants** for education, R&D and manufacturing projects.
- ✓ State **tax exemption** for changing the land status from agricultural into industrial.





COMPANIES INVESTED IN BULGARIA



IT development	Outsourcing	Chemical and Metal Industry	Engineering	Food & Beverage
     	     	     	     	     



WHAT BULGARIA OFFERS



**GOVERNMENT AS A
PROACTIVE
PARTNER**

REDUCE RISK
- Political Stability
- Economic Stability

**INCREASE
COMPETITIVENESS**
- Staff qualification
- Improving productive
capacity

REDUCE COST
- Competitive cost
of labor
- Lowest tax rate
in EU

**GOVERNMENT
INCENTIVES**

Investor



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THANK YOU FOR YOUR ATTENTION