



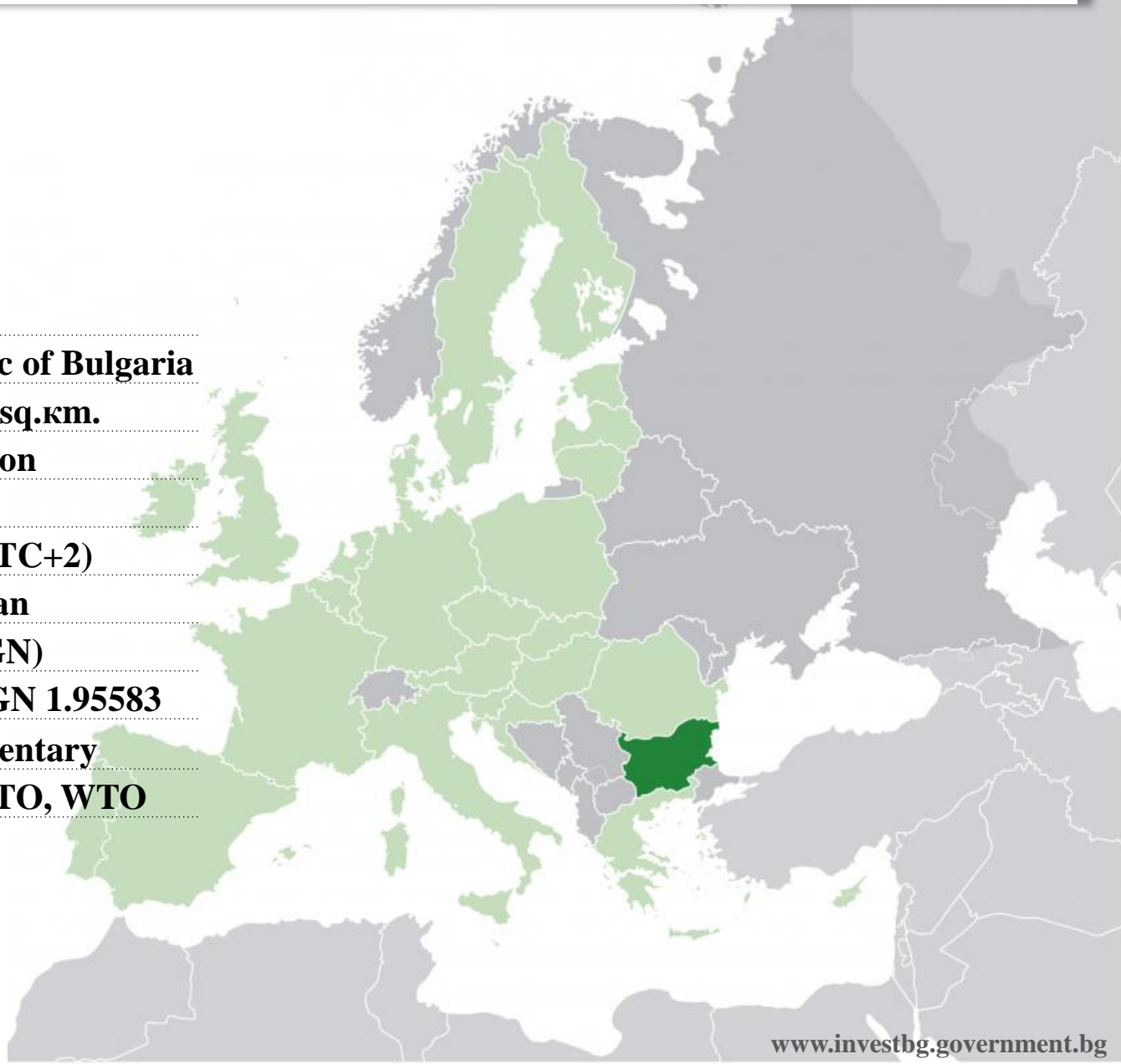
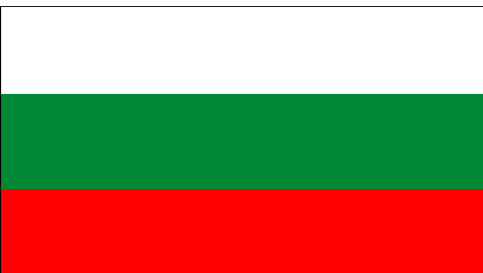
INVESTBULGARIA
AGENCY



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





WHO WE ARE



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**





INVEST IN BULGARIA



reasons to invest in BULGARIA

5

1. Political and business stability

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

2. Low cost of doing business

- ✓ 10% Corporate tax rate
- ✓ 10% Personal tax rate
- ✓ Lowest 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 in foreign countries
- ✓ 25% of population hold university degree
- ✓ 46% of population speak at least one foreign language

5. Government incentives

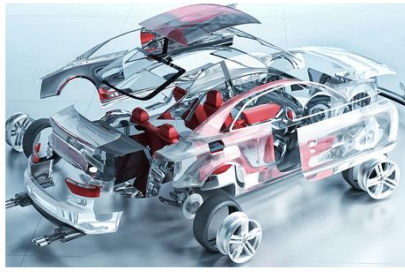
- ✓ Social security benefits
- ✓ Tax benefits
- ✓ Vocational education benefits



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



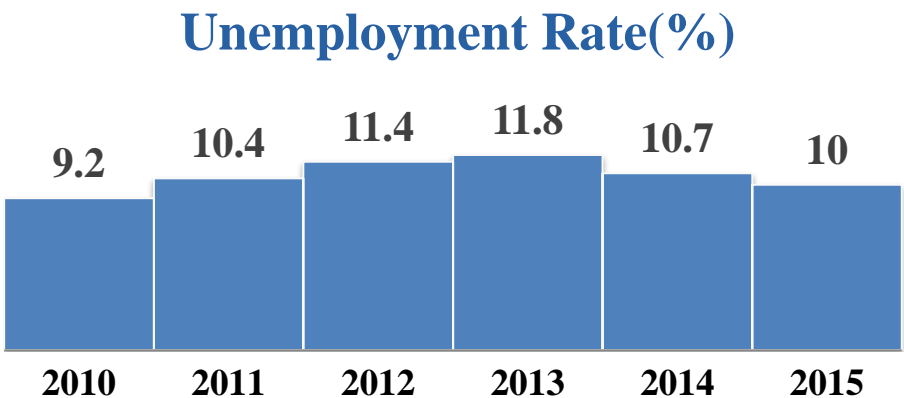
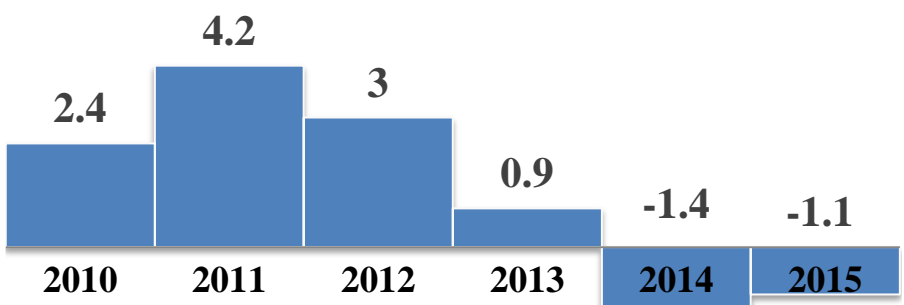
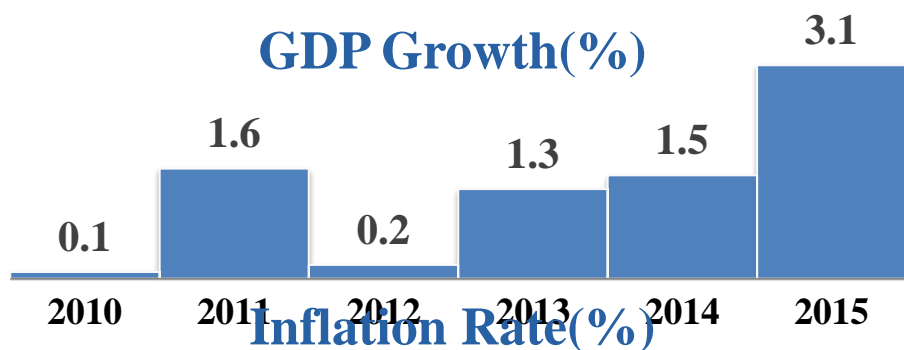
First in the world in the production of lavender. For the past three years, our country has managed to surpass France from the first place and France is historically a leader in this field.



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



MACROECONOMIC INDICATORS



MACROECONOMICS DATA(2015)

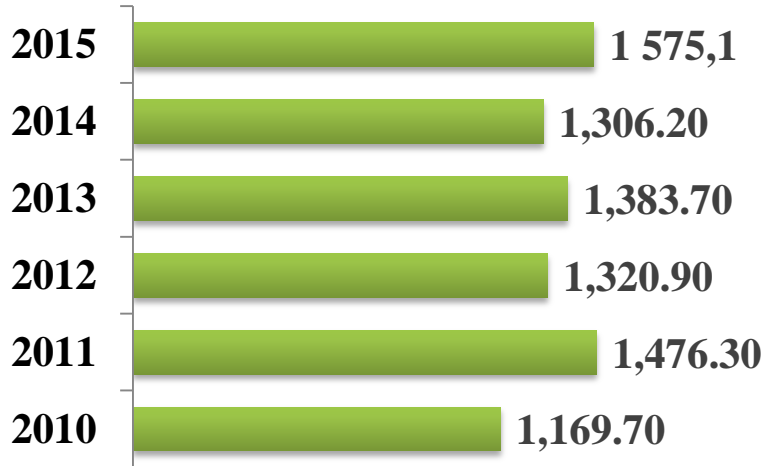
- **GDP: 44,30 billion €**
- **GDP per capita: 6 150€**
- **Budget Deficit: -3.1% of GDP**
- **Government debt: 27.2% of GDP**
- **Exports, FOB: 52.1% of GDP**
- **Imports, CIF: 59.2% of GDP**
- **Trade balance: -7.1% of GDP**



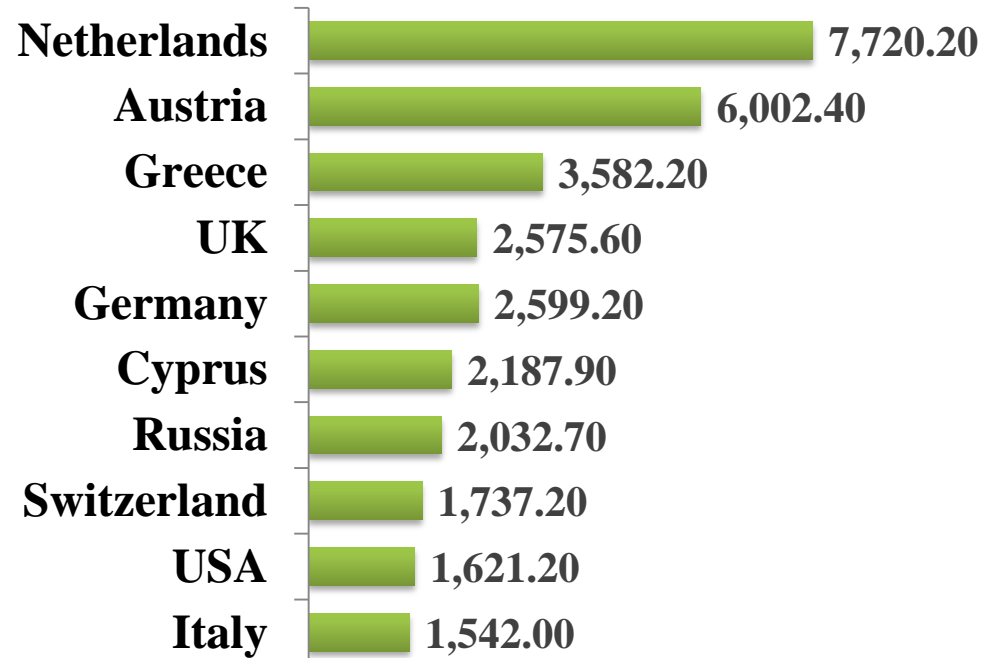
FOREIGN DIRECT INVESTMENT



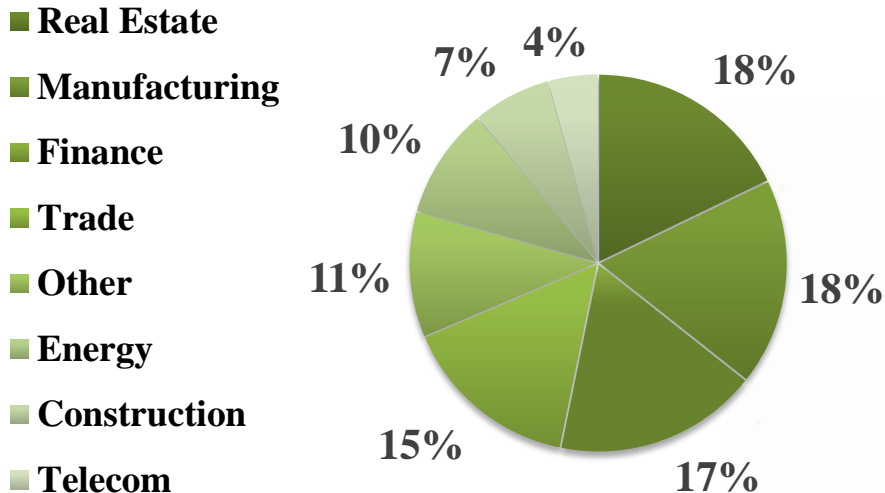
FDI Inflow(€ mln.)



FDI by host country, 1996-2015(€ mln.)

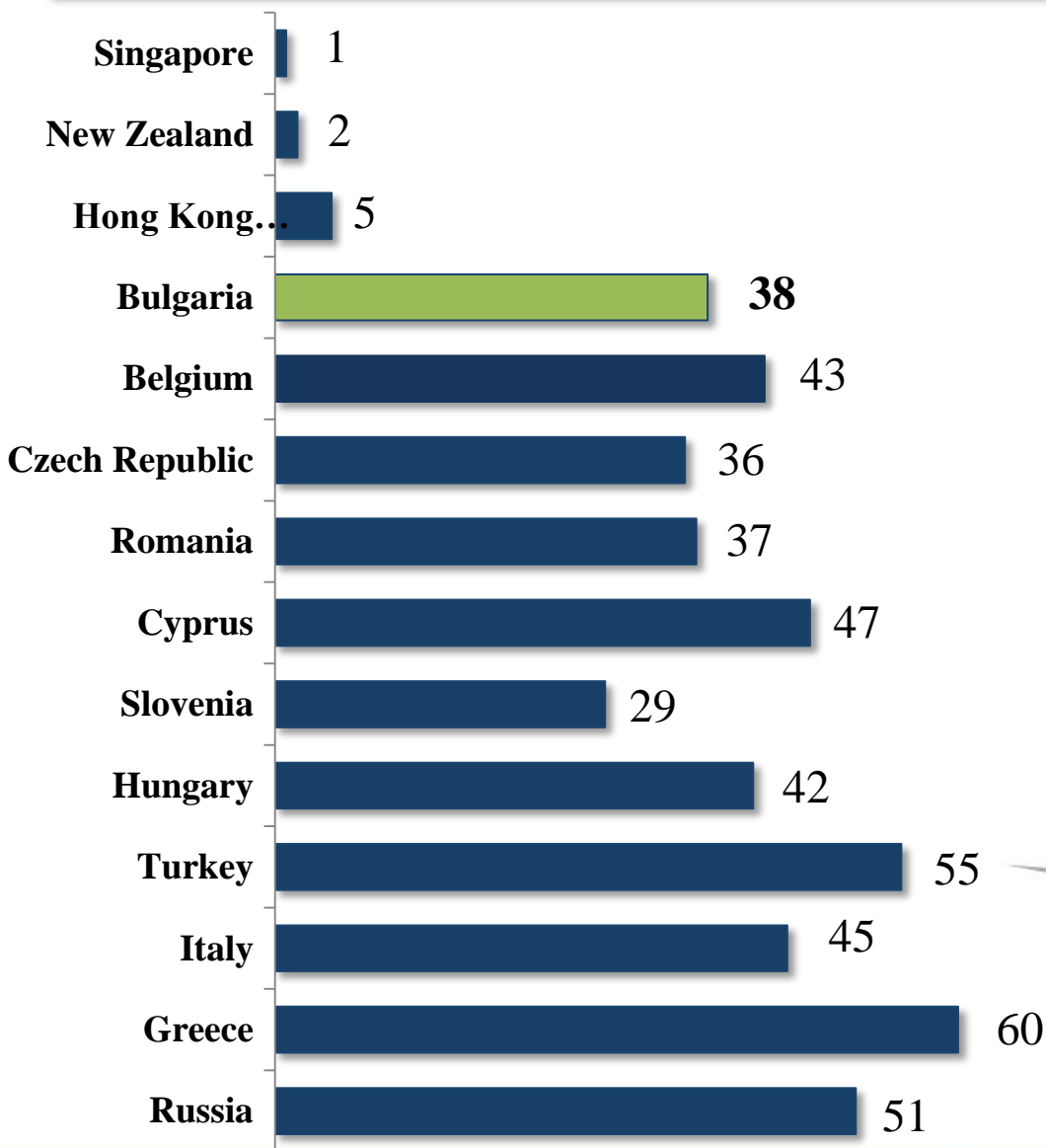


FDI Inflow by Industry(€ mln.)





BUSINESS ENVIRONMENT



Doing Business 2015 Going Beyond Efficiency



COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 189 ECONOMIES

A World Bank Group Flagship Report



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





COST OF DOING BUSINESS



Electricity

0.069(€/kWh)



Gas

0.032(€/kWh)



Water

1.09(€/1M3)



Industrial Rents(Sofia)

From 2.5€(m²/mo)



Office Rents(Sofia)

From 10€(m²/mo)



Cost of Labor

Salary(Min.) - 215 €

Salary(Avg.) - 468 €

One of the most competitive costs in Europe!



COST OF DOING BUSINESS IN EU

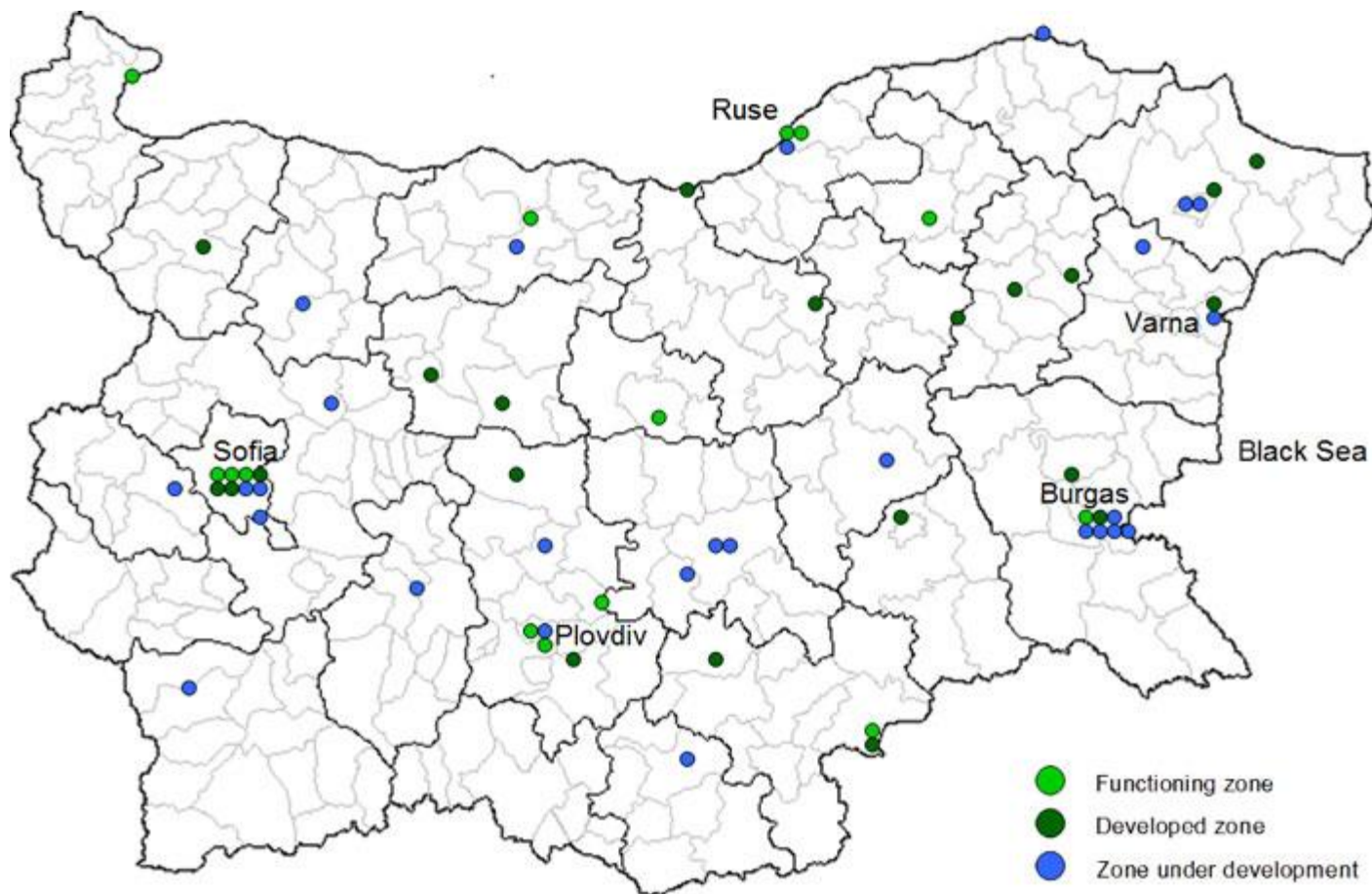


COUNTRY	ELECTRICITY (€/kWh) 2015
BULGARIA	0.0682
Romania	0.0707
Netherlands	0.0721
Austria	0.0731
France	0.0755
Czech Rep.	0.0761
Hungary	0.0778
Germany	0.0809
Poland	0.0833
Croatia	0.0869
Italy	0.0949
Greece	0.1037
Cyprus	0.1316
UK	0.1435
EU 28	0.0917

COUNTRY	LABOUR COSTS (€/per hour) 2014
BULGARIA	3.8
Romania	4.6
Hungary	7.3
Poland	8.4
Czech Rep.	9.4
Croatia	9.4
Greece	14.6
Cyprus	15.8
UK	22.3
Italy	28.3
Germany	31.4
Austria	31.5
Netherlands	34.0
France	34.6
Source: ec.europa.eu/eurostat www.investbg.government.bg	



INDUSTRIAL ZONES IN BULGARIA





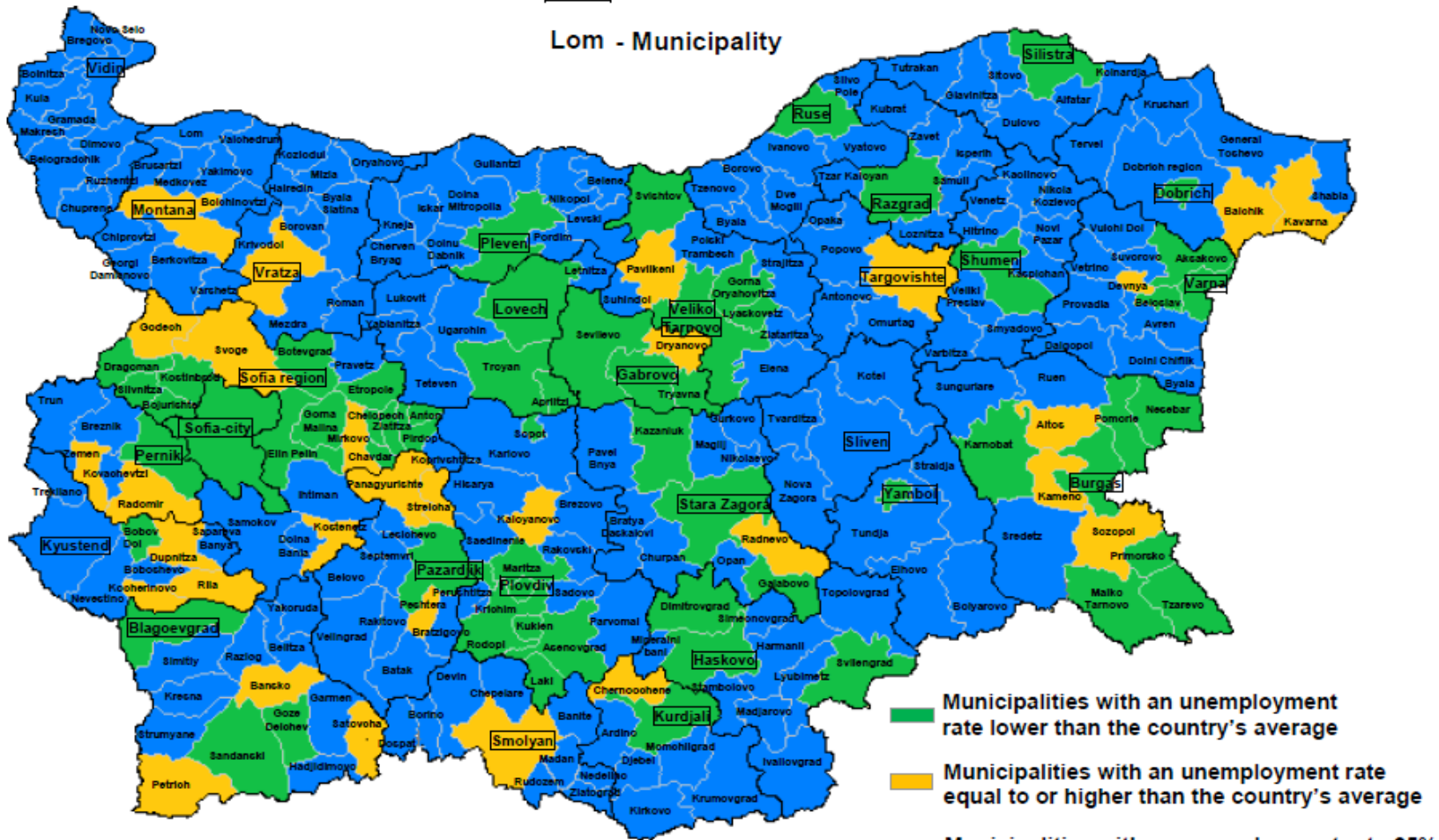
UNEMPLOYMENT RATE BY MUNICIPALITIES



0% corporate tax in areas with unemployment 25% higher than the country average!

Vidin - Region center

Lom - Municipality





MACHINE BUILDING



✓ **The Sector:**

- More than **100 000** people work in **The Sector in 2015**
- **18%** of **GDP** was generate by **The Sector for 2015**
- **5 000€** annual wages per Employee in **2015**

✓ **Advantages of The Sector:**

- 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:**





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 in 2015

✓ **Advantages of The Sector:**

- 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%** 819 € mln.
- Over **4 300** students get a degree in IT each year
- Bulgarian Internet speed is one of the fastest in the world

✓ **Successful examples:**





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 in 2015

✓ **Advantages of The Sector:**

- 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:**

-  Proxiad
-  SUTHERLAND
GLOBAL SERVICES®
-  Sofica Group
partnership beyond outsourcing
-  DATA
PROCESSING™
-  TELUS®
-  60K
International Contact Centres
-  SITEL



ELECTRONICS

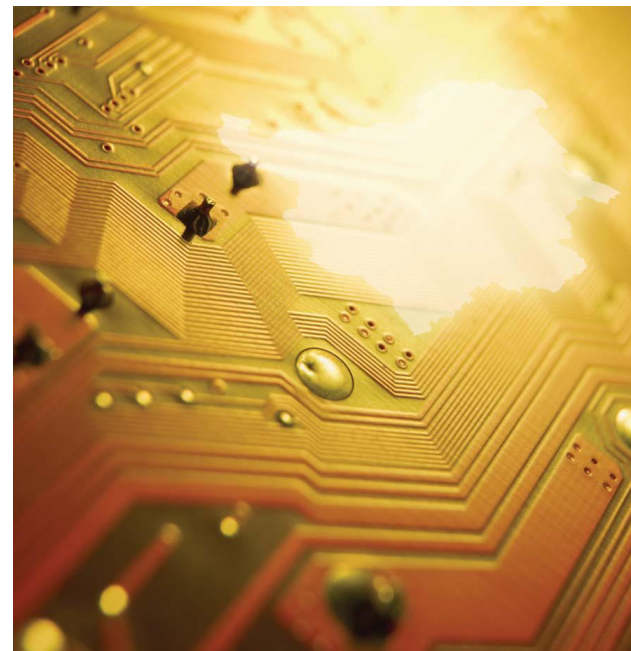


✓ **The Sector:**

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

✓ **Advantages of The Sector:**

- 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:**

-  **YAZAKI**
- **FESTO**
- **ABB**
- **LIEBHERR**
- **SIEMENS**
-  **HYUNDAI**
- **Schneider Electric**



FOOD & BEVERAGE



✓ The Sector:

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

✓ Advantages of The Sector:

- 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:

-  
- 
- 
- 
- 
- 
- 
- 



THE GOVERNMENT SUPPORT



The Bulgarian legislation introduces a system of promotion measures for initial investments in tangible and intangible fixed assets and creating new employment linked thereto, according to the legislation of EU.

✓ **Investments must be related to the following sectors:**

- ❑ **Manufacturing**
- ❑ **Research & Development**
- ❑ **Education**
- ❑ **Healthcare**
- ❑ **High-tech services**
- ❑ **Warehousing and logistics**

✓ **The government incentives for:**

- ❑ **Class B** Investment Projects
- ❑ **Class A** Investment Projects
- ❑ **Priority** Investment Projects





CLASS B INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

CLASS B

Manufacturing Industry
- €2.5m or €1m and 100 working places

High-Tech Manufacturing
- €1m or 10 working places

Services sector
- €0.75m or €0.25m and 100 working places

High-Tech Services
- €0.5m or 25 working places

Regions with high unemployment rate
- €1m or 10 working places

✓ 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.**



CLASS A INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

CLASS A

Manufacturing Industry
- €5m or €2m and 150
working places

High-Tech Manufacturing
- €2m or 25 working places

Services sector
- €1.5m or €0.5m and 150
working places

High-Tech Services
- €1m or 50 working places

**Regions with high
unemployment rate**
- €2m or 25 working places

✓ GOVERNMENT INCENTIVES

- Include all the Incentives for **CLASS B**.
- Consulting and individual administrative services. Investors will be able to authorize Agency officials to obtain any documents for implementation of the corresponding investment project.
- Financial support for construction of technical infrastructure elements to the borders of the project site, needed for implementation of one or more investment projects.



PRIORITY INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

PRIORITY

Manufacturing Industry

- €50/25m and 200 working places

High-Tech Manufacturing

- €15m and 100 working places

Services sector

- €50m and 200 working places

High-Tech Services

- €10m and 50 working places

Regions with high unemployment rate

- €25m and 100 working places

✓ GOVERNMENT INCENTIVES

- Include all the incentives for **CLASS A and B.**
- **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.**



WHAT BULGARIA OFFERS



**GOVERNMENT AS A
PROACTIVE
PARTNER**

REDUCE RISK

- Political Stability
- Economic Stability

**INCREASE
COMPETITIVENESS**

- Staff qualification
- Improving productive capacity

**YOUR
COMPANY**

REDUCE COST

- Competitive cost of labor
- Lowest tax rate in EU

**GOVERNMENT
INCENTIVES**



GLOBAL COMPANIES INVESTED IN BULGARIA



IT development

Back office operations

Chemical and metal Industry

Engineering

Food



LIEBHERR



vmware

SUTHERLAND
GLOBAL SERVICES®

KNAUF

ABB



SITEL



Aurubis

Lufthansa Technik





NEXT STEP TO SUCCESS



THANK YOU FOR YOUR ATTENTION



INVESTBULGARIA AGENCY

31 Aksakov Street

Sofia 1000, Bulgaria

Tel.: (+359 2) 985-5500

Fax: (+359 2) 980-1320

E-mail: iba@investbg.government.bg

Web: www.investbg.government.bg