



**REPUBLIC OF BULGARIA**

Ministry of Economy,  
Energy and Tourism

# BULGARIA – A RELIABLE ECONOMIC PARTNER FOR JORDAN WITHIN THE EU



Sofia  
07 November 2012

# Bulgaria at a glance:

## Location and key data

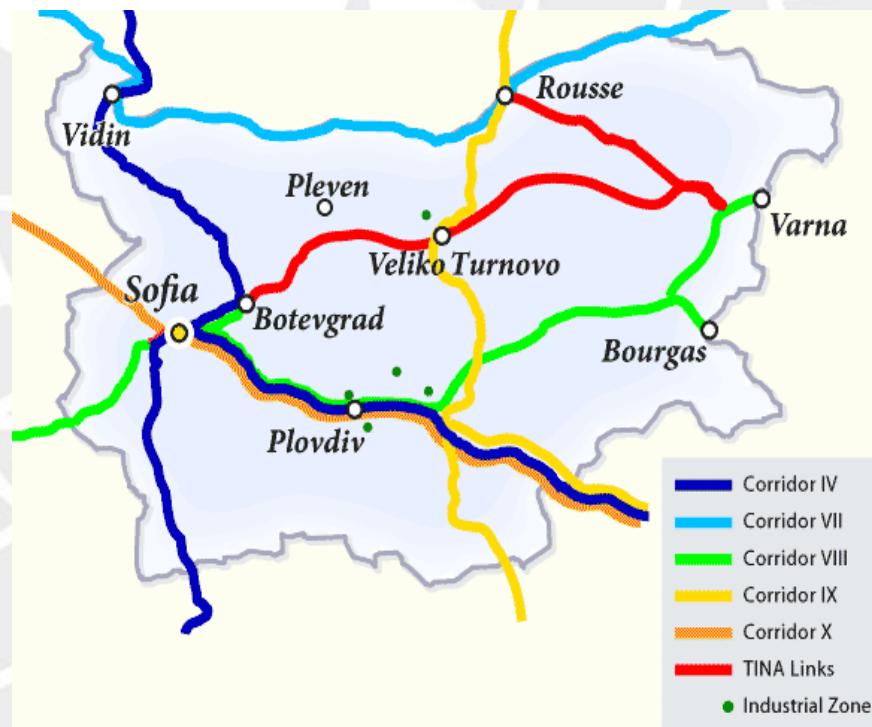


- **Area:** 110.910 sq. km
- **Number of Inhabitants (2011):** 7.4 mln
- **Capital and Largest City:** Sofia
- **Other Cities:** Plovdiv, Varna, Bourgas, Ruse, Stara Zagora, Pleven, Veliko Tarnovo
- **Natural Resources:** oil, gas, coal, iron ore, copper, lead, zinc, antimony, chromite, gold, silver, magnesium, nickel, pyrite, marble, limestone, salt, arable land
- **Major Industries:** electricity, water and gas supply; food, beverages and tobacco; machinery and equipment; base metals, chemical products, coke, refined petroleum
- **Currency:** Lev (BGN). Fixed exchange rate with Euro.
- **EU Member** since 2007, **NATO Member** since 2004
- **Government Type:** Parliamentary Republic
- **Last Government Elections:** July 2009

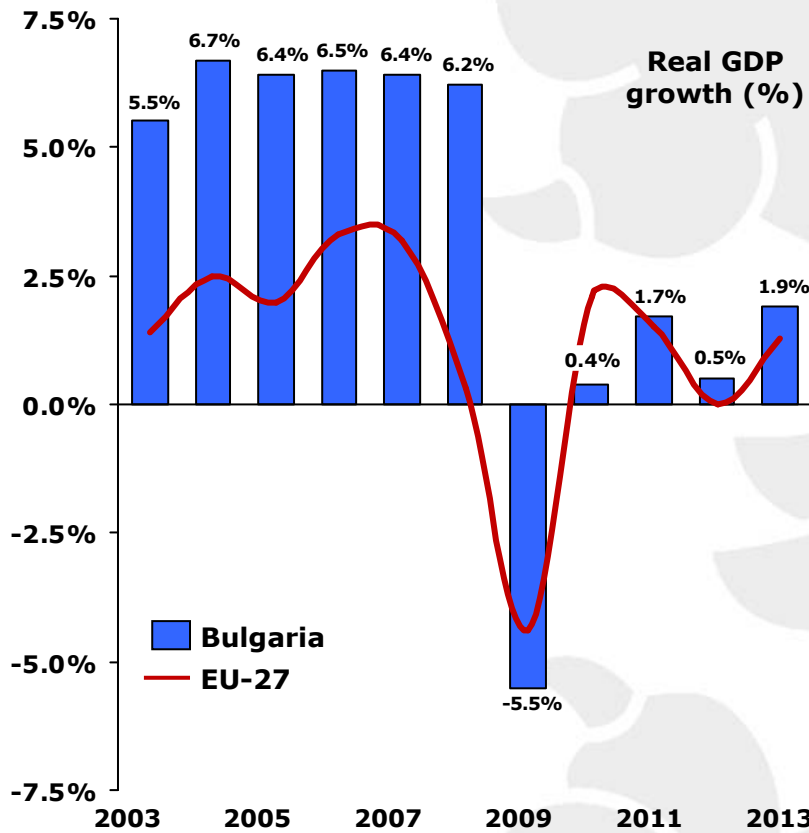
### Strategic geographic location



### Major transport corridors pass through Bulgaria

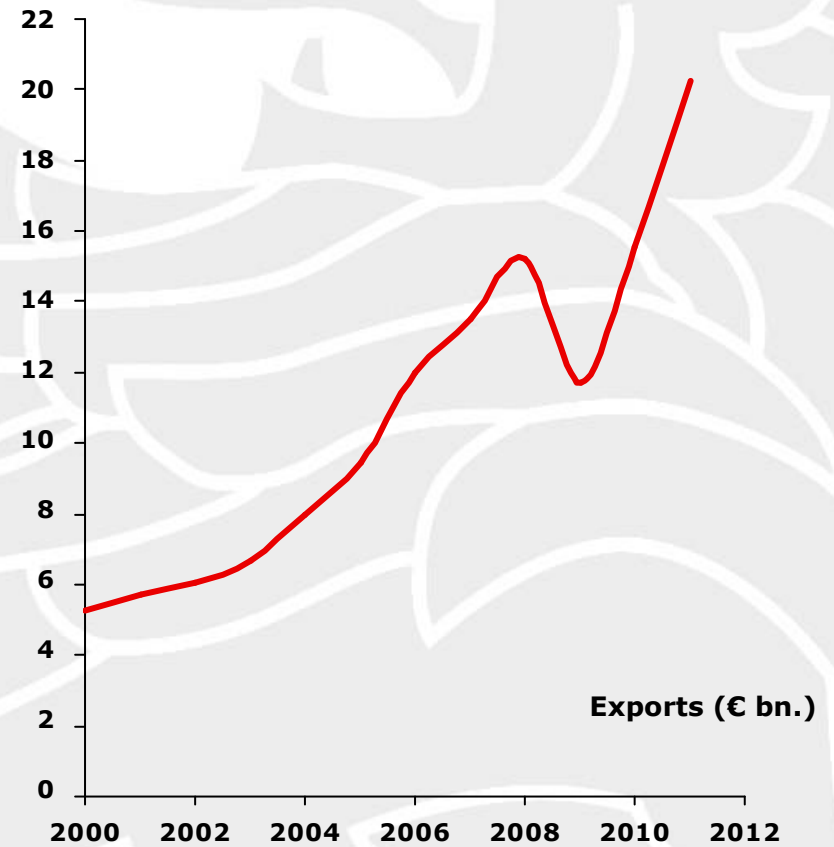


**Bulgaria's economy has outperformed the EU average in the last 10 years**



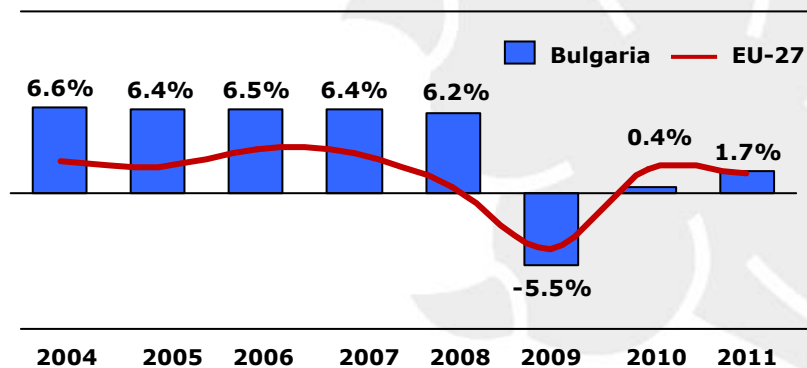
Source: Eurostat

**In absolute terms, exports have grown about 4 times since 2000**

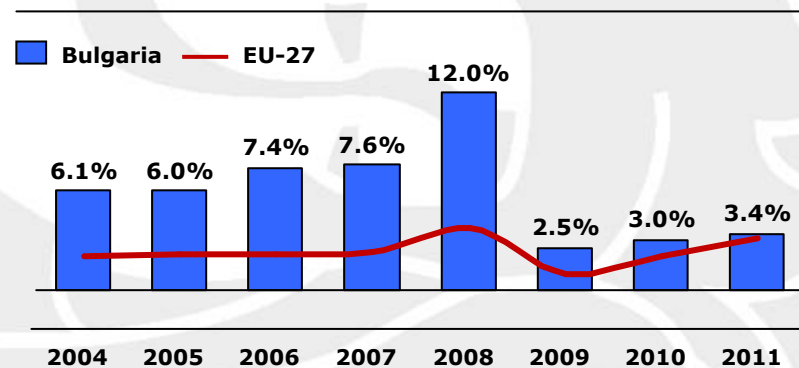


Source: Bulgarian National Bank

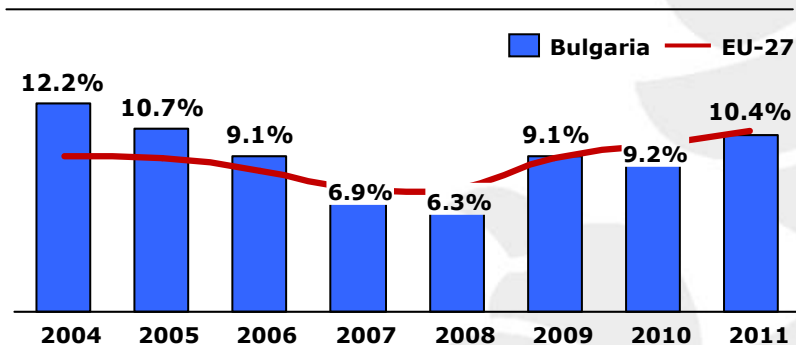
### Real GDP Growth



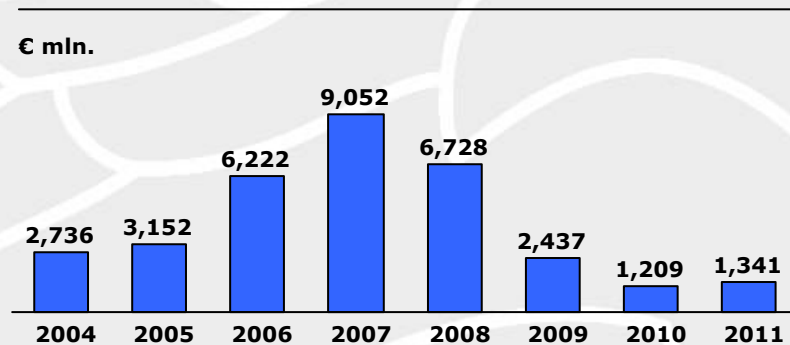
### Inflation (HICP)



### Unemployment



### FDI Inflow



Source: Bulgarian National Bank, Eurostat

# Why invest in Bulgaria

- **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
  - ✓ Lowest cost of labor within the EU
- **Access to markets**
  - ✓ EU / EFTA
  - ✓ Russia
  - ✓ Turkey / Middle East
- **Educated and skilled workforce**
- **Government incentives**



# Why invest in Bulgaria

## Taxes

- ✓ 10% effective corporate income tax rate
- ✓ 10% effective flat personal income tax rate
- ✓ Equipment imports for projects over € 5 Mln. exempt from VAT
- ✓ 5% withholding tax on dividends and liquidation quotas (0% for EU tax residents)
- ✓ 68 Double Taxation Prevention Treaties including EU, India, Russia and USA;
- ✓ 66 Agreements on the mutual protection and promotion of foreign investment

## Labor

- ✓ Skilled labor
- ✓ Lowest labor cost per hour in EU
- ✓ Employer-friendly labor laws
- ✓ Standard labor contracts with 1-month severance and 20 days vacation

## Government policies

- ✓ Stable and independent government policies
- ✓ Bulgaria is not subject to current Eurozone legislation
- ✓ Financial stability pact ensuring continued low taxation and stable fiscal policy

## Customs & Visas

- ✓ 24-hour customs at warehousing locations
- ✓ Virtual consulate (online visa approval and issuance of travel documents)
- ✓ Visa-free transit to non-EU countries

## Infrastructure

- ✓ Focus on development of infrastructure – 7 highways currently under construction
- ✓ 70% of allocated road, rail and industrial zone infrastructure development funds still available



# Attractive sectors for FDI

## ➤ **Services:**

- ✓ Transport and logistics
- ✓ Information technologies
- ✓ Outsourcing of business processes
- ✓ Health and tourism related to healthy lifestyle



## ➤ **Industry:**

- ✓ Transport equipment and machine building
- ✓ Electronics and electrical engineering
- ✓ Chemical industry
- ✓ Food and agriculture



## ➤ **Resources:**

- ✓ Mining
- ✓ Oil
- ✓ Alternative energy





# Commercial and Economic Relations between the Republic of Bulgaria and the Hashemite Kingdom of Jordan



## **Jordan – a prospective market and a gateway for Bulgaria to the Arab world**

- Jordan has been a WTO member since 11 April 2000;
- The EU's Association Agreement with Jordan was signed on 24 November 1997.
- The EU was for many years Jordan's leading trade partner and main source of imports.
- EU exports of goods to Jordan in 2011: € 3.2 billion
- EU imports of goods from Jordan in 2011: € 0.3 billion
- EU–Jordan trade in 2011 increased by 17%.



## Agreements between Bulgaria and Jordan



- Agreement between the Government of the Republic of Bulgaria and the Government of Hashemite Kingdom of Jordan on the Reciprocal Promotion and Protection of Investment, Amman, 07.08.2002;
- Agreement between the Government of The Republic of Bulgaria and the Government of The Hashemite Kingdom of Jordan for Cooperation in the Field of Tourism, Sofia, 16.09.2004;
- Convention between the Government of The Republic of Bulgaria and the Government of The Hashemite Kingdom of Jordan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, Amman, 09.11.2006;
- Agreement on Economic Cooperation between the Government of the Republic of Bulgaria and the Government of Hashemite Kingdom of Jordan, Amman, 09.11.2006.

## The role of Jordan as a trading partner for Bulgaria for the last ten years

- In 2011, trade between Bulgaria and Arab countries totaled USD 1.48 bln., with Bulgarian exports amounting to USD 1.09 bln. – up 55.7% from 2010. The largest increase in Bulgarian exports compared to 2010 was to Mauritania (729.1%), Iraq (677.3%), Saudi Arabia (269.7%) and Tunisia (156.4%).
- The share of Jordan in total trade between Bulgaria and the Arab countries was 1.5% in 2011, compared to 3.0% in 2010.

<i>Year</i>	<i>Export</i>	<i>Import</i>	<i>Turnover</i>	<i>Balance</i>
2003	<b>7.2</b>	14.1	<b>21.3</b>	-6.9
2004	<b>7.3</b>	21.6	<b>28.9</b>	-14.3
2005	<b>9.9</b>	17.9	<b>27.8</b>	-8.0
2006	<b>18.3</b>	2.6	<b>20.9</b>	15.7
2007	<b>6.9</b>	2.9	<b>9.8</b>	4.0
2008	<b>7.9</b>	5.5	<b>13.4</b>	2.4
2009	<b>6.3</b>	2.6	<b>8.9</b>	3.7
2010	<b>20.9</b>	3.1	<b>24.0</b>	17.8
2011	<b>16.1</b>	67.4	<b>85.5</b>	-51.3
I-VII 2011	<b>10.8</b>	21.9	<b>32.7</b>	-11.1
I-VII 2012	<b>19.2</b>	79.9	<b>99.1</b>	-60.7

# Trade in goods between Bulgaria and Jordan (2011)

## Exports to Jordan (2011)

Item	%
Uncoated kraft paper and paperboard	31.07
Tractors	15.90
Other oil seeds and oleaginous fruits	8.87
Maize (corn)	6.70
Meat	4.24
Wood sawn or chipped lengthwise	2.79
Particle board and similar board	2.40
Electrical transformers	1.81

## Imports from Jordan (2011)

Item	%
Natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk	96.35
Tomatoes, fresh or chilled	1.34
Cucumbers and gherkins, fresh or chilled	1.24
Melons (including watermelons) and papaws (papayas), fresh	0.62
Other vegetables, fresh or chilled	0.11
Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash)	0.10

- Jordanian and Bulgarian companies have established good business relations over the years.
- Increased activity of the business communities from both countries can help to increase and balance bilateral trade.
- Periodically, the two parties have organized business forums, with the participation of companies and businessmen from both sides.
- There are good prospects for cooperation with the Jordanian "Military Consumer Establishment" (MCE) and the government-owned company "Civil Service Consumer Corporation". The two corporations are working to supply to the Jordanian population a variety of food and consumer goods through hypermarket chains, warehouses, shops and exhibition halls.

## **Current and Potential Commercial and Economic opportunities**

- Potential for exporting Bulgarian goods to Jordan and re-exporting them to the countries of the Gulf Cooperation Council (GCC), Iraq and the Palestinian Authority :
  - ✓ Grains, cereals, seeds for sowing, fodder;
  - ✓ Live animals (lambs, sheep, horses), fresh, chilled and canned meat food;
  - ✓ Canned fruit and vegetables;
  - ✓ Confectionery, marmalades and jams;
  - ✓ Milk and milk products;
  - ✓ Baby foods, mineral water, sunflower oil, honey, juices;
  - ✓ Pharmaceuticals and cosmetics, household cleaners, paint, chemicals, liquid fertilizers, preservatives;
  - ✓ Wood and wood furniture;
  - ✓ Glassware, lids, packaging and crystal;
  - ✓ Machinery and equipment;
  - ✓ Building materials – iron, cement, plaster, etc.;
  
- Good opportunities for Bulgarian companies also in the following sectors:
  - ✓ Construction and metal constructions,
  - ✓ Electronics and electrical engineering,
  - ✓ Manufacture of automotive parts,
  - ✓ IT and Business Process Outsourcing (BPO),
  - ✓ Tourism and hospitality management, etc.



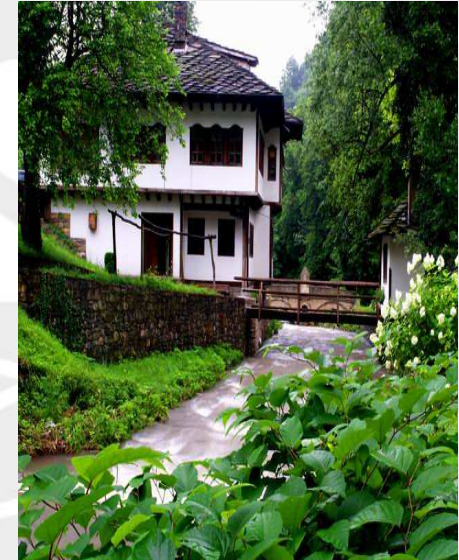
## Tourism between Bulgaria and Jordan

- Bilateral relations in the field of tourism are based on the Agreement for cooperation in the field of tourism, signed in Sofia, 16.09.2004 (entered into force on 17 January 2006).
- 1 573 Jordanian citizens visited Bulgaria in 2011, compared to 1 941 in 2010 (decline of 19.0% compared to 2010);
- 13 Bulgarian citizens visited Jordan in 2011, compared to 122 in 2010 (decline of 89.30% compared to 2010);
- In the nine months of 2012 – 1 150 Jordanian citizens visited Bulgaria (decline of 14.1% compared to the same period of 2011);
- During the same period 40 Bulgarian citizens visited Jordan (growth of 100.0% compared to the same period of 2011).

# Travel & Tourism in Bulgaria

## – important and growing industry

- International and domestic tourism revenues account for 11% of GDP
- Direct employment in tourism—over 180 000 people
- Total number of employees including sectors related to tourism – 474 000
- 15.6% of the Bulgarian economy is a result of the multiple tourism effect
- In 2011 we had:
  - ✓ 6 328 023 foreign tourists
  - ✓ 6.1% more arrivals for leisure and recreation
  - ✓ 68% arrivals from EU member states
  - ✓ Revenues from international tourism totaled Euro 2 852 mln.
- Bulgaria offers a unique experience throughout the whole year – seaside holidays, ski holidays, balneo, SPA & Wellness, cultural, eco & rural tours, adventure travel, congress tourism, gourmet, MICE tourism.



...and world-class Golf tourism and courses...

## Beautiful coastline with golden beaches and modern ski resorts

- 376 km long coastline, picturesque bays, sand dunes, as well as cave phenomena.
- Favorable climate with 120 days a year with temperature of the air and water over 18 °C.
- 11 beaches with Blue Flag award.
- Immense variety of resorts and holiday clubs and villages.
- Water sports such as surfing, water skiing, diving, yachting, underwater fishing and archaeology.
- Lots of festivals and events.
- Mountains with altitude up to 2925 m.
- Snow cover up to 120 days a year in the territories above 2000 m.
- Ski runs of all levels of difficulty.
- Main ski resorts: Borovets, Pamporovo (2012 Europa Cup host), Bansko (2012 World Ski Cup host), Chepelare.





# THANK YOU FOR YOUR ATTENTION

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