

BULGARIA FACTSHEET 2006: TEXTILE & APPAREL SECTOR

InvestBulgaria Agency – March 2006

1. Sector performance - strong traditions and good quality at highly competitive cost

Statistical data

- Above 85% export
- About 25% share (EUR 1.84 bn in 2004) of Bulgaria's total export in the last 5 years
- Steady production growth in the past years (5.3% in 2004)
- 168,000 people employed in 2005E
- Average annual gross salary - EUR 1,176 in 2004

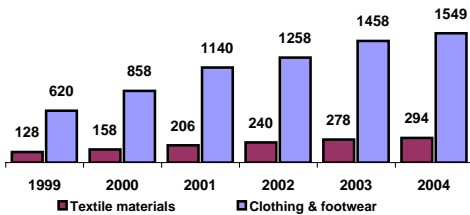
Main markets

- Traditionally the EU countries - 80% of the Bulgarian exports and 58% of the Bulgarian imports in 2004

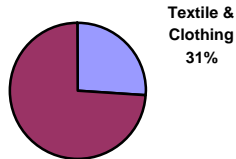
Competitive edge

- Long-lasting traditions in textile and clothing manufacturing
- Good quality at reasonable prices
- Highly skilled and educated workforce
- Network of high schools and technical colleges to train students in handling modern equipment and technologies as well as acquiring up-to-date entrepreneurial skills
- Flexible companies (95% SME with less than 250 employees)
- Lots of companies working on CM and CMT basis with foreign partners thus constantly improving their know-how and services
- Proximity to Europe and major fabric producers in the Euro-Mediterranean zone
- No impediments to the import of raw materials necessary for textile and apparel production

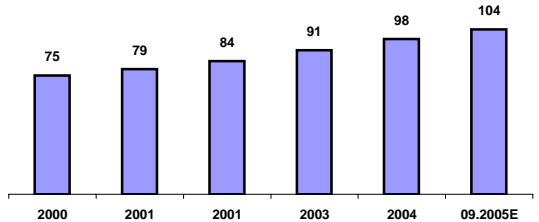
Exports of textile, clothing & footwear, 1999-2004, EUR m



Textile & clothing exports as % of total exports, 2004

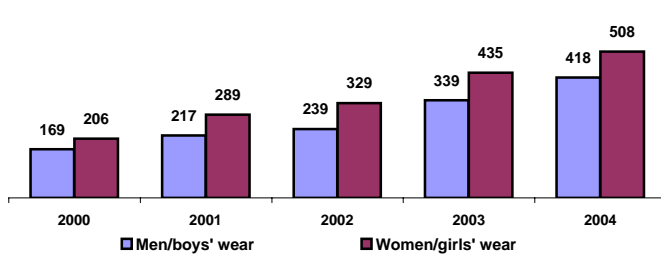


Average monthly gross salary in textile & clothing, 2000-Sep 2005E, EUR

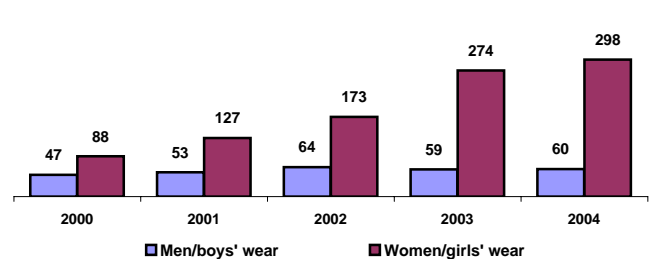


Source: National Statistics Institut, Bulgarian National Bank

Main exported products - woven wear, 2000-2004, USD m



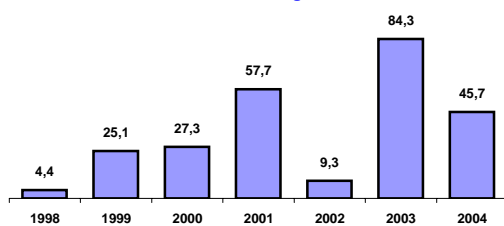
Main exported products - knitwear, 2000-2004, USD m



Source: ITC/ UNCTAD/ WTO

2. Foreign direct investments

FDI in textile and clothing, 1998-2004, USD m



Major foreign investors

Textile & Knitwear

Miroglio (Italy)
Maser Holding (Turkey)
Alt Group (Germany)
Coats (UK)
Dewavrin Group (France)
Safil (Italy)
Stambouli Enterprises (Cyprus)
Menderes Tekstil (Turkey)

Clothing

Rollmann-Partners (Germany)
Demo Bulgaria (Greece)
Kalcedonia (Italy)
Canda Int.OHG (Germany)
Kosmos Textile (Greece)
Pangaea (Greece)
Sara Lee / Lovable (Int.)
Raumer BG (Italy)
Loger fashion (Bulgaria-Germany)

Source: InvestBulgaria Agency

3. Success story

Bulsafil

Bulsafil Ltd., 100% ownership of the Italian Safil company (head office in Biella) runs a spinning mill in the Skutare village, near Plovdiv. The mill was built in 1999/2001 as GFI featuring 18,831 sq. m built-up area, annual production capacity of 1,500 t woolen and mixed weaves, and 340 jobs. According to the Savios brothers, owners of Bulsafil Ltd., the reasons of choosing Bulgaria for outsourcing have been:

- Country with competitive cost of labour
- Availability of traditions and professional skills in textile
- Country location in South East Europe with market potential

In September 2005, new extension of the production and warehouse area by additional built up area of 18,000 sq. m valued EUR 30 m was completed. Now, four production lines with 30,000 spindles (capacity of more than 5,000 t/year) are put in operation. 450 workers (340 working days/year) are employed; most of them have been trained in Italy. 100% of the production is exported to the EU countries.



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