



БЪЛГАРСКА ТЪРГОВСКО-ПРОМИШЛЕНА ПАЛАТА
BULGARIAN CHAMBER OF COMMERCE AND INDUSTRY

126 години надежден партньор

BULGARIA IN FIGURES®

12th
edition

126 years reliable partner

2021

**The brochure has been compiled
by courtesy of:**

**National Statistical Institute,
Bulgarian National Bank
and InvestBulgaria Agency.**



Dear business partners,

For the twelfth consecutive year, the Bulgarian Chamber of Commerce and Industry (BCCI) presents to your attention the brochure “Bulgaria in Figures”, which gathers the main macroeconomic indicators of the country and the assessment of a number of leading international organizations.

2020 caused numerous changes in the daily activities of companies and the way of communication between partners, but also created opportunities for quick introduction of new forms of employment and digitalization. In the same year, Bulgaria was accepted as a member of the ERM II exchange rate mechanism and the Banking Union, in preparation of its accession to the Euro area, and did not allow its taxes to increase. Along with maintaining relatively good macroeconomic indicators, it also received a good assessment of the prospects of the economy for this and next year.

BCCI has actively participated in the elaboration of all measures with constructive proposals for their amendment and supplementation on the basis of a series of surveys on the effect, consequences and impact of the pandemic on the business environment in the country. We have consistently encouraged companies to monitor the state of the sector in which they operate, to focus on digitalization and to limit actions that will unbearably increase their indebtedness. We will continue to work for the prevention of inappropriate measures, including for the proper targeting of EU funds in the new programming period and the National Recovery and Sustainability Plan, so as not to worsen Bulgaria’s position. We hope that the efforts to eliminate the weaknesses of the economic environment identified by various rankings, will be successful.

We will continue to provide information and consultations <https://www.bcci.bg/cbir-bcci.html>, to create contacts and cooperation <https://www.bcci.bg/international-en.html> at all stages of business, including by providing assistance for the settlement of the many emerging disputes due to the delay and/or non-fulfillment of contractual obligations <https://www.bcci.bg/bcci-arbitration-court-en.html>.

With this publication we hope to once again give a clearer picture of the situation in Bulgaria so that the institutions and companies can take measures in the right direction.

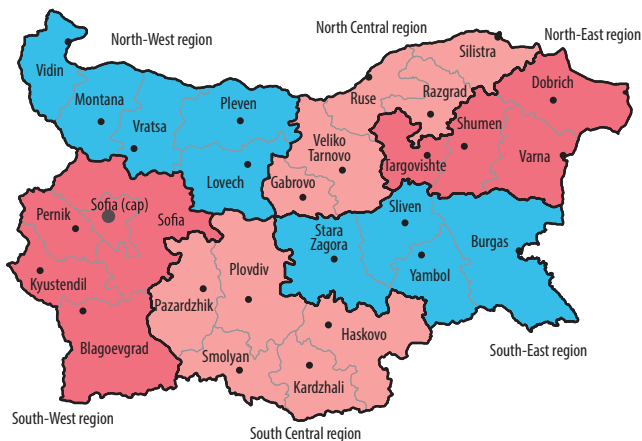
BCCI remains at your disposal for assistance, consultations and research on any particular cases.

With the ambition to continue to create more security and resilience of local and foreign entrepreneurs in Bulgaria, I remain

Yours sincerely,

*Tsvetan Simeonov
BCCI President*

REPUBLIC OF BULGARIA



General data

State government: Parliamentary Republic

Head of state: President

Head of government: Prime Minister

Capital: Sofia

Area: 111 001.9 sq.km.

Administrative and territorial division: 28 districts and 265 municipalities, 6 regions

Population: 6 916 548 persons as of 31.12.2020

Official language: Bulgarian

Religion: Mostly Eastern Orthodox Christians

National currency: LEV (BGN – fixed to the Euro, 1 EUR = 1.95583 BGN, since 1997, since 2020 – member of ERM II)

Facts about Bulgaria

- ▲ EU, NATO and WTO Membership
- ▲ Strategic geographical location and openness to foreign markets: crossroad between Europe, Asia and Africa
- ▲ Stability in financial environment: Bulgaria's debt is the third lowest in the EU 27 (25% of GDP) as of 2020
- ▲ Business-friendly environment: Simple and low taxation
- ▲ Competitive operational costs and competitive labour level

Main indicators – actual data

	2016	2017	2018	2019	2020
GDP (mill. EUR)	48 640	52 329	56 112	61 240	60 643
GDP real growth rate (%)	3,8	3,5	3,1	3,7	-4,2
Inflation (%)	-0,8	2,1	2,8	3,1	1,7
Government deficit/ surplus (% of GDP)	0,1	1,2	2,0	2,1	-3,4
Exports (mill. EUR)	24 126	27 916	28 648	29 890	27 969*
Imports (mill. EUR)	26 181	30 286	32 148	33 740	30 730*
Employment rate (%)	63,4	66,9	67,7	70,1	68,5
Unemployment rate (%)	7,6	6,2	5,2	4,2	5,1

*Preliminary data

Source: Eurostat, Bulgarian National Bank, National Statistical Institute

Macroeconomic forecast

	2020	2021	2022
Real Gross Domestic Product (% change)	-4,2	3,5	4,7
Total Investment (% change)	-5,1	3,4	6,1
Employment growth (%)	-2,3	0,6	1,3
Unemployment rate (%)	5,1	4,8	3,9
Consumer-price inflation (%)	1,2	1,6	2,0
General government balance (% of GDP)	-3,4	-3,2	-1,9
General government gross debt (% of GDP)	25,0	24,5	24,0

Source: Spring 2021 Economic Forecast, European Commission

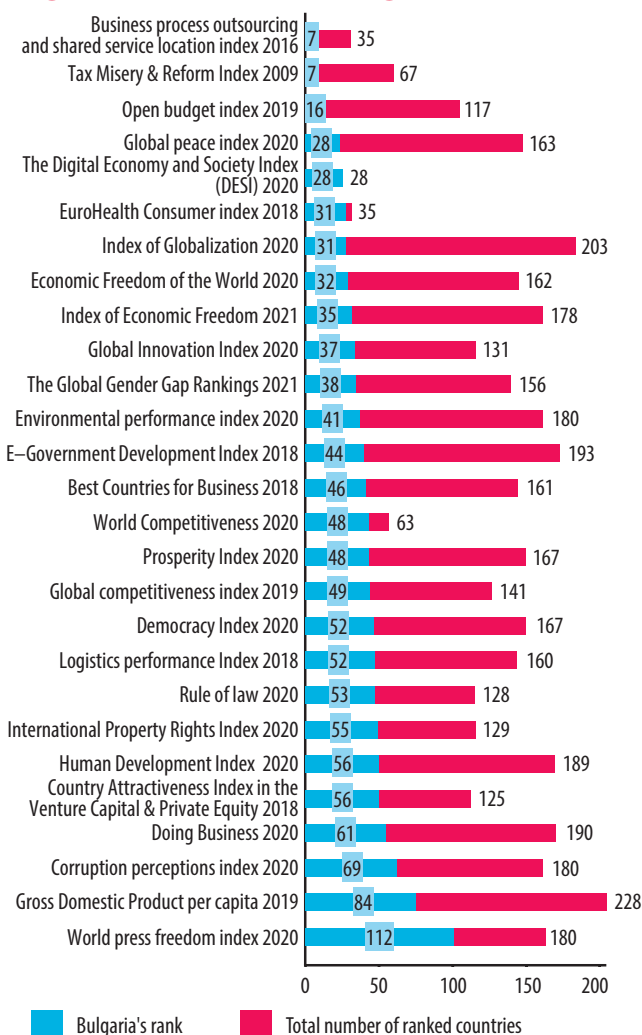
BULGARIA IN THE INTERNATIONAL RANKINGS

Bulgaria has competitive positions in numerous international indices. According to the following rankings the country has the best performance in terms of business process outsourcing (BPO), low taxes and openness of budget procedure.

For more information:

<https://www.bcci.bg/economic-analyses-en.html>

Bulgaria in international rankings

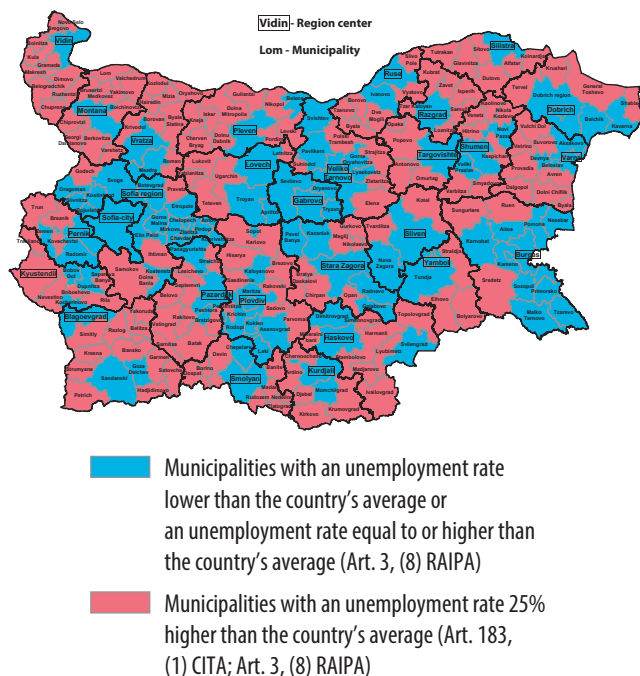


Source: Respective websites

FOCUS ON TAXATION

Flat-tax system is introduced in Bulgaria - a single 10% rate applied on personal income and a 10% rate applied on corporate income (imposed respectively in 2008 and 2007). For more than 12 years Bulgaria has not changed the low rates of the direct taxes. Since 1999 the standard rate of value-added tax in Bulgaria has been set on 20%, with the exception of hotel services, where a reduced rate of 9% is applied. In the middle of 2020 Bulgaria decided to reduce the VAT until 2021 on 9% for some products and services (children's goods, restaurant and catering services and books). In Bulgaria taxpayers are released from payment of corporate tax in regions with high unemployment rates. In 2019 about 2/3 of municipalities – 165 (of total 265 in Bulgaria) had 25% higher than the average rate of unemployment for the country and there is 0% corporate income tax.

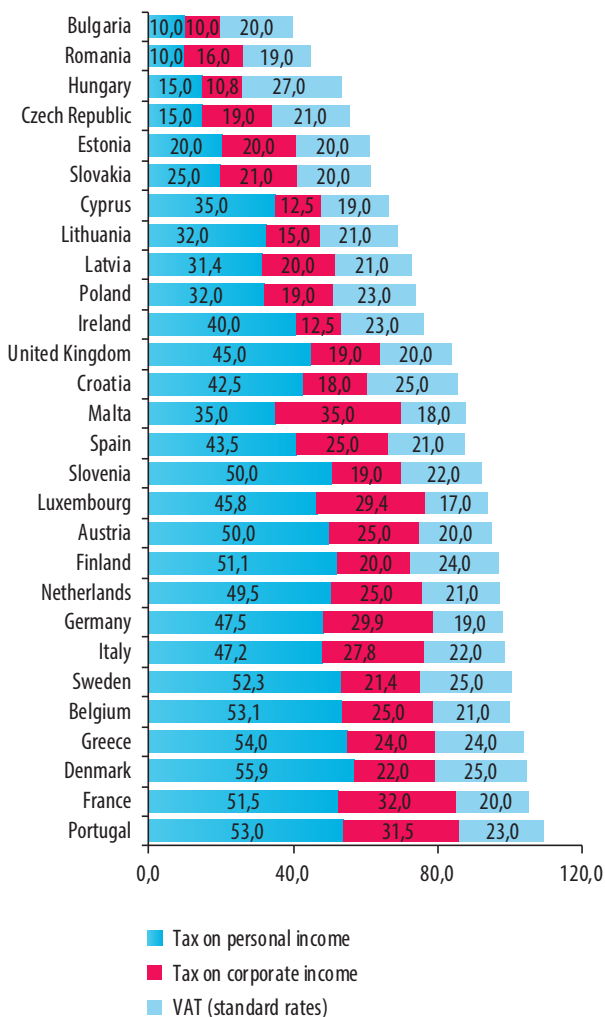
Unemployment by municipalities – 0% corporate tax in regions shown in orange



Source: Bulgarian Chamber of Commerce and Industry,
Ministry of Finance of the Republic of Bulgaria

Bulgaria is the third least tax burdened country in the EU as of 2020: The overall tax-to-GDP ratio in Bulgaria is 30.3% for 2019, compared to an EU average of 41.1%.

Top statutory income tax rates and standard VAT rates (2020), %



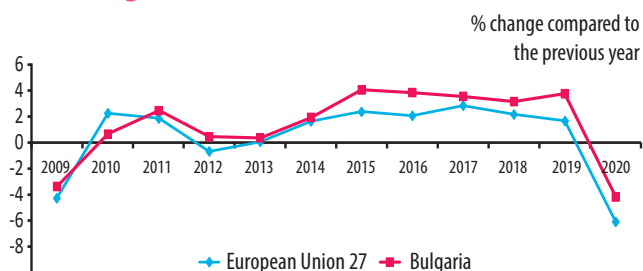
Source: Eurostat

GROSS DOMESTIC PRODUCT

In the recent years the Bulgarian economy has been growing steadily, with higher rates than the EU average. Over 2015 economic activity in Bulgaria accelerated significantly. In 2019 real growth of GDP in Bulgaria reached 3.7%.

Growing domestic demand was the main driver for GDP and it is expected to remain in the next years. Unfortunately in 2020 Covid-19 created major changes in expectations for GDP levels. Bulgaria recorded a decline of -4.2% of GDP, while the average decline for the EU27 was 6.1% of GDP.

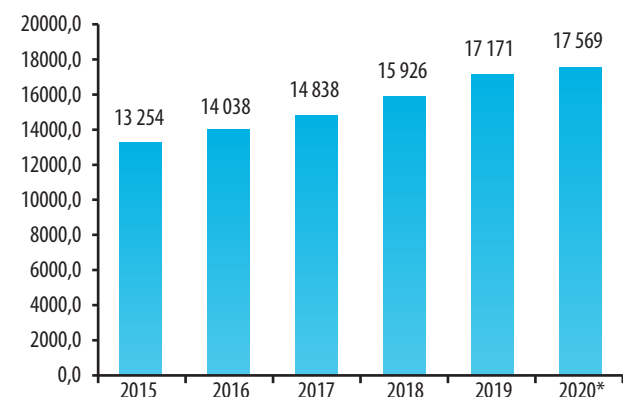
Real GDP growth rate



Source: Eurostat

Over the past five years the GDP per employed has grown. The main factor of growth has been the increase of Gross Value Added in the economy, which continues to grow, albeit at a slow pace, through the COVID-19 pandemic.

GDP per employed



* Preliminary data

Source: National Statistical Institute,
Bulgarian Chamber of Commerce and Industry

Gross Domestic Product and Gross Value Added by economic sectors and economic activity groupings at current year prices

Million EUR

Economic sectors and economic activity groupings	2015	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	1 838	1 957	2 111	1 891	1 982	2 070
Mining, quarrying and manufacturing	9 091	10 130	10 829	10 506	10 877	11 375
Construction	1 727	1 642	1 862	2 032	2 362	2 555
Wholesale and retail trade	8 871	9 326	10 085	11 255	12 457	9 977
Information and communication	2 092	2 585	2 758	3 302	3 997	4 211
Financial and insurance activities	2 728	2 974	2 960	3 237	3 080	3 243
Real estate activities	3 859	3 988	4 514	5 144	5 489	5 374
Professional, scientific and technical activities; administrative and support service activities	2 492	2 633	2 738	3 152	3 733	3 587
Public administration and defence; compulsory social security; education; human health and social work activities	5 737	5 629	6 270	7 015	7 624	8 992
Arts, entertainment and recreation, repair of household goods and other services	998	1 003	1 054	1 098	1 259	1 100
Gross Value Added	39 433	41 868	45 182	48 633	52 289	52 483
Adjustments (taxes less subsidies on products)	6 242	6 752	7 127	7 453	8 385	8 158
Gross Domestic Product	45 675	48 620	52 309	56 086	60 674	60 642

Source: National Statistical Institute,
Bulgarian Chamber of Commerce and Industry

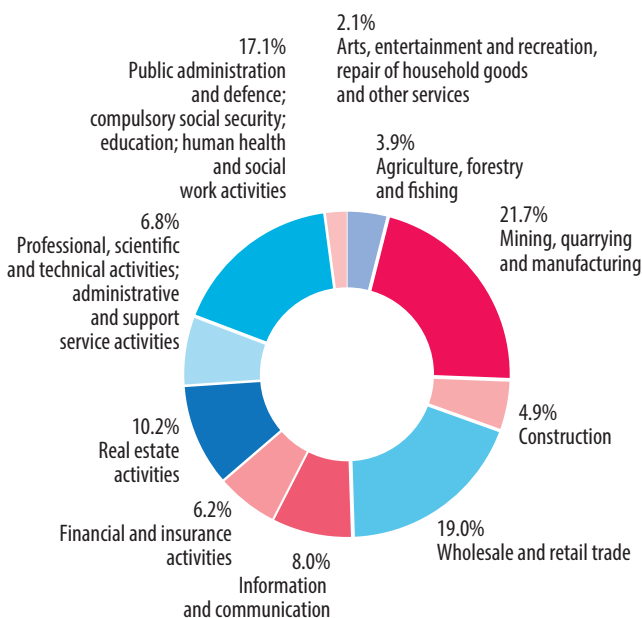
In 2020 Real Estate Activities and Agriculture, Forestry and Fishing were the most important engines for the growth in the gross value added compared to 2019.

The sectors that reported the largest contribution to GDP in 2020 (share of 41%) were Mining, Quarrying and Manufacturing and Wholesale and Retail Trade.

The relative share of Industry in the GVA of the national economy is 26.5%. The Services sector creates 69.5% of the total GVA and Agriculture – 4%.

Structure of Gross Value Added by economic sectors and economic activity groupings in 2020

Million EUR



Source: National Statistical Institute,
Bulgarian Chamber of Commerce and Industry