

IN BUL
TO BE



About us

Invest Bulgaria agency is a government organization, established to attract investments to Bulgaria, to assist project set-up and to ensure successful project development resulting in new jobs, exports and know-how transfer for the Bulgarian economy. We help potential and existing investors explore the investment opportunities in Bulgaria and carry out greenfield investment projects in the country.



WE PROVIDE CONFIDENTIAL AND FREE SUPPORT

Some facts about Bulgaria?

Bulgaria in numbers and facts

MOVE TO BE MOVED

Bulgaria is in Top 10 countries in the world with fastest internet connection.

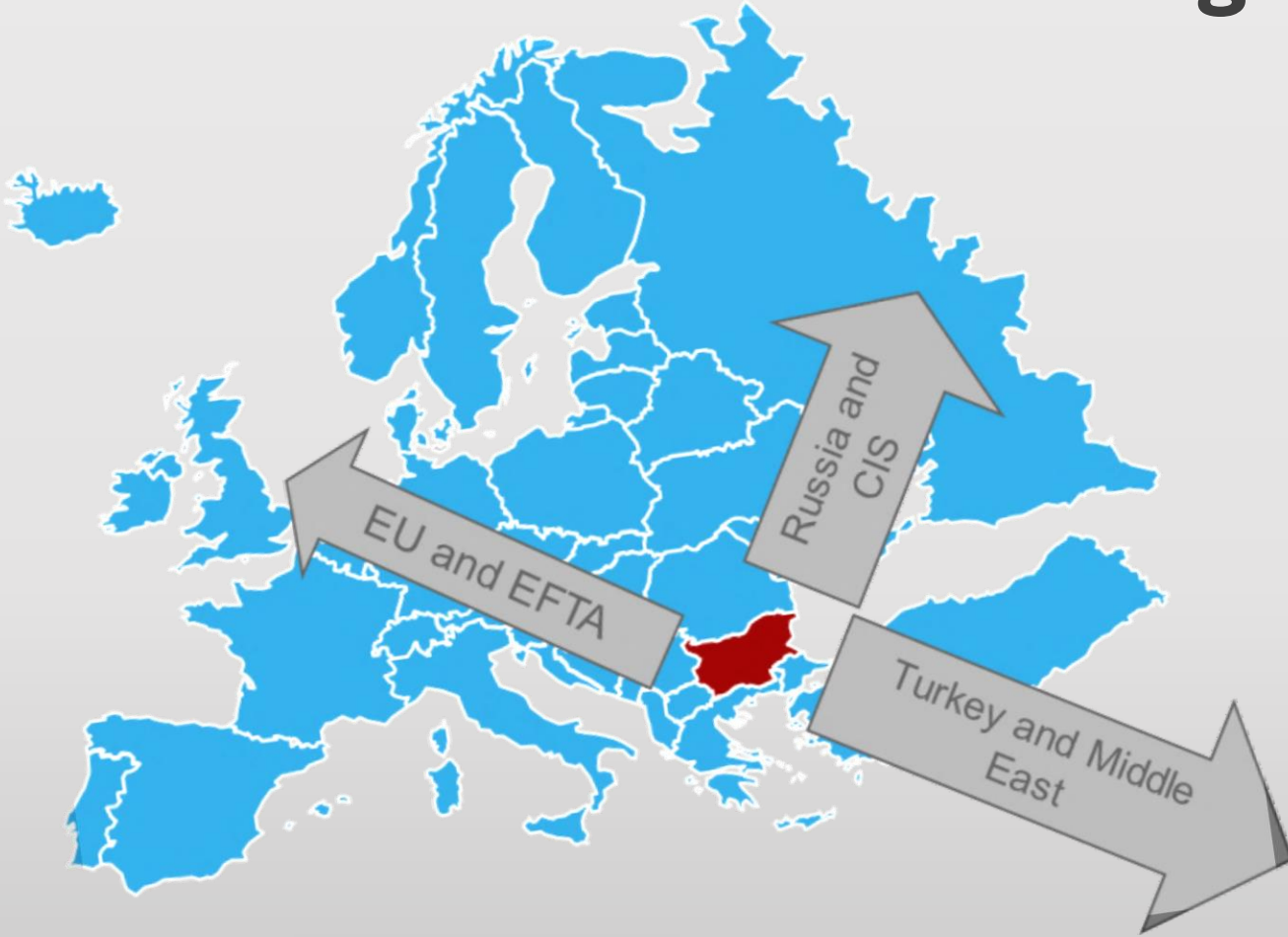
Bulgaria is at the top of the world rankings in mathematics.

3rd. in the world of I.T. Specialists per capita

Bulgaria ranks among the richest countries in terms of cultural and historical heritage in Europe



Where Bulgaria stands



STRATEGIC LOCATION

Four major airports/ Sofia, Plovdiv, Varna, Burgas
Two seaports/ Varna and Burgas
Free exports to the EU countries
Access to the Middle East

STABILITY

-member of the European Union, NATO and WTO



Current overview



Empl.
rate (20-64
years) for 2020
73.4 %



Unempl.
Rate /Feb
2021
6.9%



1.7% Average
inflation rate
for 2020



GDP for
2020
-4.2%

Taxation Rates

Bulgaria has attractive taxation system.

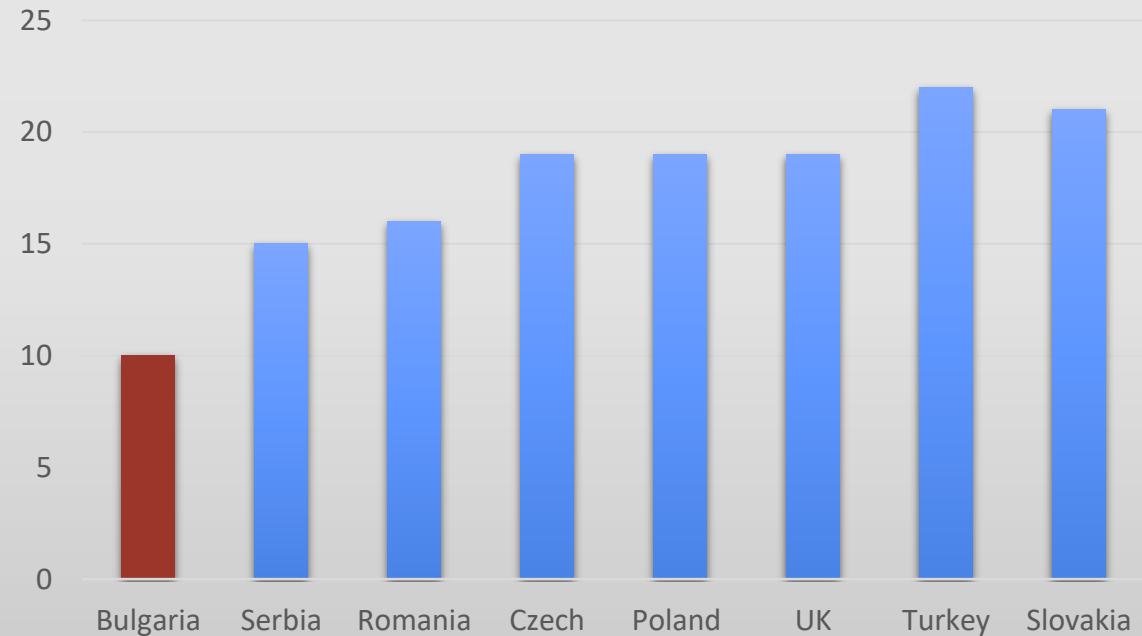
One of the lowest in the EU

10 % Corporate income tax

10 % Personal income tax

General VAT is 20 %

% Corporate income tax



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

Indicative cost of business



ELECTRICITY

0,0805 €
(€/kWh)



GAS

0.021€
(€/KWh)



WATER

1.09 €
(€/m³)



RENTS

8 €
(m²/month)



LABOR COST

332 €
Minimum

One of the most competitive costs in Europe!



STARTING A BUSINESS

Workflow of registration a company

Have company documents notarized
€ 50 notary fees

1 day

+ € 150

Deposit paid – up capital in a bank € 1 paid – up capital /
€ 30 bank fees **1 day**

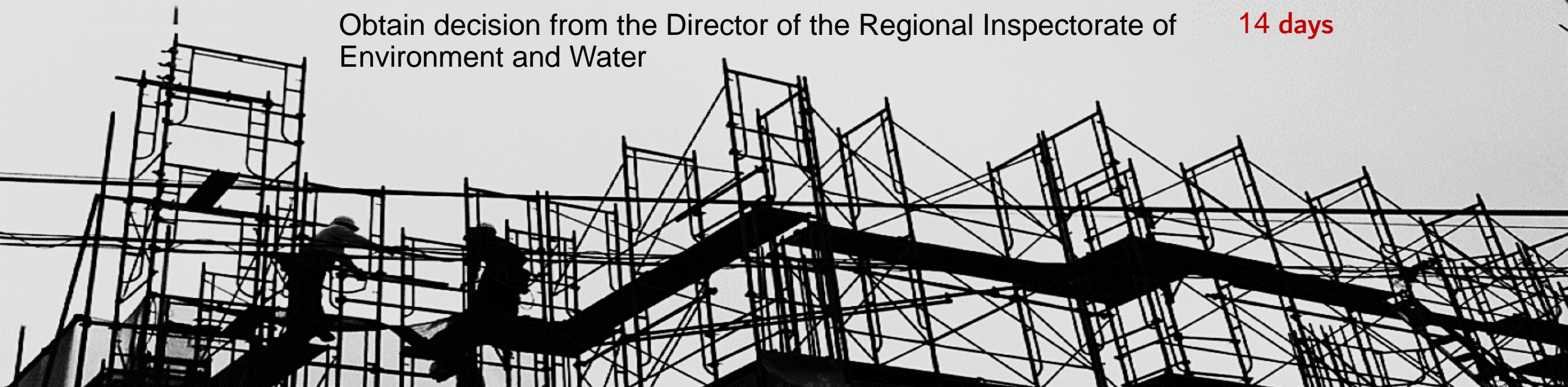
Lawyer fees for registration a company

Registration in the commercial register € 28 state tax (online – based
registration) **2 days**

Registration for VAT at the national revenue agency free of charge **14 days**

Apply for VISA from the Chief Architect of the Municipality **3 days**

Obtain decision from the Director of the Regional Inspectorate of
Environment and Water **14 days**



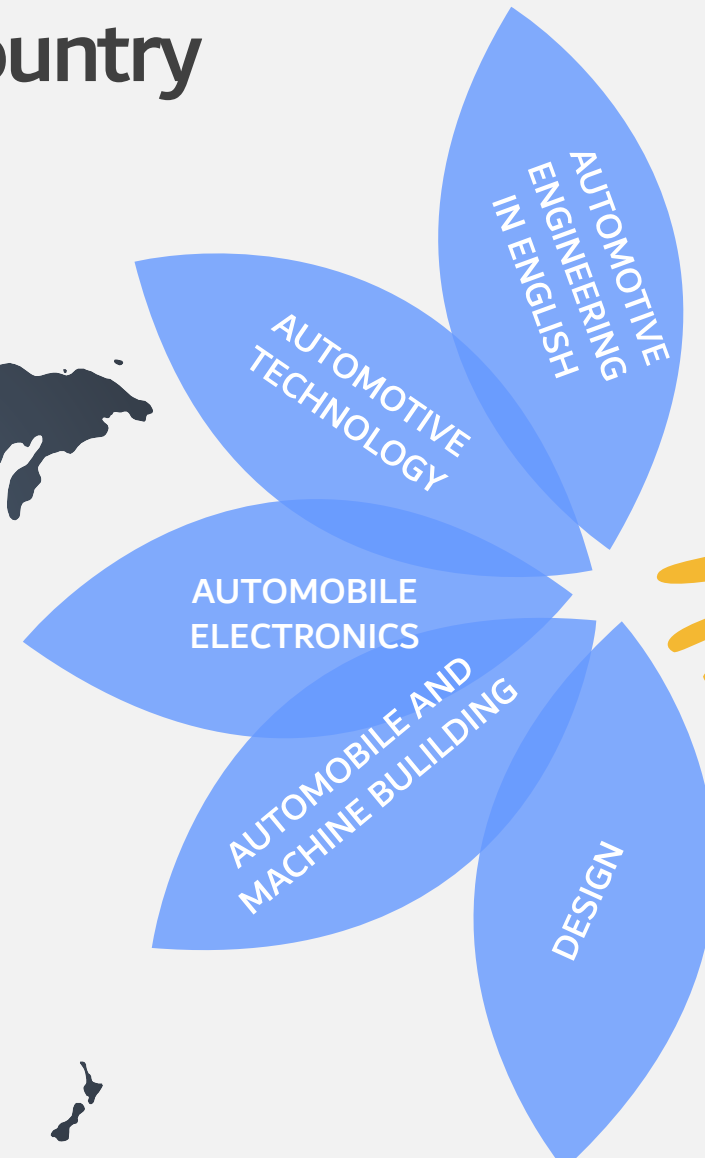
Net Foreign Direct Investments (Inward)



2015	1998.5 ML
2016	939.8 ML
2017	1605.6 ML
2018	967.5 ML
2019	1533.8 ML
2020	2123.9 ML

Source: Annual accounting entries reported by the Bulgarian National Bank

Technical High Schools and Universities are located all over the country



11 Technical Universities in Bulgaria

Educational System

430
vocational
secondary schools

118 High Schools
of
Mathematic, Science
and Economics

Rapid development of private
initiatives for adult and formal
secondary IT education

52 Universities

... another positive trend

Every year about 60 students take part in 15 different international competitions

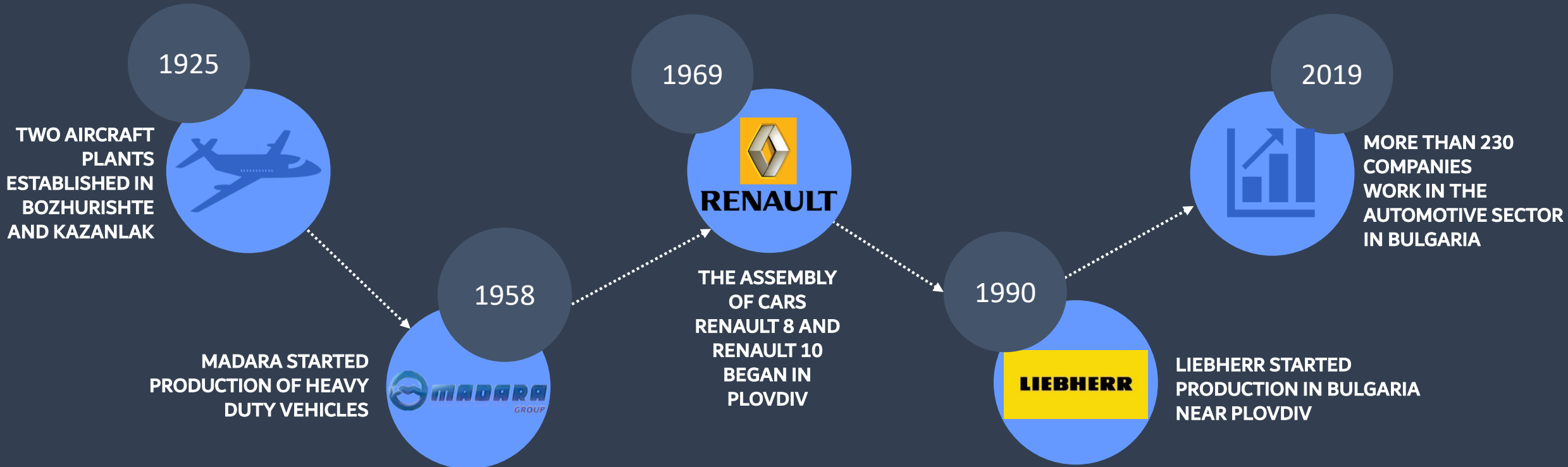
AUTOMOTIVE SECTOR IN BULGARIA

OVERVIEW OF THE SECTOR



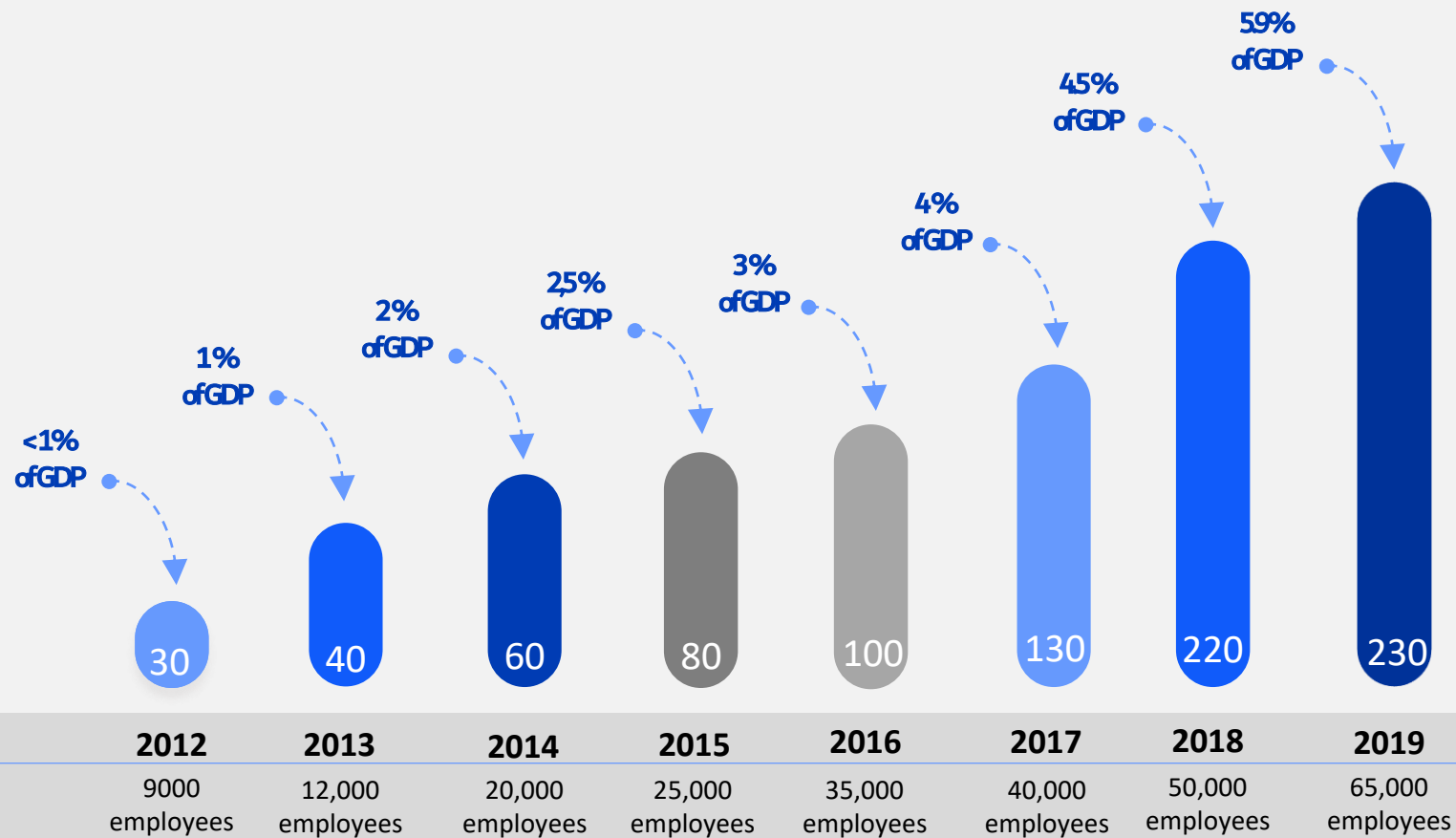
90% OF THE CARS IN EUROPE HAVE PARTS PRODUCED IN BULGARIA

BASIC HISTORY FACTS

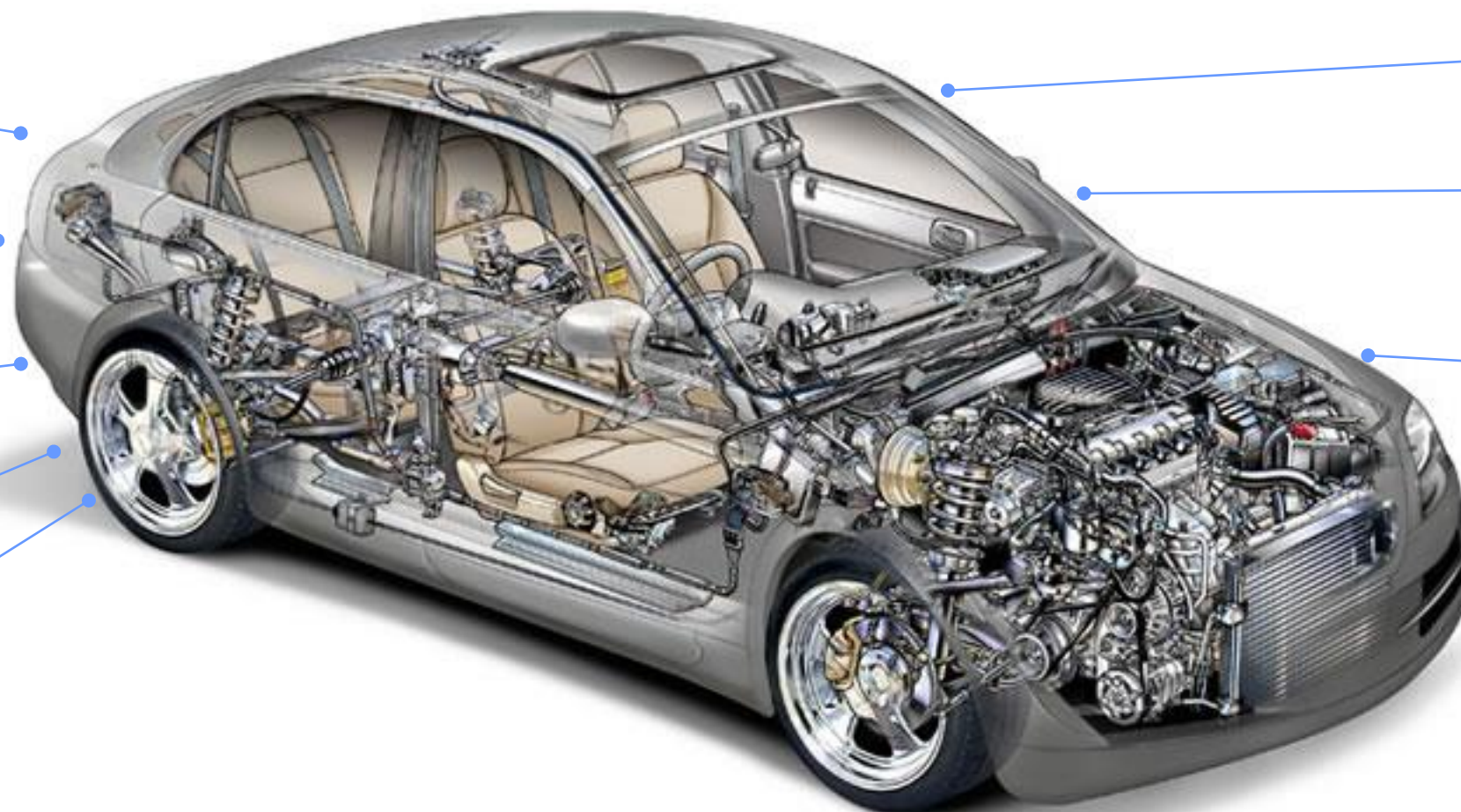


AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA

Companies Growth in the Automotive Industry



80% OF THE SENSORS IN ALL EUROPEAN CARS ARE MADE IN BULGARIA



Visteon

SIEMENS

ABB

FESTO

YAZAKI

TEKLAS

Competent in Global Competition

VOSS

LEONI

odelo

Automotive Signal Lights

ETEM
BUILDING SYSTEMS

IT AND BPO SECTOR IN BULGARIA

Bulgaria has long experience and traditions in the IT Sector



The Atanasov–Berry Computer (ABC) is the world's first electronic digital computer

1937

1967

The first Factory for Computing Technology in Bulgaria.



1st Bulgarian Microcomputer "IMKO 1" (Analogue of Apple II plus)

1980

1984

"Pravec 16" – Initially made under the name IMKO-4 was an analogue of IBM PC/XT. Bulgaria started producing 60 000 computers/year, thus becoming the number one producer and exporter for USSR and CMEA

80% of Bulgarian software companies' revenues already result from contracts with European and US partners

2006

Created the 1st Bulgarian Internet Browser



2010

Data for 2018

€ 2.4 B CONTRIBUTION TO
GDP/2018
52%

€ 2.4 M ANNUAL
OPERATING
REVENUE
19.5% growth

583 BPO & ITO
COMPANIES

€ 4.8 B EXPECTED
TURNOVER
by 2022
x2 growth

€ 174 M NET PROFIT
57.4% growth

67 000 FULL-TIME
EMPLOYEES

Educational System

10 400

students graduated in
computer science,
software development
and mathematics
2014-2019

12 000

students were enrolled
in these majors in
2018/2019

20 000

university and college
graduates that could be
suitable employees for
the sourcing industry in
2018

**... another
positive trend**

Rapid development of
private initiatives for
adult and formal
secondary IT education



THE IT COMPANIES PREPARE BY THEMSELVES THE NEW GENERATION OF IT SPECIALISTS FOR THE DIGITAL FUTURE

ELECTRONICS AND ELECTRICAL ENGINEERING IN BULGARIA

Did you know?



Electric machines

The electronics and electrical engineering sector, represented by electric machines, as a product group, has achieved the most significant progress in the export of the country.



1st in Export by Product Group

Between 2007 and 2018 the export of the product group has increased 4 times - from EUR 776 M to EUR 3.06 B



Rich History & Established Traditions



FIRST STEPS

SIEMENS PARTICIPATED IN BUILDING THE TELEGRAPHIC NETWORK IN BULGARIA.

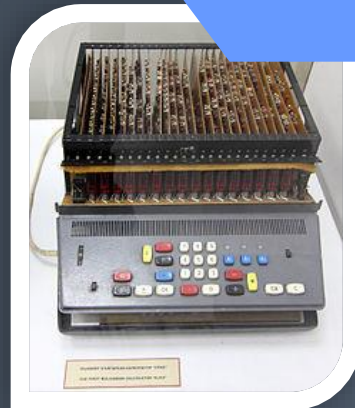
1890



PEAK OF THE INDUSTRY – THE MODERN COMPUTERS

ELECTRONICS COMPRISES 25% OF BULGARIAN MANUFACTURING AND MORE THAN 40% OF THE MAINFRAMES AND PERSONAL COMPUTERS IN EASTERN EUROPE. 130 000 PEOPLE ARE EMPLOYED IN THE INDUSTRY.

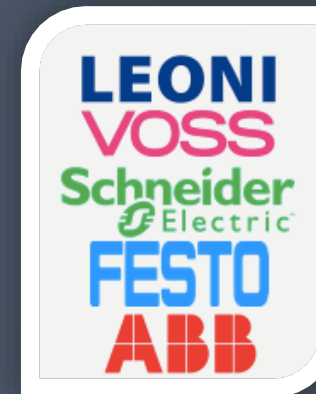
1985 - 1988



1965

ELKA

IS A BULGARIAN BRAND OF ELECTRONIC CALCULATOR, DEVELOPED BY THE CENTRAL INSTITUTE FOR COMPUTATION TECHNOLOGIES AND BUILT AT THE ELEKTRONIKA PLANT IN SOFIA.



1990 - 2019

PRIVATISATION AND INTERNATIONALISATION

THE BEGINNING OF PRIVATIZATION OF STATE OWNED ELECTRONICS AND ELECTRICAL ENGINEERING ENTERPRISES, FOLLOWED BY ESTABLISHMENT OF OPERATIONS OF MANY INTERNATIONAL COMPANIES IN BULGARIA

OVERVIEW OF THE SECTOR



64% OF THE WORKFOCE IN THE SECTOR IS A RESULTS OF DIRECT FOREIGN INVESTORS

45 019

WORKFORCE



FOREIGN INVESTORS ACTIVELY PARTICIPATE IN THE OPERATIONS OF 68 OF TOTAL 408 ENTERPRISES IN BULGARIA

408

NUMBER OF ENTERPRISES



THE ANNUAL SALES REVENUE OF FOREIGN INVESTORS IN THE SECTOR ACCOUNTS TO 59% OR BGN 1714.4 MLN OF THE OVERALL SALES REVENUE

**EUR
2 896.3 M**

SALES REVENUE

GOVERNMENT INCENTIVES AND INVESTMENT OPPORTUNITIES

Certification Criteria

Under the Investment Promotion Act (IPA)



EMPLOYMENT ESTABLISHMENT

Creating new working places is within the requirements for receiving certificate for class investor.



ECONOMIC ACTIVITY

The targeted sectors are defined by The State and high-tech ones are with preference and therefore with lowered financial requirements for the investment.






LOCATION

Establishment of the project in a region with high unemployment will reflect in doubling the period of reimbursement of social security payments. Additionally it will result in 0% corporate taxation rate.

Certificates

Incentives under the Investment Promotion Act

		Priority Class	Class A	Class B
 <p>Common EU rules and procedures exist</p>	THRESHOLD	€ 50.00 M 50 – 150 Jobs	€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K– 2.50 M 10 – 100 Jobs
	INCENTIVES			
	SHORT CUT ON ADMINISTRATIVE TERMS	✓	✓	✓
 <p>Special Benefits for Big Projects</p>	NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND	✓	✓	✓
	FINANCING VOCATIONAL TRAINING	✓	✓	✓
	SOCIAL SECURITY CASH BACK	✓	✓	✓
	INDIVIDUAL SERVICES	✓	✓	
 <p>Bulgaria, as a Member State of the EU, is required to apply the State aid regime</p>	FINANCING TECHNICAL INFRASTRUCTURE	✓	✓	
	PUBLIC-PRIVATE PARTNERSHIP	✓		
	NO TAX ON CHANGING LAND STATUS	✓		
	BUYING PUBLIC LAND ON FAVOURABLE PRICES	✓		
	GRANTS FOR R&D	✓		

Why Bulgaria is your place for doing business?

ECONOMIC STABILITY

- ❑ EU, NATO & WTO member
- ❑ Currency board
- ❑ Low budget deficit and government debt
- ❑ Local presence of multinational companies such as HP, IBM, SAP, Johnson Controls, VMware, Cisco etc.

EDUCATED AND SKILLED WORKFORCE

- ❑ 25 % of population hold university degree
- ❑ 49,5 % of population speak at least one foreign language
- ❑ Multilingual workforce
- ❑ Expertise in IT and Engineering

EASY MARKET ACCESS

- ❑ European Union
- ❑ Russia
- ❑ Turkey
- ❑ Middle East

REDUCED COST AND RISK

- ❑ Attractive taxation system
- ❑ Competitive cost of labor
- ❑ Favorable office rents and low cost of utilities

GOVERNMENT INCENTIVES

- ❑ Social security benefits
- ❑ Tax benefits
- ❑ Vocational education benefits

THANK YOU



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