

# INVEST IN BULGARIA

InvestBulgaria Agency  
7 June 2022

# About us

Invest Bulgaria agency is a government organization under the Ministry of Innovation and Growth. We help potential and existing investors explore the investment opportunities in Bulgaria and carry out greenfield investment projects in the country.

- Attract high value added FDI in the country
- End-to-end support to investors during the full investment cycle
- Advocacy with government to improve the general investor's climate in Bulgaria
- Industry focused ecosystem of suppliers and subcontractors

We provide confidential and free of charge support



# Did you know?

Bulgaria in numbers and facts

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

49,5 % of the population speaks at least one foreign language

Bulgaria ranks 3rd in terms of cultural and historical heritage in Europe

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

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



# 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
- Access to 1.3 bn. customers
- Over 40 trade agreements with 80 countries

Member of the European Union, NATO and WTO



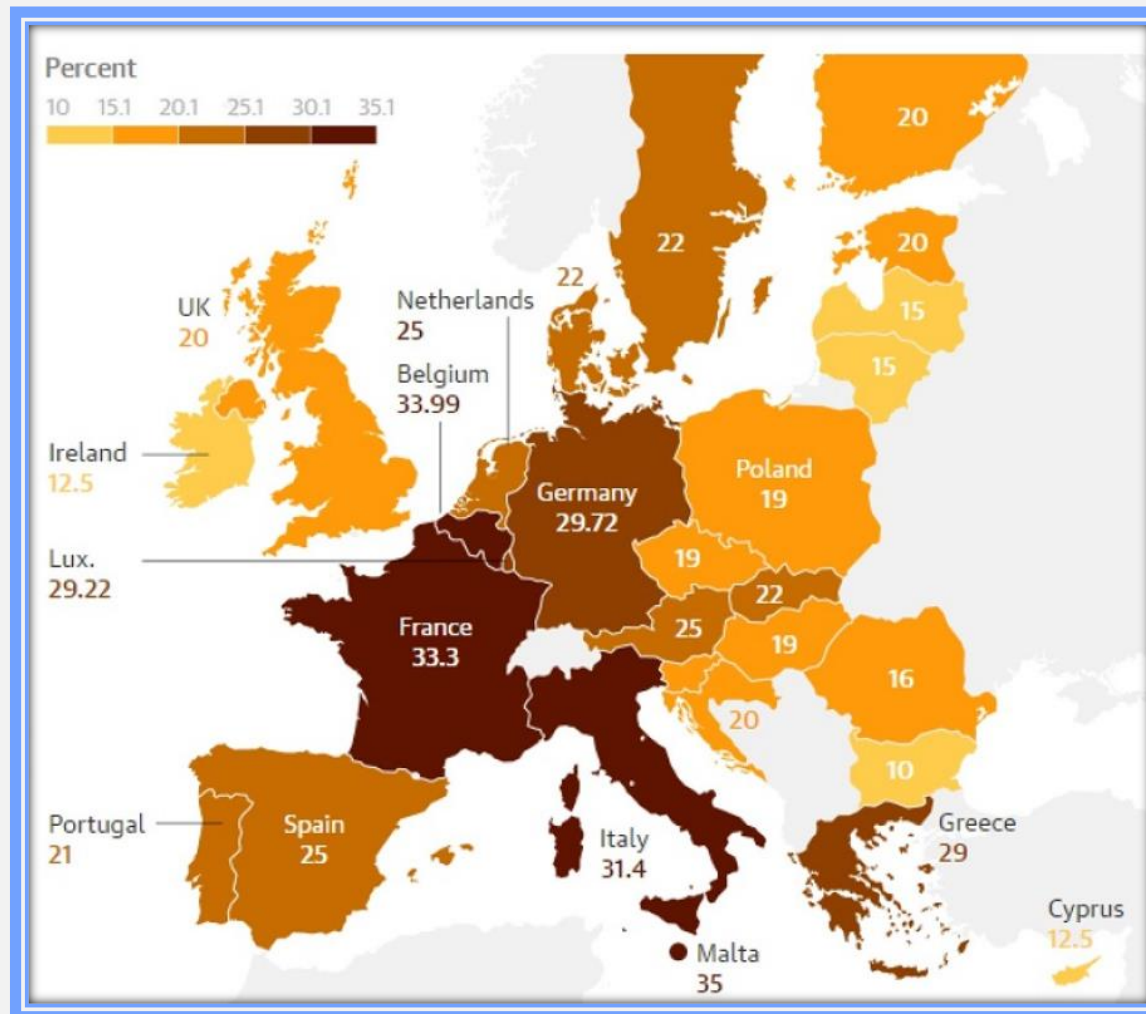
# Taxation Rates

One of the lowest in the EU

10 % Corporate income tax - flat

10 % Personal income tax

General VAT is 20 %



# Macroeconomic overview

- ✓ Annual GDP growth (2021) is 4.2 %
- ✓ FDI in Bulgaria (2021) amount to EUR 1 265 M, 1.9% of GDP
- ✓ The unemployment rate for 2021 is 5.3%
- ✓ In 2021, exports increased by 24.0% and imports by 27.5% on an annual basis
- ✓ Bulgaria's economy is expected to grow by 2.6% in 2022 and by 2.8% in 2023 (revised from 4.6% and 3.7% due to the war in Ukraine)



# Cost of living in Bulgaria



Cost of living	One person	Family of 4
<b>Total with rent</b>	<b>\$654</b>	<b>\$1610</b>
<b>Without rent</b>	<b>\$362</b>	<b>\$1128</b>
<b>Rent &amp; utilities</b>	<b>\$293</b>	<b>\$483</b>
<b>Food</b>	<b>\$247</b>	<b>\$663</b>
<b>Transport</b>	<b>\$44</b>	<b>\$118</b>

Monthly salary after tax is \$729

# Cost of living by cities



**Sofia** One person

Total with rent	\$795
Without rent	\$409
Rent & utilities	\$386
Food	\$261
Transport	\$71



**Plovdiv**

	\$637
	\$361
	\$277
	\$245
	\$41



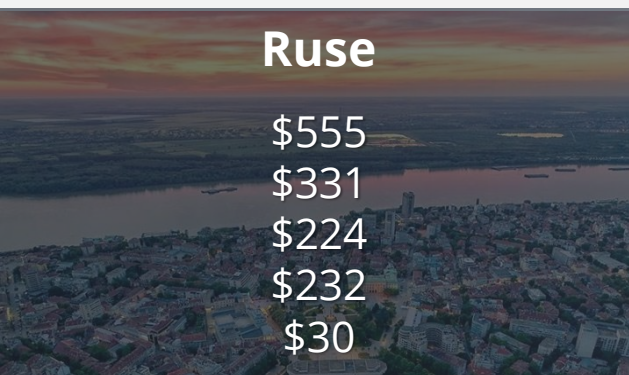
**Varna**

	\$667
	\$380
	\$287
	\$267
	\$41



**Burgas**

	\$603
	\$351
	\$252
	\$243
	\$35



**Ruse**

	\$555
	\$331
	\$224
	\$232
	\$30



**Pleven**

	\$556
	\$324
	\$232
	\$241
	\$20



**Stara Zagora**

	\$592
	\$362
	\$230
	\$272
	\$24



**Blagoevgrad**

	\$516
	\$278
	\$238
	\$206
	\$18





# STARTING A BUSINESS

## *Workflow of registration a company*

Have company documents notarized  
€ 50 notary fees

1 day

Deposit paid – up capital in a bank € 1 paid – up capital / €  
+ bank fees

1 day

**+ € 150**

**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

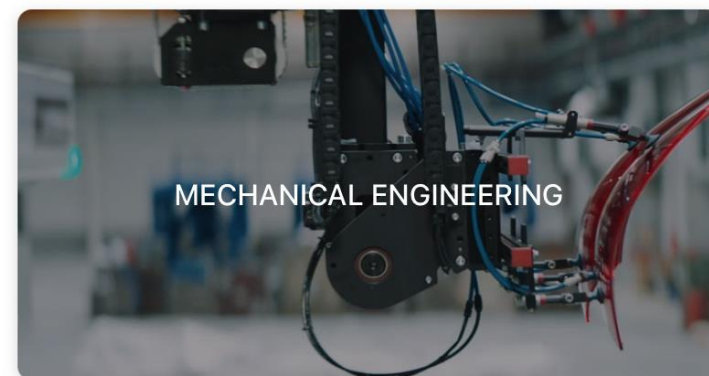
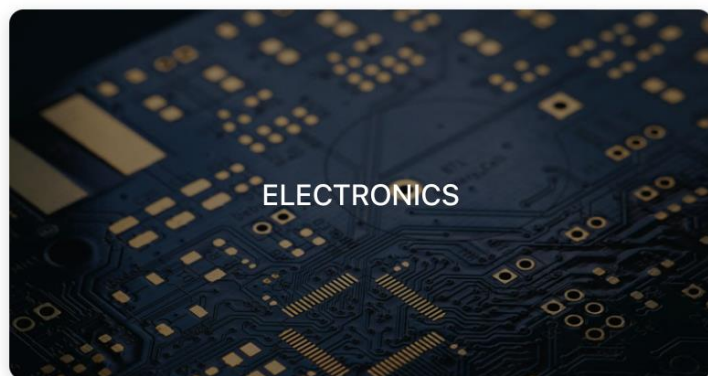
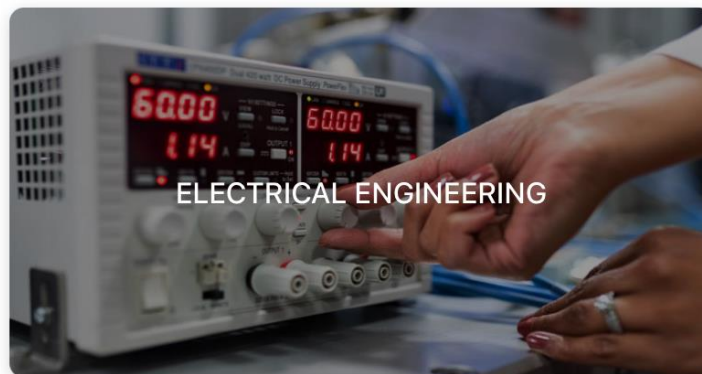
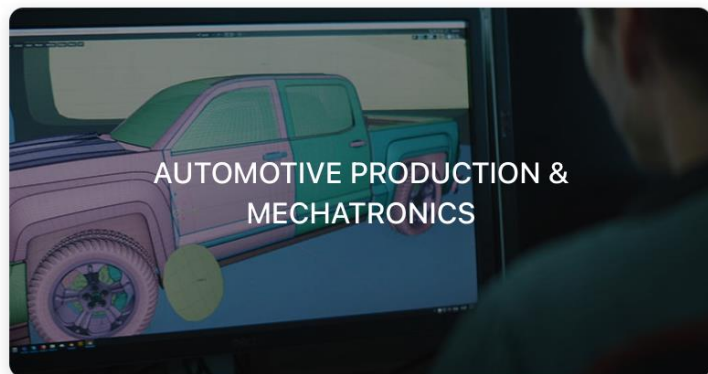
Obtain decision from the Director of the Regional Inspectorate of Environment and  
Water

14 days





# Priority sectors





# AUTOMOTIVE IN BULGARIA

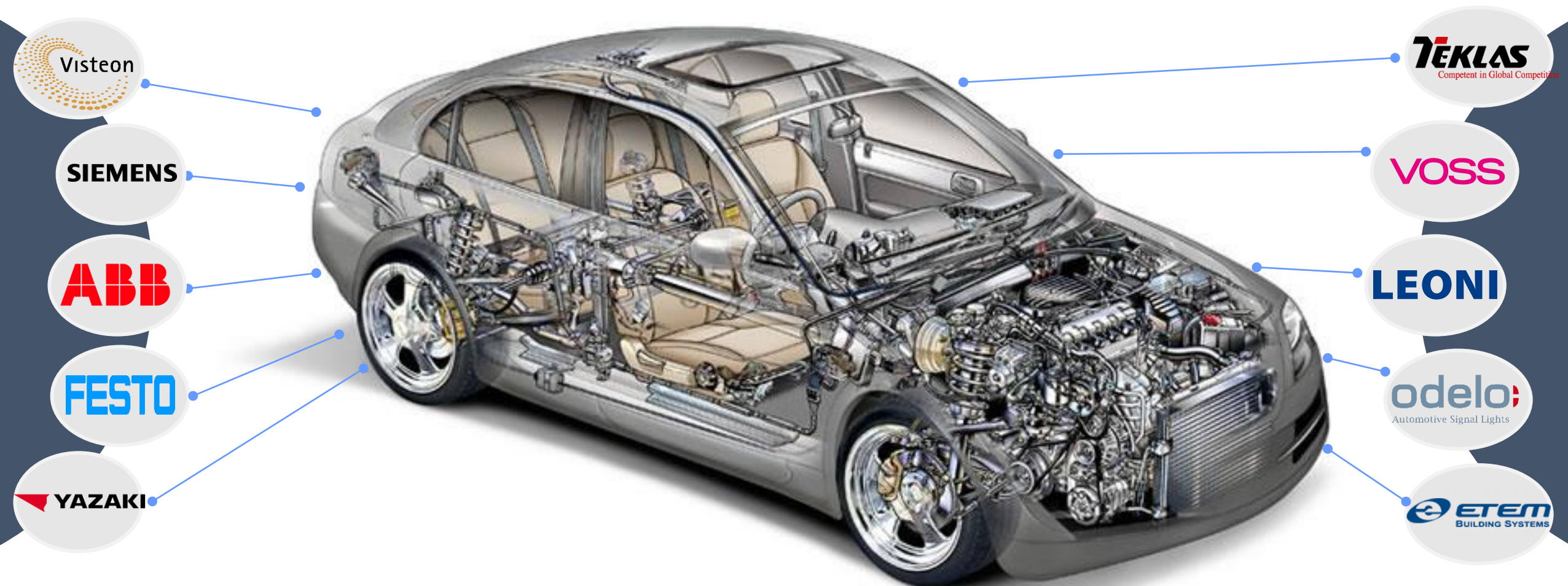
# OVERVIEW OF THE SECTORS



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



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



*AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA*

# MECHATRONICS IN BULGARIA



# OVERVIEW OF THE SECTOR

**41 000**

PEOPLE EMPLOYEED  
IN THE SECTOR

**550**

COMPANIES WORKING  
IN THE SECTOR

**€2.1 B**

ANNUAL TURNOVER

# IT AND BPO SECTORS IN BULGARIA



# OVERVIEW OF THE SECTOR

**90 000**

**FULL-TIME  
EMPLOYEES**

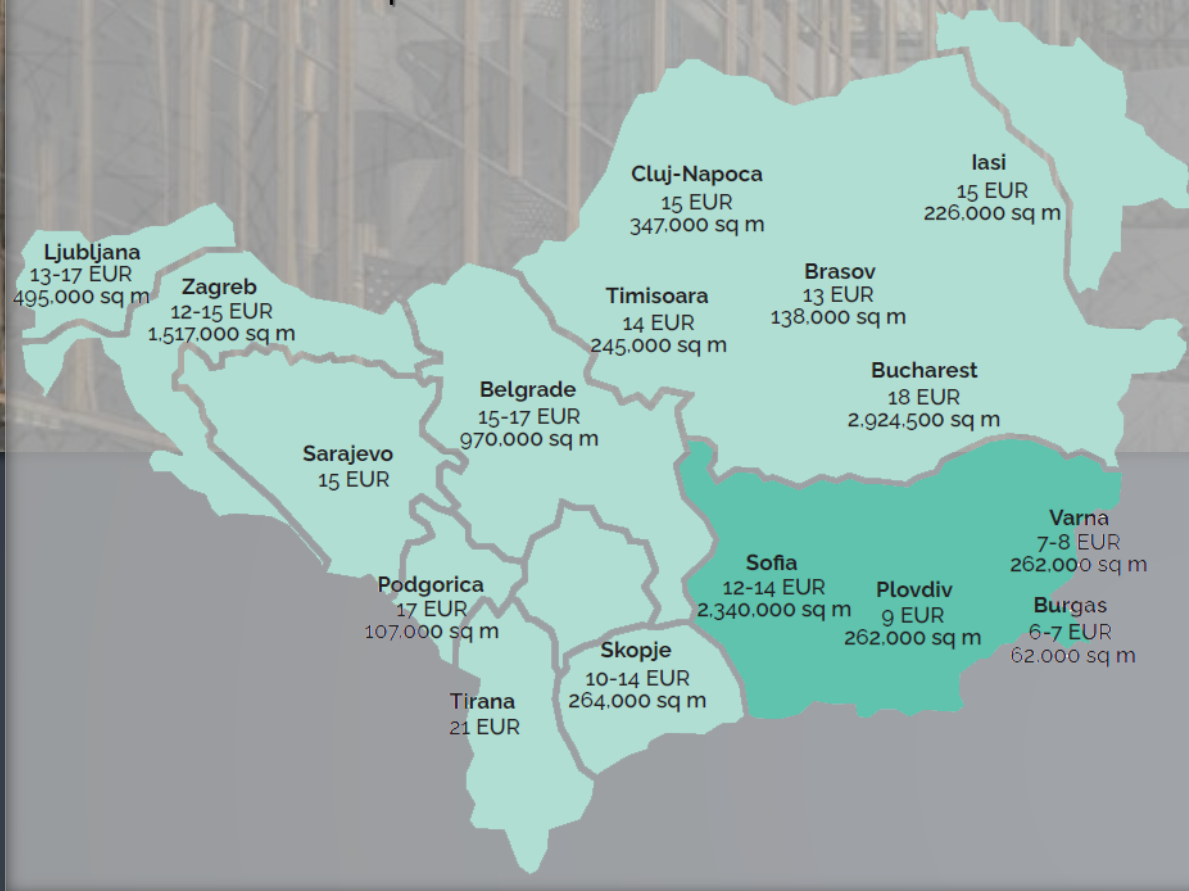
**6300**

**ITO & BPO COMPANIES**

**€3.9 B**

**ANNUAL  
TURNOVER**

## Average monthly rent for Class A office space (EUR/m<sup>2</sup>) and available office space



At a regional level, rental prices in Bulgaria are the lowest among the 15 major cities in SEE.



# Educational System

**13 000**

students graduated in  
computer science,  
software development  
and mathematics  
2015-2021

**12 900**

students were enrolled  
in these majors in  
2020/2021

**20 000**

university and college  
graduates that could be  
suitable employees for  
the sourcing industry in  
2021

**... another  
positive trend**

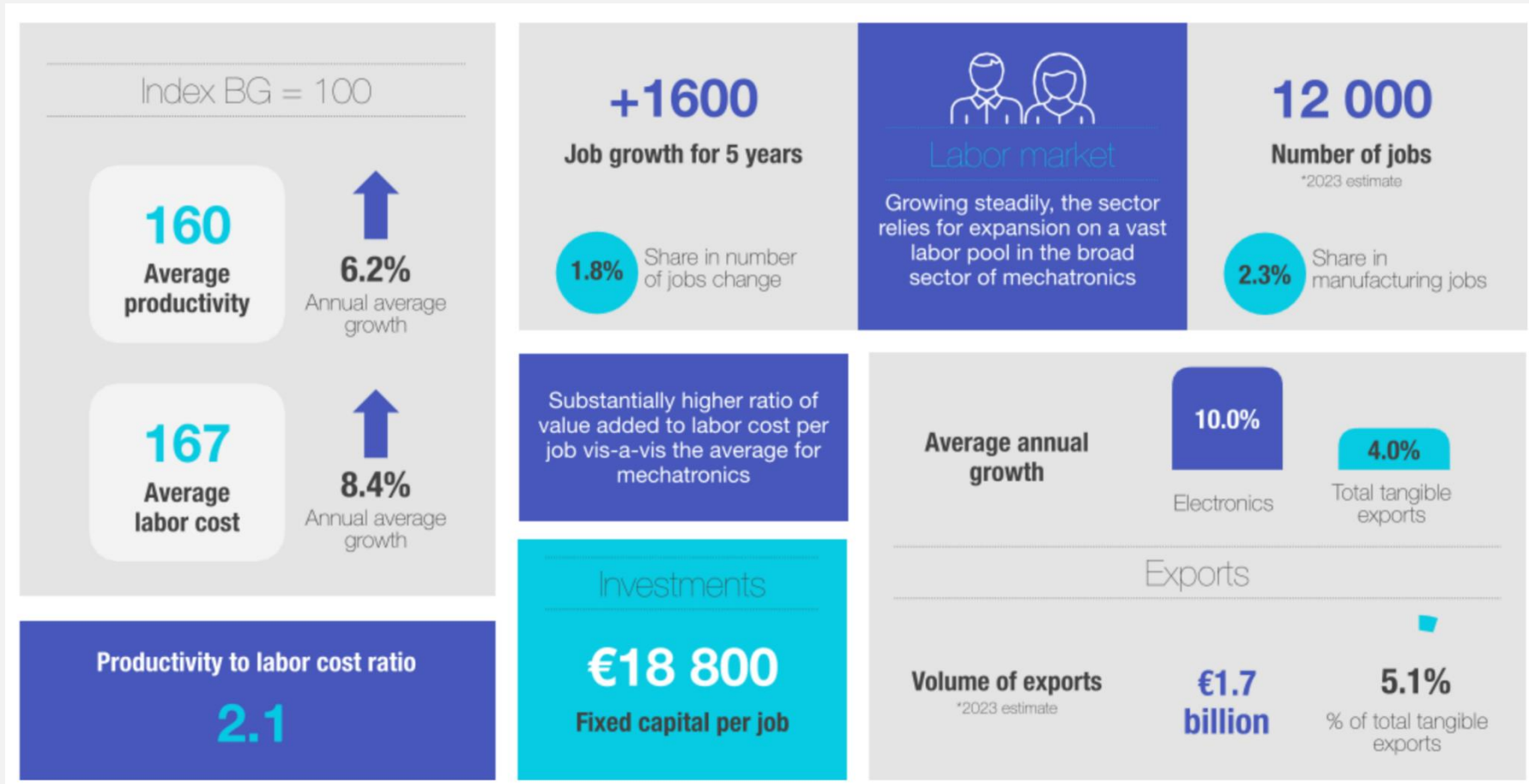
Rapid development of  
private initiatives for  
adult and formal  
secondary IT education



# ELECTRONICS IN BULGARIA



# Electronics



# BIOTECHNOLOGIES IN BULGARIA



# OVERVIEW OF THE SECTOR



MORE THAN  
**25 000**  
EMPLOYEES



**1100**  
BIOTECHNOLOGICAL  
COMPANIES



**EUR  
10 B**  
ANNUAL TURNOVER  
Health and Life Sciences Industry

# RESEARCH & DEVELOPMENT

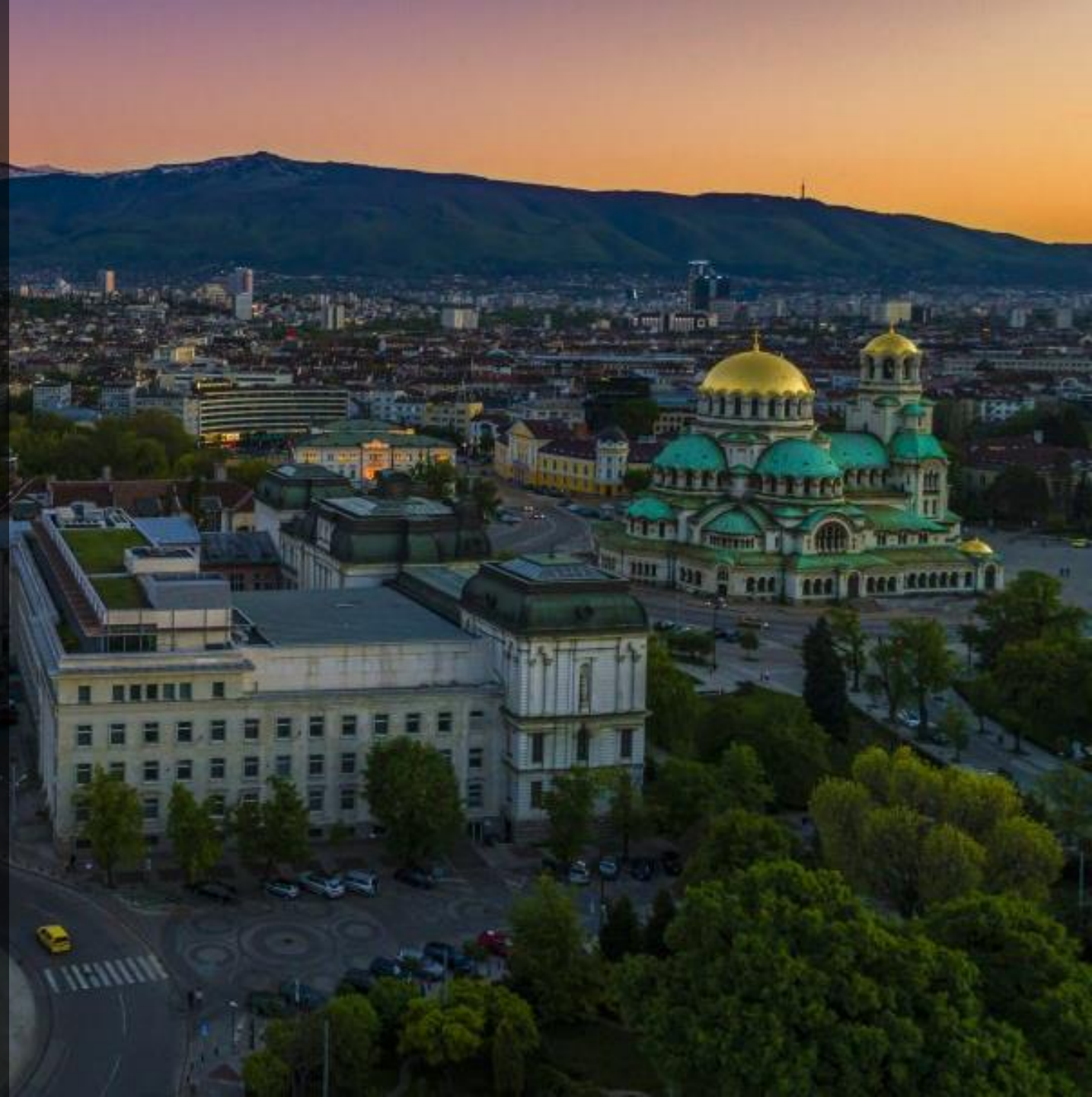






# R&D

- 650 Start-ups and Scale-ups
- 15 000 employed by these companies
- 15% of the start-ups are deep tech
- 23 Universities, 100 000 students
- 63 research centers and independent software schools.
- 20 private software academies.
- Over 27 000 students in Sofia, grades 1st to 12th currently take classes in entrepreneurship.
- Institute for Computer Science, Artificial Intelligence, and Technology (INSAIT) has been launched in April in Sofia. Institute established in partnership with ETH Zurich and EPF Lausanne.



# GOVERNMENT INCENTIVES



# Certification Criteria

Under the Investment Promotion Act (IPA)



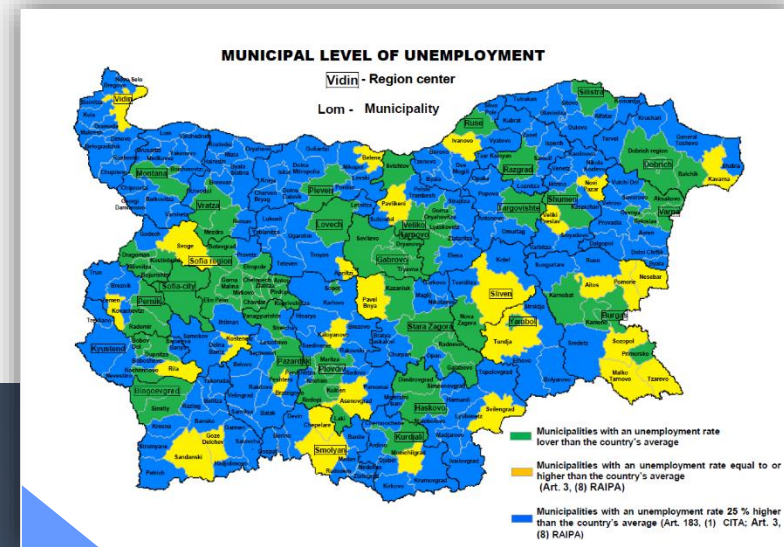
## EMPLOYMENT ESTABLISHMENT

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



## ECONOMIC ACTIVITY

The targeted sectors are defined by the State and high-tech, high-value-added projects are prioritized.



## LOCATION

Locations with higher unemployment rates are prioritized and more incentives could be provided by the State.

# Certificates

Incentives under the Investment Promotion Act



Common EU rules and procedures exist



Special Rules for Big Projects



Bulgaria, as a Member State of the EU, is required to apply the State aid regime

	Priority Class	Class A	Class B
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	✓	✓	✓
NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND	✓	✓	✓
FINANCING VOCATIONAL TRAINING	✓	✓	✓
SOCIAL SECURITY CASH BACK	✓	✓	✓
INDIVIDUAL SERVICES	✓	✓	
FINANCING TECHNICAL INFRASTRUCTURE	✓	✓	
PUBLIC-PRIVATE PARTNERSHIP	✓		
NO TAX ON CHANGING LAND STATUS	✓		
BUYING PUBLIC LAND ON FAVOURABLE PRICES	✓		
GRANTS FOR R&D	✓		



# What Bulgaria offers ?

## STABILITY

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

## EDUCATED AND SKILLED WORKFORCE

- ❑ 80 000 students abroad
- ❑ 25 % of population hold university degree
- ❑ 49,5 % of population speak at least one foreign language

## EASY MARKET ACCESS

- ❑ European Union
- ❑ 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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