



INVESTBULGARIA
AGENCY



WHO ARE WE:



InvestBulgaria Agency (IBA) is a Government institution providing information, contacts and project management support to potential investors.

IBA services:

- ✓ Macroeconomic data on Bulgaria
- ✓ Data on operational costs
- ✓ Regional information
- ✓ Personalized administrative servicing
- ✓ Legal advice
- ✓ Liaison with central and local governments
- ✓ Liaison with branch chambers and NGOs





DID YOU KNOW THAT BULGARIA



The best outsourcing destination in Europe, according to Cushman & Wakefield's rating for 2015. In the world our country takes the third place.



Accommodated about 50 companies producing components and systems for the global automotive industry. In eight of every ten cars in Europe, the parts are produced in Bulgaria.



First in the world in the production of lavender. For the past three years, our country has managed to surpass France from the first place and France is historically a leader in this field.



The largest exporter of sunflower seeds worldwide in 2013. Our market share in the exports of this commodity in the planet is 17.8%.



INVEST IN BULGARIA



5

*reasons
invest in **BULGARIA***

1. Political and business stability

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

2. Competitive cost of doing business

- ✓ 10% Corporate and Personal tax rates
- ✓ Competitive cost of labor
- ✓ Favorable office rents and low cost of utilities

3. Access to markets

- ✓ European Union / EFTA
- ✓ Russia
- ✓ Turkey/Middle East

4. Educated & skilled workforce

- ✓ 80 000 students abroad
- ✓ 25% of population hold university degree
- ✓ 46% of population speak at least one foreign language

5. Government incentives

- ✓ Social security benefits
- ✓ Tax benefits
- ✓ Vocational education benefits



MACROECONOMIC INDICATORS



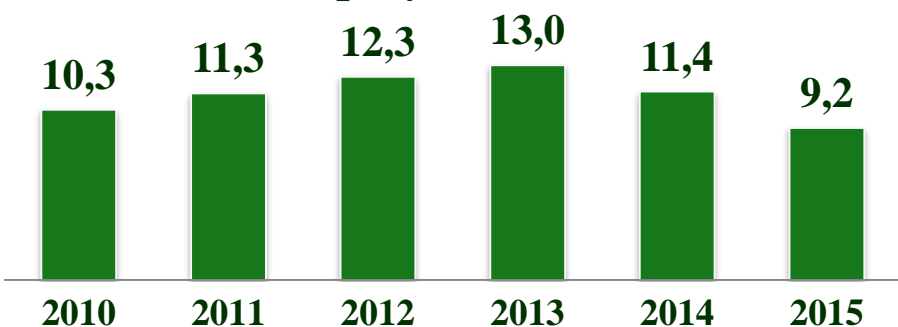
GDP Growth (%)



Inflation Rate (%)



Unemployment Rate (%)



MACROECONOMICS DATA

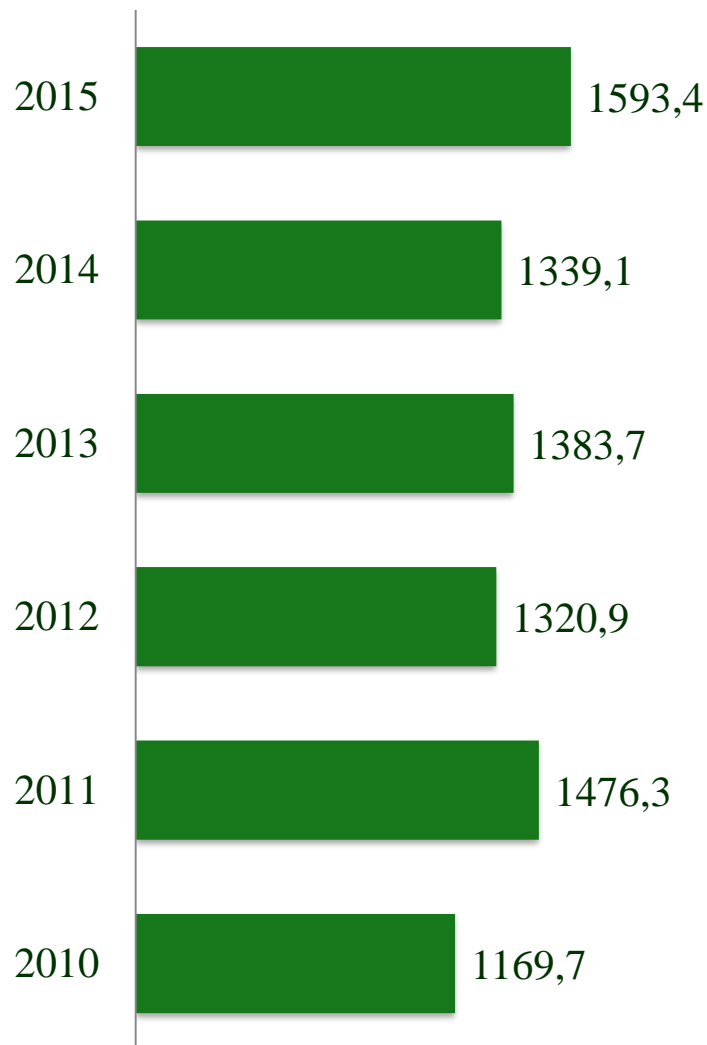
- GDP: 44.16 billion EUR
- GDP per capita: 5 700 EUR
- Budget Deficit: -3.1% of GDP
- Government debt: 27.2% of GDP
- Exports, FOB: 52.1% of GDP
- Imports, CIF: 59.2% of GDP
- Trade balance: -7.1% of GDP



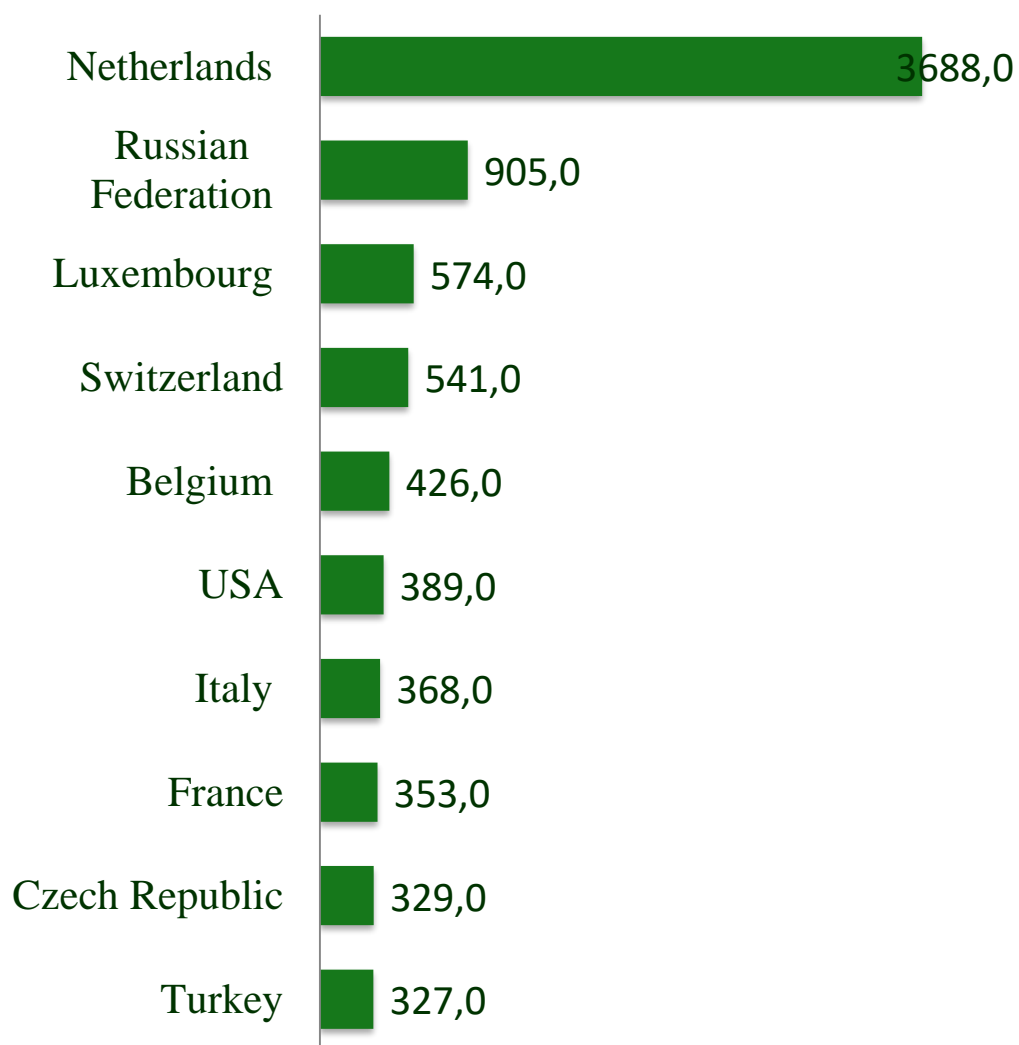
FOREIGN DIRECT INVESTMENT



FDI Inflow, 2010 - 2015 (€ mln.)

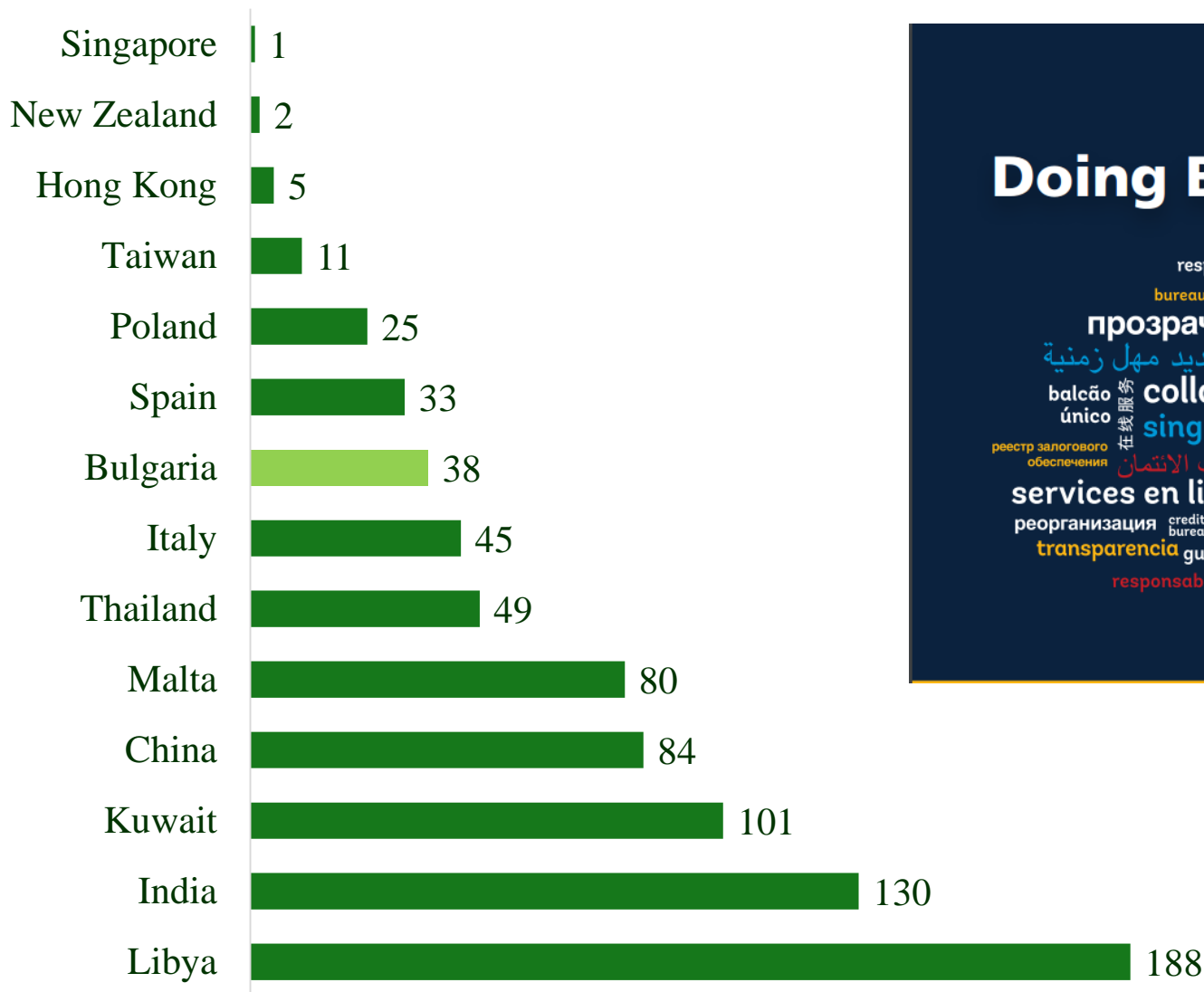


FDI by host country, 2010 - 2015 (€ mln.)





BUSINESS ENVIRONMENT





TAXATION RATE



	Income Tax (%)		Social Security (%)		
Country	Corporate	Individual	Employer	Employee	VAT (%)
Bulgaria	10	10	17.9-18.5	12.9	20
Serbia	15	10-20	16.9	16.9	20
Romania	16	16	28.45	16.5	24
Hungary	10 / 19	16	28.5	18.5	27
Czech Rep.	19	22	34	11	21
Poland	19	18/32	22.14	13.7	23
Turkey	20	15-35	27	15	18
Slovakia	23	19-25	34.8	13.4	20
UK	23	0-45	13.8	12	20
Italy	27.5	23-43	30	10	21
Spain	30	24, 75-52	29.9	6.35	21
Germany	30-33	14-45	19.7	20.6	19
France	33.33	5.5-41	50	20	19.6
Cyprus	12.5	20-35	7.8	7.8	19



COMPETITIVE COST OF DOING BUSINESS



Electricity

0.069(€/kWh)



Gas

0.032(€/kWh)



Water

1.09(€/1m³)



Industrial Rents(Sofia)

**From 2.5 €
(m²/month)**



Office Rents(Sofia)

**From 12 €
(m²/month)**



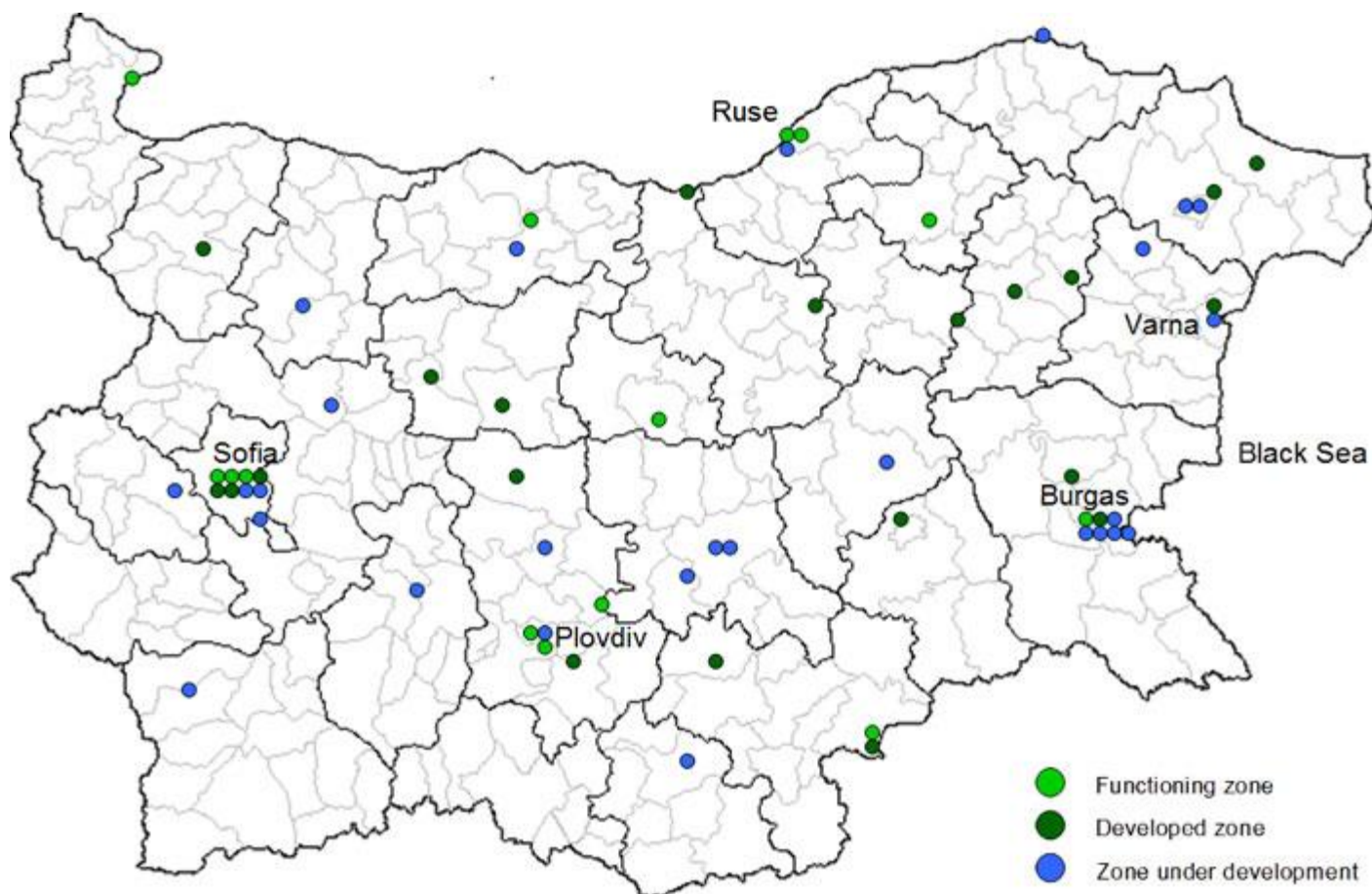
Competitive Cost of Labor

**Salary(Min.) - 215 €
Salary(Avg.) - 468 €**

One of the most competitive costs in Europe!



INDUSTRIAL ZONES IN BULGARIA

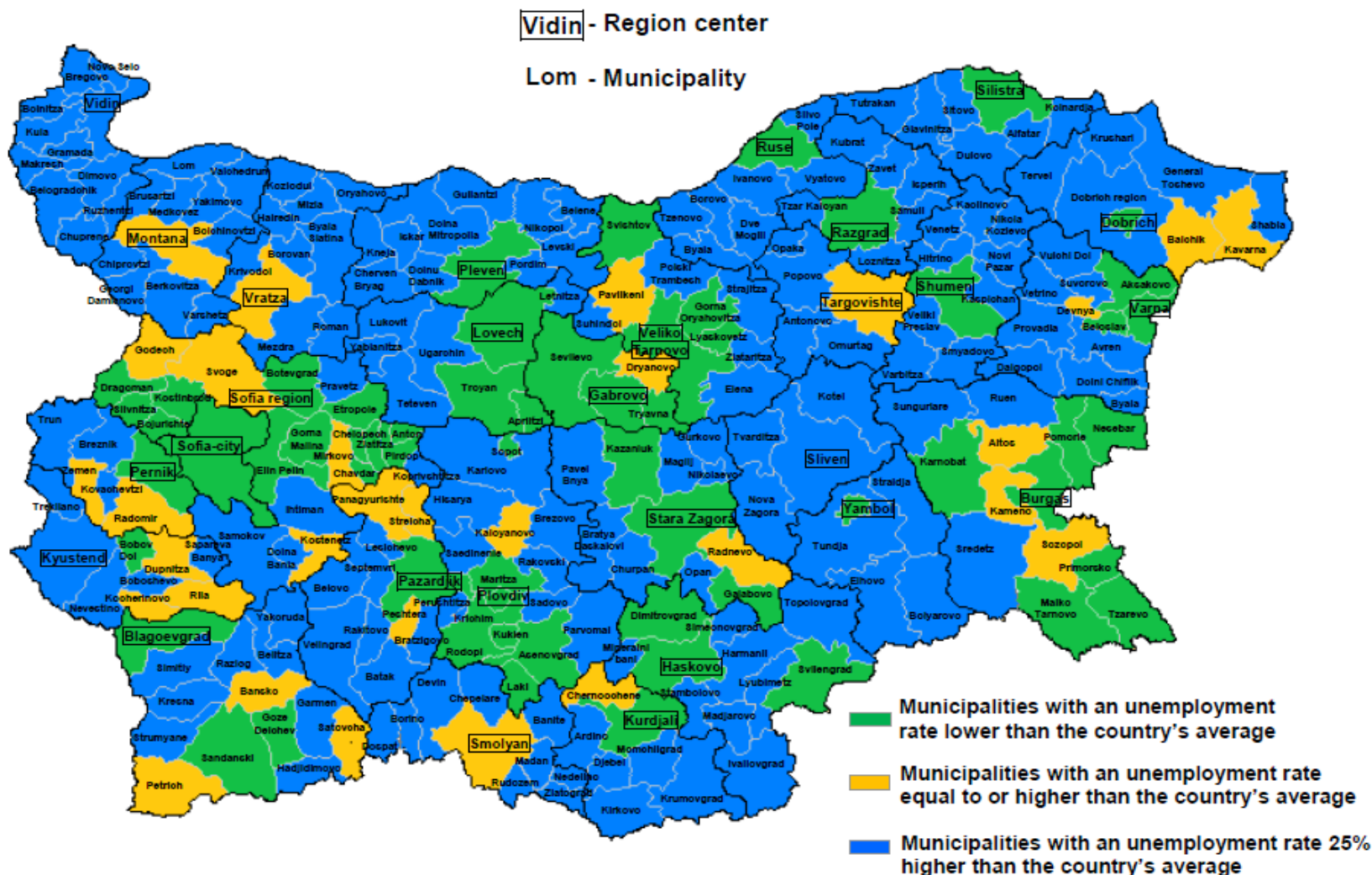




UNEMPLOYMENT IN MUNICIPALITIES



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





BUSINESS PROCESS OUTSOURCING



The Sector:

- ✓ More than 30 000 people work in The Sector
- ✓ 3% of GDP was generate by The Sector in 2015
- ✓ 8 000 € annual starting salaries per Employee

Advantages:

- ✓ Bulgaria offers qualified and cost-effective workforce and advantageous rents of commercial space
- ✓ BPO sector generates over € 964 million revenues Bulgaria is the best outsourcing destination in Europe
- ✓ The average BPO company in Bulgaria provides services in more than 25 languages



Successful examples:





The Sector:

- ✓ More than 17 500 specialists work in The Sector
- ✓ 1.86 % of GDP was generate by The Sector in 2015
- ✓ 20 600€ annual wages per Employee

Advantages:

- ✓ Established traditions and experience in the sector
- ✓ One of the fastest growing sectors of the economy
- ✓ The revenues of Bulgarian IT Companies grew by 11%
- ✓ Over 4 300 students get a degree in IT each year
- ✓ Bulgarian Internet speed is one of the fastest in the world



Successful examples:



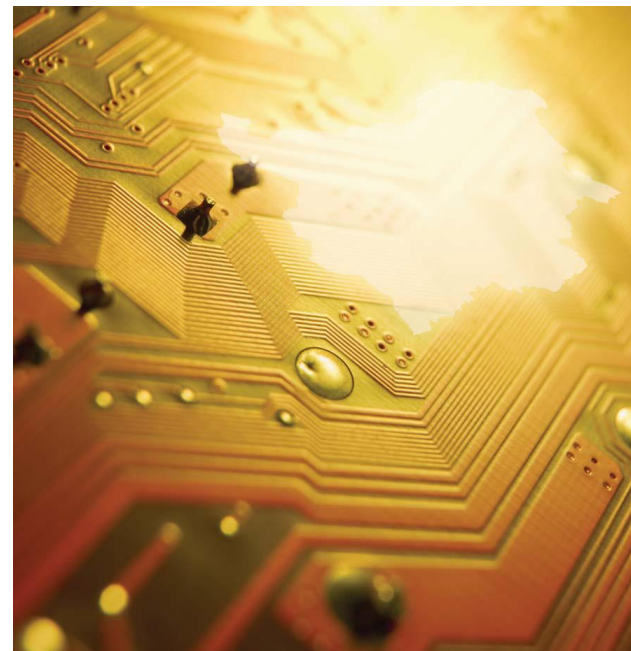


The Sector:

- ✓ More than 45 000 people work in The Sector
- ✓ 6 000 € annual wages per Employee

Advantages:

- ✓ Availability of experienced engineers
- ✓ Qualified assembly workforce at affordable cost
- ✓ Easy access to EU, Russian and Middle East markets
- ✓ More than 75% of the production of the Electronics manufactured in Bulgaria is exported
- ✓ Bulgarian universities are working together with the companies in the sector to create qualified workforce



Successful examples:





MACHINE BUILDING

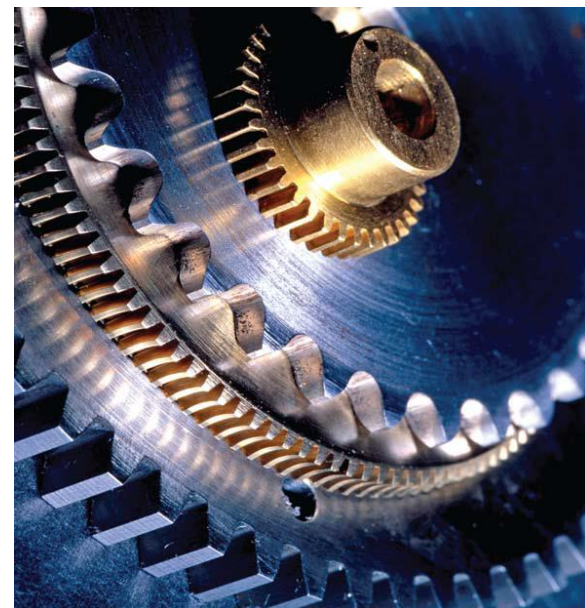


The Sector:

- ✓ More than 200 000 people, working in The Sector
- ✓ 18% of GDP was generate by The Sector for 2015
- ✓ 5 000 € annual wages per Employee

Advantages:

- ✓ Established traditions and experience in the sector
- ✓ Continuous growth between 2000 and 2015
- ✓ Qualified work force at affordable price
- ✓ Easy access to the markets
- ✓ Networks of technical universities and colleges
- ✓ Available physical infrastructure



Successful examples:





FOOD & BEVERAGE



The Sector:

- ✓ More than 666 000 people work in The Sector
- ✓ 5% of GDP was generated by The Sector
- ✓ 5 300€ annual wages per Employee

Advantages:

- ✓ Unique natural conditions for the cultivation of a wide variety of crops, fruits, and vegetables
- ✓ 49% of the country's territory is farming land
- ✓ A well-established infrastructure available
- ✓ Highly qualified and affordable human resources
- ✓ Strategically located to provide routes to Europe, Russia, CIS, the Middle East, and North Africa



Successful examples:





THE GOVERNMENT SUPPORT



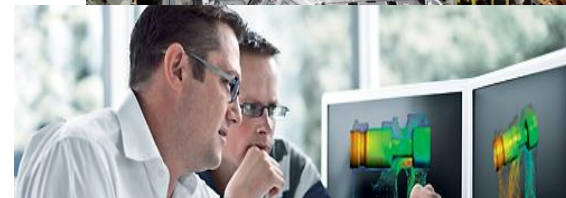
The Bulgarian legislation introduces a system of promotion measures for initial investments in tangible and intangible fixed assets and creating new employment linked thereto, according to the legislation of EU.

✓ **Investments must be related to the following sectors:**

- ☐ Manufacturing
- ☐ Research & Development
- ☐ Education
- ☐ Healthcare
- ☐ High-tech services
- ☐ Warehousing and logistics

✓ **The government incentives are for:**

- ☐ Class B Investment Projects
- ☐ Class A Investment Projects
- ☐ Priority Investment Projects





CLASS B INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

CLASS B

Manufacturing Industry
€2.5m or
€1m and 100 working places

High-Tech Manufacturing
€1m or
10 working places

Services sector
€0.75m or
€0.25m and 100 working
places

High-Tech Services
€0.5m or
25 working places

**Regions with high
unemployment rate**
€1m or
10 working places

✓ GOVERNMENT INCENTIVES

- **Information services.**
- **Shortened administrative procedures - The central and local government authorities will provide administrative services shortened with one-third of the time period established by the law**
- **Financial support of up to 25% for the vocational training for obtaining professional qualifications.**
- **Reimbursement of labor costs paid by the employer.**
- **On the request of certified investor the corresponding authorities may transfer ownership rights or establish a limited ownership right over real estate (private state or private municipal property) without a tender.**



CLASS A INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

CLASS A

Manufacturing Industry
€5m or
€2m and 150 working places

High-Tech Manufacturing
€2m or
25 working places

Services sector
€1.5m or
€0.5m and 150 working places

High-Tech Services
€1m or
50 working places

**Regions with high
unemployment rate**
€2m or
25 working places

✓ GOVERNMENT INCENTIVES

- Include all the Incentives for CLASS B.
- Consulting and individual administrative services. Investors will be able to authorize Agency officials to obtain any documents for implementation of the corresponding investment project.
- Financial support for construction of technical infrastructure elements to the borders of the project site, needed for implementation of one or more investment projects.



PRIORITY INVESTMENT PROJECTS



✓ INVESTMENT CRITERIA

PRIORITY

Manufacturing Industry
€50m or
25m and 150 working places

High-Tech Manufacturing
€15m and 100 working
places

Services sector
€50m and 150 working
places

High-Tech Services
€10m and 50 working
places

**Regions with high
unemployment rate**
€25m and 100 working
places

✓ GOVERNMENT INCENTIVES

- Include all the incentives for **CLASS A and B.**
- **Institutional Support.**
- **Financial grants of up to 50% for education and R&D projects and up to 10% for manufacturing projects.**
- **State tax exemption for changing the land status.**
- **Acquisition of real estate private state or private municipal property without a tender and at a price lower than the market, but not lower than the tax assessment of the property.**
- **Establishment of public-private partnerships with municipalities, universities, other organizations from the academic society and etc.**



COMPANIES INVESTED IN BULGARIA



IT development	Outsourcing	Chemical and Metal Industry	Engineering	Food & Beverage
     	     	     	     	     



WHAT BULGARIA OFFERS



GOVERNMENT AS A PROACTIVE PARTNER

REDUCE RISK

- Political Stability
- Economic Stability

INCREASE COMPETITIVENESS

- Staff qualification
- Improving productive capacity

REDUCE COST

- Competitive cost of labor
- Lowest tax rate in EU

GOVERNMENT INCENTIVES

Investor



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THANK YOU FOR YOUR ATTENTION