

INVEST IN BULGARIA

Bogdan Bogdanov
Executive Director – Invest Bulgaria Agency
29 June 2022

About us

One-stop-shop

End-to-end support

Enhance investment climate

Synergies with the ecosystem

Support for future expansions



Did you know?



INVESTBULGARIA
AGENCY

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

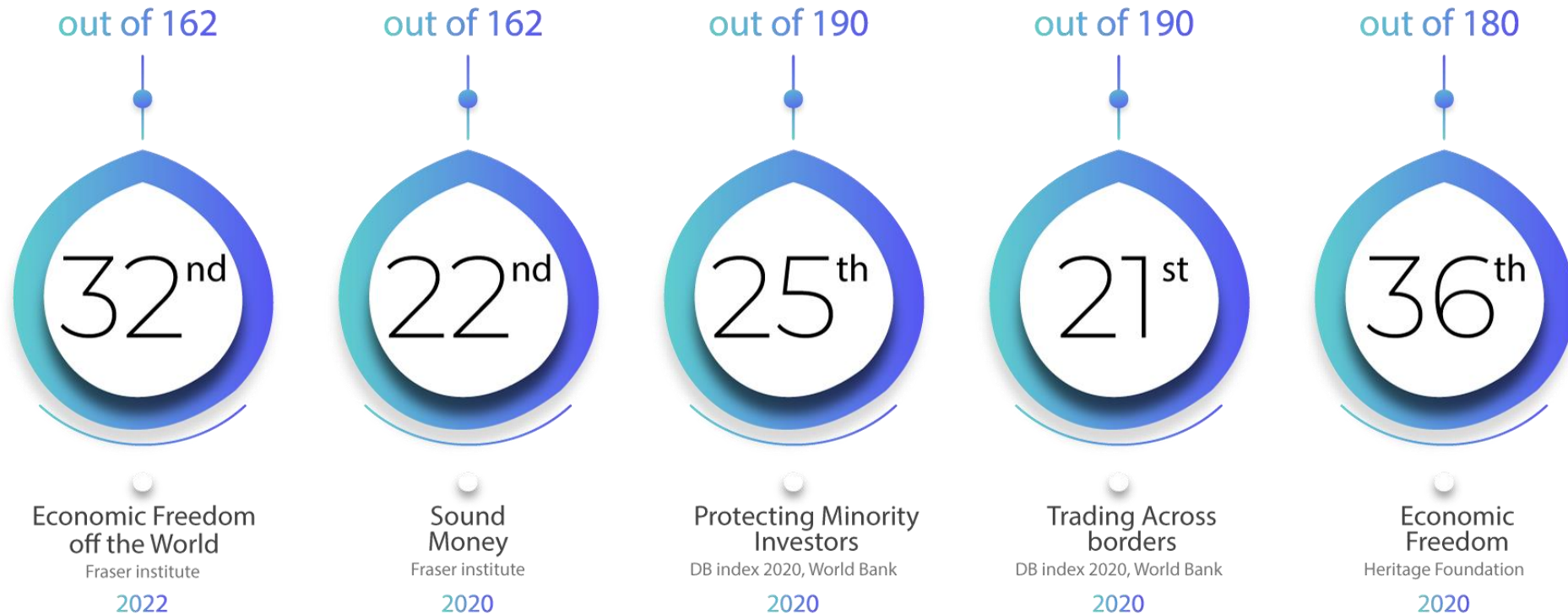
Bulgaria ranks 3rd in terms of cultural and historical heritage in Europe

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

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



International rankings



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

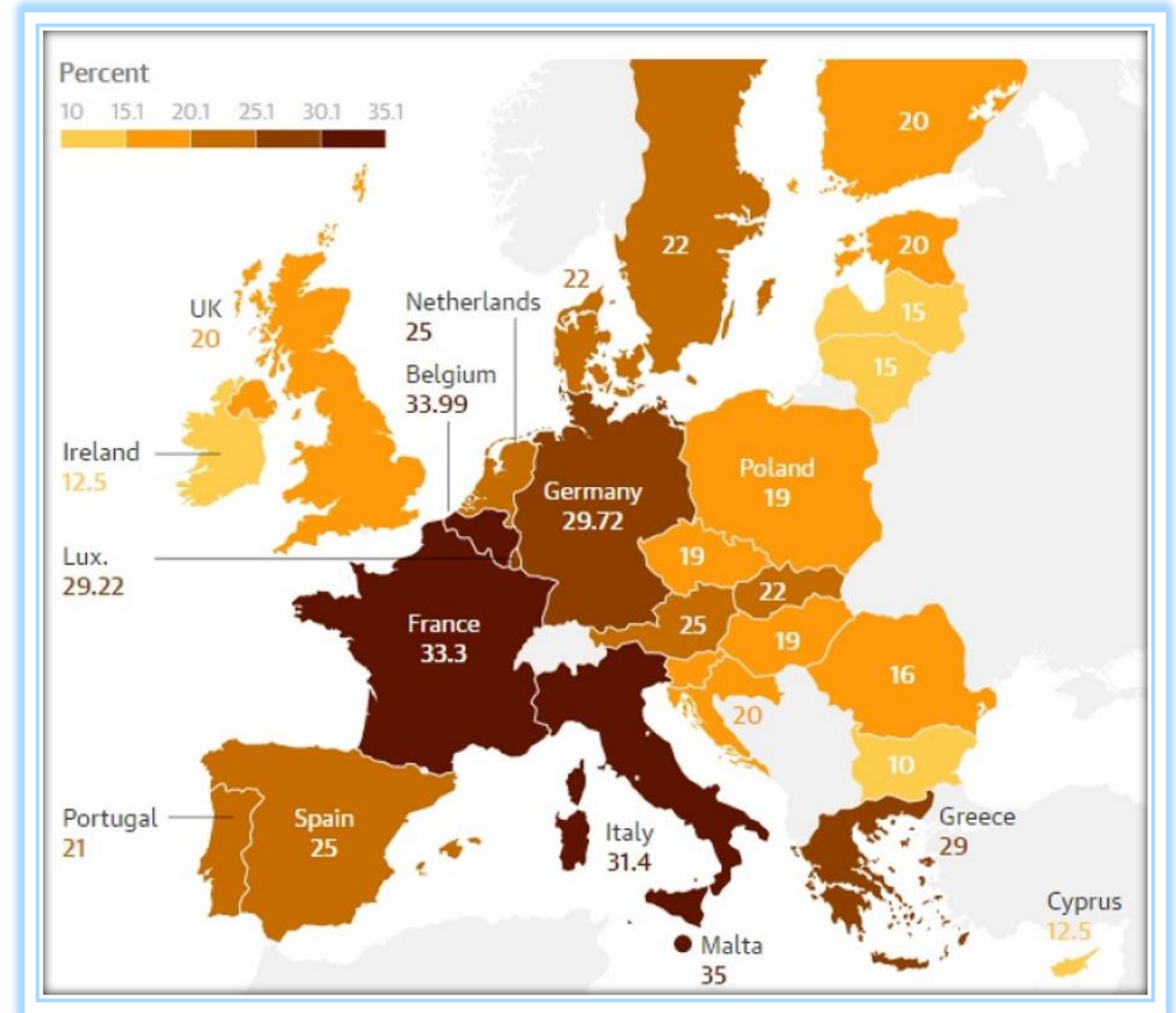
One of the lowest in the EU

10 % Corporate income tax - flat

10 % Personal income tax

General VAT is 20 %

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





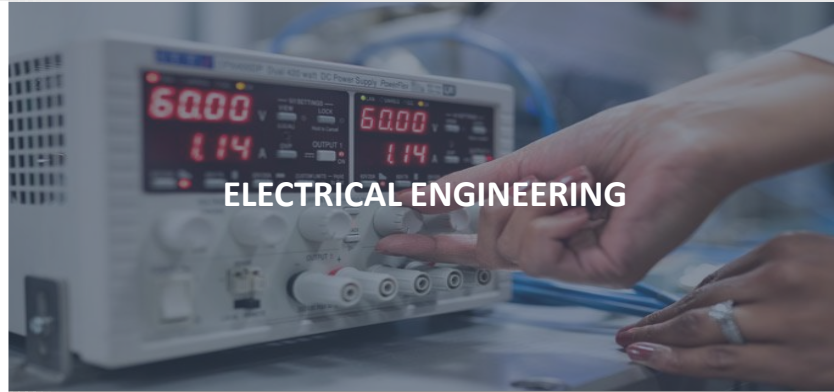
Priority sectors



INVESTBULGARIA
AGENCY



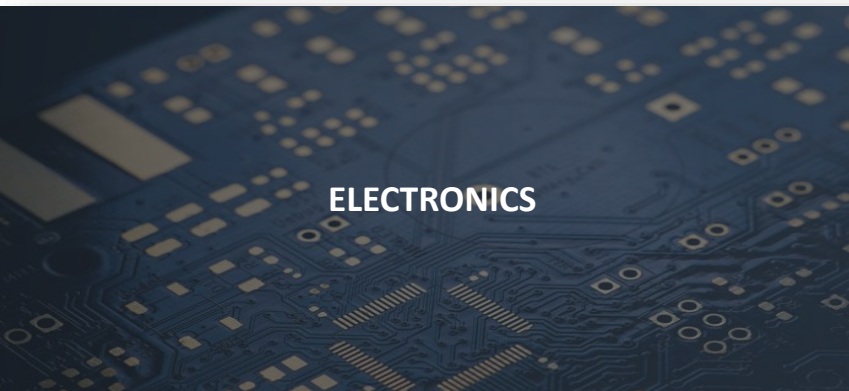
AUTOMOTIVE PRODUCTION & MECHATRONICS



ELECTRICAL ENGINEERING



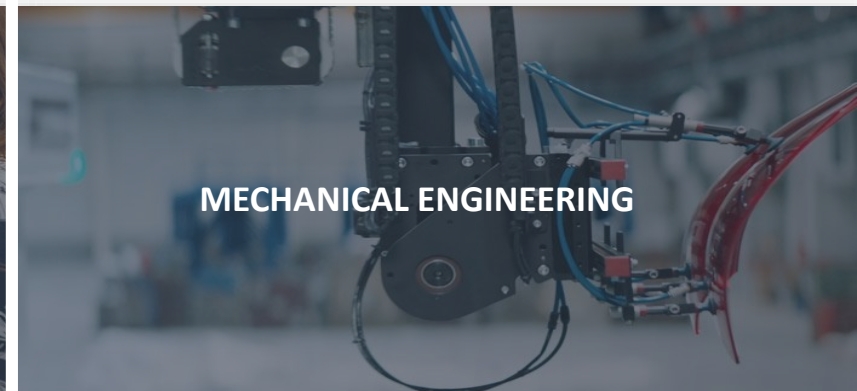
CHEMISTRY AND BIOTECHNOLOGIES



ELECTRONICS



**INFORMATION TECHNOLOGY AND BUSINESS
PROCESS OUTSOURCING**



MECHANICAL ENGINEERING



AUTOMOTIVE IN BULGARIA

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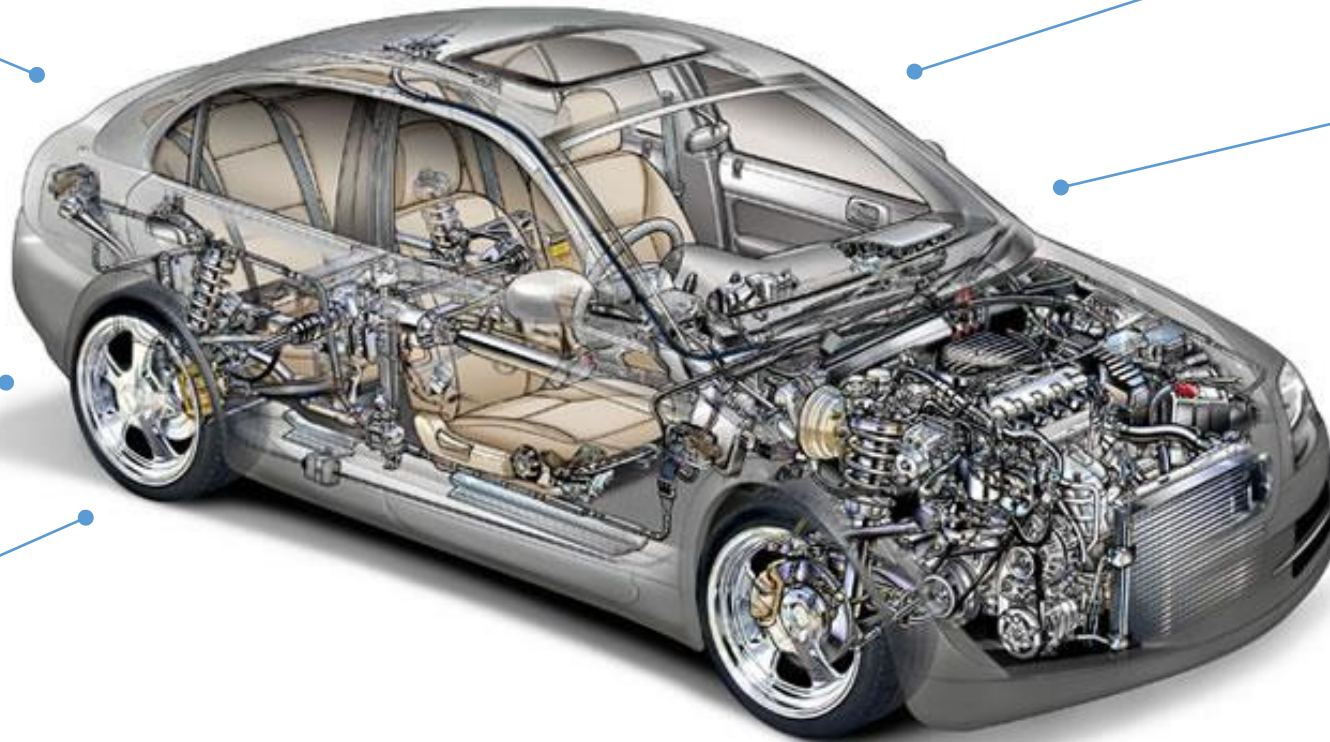




INVESTBULGARIA
AGENCY

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

AUTOMOTIVE IS THE BOOMING PART OF THE INDUSTRY IN BULGARIA



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OPIC 2014-2020



BULGARIAN AUTOMOTIVE INDUSTRY KEY FIGURES 2012



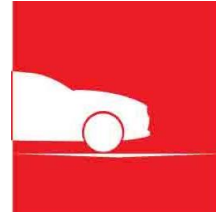
EUR 0.5 B

Turnover (2012)



9000

Workers



9 of 10

Export



30

Companies



1

R&D center



<1%

GDP of the country

2012

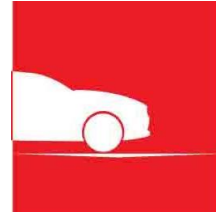
BULGARIAN AUTOMOTIVE INDUSTRY KEY FIGURES 2021



EUR 4.3+ B
Turnover (2020)



67 000 +
Workers



9,9 of 10
Export



270 +
Companies



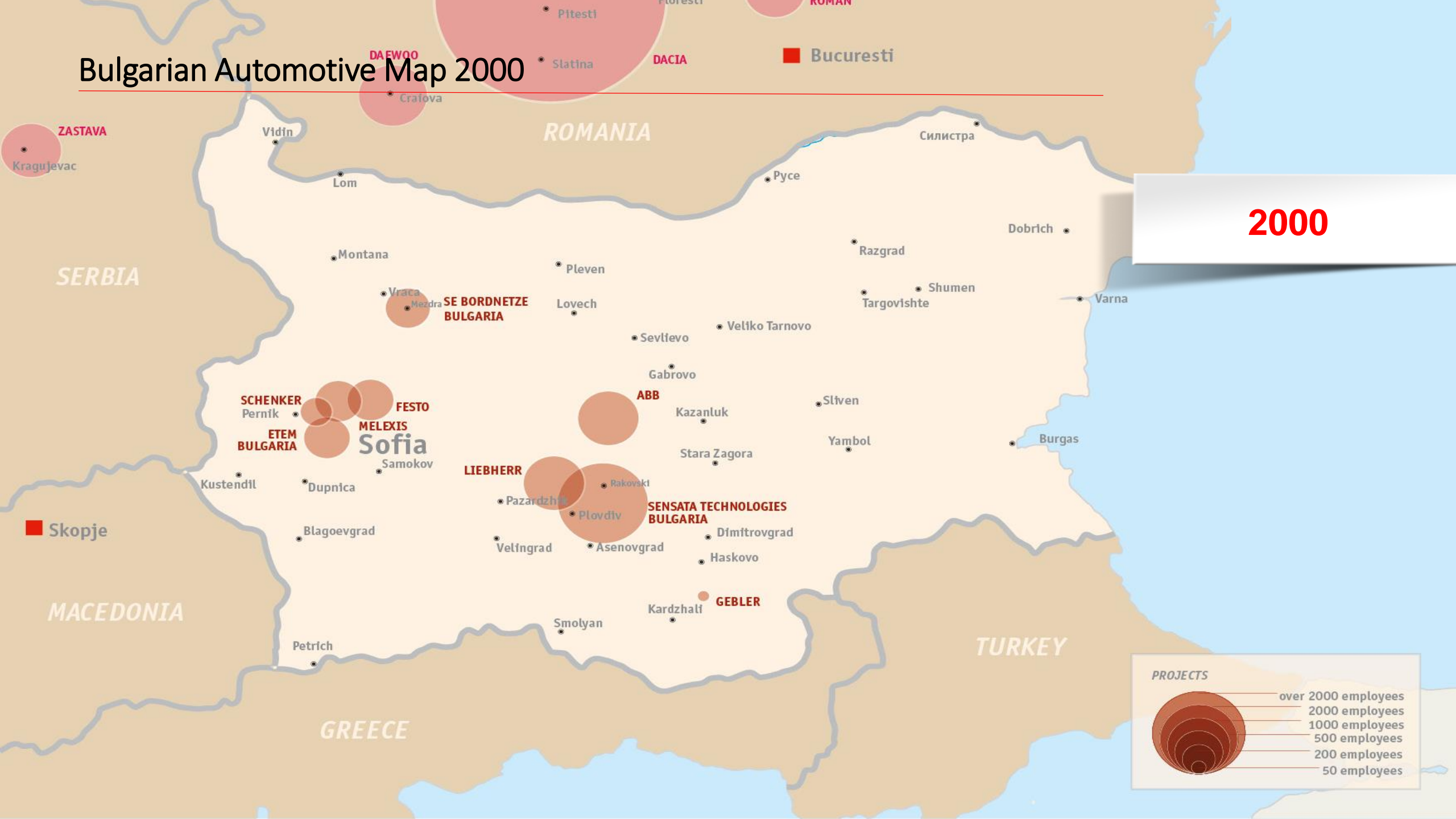
28
R&D centers



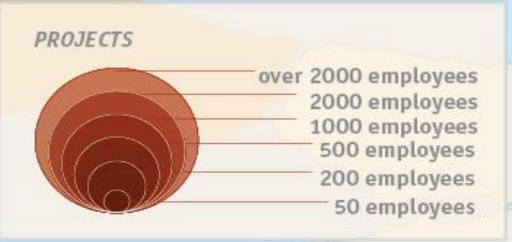
11%
GDP of the country

2021

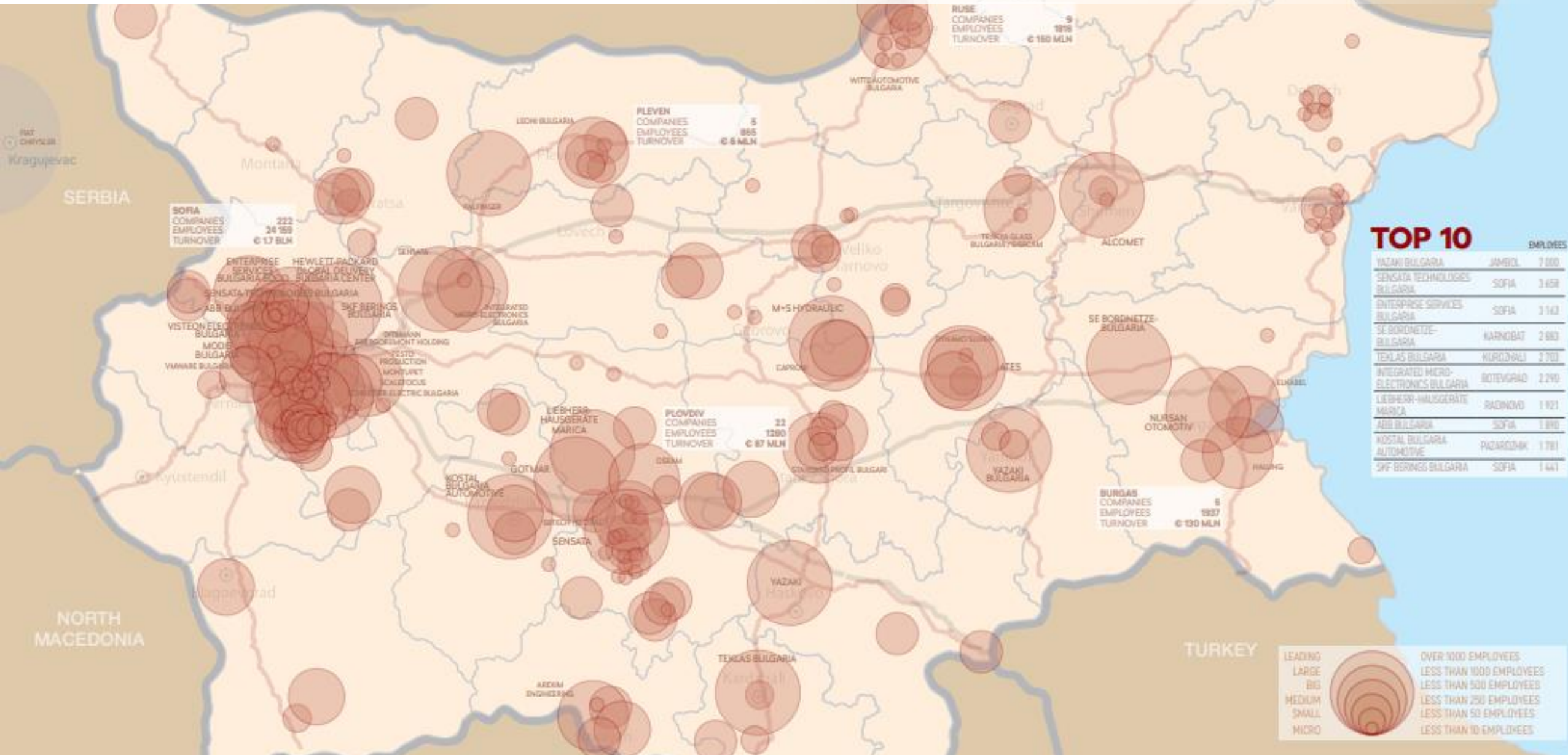
Bulgarian Automotive Map 2000



2000



BULGARIAN AUTOMOTIVE MAP 2020



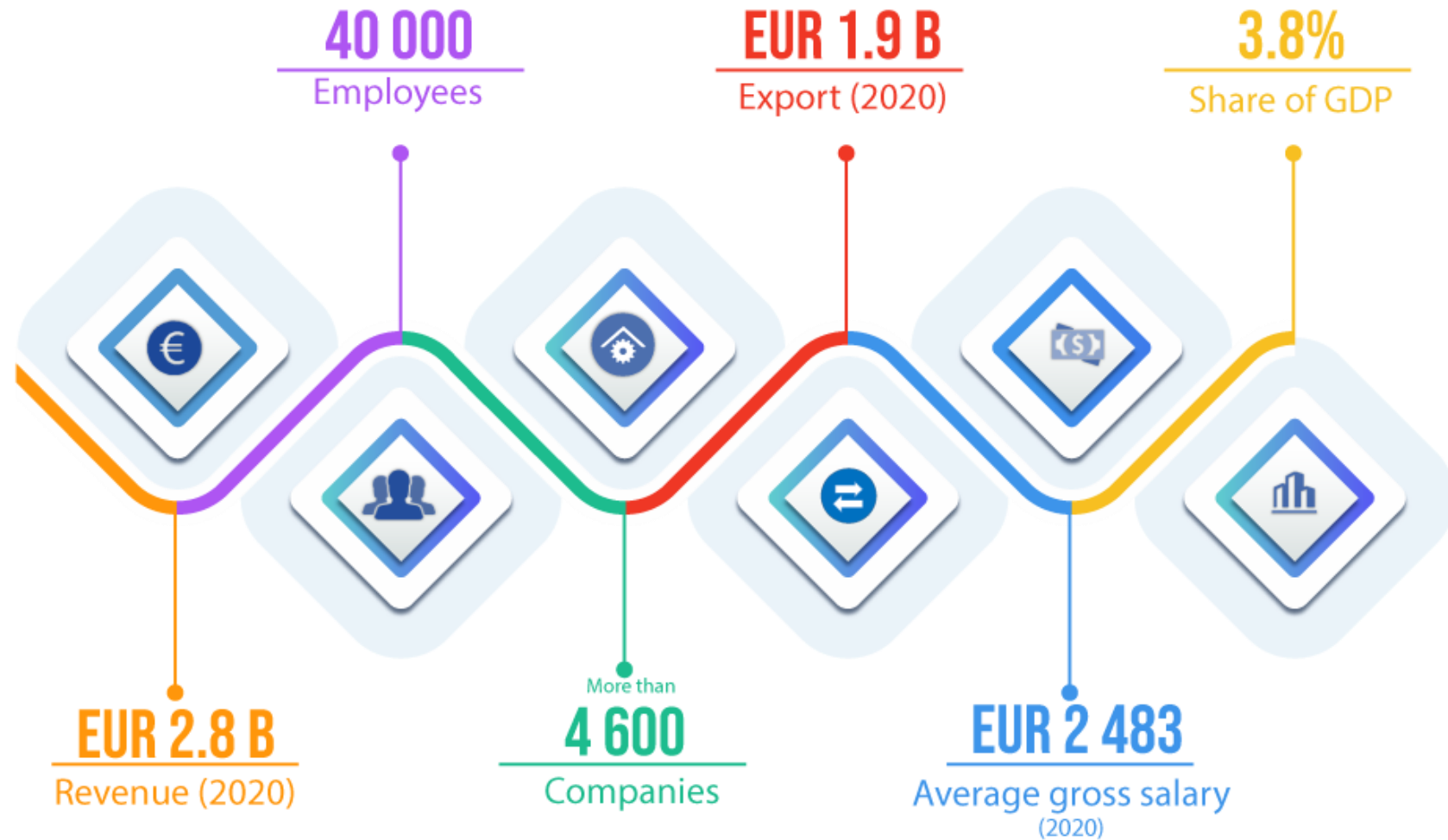


IT AND BPO SECTOR IN BULGARIA

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IT industry



Education and labour force

- Wide network of secondary schools with an intensive focus on languages, mathematics and science
- 52 universities across 14 cities
- 12 000 students enrolled in ICT and 6 000 in foreign language for the last academic year
- Private ICT colleges and academies

84

Language schools

119

High Schools of Mathematics,
Science and Economics

35

Universities in Language,
Economics or IT Majors



ELECTRONICS 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.



Electronics and Electrical Engineering

Key figures 2022

56 000

PEOPLE EMPLOYED IN
THE INDUSTRY

MORE THAN

1700

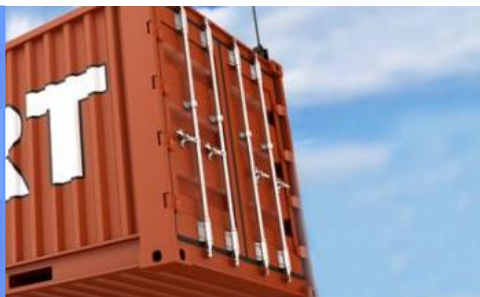
COMPANIES

€ 3.7 B

ANNUAL TURNOVER

9.5% of the turnover of the
Bulgarian manufacturing
industry

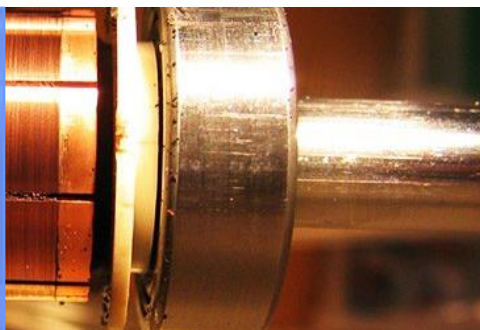
Export: EUR 3 Bn
(11% of the total
export of Bulgaria)



Production worth
more than EUR 1 Bn
is exported to
Germany



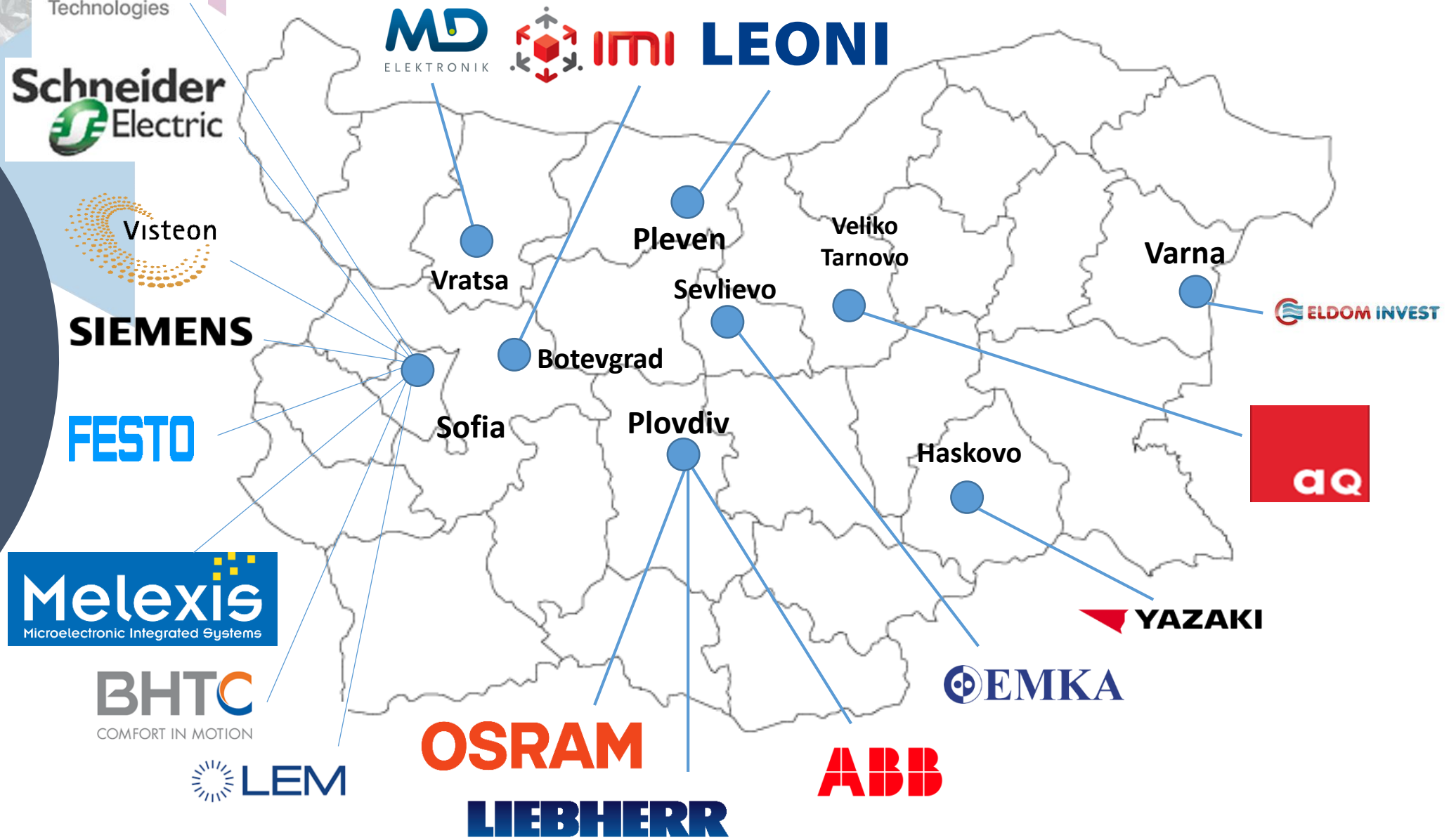
For the last 12 years
there is more than 3
times increase of the
production in the
sector



Economic codes in the sector

- ➔ Computer and communication equipment, electronic and optical products;
- ➔ Electrical equipment – batteries, electric motors, generators, household appliances;
- ➔ Electronic and electrical parts for the automotive sector.

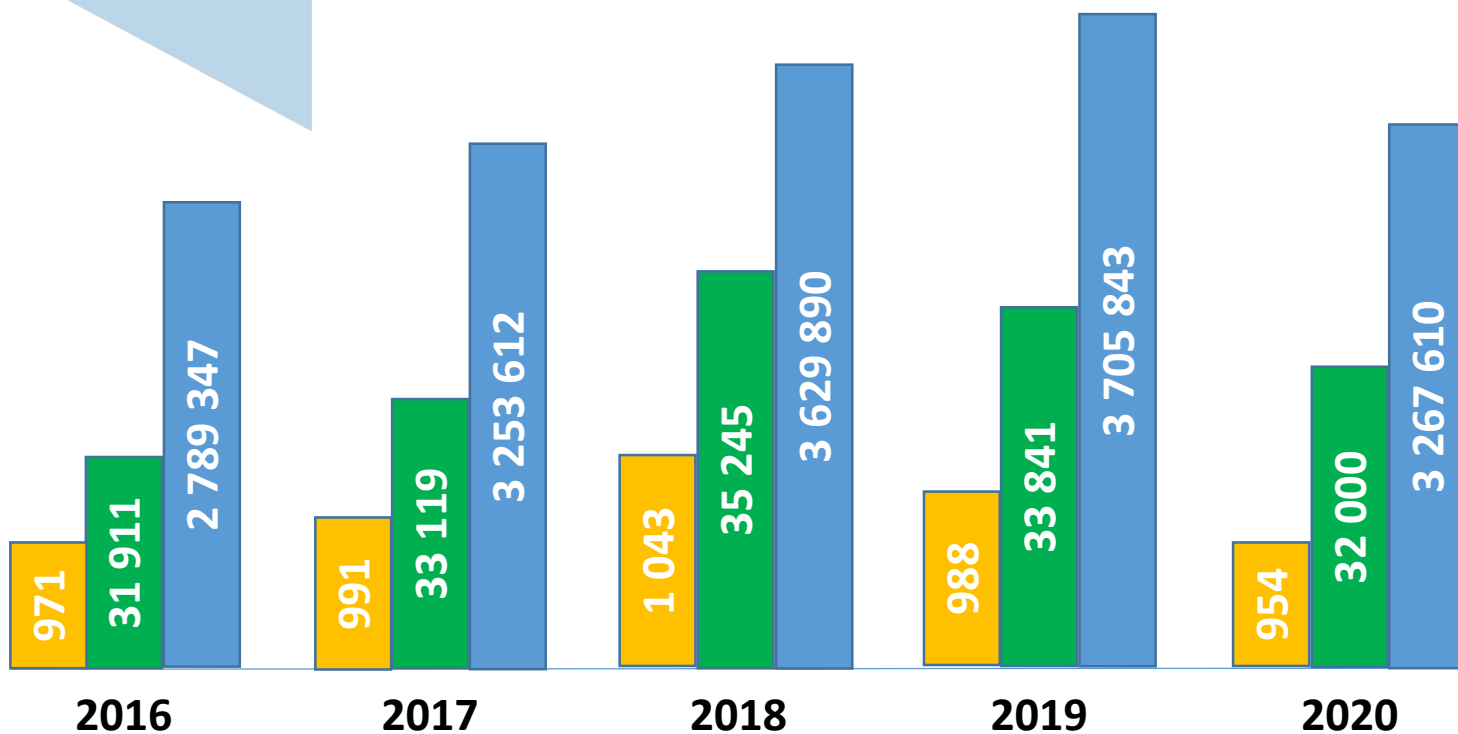
Successful companies





MECHATRONICS IN BULGARIA

Key figures



Enterprises

Manufactured production (BGN thousand)

Employees

950
ENTERPRISES

32 000
EMPLOYEES

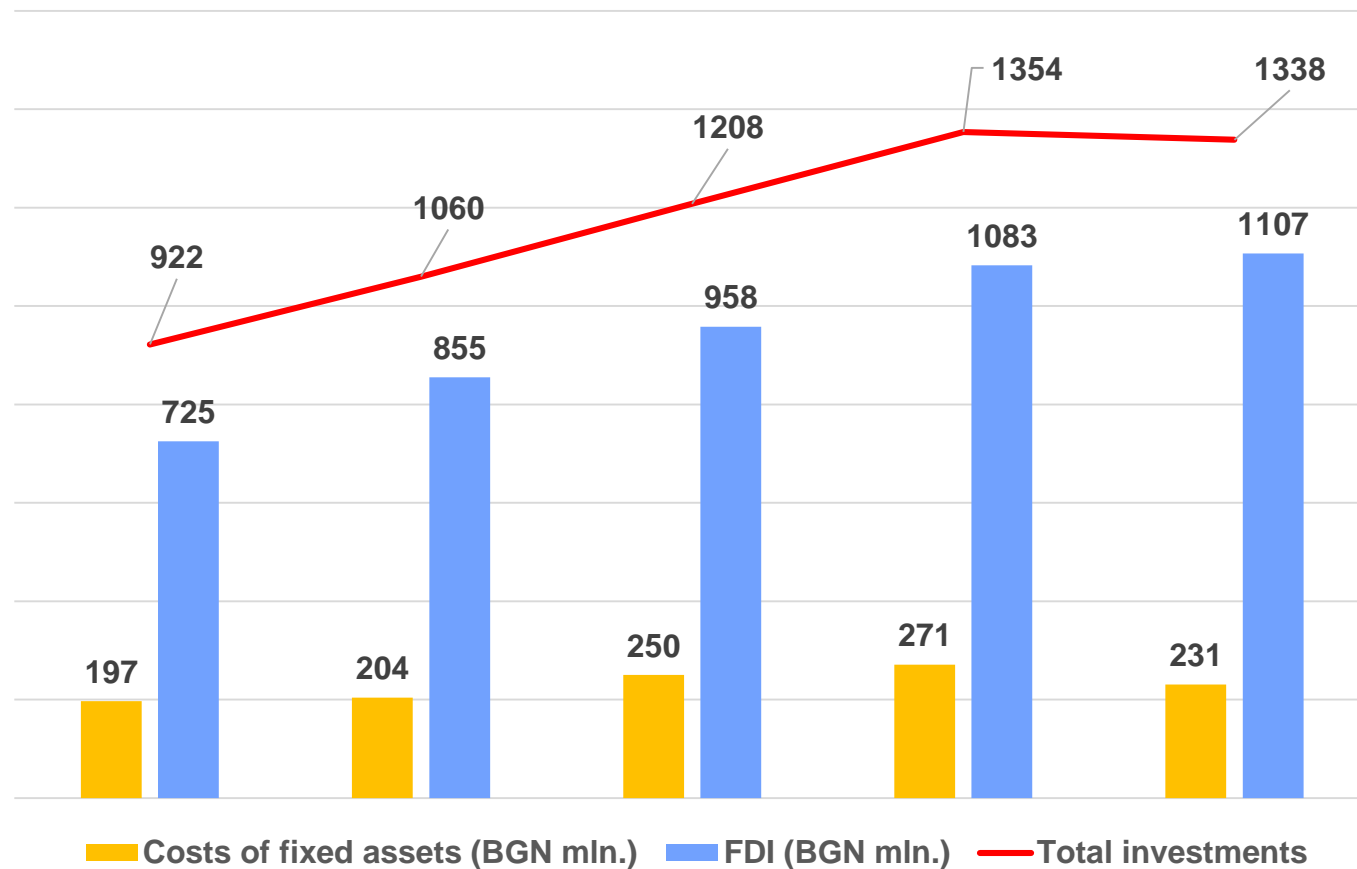
PRODUCTION WORTH MORE
THAN
EUR 1.5 B

Export and investments

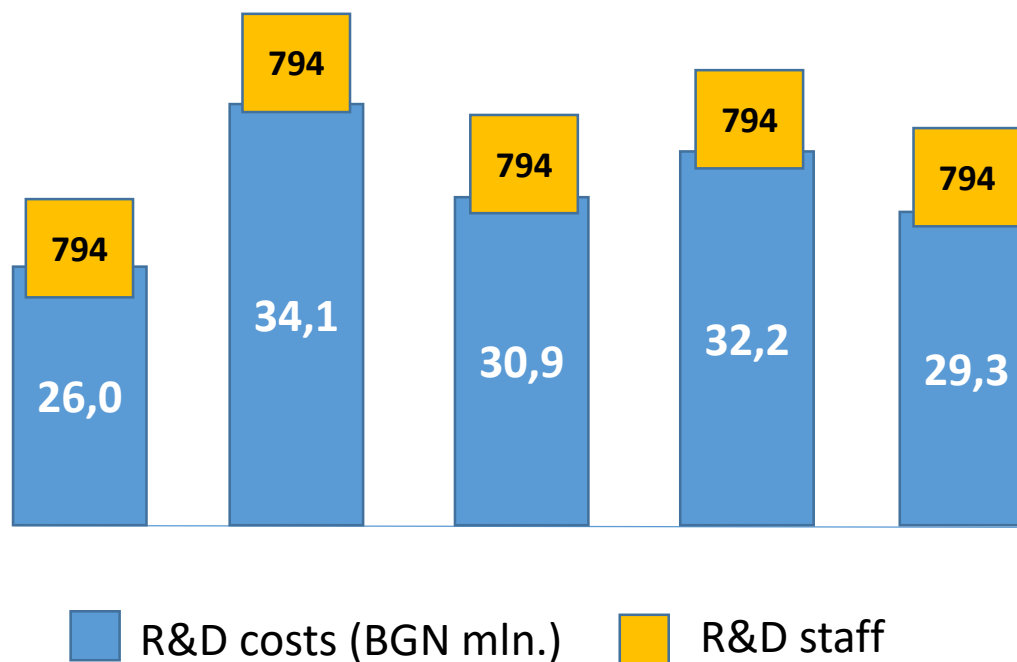
EUR 1.2 B (4% share of total exports)

EXPORT

EUR 600 M investments in the machine industry (83% FDI)



Research and development in the industry

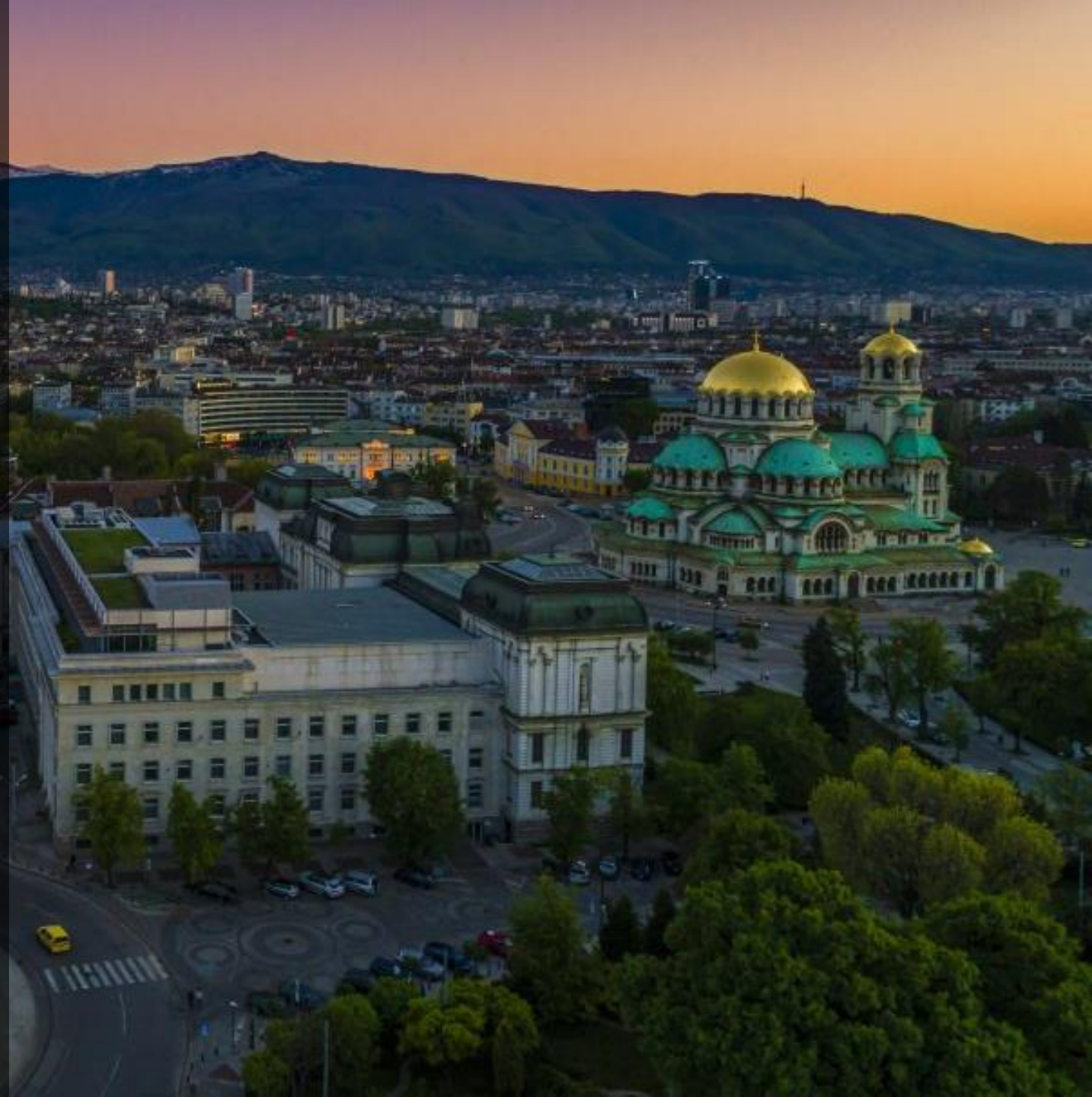


Expenditures for research and development (R&D) in machine-building enterprises reach BGN 29.3 million, and the staff engaged in R&D is 880 people.



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

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Certification Criteria



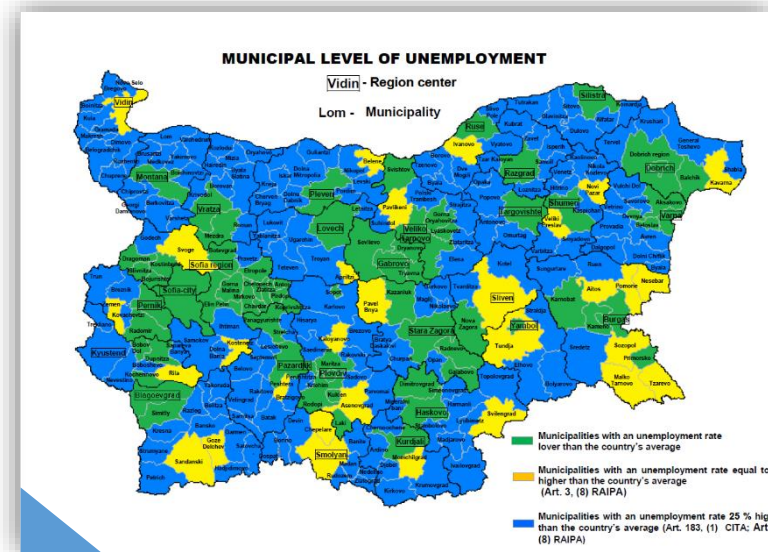
EMPLOYMENT ESTABLISHMENT

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



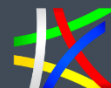
ECONOMIC ACTIVITY

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.





EUROPEAN UNION
European Regional Development Fund



INVESTBULGARIA
AGENCY



OPERATIONAL PROGRAMME
INNOVATIONS AND
COMPETITIVENESS

Investment certification

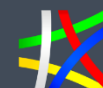
	Priority Class	Class A	Class B
THRESHOLD	€ 15.00 M 50 – 150 Jobs	€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K– 2.50 M 10 – 100 Jobs
INCENTIVES			
SHORT CUT ON ADMINISTRATIVE TERMS	✓	✓	✓
NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND	✓	✓	✓
FINANCING VOCATIONAL TRAINING	✓	✓	✓
SOCIAL SECURITY 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	✓		



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What Bulgaria offers ?







THANK YOU

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