

Investing in your future



**EUROPEAN
UNION**

European Regional
Development Fund



NATIONAL
STRATEGIC
REFERENCE FRAMEWORK
2007 – 2013



Project "Promoting the advantages of investing in Bulgaria" BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and national budget of the Republic of Bulgaria.



INVESTBULGARIA
AGENCY

Bulgaria – investment climate and business opportunities

Tokyo
12 March 2013

Bulgaria at a glance

Location and key data



- **Area:** 110,910 sq km (42,823 sq mi)
- **Number of inhabitants** (2011): 7.4 mln
- **Capital and largest City:** Sofia
- **Other cities:** Plovdiv, Varna, Burgas, Ruse, Stara Zagora, Pleven, Veliko Tarnovo
- **Natural Resources:** oil, gas, coal, iron ore, copper, lead, zinc, antimony, chromite, gold, silver, magnesium, nickel, pyrite, marble, limestone, salt, arable land
- **Major industries:** electricity, water and gas supply; food, beverages and tobacco; machinery and equipment; base metals, chemical products, coke, refined petroleum
- **Currency:** Lev (BGN). Fixed exchange rate with Euro.
- **EU Member** since 2007, **NATO Member** since 2004
- **Government type:** parliamentary republic
- **Last government elections:** July 2009

Bulgaria at a glance

Geography, landmarks and economic overview



Bulgaria was named “The best undiscovered golf destination” by the International Association of Golf Tour Operators in 2012

Thracian Cliffs Golf & Beach Resort



- Described as “Pebble beach of Europe”
- Framed by rugged coastal cliffs and the vast blue of the Black Sea, the 18-hole Gary Player designed Signature course at Thracian Cliffs is one of the most dramatic golf courses on earth.
- Every hole has a view towards the Black Sea
- Tee box of the 7th hole is on a small sea island

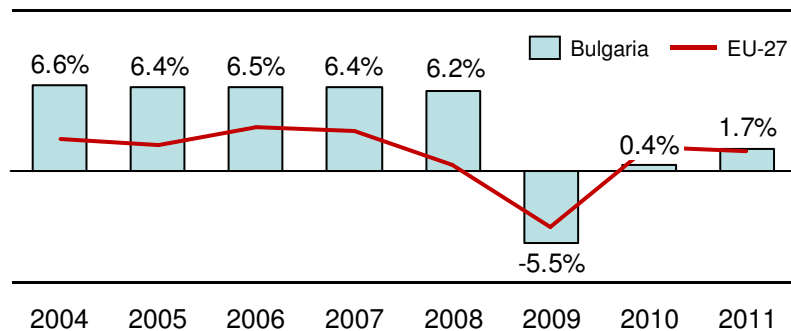
Pirin Golf Resort



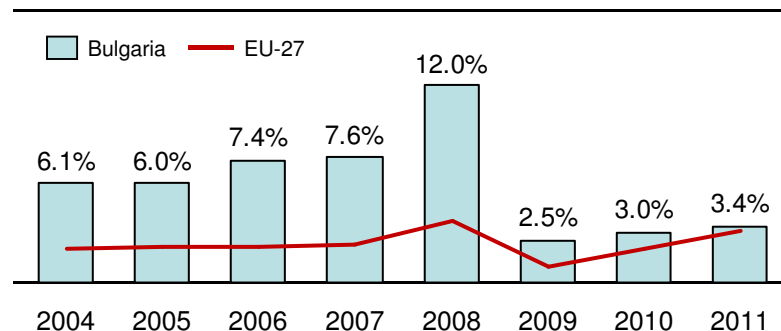
- Huddled near the well-known ski resort Bansko in the Pirin mountains, close to the capital Sofia and to Thessaloniki, the second biggest city in Greece
- 18-hole, par 72 Championship course designed by the winning 2006 Ryder Cup Captain, Ian Woosnam
- Excellent spa and hotel facilities

Macroeconomic indicators show consistent pre-crisis economic growth and quick post-crisis recovery

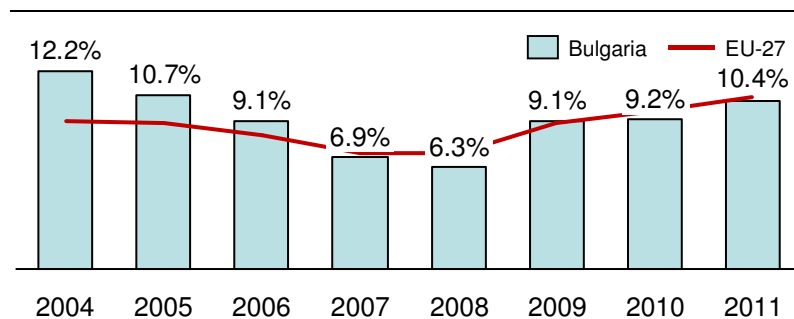
Real GDP Growth



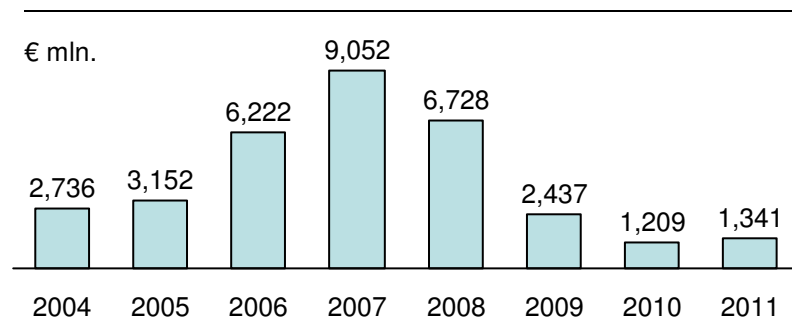
Inflation (HICP)



Unemployment

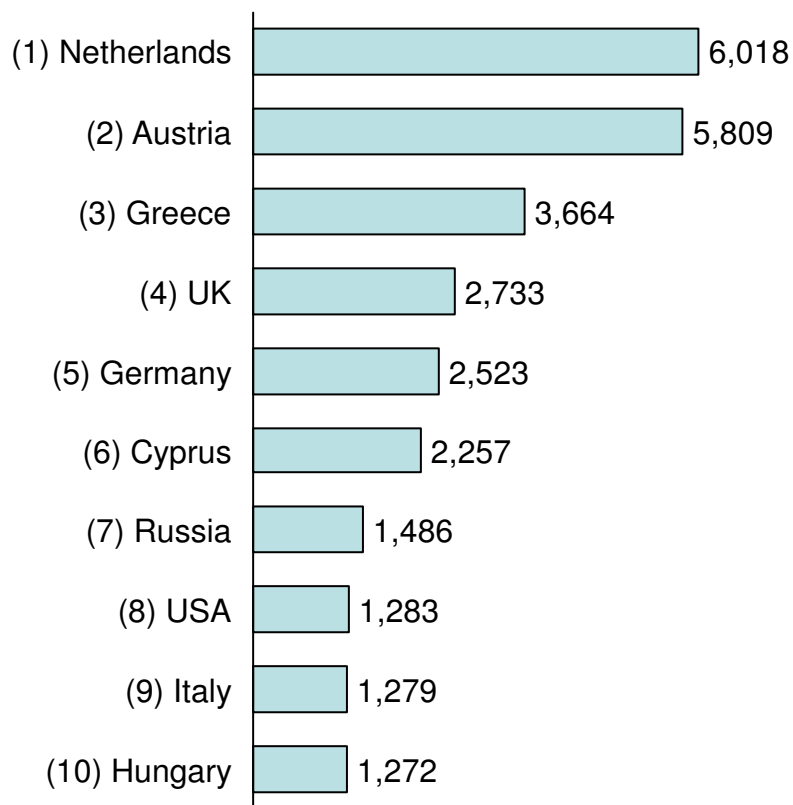


FDI Inflow

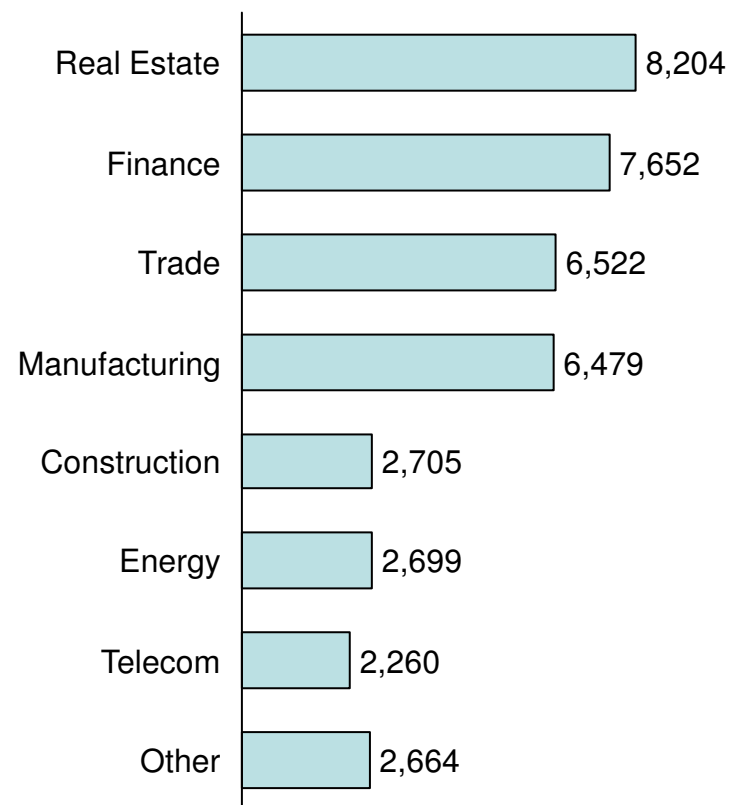


FDI in Bulgaria comes mostly from EU countries and is concentrated in four main sectors

FDI by host country, 1996-2011 (€ mln.)



FDI flows by industry, 1996-2011 (€ mln.)



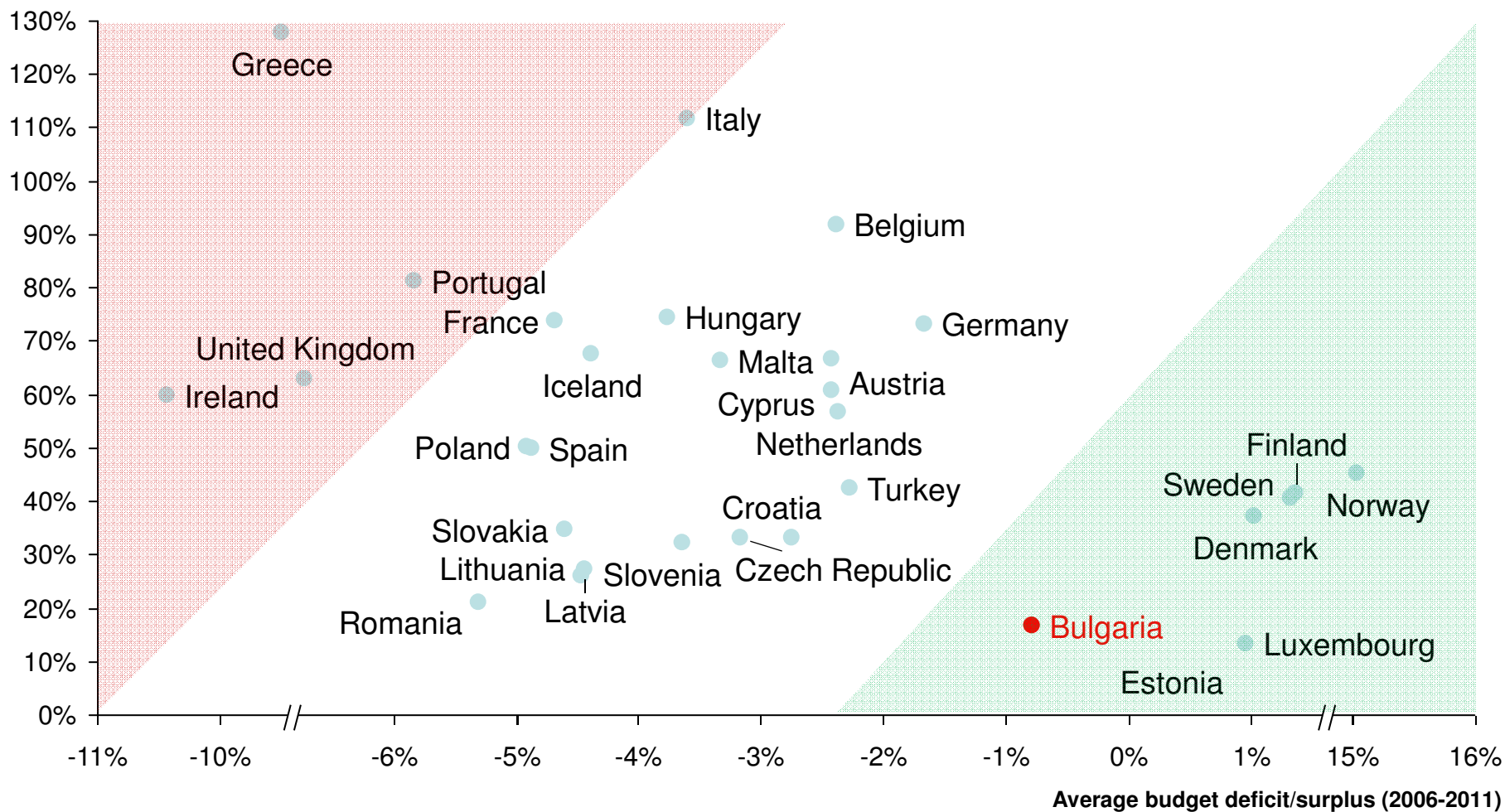
Why invest in Bulgaria?

- Political and business stability
 - EU and NATO member
 - Currency board
 - Low budget deficit and government debt
- Low cost of doing business
 - 10% corporate tax rate
 - Lowest cost of labor within EU
- Access to markets
 - European Union / EFTA
 - Russia
 - Turkey / Middle East
- Educated and skilled workforce
- Government incentives

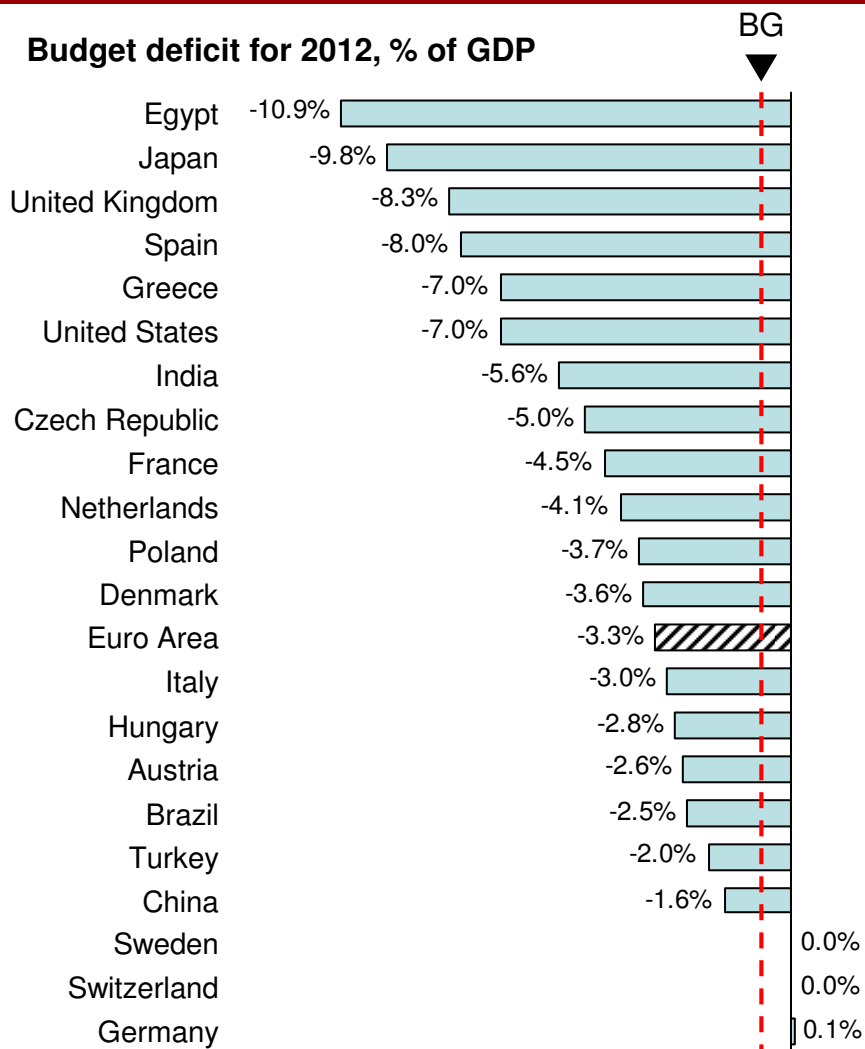


Government financial indicators are remarkable not only in the region, but on a pan-European scale

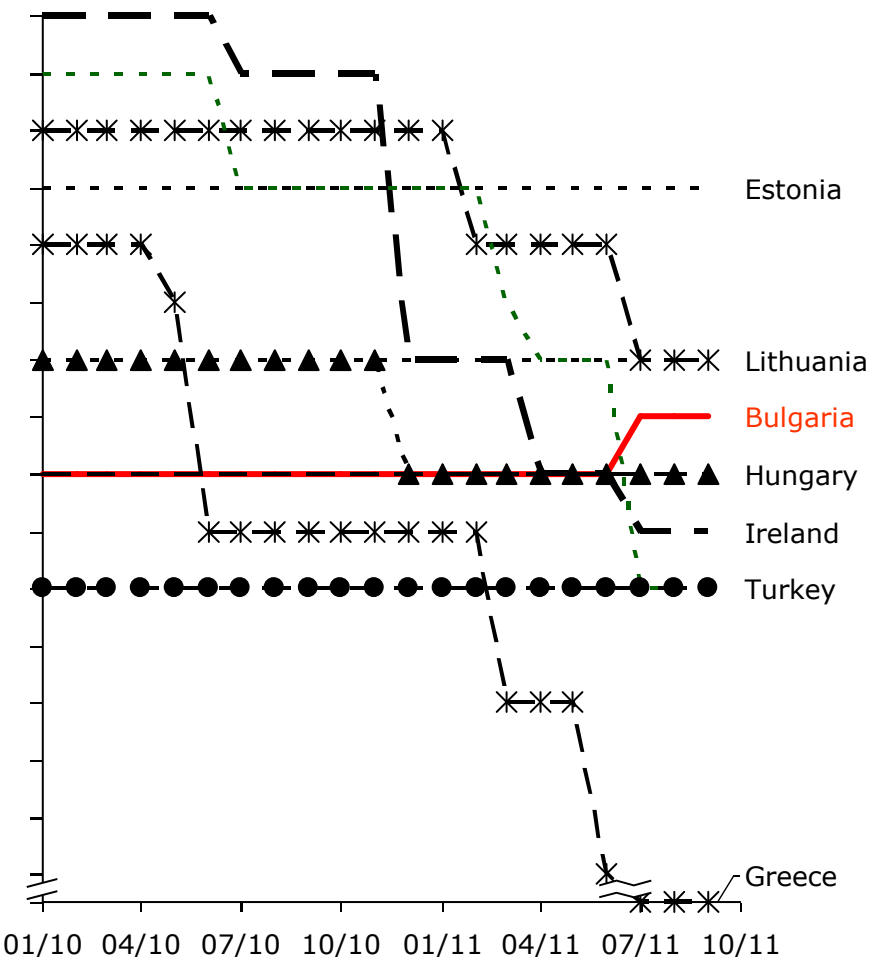
Average government debt (2006-2011)



Bulgarian economy maintains its excellent performance despite global challenges

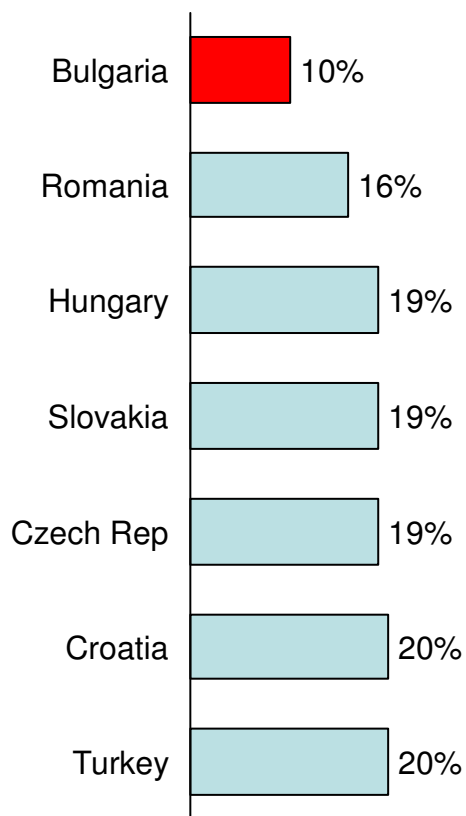


Bulgaria was the only European country with increased credit rating by Moody's in 2010 and 2011

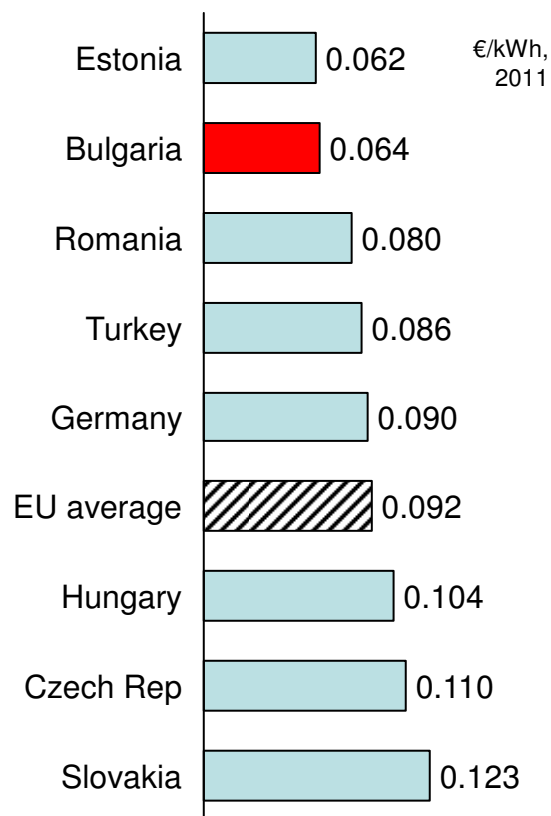


Bulgaria has one of the lowest business costs in Europe

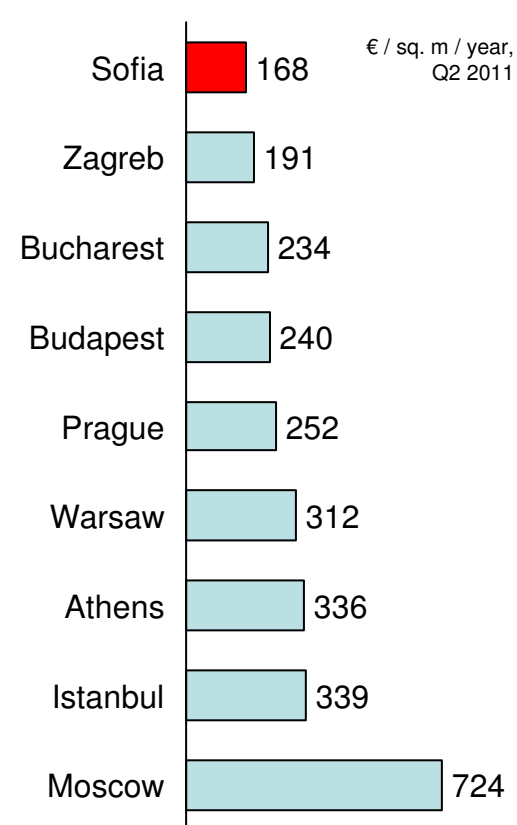
Lowest corporate income tax rate in Europe



Cost of electricity for industrial users is 70% of the EU average



Office rents in Bulgaria are among the lowest in Europe



Educated and skilled workforce is among the main advantages of Bulgaria



Sofia University

- Established 1888
- 25,000 students
- Laboratories run by IBM, Oracle;
- Affiliate center of Harvard University



American University in Bulgaria

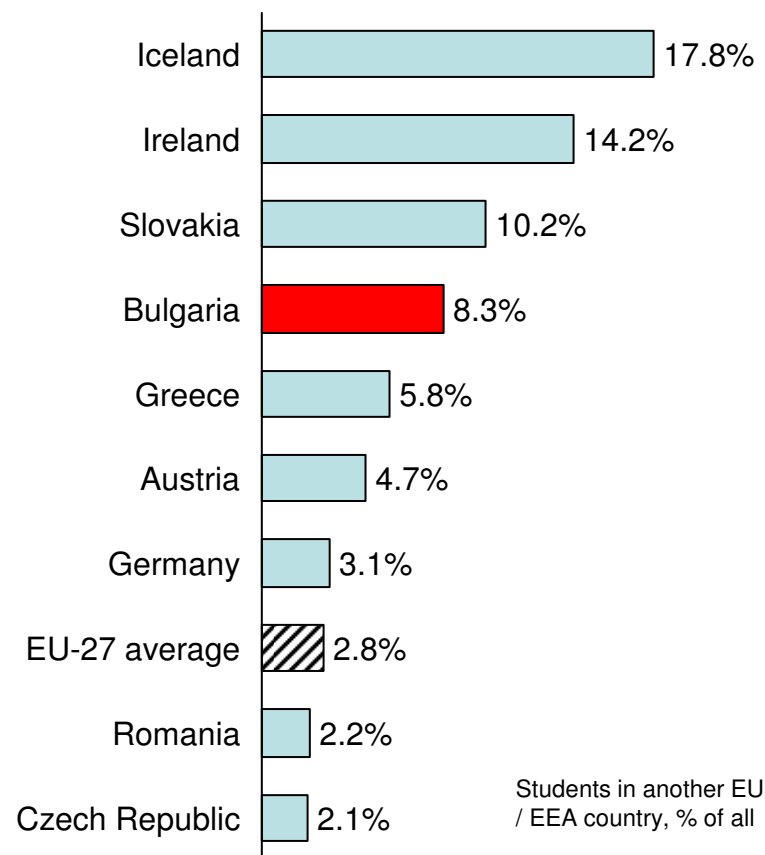
- Liberal arts educational institution
- Among the most famous American universities in Central and Eastern Europe
- 63% international students



Sofia Technical University

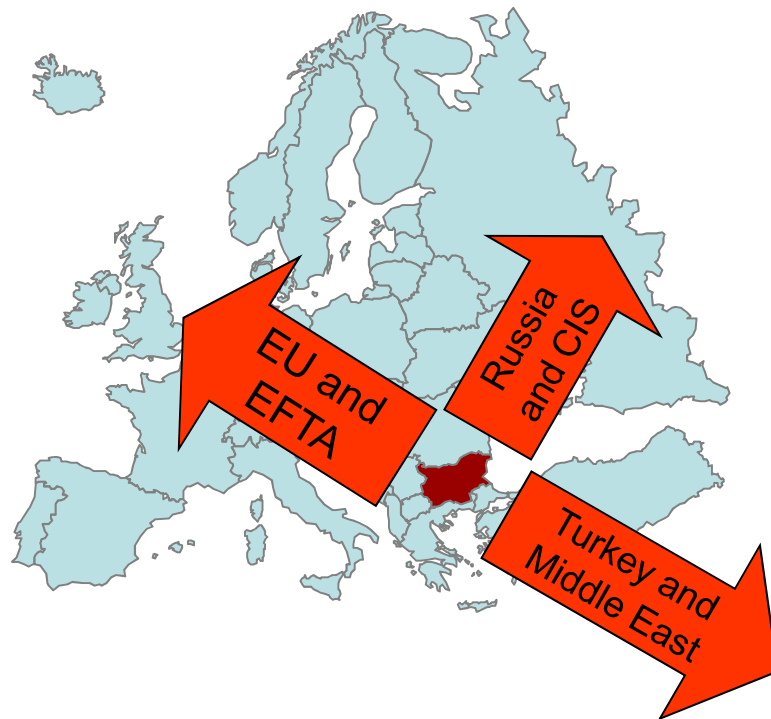
- 14,000 students
- Department of German engineering education (joint project of Bulgarian and German governments) and English engineering education

Bulgaria has one of the highest proportions of students abroad from all European countries

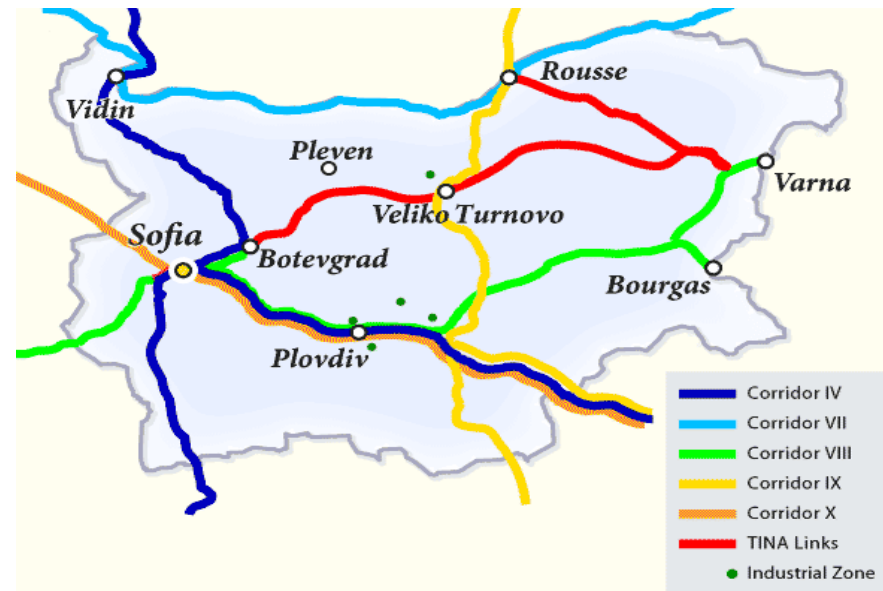


Bulgaria is only 3 hours flight from all major destinations in Europe, Russia and the Mediterranean region

Strategic geographic location



Major transport corridors passing through Bulgaria



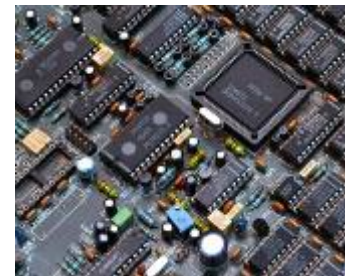
The government supports specific industries under the Investment Promotion Act (IPA)

- Investments must be related to the following sectors:
 - Manufacturing
 - Research & development
 - Education
 - Healthcare
 - High-tech services
 - Warehousing and logistics
- Minimum investment amounts must exceed €10m
 - €3.5 in regions with high unemployment and €2m for investment projects in high-tech services
- Benefits for certified investors include:
 - Shortened administrative procedures
 - Preferential acquisition of state or municipal land
 - Financial support for professional training / education
 - Infrastructure subsidies
 - Labor cost subsidies
 - Individual administrative services



Attractive FDI sectors

- Services:
 - Transport and Logistics
 - Information technologies
 - Outsourcing of business processes
 - Health and tourism related to healthy lifestyle
- Industry:
 - Transport equipment and machine building
 - Electronics and Electrical engineering
 - Chemical industry
 - Food and Agriculture
- Resources:
 - Mining
 - Oil



Leading global investors have chosen Bulgaria as an FDI destination

IT development	Back office operations	Chemical and metal Industry	Engineering	Food
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InvestBulgaria Agency

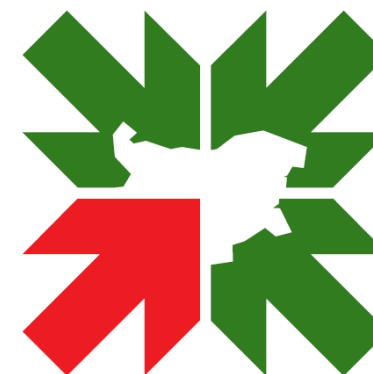
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