

Welcome to Bulgaria:

your second production home in the EU



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your second production home in the EU

1. General data: Location, Economy, Sectors,;
2. Danube Region Project opportunities
3. Danube Region success stories: Rousse and Vidin



Bulgaria

Area: 111,002 km²

Population: 7.2 million (2017)

GDP (2018): 65.197 billion \$

GDP Annual Growth (2019): 3.7%

Unemployment rate (2019): 5.5%

Currency: LEV (pegged to the Euro, 1 Euro=1.95583 Levs)

Inflation rate: 3.1 %





Tax incentives

- > **10%** Corporate tax rate
- > **10%** Personal income tax rate on flat basis;
- > **Tax exemption** for investment in manufacturing in municipalities with higher unemployment (169 out of 265 municipalities);
- > **Increased depreciation rates (50%)** for investment in new machinery, industrial equipment and appliances, computers and software;
- > **Use of tax credit** under the special procedure for charging VAT on imports for the implementation of investment projects over BGN 10 million;

0%

Withholding tax
on dividends

10%

Flat tax on personal
income

20%

General VAT





Why Bulgaria?

- > **EU Membership;**
- > **Currency Board** – no currency risk, stable currency rate;
- > **Close proximity** – to the German Headquarter and markets;
- > **Logistical and customs advantages** –logistical routes (road, river, air, sea);
- > **Qualified, motivated labor force** - at comparatively lower costs;
- > **Political, Economic and Financial stability;**
- > **Ready locations** in Industrial Zones with developed infrastructure
- > **> 45%** of the entire population speaks a foreign language
- > **German community, culture** – investors, companies, students, schools, kindergartens, German pubs, German beer, German Christmas Markets;





Strategic location

- > Five Pan-European corridors which pass through the country.
- > Four major airports: Sofia, Plovdiv, Varna and Burgas
- > Two main seaports: Varna and Burgas
- > Numerous ports along the Danube River

Political stability

Bulgaria is a member of the European Union, NATO and WTO.



WORLD TRADE
ORGANIZATION





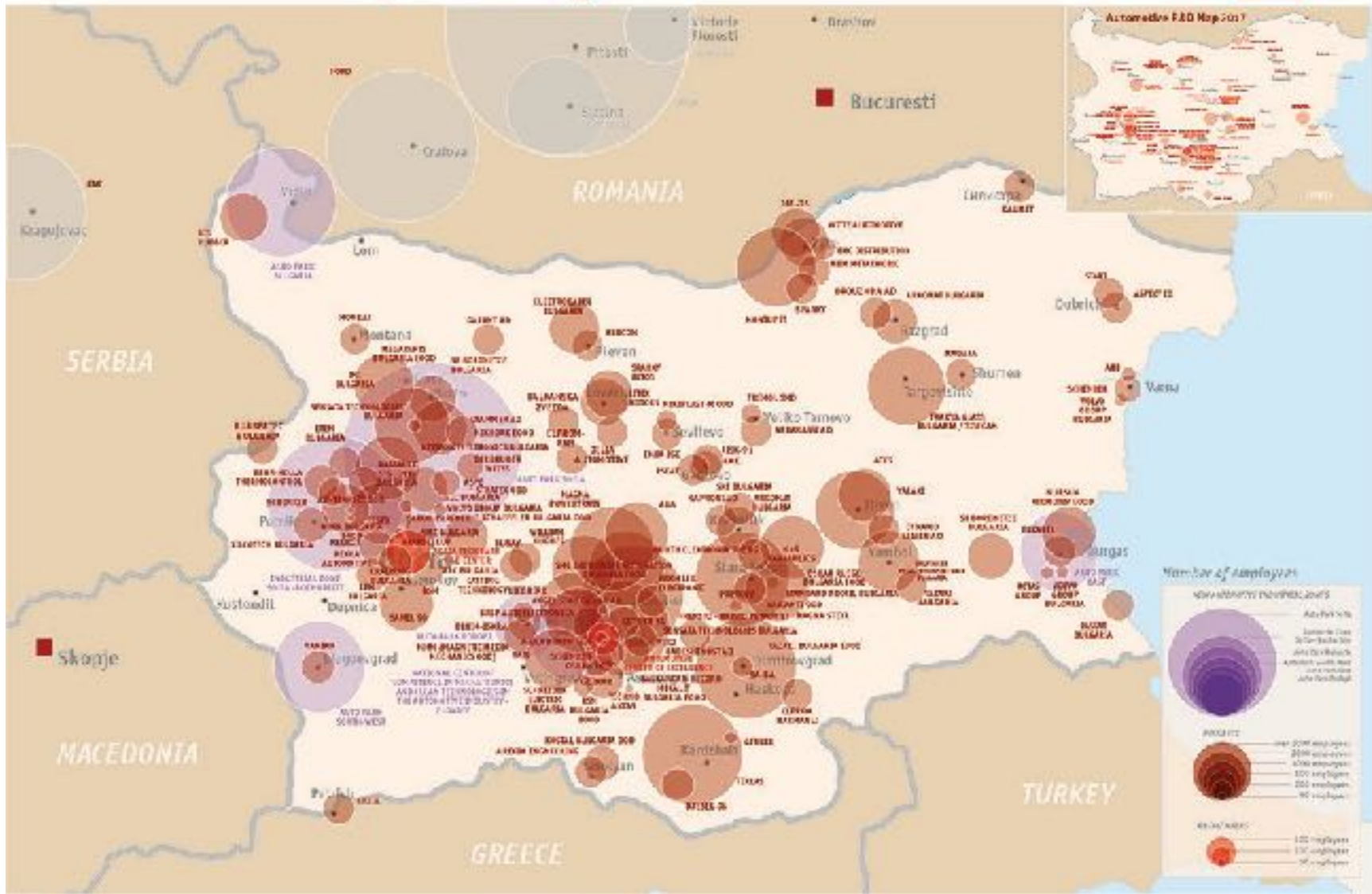
| Connectivity

- 🕒 1 hour time zone difference which leads to overlapping working hours
- ✈️ Lots of direct flights operated by Ryanair, WizzAir, Bulgaria Air and Lufthansa

Low Costs and Regular Airlines flying to:

- Berlin
- Cologne
- Hamburg
- Karlsruhe
- Memmingen
- Dortmund
- Frankfurt
- Nuremberg
- Dusseldorf
- Munich
- Stuttgart





Automotive map of Bulgaria 2017 – 2020





Automotive is fast growing sector in Bulgaria

- More than 230 companies working in the automotive sector in Bulgaria
- 90% of the cars in Europe have parts, produced in Bulgaria
- The share of the car industry in GDP is about 10%
- More than 65 000 people work in the automotive sector





IT is fast growing sector in Bulgaria as well

- > 130 % Growth of employment 2013-2021
- > 10 % Growth of employment 2019 Y-O-Y
- > 1.5 Bln. Euro turnover or GDPshare of 2.9%
- > 65 000 people employed in the sector

Bosch Engineering, SAP, HP, Visteon, VM Ware,

- > Accenture, Pro 7 SAT 1, Catenate GmbH, etc.





Machine Building – traditional for Bulgaria

- > 128 000 people employed by the sector
- > More than 3 700 Companies in the sector
- > 10 000 Euro Brutto Salary for the sector on year basis
- > Qualified and experience workforce
- > 5 Bln. Euro turnover (2019)





German-Bulgarian Trade Exchange

- > 2019: 8.51 Bln. Euro bilateral trade exchange (record), 3% growth Y-O-Y, 7% growth of the Bulgarian export, positive trade balance for Bulgaria of 669,16 Mln. Euro;
- > 2018: 8.27 Bln. Euro bilateral trade exchange (record), positive trade Balance for Bulgaria;
- > 2017: 7.5 Bln. Euro bilateral trade exchange (record), positive trade balance for Bulgaria;



| Workforce & labour market

- Average Salary - 450 EUR Net per month
- Currency pegged to the EUR
- 4% unemployment rate (September 2019)
- 57.4% labour force participation rate

Working days

21 days per month

252 days per year

Annual paid leave

min. 20 days per year

Public holidays

11



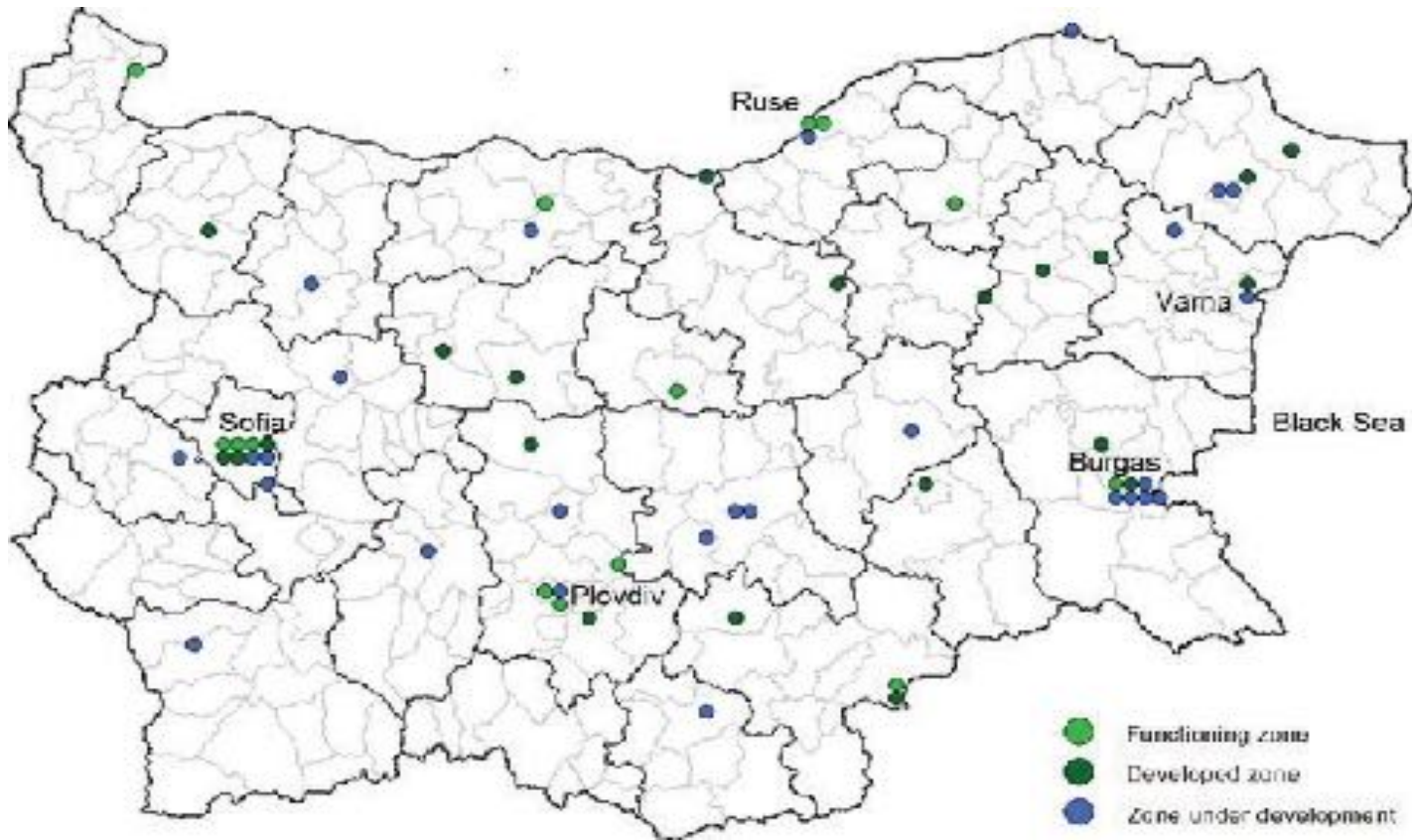
German success stories in Bulgaria



Foreign automotive companies in Bulgaria



Danube Region Projects



Transport Connectivity and Logistics

- Priority projects:
- Bridges: building of 5 new bridges, connecting Romania and Bulgaria on the Danube: **Silistra-Calarasi, Svishov-Zimnichea, Nikopol - Turnu Magurele, Oryahovo - Bechet**, and a new bridge **Ruse-Giurgiu**; there are pre-feasibility studies for the bridges; strategic document (national and bilateral) that set the objective for building of the bridges; this is in line with the EUSDR objective for well-connected region and bridges, connecting the cities across the Danube;
- Navigability of the river: there are feasibility studies for two hydroelectric locks Nikopol and Silistra; there are mobile options (pontoon bents) to improve navigability of the Danube in BG-RO section
- Modernization of inland ports: **36 ports that have to be modernized** (buildings. energy supply, waste management) to achieve climate neutrality of the infrastructure and operation and increased capacity
- **High speed passenger service from Regensburg to the Danube Delta**
- **Intermodal nodes**: two major Ruse and Vidin and smaller where there is a river crossing; integration of transport modes;
- **Cross-border passenger train service Veliko Tarnovo – Ruse – Giurgiu – Bucharest – Bucharest Airport**, with city rail in Ruse and Giurgiu – there are pre-feasibility study, project concept for the service and conceptual design for the city rail.
- Forms of investment: BOT, concession (35 years under the national law), PPP

Automotive Industry

- Development of meridian auto cluster, linking BG auto industry (components for BMW, Audi, VW, electro mobiles) with the RO facilities of Dacia and Ford);
- Battery production;
- Advantages: the region has a trained workforce; university-business nexus in the area; high technological park in Ruse (Bulmarket) that will produce high technology locomotives; big German investors in the region such as Eichhoff Electric GmbH in Vidin, Witte Automotive in Ruse, DB Schenker.

Green agenda for the region

- Priority projects:
- 1. Participation of Bulgaria in the **Green Hydrogen @ Blue Danube** Important Project of Common European Interest (IPCEI) (pending BG government decision) for exporting low-cost low carbon hydrogen to northern Europe via the Danube River transport axis;
- 2. Renewable energy production facilities and refueling infrastructure for alternative fuels;
- 3. Modernization of inland ports and fleet toward climate neutrality;
- 4. Green hydrogen production and hydropower plants;
- 5. Modernization of road infrastructure and vehicles;
- 6. Renewable energy for buildings and utilities, public and private property;
- Advantages: piloted project for deployment of green H₂ production infrastructure, retrofitting an existing tugboat with a zero-emission hybrid battery and fuel cell drivetrain and operating the vessel on the Danube River and 20 FC busses in Ruse (developed project specifications, financial analysis and preparation of detailed budgets, a strategy for financing and set up of a management structure with the assistance of the Fuel Cells and Hydrogen Joint Undertaking); Solar PVs investments; four modes of transportation, well developed inland ports infrastructure; nascent decarbonization ecosystem in the region;

Vidin

Strategic location in NW Bulgaria on Highway Hemus

Green-field & Brown-field terrains

46.8 years average age

Sewing Industry, Ex-Tyre production, Chemical industry

Services, trade, logistics

>15% Unemployment rate



Success stories

EICHHOFF Components Bulgaria EOOD (ECB)

Seit nun mehr als 20 Jahren produziert ECB in Bulgarien:

- Werkzeugzeuge
- Funk-Einstromelemente
- Filtersysteme
- Elektronische Baugruppen
- Elektronische Komponenten
- Kabelkonfektionierung

Zusätzlich bietet ECB attraktive Möglichkeiten der Lohnfertigung!



Der im Jahr 2008 eingeweihte Neubau bietet auf 4.000 m² Produktions- und Lagerfläche, ideale Voraussetzungen um die Aufgaben der ECB in einer perfekten Organisation zu erfüllen. Dabei werden durch die ISO 9001:2015 und ISO 14001:2015 Zertifizierungen – ISO verbriefte Normen, ISO und Prokurven in allen Bereichen durchgeführt. Ein großer, gepflegter Maschinen- und Vorrichtungspark unterstützt hierzulande die Mitarbeiter und das Unternehmen.



Auf dem 30.000 m² großen Grundstück können Erweiterungen problemlos realisiert werden.



EICHHOFF Components Bulgaria EOOD (ECB)

Телефон: 00359 70 91 00 00

info@eichhoff.com

www.eichhoff.com



Rousse

Developed infrastructure

Green-field & Brown-field terrains

Automotive production, Electrical industry, logistics;

80% FDI in industry

Industrial Park, Logistics Park, Free Zone

Witte Automotive, Keros Ceramica, A.L. Group (A.L. Filter)



Rousse

Population **230 338 people**

Unemployment rate **7.6%**

570 Euro brutto average salary
(production)





The local unit specializes in the manufacture of bonnet and hood latches, seat latches, keys sets, drives, and the tolerance compensation system WITOL;

Witte Automotive Bulgaria EOOD also operates as sales office for South-East Europe.

The company has invested over 25 mln. euro so far in Bulgaria;

Over 1000 Employees work for the company today;

In 2019 the company completed its plant extension and respectively enlargement of its investments in Bulgaria;




Success stories

B[®] BADER[®]



Other success stories in Bulgaria

 **Economy.bg**

Причината да открием този завод е
възможността за допълнителен растеж.

Д-р Щефан Ото

Управляващ директор, VOSS Automotiv



- > Investition von 32 Mio. Euro in Pleven
- > Mehr als 2 500 Beschäftigte
- > Grundlegung wurde am 27. September 2018 durchgeführt



- > Investment of 11 Mio. Euro in Vratsa
- > More than 10 000 sq. m.
- > Opening in August 2020

- > The opening of of the [#plant](#) in Vratsa (Bulgaria) in 2020 serves the strengthening of the company's position in the European market.





- > 1 million refrigerators per year
- > 2018: 10 million refrigerators manufactured in BG
- > 252 900 m2 area
- > 2100 employees
- > 3 times won the award “Investor of the year”

“We founded Liebherr near Plovdiv in 1999 and have increased our production multiple times ever since.”





- > 700+ employees
- > Investment of 35 million EUR.

If today you were about to decide whether to invest in Bulgaria, would you make the same decision?

The continuous growth of the investments that Behr-Hella Thermocontrol (BHTC) realizes in Bulgaria is a proof of the positive development of the company in the country and of the right decision Bulgaria to be the choice of BHTC for the realization of its activities on the Balkans and in Eastern Europe.



*Martin Nyland
Country Manager BHTC Bulgaria*



mecalit®

- > 110+ employees
- > Investment more than 10 million EUR.

Why did you choose Bulgaria?

- EU zone integrated*
- stable currency /EUR – BGN/*
- our important OEM customer Liebherr is also here in Bulgaria*
- predictive TAX policy ,stable economy situation*
- relative good access to motivated working staff at considerable labor costs*



ottobock.

- > Investment -more than 15 million EUR.
- > Production of prosthesis
- > 250 people employes
- > New plant in Blagoevgrad, Bulgaria opening 7.10.2021





- > 5 Factories in Bulgaria;
- > 110 Mln. Investment so far;
- > Over 3000 employees;



LATÉCOÈRE

- > AIRBUS supplier;
- > 11 Mln. Euro Investment in Trakia Economic zone near Plovdiv;
- > Production started 2018;





Lufthansa Technik

Sofia

- > Largest Eastern European facility in the Lufthansa Technik Base Maintenance Network
- > Lufthansa Technik Sofia has become the strategic first choice for off-shored administrative services.
- > Here are based one of the group's major central departments, providing services to the whole Base Maintenance Network.





Lufthansa Technik

Sofia

- > Founded 2007
- > Plant size: 50 000 m²
- > Investment in training and infrastructure: 100 Mio Euro
- > More than 1 100 Employees in 2018
- > Maintenance, Repair, Overhaul of Airbus A320 Family, Boeing 737, Emraer E 190
- > Line Maintenance , Base or Heavy Maintenance, Shop or Component Maintenance and Painting





COMMERZBANK

Commerzbank (Group Technology Foundations Commerzbank AG): IT Hub in Sofia, 600 employees

- develops and administrates applications enabling full digitalization of business processes.
- team uses modern IT solutions, tools and agile working methods to improve the existing systems and create new applications.
- in order to be able to provide faster and better tailored services for clients while processing large data sets, and at the same time do it more efficiently and cost-effectively, ensuring information security.



Pro Sieben Sat. 1: Digital Entertainment Platform Center Sofia



➤ "The clear recommendation coming out of that was [Sofia](#) in [Bulgaria](#). So, here we are. We have laid the foundations and I am absolutely convinced that we will have a really good future there. Because we know what we're doing, we've done that before. We observe that the [talent pool](#) in Sofia gets better and better, with more [international companies](#) but also [local champions](#) such as [Telerik](#). It's a [community](#) that does many things – all the way from [AI](#) through [security](#) and [operating systems](#) to [applications](#) – it's a [broad ecosystem](#) and that's what we are [excited](#) about....I am really happy to see that independent research showed that [Bulgaria](#) is the [best possible location](#) for an [innovation hub](#) for SUSE."

➤ **What were Bulgaria's [competitive advantages](#)?**

- the [time zone](#) was a [critical factor](#) to look at;
- **Bulgaria is part of the European Union – [embedded](#) in a [stable framework](#).**
- **the [talent pool](#)** – Bulgaria is a place where we think we can recruit the [#right #people](#) and [#make](#) a [#difference](#) as somebody who is special in the market.



Contact details

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Erfolgsgeschichten der ausländischen Investoren in Bulgarien:
[youtube.com/channel/UCNzGKfTJdGIR7oXoEbIHAAA](https://www.youtube.com/channel/UCNzGKfTJdGIR7oXoEbIHAAA)



Thank you for your attention!

