



**Invest Bulgaria – your success is our mission**

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# About us

- One-stop-shop
- End-to-end support
- Enhance investment climate
- Synergies with the ecosystem
- Support for future expansions



Tailor-made solutions



Long-term partnership approach



Added Value



Agility

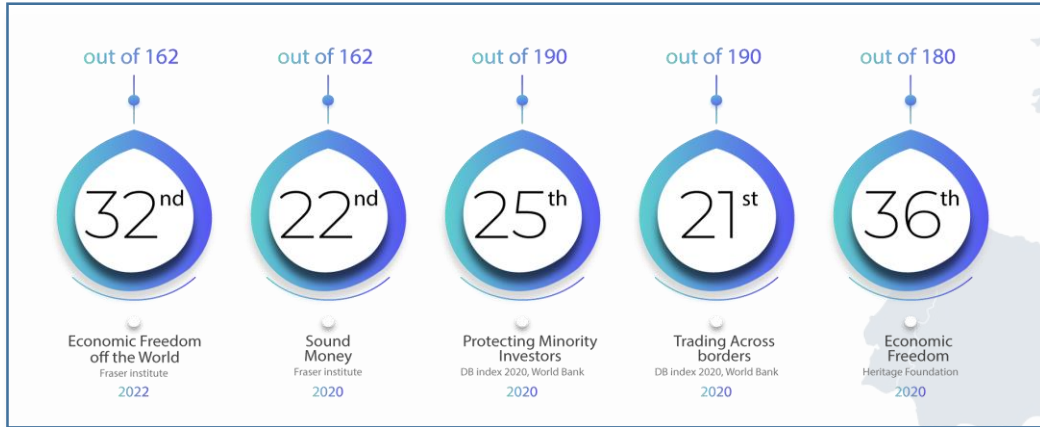
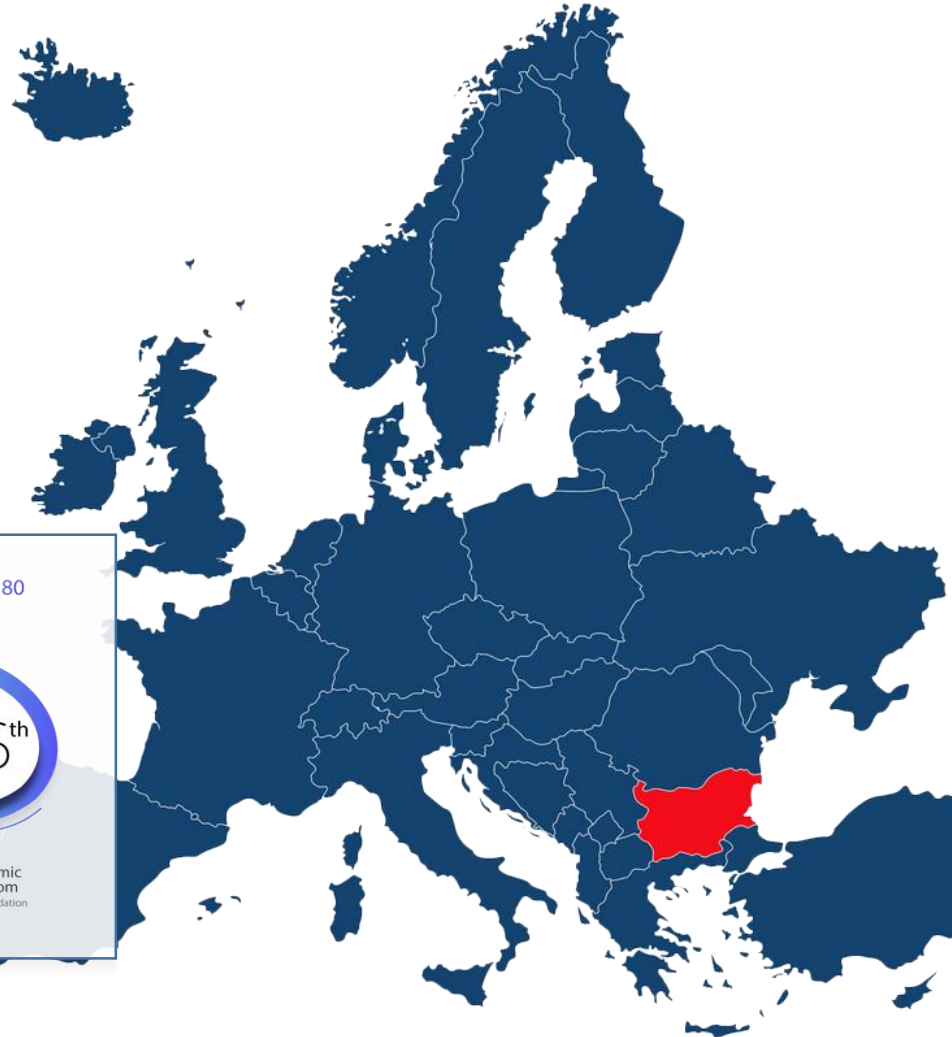
# Bulgaria

**TOTAL AREA** - 110,994 km<sup>2</sup>

**POPULATION** - 6.8 million

**CAPITAL CITY** - Sofia

**MEMBER OF** EU, NATO, IMF, WTO



# Why Bulgaria

## Market

Free export to the EU

Access to 1.3 bn customers

Connecting point to Asia and Middle East

## People

One of the strongest IT and engineering talent pools in EU

50% speak at least one foreign language

Labour force – 3,3 mln people with 5,3% unemployment rate

## Competitive

GDPR and EU expertise

Access to +\$20 bn of national and EU funding by 2030

Resilient infrastructure and low operational costs



# Competitive in the EU

- In 2022, GDP **grows by 3.4%**
- Among the first in terms of annual **growth of industrial production** in the EU **+17%**
- **Resilient electricity and gas supply** at one of the most competitive prices in the EU
- One of **most favorable cost of living among** major CEE countries
- **The most competitive operational costs** in the EU

## Did-you-know

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

Bulgaria ranks 3rd in terms of IT specialist per capita

Bulgarian Olympiads are at the top of the world rankings in mathematics, informatics and physics

First world-class AI research and deep-tech institute in Eastern Europe

# Taxation rates

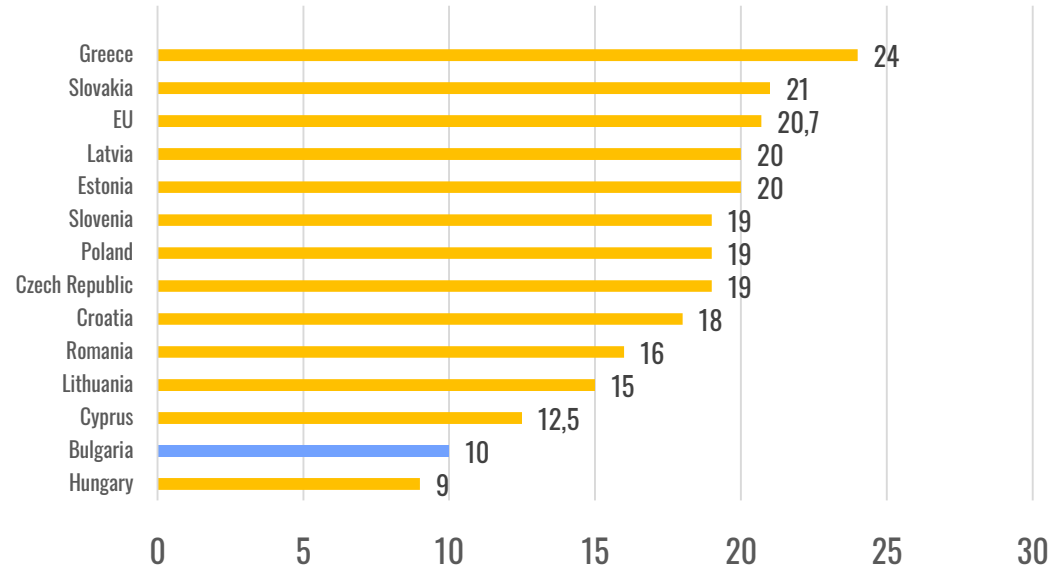
**One of the lowest in the EU**

**10 % Corporate income tax - flat**

**10 % Personal income tax**

**General VAT is 20 %**

## CIT rates





# **IT AND BPO SECTOR IN BULGARIA**



# IT & BPO Key figures

- **6.6 %** of GDP (2021)
- **EUR 4.2 Bn** Turnover
- **89 000** Employees
- **6 000** Companies
- **EUR 1 800** Average gross salary
- More than **EUR 1 Bn** paid in taxes





# Education and labor force

- Wide network of secondary schools with an intensive focus on languages, mathematics and science
- 52 universities across 14 cities (35 offer majors related to the sourcing industry)
- 12 000 students enrolled in ICT specialties, 6 000 in foreign language for the last academic year
- Private ICT colleges and academies

## Number of Schools and Universities Preparing Students for Potential Sourcing Jobs:

84

Language schools

119

High Schools of Mathematics, Science and Economics

35

Universities in Language, Economics or IT Majors



# Educational system

**13 000**

students graduated in  
computer science,  
software development  
and mathematics  
2017-2022

**12 900**

students were enrolled in  
these majors in  
2021/2022

**20 000**

university and college  
graduates that could be  
suitable employees for  
the sourcing industry in  
2022

**... another  
positive trend**

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

*THE IT COMPANIES PREPARE BY THEMSELVES THE NEW GENERATION OF IT SPECIALISTS FOR THE DIGITAL FUTURE*

# Software development



**EUR 3.7 Bn**  
Revenue



**50 000+**  
Employees



More than  
**4 600**  
Companies



**EUR 3.2 Bn**  
Export of services



**EUR 600 M**  
Paid in taxes



**4.5 %**  
of the GDP

**2022**

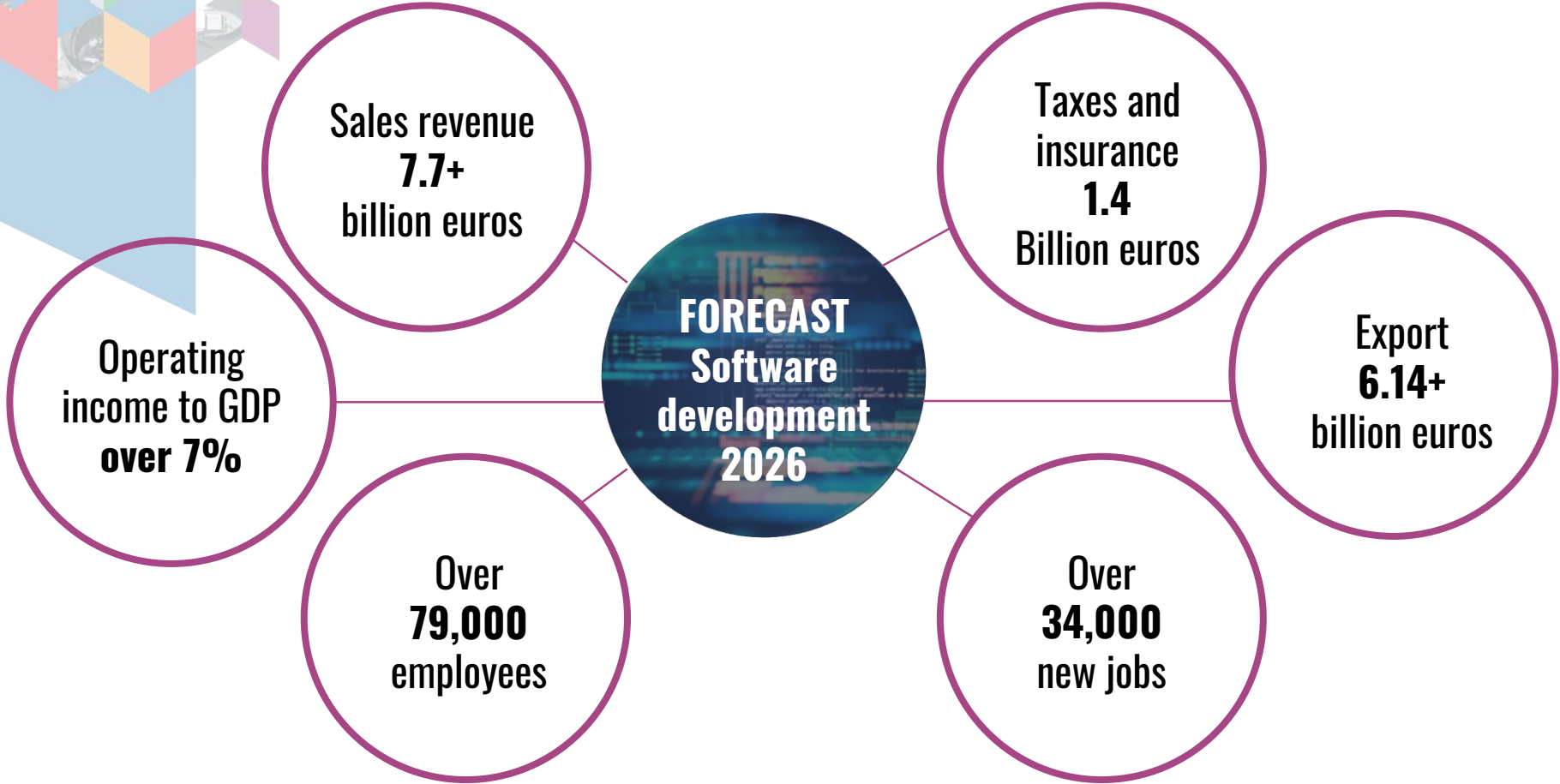
# Wages

The salary of software specialists in Bulgaria is expected to continue to outpace similar levels in the UK and Germany.

Gross per year	Wage
Average for Bulgaria	EUR 29 800
Equivalent of Bulgaria in the UK (through PPP*)	62 220 GBP
Average for UK (software engineer**)	37 984 GBP
Equivalent of Bulgaria in Germany (through PPP*)	EUR 64 468
Average for Germany (software engineer**)	EUR 54 316

\*Calculated through purchasing power parity ratio using The World Bank Purchasing power Parity conversion factor

\*\*Median of the reward for the profession of software engineer



# FinTech



**135** FinTech Companies



**11** Payment Institutions



**8** E-money  
Institutions



**8 665** employed in  
the industry



**44 %** of employed  
are women



**€ 1,950**  
average gross  
salary



**18** universities teaching  
Computer Science



**12 900** enrolled in  
STEM programmes

*THE FIRST BULGARIAN BORN UNICORN IS IN THE FIELD OF FINTECH*

# Education and innovation

INSAIT the first world-class AI research and deep-tech institute in Eastern Europe

Affiliated by... **ETH** zürich **EPFL**

- ❖ World-class academic standards, industry support and scientist
- ❖ PhD students, researchers, deep-tech IP, start-ups creation, and exchanges
- ❖ Access to one of the world's strongest talent pools in the AI and computing in general: Eastern Europe

650

Start-ups &  
Scale-ups

\$100M initial  
government funding



63

Research centers and  
independent software schools

\$15M industry  
support



20

Private software  
academies



**Dicoverer** is a Petascale supercomputer capable of executing more than 4,2 Petaflops Rmax and over 6 petaFLOPS Rpeak





# Certification criteria

Under the Investment Promotion Act (IPA)



## EMPLOYMENT ESTABLISHMENT

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

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## ECONOMIC ACTIVITY

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

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## LOCATION

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

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# Government incentives

## Financial incentives

- Financial support for training;
- Social security cash back;
- Financial support for construction of the elements of the technical infrastructure;
- Acquisition of private-municipal or private-state owned land.



**Provision of Tailor-made Incentive package for Priority Investment Projects**

## Non-financial incentives

- Shortcut on administrative terms;
- Individual administrative and information support;
- Interdepartmental task force for institutional support;
- Establishment of public-private partnership with municipalities, universities and other organizations;
- Acquiring real estate (private state or private municipal property) without a tender or a competitive bidding procedure.

# Investor's success is our mission



Alcomet

"...We were supported by **InvestBulgaria Agency** during the implementation of our investment program, with all possible financial and human resources."



Nestlé  
Petar Stoilov  
Member of the directors board

"...**Bulgaria** has a huge potential to attract more **strategic investors** to develop and implement innovations with the support of the highly qualified Bulgarian specialists."



Schneider Electric Bulgaria  
Radoslav Koshkov  
Manager

"...**Schneider Electric** has an excellent relationship with InvestBulgaria Agency since the time of our first investment in production, more than **20 years ago**. We are successfully partnering with IBA in the mission to show advantages of Bulgaria as an investment destination."



Victor Karadjov  
Head of GBS Center

"...**Palfinger** chose **Sofia** for its Global Business Service Center because of the accumulated knowledge in the field of business services and presence of established specialists in the industry."



Acronis  
Stanislav Protassov  
Technology President and Co-founder

"...The country has good traditions in IT and experienced specialists in the field of computer science and software engineering. Bulgaria is a unique place for **Acronis**, as this is where the company's main and largest **R&D center** is located."

# Why Bulgaria?



## STABILITY

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



## EDUCATED AND SKILLED WORKFORCE

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



## EASY MARKET ACCESS

- ❑ European Union
  - ❑ Turkey
  - ❑ Middle East
- 1,3bn customers**



## 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
- ❑ Government grants

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# THANK YOU!



INVESTBULGARIA  
AGENCY