

InvestBulgaria
Agency

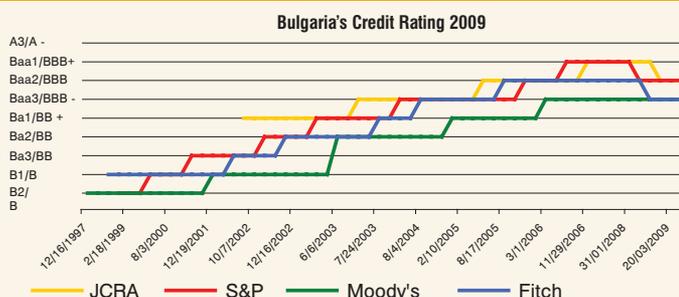
Table of Contents:

Business Environment	2
Electrical Engineering & Electronics	19
Mechanical Engineering Sector	25
Chemical Industry Sector	31
Food & Beverage Sector	37
Other Non-metallic Mineral Products	45
Medical & Pharma Sector	51
Renewable Energy Sources Sector	59
ICT and Business Process Outsourcing (BPO) Sector	71

INVESTMENT CLIMATE IN BULGARIA

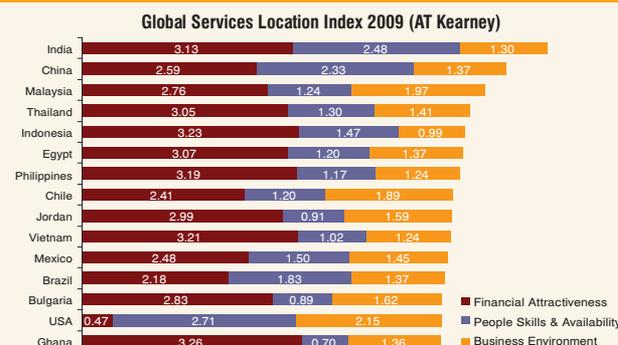
Predictability

- EU member, NATO member
- Macroeconomic and financial stability
- Five year average GDP growth of 6.2% (2004-2008)
- Budget surplus 3.0%(2008), currency peg to EUR
- Investment grade rating BBB by S&P & Japan Credit Rating Agency
- Recognized free market economy
- Foreign direct investment at 18.1% of GDP (EUR 6.5 bn in 2008)



Quality

- Quality of human capital
 - Education levels among Europe top 5%
 - 7% of workforce has engineering degrees
 - English language studied by 70% of students
 - Motivated and entrepreneurial attitude
- Quality of business environment
 - Strong institutional support for foreign investors by IBA
 - No restrictions to capital flows
- Quality of life
 - Ample opportunities for all-season outdoor recreation
 - Diverse cultural heritage and art activities
 - World renown food and beverages



Competitiveness

- Well educated and highly qualified work force
- 10% corporate tax rate
- 10% personal income tax, flat rate
- Tax exemptions and investment incentives for qualified investment
- Among lowest operational cost in a European market economy
- Duty free trade covering markets with over 550 m customers
- 61 Double Taxation Treaties and 66 Agreements on the mutual protection and promotion of foreign investment



GENERAL ECONOMIC INDICATORS

	2005	2006	2007	2008	2009E	2010F
GDP (EUR bn)	21.9	25.2	28.9	34.1	35.2	36.2
Real GDP growth rate (%)	6.2	6.3	6.2	6.0	-1.6	-0.1
GDP per capita (EUR)	2,827	3,278	3,772	4,485	4,530	4,594
Population (m)	7.7	7.7	7.7	7.6	7.6	7.6
Unemployment (eop, %)	10.7	9.1	6.9	6.3	10.2	12.0
Labour costs per hour (avg, EUR)	0.94	1.05	1.25	1.65	1.80	1.85
Exports FOB (% of GDP)	43.3	47.6	46.8	44.8	-	-
Imports FOB (% of GDP)	63.4	69.6	71.8	70.4	-	-
FDI (EUR m)	3,152	6,158	8,488	6,163	3,900	3,600
FDI (% of GDP)	14.4	24.4	29.4	18.1	7.5	6.0
Inflation (CPI, yoy, avg, %)	6.5	6.5	12.5	7.8	3.5	1.8
Consolidated Budget balance (% of GDP)	3.1	3.5	3.5	3.0	3.4	2.1
Total external debt/GDP (%)	69.8	81.9	100.2	107.7	102.9	102.5
EUR/BGN exchange rate – pegged at 1.95583	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
USD/BGN exchange rate (end period)	1.66	1.49	1.51	1.37	1.42	1.45
Lending interest rate (avg, %)	8.7	8.9	10.0	10.8	11.2	10.9

Sources: Bulgarian National Bank, Invest Bulgaria Agency, Bank Austria Creditanstalt, *eop = end of the period

DEMOGRAPHIC DATA ON BULGARIA

Population by sex, 31.12.2008

	Total ('000)	Male ('000)	Female ('000)	Urban population
Total	7,607	3,681	3,925	71.1%

Labour force characteristics, 2008

Place of residence	Labour force			Persons not in labour force	Activity rate	Employment	Unemployed
	Total	Employed	Unemployed				
Sex	thousands				%		
TOTAL	3,560.4	3,360.7	199.7	3,056.4	53.8	50.8	5.6
Male	1,896.8	1,792.9	103.9	1,277.1	59.8	56.5	5.5
Female	1,663.6	1,567.8	95.8	1,779.3	48.3	45.5	5.8
URBAN	2,713.6	2,591.0	122.6	1,957.6	58.1	55.5	4.5
Male	1,416.7	1,355.3	61.4	805.1	63.8	61.0	4.3
Female	1,296.9	1,235.6	61.3	1,152.5	52.9	50.4	4.7
RURAL	846.8	769.7	77.1	1,098.8	43.5	39.6	9.1
Male	480.1	437.6	42.6	472.0	50.4	46.0	8.9
Female	366.7	332.2	34.5	626.8	36.9	33.4	9.4

Source: National Statistics Institute

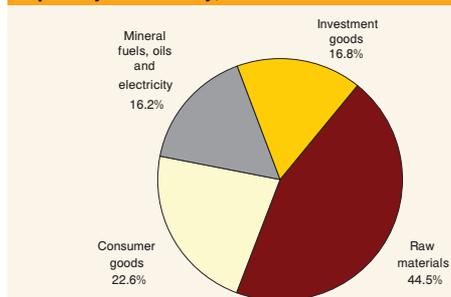
COMPARISON BETWEEN BULGARIA AND EUROPE

	GDP 2008 (EUR bn)	Average GDP growth, 2006 - 2008	Average inflation, 2006 - 2008	Corporate tax rate, 2009	Monthly average labour costs (EUR), 2008	Average wages growth, 2007 - 2008
Bulgaria	34.1	6.2%	9.0%	10%	280	17.9%
EU-27	12,507.0	2.3%	2.7%	28%	2,560	3.8%
Hungary	105.2	1.9%	6.0%	16%	1,055	7.7%
Italy	1,572.2	0.9%	2.6%	31.4%	3,350	5.4%
Romania	137.0	7.1%	6.5%	16%	526	21.5%
Poland	362.1	5.9%	2.7%	19%	997	9.8%
Turkey	498.4	4.2%	9.5%	20%	943	n/a

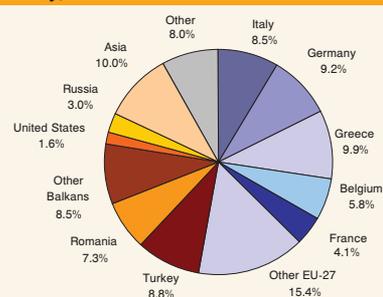
Source: Eurostat, Bank Austria Creditanstalt

BULGARIA AND THE WORLD

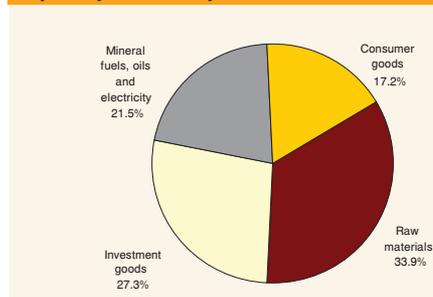
Export by commodity, 2008



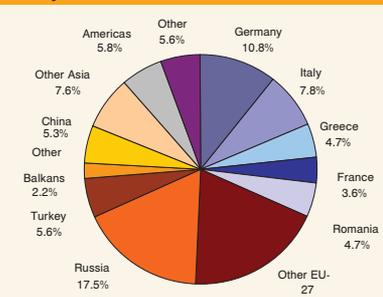
Export by country, 2008



Import by commodity, 2008



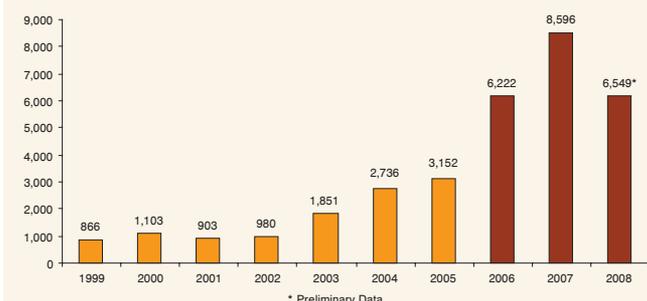
Import by country, 2008



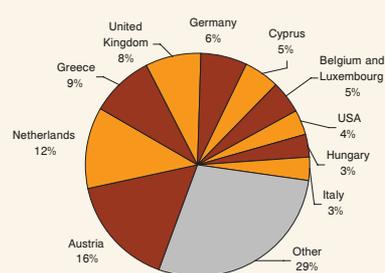
Source: Bulgarian National Bank

FOREIGN DIRECT INVESTMENT IN BULGARIA: SOUTHEAST EUROPE'S LEADER IN ATTRACTING FDI

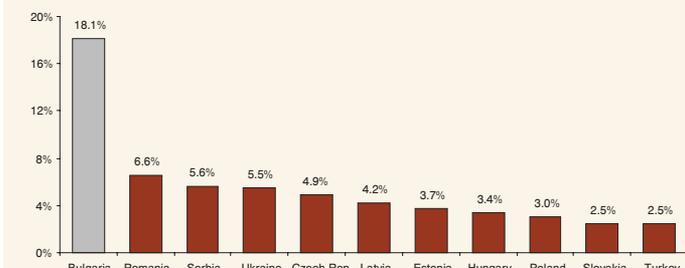
FDI inflow in Bulgaria 1999-2008, EUR m



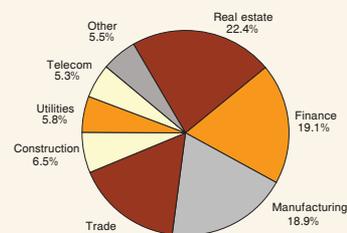
FDI stock by country, 1996-2008 (%)



FDI as % of GDP, 2008



FDI stock by sector, 1998-2008 (%)



Sources: Bulgarian National Bank, InvestBulgaria Agency, Vienna Institute for International Economic Studies (WIIW)

TOP 25 FOREIGN MANUFACTURING INVESTORS IN BULGARIA

Investor	Country	Bulgarian company	Sector
Solvay	Belgium	Solvay-Sodi Devnya	Chemicals (soda ash)
Lukoil	Russia	Lukoil Neftochim Bourgas	Refinery, Petrochemicals
Aurubis	Germany	Aurubis Bulgaria	Copper smelter
Enel	Italy	Enel Maritza East 3	Energy
Ideal Standard	Belgium/USA	Vidima, Ideal Standard	Sanitary ware
Şişecam	Turkey	Trakia Glass	Glass industry
Miroglio	Italy	Miroglio Bulgaria	Textile, real estate
Montupet	France	Montupet Bulgaria	Automotive parts
Schneider Electric	France	Schneider Electric Bulgaria	Electrical equipment
Yazaki	Japan	Yazaki Bulgaria	Wire harnesses
Lufthansa Technik	Germany	Lufthansa Technik Sofia	Aircraft maintenance
Italcementi	Italy	Devnya Cement	Cement industry
Mitsubishi Heavy Industries	Japan	Kaliakra Wind Power JSC	RES
ABB	Germany	ABB Bulgaria	Automated components
Palfinger	Multinational	Palfinger Bulgaria	Hydraulic lifting, cranes
Epiq	Belgium	Epiq Bulgaria	Electronic automotive parts
Ixetic	Germany	Ixetic Bulgaria	Automotive parts
Holcim	Switzerland	Holcim Bulgaria	Cement industry
Melexis	Belgium	Melexis Bulgaria	Microelectronics
Liebherr	Germany	Liebherr Bulgaria	Refrigerators
Wienerberger	Austria	Wienerberger	Building materials
Nestle	Switzerland	Nestle Bulgaria	Food and beverage
Viohalco S.A.	Greece	Stomana Industry/Sofiamed	Steel/Copper Industry
Johnson Controls	USA	Johnson Controls Electronics Bulgaria	Automotive industry
Festo	Germany	Festo Production Bulgaria	Industrial automation

LEGAL CONDITIONS FOR INVESTMENT IN BULGARIA

Taxation

Corporate Income Tax

Under the Corporate Income Tax Act (CITA) all companies and partnerships (including non-incorporated partnerships), carrying out business in the country, are liable to a corporate income tax at a rate of 10%. This is the lowest rate of corporate income tax in the European Union. For the purposes of this Act non-incorporated partnerships are equal to legal entities. Bulgarian resident entities are taxed on a worldwide basis. Foreign entities are taxed on their Bulgarian-source income. Companies are considered to be tax resident if they are registered in Bulgaria. Resident companies are also any companies incorporated under Council Regulation (EC) No 2157/2001, and any cooperative society incorporated under Council Regulation No 1435/2003, where the registered office thereof is situated in the country and they are entered into a Bulgarian register. Companies that are non-residents in Bulgaria, but operate in Bulgaria through a branch, office, agency or other form of a permanent establishment are only liable to tax on the profits generated through their Bulgarian establishment.

Annual profit must be declared no later than 31 March of the year following the taxable year. Generally, the taxable profit is determined in accordance with the financial result reported in the Profit and Loss Account ("P&L") adjusted for tax purposes. Depreciation is calculated by systematically applying the straight-line depreciation method. Depreciation norms should not exceed the following rates:

Category of assets	Assets description	Annual depreciation norms (%)
I	solid buildings, including investment properties, plant, transmission facilities, electric power carriers, communication lines	4
II	machinery, manufacturing equipment, apparatus	30 or 50*
III	transportation vehicles, excluding automobiles; coverage of roads and airplane runways	10
IV	computers, computer peripheral equipment, software and right of using software, mobile phones	50
V	automobiles	25
VI	tax tangible and intangible fixed assets whereof the period of use is restricted according to contractual relationships or a legal obligation	100/years of legal restriction The annual rate may not exceed 33 1/3
VII	all other depreciative assets	15

* 50% for new equipment used in entirely new investment or expansion

Withholding Taxes

Certain types of income from sources in Bulgaria and payable to non-resident legal entities (if not generated through a permanent establishment) are subject to withholding taxes. The income of natural persons is regulated by Personal Income Tax Act. The types of income are defined in CITA as:

- dividends and liquidation quotas
- income generated from financial assets and transactions with financial assets, issued from local legal entities, the government and the municipalities;
- interests, including interests in the financial leasing payments;
- rents;
- royalties;
- technical services remuneration;
- income generated from franchise and factoring;
- income for management or control of a Bulgarian legal entity;
- income generated from real estates or transactions with real estates, located in the country.

The withholding tax rate is 5% on dividends and liquidation quotas and 10% on the other types of taxable income. No WHT is due on dividends distributed to companies in EU states under certain conditions. The withholding tax rate may be reduced under an applicable double tax treaty.

Personal income tax

Under Personal Income Tax Act (PITA) tax liable persons are individuals - residents and non-residents, and corporate entities explicitly enumerated therein. Residents are considered individuals who reside in Bulgaria longer than 183 days for each 365 days period. Residents are liable for their world-wide income. Non-residents are considered those individuals who do not fit the above criteria for residents. Non-residents are liable only for their income derived from Bulgarian sources.

The annual taxable income is defined as an aggregate of the total income received by the individual during the calendar year with the exception of the income which is non-taxable by virtue of a law and the income specifically excluded from the annual income which is taxed separately under specific rules.

A significant amendment in income taxation of individuals is that the progressive tax rate which depended on the amount of the annual taxable income and was within the range of 20 % to 24 % is replaced with a **flat rate of 10 %** regardless of the amount of taxable income. Thus, in general the amount of tax on the aggregate annual taxable amount is determined by multiplying the aggregate annual taxable amount by a **tax rate of 10 %**.

Certain items of income of residents or non-residents are not included in the taxable annual income and are subject to special rules of taxation with respect to the rates and the basis for tax. Some tax rates, applicable thereto, are decreased since 1 January 2008. Thus, dividends are subject to tax of 5 % instead of 7 %; income from supplementary voluntary social insurance, from voluntary health insurance and life assurances and income acquired by the person upon the sale or exchange of movable property under certain conditions is levied with tax of 10 % instead of 15 %.

Some of the available tax exemptions are the following:

- Pensions and other social security benefits received from a Bulgarian or foreign mandatory social security system
- Interest on bank deposits under certain conditions
- Certain compensations as per the Labor Code
- Gains from shares traded on the Bulgarian stock market
- Gains from disposal of movable and immovable property under certain conditions

VAT

The Value Added Tax Act (VAT Act) currently in force is effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union – January 1, 2007.

Pursuant to Bulgarian legislation the following transaction should be VAT taxable:

- each taxable supply of goods or services effected for consideration;
- each intra-Community acquisition effected for consideration, whereof the place of transaction is within the territory of the country, by a person registered under this Act or by a person in respect of which an obligation to register has arisen;
- each intra-Community acquisition of new means of transport effected for consideration, whereof the place of transaction is within the territory of the country;
- the importation of goods;

As of 19 December 2007 subject to obligations under the Value Added Tax Act are also persons who practice a liberal profession, including as private bailiffs, lawyers and notaries.

The standard VAT rate is **20%** and is applicable to:

- the taxable supplies, except for those expressly specified as subject to the zero rate;
- the importation of goods into the territory of the country;
- the taxable intra-Community acquisitions.

The rate of tax applicable to accommodation provided by a hotelier, where part of a package tour, is **7%**.

The rate of Intra-Community supplies, exports and other supplies explicitly listed in the law is **0 %**

VAT Registration

Bulgarian and foreign businesses which carry out taxable transactions with a place of supply in Bulgaria and have a taxable turnover of at least BGN 50,000 (EUR 25,565) during the preceding twelve months is obliged to register for VAT purposes. The same holds true for taxable persons or non-taxable legal entities which (i) are not registered on other grounds, and (ii) are performing intra – Community (EU) acquisitions, the total amount of which during a calendar year exceeds BGN 20,000 (EUR 10,225).

Any taxable and non-taxable legal person, which does not cover the compulsory registration conditions, has the right to register under the VAT Act for intra-Community acquisition. The intra-Community acquisition of goods is defined in details in the Value Added Tax Act.

VAT Credit Refund

Where VAT incurred on purchases exceeds VAT charged on sales, the excess VAT deduction is first carried forward for a period of three months to offset VAT debt due in these three months. If at the end of the three-month period the excess VAT or part thereof has not been recovered, the balance is refunded within 30 days after the date of filing of the VAT return for the third month.

EMPLOYMENT ISSUES

Working hours: 8 hours a day. A 48 hour rest period is required during a 7-day period

Annual leave: not less than 20 days

Retirement age: minimum of 63 for men and 59 for women

Minimum monthly gross salary: EUR 123 (2009)

Average monthly gross salary: EUR 298 (Q3 2009)

Social security: A complex system covering retirement, health and unemployment risks and obligations. Side costs to the amount of 18.10% of the gross monthly salary are to the account of the employer.

Type of insurance	Paid by		Total (%)
	Employer (%)	Employee (%)	
Health	4.80	3.20	8.00
Social:			
• Pension insurance fund *	7.20	5.80	13
• Additional Compulsory Pension Insurance *	2.80	2.20	5.00
• Sickness & motherhood insurance fund	2.10	1.40	3.50
• Employment insurance fund	0.5	0	0.5
• Unemployment fund	0.60	0.40	1.00
• Guaranteed payment of the employees and servants fund	0.1	0	0.1
Total	18.10	13.00	31.10

• Employees working under the conditions of 3rd category work and born after year 1960.

The above contributions are calculated on the remuneration and other employment income of the employee for the respective month but on not more than the maximum monthly insurance base fixed annually in the Mandatory National Insurance Budget Act. The fixed base for 2008 is BGN 2000 (around EUR 1023). Since January 2003 minimum monthly insurance bases for the main

For women the minimum retirement age is being increased by 6 months annually. There are certain limits set that will no longer be changed - 60 years for women; the limit will be reached in 2009.

economic activities and groups of professions have been introduced.

Labor contracts: According to the Labor Code the employment contract may be concluded for an indefinite period of time or, alternatively, as an employment contract for a fixed term. An employment contract is considered to be concluded for an indefinite period unless explicitly agreed and stated otherwise. An employment contract concluded for an indefinite period may not be changed to a fixed-term contract unless explicitly requested by the employee, and stated so in writing.

1. An employment contract for a fixed term may be concluded:

for a definite period no longer than 3 years – upon request in writing by the employee or for execution of temporary, seasonal or short-term work and activities until completion of some specified work for substitution for an employee who is absent from work.

2. Employment contract for a trial period

In cases when the work requires the ability of the employee who will perform it to be tested, his final appointment may be preceded by a contract providing for a trial period of up to 6 months. Such a contract may also be concluded in the case when the employee wants to make sure the job is suitable for him. This contract indicates to whose benefit has been agreed the trial period. Prior of the expiration of the trial period, the party to whose benefit it has been agreed may terminate the contract without notice.

Termination: Employees other than senior management cannot be dismissed without sufficient justification. The employee has the right to sue for damages for unfair dismissal. Certain people cannot be dismissed during absence (e.g. on sick leave, pregnant, nursing mothers, military assignment).

The maximum terms of the advance notice are specified in the Labor Code: 1 month for non-fixed term contracts unless anything else is specified in the contract, but in any event not more than 3 months, and 3 months for fixed term contracts, but not more than the remainder to the expiry of the contract; If the employee, working under an indefinite-period contract, is dismissed without a notification and there is a sufficient justification by the employer, the employee is compensated by 1 monthly salary.

If the relation is based on a term contract, the compensation is equal to the amount of the gross salaries to be paid for the rest of the contract time.

The employer, acting on his own initiative, may offer the factory or office worker termination of the employment contract in consideration of compensation. In this case he has to compensate the employee with at least 4 monthly gross salaries.

Upon dismissal due to closing down of the enterprise or part of it, staff reduction, reduction of the volume of work and work stoppage for more than 15 working days, the employee is entitled to compensation from the employer. The compensation is in the amount of his gross labour remuneration for the period of unemployment but not for more than one month. A compensation for longer periods may be stipulated by a collective contract or by the labour contract.

Upon termination of the employment relationship after the employee has acquired the right to a pension for insured service and age, irrespective of the grounds for the termination, he is entitled to compensation by the employer in the amount of his gross labour remuneration for a period of two months; where the employee has worked with the same employer for the last ten years of the length of service, the compensation is equal to his gross labour remuneration for a period of six months.

Employment of foreign persons: All foreign persons that have a permanent residence permit or are granted the right of sanctuary or refugee status can be employed in the same way as Bulgarian citizens. Temporary work permits are issued by the National Office of Employment of the Ministry of Labour and Social Policy. The work permits are issued for a specified time, job and employer. The permit is issued after a request by the employer and is valid for the time of the employment contract but not more than one year. The permission can be prolonged several times but within a three year period.

Foreign persons that have an employment contract and a valid work permit can acquire a permit for stay in the country for the time of the contract but for no more than one year. The permission for continuous residence can be prolonged if the work permission is

prolonged but the maximum period for prolongation of the work permission cannot exceed three years.

The number of employees who are foreign citizens cannot be over 10% of the total work force. This restriction is not applicable to citizen of the EU member states, EAA (Norway, Iceland and Liechtenstein) and Switzerland. Moreover, the citizens of these countries and the members of their families can work in Bulgaria without the issue of a work permit.

As of 01.01.2007 integral parts of the Bulgarian legislation are also all labor related Regulations and Directives of the European Union. In case of controversy between any internal law and any of EU regulations, Bulgarian courts are obliged to apply directly the provisions of the latter.

INCENTIVES

1. The Investment Promotion Act regulates the terms and procedures of investing in Bulgaria

The revision of the Investment Promotion Act, effective as of 2 June 2009, introduced a system of promotion measures for initial investments in tangible and intangible fixed assets and new employment linked thereto, according to Commission Regulation (EC) No. 800/2008 on the application of Articles 87 and 88 of the Treaty to national regional investment aid. The following conditions must be fulfilled:

- the investments must be related to the setting-up of a new enterprise, to the extension of an existing enterprise or activity, to diversification of the output of an enterprise or activity into new additional products or to a fundamental change in the overall production process of an existing enterprise or activity;
- they must be implemented in the following economic activities:
 - of the industrial sector: manufacturing industry and production of electricity from renewable energy sources;
 - of the services sector: high technology activities in the field of computer technologies, research and development, as well as education and human health care;
- at least 80 per cent of the future income must be from the products produced by the economic activities listed above;
- at least 40 per cent of the eligible costs of the investment must be financed by the investor's own or borrowed resources;
- the investment must be maintained for at least five years for large enterprises and three years for SMEs, reckoned from the date of implementation of the investment;
- the investment project must lead to a net increase in the number of employees in the establishment/organisation concerned, compared with the average number of employees over the previous 12 months;
- employment must be created and maintained for at least three years for SMEs and five years for large enterprises;
- the period of implementation must not exceed three years, reckoned from the date of award of an investment class certificate;
- the tangible and intangible fixed assets acquired must be new and purchased at market conditions from third parties independent from the investor;

Promotion according to the procedure established by the Investment Promotion Act is not extended to enterprises in difficulty, for implementation of privatisation contracts or concession contracts under the Privatisation and Post-privatisation Control Act, respectively, under the Transformation and Privatisation of State-Owned and Municipal-Owned Enterprises Act as superseded and the Concessions Act, and in implementation of compensatory (offset) arrangements, as well as investments for production of products in the coal and steel industry, the shipbuilding and synthetic fibres sectors, fisheries and aquaculture, as well as in activities linked to the primary production of agricultural products listed in Annex I to the Treaty establishing the European Community, according to Commission Regulation (EC) No 800/2008 on the application of Articles 87 and 88 of the Treaty to national regional investment aid.

Depending on their value, investments are divided into two classes. Their threshold amount, fixed in the Regulations for Application of the Investment Promotion Act, is as follows (in BGN leva):

for Class A: **BGN 32 million;**

for Class B: **BGN 16 million.**

Where the initial investment is implemented entirely within the administrative boundaries of municipalities where the rate of unemployment for the year last preceding the current year is equal or higher than the national average, the threshold amount of investments within a single establishment is:

for Class A: **BGN 16 million;**

for Class B: **BGN 8 million.**

The threshold amount of investments within a single establishment in the high technology activities of the industrial sector of the economy is:

for Class A: **BGN 16 million;**

for Class B: **BGN 8 million.**

The threshold amount of investments within a single establishment in the high technology activities of the services sector is:

for Class A: **BGN 11 million;**

for Class B: **BGN 5.5 million.**

The certificate determines the investment class and the rights of the investor under the law.

According to the measures established by the Investment Promotion Act, investments are promoted through:

1. shorter term for administrative services: **Class A and B**;
2. personalised administrative services for implementation of the investment project: **Class A**;
3. sale or establishing, against a consideration of limited real rights of private state or private municipal property, without a tender procedure or competitive bidding: **Class A and B**;
4. sale or establishing, against a consideration of limited real rights of private state or private municipal property, without a tender procedure or competitive bidding, at market or lower prices with the constructed physical infrastructure to the borders of the site *
5. financial aid for construction of physical infrastructure elements needed for the implementation of one or more investment projects: **Class A**;
6. financial aid for vocational training for attainment of professional qualification by the hired staff, including interns from the higher schools in Bulgaria, who have occupied the new jobs created upon implementation of the investment project:

Class A and B.

7. opportunities for other forms of state aid, institutional support, public-private partnership of establishing of joint companies for investment projects of high priority *
8. different types of transactions closed between the investor and a commercial company established for the purpose of construction and development of industrial zones.*

*A new Regulations for Application of the Investment Promotion Act is due to be elaborated concerning the "Investment projects of high priority" and the development of "Industrial zones" and "High Tech parks" to which the above star marked measures correspond.

*** PRIORITY INVESTMENT PROJECTS**

A new figure has been introduced with the last amendments in the Investment Promotion act. (State Gazette, issue 41 of 2009) The Priority Investment projects.

Priority investment projects shall be investment projects which are related to all sectors of the economy in accordance with the requirements of Regulation (EC) No 800/2008 and are particularly important for the economic development of the Republic of Bulgaria or for the regions in Bulgaria. They shall satisfy one or more of the following requirements:

1. the amount of the investment shall exceed at least three times the threshold amount for Class A – general case of 32 mil. leva
2. the investment shall create employment through investments in disadvantaged regions or high technology activities
3. the investment shall envisage the development of industrial zones with the technical infrastructure necessary for attracting of investments under conditions and according to a procedure specified in the

Regulations for Application of IPA

4. the investment shall envisage development of high technology parks with the technical infrastructure necessary for attracting of investments in scientific research and/or education and/or information technologies, including innovative activities for technological renovation of production products and technologies under conditions and according to a procedure specified in the Regulations for Application of IPA.

The promotion of priority investment projects shall be done under conditions and according to a procedure specified in the Regulations for Application of IPA, in accordance with Regulation (EC) No 800/2008 as a state aid scheme and/or in accordance with the requirements of the State Aid Act.

2. Employment incentives

Each Bulgarian citizen, as well as each citizen of another Member State of the European Union, or of another Contracting State to the Agreement on the European Economic Area, who is actively seeking a job may register with the competent local division of the Employment Agency.

a) Programs and measures for employment of young and/or disadvantaged people on the labor market in Bulgaria

1. If the requirements below are met, the Employment Agency may cover the amount of salary expenses and the due social and health security installments on account of the employer to the funds of the National Revenue Agency for the duration of the employment contract for each hired person (but no longer than 12 months), as well as the expenses for training for acquiring professional qualification (no longer than 6 months).

Requirements:

- The person has to be directed by the division of the Employment Agency on the basis of contract between the Agency and the employer
- Unemployed up to 29 years of age
- Unemployed up to 29 years with reduced working capacity
- Young people from social institutions who have completed their education
- Unemployed with permanently reduced working capacity
- Unemployed – single parents (adoptive parents) or mothers (adoptive mothers) with children up to 3 years of age
- Unemployed women over 50 years of age and men over 55 years of age

The same incentive is valid for employer who admits for training for acquiring professional qualification and/or work on probation unemployed persons under 29 years of age, directed by the divisions of the Employment Agency on the basis of the contract concluded, for the term of education or work on probation, but no longer than 6 months.

b) Employment Protection and Employment Security

Programmes and measures for training and qualification:

1. An employer who provides maintaining and improvement of the qualification of the hired workers and employees can apply for granting of half of the maximum determined size of the sums for training of one person (the maximum sum is BGN 500 according to the National Operative Employment Plan).

Steps of the procedure:

- The local division of the Employment Agency - "Employment bureau" announces every month on an information board and in at least two local or regional mass media the encouragement measures, for which contracts can be concluded with employers during the following month
- The employer submits an application at the local "Employment bureau" and files a declaration to keep the employees for at least 6 months after the successful end of the training
- In 3 days term after the expiry of the term for application, the Council for co-operation discusses the submitted applications and proposes to the director of the "Employment bureau" a list of the employers, with whom contract could be concluded during the respective month
- List of the approved employers is put on the information board of the "Employment bureau"

The employer has the right to indicate the organization to carry out training for acquiring professional qualification, within the frames of the maximal size of resources for training of one person (BGN 500).

Additional information about other programs encouraging the employers is available on the website of the Employment Agency under www.az.government.bg.

c) Tax deduction for employing individuals in specific social conditions

The employer is entitled to deduct from its taxable profit, as an additional allowance, an amount equal to the remunerations, social, health and unemployment insurance paid for the following employees employed for a period of at least 12 months:

- Individuals who have been registered as unemployed for a period exceeding one year; or
- Individuals who have been registered as unemployed and are of more than 50 years of age; or
- Disabled persons who have been registered as unemployed.

The above tax allowance is to be used at the end of the calendar year during which the 12-month period of employment expires.

3. Tax incentives for investments in regions with high unemployment

As of 1 January 2007 corporate income tax in Bulgaria is **10%**.

Regions with high unemployment

Incentives are available for investments in municipalities where the unemployment is over 35% higher than the average for the country, included in a list approved by the Minister of Finance.

Where the value of the exemptions/incentives and other state aids for regional development exceeds BGN 75 million, a clearance from the Competition Protection Commission is required. Where the amount of the state grants and subsidies (including the tax incentives) does not exceed euros 200,000 in a three-year period, the tax incentives can be used under less strict conditions.

Tax exemption for manufacturing companies

Manufacturing companies which invest in municipalities with unemployment 35% higher than the average for the country are entitled to complete exemption from corporate income tax, subject to the following basic conditions:

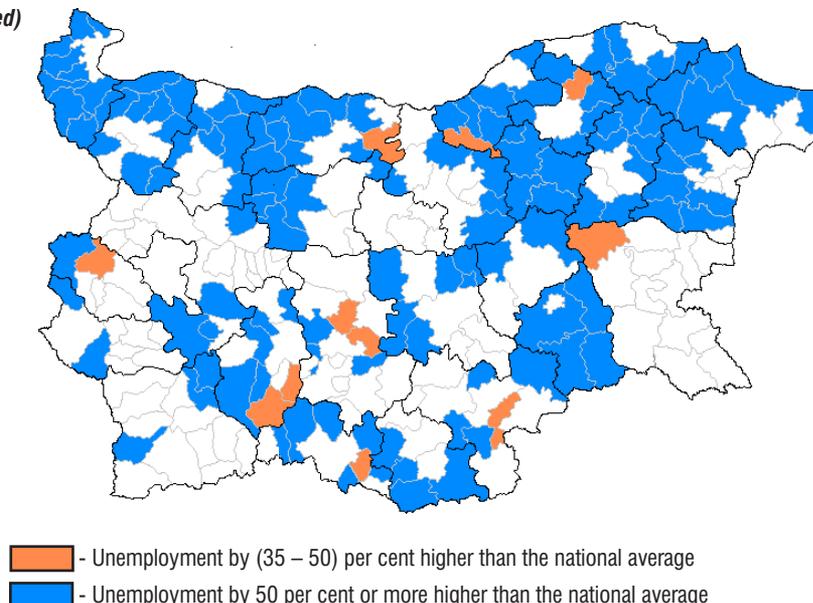
- Manufacturing activity is performed only in high unemployment regions;
- Tax exemption for manufacturing companies

The amount of the tax credit for each year should be invested in acquiring assets part of initial investment within a period of three years after the end of the year in which the exemption was claimed.

The eligible investment should consist of fixed tangible assets or licenses, patents and know-how at a value not exceeding 25% of the costs of the fixed tangible assets. It should be aimed at starting a new or for expanding an existing business activity, or for launching an activity resulting in considerable changes of the product or the production process (i.e. rationalization, diversification or modernization); the investment in an asset which replaces an existing asset of similar purpose and characteristics, and the acquisition of means of transport by taxable persons in the transport branch shall not be initial investments. The investor is also required to invest own funds of at least 25% of the amount of the acquired assets. The assets acquired could not be disposed for a period of 5 years, except for in cases of merger or reorganization. Some other additional conditions are also required to be met.

The incentive is available continuously, subject to meeting its conditions in each respective year. If the respective region is excluded from the list of the high unemployment regions, the incentive can be applied only for another 5 consecutive years. Where a company started preparatory work for investing in a high unemployment region, but prior to commencement of manufacturing the region was excluded from the list, the company is still eligible to use the incentive for a period of four years.

High unemployment municipalities providing opportunities for corporate tax breaks in 2007 (coloured)



Employment incentives

A job creation tax incentive / the accounting financial result may be debited with the compulsory social insurance contributions remitted for the current year for the account of the employer in respect of the newly created jobs / is applicable to companies hiring staff in municipalities with unemployment exceeding by 50% the average unemployment rate. Some conditions must be fulfilled for this reduction to be available:

- the average number of employees for the current year must have increased compared to the preceding year as a result of the newly created jobs, and persons registered as unemployed must be appointed to the newly created jobs under an employment contract;
- the newly created jobs must be maintained for a minimum period of three years;
- the State aid referred to herein, together with other State aids for employment in respect of the same newly created jobs, must not exceed 50 per cent of the cost of wages and compulsory social insurance contributions for the newly created jobs for two years;
- the State aid, together with other regional aids and State aids for employment, must not exceed 50 per cent of the sum total of the initial investment and the cost of wages and compulsory social insurance contributions for newly created jobs, related to the initial investment, for two years.

Where the State aid for employment referred to herein, including other State aids for employment, exceeds BGN 30 million for three years, the reduction shall be valid if the taxable person has been granted a permissibility authorization by the European Commission under the terms and according to the procedure established by the State Aids Act.

4. Dividends

Since 1 January 2008 the tax rate of the withholding tax on dividends is decreased from 7% to 5%.

Dividends, distributed by a subsidiary, local for an EU member-state in favour of a local (Bulgarian) mother company, are not subject to withholding tax under the conditions that:

1. According to the tax legislation of the respective EU member-country, the person is considered as local of this country for tax purposes and, by force of an agreement for avoiding the double tax levying with a third state, is not considered as local person of a state out of the EU
2. The person is levied with corporate tax, without having the right of choice or exemption from levying with this tax
3. The local company holds at least 15% of the shares/stocks of the subsidiary for a period of at least two years without interruption.

Dividends, distributed by a Bulgarian subsidiary, in favour of a mother company local for an EU member-state, are also not subject to withholding tax under similar conditions. If at the date of making the decision on distributing dividend the two years' term for owning at least 15% of the capital has not expired, no tax shall be withheld, however, a guarantee must be submitted to the revenue body. It must cover the full amount of the due tax and may be established only by way of a cash deposit or a bank guarantee.

5. VAT incentive

Special preferential VAT regime for imports of goods necessary for the implementation of an investment project

VAT-registered investors who perform certain eligible investment projects are entitled to import assets needed for the project without effective payment of import VAT. In addition, such investors are entitled to refund VAT incurred on local purchases within 30 days after filing of the tax return.

In order to benefit from the special investment rules, the investor needs to obtain an advance approval from the Ministry of Finance. In order to receive the approval, the investment project must meet certain conditions:

- The size of investment should be at least BGN 10 million (EUR 5 m) for a period not exceeding 2 years;
- The period for the completion of the project should not exceed two years;
- The project should result in the creation of at least 50 new jobs;
- The project should be eligible for state aid for regional development;
- The investor should prove his ability to finance the project;

A permission shall be issued for a period of up to two years on the basis of a request in writing.

6. Special VAT Regulations for Tourist Sector

There are two regimes in the new VAT Act regarding the tourist sector depending on the services provided. The rate of tax applicable to accommodation provided by a hotelier to foreign tour operators for organized group of foreign tourists (which is called “**basic tourist service**”), where part of a package tour, shall be 7%. The provision by a tour operator or a travel agent, acting in his own name, of goods or services in connection with the journey of a tourist for the direct benefit of the tourist, is treated as a supply of a **single service** to tourists. The goods and services directly benefiting the tourist shall be the goods and services which the tour operator or the travel agent has received from other taxable persons and has provided to the tourist without alteration. If the place of transaction of a single service to tourists is in Bulgaria, the tax rate is **20%**. However, if the supplies of goods and services for the direct benefit of the tourist have a place of transaction within the territory of third countries and territories (i.e. outside the territory of the Community) they are taxed at **zero rate**.

KEY PROCEDURES

Company registration

Pursuant to the new Commercial Register Act the procedure for incorporation of commercial companies is transformed from judicial into administrative. The commercial companies and branches are subject to one single registration in the commercial register with the Registry Agency and this registration serves also for tax, social security and statistics purposes. The commercial registration of trade representative offices remains with the BCCI. The legal entities that are not commercial are subject of registration under the Law on BULSTAT Register at the Registry Agency.

Registration of Limited Liability Company

Authority	Any registry office of the Registry Agency
Required documents and procedure	<p>The LLC /OOD in Bulgarian/ is founded or owned by one or more persons, including foreign natural or legal persons. The minimum authorized capital is BGN 2.</p> <p>Forming a Limited Liability Company</p> <ul style="list-style-type: none"> ▪ Reservation of the name of the company and issuance of a certificate for uniqueness of the name; ▪ Composing articles of association or founding a deed for a single-member LTD; ▪ Formation of company’s share capital (at least BGN 2) ▪ Issuance of bank deed certifying that the statutory minimum of the capital has been paid; ▪ Appointment of managing body; ▪ Issuance of a permit from the competent body for performing specific commercial activity before entry into the commercial register (e.g. investment broker); <p><u>Necessary documents for registration in the Commercial Register</u></p> <ol style="list-style-type: none"> 1. Application for registration 2. Memorandum of association 3. Constitutive assembly minutes 4. Notary certified consent with specimen of signature for each of the managers 5. Declaration in compliance with art. 142 CA (Commercial Act) 6. Bank document of capital deposited 7. Company name uniqueness certificate 8. Certificate for actual status of a shareholder-legal person 9. Decision of the General meeting respectively of the sole owner of the capital concerning the appointment of a manager /managers of the company 10. The respective license or permit required by virtue of special laws for the performance of a specific activity 11. Decision of the managing body of a shareholder-legal person 12. Receipt for paid state taxes
Fees	<ol style="list-style-type: none"> 1. Registration - BGN 160 BGN /110 when the required documents are submitted by electronic means/ 2. Reservation of the name of the company and issuance of a certificate for uniqueness of the name – BGN 50 <p>Minimum capital for establishing LLC - BGN 2</p>
Timeframe	1 day
Legal framework	Law of the Commercial Register Commercial Law

Registration of Joint-Stock Company

Authority	Any registry office of the Registry Agency
Required documents and procedure	<p>Any registry office of the Registry Agency</p> <p>Persons entitled to request registration-only the relevant managing body of the company could request registration in the Commercial register.</p> <p>Preliminary preparation for the registration procedure:</p> <ol style="list-style-type: none"> 1. Reservation of company name and obtaining a certificate for uniqueness of the company name 2. Holding Constitutive Assembly, where the memorandum of association is accepted and the managing bodies are voted. At the meeting all shares of the JSC capital should be subscribed. 3. Founders Contributions, which must be made by the founders-in money or non-cash. <p>Necessary documents for Registration in the Commercial Register:</p> <ol style="list-style-type: none"> 1. Application signed by all members of the managing body 2. Memorandum of association, accepted on the constitutive meeting 3. Minutes of the constitutive meeting, drawn in compliance with the terms and conditions of art.232 and subsequent from Commercial Law 4. List of the persons, subscribing shares upon the incorporation (founders) attested by the managing body 5. Bank document for pecuniary contributions, installed by the subscribers 6. Written consent with a notary certified signature of the contributor of a non-cash contribution 7. Notary certified signature specimens of the persons, who shall represent the company 8. Founders' declarations (if natural persons) stating that they are not declared insolvent and court certificates for the founders-legal persons are not declared insolvent 9. Declarations of the members of the managing authorities that they agree to become members of the relevant authority 10. Notary certified consent and declaration of the board members in compliance with art. 234 (3) CA (Commercial Act) 11. Certificate for actual status of a shareholder – legal person 12. Decision of the managing body of a shareholder – legal person 13. Experts' statement duly admitted by the district court if non-cash contributions are made 14. For founder-legal person-registration judgment, certificate for actual status, managing body resolution for participation in the joint-stock company and an express notary certified power of attorney of the person who represents the legal person at the constitutive meeting 15. Receipt for paid state taxes
Fees	<p>Reservation of company name and obtaining a certificate for uniqueness of the company name - BGN 50 / BGN 35</p> <p>For JSC registration - BGN 460 / BGN 320 - when the required documents are submitted by electronic means</p> <p>For registration of banking or insurance JSC - BGN 1,700 / BGN 1200 - when the required documents are submitted by electronic means</p> <p>For registration of JSC branch - BGN 430 / 320 / BGN 300 -when the required documents are submitted by electronic means</p> <p>Minimum capital for establishing JSC - BGN 50,000 - when the required documents are submitted by electronic means</p>
Timeframe	1 day
Legal framework	<p>Law of the Commercial Register</p> <p>Commercial Law</p>

Registration of trade representative office of a foreign person

Authority	Bulgarian Chamber of Commerce and Industry
Required documents and procedure	<ol style="list-style-type: none"> 1. Application form with a registration request 2. Official document for the registration of the foreign person, issued by the competent authority in compliance with the person's national legislation 3. Resolution of the managing body of the foreign person to open a trade representation office in Bulgaria 4. Special power or attorney in the original, notary attested issued by the person in item 2 to the person authorized to register and govern the representation office. As well as the volume of permitted rights 5. Official document indicating the persons representing and binding the foreign person 6. Original specimens of the persons, representatives in the Republic of Bulgaria by right or by special powers, notary attested 7. Document for paid fee for registration in BCCI 8. Filled-in registration card for the information system of BCCI
Fees	USD 100
Timeframe	3 days
Legal framework	Investment Encouragement Law

Registration under BULSTAT

Authority	The registry offices of the Registry Agency at the place of company's headquarters (www.registryagency.bg)
Required documents and procedure	<p>Branches of foreign and local entities, which are not commercial and trade representative offices registered at BCCI</p> <ol style="list-style-type: none"> 1. Certified copy of the document for registration/ registration at BCCI; 2. Copy of the decision defining the person who manages/represents the branch (for branches of local entities); 3. Declaration indicating the following data: <ul style="list-style-type: none"> • Address for correspondence on the territory of the country as well as phone, fax, e-mail address; • Address of implementing of the activity; • Subject of activity/basic economic activity of the company; • Document for paid state fee. <p>The new Law on the BULSTAT register provides for registration at the territorial divisions of the Registry Agency for issuance of an identification code of the following categories of foreign nationals:</p> <ol style="list-style-type: none"> 1. Long-term and permanent residents exercising free-lance profession or craft activity (* Foreign nationals, except for citizens of the EU and EEA member states who don't obtain permanent residence permit need a permit issued prior to the commencement of the activity by the Employment Agency); 2. Foreign nationals who have no unified civil number or personal number of a foreigner (who have entered the country with a short-stay visa - visa C) and: <ul style="list-style-type: none"> • Implement commercial activity or render independent personal services in the country (such are activities which cannot be determined as activity of an enterprise, as craftsman's or as free-lance profession), including also through place of economic activity or defined base or object, or <ul style="list-style-type: none"> • Are insurers. 3. Foreign nationals who have acquired immovable property in Bulgaria. <p>The BULSTAT code is identified with identification card and until its issuing – with a registration certificate with term of validity one month. Within 5 days after the expiration of the term, the manager, respectively the representative or other explicitly authorized person is obliged to return the registration certificate in the office in order to receive the identification card. Upon applicant's request, the identification card issued can be supplied with a microprocessor chip containing the data, entered in the register in electronic form. Such a card is issued within 14 days.</p>
Fees	<p>Foreign person executing economic activities in Bulgaria, including place of economic activity or specific base - BGN 40</p> <p>Trade representative offices registered at BCCI - BGN 70</p> <p>Branch of a non-profit organization - BGN 15</p> <p>Foundation, partnership - BGN 40</p>
Timeframe	1 day
Legal framework	Law on the BULSTAT register

Construction

Procedure	1. Transformation of the legal status of the land from agricultural to industrial (if the land purchased is agricultural)
Authority	<ol style="list-style-type: none"> 1. Commissions to the regional directorates "Agriculture and forests" - when the requested area is up to 5 ha and the land is located in the land areas of the settlements on the territory of the respective region; 2. The Commission for the farm lands - in the remaining cases.
Required documents and procedure	<p>During the procedures for change of the designation of the agricultural lands they shall be categorized in 10 categories according to the productive capacities of the soil and climatic conditions, the relief and technological qualities of the land, its fitness for production of different kinds of vegetal production, and the imposed restrictions of land usage, under conditions and by an order, determined by an ordinance, issued by the Council of Ministers.</p> <p><u>Preliminary steps and documents:</u></p> <ol style="list-style-type: none"> 1. Act for categorization of the agricultural lands at the change of their designation, issued in compliance with the Ordinance for Categorization of Agricultural Lands 2. Determined necessary platform or track with a project for detailed development plan and a positive decision for environmental impact assessment, issued by the order of the Protection of Environment Act. 3. Approved detailed development plan according to article 129 from the Law for Spatial Planning.

	<p>4. Ownership title on the land</p> <p>In the presence of an approved detailed development plan the owner of the land or the investor of the site shall propose a change of the designation of the necessary agricultural land. The commissions shall take decision for change of the designation of the agricultural land within 14 days from filing the proposal. Along with the proposal the applicant must file 2 copies of the approved detailed development plan.</p> <p>Copy of the decision for change of the designation of farm lands for purposes other than agricultural shall be sent within 7 days from its enactment by the respective commission to the cadastre office at the location of the real estate for entry into the cadastre.</p>
Fees	State fees are determined by a tariff of the Council of Ministers. The fee is paid by the owner of the agricultural land who has required the change of its purpose or by the investor
Timeframe	90 days (60 days)
Legal framework	Law for Preservation of Agricultural Lands, Rules and Regulations for Implementation for Law for Preservation of Agricultural Lands

Procedure	2. Design Visa
Authority	The chief architect of the respective municipality
Required documents and procedure	<ol style="list-style-type: none"> 1. Application form 2. Documents for ownership title 3. Documents certifying the right to build 4. Documents for limited property rights 5. Other documents <p><u>Remark:</u> The environmental impact assessment is conducted prior to issuance of a design permit visa in compliance with the Protection of Environment Act (depending on the type and scope of construction)</p>
Fees	According to Article 9 from the Law for the Local Taxes and Fees the Municipal Council determines the fees for issuing design visas for each municipality
Timeframe	14 days (5 days)
Legal framework	Law for Spatial Planning

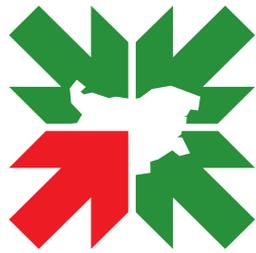
Procedure	3. Preparation and approval of draft architectural project
Authority	<p>The chief architect of the municipality;</p> <p>The district governor if the project includes more than one municipality;</p> <p>The Minister of Regional Development and Public Works, if the project includes more than one district or is of national significance</p>
Required documents and procedure	<ol style="list-style-type: none"> 1. Application form; 2. Document proving the ownership of property or the construction right; 3. Design visa
Fees	According to Article 9 from the Law for the Local Taxes and Fees, the Municipal Council determines the fees for each municipality
Timeframe	1 month (14 days)
Legal framework	Law for Spatial Planning

Procedure	4. Coordination and approval of technical or working investment project
	<p>The chief architect of the municipality;</p> <p>The district governor if the project includes more than one municipality;</p> <p>The Minister of Regional Development and Public Works, if the project includes more than one district or is of national significance</p>
Authority	<p>The chief architect of the municipality;</p> <p>The district governor if the project includes more than one municipality;</p> <p>The Minister of Regional Development and Public Works, if the project includes more than one district or is of national significance</p>

Required documents and procedure	<ol style="list-style-type: none"> 1. Application form; 2. Document proving the ownership of the property; 3. Design visa; 4. Three copies of the investment project; 5. Environment impact assessment; (Art. 144 Law for Spatial Planning) <p>The following documents should also be enclosed: Preliminary contract for connecting to the electricity distribution network with NEK (National Electric Company) Preliminary contract with VIK (Water and Sewage Company) for connecting to the water and sewage network Approval of the project by the competent fire safety authority (for sites with over 200 work places and other listed buildings)</p>
Fees	According to Article 9 from the Law for the Local Taxes and Fees the Municipal Council determines the fees for each municipality
Timeframe	1 month (14 days)
Legal framework	Law for Spatial Planning

Procedure	5. Construction permit
Authority	<p>The chief architect of the municipality and for the towns with district division - upon decision of the Municipal Council - by the chief architect of the district.</p> <p>The district governor if the project includes more than one municipality.</p> <p>The Minister of Regional Development and Public Works, if the project includes more than one district or is of national significance.</p>
Required documents and procedure	A permission for construction in the cases when approval of investment design is not required, shall be issued only on the basis of the application for permission to the chief architect and document for ownership, established construction right or right to build on other's property by force of special law. If approval of investment project is required it must be enclosed with the written application.
Fees	Tariff №14 for the fees gathered by the Ministry of Regional Development and Public Works and by district governors
Timeframe	7 days
Legal framework	Law for Spatial Planning

Procedure	6. Certificate for the compliance with the fire safety rules
Authority	Director of the National Directorate "Fire safety and population protection"
Required documents and procedure	<ol style="list-style-type: none"> 1. Written request to the Director of the National Directorate "Fire safety and population protection", 2. Certificate issued by the Commercial registry for actual state of the company. 3. Copy of ID card from BULSTAT registry. 4. Copy of ID card of the applicant when it's a physical person. 5. Copy from the documents individualizing the site, the fire hazard category of the production facility and ECT. 6. Receipt for paid state tax. 7. Information on the raw materials used. 8. Construction, technical and technological documentation, if it is necessary for the certificate examinations. 9. Presence of specialists and experts when it is necessary for the certificate examinations. <p>The authorities of the National Directorate "Fire safety and population protection" shall examine the site for compliance with the fire safety rules within 1 month from the date of the written request. They shall make a record for the results from the examination, on the basis of which, shall be decided if the site is in compliance with the fire safety rules. The certificate is valid for 3 years.</p>
Fees	Article 31 of the Tariff № 4 for the fees, gathered by the Ministry of Interior determines the fees
Timeframe	1 month (14 days)
Legal framework	Ordinance № І3-489 for the rules on state fire prevention control, issued on 28.03.2007



InvestBulgaria
Agency

Electrical Engineering & Electronics

WHY Bulgaria?

Export oriented sector of industry

95% of total 350 companies are small and medium - sized

Availability of highly qualified labour force, 7% of which has engineering university degree

Lowest operational and competitive costs

Most favorable taxation legislation

Macroeconomic and financial stability

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Greenfield	Televic (Belgium)	Construction of an electronic components plant in Plovdiv	1.5
Greenfield	Schneider Electric (France)	Plant in Maritza Industrial zone ,near Plovdiv, for production of electric distribution products	22.0
Greenfield	Elmark (U.S.)	Opened plant in Dobrich to produce a full range of automatic fuses and over-current protection equipment	1.0
Greenfield	EPIQ Electronic Assembly (Belgium)	Opened 3rd production unit of the company in Bulgaria	5.5
Greenfield	Yazaki Corp. (Japan)	The Japanese producer of electric and electronic systems for the automotive industry to build a plant for wiring harness in Yambol	20.0
Brownfield	EVN (Austria)	Renovation of electrical network low and medium voltage	70.0
Greenfield	ABB (Switzerland)	Manufacturing of low voltage electrical equipment	25.0
Greenfield	Siemens (Germany)	Plant for the production of high voltage components in Botevgrad	2.0
Greenfield	Steca (Germany)	Opened a 4,000 sqm production plant for electronic components and modules, cable equipment and solar electronics	7.0

COMPETITION & partners

Electronics

Company	Activity	Sales (EUR '000)	Number of employees	Year
EPIQ Electronic Assembly (Botevgrad)	Electronic assembly, module assembly, development and manufacture of plastic injection moulds & factory automation equipment	101,900	2,393	2006
Melexis (Sofia)	Development, production, testing and sale of integral schemes and systems	31,277	180	2006
Datecs (Sofia)	Design and production of hardware and cash registers	24,742	280	2006
Festo Production (Sofia)	Production of proximity sensors and accessories, plugs and pre-assembled cables	14,031	205	2006
Curtis-Balkan (Sofia)	Production of electronic devices and systems	12,436	146	2006
DZU (Stara Zagora)	Electromechanical assembly, electronics manufacturing services and machining	8,042	799	2006
Deltacom Electronics (Sofia)	Broadband communications industry R&D and manufacturing	5,396	96	2006
Teletek (Sofia)	Accessories – dialers, power supplies, RC modules manufacturing	4,426	43	2006
Electron Progress (Sofia)	Electronic equipment and instruments, radiolocation stations, military and telecom equipment	3,517	109	2006
Daisy Technology (Sofia)	Design, manufacturing and implementation of systems with fiscal memory	3,356	64	2006
Carat electronics (Veliko Tarnovo)	Systems for teleprocessing & networks	1,873	197	2006

Electrical engineering

Company	Activity	Sales (EUR '000)	Number of employees	Year
Filkab (Plovdiv)	Manufacture of insulated wire and cable	45,425	139	2006
Monbat (Sofia)	Manufacturing of accumulator batteries for various applications	40,183	443	2006
Schneider Electric Bulgaria(Sofia)	Electric distribution products and industrial automation	36,840	335	2006
Elkabel (Burgas)	Production of power cables	36,554	402	2005
Emka (Sevlievo)	Production of power cables, cords and winding wires	28,775	332	2006
Gamacable (Smolyan)	Production of insulated conductors and cables	21,811	196	2006
Hyundai Heavy Industries Co. Bulgaria (Sofia)	Power transformers	21,292	568	2006
Energia-Targovishte (Targovishte)	Manufacturing batteries for forklift trucks	14,844	582	2006
Nursan Otomotive (Bourgas)	Production of insulated wire and cable	11,076	n.a.	2006
Elhim-Iskra (Pazardzhik)	Production of starter and traction batteries	10,611	460	2006
Elprom - EMS (Sofia)	Manufacture of small electric engines, brakes	6,705	580	2006
Elma-Troyan (Troyan)	Manufacture of three-phase, single-phase and special induction motors and generators	6,611	880	2006
ABB Avangard (Sevlievo)	Manufacturing of electrical machinery and apparatus: high voltage switches, el. plants and generators	5,669	218	2005

Source: Bulgarian Industrial Association

Certification & accreditation

Quality management certification regulations applied in the sector:

- quality management system ISO 9001:2000 (a total of 3,276 Bulgarian companies certified)
- technical standards for suppliers to the automotive industry ISO/TS 16949:2002
- environment management systems ISO 14001:2004 (135 Bulgarian companies certified)
- comprehensive management system for the design and manufacture of medical devices ISO 13485:2003
- occupational Health and Safety Management Systems Requirements Standard BS OHSAS 18001:2007

Accreditation Body

Executive Agency "Bulgarian Accreditation Service" (BAS) the only national body for accreditation of:

- testing laboratories and calibration laboratories;
- product certification bodies, management systems certification bodies, personnel certification bodies;
- inspection bodies;
- verifiers

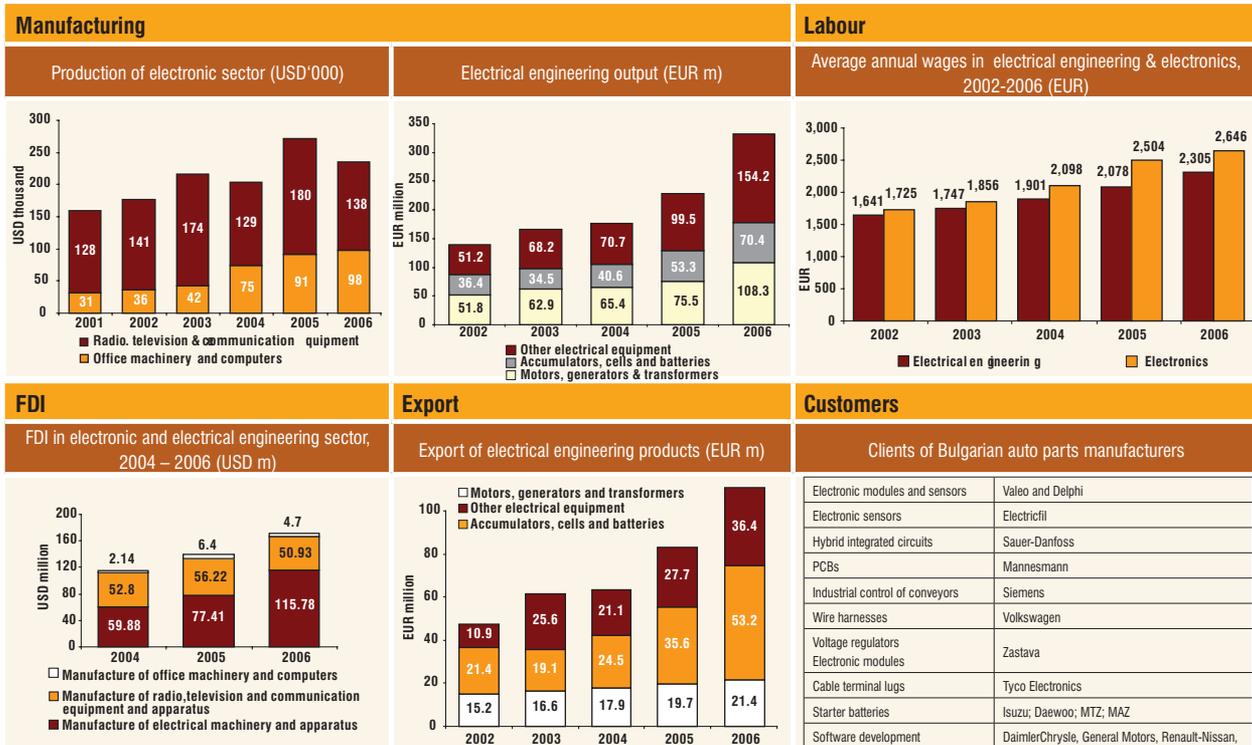
www.nab-bas.bg

Certification Organizations

Bureau Veritas Certification Bulgaria	www.certification.bureauveritas.bg
SGS Bulgaria Ltd	www.sgs.com
TUV Rheinland Bulgaria Ltd	www.tuv-rheinland.bg
Lloyd's Register Quality Assurance	www.lrqa.com
TUV NORD CERT Bulgaria Ltd	www.tuev-nord.bg
Germanischer Lloyd Bulgaria Ltd	www.glc.de
Certification International(UK) Bulgaria Ltd.	http://www.cert-int.com/
GCS Bulgaria Ltd	http://www.gcsbg.com/bg/
URS Bulgaria Ltd	www.urs-bg.com
Moody International Ltd	www.moody.bg
Bulgaria-Cert Ltd (representation of DQS GmbH)	www.dqshellas.gr
AFAQ AFNOR International	www.afaq.org
Certification Association "Russian Register"	http://www.rusregister.ru/
SystemCERT Zertifizierungs-GmbH	http://www.systemcert.at/

For more information: Club 9000 (www.club9000.org)

ELECTRICAL ENGINEERING & ELECTRONICS Fact sheet



Source: National Statistics Institute

Case studies

Johnson Controls Inc. (USA)

- **Johnson Controls** (NYSE: JCI) is a global leader in automotive experience, building efficiency and power solutions. The company provides innovative automotive interiors that help make driving more comfortable, safe and enjoyable. For buildings, it offers products and services that optimize energy use and improve comfort and security. Johnson Controls also provides batteries for automobiles and hybrid-electric vehicles, along with systems engineering and service expertise.
- Johnson Controls has 140,000 employees in more than 1,300 locations serving customers in 125 countries. Founded in 1885, the company has its headquarters in Milwaukee, Wisconsin.

Johnson Controls Inc in Bulgaria:

- Operating in Sofia, Bulgaria since 2001
- Activity: R&D (electronics technology center) which includes: software development for automobile's interior equipment; validation and testing; electronics design; mechanical design; purchasing and quality
- Staff: over 450 highly qualified specialists
- The company plans to add further 150 professionals
- The Sofia R&D center has the ambitions to become the largest electronics technology center within the company
- Customers: Daimler, Ford, General Motors, Renault-Nissan, Peugeot-Citroen, BMW, VW.

Melexis (Belgium)

- **Melexis N.V.** is a Belgian-based manufacturer of smart mixed-signal semiconductors integrated circuits, integrated sensors (Hall effect sensors, MEMS) and systems (MCM, System-on-a-chip).
- For the year 2007, revenues - 204 million EUR, gross margin -84.8 million EUR, net profit - 37.1 million EUR.
- Melexis Bulgaria has now more than 13 years of successful presence in the local arena and represents the first foreign investment in the area of microelectronics in Bulgaria.
- Based in Sofia, in 2006 Melexis relocated to a newly refurbished 7800 m2 facility containing office space, R&D, test areas, and over 1000 m2 clean rooms for handling semiconductors. The importance of the Bulgarian site in the international family of Melexis has expanded since bringing the new location online.
- For the years of 2006 and 2007 Melexis has invested over 13 Mln EUR in Bulgaria for buildings, utilities and equipment.
- Melexis core experience supplying ICs for automotive electronics sustains the expansion into Application Specific Standard Products for industrial and consumer product applications.
- Melexis' products include sensor, communication, actuator ICs and Application Specific Integrated Circuits (ASICs). Melexis IC's make a difference in the vehicles of companies like Mercedes-Benz, BMW, Audi, VW, Suzuki, Toyota, GM and Ford. Among other non-automotive end users Melexis supports brands like Samsung, Nokia, Phillips, Toshiba and others.

Liebherr Hausgeraete Ochsenhausen GmbH (Germany)

- **Liebherr Hausgeraete Marica EOOD**, located in Marica Industrial Zone, Radinovo village, Plovdiv region, is a daughter company of Liebherr Hausgeraete Ochsenhausen GmbH, headquartered in Ochsenhausen, Germany. It is part of Liebherr Group which is organized on a decentralization principle with controllable, autonomously operating companies, led by Liebherr International AG, headquartered in Bulle, Switzerland.
- Liebherr Hausgeraete Marica EOOD manufactures refrigerators and freezers of the highest technical level and has received an ISO 9001-2000 certificate. Liebherr is among the pioneers in using natural substances like pentane and isobutene in household cooling appliances. All products are compatible with the most stringent European and world environmental requirements and regulations.

Schneider Electric Industries SAS (France)

- **Schneider Electric Industries SAS**, is a world leader in electric distribution products and industrial automation. It integrates global brands of Merlin Gerin, Telemecanique, Square D, as well as 120 specialized brands.
- Schneider Electric Bulgaria started in Bulgaria with commercial offices of Telemecanique and Merlin Gerin
 - 1999 - acquisition of part of EAZ Perushtitza plant for production of low-voltage breakers
 - 2007 - New plant in Maritza Industrial Zone
 - 300 direct jobs.
- The company was awarded "Zlatna Martenitza" prize for best foreign investor in Bulgaria and "Investor of the year 2007".

Sector related legislation

One of the main objectives of the state policy is to ensure free movement of goods by coordinating technical regulations and continuous implementation of product safety requirements with priority actions in those sectors, in which Bulgaria has competitive advantages. The Law on Technical Requirements to Products (State Gazette 86/1.10.1999, last amend. SG. 86/26 Oct 2007) is a horizontal framework for transposition of the European Union Directives into the national legislation. The Law introduces the principles of the New Approach to technical regulation and the principles of the Global Approach to the conformity assessment. One of the main objectives of the Law is to remove the technical barriers to trade within the European market. Under Art.7 of the Law the following Ordinances related to the sectors of electrical engineering and mechanical engineering have been adopted:

- Ordinance on the essential requirements and conformity assessment of electrical equipment designed for use within certain voltage limits, transposing Directive 73/23/EEC (State Gazette 62/13.07.2001, amend. SG. 74/22 Aug 2003). The Ordinance has entered into force on 14 Jan. 2003. The Ordinance lays down the essential requirements electrical equipment designed for use with a voltage rating from 50 to 1,000 V for alternating current and 75 to 1,500 V for direct current

- Ordinance on the essential requirements and conformity assessment for electromagnetic compatibility, transposing Directive 2004/108/EC (State Gazette 78/11 Sept. 2001, amend. SG. 13/11 Feb 2003, amend. SG. 24/21 march 2006, amend. SG. 32/17.04.2007). The Ordinance has entered into force on 12 Sept. 2002

The Ordinance lays down the essential requirements to all electrical and electronic appliances as well as equipment and installations containing electrical and/or electronic components, able to electromagnetic disturbance or which performance could be affected by such disturbance.

- Ordinance № 7 of September 23, 1999 for the minimal requirements for healthy and safe conditions of work at the working places and in using the working equipment (Prom. SG. 88/8 Oct 1999, amend. SG. 48/13 Jun 2000, amend. SG. 43/13 May 2003, amend. SG. 37/4 May 2004, amend. SG. 88/8 Oct 2004).

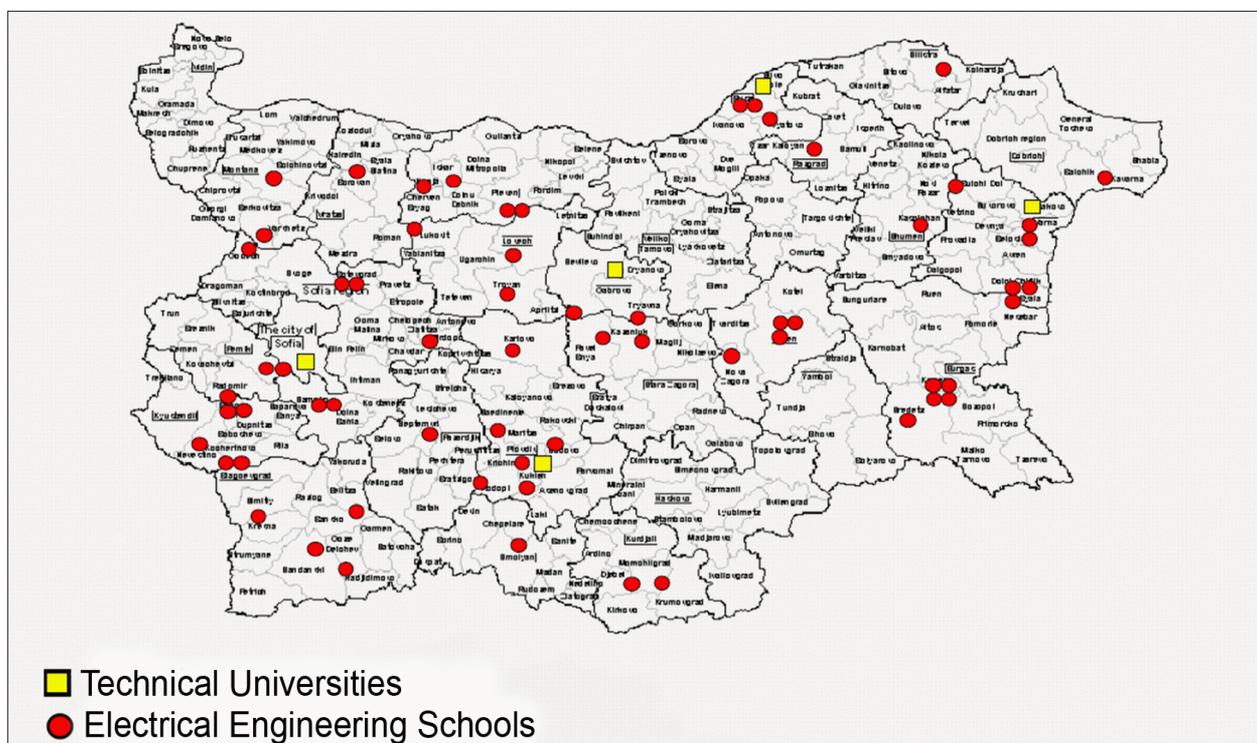
- Ordinance for the conditions and the order of carrying out market supervision (Prom. SG. 49/27 May 2003, amend. SG. 85/25 Oct 2005, amend. SG. 40/16 May 2006).

Products, which have been designed and manufactured in conformity with Bulgarian State Standards (BSS) transposing harmonized European standards, are in conformity with the essential requirements set out in the corresponding ordinances.

The competent authorities who manage, coordinates, and supervise the implementation of the state policy in areas like national standardization, testing and certification are The State Agency for Metrology and Technical Surveillance (SAMTS) and The Bulgarian Institute for Standardization.

Worth knowing

Educated workforce



University / College	Location	Majors
Technical University Sofia www.tu-sofia.bg	Sofia	Automatics; Electronic; Engineering; Power; Engineering; Machine; Semiconductor and Microelectronic Elements Design and Technology; Transport Machinery and Technologies, etc.
University of Mining and Geology www.mgu.bg	Sofia	Automation, Information and controlling equipment; Electric energy and electricity supply
Plovdiv branch of Technical University Sofia www.tu-plovdiv.bg	Plovdiv	Electronics and Medical Instruments Engineering, Electronic Control Devices, Digital Handling of Information, Power Electronics, Optoelectronics and Laser Engineering, Optical and Mobile Communications, Automation, Electrical, etc.
Technical University of Varna www.tu-varna.bg	Varna	Electronic Engineering and Microelectronics, Radio Engineering, Communication Engineering, Electrical engineering and electrical technologies, Automation of manufacturing - Digital Signal Processing, Technology of machine engineering and metal cutting machines
Technical University Gabrovo www.tugab.bg	Gabrovo	Automation, Information and control systems, Communication equipment and technologies, Electronics, Equipment and technologies for environment protection, Hydraulic and pneumatic engineering, Industrial engineering, Mechanical and precision engineering, Mechanical engineering equipment and technologies, etc.
South-West University www.swu.bg	Blagoevgrad	Electronics and Communication Technologies and Technologies
Russe University www.ru.acad.bg	Russe	Equipment, Electronic technique and technologies, Automation of production, Machine Tools & Manufacturing, Technical Mechanics
Burgas Free University www.bfu.bg	Burgas	Communication Engineering and Computer Networks, Computer Systems and Technologies, Electric Power Supply and Distribution, Industrial Management, Technology and Management of Transport

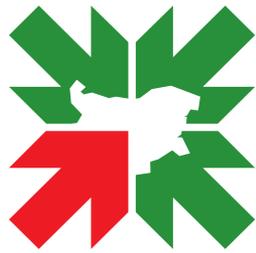
Exhibition Name	Location (City)	Dates	For more info
Eltech International Exhibition of Electronics and Electrical Engineering	Plovdiv International Fair	29 Sep-4 Oct 2008	www.fair.bg
Autotech International Exhibition of Transport and Auto Service Equipment	Plovdiv International Fair	29 Sep-4 Oct 2008	www.fair.bg
Expolight International Exhibition of lighting and lighting equipment	Inter Expo Center (Sofia)	22 - 25 Oct 2008	www.bulgarreklama.com
Targul International Bucuresti (TIB) International Technical Fair (Bucharest)	Romexpo Exhibition Center	7-11 Oct 2008	http://www.tib.ro/en
Digitex 2008 (International Fair of Consumer Electronics and Digital Entertainment)	Brno Exhibition Centre (Czech Republic)	6-9 Oct 2008	http://www.bvv.cz/
Electronica 2008 (components, systems and applications)	New Munich Trade Fair Centre	11-14 Nov 2008	http://www.global-electronics.net/
Hannover Messe Technical innovations	Hannover (Germany)	21-25 April 2008	http://www.hannovermesse.de
WIN World of Industry Energy, Electric and Electronic Technologies Fair	Istanbul (Turkey)	28 Feb-2 March 08	http://www.win-fair.com/en/
Midest 2008 Industrial subcontracting show	Nord Villepinte Paris (France)	4-7 Nov 2008	http://www.midest.com/

USEFUL contacts

Organization	Phone	Web site
Bulgarian Branch Association of Electronic Industry and Informatics	(+359 2) 874 0031 (+359 2) 971 8330	www.sblines.net/clients/bbkepi/
Bulgarian National Chamber of Electrical Engineering (BNCEE)	(+359 2) 963 3532 (+359 2) 963 3437	www.bcee-bg.org
Bulgarian Industrial Association	(+359 2)932 0911 fax(+359 2)987 2604	http://b2b.bia-bg.com
Bulgarian Chamber of Commerce and Industry	(+359 2) 811 7400 (+359 2)987 2631/35	http://www.bcci.bg/
Bulgarian Small and Medium Enterprises Promotion Agency	(+359 2) 980 5069 fax(+359 2)980 5869	http://www.sme.government.bg
Patent Office of Republic of Bulgaria	(+359 2) 9701 873 fax(+359 2)873 5258	http://www1.bpo.bg
Executive Agency "Certification & Testing"	(+359 2)9707 888 fax(+359 2)873 5421	http://exact.e-gov.bg/
State Agency for Metrology and Technical Surveillance	(+359 2) 989 84 88 fax(+359 2)986 1707	http://www.damtn.government.bg
Bulgarian Institute for Standardization	(+359 2)817 4504 fax(+359 2)817 4535	http://www.bds-bg.org
Bulgarian Accreditation Service	(+359 2) 873 5303	http://nab-bas.bg

USEFUL sites

Organization	Web site
Bulgarian Academy of Science	www.bas.bg
Academician Emil Djakov Institute of Electronics	www.ie-bas.dir.bg
BulgarianIndustry.bg	http://www.bulgarianindustry.bg/en
EI media	http://eae.elmedia.net/
Orgalime	http://www.orgalime.org



InvestBulgaria
Agency

Mechanical Engineering Sector

WHY Bulgaria?

32% productivity growth in the mechanical engineering sector for 2007

Export oriented sector of industry

Availability of highly qualified labour force, 7% of which has engineering university degree

The lowest operational costs in Europe

Most favorable taxation legislation

Macroeconomic and financial stability



LATEST DEALS & projects

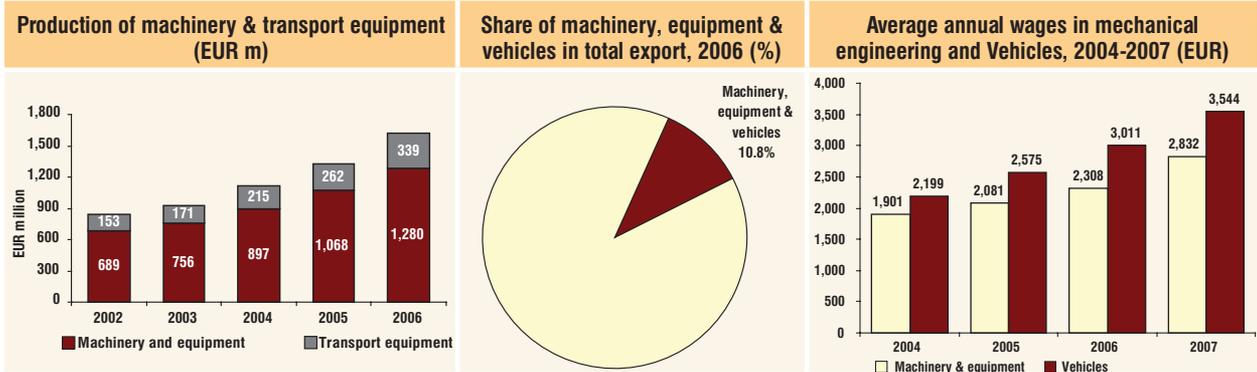
Vendor	Investor	Target	Size (EUR m)
Greenfield	Ixetic Ltd. (Germany)	New plant for production of hydraulic and vacuum pumps for automobiles in Rakovski Industrial Zone	7.0
Greenfield	Palfinger (Austria)	New factory for production of hydraulic cylinders in Tenevo near Yambol.	30.0
Greenfield	SKF (Sweden)	Swedish bearings manufacturer plans to invest 15 million euro for expansion of its factories in Bulgaria in the next two years.	15.0
Greenfield	Balkan Star Automotive (Bulgaria)	Balkan Star Automotive, Daimler AG's general distributor in Bulgaria, will receive a 45.5 million euro loan to finance the expansion of its distribution and service network.	46.0
Greenfield	Sofia France Auto (Bulgaria)	Sofia France Auto, the main importer of Peugeot automobiles in Bulgaria opened a 11 million euro sales and repair centre in Sofia.	11.0
Joint venture	Balkancar Zarya (Bulgaria) / Watts Industrial Tyres (UK)	The new company between the Bulgarian steel wheels maker and the U.K.-based tire maker will offer a complex solutions in the field of industrial wheels and tires to OEM.	n.a.
Greenfield	Technos (Bulgaria)	New plant for manufacturing of elevators and lifting systems.	2.5
Expansion	Atlas Copco (Sweden)	Expansion of the plant for hydraulic equipment	1.5
Expansion	Ideal Standart International (USA)	Increasing the capacity and improving the quality	6.0
Greenfield	Hidraulic Elements and Systems, Yambol (Bulgaria)	To increase its capacities in order to meet growing demand.	7.0

COMPETITION & partners

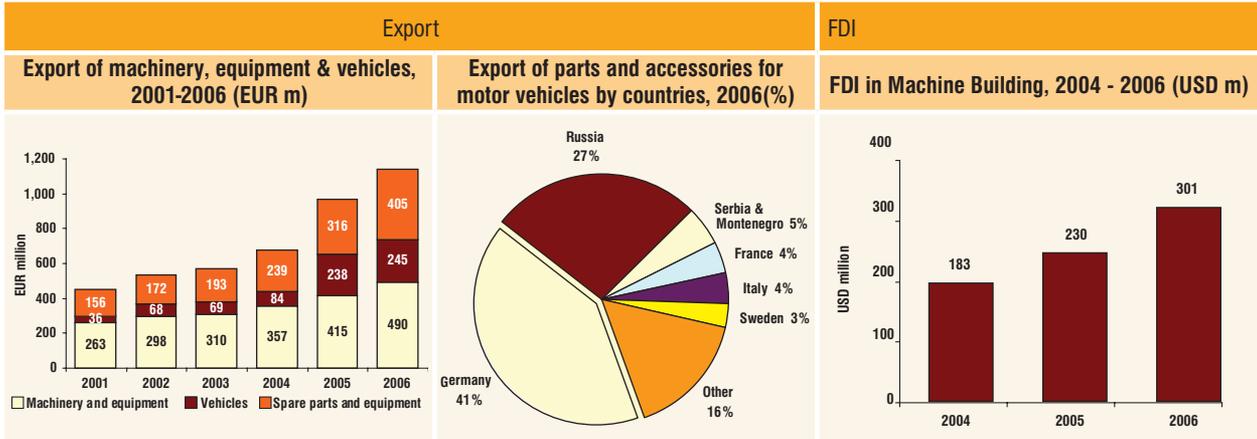
Mechanical engineering				
Company	Activity	Sales (EUR '000)	Number of employees	Year
Palfinger Productionstechnik Bulgaria (Tcherven bryag)	Production of hydraulic lifting, loading and handling systems – cranes, forklifts, hook loaders	45,685	500	2006
M+S Hydraulic (Kazanluk)	Manufacturing of hydraulic motors, steering units, valves, brakes and accessories	29,889	1,100	2006
Sparky-Eltos (Lovech)	Production of electric tools, drilling machines, angle-grinding machines, circular saws, milling machines, eccentric grinding machines, engines for electric tools	26,411	1,341	2006
Radomir - Metals (Radomir)	Production of castings and forgings	23,083	880	2006
Hydraulic Elements and Systems (Yambol)	Production of hydraulic cylinders	21,780	884	2006
Energoremont-Galabovo JSC - Galabovo	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	19,236	1,119	2006
Remotex SPJSC - Radnevo	Repair and production of spare parts for heavy mining and transport equipment	14,439	1213	2006
SKF Bearings - Bulgaria (Sofia)	Production of bearings	15,916	1,205	2006
Caproni JSC - Kazanluk	Production of hydraulic gear pumps; hydraulic aggregates; hydraulic valves; control valves and others	13,053	945	2006
Balkancar-Record JSC - Plovdiv	Production, service, repairs, trade with electric trucks, spare parts	12,225	289	2006
PIM LTD - Haskovo	Manufacture of machinery for food, beverage and tobacco processing	11,914	211	2006
Elmot JSC - Sofia	Production of electric engines, crane parts, services, shipping, transportation, marketing, advertising, trade, representation, intermediation	9,832	534	2006
Izamet 1991 LTD - Sofia	Design, construction, production, mounting and service of lifting equipments, transport systems, elevators, production of metal constructions	9,648	135	2006
Vaptsarov (Pleven)	Production of mechanical eccentric presses, hydraulic presses, hydro turbines, valves, gates, pipes and auxiliary hydro power equipment	9,358	458	2006
ZMM-Sliven (Sliven)	Production of metal cutting lathes, CNC lathes, drilling machines, multioperational woodworking machines, equipment and spare parts	9,310	428	2006
Mashstroy (Troyan)	Production metal-cutting machines, CNC machines, equipment units, optional equipment, etc.	7,501	586	2006
Besttechnica TM - Radomir JSC - Radomir	Manufacture of other special purpose machinery n.e.c.	5,573	410	2006
Balkan-Lovech JSC - Lovetch	Services for automobiles, production of parts for electric trucks and bicycles	5,059	411	2007

Source: Bulgarian Industrial Association

MECHANICAL ENGINEERING Fact sheet



Source: National Statistics Institute



Source: National Statistics Institute

Manufacturing Labour

Case studies

Montupet (France) in Bulgaria

Montupet in the world

- ✓ Manufacturer of aluminum parts for the automotive industry (cylinder heads, engine blocks, inlet & exhaust manifolds, brake parts, structure)
- ✓ European leader in the manufacture of cylinder heads for engines
- ✓ Turnover – EUR 450 million
- ✓ Employees – 4,200
- ✓ Plants in France (2), Spain, UK (2), Canada and Mexico
- ✓ Customers – VW, Audi, Seat, Renault, Nissan, Jaguar, Ford, PSA Peugeot Citroen, Volvo, Michelin, Saab, Bosch, etc.

Montupet in Bulgaria

- ✓ Greenfield investment in Rousse
- ✓ Size of investment – EUR 80 million for the period 2005 – 2010
- ✓ Products – parts for engines, chassis and brake systems
- ✓ Employees – 1,500
- ✓ Estimated turnover – EUR 140 million
- ✓ Built-up area – 60,000 sq.m/ Total area – 140,000 sq.m

YAZAKI Bulgaria

- ✓ Yazaki Bulgaria EOOD part of Yazaki Corporation Japan
- ✓ World leading producer for wire harnesses and other components for the automotive industry. The corporation is active in other branches like air-conditioners, electronic devices for cars, etc. It has plants in 39 countries and the number of all employees all over the world is around 200 000.
- ✓ Yazaki enter in Bulgaria 2007
- ✓ Greenfield investment in Yambol – class B investment certificate 2007
- ✓ Size of investment – EUR 23 mln
- ✓ Start of production – 2008
- ✓ Products – Electrical wire harnesses
- ✓ Employees – 1 500 /plan to grow to 2 700 till the middle of 2009/
- ✓ Built-up area – 24,250 sq.m
- ✓ Total area – 50,000 sq.m

Palfinger - Bulgaria Ltd: Production Plants in Cherven Brjag and Tenevo

Cherven Brjag

- Investments /2006 – 2008/ 17 EUR m.
- Employees 500
- Production number of items for 2007: 83 000 components
- Education center for welders

- ✓ Demand of Palfinger's products in Western Europe is very high and is expected to continue to increase. 30 per cent of the production is sold in Spain. Other big markets are those of Germany, France, Canada, etc.

Tenevo 2007

- Investments in the factory were estimated at 25-30 EUR m.
- Employees 493
- Cooperation with technical school in Yambol
- Practice center in the factory

Worth knowing

Educated workforce

Vocational technical colleges in Bulgaria (4-5 years of education) (● mechanical engineering, ● electrical engineering, ● electronics) Technical universities ■



University / College	Location	Majors
Technical University Sofia www.tu-sofia.bg	Sofia	Automatics; Electronic Engineering and Technology; Electrical Engineering; Power Engineering and Power Machines; Mechanical Engineering; Machine Technology; Semiconductor and Microelectronic Elements Design and Technology; Transport Machinery and Technologies, etc.
University of Mining and Geology www.mgu.bg	Sofia	Automation, information and controlling equipment; Electric energy and electricity supply
University of Transport "T.Kableshkov" http://www.vtu.bg/i_home_e.html	Sofia	Technology, Organization and Management of Transport, Transport Equipment, Technology of Machine Manufacturing and Chemistry, Machine Elements
Plovdiv branch of Technical University Sofia www.tu-plovdiv.bg	Plovdiv	Electronics and Medical Instruments Engineering, Electronic Control Devices, Digital Handling of Information, Power Electronics, Optoelectronics and Laser Engineering, Optical and Mobile Communications, Automation, Information and Control Systems, Electrical Engineering, etc.
Technical University of Varna www.tu-varna.bg	Varna	Electronic Engineering and Microelectronics, Radio Engineering, Communication Engineering, Electrical engineering and electrical technologies, Automation of manufacturing - Digital Signal Processing, Technology of machine engineering and metal cutting machines
Russe University www.ru.acad.bg	Russe	Machine Tools & Manufacturing, Technical Mechanics, Electrical Power Supply and Equipment, Electronic technique and technologies, Automation of production
Technical University Gabrovo www.tugab.bg	Gabrovo	Automation, information and control systems, Communication equipment and technologies, Electronics, Equipment and technologies for environment protection, Hydraulic and pneumatic engineering, Industrial engineering, Mechanical and precision engineering, mechanical engineering equipment and technologies, etc.
South-West University www.swu.bg	Blagoevgrad	Machine Building and Textile Technologies and Technologies, Electronics and Communication Technologies and Technologies
Burgas Free University www.bfu.bg	Burgas	Communication Engineering and Computer Networks, Computer Systems and Technologies, Electric Power Supply and Distribution, Industrial Management, Technology and Management of Transport

Sector-related exhibitions and conferences

Exhibition Name	Location (City)	Dates	Frequency	For more info
Forum MTM Machines, Technologies, Materials	Inter Expo Center (Sofia)	26 – 30 Mar 2008	Annually	http://www.panairi.net/events/forummtm_en.htm
International Technical Fair - Plovdiv, Bulgaria	Plovdiv International Fair (Plovdiv)	29 Sept - 4 Oct 2008	Annually	www.fair.bg
Autotech International Exhibition of Transport and Auto Service Equipment	Plovdiv International Fair (Plovdiv)	29 Sept - 4 Oct 2008	Annually	www.fair.bg
Machine Building International Exhibition of Machine Building	Plovdiv International Fair (Plovdiv)	29 Sept - 4 Oct 2008	Annually	www.fair.bg

Legal

The legislation in the field of the Mechanical sector is harmonized with the European standards and directives. The Law on Technical Requirements to Products (State Gazette 86/1.10.1999, last amend. SG. 86/26 Oct 2007) is a horizontal framework for transposition of the European Union Directives into the national legislation. The following Ordinances related to the sectors mechanical engineering have been adopted:

- Ordinance on the essential requirements and conformity assessment for machinery (State Gazette 91/23.10.2001, amend. 115/10.12.2002, amend. 13/11.02.2003, amend. 52/18.06.2004). - The Ordinance lays down the essential requirements to machinery.
- Ordinance № 7 of September 23, 1999 for the minimal requirements for healthy and safe conditions of work at the working places and in using the working equipment (Prom. SG. 88/8 Oct 1999, amend. SG. 48/13 Jun 2000, amend. SG. 43/13 May 2003, amend. SG. 37/4 May 2004, amend. SG. 88/8 Oct 2004).
- Ordinance for the conditions and the order of carrying out market supervision (Prom. SG. 49/27 May 2003, amend. SG. 85/25 Oct 2005, amend. SG. 40/16 May 2006).

In the field of the Mechanical sector there are two competent authorities - The State Agency for Metrology and Technical Surveillance (SAMTS) and The Bulgarian Institute for Standardization (BDS):

- The State Agency for Metrology and Technical Surveillance (SAMTS) manages, coordinates, and supervises the implementation of the state policy in areas like national standardization, testing and certification, ensuring uniformity of measurements, technical surveillance of high-risk equipment, surveillance of products introduced on the market and/or put into service. SAMTS is responsible for drafting and enforcement of the technical legislation regulating these areas, building up a functioning conformity assessment and market surveillance system for products within the scope of the Law on Technical Requirements. To date certain authorities and SAMTS grant the conformity assessment bodies.
- The Bulgarian Institute for Standardization (BDS) is the national executive body for standardization in the Republic of Bulgaria. BDS develops, accepts and approves Bulgarian standards, participates in the work of international and European organizations for standardization, as its main target is to defend the Bulgarian interests in that sphere.

CERTIFICATION & accreditation

Quality management certification regulations applied in the sector:

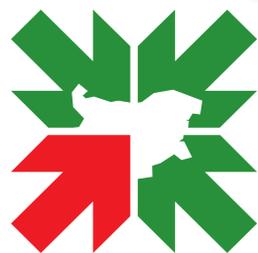
- quality management system ISO 9001:2000 (a total of 3,276 Bulgarian companies certified)
- technical standards for suppliers to the automotive industry ISO/TS 16949:2002
- environment management systems ISO 14001:2004 (135 Bulgarian companies certified)
- occupational Health and Safety Management Systems Requirements Standard BS OHSAS 18001:2007

Accreditation Body	
Executive Agency "Bulgarian Accreditation Service" (BAS) the only national body for accreditation of: <ul style="list-style-type: none"> ▪ testing laboratories and calibration laboratories; ▪ product certification bodies, management systems certification bodies, personnel certification bodies; ▪ inspection bodies; ▪ verifiers 	www.nab-bas.bg
Certification Organizations	
Bureau Veritas Certification Bulgaria	www.certification.bureauveritas.bg
SGS Bulgaria Ltd	www.sgs.com
TUV Rheinland Bulgaria Ltd	www.tuv-rheinland.bg
Lloyd's Register Quality Assurance	www.lrqa.com
TUV NORD CERT Bulgaria Ltd	www.tuev-nord.bg
Germanischer Lloyd Bulgaria Ltd	www.glc.de
Certification International(UK) Bulgaria Ltd.	http://www.cert-int.com/
GCS Bulgaria Ltd	http://www.gcsbg.com/bg/
URS Bulgaria Ltd	www.urs-bg.com
Moody International Ltd	www.moody.bg
Bulgaria-Cert Ltd (representation of DQS GmbH)	www.dqshellas.gr
AFAQ AFNOR International	www.afaq.org
Certification Association "Russian Register"	http://www.rusregister.ru/
SystemCERT Zertifizierungs-GmbH	http://www.systemcert.at/

For more information: Club 9000 (www.club9000.org)

USEFUL contacts & sites

Organization	Phone	Web site
Ministry of Environment and Water	+ (359) 2 955 90 11	http://www.moew.government.bg/index_e.html
Ministry of Economy and Energy	+ (359) 2 940 71	http://www.mee.government.bg/eng/index.html
Renewable Energy Sources	+ (359) 926 32 55	http://www.mee.government.bg/eng/geoterm.html
Bulgarian Industrial Association	(+359 2) 932 09 11	http://www.bia-bg.com/
Bulgarian Chamber of Commerce and Industry	(+359 2) 985 25 28	http://www.bcci.bg/
Bulgarian Branch Chamber for Machine Building	(+359 2) 988 40 44	www.bbcm.bizhosting.com ; www.castingarea.com
Association of Farming Machinery Producers	(+359 2) 203027	e-mail: spzt@mb.bia-bg.com
Organization	Web site	
Bulgarian Academy of Science	www.bas.bg	
Machine Building Magazine	http://machinebuilding.bgcatalog.com/index_e.html	



InvestBulgaria
Agency

Chemical Industry Sector

WHY Bulgaria?

Industry with traditions in Bulgaria

Right location with direct access to big markets

Availability of skilled personnel at competitive price

The lowest operational costs in Europe

Most favorable taxation legislation

Macroeconomic and financial stability



LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Expansion	Polimeri Ltd.	Completion of a cogeneration plant	25.5
Uhde Ltd.	Lukoil Neftochim	Construction of desulphurisation units at the oil refinery.	100.0
Expansion	Petar Karaminchev Ltd.	Upgrade of production facilities	2.1
Agropolychim	Wintershall Erdgas Handelshaus Zug AG (Switzerland)	Acquisition of 51% share in the gas trader – Dexia Bulgaria	undisclosed
Greenfield	Henkel (Germany)	New plant for building materials under "Cerisit" band.	7.0
Greenfield	BROSS Holding	Chemical plant project in the Danube river town of Silistra.	10.2
Greenfield	Green Fuel Corporation	Establishment of biodiesel plant near Pleven	50.0
Greenfield	Verbio	Construction of biodiesel and bioethanol plants	100.0
Kauchuk JSC	New Industrial Company JSC (NIC)	Acquisition of 28% from the Pazardzhik based Kauchuk JSC	7.0
Petar Karaminchev Ltd.	Sinergon	Acquisition of more than 24% of the capital of Petar Karaminchev Ltd. and increased the company's stake to 89.8%	2.0
Greenfield	CSFI Fund	Together with the Spanish company Ferri Group, the Fund will allocate resources for production of bio mass in four plants	500.0
Greenfield	Fikon	Establishment of bioethanol plant in Targovishte	81.0
Greenfield	Aria Group	Investing in plant for biofuels	9.0
Expansion	Svilosa JSC	Reconstruction and modernization to increase three time production capacity of bleached hardwood kraft pulp.	55.0

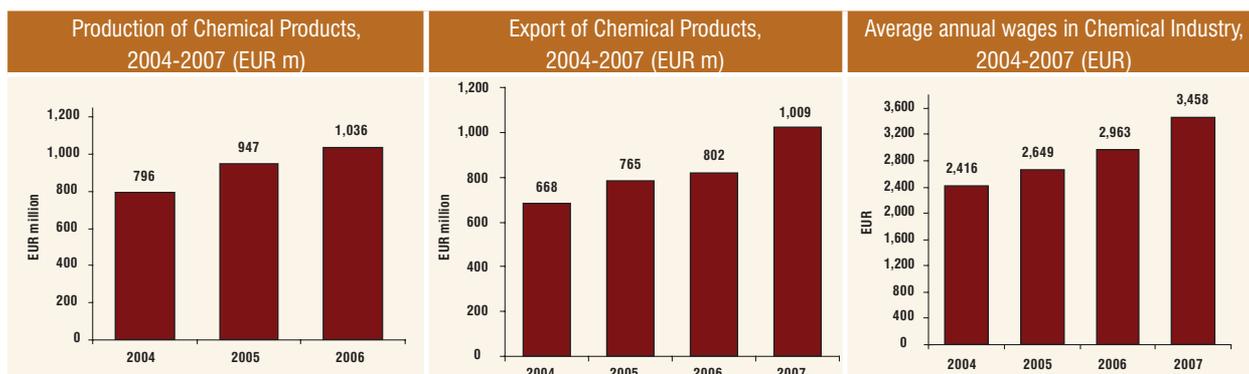
COMPETITION & partners

Top manufactures of chemicals and chemical products by net sales

	Company	Activity	Net sales (EUR'000)	Number of employees	Year
1	Lukoil-Neftochim JSC - Bourgas	Manufacture of refined petroleum products	1,631,785	4,817	2006
2	Solvay-Sodi JSC - Devnia	Manufacture of other inorganic basic chemicals	104,949	900	2006
3	Neochim JSC - Dimitrovgrad	Manufacture of fertilizers and nitrogen compounds	92,827	1,389	2006
4	Orgachim JSC - Rousse	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	49,875	715	2006
5	Neohimiki Bulgaria JSC Sofia	Manufacture of pesticides and other agro-chemical products	22,546	n.a.	2006
6	Polimeri JSC - Devnia	Manufacture of plastics in primary forms	22,436	461	2006
7	Mining Company SPLTD - Sofia	Manufacture of other inorganic basic chemicals	20,461	n.a.	2006
8	Svilozha-Yar JSC - Svishtov	Manufacture of man-made fibres	17,441	160	2006
9	Ekon-91 LTD - Rousse	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	15,571	300	2006
10	Boro-Bogomil Dachev ST - Sofia	Manufacture of glues and gelatines	12,408	216	2006
11	Hayat Bulgaria Chemical LTD - Varna	Manufacture of soap and detergents, cleaning and polishing preparations	12,192	136	2006
12	Lackprom JSC - Svetovrachene	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	6,732	217	2006

Source: Bulgarian Industrial Association

CHEMICAL INDUSTRY Fact sheet



Source: National Statistics Institute

Case studies

Solvay Sodi JSC	Svilosa JSC
<ul style="list-style-type: none"> ✓ Soda Ash Production Plant Expansion and Modernization ✓ Manufacture of Chemicals and Chemical Products ✓ Producer of soda ash light and dense, bulk and packaged. Its annual production capacity is 1,200,000 tons of light soda ash. From these, 800,000 are processed to dense soda ash, which is in ever increasing demand by the customers. ✓ In 2000, Solvay Sodi acquired its raw material and energy suppliers namely Deven TPP, Provadsol and Devnya Limestone (Solvay Sodi (50%), Devnya Cement (50%). In this fashion the company guaranteed the long-term and competitive supply of strategic raw materials and energy, namely steam, brine and limestone, and closed its production cycle. ✓ About 90% of the production is exported mainly to West Europe, the Balkan countries, Central Asia and the Middle East as well as to South America, Africa, etc. ✓ Year of investment in Bulgaria: 2007-2009 ✓ Over EUR 50 million investments in Bulgaria ✓ New equipment will be installed in the plant to ensure annual capacity increase by 25% to 1.5 Mt light soda ash and by 50% to 1.3Mt dense soda ash. On completing the project, Solvay Sodi will consolidate its position as one of the world's largest soda ash producers. ✓ High end technologies and latest environmental standards will be introduced during the modernization and expansion process. 	<ul style="list-style-type: none"> ✓ Modernization and expansion of an existing pulp mill ✓ Wood pulp and paper production ✓ Leading pulp manufacturing company on the Balkans, with no competition so far, specialized in the production of bleached hardwood kraft pulp (BHKP) and sub products such as Carboxymethyl cellulose ✓ Gives high priority to all activities related to environmental protection. In 2004 Svilosa implemented the first successful project in Eastern Europe under the Joint Implementation mechanism in compliance with art. 6 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change regarding reduction of greenhouse gases emissions – an installation for biomass incineration. ✓ About 93% of the production is exported ✓ The major clients and trade partners are located in Turkey, Greece, Slovenia, Germany, Austria, Italy, Bosnia and Herzegovina, Romania and the Czech Republic. ✓ Quality certification: LLOYDS Register Quality Assurance under the ISO 9001 standard. ✓ EUR 55 million investments in Bulgaria ✓ The reconstruction and modernization project involves tripling of the annual production capacity of BHKP from the present level of 50,000 t to 150,000 t, introduction of the best available international technologies in pulp production and increase of the process efficiency. ✓ Svilosa has developed and is currently implementing at the factory an Energy Efficiency Investment Program valued at approximately EUR 9 million. It is oriented towards full compliance of Svilosa's production operations with the up-to-date international standards for energy consumption and the EU environmental requirements.

Legal

The New Chemical legislation - REACH

General principle:

The chemical industry (producers and importers of articles) should manufacture, import or use substances or place them on the market with such responsibility and care as may be required to ensure that, under reasonably foreseeable conditions, human health and the environment are not adversely affected.

Prime objectives:

To create a unified system with harmonized requirements regarding the chemical products which are on the European market. To achieve that, chemicals are produced and used in ways that lead to the minimisation of significant adverse effects on human health and the environment. To introduce a unified system for control and administration of the chemicals in the EU by creation of the European chemicals agency and corresponding national authorities.

Registration - Evaluation - Authorization of chemicals under REACH

Preliminary registration – is to be done within 6 month period - from 01.06.08 - 01.12.08.

Registration: The Registration procedure requires manufacturers and importers to generate data on the substances they manufacture or import, to use these data to assess the risks related to these substances and to develop and recommend appropriate risk management measures. To ensure that they actually meet these obligations, as well as for transparency reasons, registration should require them to submit a dossier containing all this information to the Agency. Registered substances should be allowed to circulate on the internal market.

Registration file is to be created, which has to contain particular information, in different time frame, depending on the quantity and the type of the chemical substances.

Evaluation: The evaluation provides for follow-up to registration, by allowing for checks on whether registrations are in compliance with the requirements of the REACH Regulation.

Authorisation: Authorisations for the placing on the market and use should be granted by the Commission only if the risks arising from their use are adequately controlled, where this is possible, or the use can be justified for socio-economic reasons and no suitable alternatives are available, which are economically and technically viable.

Restrictions: The restriction provisions should allow the manufacturing, placing on the market and use of substances presenting risks that need to be addressed, to be made subject to total or partial bans or other restrictions, based on an assessment of those risks.

Responsibility: The responsibility to assess the risks and hazards of substances should be given, in the first place, to the natural or legal persons that manufacture or import substances, but only when they do so in quantities exceeding a certain volume, to enable them to carry the associated burden. Natural or legal persons handling chemicals should take the necessary risk management measures in accordance with the assessment of the risks of substances and pass on relevant recommendations along the supply chain. This should include describing, documenting and notifying in an appropriate and transparent fashion the risks stemming from the production, use and disposal of each substance.

Exempt from permissions and registration obligations: Substances produced or imported in quantities below 1 tone per year, medical products for human and veterinary medicine, supplements, aromatic components in foods for humans and animals, green crop, and other substances specified in appendixes 4 and 5 from REACH.

The Member States authorities are responsible for enforcing REACH through inspections as well as penalties in case of non-compliance.

http://ec.europa.eu/enterprise/reach/index_en.htm

National Information desk -REACH helpdesk - was established under the Ministry of environment and water Bulgaria

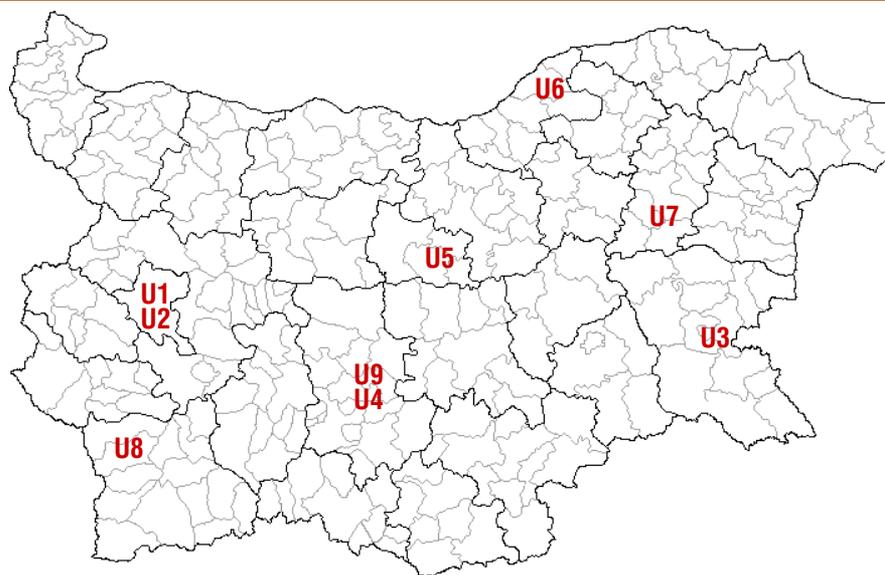
Legal Framework:

REGULATION (EC) No 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), establishing a European Chemicals Agency

DIRECTIVE 2006/121/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labeling of dangerous substances in order to adapt it to Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and establishing a European Chemicals Agency

Worth knowing

Educated workforce



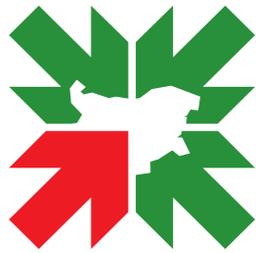
	University / College	Location	Majors	
U1	University of Chemical Technology and Metallurgy http://www.uctm.edu/index_en.html	Sofia	Specialist degree Bachelor of Science Degree Master of Science Degree	Chemistry; Computer Chemistry; Chemistry and Physics; Medical Chemistry; Organic Chemistry; Applied Physical Chemistry; Spectrochemistry; Chemistry and Ecology; Food Chemistry; Radiochemistry and Radioecology; Teacher of Chemistry
U2	Faculty of Chemistry St. Kliment Ohridsky University of Sofia http://www.chem.uni-sofia.bg/	Sofia	Bachelor of Science Degree Master of Science Degree	Chemistry; Chemistry and Physics; Chemistry and Informatics; Nuclear Chemistry; Computer Chemistry; Ecochemistry
U3	Bourgas Prof. Assen Zlatarov University http://www.btu.bg/en/homeen.html	Bourgas	Bachelor Master - Engineer	Chemical Engineer, Biotechnologist ; Engineer, Technologist Engineer Master; Ecologist, Chemist; Teacher of chemistry Master; Master of Ecology, Master of Chemistry
U4	Paisii Hilendarski University http://www.uni-plovdiv.bg/?ln=2	Plovdiv	Bachelor of Science Master of Science	Chemistry; Computer Chemistry; Chemistry and Physics; Medical Chemistry; Organic Chemistry; Applied Physical Chemistry; Spectrochemistry; Chemistry and Ecology; Food Chemistry; Radiochemistry and Radioecology; Teacher of Chemistry
U5	Technical University - Gabrovo http://www.tugab.bg/english/index.html	Gabrovo	Bachelor of Science	Chemistry and ecology
U6	Rousse University Angel Kanchev http://www.ru.acad.bg/en/ru.php	Rousse	Bachelor of Science	Chemistry and biology
U7	Shumen university K.Preslavski http://www.shu-bg.net/	Shumen	Bachelor of Science Master of Science	General chemistry Organic chemistry
U8	South-West University N.Rilski http://www.swu.bg/en/	Blagoevgrad	Bachelor of Science Master of Science	Chemistry Pedagogy Chemistry and Physics Education
U9	University of Food Technologies http://www.uft-plovdiv.bg/index_ie.htm	Plovdiv	Bachelor of Science Master of Science	Inorganic Chemistry and Physical Chemistry Analytical Chemistry Inorganic Chemistry and Microbiology

Sector-related exhibitions in Bulgaria

Exhibition Name	Location (City)	Dates	Frequency	For more info
Bulchimex - Sofia, Bulgaria International Specialized Chemistry Exhibition	Inter Expo & Congress Center (Sofia)	22 – 25 Apr 2008	Annually	http://www.panairi.net/events/bulchimex_en.htm
Mouldex - Sofia, Bulgaria International Exhibition of Plastics and Packaging	Inter Expo & Congress Center (Sofia)	22 – 25 Apr 2008	Annually	http://www.panairi.net/events/mouldex_en.htm
Cosmetics - Plovdiv, Bulgaria International Exhibition of Perfumery and Cosmetics	International Fair Plovdiv	12 - 17 May 2008	Annually	http://www.panairi.net/events/cosmetics_en.htm
International Consumer Goods and Technologies Fair - Plovdiv, Bulgaria	Plovdiv Spring Fair	12 - 17 May 2008	Annually	http://www.panairi.net/events/internationalconsumergoodstechnologiesfair_en.htm
The Agriculture and Everything for it - Dobrich International specialized exhibition	Prostor Sports Complex - Dobrich	26 - 30 Aug 2008	Annually	http://www.panairi.net/events/agricultureandeverythingforit_en.htm
Chemical Industry - Plovdiv, Bulgaria International Exhibition of Chemical Industry	International Fair Plovdiv	29 Sept - 04 Oct 2008	Annually	http://www.panairi.net/events/chemistry_en.htm
Italian Beauty Festival - Plovdiv, Bulgaria International Exhibition of Hairdressing, Beauty, Make-up, Perfumery	International Fair Plovdiv	30 Oct - 2 Nov 2008	Biannually	http://www.panairi.net/events/italianfestivalofbeauty_en.htm
Interfood & Drink - Sofia - International Specialized Exhibition for food products, drinks, packing, equipment and technologies	Inter Expo & Congress Center - Sofia	19 - 22 Nov 2008	Annually	http://www.panairi.net/events/interfoodanddrink_en.htm

USEFUL contacts & sites

Organization	Phone	Web site
Ministry of Environment and Water	+ (359) 2 955 90 11	http://www.moew.government.bg/index_e.html
Ministry of Economy and Energy	+ (359) 2 940 71	http://www.mee.government.bg/eng/index.html
Renewable Energy Sources	+ (359) 926 32 55	http://www.mee.government.bg/eng/geoterm.html
Bulgarian Chamber of Commerce and Industry	+ (359) 987 25 28	http://www.bcci.bg/index.htm
Bulgarian Industrial Association	(+ 359 2) 932 09 11	http://www.bia-bg.com/?lang=en&id_sess=dfdbjucrm33lc7ro2okb7gd2f4
Institute of General and Inorganic Chemistry	(+ 359) 2 872 48 01	http://www.igic.bas.bg/index_en.html
Institute of Organic Chemistry with Centre of Phytochemistry	(+ 359) 2 872 48 17	http://www.orgchm.bas.bg/
Institute of Physical Chemistry	(+ 359) 2 872 75 50	http://www.ipc.bas.bg/
Institute of Catalisys	(+ 359) 2 872 49 01	http://www.ic.bas.bg/
Institute of Electrochemistry and Energy Systems	(+ 359) 2 872 25 45	http://www.bas.bg/cleps/
Institute of Chemical Engineering	(+ 359) 2 870 20 88	http://www.bas.bg/iceng/index.html
Institute of Polymers	(+ 359) 2 971-28-17	http://www.polymer.bas.bg/
Central Laboratory of Photoprocesses	(+ 359) 2 872 00 73	http://www.clf.bas.bg
GlobalTest	(+ 359) 2 955 98 62	http://www.globaltest-bg.com/
Executive Environmental Agency	(+ 359) 2 955 90 11	http://nfp-bg.eionet.eu.int/ncesd/eng/index.html
Bulgarian Chemistry Pages		http://chem.hit.bg/business_reagents.htm
Chemistry		http://www.chemindustry.com/



InvestBulgaria
Agency

Food & Beverage Sector

WHY Bulgaria?

Favourable climate and natural conditions

Environmentally clean and highly fertile soil

46.1% of the territory is agricultural land

Very high quality organic products (ban on GM products)

Skilled and qualified labour force at competitive cost

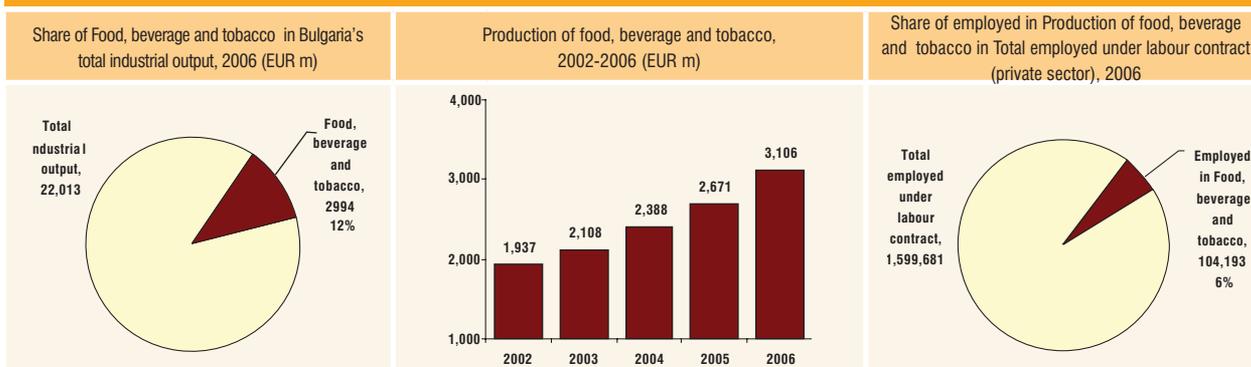
Established local manufacturers and strong traditions

Strong marketing channels in the former Eastern block

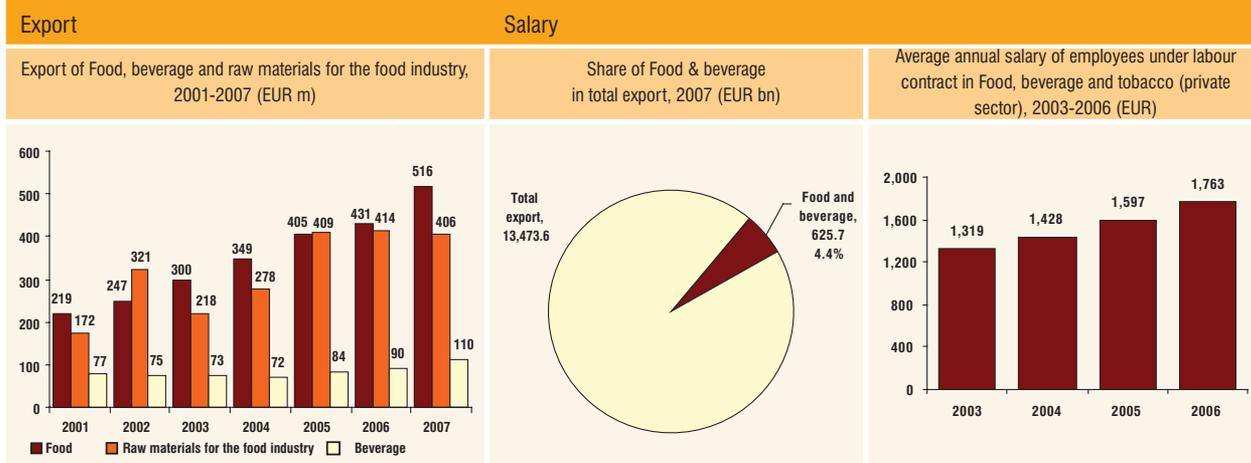
EU food legislation integrated in the Bulgarian legislation

FOOD & BEVERAGE Fact sheet

Significance of the Food & Beverage industry in Bulgaria



Source: National Statistics Institute



Sources: Bulgarian National Bank, National Statistics Institute

Attractive subsectors

Mineral water

- More than 250 mineral water deposits and over 500 sources and boreholes in the country (France – 64; Spain - 89)
- Capacity of different mineral sources – from 0.5 to 63 l/sec
- Overall capacity of mineral water sources – over 3100 l/sec
- Depth of water sources – 400-1500 meters
- Temperature varies from 13°C to 102°C
- Hottest mineral spring in Bulgaria – Sapareva Bania (102°C)
- Degree of mineral water resources usage – 37%
- Consumption of mineral water in 2007 – 95 l/capita, which represents 15,7% annual growth
- Market share of mineral water in beverages in 2007 – 28%

Wine-making

- 2% of the world market share
- Amongst the top 15 wine producing and exporting countries in the world
- Wine industry is 100% private since 2000
- Total vineyards area will reach 153 000 hectares under EU quota
- 238 registered companies in 2007 producing both red and white bottled, bulk and sparkling wines
- Total wine production in 2007 – 2 million hectoliters
- Export in 2007 reached 1,2 mln hectolitres, two thirds of which was for Russia



Success stories

Danone Serdika

- Danone Group entered the Bulgarian market in 1994
- Leading dairy producer
- Over EUR 25 million invested in the country
- Company portfolio: over 5 brands and 40 products
- Net sales in 2006 – EUR 31,6 million
- Employees – 385 (2006)

Nestlé Bulgaria

- The leading food company in Bulgaria
- Nestlé S.A. entered the Bulgarian market in 1994 upon purchase of the largest confectionery plant in the country near Sofia.
- Investment since 1994 – over EUR 30 million
- The company's microbiological laboratory in Bulgaria was certified as Nestlé's world number one laboratory for precise analyses
- Net sales in 2006 – EUR 93,1 million
- Exports in 2006 reached EUR 27 million
- Employees – 1 484 (2006)
- Planned investments in 2007 – EUR 13 million for the adoption of new production technologies in Sofia factory

Kraft Foods Bulgaria

- Kraft Foods Inc entered the Bulgarian market in 1993
- Locations: Sofia, Svoge, Kostinbrod
- Leading producer of chocolate confectionery, coffee and powdered soft drinks
- Employees – 688 (2006)

Carlsberg Bulgaria

- Present in Bulgaria since 2002
- Carlsberg Breweries A/S (Denmark) purchased Shumensko Pivo JSC and Pirinsko Pivo JSC
- Major Carlsberg brands in Bulgaria: Shumensko pivo, Pirinsko pivo and Tuborg
- Over USD 90 million invested so far
- In 2004, Carlsberg Bulgaria JSC sold 20% of its shares to Investment Fund for Central and Eastern Europe
- 25% market share in 2007
- Over EUR 20 million to be invested in Shumensko pivo for the period 2007-2010
- Employees – over 560

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Latest Deals			
Greenfield	Lotos	Opening of meat processing facilities in Dimitrovgrad	3.6
Takeover	Didi Puhí (Czech licensee)	Launch of brewery in Pleven upon takeover from InBev	2.6
Expansion	Mineral waters – Bankya (Coca Cola)	Renovation of facilities, 5-times increase of capacity	n.a.
Concession	Etap-Adress	Bottling of mineral water near Berkovitsa	4.9
Greenfield	Ital Foods – Fikosota Syntez	Construction of snacks production facilities in Shumen	4.1
Greenfield	Boni Holding	Opening of 3-units complex of 11 000 sqm for meat processing in Lovech	4.1
Greenfield	Bella Bulgaria Holding	Opening of fifth meat processing unit of 40t capacity	9.2
Ganev Foods	Sano Vita (Romania)	Takeover of healthy foods distribution company	n.a.
Penelopa	Star Foods Bulgaria / FritoLay (PepsiCo-USA)	Acquisition of nuts business with 12 000 distribution units and 20% export	Undisclosed
My Day	Cola Dairy Products (Italy)	Purchase of 60% share	n.a.
Agrima (PepsiCo)	Greenpat (Cyprus)	Acquisition of franchised production	n.a.
Novartis	Nestlé (Switzerland)	Acquisition of Novartis medical foods business	n.a.
Greenfield	Agria Group Holding	Construction of plant for rapeseed, sunflower and soybean oil; building of biodiesel unit	15.0
Expansion	Zagorka AD	Increase of production capacity and building of 2100sqm warehouse	15.0
Merger	Chimimport	Set up of Zarneni Hrani Bulgaria from Chimimport companies - Slynchevi Lachi and seven other grain companies	n.a.
Greenfield	Sammissound Technology Corporation (South Korea)	Construction of spaghetti production plant in Zdravets village (Avren-Varna)	30.0
Greenfield	Laktima	Building of new factory for dairy products near Polski Trambesh (Veliko Turnovo)	5.0
Expansion	Devin (Soravia Group – Austria)	Planned acquisitions, modernization and launch of a soft drink unit in 2008	9.0
Greenfield	Kapinski; Bio Hrist	Building of wine cellar in Tserova Koriya, Veliko Tarnovo	1.0
Concession	Nonius Hemus Group	Launch of mineral water bottling in Shivachevo under 15-year concession	1.3

Legal

Registration of the vine farms

Authority	Executive Agency for the vine and wine under the Ministry of Agriculture and Forestry
Required documents	<p>The individuals and the companies who produce wine grape are obliged to register in the Executive Agency for the vine and wine the vine farms managed by them.</p> <p>The application for registration must be accompanied by:</p> <ol style="list-style-type: none"> 1. Informative declaration in a form issued by the Executive Agency for the vine and wine for the location of the vine plants; 2. original copy of a certificate for current status – for corporate bodies; 3. copy of a certificate of registration under the Tax–insurance Procedure Code – for the persons registered under the Commercial Law or the Law for the Co-operations; 4. copy of the proof of ownership or of the right of use of the property included in the vine farm
Timeframe	14 days
Legal framework	Law for the Wine and the Alcoholic Beverages

Registration for production of spirits, distillates and alcoholic beverages

Authority	Minister of Economy and Energy
Required documents	<p>The production of spirits, distillates and alcoholic beverages can be carried out by persons registered according to the Commercial Law, the Law of the Co-operations or the legislation of a Member State of the European Union or other state – party of the European Economic Area Agreement, entered in the register of the producers of spirit, distillations and alcoholic beverages. The producers shall be registered in the Ministry of Economy and Energy on the grounds of application for registration addressed to the Minister of Economy and Energy, accompanied by the following documents:</p> <ol style="list-style-type: none"> 1. current certificate of registration in the commercial register; 2. Technical information about opened and closed production sites and storehouses 3. original or notary certified copy of a document certifying the commissioning of the site, issued by the order of the Law for the spatial planning; 4. Copy of the technical specifications for the production of spirits, etc. 5. List of the technologists managing the production process 6. certified by the entrepreneur copy of the certificate of registration under the Tax –insurance Procedure Code 7. Declaration of the producer that he has not produced spirits without license 8. Receipt for paid state taxes
Timeframe	14 days
Legal framework	Law for the wine and alcoholic beverages

Registration of food – producing enterprises

Authority	<ol style="list-style-type: none"> 1. Regional office of the Regional Inspection for Preservation and Control of the Public Health (RIPCPH) at the Ministry of Health 2. Regional office of the Veterinary Supervision at the Ministry of Agriculture and Forestry
Required documents	<p>The RIPCPH registers the sites of production of foodstuffs of non-animal origin and of the trading places of foodstuffs, with exception of the wholesale trading places for foods of animal origin. The regional veterinary office registers the sites for obtaining, production, processing, storing, packing and re-packing of raw materials and foodstuffs of animal origin, as well as the sites of wholesale trade of foodstuffs of animal origin. In order to register the persons file an application form, accompanied by:</p> <ol style="list-style-type: none"> 1. Certificate for actual state of the applicant 2. A list of the groups of foodstuffs or meals to be produced or sold on the establishment
Timeframe	30 days for inspection of the documents and 15 days for completing the registration
Legal framework	Law for the Foodstuffs

Production and trade of animal foods

Authority	National grain and feed service at the Ministry of Agriculture and Forestry
Required documents	<p>1. The individuals and the corporate bodies producing and/or trading with products or substances designated for animal food must register at the National grain and feed service before the start of the activity.</p> <p>The registration is made upon submitting an application to the National grain and feed service</p> <p>2. The individuals and the corporate bodies producing and/or trading with particular fodder (Art. 15 para.2 from the law for the Fodder) must be approved by the National grain and feed service</p> <p>The approval is made upon submitting an application to the National grain and feed service</p>
Timeframe	<ol style="list-style-type: none"> 1. 15 days for registration 2. Administrative decision (approval/rejection) up to 6 months
Legal framework	Law for the Fodder

COMPETITION, PARTNERS, suppliers

Top companies in the Food & Beverage industry

Company (city)	Branch	Net sales 2006, EUR m	Number of Employees (year)
Nestle Bulgaria (Sofia)	Cocoa, chocolate and sugar	93,086	1,484 (2006)
Sugar Plants (Gorna Oryahovitsa)	Sugar	51,422	642 (2006)
Kraft Foods Bulgaria (Svoje)	Cocoa, chocolate and sugar confectionary	n.a.	688 (2006)
Chipita Bulgaria (Kazichene)	Bread, fresh pastry goods and cakes	47,026	662 (2006)
Amylum Bulgaria (Razgrad)	Starches and starch products	n.a.	198 (2004)
Meat Factory-Lovech (Lovech)	Meat and poultry meat products	32,139	485 (2004)
Danone Serdika (Sofia)	Dairy products	31,575	385 (2006)
Kaliakra (Dobrich)	Refined oils and fats	n.a.	204 (2007)
Gradus-1 (Panagyurishte)	Poultry meat	n.a.	338 (2006)
Sugar (Stara Zagora)	Sugar	22,023	n.a.
United Milk Company (Plovdiv)	Dairy products	21,978	369 (2006)
Brezovo (Brezovo)	Meat and poultry meat products	21,146	n.a.
Sofia Mel (Sofia)	Grain mill products	20,610	195 (2005)
Agrima (Sofia)	Mineral water and soft drinks	19,582	621 (2004)
Vitagrain BG (Sofia)	Refined oils and fats	18,977	n.a.
My Day (Sofia)	Dairy products	18,848	238 (2006)
Domain Menada (Stara Zagora)	Wine	17,550	180 (2004)
Biser-Oliva (Stara Zagora)	Refined oils and fats	n.a.	178 (2004)
Devin (Devin)	Mineral water bottling	15,420	181 (2004)
Day and Night (Gorna Oryahovitsa)	Rusks, biscuits, preserved pastry and cakes	14,902	409 (2004)
Chipita Foods Bulgaria (Elin Pelin)	Bread, fresh pastry goods and cakes	13,231	148 (2004)
Galus 2004 (Sofia)	Meat and poultry meat	12,469	n.a.
Fama (Varna)	Dairy products	12,370	400 (2007)
Bravo (Sofia)	Meat and poultry meat	11,705	183 (2004)
Ptitseklanitsa (Dobrich)	Poultry meat	11,327	258 (2006)

COMPETITION, PARTNERS, suppliers

Top beer, wine and spirits producers

Company	Activity	Net sales, EUR m (year)	Number of employees (year)
Kamenitza (Sofia)	Beer production	n.a.	687 (2006)
Zagorka (Stara Zagora)	Beer production	48,013 (2005)	504 (2006)
Carlsberg Bulgaria (Sofia)	Beer production	26,783 (2005)	565 (2004)
Boliarka VT (Veliko Tarnovo)	Beer production	11,742 (2004)	341 (2004)
Vinex Slavyantsi (Slavyantzi)	Wine production	10,899 (2005)	250 (2005)
LVK-Vinprom (Targovishte)	Wine production	9,022 (2004)	332 (2004)
Domaine Boyar (Sofia)	Wine production	8,633 (2006)	266 (2005)
Vini (Sliven)	Wine production	n.a.	324 (2004)
Vinprom-Peshtera (Plovdiv)	Distilled potable alcoholic beverages	n.a.	634 (2004)
SIS Industries (Sofia)	Spirits production	7,196 (2006)	571 (2004)

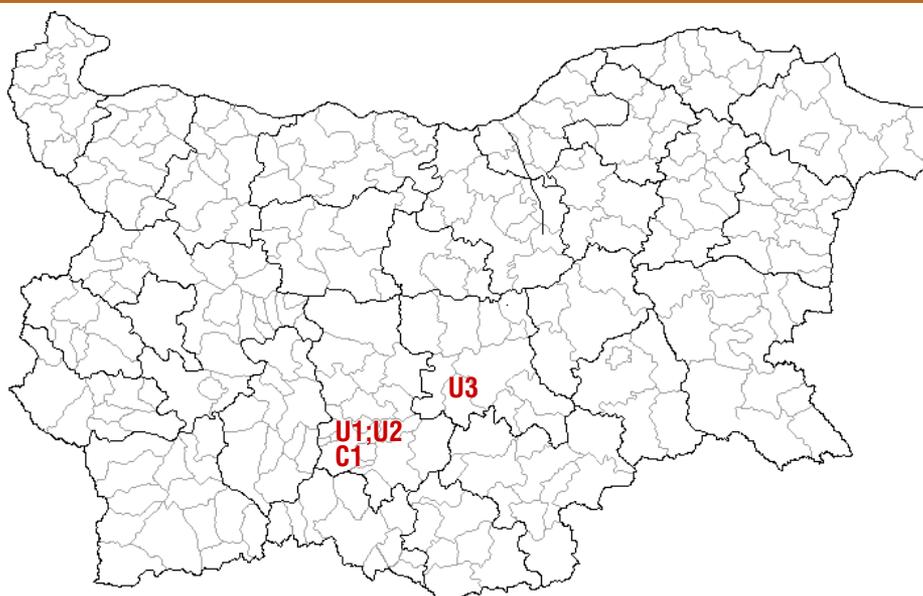
Top companies in agriculture

Company	Activity	Net sales EUR m (year)	Number of employees (year)
Viand (Sofia)	Growing of crops, farming of animals	29,181 (2006)	50 (2004)
Gradus - Ivan Angelov-55 (Panagyurishte)	Farming of poultry	19,535 (2004)	204 (2004)
Eggs and Chicken Company - Zora (Donchevo)	Poultry and eggs	7,581 (2004)	385 (2004)

Source: Bulgarian Industrial Association

Worth knowing

Educated workforce



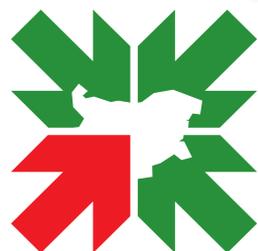
	University / College	Location	Majors (sector related)
U1	University of Food Technologies www.uft-plovdiv.bg	Plovdiv	Technology of wine and beer, Technology of grain, fodder, bread and pastry products, Technology of milk and milk products, Canning and refrigeration technology, Technology of meat, fish and egg products, Technology of tobacco and tobacco products, Technology of sugar, sugar products, starch and starch hydrolysates, Technology of vegetable and essential oils, perfumery and cosmetics, Analysis and control of food products, Biotechnology, Refrigeration and ventilation technologies, Packaging and packaging technologies for the F&B industry and biotech, Environmental protection in the F&B industry
U2	Agricultural University www.au-plovdiv.bg	Plovdiv	General Agronomy, Animal Breeding and Husbandry, Agronomy – Horticulture with Viticulture, Agro-engineering, Agricultural Economics Tropical and Subtropical Agriculture, Plant Protection, Plant Biotechnologies, Environmental Protection
U3	Trakia University www.uni-sz.bg	Stara Zagora	Faculty of Agriculture, Faculty of Veterinary Medicine, Bulgarian-German Agricultural College Animal Breeding: Agronomy, Agrarian Economy, Agrarian engineering, Environmental Protection
C1	Agricultural College www.agricollege.com	Plovdiv	Technologies in horticulture and wine production, Agrarian economy, Farming

Sector-related exhibitions in Bulgaria

Exhibition	Location (City)	Dates	Frequency	For more info
EXCHANGE FOR SEEDS AND SEEDLINGS (International Specialized Exhibition)	Dobrich Fair (Dobrich)	05 - 09 Feb 2008	Annual	www.dobrich-fair.com
APICULTURE (International Exhibition-Contracting)	Partners Expo (Pleven)	08 - 10 Feb 2008	Annual	www.partners-expo.com
AGRA (International agricultural exhibition)	Plovdiv International Fair (Plovdiv)	09 - 23 Feb 2008	Annual	www.fair.bg
VINARIA (International exhibition of vine-growing & wine producing; national wine & spirits tasting)	Plovdiv International Fair (Plovdiv)	26 – 29 Mar 2008	Annual	www.fair.bg
APICULTURE MANIA	Dobrich Fair (Dobrich)	04 - 06 Apr 2008	-	www.dobrich-fair.com
INTERNATIONAL CONSUMER GOODS & TECHNOLOGIES FAIR	Plovdiv International Fair (Plovdiv)	12 - 17 May 2008	Annual	www.fair.bg
FOODTECH (International exhibition of food products and technologies)	Plovdiv International Fair (Plovdiv)	12 - 17 May 2008	Annual	www.fair.bg
EXHIBITION OF BULGARIAN MUNICIPALITIES	Plovdiv International Fair (Plovdiv)	12 - 17 May 2008	Annual	www.fair.bg
THE AGRICULTURE AND EVERYTHING FOR IT (International Specialized Exhibition)	Dobrich Fair (Dobrich)	28 Aug - 01 Sep 2008	Annual	www.dobrich-fair.com
AGROVET (International Specialized Exhibition)	Dobrich Fair (Dobrich)	28 Aug - 01 Sep 2008	-	www.dobrich-fair.com
BULPEK (International exhibition for bakery and confectionery)	Inter Expo and Congress Center (Sofia)	19 - 22 Nov 2008	Annual	www.bulgarreklama.com
INTERFOOD & DRINK (Food products and beverages)	Inter Expo and Congress Center (Sofia)	19 - 22 Nov 2008	Annual	www.bulgarreklama.com
THE WORLD OF MILK (Milk products and specialized equipment)	Inter Expo and Congress Center (Sofia)	19 - 22 Nov 2008	Annual	www.bulgarreklama.com
SALON De VIN (Wines, spirits and accessories for wine and spirits)	Inter Expo and Congress Center (Sofia)	19 - 22 Nov 2008	Annual	www.bulgarreklama.com
MEATMANIA (Meat products and delicacies)	Inter Expo and Congress Center (Sofia)	19 - 22 Nov 2008	Annual	www.bulgarreklama.com

USEFUL contacts

Organization	Phone (+359 2)	Web site
Ministry of Agriculture and Food Supply	985 11 199	www.mzp.government.bg
Ministry of Economy and Energy	940 71	www.mee.government.bg
Ministry of Finance	985 91	www.minfin.bg
National Agricultural Advisory Service	917 60 60	www.naas.government.bg
State Fund Agriculture	818 71 13	www.dfbz.bg
Executive Agency on Vine and Wine	970 81 11	www.eavw.com
Bulgarian Association of Agricultural Producers	951 62 65	www.azpb.org
Bulgarian Association of Food and Drink Industry	952 09 89	www.bafdi.com
Association of Meat Processing Enterprises in Bulgaria	870 90 66	www.amb.dir.bg
Federation of Bread Producers and Confectioners in Bulgaria	963 31 59	www.fbcb-bg.org
Branch Chamber of Industrial Bread Producers and Confectioners	969 80 59	www.bread-industrial.org
Bulgarian Poultry Union	931 09 58	www.bpu-bg.org
Bulgarian Soft Drinks Association	983 24 22	www.bsda-bg.org
Union of the Processors of Fruit and Vegetables	987 47 43	www.org-bg.net
Union of Sugar and Sugar Products Producers	824 89 69	www.uspp.com
Oilseed Oil Producers Association Bulgaria	989 24 08	www.sunoil-bg.org
Union of Combined Fodder Producers	952 12 58	n.a.
Union of Bulgarian Millers	936 79 25	www.ubm-bg.org
Association of Fish Products Producers	981 75 89	www.bgfish.com
Union of Canned Food Producers	978 33 14	n.a.
Association of Dairy Processors in Bulgaria	953 27 23	www.milkbg.org
Bulgarian Pig Breeders Association	(+359 54) 65 268	n.a.
National Federation of Cattle Breeders	(+359 82) 821 182	n.a.
National Association of Water Buffalo Breeders	(+359 54) 628 72	n.a.
Association for Breeding Indigenous Breeds in Bulgaria	(+359 335) 95 653	www.abibbg.com
National Branch Association for Apiculture	401 06 10	http://nbps.press.bg
National Association on Rabbit Breeding	(+359 64) 838 203	n.a.
Bulgarian Association of Herb and Mushroom Gatherers	986 28 16	www.babg.net
Association of Food Processing Machine-Building Companies	(+359 42) 643 159	www.szeda.bg/clients/fpmb.html
National Vine and Wine Chamber	981 16 74	www.bulgarianwines.org
National Wine and Alcoholic Drinks Research Institute	818 49 50	www.wineinbg.org
Union of Brewers in Bulgaria	986 50 90	www.bia-bg.com/bia/branch/brewers.htm
State Committee on Commodity Exchange & Wholesale Markets	970 60 37	www.dksbt.bg



InvestBulgaria
Agency

Other Non-metallic Mineral Products

WHY Bulgaria?

Booming construction industry

Availability of mineral resources

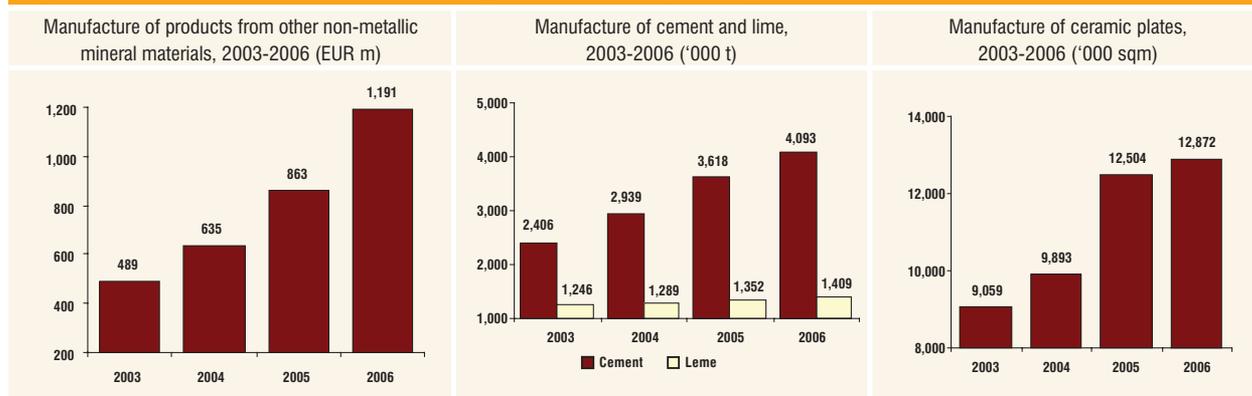
Highly-qualified and experienced work force

Competitive labor productivity and cost

Low operational costs

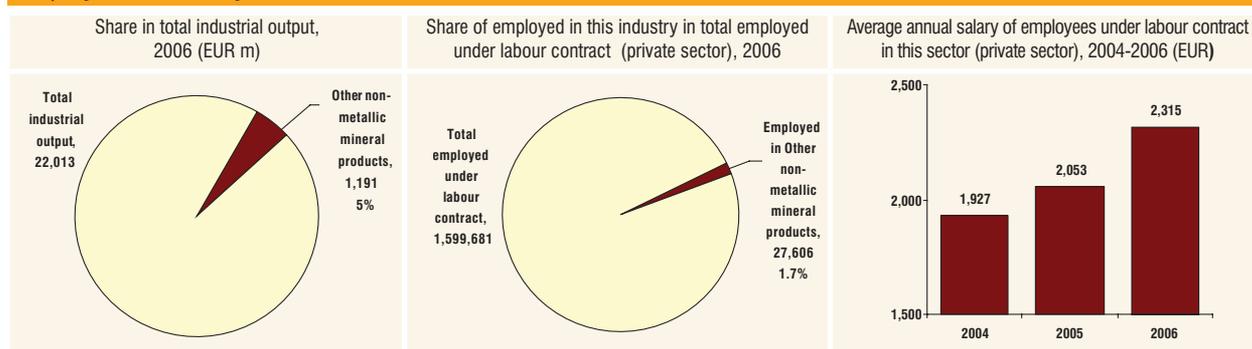
OTHER NON-METALLIC MINERAL PRODUCTS SECTOR **Fact sheet**

Significance of Other non-metallic mineral products industry in Bulgaria



Source: National Statistics Institute

Employed and Salary



Sources: National Statistics Institute

Success stories

Devnya Cement

- Italcementi Group (Italy) entered the Bulgarian market in 1998
- Acquired Devnya Cement in 1998 and Vulkan Cement in 1999 upon privatization
- One of the biggest foreign investors in Bulgaria for the last 20 years
- Leader on the Bulgarian market with annual production capacity of 2.5 mln t of cement
- Annual export of 1m t to EU and USA, i.e. over 90% of Bulgaria's total cement exports
- First-class investment certificate 2007-2009 for total investment of EUR 185 mln for the period
- Employees – 501 (2007)

Drujba Glass

- Yioula Glassworks (Greece) bought glass producer Stind in Sofia city in 1997, and in 1998 – Drujba in Plovdiv city
- Leading producer of glass bottles and jars for the food and beverage industry
- 13th place in the country for net sales 2006 – EUR 101 mln
- More than half of the produce is exported to Balkan and West-European countries
- Production is aimed to increase by 20% thanks to current modernization due in early 2008
- Investments in production since 2000 – EUR 170 mln
- Employees – 724 (2006)

Trakya Glass

- Sisecam Group – one of the leading industrial groups in Turkey
- On the Bulgarian market since 2005
- Manufacture of flat glass, processed glass, glassware and mirrors near Targovishte
- Over USD 220 million invested so far
- First-class investment certificate 2004-2006 with government aid for infrastructure
- Biggest glass furnace on the Balkans
- 80% of sales revenue – from export to about 40 countries
- Own local and international distribution network with own fleet of glass transportation trucks
- Employees – 1024 (2007)

Knauf Bulgaria

- Knauf (Austria) is in Bulgaria since 1997
- The company owns gypsum plasterboard factory in Vidin
- Annual capacity – about 8 mln sq.m. of plasterboard
- 90% of the output is exported to EU countries
- First-class investment certificate 2007-2008 for total investment of EUR 62 mln
- Planned greenfield construction of plasterboard factory in Galabovo, which will create about 100 direct and 150 indirect workplaces

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Latest Deals			
Expansion	Roefix (Austria)	Opening of production unit for dry building mixtures in Septemvri, capacity – 30 000 t p.a.	2.0
Expansion	Drujba Glass Works (Yioula Glassworks – Greece)	Increase of production capacity of Plovdiv plant	12.0
ZSK-Kremikovtsi	Holcim (Switzerland)	Regulatory approval for acquisition of 90.42% share	n.a.
Greenfield	Tehnogips (Balkanstroy, Bulgaria))	Building a production unit for gypsum plasterboard near TEC Maritsa-East 2	40.0
Greenfield	Gips (Koshava, Bulgaria)	Launch of production lines for building materials based on cement and gypsum in Koshava	1.5
Sellout	American Standard Bulgaria (USA)	Sellout of bath and kitchen unit in Sevlievo to Ideal Standard International (Bain Capital Partners)	n.a.
Han Asparuh	Advent International Corp (USA)	Regulatory approval for takeover; plans to first develop KAI Group, then cash out	n.a.
Greenfield	Wienerberger Bulgaria (Austria)	Launch of modernized brick plant near Lukovit	25.0
Greenfield	Trakya Glass (Sisecam – Turkey)	Launch of third plant near Targovishte, for glassware and mirrors	n.a.
Concession	Gravel-and-sand Pits (Titan Cement – Greece)	Extraction of gravel and sand from 350dka near Mramor village for 20 years	n.a.
Modernization	Devnya Cement (Italy)	2007-2009 to invest EUR 185 mln under First-class investment certificate	185.0
Greenfield	Kanuf Bulgaria (Austria)	Building a plasterboard factory in Galabovo under First-class investment certificate 2007-2008	62.0
Greenfield	Keros Bulgaria (Spain)	Building a ceramic tiles plant in Ruse	29.0
Greenfield	Saint-Gobain Construction Products Bulgaria (France)	Building a plasterboard factory in Galabovo under First-class investment certificate, to open in 2010	100.0
Expansion	Roca Bulgaria (Spain)	New plant Kaspichan2, both plants to reach 1.5m units p.a.	15.0
Expansion	Drujba Glass Works (Yioula Glassworks – Greece)	Plovdiv plant to build a second new unit and expand production till mid 2008	n.a.
Modernization	Terra 2000	Modernization of bricks and ceramic products plant in Cherven Bryag	9.0
Modernization	Wienerberger Bulgaria (Austria)	EBRD finance for reconstruction and modernization of brick plant near Lukovit	6.75
Greenfield	Trakya Glass (Sisecam – Turkey)	Building of fourth plant near Targovishte for auto glass	
Modernization	Ideal Standard Bulgaria (USA)	Increase of the quality of the produced output	3.0
Greenfield	Saint-Gobain Weber (France and Germany)	Building a plant for production of 100 000 t/year of dry construction materials and paste-like coatings in Kostinbrod (Sofia)	7.0

Legal

Legal procedures -Concession

Public state property and public municipal property concessions.

Legal grounds Constitution of the Republic of Bulgaria; The Concession Act and the Rules for its Implementation

Legal definition - The Concessions Act 2006 defines concession as a right of operation of a site of public interest, provided by a concession grantor to a merchant - concession holder against the obligation of the latter to construct and/or manage and maintain that site at its own risk. Concession is granted on the grounds of a long-term written agreement between the concession holder and the concession grantor.

Depending on the subject of the concession, the Concessions Act 2006 distinguishes three types of concessions,

- 1.concession for construction
- 2.concession for service
- 3.concession for extraction.

Authority - Council of Ministers, respectively Municipal Council

Objects of concession

For “state concession”: 1. Extraction of underground resources; 2. The sea waterfront; 3. The biological, mineral and energy resources of the continental shelf and in the exclusive economic zone, in reference to exploration, development, production, utilization thereof; 4. The republican roads, sites of the railway infrastructure, including the land on which they are constructed or designated for their construction one or more terminals of a port for public transport of national importance, and in cases determined by a law – on parts of a port terminal and civil airdromes for public use, existing and/or to be constructed with resources of the concessionaire, public state property; 5. The waters, including mineral waters; 6. The water supply facilities and systems and etc.

For “municipal concession” – public municipal property such as waters, water sites and water facilities; underground resources; municipal roads; forests; energy networks and facilities; sport sites and facilities, etc.

Main steps of the procedure

1. Undertaking of preparatory measures by the competent minister as specified by the law/ the respective mayor; 2. Adoption of a resolution for granting of concession by the Council of Ministers on justified proposal by the respective Minister/ by the Municipal Council on mayor’s proposal; 3. Promulgation of the resolution in the State Gazette, entry into the National Concessions Registry and announcement for the procedure published in the mass media and/or in the Internet; 4. Carrying out of a one of the competitive procedures for granting a concession - open procedure, limited procedure (electronic auction as a supplementary procedure to the open or limited procedure) and competitive dialogue; 5. Conclusion of a Concession agreement with the candidate placed first after the procedure.

Required documents

The application for participation concession procedure has to be accompanied by:

1. Certificate for registration of the participant as merchant and registration at professional register (if required by the national law of the applicant); 2. Documents certifying the prior experience in activities similar to those performed through the object of the concession, as well as possession of necessary licenses/permits for the performance of the relevant activities in accordance with the national law of the applicant; 3. Declaration stating the contracts implemented or in process of implementation over the past 5 years, having a subject identical or similar to the object of the concession, and/or; 4. A description of technical facilities and the abilities to assure high quality implementation of the concession agreement, and/or; 5. List of persons with technical competence, including those who will be responsible for the quality of the implementation of the concession agreement, and/or; 6. Quality management or environment protection certificates, and/or; 7. Documents, certifying the educational and professional qualification of the managerial staff, who will be responsible for the implementation of activities under the concession agreement, and/or; 8. In case of a public works concession, data regarding technical manpower (own or hired), who will participate in the implementation of construction works; 9. The annual financial reports for the last 3 years; 10. Certificate of Good Standing; 11. Certificate for lack of outstanding liabilities to the State/municipality; 12. Other documents, specified in the announcement for granting of a concession. Granting of concession for utilization of property and r

Specific legislation applies in the different sectors for the different types of property and activities in respect of which a concession could be granted:

The Underground Resources Act 1999, the Waters Act 1999, the Forests Act 1997, the Civil Aviation Act 1972, the Railway Transport Act 2000, the Sea Waters, Inland Waterways and Ports of the Republic of Bulgaria Act 2000, the Roads Act 2000 and the Fishery and Aqua Activities Act 2001.

Concession granted under The Underground Resources Act 1999

Legal grounds - The Underground Resources Act 1999

Authority - Council of Ministers, Municipal Council, The Minister of environment and waters, The Minister of Economy and Energy, Minister of regional development and public works.

Objects of the concession - metal mineral resources; non-metal mineral resources; industrial minerals; oil and gas; solid fuels; building materials; facing-stone materials; precious and semiprecious stones; manufacture technological waste from the mining, extraction and processing industries, which is not property of natural or legal persons.

Description of the procedure

Granting of concession for extraction of underground resources

Concessions for extraction of underground resources are granted following a competitive procedure (tender or action) under the terms of the Underground Resources Act 1999 (URA). There is an exception, stipulated by the said Act where an extraction concession can be granted without holding a competitive procedure, to a person or entity, which has obtained a permit for prospecting and exploration or for exploration only, of underground resources, in case that he (it) makes a discovery of deposit of underground resources during the term, and within the area, for which the permit has been granted to him (it), and which discovery qualifies as a “commercial discovery” within the meaning of the URA - this person or entity has registered commercial discovery under the terms of the URA, has received a certificate of the commercial discovery made under the terms of the URA, and has requested in writing the granting of a concession for extraction of underground resources within 6 months of obtaining the above mentioned certificate.

A concession for extraction of underground resources under URA is granted for a term of up to 35 years, with a possibility for extension of the concession with up to 15 years in compliance with the terms of the concession agreement.

Fees

The fees for concession for extraction of underground resources under URA are determined according to principles and methodology set forth in Regulation on the Principles and Methodology for Determination of the Concession Fee for Extraction of Underground Resources pursuant to the Underground Resources Act 1999.

COMPETITION AND partners

Cement and concrete

Company	Activity	Net sales 2006, (EUR m)	Number of employees (year)
Devnya Cement (Devnya)	Cement	77,875 (2005)	373 (2004)
Titan Cement (Zlatna Panega)	Cement	n.a.	458 (2004)
Holcim (Bell Izvor)	Cement	n.a.	n.a.
Sofstroy (Sofia)	Ready-mixed concrete	10,723	131 (2006)
Zlatna Panega Beton (Sofia)	Ready-mixed concrete	9,871	29 (2004)
Ecoconcrete and Lime Solutions (Sofia)	Ready-mixed concrete	9,569	30 (2004)
Bonstroy (Sofia)	Concrete products for construction purposes	8,656	14 (2004)
Transport Story (Sofia)	Ready-mixed concrete	8,243	46 (2006)
Auto-ET-Evgeni Troliev (Sofia)	Ready-mixed concrete	7,718	69 (2004)
ZSK-Kremikovtsi (Sofia)	Concrete products for construction purposes	7,092	190 (2006)
Hydrobeton (Kazichene)	Ready-mixed concrete	6,319	35 (2006)
Beton Kontrakt (Sofia)	Ready-mixed concrete	5,825	n.a.
Ekon (Sofia)	Ready-mixed concrete	5,031	37 (2004)
Komars (Plovdiv)	Ready-mixed concrete	4,053	114 (2004)
Relix Vibro (Sofia)	Concrete products for construction purposes	3,930	73 (2004)

Glass

Company	Activity	Net sales 2006, (EUR m)	Number of employees (year)
Drujba Glass Works (Sofia)	Hollow glass	86,656	724 (2006)
Trakia Glass Bulgaria (Targovishte)	Shaping and processing of flat glass	79,389	1,024 (2007)
Rubin (Pleven)	Hollow glass	n.a.	692 (2006)
Kristian-Nejiko-90 (Sofia)	Other glass, including technical glassware	13,170	67 (2004)
Intrading (Sofia)	Other glass, including technical glassware	0,827	58 (2004)

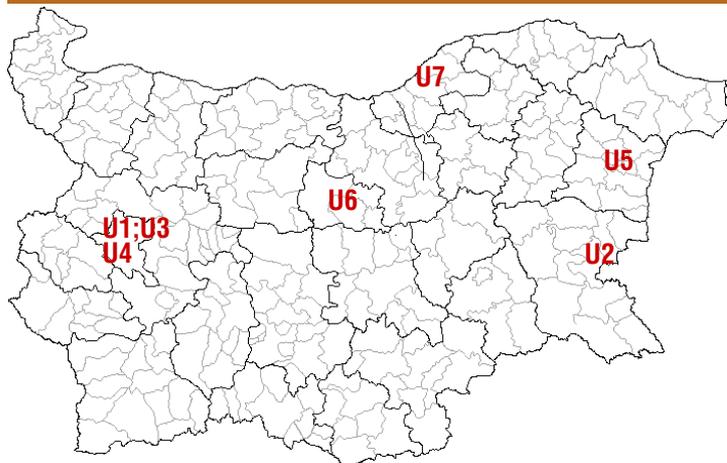
Ceramic products

Company	Activity	Net sales 2006, (EUR m)	Number of employees (year)
Ideal Standard Bulgaria (Sevlievo)	Ceramic sanitary fixtures	43,914 (2005)	1,528 (2006)
Han Omurtag (Sofia)	Ceramic tiles and flags	20,969	165 (2004)
Roca Bulgaria (Kaspichan)	Ceramic sanitary fixtures	11,168 (2005)	350 (2006)
Polysan (Ruse)	Refractory ceramic products	8,994	41 (2004)
Ceramengineering (Sofia)	Bricks, tiles and construction products, in baked clay	5,757	421 (2004)
Ceramic Invest (Montana)	Other ceramic products	4,287	n.a.
Shamot (Elin Pelin)	Refractory ceramic products	4,082	207 (2006)
Unexco (Sofia)	Other technical ceramic products	3,748	n.a.
Trud (Ruse)	Refractory ceramic products	3,336	249 (2004)
Ceramics (Sofia)	Ceramic sanitary fixtures	3,026	n.a.
Ceramat (Kaspichan)	Bricks, tiles and construction products, in baked clay	2,774 (2005)	248 (2004)
Wienerberger (Sofia)	Bricks, tiles and construction products, in baked clay	2,452	n.a.
International Composit BG (Krustendil)	Ceramic sanitary fixtures	2,037	159 (2006)
Stroyceramic-Montana (Montana)	Bricks, tiles and construction products, in baked clay	1,369	84 (2004)
Profile Technology (Sofia)	Bricks, tiles and construction products, in baked clay	0,954	80 (2004)

Source: Bulgarian Industrial Association

Worth knowing

Educated workforce



	University / College	Location	Majors
U1	University of Chemical Technology and Metallurgy www.uctm.edu	Sofia	Organic chemical technologies, Inorganic chemical technologies, Engineering technology and environmental protection, Automatic and information technologies, Biotechnologies, Chemical engineering (also in German), Industrial management, Metallurgy and Materials science
U2	Bourgas Prof. Assen Zlatarov University www.btu.bg	Bourgas	Organic chemical technologies, Inorganic chemical technologies, Chemical engineering, Material Science and technology, Biotechnologies, Ecology and protection of the environment, and Chemistry
U3	University of Mining and Geology www.mgu.bg	Sofia	Automation, information and controlling equipment, Computer technologies in engineering, Flotation and recycling of raw materials, Underground construction, Development of minerals and ores, Industrial Management, Biotechnologies, Geology and geoinformatics, Geology and querying for mineral and energy resources, Ecology and environmental protection, Applied geophysics
U4	Technical University Sofia www.tu-sofia.bg	Sofia	Automatics; Electronic Engineering and Technology; Mechanical Engineering; Machine Technology
U5	Technical University of Varna www.tu-varna.bg	Varna	Electronic Engineering and Microelectronics, Automation of manufacturing - Digital Signal Processing
U6	Technical University Gabrovo www.tugab.bg	Gabrovo	Automation, information and control systems, Electronics, Equipment and technologies for environment protection, Hydraulic and pneumatic engineering, Industrial engineering
U7	Russe University www.ru.acad.bg	Russe	Machine Tools & Manufacturing, Technical Mechanics, Electronic technique and technologies, Automation of production

Sector-related exhibitions and conferences

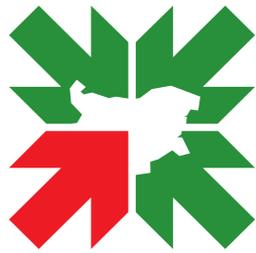
Exhibition Name	Location (City)	Dates	Frequency	For more info
Bulgaria Building Week International Specialized Exhibition	International Expo Center	11 – 15 Mar 2008	Annually	bbw.bulgarreklama.com
Stroiko 2000 Architecture, construction and furnishing	NDK National Palace of Culture (Sofia)	26 Mar – 01 Apr 2008	Biannually	www.stroiko2000.com
Forum MTM Machines, Technologies, Materials	Inter Expo Center (Sofia)	26 – 30 Mar 2008	Annually	www.bulgarreklama.com
International Consumer Goods and Technologies Fair	Plovdiv International Fair (Plovdiv)	12 – 17 May 2008	Annually	www.fair.bg
Exhibition of the Municipalities in Bulgaria	Plovdiv International Fair (Plovdiv)	12 – 17 May 2008	Annually	www.fair.bg
International Technical Fair	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annually	www.fair.bg
Stroytech International Exhibition of Building Materials and Technologies	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annually	www.fair.bg
Stroiko 2000 Architecture, construction and furnishing	NDK National Palace of Culture (Sofia)	15 – 21 Oct 2008	Biannually	www.stroiko2000.com

USEFUL contacts

Organization	Phone (+359 2)	Web site
Bulgarian Association of Cement Industry	981 22 96	bacibg.org
Association of Producers of Concrete	n.a	n.a
Association of Producers of Dry Construction Mixtures	971 34 11	www.spsss.net
Association of Traders in Construction Materials	850 60 60	www.at-sm-bg.com
Bulgarian Chamber of Mining and Geology	822 93 73	www.bmc-bg.org
Bulgarian Construction Chamber	80 62 91	www.ksb.bg

Web site

www.stroitelstvo.bg
www.stroitelstvo.info



InvestBulgaria
Agency

Medical & Pharma Sector

WHY Bulgaria?

Opportunities for production of low-priced generics in the country due to low manufacturing costs

Expensive surgical operations can be successfully and costly carried out in Bulgaria

High growth potential of the pharmaceutical and medical equipment markets (15-20% per year)

Opportunities for carrying out Dental tourism, already successfully explored in Central Europe, due to existing high quality and price competitiveness of dental services in the country

Though the major local pharma companies have already been acquired by foreign players, there are still opportunities for acquisition of some of them in order to gain a foothold or bolster existing presence in the region

Opportunities for carrying out repackaging and re-labeling of pharmaceuticals/medical devices

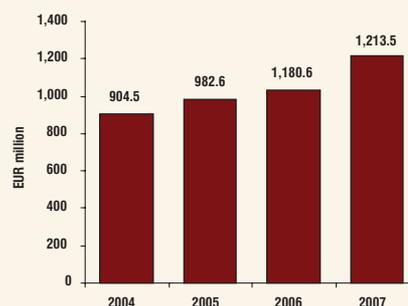
MEDICAL/PHARMA Fact sheet

Healthcare

About healthcare in Bulgaria

- One of the first countries in Europe and the world to institutionalize drug regulation and control;
- 36.6 doctors and 8.5 dentists per 10,000 people in Bulgaria;
- 4,140 pharmacies countrywide - Approximately 1,800 customers per pharmacy
- Approximately 7,000 certified dentists;
- About 4,000 dental offices and 500 dental labs throughout the country;
- 1,179 patients per dentist; 273 patients per doctor
- About 150 foreign companies are operating on the Bulgarian market for dental and dental laboratory equipment, tools, instruments, consumables and services.
- Bulgaria's drug market grew by 11.8% (731 million euro) in value in 2007 driven by a 12.5% rise in sales in pharmacies
- Sales volume rose by 8.0% to 243.8 million packages
- Sales of non-prescription, or over-the-counter (OTC), medicines grew by 19.3% in value in 2007 to 157 million EUR, 103 million packages were sold, up 8.5%.

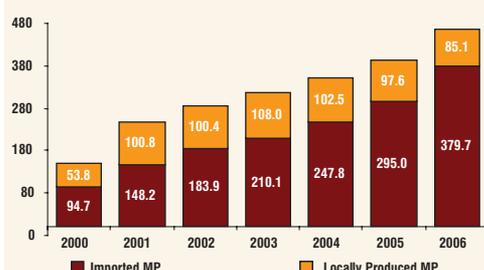
Public expenditures for healthcare (EUR m)



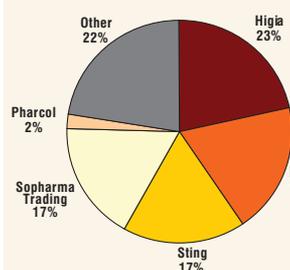
Source: NSI, Ministry of Finance

Pharmaceuticals, medical equipment and devices

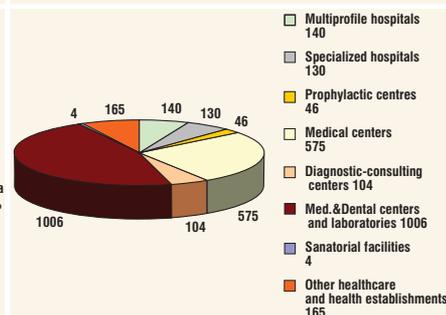
Consumption of Medicinal Products (MP) in Bulgaria (EUR million)



Wholesale drug distribution market shares, 2007



Medical and health institutions



Sources: Bulgarian Drug Agency, NSI

Case studies

Sopharma Pharmaceuticals (Bulgaria)

15 production facilities in Bulgaria and in the region

- Product portfolio of over 250 products - 25% self developed phyto products, 65% branded generics and 10% generic products in different forms: tablets, ampoules, unguents, capsules, syrups, suppositories etc.
- Sopharma Group provides over 3,600 working places
- Operates on the markets of 28 countries Russia and Ukraine being the largest export markets
- 2007 sales reached 158 million BGN and net profit is over 30 million BGN, export sales 58%/domestic sales 42%
- Planned capital investments of over 90 million BGN in 2008-2009: new state of the art tablet facility that will double the capacity of the tablet production and a new fully automated warehouse to serve the retail market
- Two acquisitions abroad in the last six months: Ukraine and Serbia
- Sopharma Pharmaceuticals is a public company traded on the Bulgarian Stock Exchange and is third by market capitalization

Actavis (Iceland)

- Actavis Group (former Pharmaco) operates in over 40 countries and employs over 11,000 people
- Actavis in Bulgaria is one of the largest companies within Actavis Group and the biggest in Bulgaria
- The company operates 3 companies in Bulgaria – Actavis EAD, Actavis Operations EOOD and Higia EAD
- Higia EAD is one of the largest pharmaceutical distributors on the Bulgarian market acquired by Actavis in end 2005
- Actavis EAD is headquartered in Sofia and operates 3 manufacturing plants in Dupnitsa, Troyan and Razgrad
- The Bulgarian subsidiary presents over 260 pharmaceutical products on the Bulgarian market covering most significant therapeutic classes for human use
- Actavis EAD is one of the biggest employers in Bulgaria, with over 2,100 employees

Tokushukai Medical Corp. (Japan)

Tokuda multi-functional high-tech hospital in Sofia

- Operational since end 2006
- Tokushukai's first hospital outside Japan
- Employs over 1,000 medical professionals
- 1,000 beds, 26 clinical departments, 18 surgery rooms
- Ultra-modern diagnostic center, state-of-the-art equipment
- Connection to long-distance consultation and therapy network systems in Japan

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Medica	Sopharma	Five-year contract to produce medicines under the Sopharma brand.	10.2
Natur Product Zdovit (Poland)	Sopharma	Set up a joint venture with Polish drug maker and distributor	n.a.
Olainfarm (Latvia) Vitamins(Ukraine)	Sopharma	Acquisition of 77% of Latvian pharmaceuticals producer Acquisition of 74% of Ukrainian pharmaceutical producer	undisclosed
Greenfield	GE Pharmaceuticals (Bulgarian -Austrian JV)	Open a drug packaging plant in Botevgrad	5.0
Biomedica	Elder Pharmaceuticals Ltd. (India)	Acquisition of 51% of Bulgarian Biomedica	5.0
Ivancic&Sons(Serbia)	Sopharma	Acquisition of 90% controlling stake in Serbian peer Ivancic & Sons.	Undisclosed
Zhejiang Chiral Medicine Chemicals (China)	Actavis	Actavis Group has acquired a 90% share in Zhejiang Chiral Medicine Chemicals Company	Undisclosed
Greenfield	Bulgarian Rose-Sevtopolis	Plant for production of pharmaceutical substances of floral origin in Kazanlak	2.6
Texan Medical Ltd and Polysol	Pregis Corporation (Germany)	Acquisition of 2 textile factories in Sandanski (Texan and Polysol) for production of disposable medical textile goods	Undisclosed
Greenfield	Chaikapharma	Pharmaceuticals repackaging plant	7.7
Greenfield	Doverie Obedinen Holding	Hospital construction and medical equipment supply	1.4
Greenfield	Sopharma	New pharmaceuticals plant in Sofia	30.0
Greenfield	Tokushukai Medical Corp. (Japan)	Construction of a multi-functional high-tech hospital	90.0
Greenfield	GlaxoSmithKline (UK)	Multi-Market Warehouse (distribution center with repackaging facility)	2.5
Intervet	Biovet	Buyout of feed additives business of the animal healthcare firm Intervet, part of Akzo Nobel	22.5
Actavis	Biovet	Acquisition of the veterinary drug production plant in Razgrad	Undisclosed

Legal

Pharmaceuticals manufacturing authorization

Competent authority	Bulgarian Drug Agency
Purpose	Starting production of pharmaceuticals
Requirements and conditions	<p>Required documents:</p> <ol style="list-style-type: none"> 1. Application form; 2. Name, headquarters and address of management of the person applying for permission; 3. Location of the premises for production, control and preservation of the pharmaceuticals; 4. List of the pharmaceuticals and forms that will be produced 5. Documents certifying the competence of the managers of the production and control over the quality in the enterprise; 6. Certificate for a court registration of the company or recordation in the commercial registry; 7. Environmental impact assessment of the production according to the Law on Environment Protection; 8. Permission for use of the premises for production, control and preservation, issued by the order of the Law of Spatial Planning or conclusion by the regional inspection for protection and control of the public health. <p>When the application refers to manufacturing of radiopharmaceuticals permission by the competent state authority for safe use of atomic energy for peace purposes is required. For manufacturing of narcotic substances and medical devices containing such substances the requirements of the Law for Control over the Narcotic Substances and Precursors have to be observed as well.</p>
Time frame	90 days
Cost (Fees)	BGN 15,000 for permit for production of pharmaceuticals BGN 1000 for producers executing different steps of the manufacturing process BGN 500 for license variations
Legal grounds (Laws and Regulations)	Law for Medical Products in Human Medicine Ordinance No.12/2001 on the Good Practices in Production of Pharmaceuticals, issued by the Minister of Health

Accreditation of medical establishments

Competent authority	The Minister of Health upon a proposal of the Accreditation Council Ad-hoc expert commission for valuation
Purpose	Conditions and procedure for implementation of accreditation of medical establishments
Requirements and conditions	<p>Any medical establishment has the obligation to start procedure for accreditation not later than 6 months after its registration or 3 months after significant changes in the services provided by the medical establishment. The director of the medical establishment with the approval of the Board of Director creates a medical board for self-valuation. The director files the approved report of the medical board to the Minister of Health in order to start the procedure for accreditation. The accreditation assessment of the carried out activities should be made for the period of one to five years.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Report of the medical board for self-valuation 2. Decision for implementation of the procedure for accreditation 3. Program for management and development of the medical establishment 4. List of the experts involved in valuation 5. List of the experts working at the medical establishment
Time frame	up to 180 days (up to 90 days for partial accreditation)
Cost (Fees)	The amount of the costs for accreditation is defined by an order of the Minister of Health. The amount should be paid at least 7 days before the start of the procedure. The amount should cover the expenses of the evaluation committee.
Legal grounds (Laws and Regulations)	Law for the Medical Establishments Ordinance No 18/20.06.2005 for the criteria, indicators and methods for accreditation of the medical establishments

Medical establishments for hospital care

Competent authority	Minister of Health
Purpose	Foundation and registration of medical establishments for hospital care
Requirements and conditions	<p>Prior registration as a trade partnership or cooperation required according to Bulgarian legislation. These partnerships or cooperation should perform hospital care activities only. The partnership or the cooperation files an application to the Minister of health in order to start to procedure for issuance a permit for carrying out activity.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Court decision for registration; certificate for current court registration; certificate for tax registration and the unified identification code. 2. The constituting act of the company or the co-operative and the regulations for the structure, activity and the internal order of the medical establishment 3. Certificate for entry in the register of the district college of the Bulgarian Physician's Union or the Union of the dentists in Bulgaria for the doctors and dentists who will manage, respectively work in the establishment 4. The permit for using the premises as medical establishment 5. The diploma for the respective higher education of the person managing the medical establishment. 6. Data about the members of the executive and control bodies. 7. The certificate by the district centre of health care in which region the medical establishment is located. <p>All medical establishments are subject to accreditation which is not a necessity for carrying out medical activities.</p>
Time frame	3 months
Cost (Fees)	BGN 5,000 – 50,000 depending on the type of trade partnership registered
Legal grounds (Laws and Regulations)	Law for the Medical Establishments Ordinance for the basic requirements to which the structure, activity and internal order of the hospital establishments, dispensaries and social welfare homes should correspond

Medical establishments for non-stationary care and hospices

Competent Authority	The respective regional center of health care on whose territory is located the medical establishment
Purpose	Registration of medical establishments for non-stationary care and hospices
Requirements and Conditions	<p>Prior registration as a trade partnership or cooperation required according to Bulgarian legislation. To start the procedure the legal entity files an application to the respective regional centre of health care on whose territory is located the medical establishment.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Court decision for registration; certificate for current court registration; certificate for tax registration and the unified identification code. 2. Management by a master-physician; diploma for proper education of the people involved in health care giving. 3. Certificate for entry in the register of the district college of the Bulgarian Physician's Union or the Union of the dentists in Bulgaria for the doctors and dentists who will manage, respectively work in the establishment 4. The permit for using the premises as medical establishment or a conclusion of the Regional Inspection for Protection and Control of the Public Health.
Time Frame	15 days (30 days if the respective regional center of health care issues a statement that additional document are required)
Costs (Fees)	BGN 5,000 - 50,000 depending on the type of trade partnership registered
Legal Grounds (Laws and Regulations)	Law for the Medical Establishments Ordinance for Keeping a Register of the Medical Establishments for Non-Stationary Care and Hospices

Marketing Authorisation

Competent Authority	Bulgarian Drug Agency
Purpose	Prerequisite for production, import, export and trade of pharmaceuticals in the country
Requirements and Conditions	<p>Required documents:</p> <ol style="list-style-type: none"> 1. Application form; 2. Registration dossier containing administrative, pharmaceutical, pharmacological – toxicological and clinical data, specified in regulation, issued by the Minister of Health (Regulation No 17/2001). The registration file should be presented in Bulgarian, English or Russian language. 3. For non-local producers have to be presented also: <ol style="list-style-type: none"> a) A certificate for the medicine product issued by the specialized state body for control over the medicines in the country of production certifying the compliance of the conditions of production, control and preservation with the requirements of the Good pharmaceuticals production practice; b) Marketing authorisations issued by the country of production; c) Information about other marketing authorisations.
Time Frame	Max 7 months
Costs (Fees)	BGN 200 – 3,800
Legal Grounds (Laws and Regulations)	Law for Medical Products in Human Medicine Ordinance No.27/2007 on the Requirements to the Documentation for Permitting Use of Pharmaceuticals, Issued by the Minister of Health Directive 2003/63/EU of the European Parliament and the Council

Wholesale Certificate

Competent Authority	The Minister of Health upon a proposal by the Bulgarian Drug Agency (BDA)
Purpose	Condition for wholesale of pharmaceuticals to other wholesale traders, pharmacies and drugstores and medical establishments.
Requirements and Conditions	<p>Bulgarian manufacturers need only manufacturing authorization for wholesale of the pharmaceuticals manufactured by them. To start the procedure the natural person/legal entity files an application to the BDA.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Storage premises; 2. Management by a master-pharmacist; 3. Prices should meet the requirements of the Ordinance on the Rules for Determination and Registration of Sale Prices for Pharmaceuticals (the Ordinance sets limited price for pharmaceuticals given with prescription by a physician and regime of price registration for pharmaceuticals given without prescription);
Time Frame	3 months
Costs (Fees)	BGN 5,000
Legal Grounds (Laws and Regulations)	Law for Medical Products in Human Medicine; Ordinance on the Rules for Determination and Registration of Sale Prices for Pharmaceuticals - 12/2007 Directive 2003/63/EU of the European Parliament and the Council

COMPETITION & partners

Top pharmaceutical companies

Company	Activity	Net sales (EUR '000)	Number of employees	Year
Sopharma (Sofia)	Pharmaceuticals and biotech	77,704	1,830	2006
Biovet (Peshtera)	Pharmaceuticals and food biotech, veterinary and human medicinal products	60,964	1,658	2006
Balkanpharma-Dupnitsa (Dupnitsa)	Pharmaceuticals and cosmetic products	59,180	1,161	2006
Actavis (Sofia)	Pharmaceuticals	51,779	2,800	2006
Elpharma (Sofia)	Pharmaceuticals	44,728	n.a.	2006
Aroma (Sofia)	Production of essential oils and medicines, perfumery and cosmetics	19,590	620	2006
Tchaikapharma (Varna)	Pharmaceuticals	8,906	200	2005
Unipharm (Sofia)	Solid and liquid drugs	7,075	200	2006
Bul Bio NCZPB (Sofia)	Human medicines and in-vitro diagnostic medicine products	4,609	313	2006
Vetprom (Radomir)	Veterinary and human medicinal products, synthetic substances, cosmetic goods	2,785	287	2005
Pharmaceutics Factories Milve	Pharmaceuticals	1,576	170	2005
Adipharm (Sofia)	Pharmaceuticals and food supplements	1,216	n.a.	2006
Pharma (Dupnitsa)	Production of drugs and chemical pharmaceutical preparations	1,089	165	2006

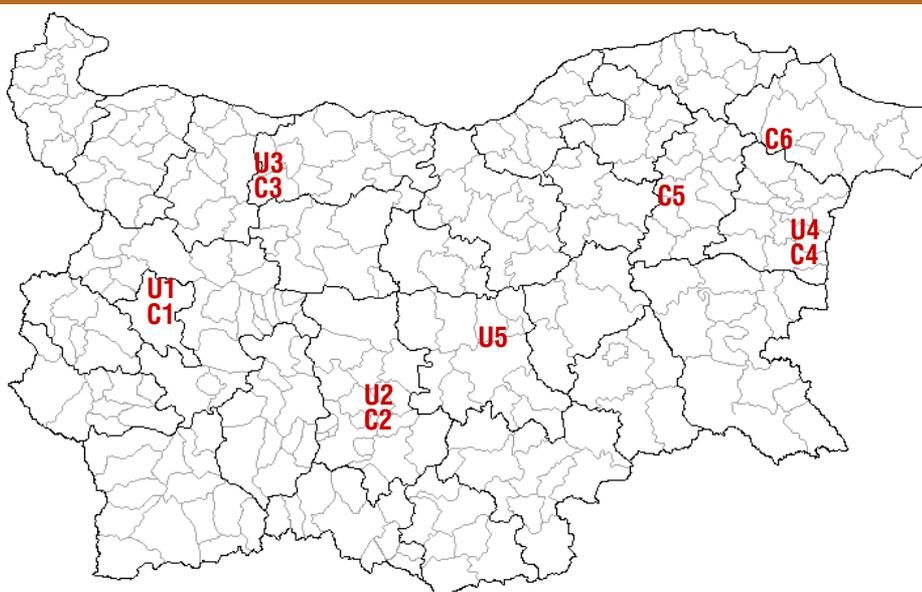
Manufacturers of medical and dental equipment and devices

Company	Activity	Net sales (EUR '000)	Number of employees	Year
Medica (Sofia)	Medical dressing materials	6,143	338	2006
Etropal (Etropole)	Medical devices for single use	5,512	186	2006
Salvamed (Sandanski)	Medical dressings	5,213	175	2004
Momina Krepost (Veliko Tarnovo)	Medical devices for single use	3,425	263	2006
Berchtold Bulgaria (Sofia)	Manufacture of medical electronics, lathed and cut parts for surgical lamps and tables and autonomous gas installations	2,396	44	2006
Centillion (Sofia)	Medical equipment	1,622	31	2006
Art Colenta Bulgaria (Sofia)	Medical equipment	1,492	48	2006
Inbiotech(Sofia)	Biotechnological products, medicines	1,116	10	2006
Dimson (Sofia)	Lens and rims for spectacles	384	26	2006
Medical Equipment (Sofia)	Medical, pharmaceutical, dental and physiotherapeutic equipment, hospital furniture	297	112	2006
Optela - Optic Technologies (Plovdiv)	Industrial CO2 lasers systems and laser optics	263	11	2006
Ecomedbio	Design and production of medical equipment, engineering	208	n.a.	2006
Optica Laser (Sofia)	Manufacture of laser systems for surgery, dentistry and physiotherapy	201	10	2006

Source: Bulgarian Industrial Association

Worth knowing

Educated workforce



	University / College	Location	Majors	
U1	Medical University – Sofia http://mu-sofia.bg	Sofia	<ul style="list-style-type: none"> ▪ Health care ▪ Health management ▪ Medical rehabilitation and ergo therapy 	<ul style="list-style-type: none"> ▪ Medicine ▪ Pharmacy ▪ Dentistry
U2	Medical University - Plovdiv http://meduniversity-plovdiv.bg	Plovdiv	<ul style="list-style-type: none"> ▪ Medicine ▪ Dentistry 	<ul style="list-style-type: none"> ▪ Pharmacy
U3	Medical University - Pleven www.mu-pleven.bg	Pleven	<ul style="list-style-type: none"> ▪ Medicine ▪ Health care 	
U4	Medical University - Varna www.mu-varna.bg	Varna	<ul style="list-style-type: none"> ▪ Medicine ▪ Health care ▪ Health management 	<ul style="list-style-type: none"> ▪ Public healthcare ▪ Nurses ▪ Dentistry
U5	Trakia University www.uni-sz.bg	Stara Zagora	<ul style="list-style-type: none"> ▪ Veterinary medicine ▪ Medicine 	
C1	Medical College of Sofia	Sofia	<ul style="list-style-type: none"> ▪ Assistant pharmacist ▪ Dental mechanics ▪ Masseur ▪ Medical laboratory technician ▪ Midwife ▪ Nurse 	<ul style="list-style-type: none"> ▪ Nurse ▪ Rehabilitation therapist ▪ Sanitary inspector ▪ Social assistant ▪ X-ray technician
C2	Medical College of Plovdiv http://medcollege-plovdiv.org	Plovdiv	<ul style="list-style-type: none"> ▪ Nurse ▪ Midwife ▪ Medical laboratory assistant ▪ Assistant pharmacist 	<ul style="list-style-type: none"> ▪ X-ray laboratory assistant ▪ Dental mechanic ▪ Sanitary inspector
C3	Medical College of Pleven www.mu-pleven.bg/medcollege/index.htm	Pleven	<ul style="list-style-type: none"> ▪ Nurses ▪ Laboratory Assistants 	<ul style="list-style-type: none"> ▪ Obstetrician ▪ Remedial gymnast
C4	Medical College of Varna www.mu-varna.bg/index.php?topic=koleji	Varna	<ul style="list-style-type: none"> ▪ Nurse ▪ Midwife ▪ Medical laboratory assistant ▪ Assistant pharmacist 	<ul style="list-style-type: none"> ▪ Sanitary inspector ▪ X-ray laboratory assistant ▪ Dental mechanic
C5	Medical College of Shumen	Shumen	<ul style="list-style-type: none"> ▪ Nurse ▪ Midwife 	<ul style="list-style-type: none"> ▪ Social worker
C6	Medical College of Dobrich	Dobrich	<ul style="list-style-type: none"> ▪ Nurse 	<ul style="list-style-type: none"> ▪ Rehabilitation therapist

Sector-related exhibitions in Bulgaria

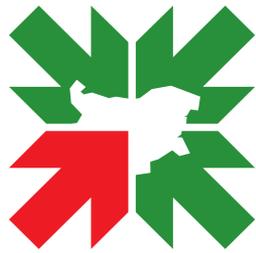
Exhibition Name	Location (City)	Dates	Frequency	For more info
OPTO, PHOTO & VIDEO SALON (Optics, photography and video equipment)	Inter Expo & Congress Center (Sofia)	10 – 13 Apr 2008	Annually	www.bulgarreklama.com
BULMEDICA / BULDENTAL International Healthcare Exhibition - Dentistry	Inter Expo & Congress Center (Sofia)	13– 16 May 2008	Annually	www.bulgarreklama.com
MEDICUS, DENTO, GALIENA (International Exhibition of Medicine, Dentistry and Pharmaceuticals)	International Fair Plovdiv (Plovdiv)	22 – 25 Oct 2008	Annually	www.fair.bg
CHINA MED (International Medical Instruments and Equipment Exhibition)	Beijing Exhibition Center (Beijing, China)	3-5 April 2008	Annually	http://www.mdna.com
COMPAMED Components and Parts for Medical Manufacturing	Dusseldorf, Germany	19-21 Nov 2008	Annually	http://www.mdna.com/
EXPODENTAL (International Exhibition of equipment and materials for dentists)	Milan, Italy	8-11 Oct 2008	Annually	http://www.expodental.it

USEFUL contacts

Organization	Phone	Web site
Ministry of Health	+359 2 930 1107 +359 2 981 1830 +359 2 930 1152	www.mh.government.bg
Parliamentary Health Care Committee	+359 2 939 39	www.parliament.bg
Bulgarian Drug Agency	+359 2 943 4046	www.bda.bg
National Health Insurance Fund	+359 0800 14 800	www.nhif.bg
National Center for Health Information	+359 2 951 5302 +359 2 951 5303	www.nchi.government.bg
Bulgarian Red Cross	+359 2 816 4701 +359 2 865 7491	www.redcross.bg
National Center of Infectious and Parasitic Diseases	+359 2 944 6999	www.ncipd.org
Executive Agency for Transplantation	+359 2 813 5010	www.bultransplant.bg (Bulgarian only)
National Council for Narcotics	+359 2 937 75 72	www.ndc.government.bg (Bulgarian only)
National Center of Public Health Protection	+359 2 954 9390	www.ncphp.government.bg
National Committee of AIDS and STIs Prevention at the Council of Ministers	+359 2 930 1107 +359 2 981 1243	www.ncaids.government.bg
National Centre of Radiobiology and Radiation Protection (NCRRP)	+359 2 862 1123 +359 2 962 3947	www.ncrrp.org
National Oncology Center	+359 2 807 6100	www.onco-bg.com (Bulgarian only)
National Center for Addictions	+359 2 831 9015 +359 2 832 6136	www.ncn-bg.org (Bulgarian only)
"Children Medical Treatment Fund" Center	+359 2 952 6943	www.cfld-bg.com (Bulgarian only)
Bulgarian Medical Association	+359 2 954 1169 +359 2 954 1126	www.blsbg.com
Association of Research-based Pharmaceutical Manufacturers	+359 2 971 34 64	http://www.arpharm.org/
Association of Bulgarian Pharmaceutical Manufacturers	+359 2 970 0319 +359 2 970 0347	www.abphm.bg
Bulgarian Dental Association	+359 2 988 2525	www.bzs-srk.bg

USEFUL sites

Organization	Web site
Bulgarian medical web portal	www.medicalbg.com (Bulgarian only)
Bulgarian Medical Journal	http://www.medun.acad.bg/cmb_hm/BMJ/ENhome.htm
Bulgarian Mountain Rescue Service	http://pss.bglink.net
BGMEDICINE – Medical database for patients	www.bgmedicine.info (Bulgarian only)
"Specialized Hospitals for Rehabilitation – National complex" EAD	www.rehabilitatzia-bg.com
The International Federation of Red Cross and Red Crescent Societies	www.ifrc.org
Bulgarian health web-portal - The International Healthcare and Health Insurance Institute	www.zdrave.net
Multiprofile Hospital for Active Treatment and Emergency Medicine "N.I.Pirogov"	http://www.pirogov.bg/
Multi-profile hospital for active treatment "Queen Giovanna"	www.giovanna-hospital.com (Bulgarian only)
University Hospital Alexandrovska	www.alexandrovska-hospital.org
Multi-profile hospital for active treatment "St. Joan Rilski"	http://rilski.com (Bulgarian only)
University Hospital "Lozenets"	http://www.uni-hospital.government.bg
European Monitoring Centre for Drugs and Drug Addiction	www.emcdda.eu.int
Initiative for Health Foundation	www.initiativeforhealth.org
Coordinating and Internet Center of Medical Standards	http://www.med-stand.government.bg/
National Center of Public Health Protection	http://www.nchmen.government.bg/



InvestBulgaria
Agency

Renewable Energy Sources Sector

WHY Bulgaria?

A number of potential renewable energy sources – hydro, wind, solar, geothermal, biofuel and biomass

Booming Renewable Energy Sources sector

Liberalized energy market

Environmental legislation completely harmonized with the European Union's

RES electricity production to double (from 6% to 12%) by 2010

8% reduction of greenhouse gas emissions 2008-2012 under the Kyoto Protocol

Administrative and economic stimuli for RES energy production:

- 12-year guaranteed purchase of RES electricity at preferential prices
- preferential treatment at use of private municipal and state terrains
- extra financial stimuli (issue of "green" certificates)
- financing under the Kyoto Protocol
- financing directly by foreign countries
- EU programs for grants and subsidies

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Hydro Power Plants			
Reconstruction	National Electricity Company, through PORR and VA Tech Hydro (Austria)	Reconstruction of Dolna Arda hydropower cascade, to increase overall capacity to 331 MW	65.0
Greenfield	National Electricity Company, through Austrian consortium headed by Alpine Mayreder Bau	Construction of Tsankov Kamuk dam and 85 MW HPP	220.0
Greenfield	Kozloduy HPP	Construction of 5 MW HPP at NPP Kozloduy	8.0
Expansion	National Electricity Company	Public bidding for construction works at HPP Studen Kladenets, HPP Ivaylovgrad and HPP Kardjali	n.a.
Greenfield	GTM Angel Balevski Holding	Construction of a cascade of HPPs along the river Iskar	30.0
Greenfield	Sofia municipality	Plans for construction of 8 small HPPs near Sofia: Bistritsa, Bistritsa 1, Pod Simeonovo, Konyovitsa, Boyana 1, Moderno predgradie, and Malina	9.0
Reconstruction	National Electricity Company through Alstom Power and VOITH Siemens (Austria)	Start of operation of renovated Orpheus pumping HPP and Krichim HPP (Vucha Cascade)	34.0
Greenfield	HPP Svoge (Petrolvilla –Italy and Svoge Municipality)	Construction of nine 25.7MW hydro power plants along the river Iskar; EUR 54 mln loan provided by EBRD	81.0
Wind Power Parks			
Greenfield	Kaliakra Wind Power (Mitsubishi Heavy Industries-Japan) & Bulgarian company Inos 1	Construction of 33 MW wind farm near Bulgarevo village, Kaliakra; financed by the Japan Bank for International Cooperation	47.0
Greenfield	Preneal (Spain) and Aytos Municipality	Construction of 50MW wind power park near Karanovo village (Aytos-Burgas)	n.a.
Greenfield	Balkan Energy	Construction of 200 MW wind farm near Dobrin village (Krushari-Dobrich)	120.0
Expansion	Velga	Construction of three additional wind power generators to three already operating near Somovit village (Gulyantsi-Pleven)	12.0
Greenfield	GP Energy (Greece and local)	Construction of 5000 MW wind power park: 25 generators near Somovit and Dolni Vit villages, and 30 – near Gigen and Iskar villages (Gulyantsi-Pleven)	n.a.
Greenfield	Geopower	Construction of 120 MW wind power park near the villages Poruchik Chunchevo, Bulgarevo, Sveti Nikola and Hadji Dimitar (Kavarna-Dobrich)	118.0
Greenfield	Greentech (Denmark)	Mounting of 58 wind power generators of 2MW each near Georgi Damyanovo village (Chiprovtsi-Montana) and 60 more near Chiprovtsi	180.0
Greenfield	Eolika Bulgaria (Spain)	Construction of 60 MW wind power park near Suvorovo (Varna)	90.0
Greenfield	Wind Park Stanata (WE2 – Germany)	Construction of wind power park: 13 generators of 2.5 MW each near Odartsi village (Dobrich)	38.0
Greenfield	Enel (Italy)	Construction of 15-30 MW wind power park near Gurkovo (Varna)	n.a.

Greenfield	GP Energy (Terna-Greece)	Mounting of 30 wind power generators of total capacity 50 MW near the villages Kachulka, Polkovnik Jelyazkovo and Rogach (Krumovgrad-Kurdjali)	70.0
Greenfield	Vyaturni Elektrocentrali	Construction of wind power park near the villages Pelin, Kachulka and Perunika (Krumovgrad-Kurdjali)	n.a.
Greenfield	Marivent (Greece)	Construction of wind power plants in Pernik, 80% to be subsidized by EU funds	500.0
Expansion	Energy Invest	Expansion of wind power park near Vidni village (Kavarna) by 12 MW in Balchik and Kavarna	n.a.
Greenfield	AES Geo Energy (AES Corporation – USA)	Construction of 156MW wind power park near Kavarna	240.0
Greenfield	Wind Park Dobrudja 2 (WPD – Germany)	Construction of eighteen 2,5MW wind turbines and substation near Sokolovo (Balchik-Dobrich)	5.5
Greenfield	Sofia Wind Park	Construction of 200MW wind park near Koprivshtitsa	n.a.
Greenfield	Wind Park Bulgaria (German-Bulgarian)	Mounting of 150 wind power generators near the villages Kovachitsa, Traykovo, Staliyska mahala, Orsoya (Lom-Montana)	5.6
Expansion	E.ON Bulgaria (Germany)	Mounting of additional 75-130MW wind power generators of 2.5 MW each to two already operating near Shabla	n.a.

Solar

Greenfield	Inovatsionno Drujestvo	Construction of solar park of 120 MWh electric and 570 MWh thermal power in Shumen hi-tech park	220.0
Greenfield	Solar-hold	Construction of 10 solar power parks of 5MW each, near Pashovo village (Svilengrad)	250.0
Greenfield	Energy Investments	Construction of 45kW solar park in Srednogortsi village (Madan-Smolyan)	0.3
Greenfield	Solarpro (Kaolin)	Construction of solar park by Kaolin through its daughter company	n.a.
Greenfield	Marivent (Greece)	Construction of solar and wind power plants in Pernik, 80% to be subsidized by EU funds	500.0
Greenfield	InterSol (Energy Invest)	Construction of 882 kW photovoltaic power plant near Paunovo village (Ihtiman-Sofia)	3.0
Greenfield	Balkan Solar	Construction of 25MW solar park in Godech, Pernik and Divotino village (Pernik)	n.a.
Greenfield	ESD-Bulgaria	Feasibility studies on building a solar photovoltaic installation near Mramor (Pernik-Sofia)	

Cogeneration

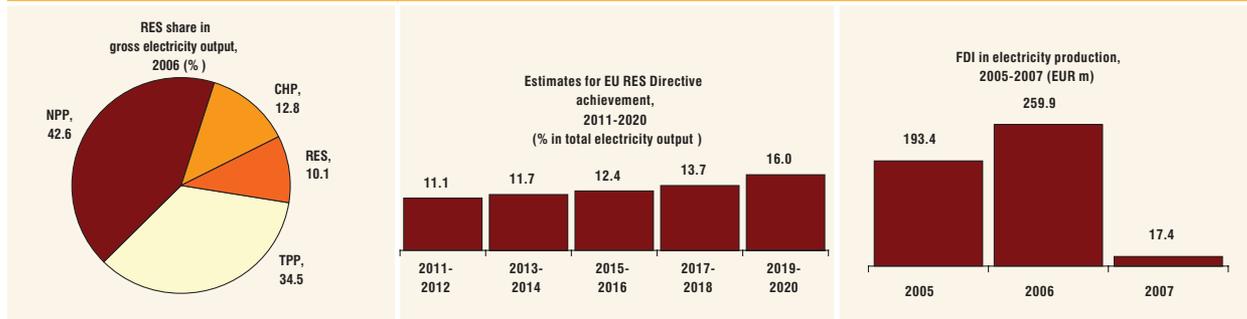
Greenfield	Dalkiya (France) (Toplofikaciya-Varna)	Construction of second 5 MW cogeneration unit in Varna	1.0
Greenfield	Toplofikatsia-Veliko Turnovo	Start of operation of cogeneration unit of 2.8 MWh electricity and 2.9 MWh heat in Veliko Turnovo	1.3
Greenfield	Sofiyska voda	Construction of cogenerator at waste-water treatment unit in Kubratovo (Sofia), financed by EBRD and grants	1.0

Greenfield	Enemona	Construction of 15 MW power and 45 MW heating biomass-fuelled cogeneration plant in Nikopol (Pleven); also in Dobrich and Lom (Montana)	51.0
Greenfield	Ruse District	Construction of 1.5 MW cogeneration unit using straw, in a school in Ruse	13.0
Greenfield	Toplofikatsiya-Burgas	Start of operation of cogeneration unit	7.7
Greenfield	Pavel Banya Municipality	Installation of heliostatic optical cogenerator in kindergarten in Pavel banya (Stara Zagora)	n.a.
Greenfield	EVN (Austria)	Start of operation of cogeneration unit in Toplofikatsiya-Plovdiv	32.0
Greenfield	Purvomay Municipality, through Inovatsionno Drujestvo	Installation of heliostatic optical cogenerator for electricity and heating at kindergarten in Gradina village (Purvomay-Plovdiv)	0.3
Greenfield	Toplofikatsiya-Sofia, through New Energy Vision	Construction of cogenerator at Zemlyane heating plant (Sofia)	n.a.
Greenfield	Toplofikatsiya-Pravets	Start of operation of cogeneration unit in Pravets (Sofia), financed by the Dutch Government	n.a.
Biofuel			
Greenfield	Eko Petroleum (Eko Elda-Greece)	Construction of 100 000 t/year biofuel refinery in Vidin; to be operational in 2008	60.0
Greenfield	Sunny Rays Bulgaria (Chimimport)	Start of operation of 100 000 t/year biodiesel plant in Provadiya (Varna); construction of 100 000 t/year bioethanol plant also in Provadiya	8.0
Greenfield	Bulmarket	Start of operation of 60 000 t/year biodiesel plant in Ruse	10.0
Greenfield	GeoBul Energy and GloBul Energy (Bulgarian-Italian)	Project for construction of biofuel plant in Lom	n.a.
Greenfield	Kristera	Construction of 100 t/day biodiesel plant running on sunflower and coleseed oil near Devnya (Varna)	n.a.
Greenfield	Green Fuel Corporation (Spain)	Plans for construction of 110 000 t/year biodiesel and 60 mln t/year bioethanol plant near Pleven	70.0
Greenfield	Zerol	Project for construction of biodiesel plant running on sunflower, in Polski Trumbesh (Veliko Turnovo)	15.0
Greenfield	Astra Bioplant	Start of production of 70 000 t/year biodiesel plant in Slivo pole (Ruse)	
Greenfield	Prophex Bioproducts (Alcol Holding Group and Prophex)	Construction of bioethanol production plant running on wheat, in Gorna Malina village (Sofia)	9.0
Expansion	Evroetil	Expansion of production capacity of biofuel plant near Alfatar, aimed to quadruple annual output to 40 mln litres	15.0
Greenfield	Verbio Vereinigte BioEnergie (Germany)	Feasibility studies for construction of biodiesel and bioethanol plant near Varna	100.0
Greenfield	Zlatna Trakia	Construction of 40t/day biodiesel plant in Harmanli (Haskovo)	1.3
Greenfield	Bultera (Russian-Bulgarian)	Project for construction of biofuel and rapeseed oil plants near Simitli (Blagoevgrad)	n.a.
Greenfield	Sofiyska voda	Construction of biogas cogenerator at waste-water treatment unit in Kubratovo (Sofia), financed by EBRD and grants	1.0

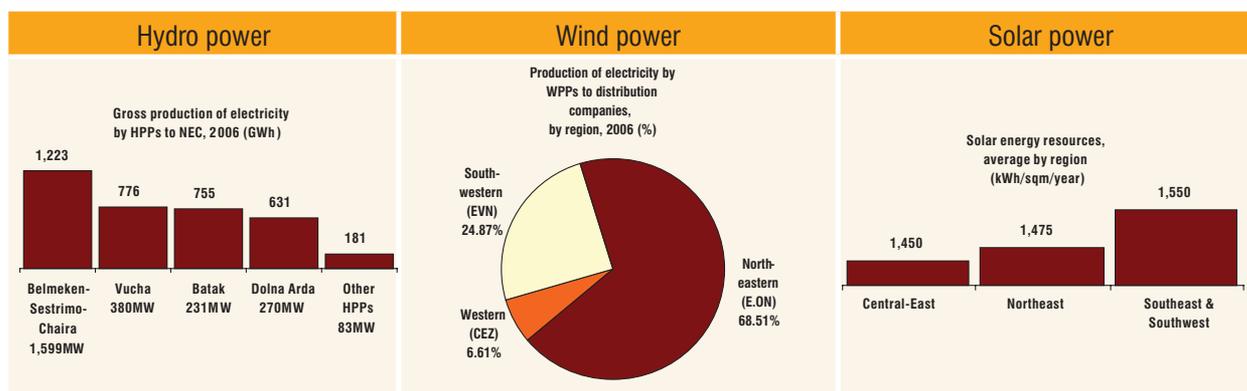
Greenfield	Galax Oil	Start of operation of the company's second 30 000 t/year biodiesel refinery, in Pleven	n.a.
Greenfield	Zarnni Hrani Bulgaria	Start of operation of biodiesel and bioethanol plant in April 2008; project to build a second 100 000t/year biodiesel plant by 2010	50.0
Greenfield	Koener (Spain)	Project for construction of biodiesel refinery in Pleven region	60.0
Greenfield	Bulmextrade	Construction of 86 000 t/year biodiesel plant in Ruse	n.a.
Greenfield	E.ON (Germany)	Investment plan for construction of biogas production unit running on cattle dung, in Shabla (Dobrich)	n.a.
Expansion	Renom-Novachene	Project for construction of biofuels installation and 500 KW photo-solar station	n.a.
Biomass			
Greenfield	Ferry Energy (Spain)	Planting 60 dka of trees near Trun (Pernik) to be used in 5 years as biomass	43.0
Greenfield	Ferry Energy (Spain)	Plans for planting 80 000 dka of energy plants in Vidin, Montana and Lom regions	n.a.
Expansion	Dalkiya (France) (Toplofikaciya-Varna)	Construction of second, 5 MW cogeneration unit, running on biomass, in Varna	1.0
Greenfield	ICS International Consulting SP (USA)	Plans for investment in household waste and other biomass treatment plant in Dobrich	30.0
Greenfield	Invatech Baltic Service OU (Estonia)	Project for construction of waste treatment plant in Pleven	30.0
Greenfield	Ecobioterm (Germany)	Plans for construction of agricultural waste processing plant near Dolna Oryahovitsa (Gorna Oryahovitsa-Veliko Turnovo)	2.5
Expansion	Holcim Bulgaria (Switzerland)	Launch of heating installation running on waste automobile tires, and another one on waste from meat processing; plans for heating installation for processing of solid waste	7.2
Feasibility studies	Veliko Tanovo Heating Company	Feasibility evaluation on building power generation facilities running on waste timber	n.a.
Greenfield	ID Global Capital (USA) and Kostinbrod municipality, as public-private partnership	Construction of 70 000 t/year plant for treatment of solid waste from six municipalities, in Kostinbrod (Sofia)	30.0
Greenfield	German fund incl. General Motors, General Electronics, the World Bank etc	Plans for construction of plants for waste treatment in Shumen, Silistra, Pernik, Yambol and Mezdra	300.0
Greenfield	Varna Municipality, through Ecoinvest Assets Consortium	Construction of household waste treatment plant in Varna	11.0
Greenfield	Ugurchin Municipality	Construction of treatment plant for waste from meat processing on 60 dka area, financed by PHARE, in Ugurchin (Lovech)	20.0
Greenfield	Pomorie Municipality	Plans for construction of waste treatment and electricity production plant, on 900 dka area, near Kamenar village (Pomorie-Burgas)	25.0
Greenfield	Plovdiv Municipality, through Waste Treatment Plant	Construction of waste treatment plant near Shishmantsi village (Rakovski-Plovdiv)	19.0
Greenfield	Enemona	Construction of 15 MW power and 45 MW heating biomass-fuelled cogeneration plant in Nikopol (Pleven)	51.0

RENEWABLE ENERGY SOURCES SECTOR **Fact sheet**

Production of Electricity from Renewable Energy Sources in Bulgaria



Source: BNB, MEE



Sources: MEE

Success stories

Kaliakra Wind Park

- Mitsubishi Heavy Industries (Japan) and Inos-1 (Bulgaria) joint venture
- Construction of wind farm near the village of Balgarevo, Kavarna
- Capacity – 33 wind turbines of 1 MW each on total area of 27,000 sqm
- Size of investment – over € 56 mln for a period of three years
- Class-A investment certificate 2006
- 150 work places during construction, and 30 permanent work places after that
- Project to be completed in 2008

Tsankov Kamak Hydro Power Plant

- Project implemented under Kyoto Protocol and respective MoU between Austria and Bulgaria
- Partners: NEK and Va Tech (Austria) as major EPC contractor
- Austrian Verbundplan GmbH and Alpine Mayreder BAU GmbH contracted for construction works and engineering services
- Construction of new dam and HPP – 80 MW installed capacity; 1,185 GWh annual energy output
- Financial agreement for €220 million signed in Nov 2003
- 700 work places during construction, and 50 permanent work places after that
- Project to be completed in 2008

Prophex Bioproducts Ltd

- Alcol Holding Group and Prophex joint efforts
- Construction of bioethanol production plant in Gorna Malina
- Use of waste-free highly automated technologies
- Daily output – 40,000 l of bioethanol, 30,000 kg animal feed and 22 t of carbon dioxide
- Class-C investment certificate 2007
- Size of investment – EUR 9 mln
- Project to be completed in 2008

Nikopol Biomass Power Plant

- Enemona JSC – energy and construction company
- Construction of biomass-fuelled combined heat and power plant in Nikopol – first of its kind in Bulgaria
- Capacity – 15MW power and 45 MW heating
- Class-A investment certificate 2008 for this project – already second such certificate obtained by the company
- Size of investment – over EUR 50 mln
- Project to be completed in 2010

KEY LEGAL **issues**

Renewable and alternative energy sources and biofuels

<p>Description of the sector</p>	<p>The Renewable and Alternative Energy Sources and Bio fuels Act (RAESBA) regulates the public relations associated with the promotion of the production and consumption of electric power, heat power and/or cooling power from renewable energy sources (RES) or from alternative energy sources, the production and consumption of bio fuels and other renewable fuels in the transport sector. The legal mechanisms are intended to achieve the following objectives:</p> <ol style="list-style-type: none"> 1. promotion of the development and usage of technologies for production and consumption of power produced from RES (RES power) or alternative energy sources; 2. promotion of the development and usage of technologies for production and consumption of bio fuels and other renewable fuels in the transport sector; 3. diversification of energy supply; 4. increasing the capacity of small and medium sized enterprises, producers of RES power and power from alternative energy sources and producers of bio fuels and other renewable fuels; 5. environmental protection; 6. setting up favorable conditions for achieving sustainable development on local and regional level.
<p>Incentives for Production of RES power</p>	<p>The RES power production is promoted under the following circumstances:</p> <ol style="list-style-type: none"> 1. taking into account the characteristics of different RES and technologies for production of electric power from them; 2. taking into account the principles of the energy market; 3. mandatory accession and connection of RES power producers and bio fuels producers to the electric power networks; 4. preferential price for buying all the RES power; 5. relaxed administrative regulation in the RES power production field, covering also the construction of the necessary facilities and utilities. <p>The transfer and the distribution enterprises are obliged to include in their annual investment and repair programs financial resources for the development of networks related to the promotion of the production of RES electric power.</p> <p>The transfer enterprise and/or the distribution enterprises are obliged to connect preferentially any producer of RES electric power if that producer meets all legal requirements.</p> <p>The State Commission for Energy and Water regulation issues "certificates of origin" for power produced from RES. On the grounds of these certificates the Commission issues „green certificates“ to the producers of RES power.</p> <p>The public provider, respectively the end suppliers, are obliged to buy all the quantities of RES electric power for which there has been issued a "certificate of origin". The exceptions could be for example the quantities with which the producer participates on the balancing market, as well as the quantities produced for the producer's own needs.</p> <p>The public provider, respectively the end suppliers are obliged to buy all the quantities of RES electric power at preferential price, defined by the order of the respective ordinance under the Energy Sector Act. The exceptions to this rule are hydropower stations having capacity more than 10 MW.</p> <p>The public provider, respectively the end suppliers, are obliged to buy all the quantities of RES electric power produced by means of combined method at preferential prices defined by the order of a special ordinance under the Energy Sector Act.</p> <p>In the event of combined combustion of RES and non-renewable energy sources the public provider, respectively the end suppliers, are obliged to buy such quantity of the produced electric energy which corresponds to the share of the involved RES at preferential prices defined by the order of the mentioned special ordinance.</p> <p>The provisions of the Investment Promotion Act are applied to all investment projects related to construction, enlargement and modernization of capacities for production of electricity from RES power.</p>
<p>Legal requirements on biofuels and their blends</p>	<p>The producers and importers of liquid fuels for the needs of the transport sector are obliged to supply on the market fuels of oil origin blended with biofuels in a percentage ratio defined by a special ordinance under the Atmospheric Air Purity Act. Blending of biofuels with liquid fuels of oil origin and their supply on the market must be performed only in tax warehouses which are licensed in accordance with the procedure of the Excise and Tax Warehouses Act.</p>

Description of the procedure	<p>The construction of energy sites for production of RES power can be performed after the completion of investment research in accordance with a special ordinance under the Energy Sector Act (ESA). An inseparable part of this research is the evaluation and assessment of the available and prognosticated potential of the respective resource.</p> <p>The RES electric power producer has to file a written request to the transfer or distribution enterprise about research regarding the conditions and method of connection of the respective energy site to the network. The transfer, respectively the distribution enterprise, are obliged to fulfill the research in 90 days period, reckoned from the filing of the abovementioned request and to notify in writing the producer about the conditions and method of connection of the respective energy site to the network and to conclude a preliminary contract for connection. The term for connection of the energy site to the transfer or distribution network is determined in the contract for connection and it must not be longer than the declared by the producer term for entering the energy site into operation. The obligation for connection of RES electric power producer belongs to the transfer or the respective distribution enterprise which is located closest to the energy site.</p> <p>The connection expenses covering the distance to the outlines of the ownership of the electric utilities are for the account of the producer. The connection expenses covering the distance from the outlines of the ownership of the electric utilities to the place of connection are for the account of the transfer or the respective distribution enterprise.</p> <p>A License for production of electric/ thermal power is required only for power plants designed to produce power above 5 MW</p> <p>Obtaining a license for production of electric/thermal power above 5 MW</p>
Licensing authority	State Energy and Water Regulatory Commission (SEWRC)
Required documents	<ol style="list-style-type: none"> 1. Application form; 2. Copy of the registration in the Commercial registry of the company-applicant; 3. Certificate for the actual state of the company-applicant; 4. Copy for the certificate for tax registration of the applicant; 5. Certificate from the relevant court that the applicant is not under insolvency procedure; 6. Declaration that the license for the performance of the same activity was not withdrawn or the term of the withdrawal of the license is expired; 7. Declaration that after the refusal for the issuance of the license for the same activity 6 months have passed, if such refusal exists; 8. Declaration that the law requirements for safe conditions of work are fulfilled; 9. Declaration for the fulfillment of the technical requirements; 10. Document proving the ownership right; 11. Data for the technical condition of the electric power object and its technical and exploitation characteristics and information for the infrastructure; 12. Environment impact estimation when it is necessary; 13. Future plan for the development of the activity; 14. Applicant background for the fulfillment of similar activities; 15. Documents proving the managerial and organization structure of the applicant and proving the education and experience of the managerial body of the applicant; 16. Information for the entitled representative of the applicant, who will represent him in the relations with the State energy regulatory commission; 17. Permit for water use if such is necessary; 18. Document for paid state fee; 19. Official documents proving the financial condition of the company for the last 3 years unless this is a newly registered company;
Fees	See Tariff for fees collected by the State Energy and Water Regulatory Commission.
Timeframe	3 months from the application of the documents
Legal framework	<ol style="list-style-type: none"> 1. Energy Act 2. The Renewable and Alternative Energy Sources and Bio-fuels Act 3. Ordinance on Licensing of Activities in the Energy Sector (Prom. Official Gazette # 53/2004) <p>The national legal framework is in accordance with the provisions of Directive 2001/77/EC regarding the encouragement of the production and consumption of electric power from renewable energy sources and Directive 2003/30/EC regarding the encouragement of the usage of bio-fuels and other renewable fuels in the transport sector.</p>

Environmental procedures

Environmental Impact Assessment of Investment Proposals

Authority	Ministry of Environmental Protection or the respective Regional Inspectorate on Environmental Protection	
Main steps of the procedure		Timeframe
1. Notification to the competent authorities and the public concerned of the proposal - The investor is obliged to notify in writing about his investment intention the competent authority and the mayor of the relevant municipality/ies and region/s, local administration and the population through the mass media and/or in another way.		
2. Assessment of the need for EIA (Screening of EIA) - The competent authority assesses the need for EIA (screening) by determining the degree of significance of the environmental impact on the grounds of the criteria set forth in EPA (Article 93, paragraph (5) of the EPA.		1 month as of submission of the request (1/3 shorter)
3. Identification of the scope, the contents and the form of the EIA statement (Scoping of EIA) - The investor undertakes consultations with the competent authorities and the public concerned and based on the information received commissions the elaboration of a Terms of Reference (TOR) for the scope of the EIA and submits the TOR to the competent authority for approval. The investor assigns the elaboration of EIA statement in compliance with the approved TOR to a team of certified experts registered in the public register at the MEW		
4. Reviewing EIA Statement - The competent authority evaluates the content of the EIA statement conforming to the consultations with the specialized institutions and the public concerned and the satisfaction of the requirements of the legislative framework regulating the environment.		14 days as of deposition (1/3 shorter)
5. Public discussion on the EIA statement - The investor must ensure public access to the EIA documentation.		30 days (5 days)
The investor submits to the competent authority the minutes of the discussion and the deposited statements of opinion in writing.		Within 7 days after discussion
The representatives of the public shall present in writing their statements at the meeting for public discussion or send them to the competent body for taking decision about EIA not later than 7 calendar days after the discussion.		Within 7 days after discussion
6. Taking decision on the EIA - The competent authority takes decision on the EIA, taking into account the EIA statement and the results of the public discussion, inclusive of the statement of opinion of the investor.		Within 3 months after discussion (1/3 shorter)
The competent authority should provide the decision to the investor and announce it through the national media or in another appropriate manner.		Within 7 days after the decision
Fees	BGN 700 – 1,500 (EUR 360 – 770)	
Legal framework	1. Environmental Protection Act 2. Regulation on the terms and conditions for carrying out Environmental Impact Assessment	

Integrated Pollution Prevention and Control (IPPC) permit (Complex permit)

Authority	Minister of Environment and Water, Executive Environment Agency (EEA), Regional Inspectorate of Environment and Water (RIEW)	
Main steps of the procedure		Timeframe
1. The procedure starts when application has been filed. The application should be presented in written form as well as electronic. The application should contain also:		
▪ Draft of program for achieving of compliance with the content and the form		30-45 days
▪ Plan for own monitoring in compliance with the normative provisions for environment.		
▪ Decision on environmental impact assessment (EIA) if EIA decision has been already issued		
2. The competent authority places the application at public disposal.		30 days
3. The competent authority prepares technical assessment, including		
▪ Assessment of the opportunities for reduction of the consumption of energy and raw materials;		Not defined
▪ Assessment of the measures for optimization of the production process;		
▪ Assessment of the measures for preventing of the formation of waste.		
4. Issuance of complex permission project. The draft for complex permission has to be coordinated with MEW and the respective RIEW and the basin directorate.		37 days
5. The competent authority places the project at public disposal.		30 days
6. Issuance of complex permission document:		
▪ New installations and facilities		up to 5 months
▪ Existing installations and facilities		up to 8 months
In 14 days term after the issuing of the complex permission one copy on paper shall be handed over to the operator. Duplicates of the original copies of the complex permission can be issued by the due order.		14 days
Fees	Different fees apply for different industrial activities for the amount between BGN 1,000 - 20,000 (EUR 500 – 10,000)	
Legal Framework	Environmental Protection Act; Ordinance for the conditions and the order for issuing of complex permits	

Note: According to the Investment Encouragement Law certified investors are provided with faster administrative servicing - time in bold

PLAYERS IN THIS sector

Certified RES investment projects 2006-2008

Company	Project	Class/Year of certification	Size of investment, EUR mln
Ecosource Energy Ltd	Wind power park	A/2006	80
Kaliakra Wind Power JSC	Wind power park	A/2006	47
Greentech BG Ltd	Wind power park	A/2006	61
Ferry Energy Ltd	Production of biomass	A/2007	43
Prophex Bioproducts Ltd	Production of biofuels	C/2007	9
Wind Park Stanata Ltd	Wind power park	A/2007	38
Balkan Energy JSC	Wind power park	A/2007	121
Eolika Bulgaria JSC	Wind power park	A/2007	89
AES Geo Energy Ltd	Wind power park	A/2007	185
Eco Biofuels Industry	Production of biofuels	A/2007	102
Enemona JSC	Biomass power plant	A/2008	50
Balkan Solar JSC	Solar power plant	pending	-
Sofia Wind Park JSC	Wind power park	pending	-

Source: Invest Bulgaria Agency

Licensed hydro power plants (March, 2008)

Company	Major electricity generation units	Total capacity (MW)
National Electricity Company	Belmeken-Sestrimo-Chaira Cascade, Vacha Cascade, Batak Cascade, Dolna Arda Cascade	2563
BAD Granitoid	HPP Rila, HPP Pastra	15.4
SIIF Mecamidi-Litex	HPP Pirin, HPP Spanchevo	49.2
Energo-PRO Bulgaria JSC (Sofia)	Sandanska Bistritsa Cascade, HPP Koprinka, HPP Stara Zagora	85.4
Central Hydroelectrique de Bulgarie	HPP Pasarel, HPP Kokalyane	54.6
Petrol	HPP Jrebchevo	14.8

Source: State Energy and Water Regulatory Commission

Association of Producers of Ecological Energy, member companies (March, 2008)

Company	Company name (continued-1)	Company name (continued-2)
Petraco	EcoEnergia	Freya
Micron-Karailanski-Yosifov Sie	Elcom-DM	Geo Power
Karas	Vinlait	Wind Flower
Argos	Eurodesign	Eli-Emil Fenev
Siti-D	VTK	Stealit
Nick Building Prim	Pasat Anteni	Jet Stream
PEVI-Petar Dobrev	Eco Energy 2005	Eco Energy Project
Elprom Energy	Wind	Altima Engineering
Mimaco	Eolica Bulgaria	Dragoev & Co
Energomontaj Engineering	KNPK	Delog
Whirlwind	Re-Engineering	Eco Energy Group
Export Invest	Company for Power Engineering and Development	PT Holding
Klines-Vladimir Trifonov	Borko	Enel Maritsa Iztok 3
Evropa 5	Eco Energy	Abo Wind
Elana Holding	Vertikal Petkov	REKOM
VON	Evklips	Energoproekt-hidroenergetika
Dimves-Penka Gocheva	Delas Power	
Mobilgas	Fixioma consulting	

Source: Association of Producers of Ecological Energy

National Biofuels Association in Bulgaria, member companies (March, 2008)

Company name	Company name (continued)
Agria Group Holding	Greenfuel Bulgaria
Astra Bioplant	Nestinari Group
Devnya Trade	BF Oil
Duke Dominion Com	Prophex Bioproducts
Zaharni zavodi	Rapid Oil Industry Co
Crystal Chemicals Trading	Sampo Inc

Source: Association of Producers of Ecological Energy

Government-approved companies for purchase and primary processing of energy crops (December, 2007)

Purchasing companies		Primary processing companies	
Topaz mel	Agrofog	Astra Bioplant	Trakia Oil
Ekotermika Servizi	Elit-R.Rangelov	Yelpo	Sun Rays Provadia
Agrocom	Pro Impex Trade	Star 7	Kris Oil 97
Vector M	Zarneni Hrani Bulgaria	Nestinari Group	Rastma-May
Oliyana-S.Marinova	F+S-Agro	Agroinvest	Ecoprojects
Agroplament i Targoviya	Agromel	Prophex Bioproducts	Evroetil
Astra Finance	Bulagro	Papas Oil	Maritza Olio
Tanexim	Zvezda	Agrostyle-2003	
Kristera	BG Agro Plant Protection	VIN.S. Industries	
Sempe 2	BG Agro Trading Company	Biodreams	
Sempex	Marin & Marin	Faustina	
San Marco 2007	Glencore Grain Bulgaria	Zaharni Zavodi	
IMC	Glencore Grain BV-Holland	Klas Oil	
Agroecochim		Finistra	
Topagro		Galax Oil	

Source: Ministry of Agriculture and Food Supply

Major electricity distribution companies

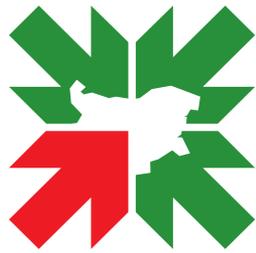
Company	Region
CEZ Distribution Bulgaria	Western
E.ON Bulgaria	North-eastern
EVN Bulgaria	South-eastern

SECTOR-RELATED EXHIBITIONS in Bulgaria

Exhibition Name	Location (City)	Dates	Frequency	For more info
Agra International Agricultural Exhibition	Plovdiv International Fair (Plovdiv)	19 – 23 Feb 2008	Annual	www.fair.bg
Energy Efficiency and Renewable Energy Sources International Congress and Exhibition	National Palace of Culture-NDK (Sofia)	7 – 10 Apr 2008	Annual	www.viaexpo.com
BalPEX Balkan Property Exhibition	Inter Expo and Congress Center (Sofia)	18 – 20 Apr 2008	Annual	www.bulgarreklama.com
Exhibition of the Municipalities in Bulgaria	Plovdiv International Fair (Plovdiv)	12 – 17 May 2008	Annual	www.fair.bg
The Advanced Energy Technologies against Climate Change International Conference	Inter Expo and Congress Center (Sofia)	27 – 28 May 2008	-	www.bulgarreklama.com
Bulcontrola/Bulecologia/Bullabor Control and measuring devices, control and automation equipment, electronics and automation, laboratory equipment, systems for environment protection	Inter Expo and Congress Center (Sofia)	27 – 30 May 2008	Annual	www.bulgarreklama.com
Water Sofia 2008 International Specialized Exhibition	Inter Expo and Congress Center (Sofia)	27 – 30 May 2008	Annual	www.bulgarreklama.com
International Technical Fair	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annual	www.fair.bg
Aquatech International Exhibition of Water Management & Technologies	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annual	www.fair.bg
Machine Building International Exhibition	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annual	www.fair.bg
Eneco International Exhibition of Power Engineering and Ecology	Plovdiv International Fair (Plovdiv)	29 Sep – 04 Oct 2008	Annual	www.fair.bg
BalPEX Balkan Property Exhibition	Inter Expo and Congress Center (Sofia)	10 – 12 Oct 2008	Annual	www.bulgarreklama.com
National Agrarian Seminar	Hotel Admiral (Golden Sands)	2 – 4 Dec 2008	Annual	www.dobrich-fair.com

USEFUL contacts

Organization	Phone (+359 2)	Web site
Energy		
Ministry of Economy and Energy	940 71	www.mee.government.bg
State Energy and Water Regulatory Commission	988 87 30	www.dker.bg
Energy Efficiency Agency	915 40 64	www.seea.government.bg
Bulgarian Energy Efficiency Fund	810 00 80	www.bgeef.com
Black Sea Regional Energy Centre	980 68 54	www.bsrec.bg
National Institute of Meteorology and Hydrology	462 45 00	www.meteo.bg
Bulgarian Branch Chamber of Energy	953 22 19	www.bbce.org
Association of Producers of Ecological Energy	(+359 52) 620 770	www.apeebg.org
National Biofuels Association in Bulgaria	981 18 90	www.biofuelsbg.org
National Biomass Association – Bulgaria	(+359 32) 654 303	www.bgbiom.org
Bulgarian Photovoltaics Foundation	877 04 81	http://photovoltaicbg.com
Central Laboratory of Solar Energy and New Energy Sources	877 84 48	www.senes.bas.bg
Association of Bulgarian Energy Agencies	943 49 09	www.abea-bg.org
Sofia Energy Agency Sofena	943 49 09	www.sofena.com
Sofia Energy Center	962 84 43	www.sec.bg
Center for Energy Efficiency EnEffect	963 17 14	www.eneffect.bg
Environment		
Ministry of Environment and Water	940 6000	www.moew.government.bg
Executive Environment Agency	955 9011	http://nfp-bg.eionet.eu.int/ncesd/eng/index.html
National Trust EcoFund (NTEF)	973 3637	http://ecofund-bg.org
Global Environment Facility	960 950	www.moew.government.bg/gef
Natura 2000 Bulgaria	940 66 48	www.natura2000bg.org
Econetworks	400 18 24	www.econetworks.org
Bulgarian Society for the protection of birds	979 95 00	www.bspb.org
Association for Parks in Bulgaria	989 53 77	www.bg-parks.net
Centre for Environmental Information and Education	866 90 47	www.ceie.org
BlueLink - Civil Environmental Gateway to Bulgaria	953 28 05	www.bluelink.net



InvestBulgaria
Agency

ICT and Business Process Outsourcing (BPO) Sector

WHY Bulgaria?

Opportunities for long term partners for joint development of sophisticated products and solutions

Maturity and robust growth of the sector

Small, flexible and innovative teams, performing efficiently boutique-type projects in challenging fields

Large talent pool and traditions in a broad range industry domains

Competitive cost efficiency models and 100% success project delivery

Superb language skills and work culture

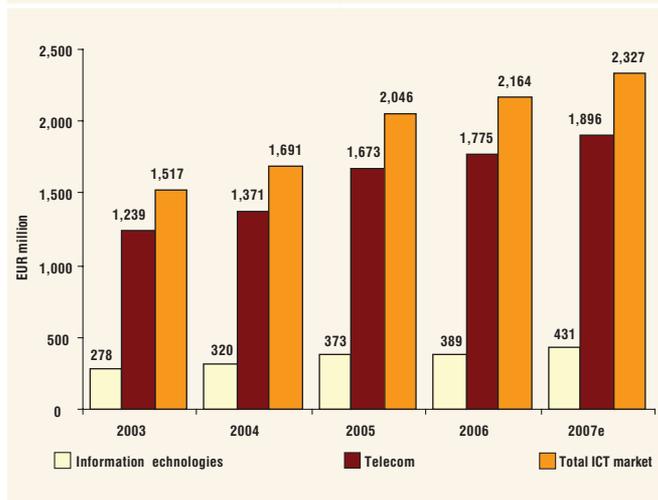
ICT & BPO Fact sheet

ICT

About ICT in Bulgaria

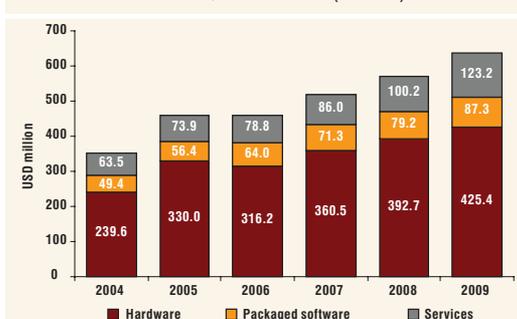
- Over 5000 actively operating ICT companies
- Telecom sector occupies 1st place in revenues
- Fast development of ICT export market with 57.7% for 2005 and 63.6% for 2006
- 80% of Bulgarian software companies' revenues result from contracts with European and US partners
- Bulgarian software market (2006: EUR 66m) registered 24% growth for 2006
- Software R&D accounting for EUR 18 m (growth of 63.93%)
- 23.4% growth of Bulgarian ICT Market for 2007 (expected)
- IT market grew by 11.7% (2005-06) and will reach EUR 460 m by 2009
- In 2006, profit in IT was EUR 38 million
- The volume of the Bulgarian telecom market reached EUR 1,548 billion in 2006, which is a 10% increase compared to the previous year - it is about 6% of the total volume of the Bulgarian GDP.
- ICT investments share in GDP for 2006 is 1%(0.8% for 2005)
- Mobil network penetration: 3 GSM networks, 86% territory coverage, 98% population coverage, 80% mobile users
- Internet penetration: 38% at present, 31% of households and 88.1% of enterprises, 24.8% of households use broadband for 2007 in comparison with 12 % for 2006

ICT market, 2003-2007 (EUR m)



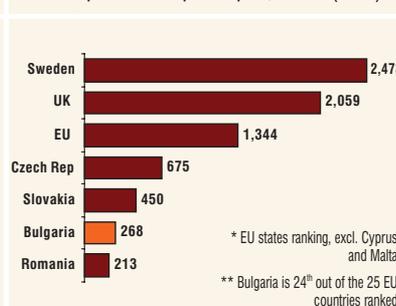
Source: EITO

IT market, 2004-2009 (USD m)



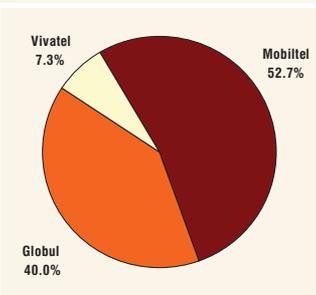
Source: IDC

ICT expenditures per capita, 2006 (EUR)



Source: EITO 2007 in co-operation with IDC

Mobile operators market, end 2007

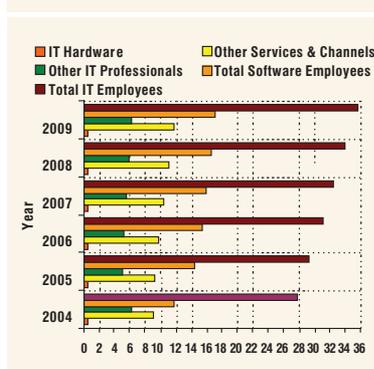


Sources: company data

Talent pool

- Between 2004 and 2009, the IT sector will generate almost 7,900 new jobs and \$42 million in new tax revenues
- More than 42% of all IT employees in Bulgaria are engaged in creating, distributing, or servicing software – for external customers or internal corporate users – and half of all IT tax revenues come from the software related sector
- More than 90,000 ICT specialists in the country
- 12% of IT specialists in Eastern Europe are Bulgarians
- 38,000+ students are enrolled in IT-related programs. Nearly 50% of them study in universities in Sofia
- 10,000 graduates in computer science and engineering

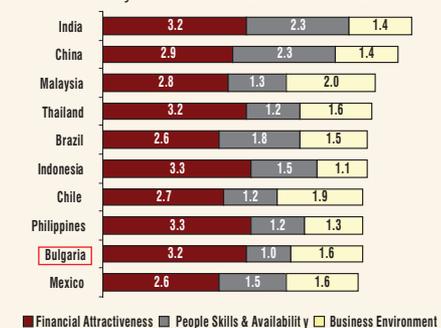
Employees in IT (in thousands)



BPO

Bulgaria ranks 1st in Europe and 9th worldwide among top 40 outsourcing destinations

A.T.Kearney Global Services Location Index 2007



Case studies

SAP Labs, Bulgaria	All Data Processing Ltd.
<ul style="list-style-type: none"> Investor - SAP AG, Germany Activity: Development of innovative J2EE technologies World leader in providing collaborative business solutions for all types of industries and for every major market SAP has a global network of Labs including Bulgaria, Canada, China, Germany, Hungary, India, Israel, and the United States Specialized in research, design and delivery of leading-edge software solutions SAP Labs Bulgaria is focused on developing key components of the SAP NetWeaver platform (including the emerging Composition Environment), an integration and application platform, on which the SAP Business Suite and Business byDesign applications are based: <ul style="list-style-type: none"> - Application Server Java - Lifecycle Management - Security and Identity Management - Knowledge Management and Collaboration - Enterprise Service Infrastructure (technology to service-enable SAP products) - Composition Application Framework - Business Process and Event Management SAP Labs Bulgaria has been on the Bulgarian market for more than seven years and currently employs more than 470 software professionals. 	<ul style="list-style-type: none"> All Data Processing Ltd. is a major outsourcing provider focused on boutique BPO, data processing and business services. All Data Processing operates 24/7 and employs multilingual staff of over 270 experienced and motivated specialists speaking 28 languages. Outsourcing Solutions Portfolio: <ul style="list-style-type: none"> - Data & Information Processing: Information and Data Indexing, Data Conversion & Normalization, Classification & Link & Management, OCR Services, Data Entry - Database Management - Editorial Services Outsourcing - Media & Information Services: abstracting, data collection & capture, content creation & management, newsletters, research & consultancy - Business Process Outsourcing: credit management, billing, telemarketing, telesales, contact centers Products & Services Portfolio: <ul style="list-style-type: none"> - News Digests: clipping Services, media monitoring & analysis from 28 languages into English, German, French, Russian and Bulgarian. - Research & Data Mining Services: in the field of economics, IT & telecommunications, business & financial services, insurance, legislation & regulations, electrical and electronics engineering, etc. SeeNews - All Data Processing Ltd. publishes SeeNews, a business information provider for South East Europe carrying unique content and local knowledge for financial professionals and the corporate world www.seenews.com.

LATEST DEALS & projects

Vendor	Investor	Target	Size (EUR m)
Latona Bulgaria	Siveco (Romania)	Acquisition of 100 % Information system for the Bulgarian National Health Insurance Fund	2.0
CTEC-BG - Microsoft Gold Certified Partner for Learning Solutions	New Horizons Computer Learning Centers	Technology and business training IT centre	n.a.
Greenfield	Sutherland (USA)	Centre of excellence	Undisclosed
Hewlett - Packard	Government	Training support for Global Delivery Bulgaria Centre	1.2
Greenfield	Logicom (Cyprus)	Distribution the complete range of solutions of U.S. network equipment maker Cisco Systems	n.a.
Sciart	Vmware	Acquisition of Bulgarian IT outsourcing company Sciart. Research and development centre	Undisclosed
Bianor Services	TechniData AG (Germany)	Joint venture - management solutions in the areas of product, environmental, chemical and health safety	n.a.
Mobitel	Ericsson (Sweden)	For transmission network and support services for MINI-LINK TN software and hardware	Undisclosed
Vivatel	Sitronics (Russia)	For supplying telecommunications infrastructure design and installation services and equipment to BTC Mobile	13.6
BTC	AIG Global Investment Group	AIGGIG bought 65% of BTC from Novator (Iceland)	1080.0
Mobitel	ECtel (Israel)	Management solutions for communications service providers	0.5
Nexcom	MCI Management (Polish) & (U.S.) Intel Capital	WiMAX network ,solution of voice and wireless Internet services	3.6
Greenfield	Orbitel	Orbitel is starting its own national fiber network built based on the advanced DWDM technology	12.0
Greenfield	IND Group (Hungary)	The Hungarian banking software company will open office in Sofia - front-office-banking systems	Undisclosed
Orbitel	Magyar Telecom (Hungary)	Acquisition	7.9
Byte Bulgaria	Byte Computer (Greece)	Opening Byte Bulgaria, representing Google in Bulgaria	Undisclosed
Greenfield	Sony (Japan)	Launch Call Centre in Bulgaria	Undisclosed
FreeNet	Reichle & De-Massari (R&M) (Switzerland)	FreeNet became a part of the R&M Group - components for structured cabling, wholesale, support, consultancy etc.	Undisclosed
Investor Group	Telekom Austria	Takeover of largest mobile operator in Bulgaria Mobitel	1,214.3
M-Telecom	Velti (Greece)	Acquisition of 100% in mobile services provider M-Telecom	2.6

Legal

Overview of ICT sector related regulations:

The Council of Ministers has identified the development of communications and high technologies as one of the pillars of sustainable economic growth. ICT investment should be viewed as a factor stimulating investment in other fields and it is considered a major engine of economic growth. EU membership of the country (since January 1st 2007) has provided for a modern ICT regulatory framework and liberal regime following the EU requirements with the following brief milestones:

- Participation in WTO (WTO Information Technology Agreement) (since 2002): removed major tariff barriers to information technology products apart from VAT on imports and domestic products, which is levied in accordance to the VAT Act (adopted in 1998) at the standard VAT rate of 20%
- Zero rate of VAT applies to export of software: within the meaning of the VAT Act "export of software" is the transfer of rights over software when the place of execution is out of the territory of the country and the implemented export has been paid by the customer in full amount and received in a local bank
- VAT legislation follows the provisions of the Sixth Council Directive 77/388/EEC on the common system of VAT and the uniform basis for its assessment
- Currently the Internet market is not formally regulated and does not require licensing or registration, which has led to a dynamic expansion of Internet service providers and great reduction of prices
- A licensing regime is provided for producers of CDs that reproduce objects protected by copyright (including software); (terms and procedure for licensing are laid down in Law on Administrative Regulation of the Manufacture and Trade in Optical Disks, Stampers, and Other Storage Media Loaded with Subject Matter of Copyright and Neighboring Rights.
- The Electronic Document and Electronic Signature Act (EDESA), adopted in March 2001, follows the principles of The EU Directive 1999/93/EC on a Community Framework for Electronic Signatures: the law envisages the application of e-signatures not only in the area of private obligations and contracts, but also in the public sector (state administration) and in the field of administrative law
- Registration regime for certification service providers: entities authorized to issue electronic signature certificates,

maintaining a public electronic registry for them, and providing access to third parties to the published certificates; (the registration procedure is performed before the Communication Regulation Commission, which is the state authority to regulate and control the provision of certification services)

- Public Information Act, enacted in July 2000, sets forth the principle of free and unlimited access to public information, specifying the procedures for obtaining such information as well as the authorities, responsible for its provision
- In 2001 Personal Data Protection Act was adopted, following the requirements of the EU Directive on Data Protection: the law provides a general framework for the collection, processing and transmission of personally identifiable information
- Bulgarian Criminal Code, adopted in 2002 incriminates the major computer related offences as unwarranted access to the resources of the computer, introducing a computer virus into the network, unlawful destroying or damaging of a computer program, etc.; the provided penalties vary from fines to imprisonment depending on the consequences of the crime
- The law for the electronic commerce, follows the main principles of the EU legislation in the field; the law settles the obligations of the information providers related with e-services; the latter are obligated to provide access to the general terms and the full content of the e-contracts, specific rules about the moment when the transaction is considered to be made and the moment when the confirmation has been received; specific chapter in the draft defines the applicable law in case of providing services on the territory of Bulgaria by foreign providers
- Protection of intellectual property: the country is a party to all major treaties, conventions and agreements, administered by the World Intellectual Property Organization
- Computer programs are explicitly defined as a subject of copyright protection under the Copyright and Related Rights Act, adopted in 1993: detailed regulations, regarding the copyright protection, prevention of the production, distribution, export and import of musical, audio-visual and software products; according to the law any person who infringes copyright or a related right to copyright is liable to compensation for the damages incurred to the person to whom the exclusive copyright has been granted

- Electronic communications Act (Prom. SG 41/ 22.05.2007): sets forth a new legal framework concerning the Electronic communications.
- Competent authorities exercising powers in the field of Electronic communications are: the Council of Ministers, State Agency of Information Technology and Communications, Council on the National Radio-frequency Spectrum and The Communications Regulation Commission (CRC). CRC is a specialized independent state authority, entrusted with the functions of regulation and control over the carrying out of the electronic communications.
- Electronic communications are carried out freely upon notification and/or upon issuing an authorization for usage of individually assigned limited resource in compliance with the requirements of the Law.
- Electronic communications for own needs are provided freely in cases, when they are provided through electronic communication networks without using individually assigned

limited resource; radio facilities using radio-frequency spectrum which does not need to be individually assigned.

- Electronic communications are carried out after submission of a notification to the CRC.
- Public electronic communications are provided by sole entrepreneurs and legal persons on the whole territory of the entire country unless a limited territorial coverage is specified in an authorization for usage of individually assigned limited resource or in the general requirements for carrying out the specified activity.
- Electronic communications can be carried out after issuance of authorization in cases, when individually assigned limited resource is required. The authorization for usage of individually assigned limited resource will have an initial time-limit of up to 20 years with possible extension of up to 10 years.
- The Council of Ministers approves a National plan for assignment of radio frequencies upon a proposal of the Council on the National Radio Frequency Spectrum.

COMPETITION & partners

Software development

Company	Activity	Sales 2006 (EUR '000)	Number of employees, 2006
SAP Labs & SAP Bulgaria	Developing leading-edge J2EE Application Server	16,558	260
Information Services Plc	System integration, software development	13,308	907
Bankservise PLC	Software development	5,821	228
OBS-BG JSC	Software development	5,592	319
Fadata Ltd.	Software development	4,377	94
Sirma Group	Software development	3,723	153
Digital Media Technologies Ltd	Software development, system integration	2,401	34
ACSIOR Ltd.	Software development, system integration	1,962	63
InterComponentWare Bulgaria	Software development	1,881	50
Nemetschek Ltd.	Software development	1,503	53
Bonev Soft Auditing Ltd.	Software development	1,383	32
Sysware Bulgaria JSC	Software development	1,349	n.a.
Bianor	Software design and solutions	1,296	75
Seeburger Informatics Ltd	Software development	1,156	58

Hardware distribution & Services

Company	Activity	Sales 2006 (EUR m)	Number of employees, 2006
Solytron Group	Hardware distribution	43.4	74
Polycomp Ltd.	Hardware & software distribution	41.4	42
Telelink PLC	System integration	36.6	440
CNSYS PLC	Hardware distribution, system integration	31.3	149
STEMO Ltd.	System integration, hardware distribution	29.4	230
SMM 97 LTD	Hardware distribution	28.6	40
Datecs Ltd.	Hardware production & distribution	24.7	280
Asbis Bulgaria Ltd.	Hardware distribution	15.1	29
Kontrax Ltd	System integration	12.4	81
Most Computers	Hardware distribution	8.23	62
ProSoft Plc	System integration, hardware distribution	7.52	70

Telecoms/Internet companies

Company	Activity	Sales 2006 (EUR m)	Number of employees, 2006
MobilTel (Telekom Austria)	Mobile operator	583.8 (2005)	2,452
BTC	Fixed-line telephony and mobile operator	500.4	9,370
Cosmo Mobile Bulgaria	Mobile operator	342.3	1,079
BTC Mobile	Vivatel mobile cellular digit system – GSM	40.1	607
CableTel	ISP	21.4	384
TeleLink	Operational equipment supplier	11.7	440
Eurocom Cable Management Bul	Cable television networks	10.9	726
Orbitel	Telephony and ISP	10.0	144
Eurotur SAT TV	Telephony and ISP	7.3	19
Neterra	ISP	5.0	50
M-Sat JSC	Communication and telecommunication systems	3.4	116
Nexcom-Bulgaria	ISP	2.7	165
ITD Network JSC	Telephony and ISP	2.2	55

BPO providers

Company	Activity	Number of employees
BTC International Call Centers	Inbound & outbound, customer care services, technical support and order processing center	Over 400
Hewlett Packard	Global services support centre	1300
IMRO (Belgium)	Offshored contact center	400
Sofica Group	Contact center and IT help desk	100
All Data Processing	Information indexing and news writing; own business information products and services	280
CallPoint Bulgaria	Telemarketing, Phone Surveys, Debt Collection	300
Logically Bulgaria	Telemarketing, Customer support, Data processing, Technical support	35
TaxBack (Ireland)	Offshored tax refund service support	300
Coca Cola HBC Call Center	IT support shared service center	80
Microsoft	Customer Support Centre	30
PlusServer (Germany)	Linux server help desk and direct marketing call centre services	50
Inline	Contact Center, direct marketing services	50
Balkan Data (USA)	Data processing and conversion, content management	n.a
Owliance (France)	Software development; contact center and insurance back-office processing	over 80
APlus (USA)	Offshored US multi tier technical support and sales	60
C3i (USA)	Multi-lingual help desk support center	185
Outsource Partner International (USA)	Finance & Accounting support center	65
SysMaster (USA)	Sales of SysMaster and VoiceMaster products to EMEA + technical support help desk	125
IBM	Procurement Centre	100
	Global Delivery Centre	200
	Incentive&Commission	30

Sources: Bulgarian Industrial Association, Computerworld, company data

License for CD producers

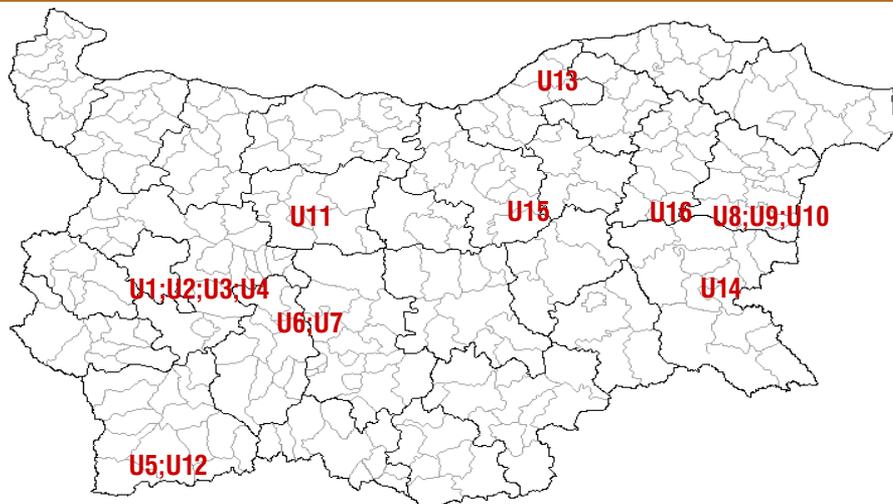
Competent Authority	Minister of Economy and Energy
Web-site	www.mee.government.bg
Contact (phone, fax, e-mail)	tel. +359 2 940 7008 fax. +359 2 981 5041
Purpose	Obtaining of license for CD production
Requirements and Conditions	<ol style="list-style-type: none"> 1. certificate for current registration from the Commercial registry issued not earlier than 2 months prior application 2. document to certify absence of liquid and due tax liabilities 3. information about the production capacity 2. documents certifying property over the machinery for production of CDs 3. certificate for conviction of the person representing the company according to the court registration 4. certificate for registration of the ID code for CD-producing(SID) 5.BULSTAD registration 6.verification for the quantity of the materials for CD-producing 7. paid state fees 8.business plan for the activities 9. notary certified lease contract or notary act for ownership of the building where the production will take place 10. customs document for import of the machinery necessary for production 11. declaration that the machineries have been already installed <p>The validity of the license is 1 year and can not be extended. Documents for new license should be filed at least 3 months before the expiration of the previous one.</p>
Time Frame	3 months
Costs (Fees)	BGN 5,000
Legal Grounds (Laws and Regulations)	Law for the Copyright and Related Rights(OG. 56/ 29 Jan 1993) Law on Administrative Regulation of the Manufacture and Trade in Optical Disks, Stemplers, and Other Storage Media Loaded with Subject Matter of Copyright and Neighboring Rights

Certification- Service-providers

Competent Authority	Communications Regulation Commission
Web-site	www.crc.bg; E-mail: vavassilev@crc.bg; tel. +359 2 949 2141
Contact (phone, fax, e-mail)	
Purpose	Registration of Certification-Service-Providers
Requirements and Conditions	<p>Required documents:</p> <ol style="list-style-type: none"> 1.application name, headquarters and address of the applicant; number in the National Tax Register and BULSTAT identification code; description of the services that will be provided; request for issuance of a certificate for registration 2. document for establishment of the company or a certificate for registration of the company from the Commercial Registry; 3. copy of an insurance policy for covering the damages caused by non-fulfilment of obligations under the Law for the Electronic Document and the Electronic Signature 4. terms for issuance of signature certificates, including the rules for determining the identity of the universal electronic signature holder; 5. description of the security procedures that occur during the issuance and using of the universal electronic signature; 6.the conditions and the order of using the universal electronic signature, including the requirements for storage of the private key; 7.list of the prices for all services offered by the provider; 8. declarations that confirm the fulfilment of the requirements under the Law for the Electronic Document and the Electronic Signature 10. copy of a document for paid state fee.
Time Frame	1 month
Costs (Fees)	BGN 15,100
Legal Grounds (Laws and Regulations)	Law for the Electronic Document and the Electronic Signature(OG 34/ 6.04.2001) Ordinance on the procedure for Registration of Certification - Service - Providers (OG 15/ 8.02.2002) Tariff for the taxes gathered by the Communications Regulation Commission(OG 31/ 16.04.2004)

Worth knowing

Educated workforce



University	Location	Majors(sector related)		
U1 Sofia University, Faculty of Mathematic and Informatics www.uni-sofia.bg/faculties/fmi/ www.fmi.uni-sofia.bg	Sofia	<ul style="list-style-type: none"> Mathematics Computer Sciences Mathematics and Informatics Informatics Applied Mathematics 		
U2 Technical University Sofia www.tu-sofia.bg	Sofia	<ul style="list-style-type: none"> Computer Systems Applied Mathematics Communications and Communications Technologies 		
U3 University of National and World Economy www.unwe.acad.bg	Sofia	<ul style="list-style-type: none"> Business Informatics Informatics 		
U4 New Bulgarian University www.nbu.bg	Sofia	<ul style="list-style-type: none"> Information Science (specializations: Computer Science; Computer Programming; Applied Information Science) Computer Media Technologies Network Technologies Telecommunications (specializations: Telecommunication Systems and Technologies; Management of Postal Communications; Biomechanics) Computer Technologies in Biomedicine Computer Science Mathematics Computer Technologies in Security and Defense Information Technologies Management Multimedia, Computer Graphics and Animation Software Technologies in the Internet 		
U5 American University in Bulgaria www.aubg.bg	Blagoevgrad	<ul style="list-style-type: none"> Computer Science Mathematics 		
U6 Plovdiv branch of Technical University Sofia www.tu-plovdiv.bg	Plovdiv	<ul style="list-style-type: none"> Computer Systems and Technologies Communication Equipment and Technologies Automation, Information and Control Systems 		
U7 Plovdiv University "Paisii Hilendarski" www.pu.acad.bg http://fmi.uni-plovdiv.bg	Plovdiv	<table border="0"> <tr> <td> <ul style="list-style-type: none"> Mathematics Applied Mathematics Computer Science Mathematics & Computer Science </td> <td> <ul style="list-style-type: none"> Applied Mathematics Software Technologies Business Informatics with English Teaching of School Computer Science and Information Technologies Teaching of School Mathematics </td> </tr> </table>	<ul style="list-style-type: none"> Mathematics Applied Mathematics Computer Science Mathematics & Computer Science 	<ul style="list-style-type: none"> Applied Mathematics Software Technologies Business Informatics with English Teaching of School Computer Science and Information Technologies Teaching of School Mathematics
<ul style="list-style-type: none"> Mathematics Applied Mathematics Computer Science Mathematics & Computer Science 	<ul style="list-style-type: none"> Applied Mathematics Software Technologies Business Informatics with English Teaching of School Computer Science and Information Technologies Teaching of School Mathematics 			
U8 Varna Technical University www.tu-varna.bg	Varna	<ul style="list-style-type: none"> Computer Systems and Technologies Communication Equipment and Technologies 		
U9 Varna Free University www.vfu.bg	Varna	<ul style="list-style-type: none"> Business Informatics Information Systems & Technologies Information Design 		
U10 University of Economics www.ue-varna.bg	Varna	<ul style="list-style-type: none"> Informatics 		
U11 Gabrovo Technical University www.tugab.bg	Gabrovo	<ul style="list-style-type: none"> Automation, Information and Control Systems Computer Systems and Technologies Communication Equipment and Technologies 		
U12 South-West University "Neofit Rilski" www.swu.bg	Blagoevgrad	<ul style="list-style-type: none"> Computer Science (Bachelor, Master) Computer Systems and Technologies 		
U13 Russe University www.ru.acad.bg	Russe	<ul style="list-style-type: none"> Communication Equipment and Technologies Computer Systems and Technologies Mathematics and Informatics Informatics and Information Technologies 		
U14 Burgas Free University www.bfu.bg	Burgas	<ul style="list-style-type: none"> Communication Engineering and Computer Networks Computer Systems and Technologies Information Technologies and Computer Science 		
U15 University of Veliko Turnovo www.uni-vt.bg	Veliko Tarnovo	<ul style="list-style-type: none"> Computer Science Informatics Mathematics and Informatics Computer Multimedia Systems Information Systems 		
U16 Shumen University www.shu-bg.net http://info.fmi.shu-bg.net	Shumen	<ul style="list-style-type: none"> Computer Informatics Business Informatics Computer Information Technologies Mathematics Mathematics and Informatics 		

113 CISCO Academies

Countrywide

Sector-related exhibitions and conferences attended by Bulgarian ICT business

Exhibition Name	Location (City)	Dates	Frequency	For more info
3GSM World Congress	Barcelona	February	Annual	www.3gsmworldcongress.com
CeBIT	Hannover	March	Annual	www.cebit.de
ICT Investment Roundtable	Sofia	September	Annual	www.ictalent.org
INFOTECH (International Exhibition of Information Technologies)	Plovdiv	September	Annual	www.fair.bg
PC WORLD (Specialized Software Exhibition)	Plovdiv	September	Annual	www.fair.bg
Science & Education EXPO "The Bulgarian Universities and Technological Incubators – a Center for Innovative ICT Developments"	Plovdiv	September	Annual	www.fair.bg
SYSTEMS	Munich	October	Annual	www.systems-world.de
BAIT EXPO	Sofia	November	Annual	www.bait.bg
VMworld Forum	Cannes, France	26-28 Feb 2008	1 st edition	http://www.vmworld.com
DigiTec	Yerevan, Armenia	October	Annual	http://www.digitec.am/
International ICT EXPO	Hong Kong	14-17 April	Annual	http://ictexpo.tdctrade.com/
World Telecommunication Congress	London	14-17 April	Annual	http://www.terrapinn.com
SEETEST - South East European Software Testing Conference	Sofia	2-3 July	1 st edition	http://www.seetb.org/

USEFUL contacts

Organization	Phone	Web site
State Agency for Information Technology and Communications	(+359 2) 949 2115 (+359 2) 949 2368	www.daits.government.bg
Communications Regulation Commission	(+359 2) 949 2335 (+359 2) 949 2418	www.crc.bg
Bulgarian ICT Cluster	(+359 2) 489 9744	www.ictalent.org
Bulgarian Association Of Software Companies (BASSCOM)	(+359 2) 489 9743	www.basscom.org
European Software Institute (ESI) Center Bulgaria	(+359 2) 489 9740	www.esicenter.bg
Bulgarian Association Of Information Technologies (BAIT)	(+359 2) 946 1513	www.bait.bg
Center for Law of the Information and Communication Technologies (CLICT)	(+359 2) 981 5097	http://clict.net
Bulgarian Internet Association	(+359 2) 9657 657	www.bina.bg (Bulgarian only)
Telecommunications Association (ASTEL)	(+359 2) 980 2919 (+359 2) 963 3800	www.astel-bg.com
The Bulgarian B2B Exchange for Software Development	(+359 2) 962 1346	www.bgitexchange.com

USEFUL sites

Organization	Web site
Information Society Promotion Office	www.infosociety.bg
Innovation Relay Centre – Bulgaria	www.irc.bg
Applied Research and Communications Fund (ARC Fund)	www.arcfund.net
Computerworld Electronic Newspaper	www.computerworld.bg
IDG (International Data Group Communications Inc.)	www.idg.bg
PC World Bulgaria (computer software & hardware magazine)	http://pcworld.bg
Digital World (online magazine for audio, video, photo and communications)	http://digitalworld.bg
CIO (IT magazine)	http://cio.bg
ICT Media (information technologies media)	http://ictmedia.idg.bg
Networkworld	http://nww.idg.bg
PC magazine	http://sagabg.net/PCMagazine
Public Computer and Communication Centers Project (PC3)	http://pc3.orbitel.bg

CONTACTS OF MAJOR INSTITUTIONS IN BULGARIA

President of the Republic of Bulgaria	www.president.bg	Supreme Administrative Court	www.sac.government.bg
National Assembly of the Republic of Bulgaria	www.parliament.bg	Supreme Court of Cassation	www.vks.bg
Constitutional Court	www.constcourt.bg		

Government

Council of Ministers	www.government.bg	Ministry of Education and Science	www.minedu.government.bg
Ministry of Economy and Energy	www.mee.government.bg ; www.doe.bg	Ministry of Labour and Social Policy	www.mlsp.government.bg
Ministry of Finance	www.minfin.bg	Ministry of Culture	www.mc.government.bg
Ministry of Regional Development and Public Works	www.mrrb.government.bg	Ministry of Defence	www.md.government.bg
Ministry of Environment and Water	www.moew.government.bg	Ministry of Justice	www.mjeli.government.bg
Ministry of Transport	www.mtc.government.bg	Ministry of Interior	www.mvr.bg
Ministry of Health	www.mh.government.bg	Ministry of Public Administration and Administrative Reform	www.mdaar.government.bg
Ministry of Foreign Affairs	www.mfa.government.bg	Ministry of Emergency Situations	www.mdpa.bg
Ministry of Agriculture and Forestry	www.mzgar.government.bg		

Other state institutions

InvestBulgaria Agency	www.investbg.government.bg	Public Internal Financial Control Agency	www.advfk.minfin.bg
Privatization Agency	www.priv.government.bg General	Department of Archive	www.archives.government.bg
Bulgarian Small and Medium Enterprises Promotion Agency	www.sme.government.bg	National Construction Control Directorate	www.dnsk.mrrb.government.bg
Agency for Economic Analysis and Forecasting	www.aeaf.minfin.bg	Cadastre Agency	www.cadastre.bg
National Revenue Agency	www.taxadmin.minfin.bg ; www.nap.bg	Citizen Registration and Administrative Service Directorate	www.grao.bg
State Receivables Collection Agency	www.adv.government.bg	Competition Protection Commission	www.cpc.bg
National Customs Agency	www.customs.bg	State Agency for Youth and Sports	www.youthsport.bg
Public Procurement Agency	www.aop.bg	State Commission on Gambling	www.dkh.minfin.bg
Bulgarian State Tourism Agency	www.bulgariatravel.org	PHARE Implementing Agency to the Ministry of Economy and Energy	www.iaphare.org
National Audit Office	www.bulnao.government.bg	Post Privatization Control Agency	http://ppc.government.bg
State Agency for Information Technology and Communications	www.daits.government.bg	Patent Office of Republic of Bulgaria	www.bpo.bg
Communications Regulation Commission	www.crc.bg	Executive Agency "Certification & Testing"	http://exact.e-gov.bg
State Energy and Water Regulatory Commission	www.dker.bg	Bulgarian Export Insurance Agency	http://baez-bg.com
Energy Efficiency Agency	www.seea.government.bg	General Labour Inspectorate - Executive Agency	http://git.mlsp.government.bg
Financial Supervision Commission	www.fsc.bg	Executive Agency "Bulgarian Accreditation Service"	www.nab-bas.bg
Financial Intelligence Agency	www.fia.minfin.bg	National Agency for Vocational Education and Training	www.navet.government.bg
National Employment Agency	www.az.government.bg	Commodity Exchanges and Wholesale Markets State Commission	www.dksbt.bg
Bulgarian Drug Agency	www.bda.bg	Nuclear Regulatory Agency	www.bnsa.bas.bg

Other institutions & organizations

National Statistics Institute	www.nsi.bg	Bulgarian Branch Chamber of Energy	www.bbce.org
Bulgarian Chamber of Commerce and Industry	www.bcci.bg	National Health Insurance Fund	www.nhif.bg
Bulgarian Industrial Association	www.bia-bg.com	National Social Security Institute	www.noi.bg
Bulgarian Academy of Sciences	www.bas.bg	National Science Fund	www.nsfb.net
Bulgarian Stock Exchange	www.bse-sofia.bg	Bulgarian National Consumers Association	www.bnac.org
Sofia Commodity Exchange	www.sce-bg.com	The European Commission Representation in Bulgaria	www.ec.europa.eu/bulgaria
Energy Efficiency Centre in Industry	www.eeci.doe.bg	National Center for Information and Documentation	www.nacid.bg