

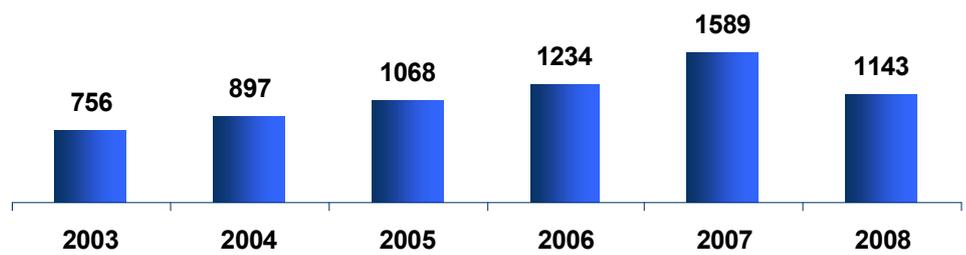
BULGARIA: MECHANICAL ENGINEERING FACTSHEET

InvestBulgaria Agency – March 2010

Market review

- ✓ Long traditions and expertise
- ✓ Export oriented sector and industry
- ✓ Continuous growth since year 2000
- ✓ Excellent combination of strong engineering skills and low-cost production
- ✓ About 120,000 people working in the sector

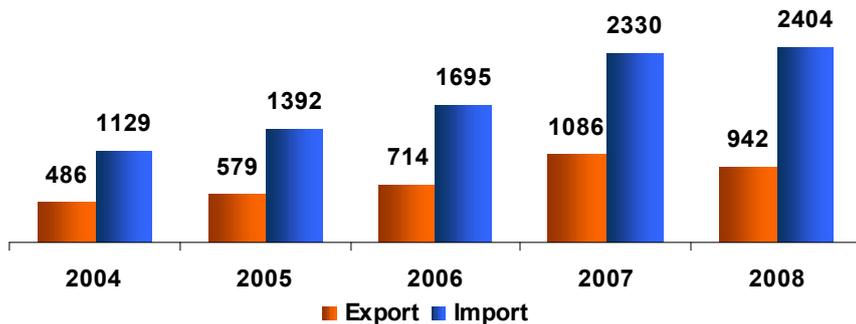
Production of machinery and equipment, EUR m



Source: NSI

Export & Import

Export and Import in the mechanical engineering sector, EUR m



Source: NSI

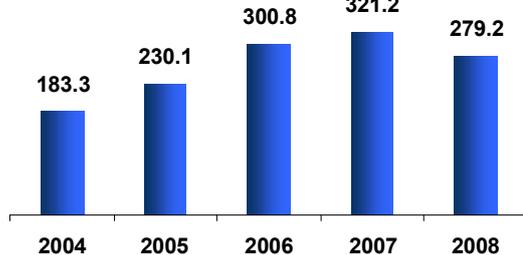
Top companies in manufacturing of machinery and equipment by net sales in EUR m, 2008

Company name	Net sales
Ideal Standart - Vidima JSC - Sevlievo	214.4
Liebherr - Hausgeräte Marica SPLTD	156.7
Palfinger Productionstechnik Bulgaria	64.1
M+S Hydraulic JSC - Kazanluk	42.0
Sparky - Eltos JSC - Lovetch	39.8
SKF Bearings - Bulgaria SPJSC - Sofia	30.1
Energoremont - Galabovo JSC	28.9
Tesy LTD - Shoumen	27.7

Source: BEIS

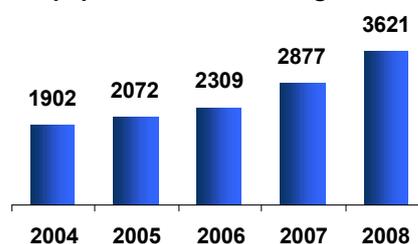
FDI in the sector

FDI in machine building, USD m



Labour cost

Annual average wages in machine and equipment manufacturing, in EUR



Source: NSI

Tentative monthly salaries in manufacturing, large cities, EUR, 2009

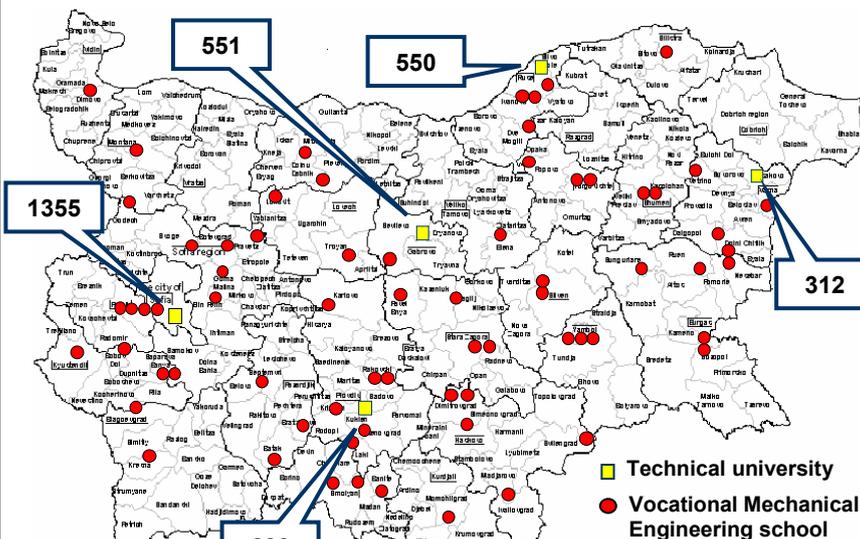
Position	Gross salary	Total cost
Low-skilled worker	250	295
Skilled worker	400	472
Engineer	500 - 600	590 - 709
Test Engineer	600 - 750	709 - 886

Source: company info

Note: In Sofia salaries are 15-20% higher

Education

Enrolment in universities with mechanical engineering programs in Bulgaria 2008/2009



3 368 Students in Mechanical Engineering Programs

Case study

PALFINGER

Palfinger Bulgaria Ltd.

No. 1 machine-building company by net sales
 Producer and assembler of components for ship cranes and auto-truck cranes, separate parts, cylinders and hydraulic components.

Two production plants

1. Cherven Brjag

- Investments (2006 – 2008): EUR 17 mln.

- Employees: 500

- No. of items produced in 2007: 83 000 components

- Education centre for welders

2. Tenevo 2007

- Investments in the factory: EUR 25-30 mln (est.)

- Employees: 493

- Cooperation with technical school in Yambol

- Practice centre in the factory

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

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