

BULGARIA TODAY'S POLITICAL, ECONOMIC & COMMERCIAL CROSSROAD

Lubka Katchakova

Economic & Commercial Counsellor

Consulate General of the Republic of Bulgaria

Los Angeles, USA





LOCATION

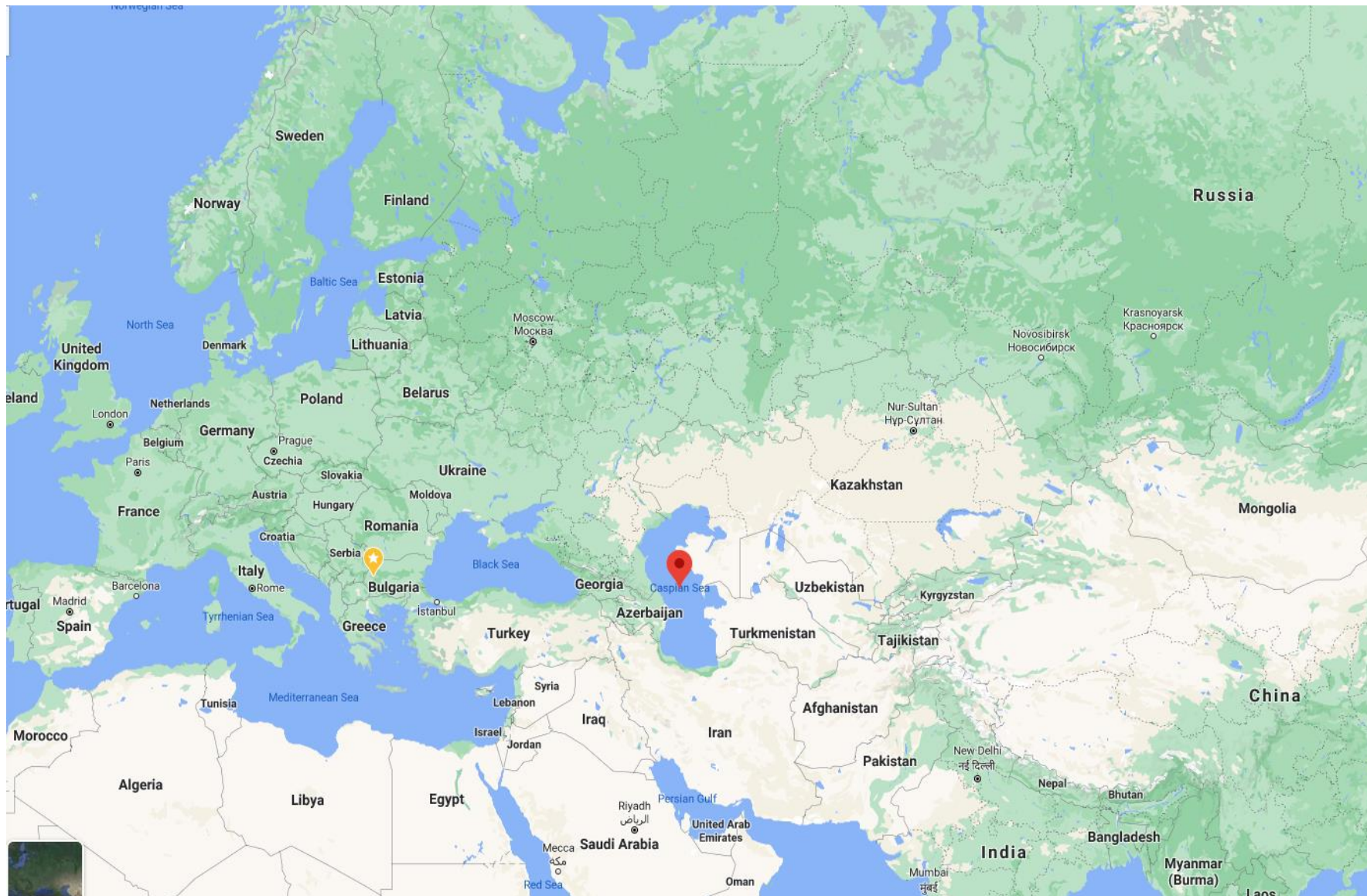
- Strategic geographical location.
- Crossroad between Europe, the Near and the Middle East, Asia and the Mediterranean.
- Strategic intercontinental transport, communication and energy corridors pass through Bulgarian territory.



PAN-EUROPEAN TRANSPORT AND ENERGY CORRIDORS



THE BLACK SEA REGION



THE BLACK SEA - CASPIAN REGION

Intermediary contact region between the European Union, Turkey, Russia and the oil rich Caspian and Persian Gulf regions



CAUCASUS CABLE SYSTEM GEORGIA-BULGARIA
The only communication cable linking Georgia to Europe



GEOGRAPHY

- Territory - 42,855 m2 miles.
- 70% - plains and hills.
- 50% of the territory is farming land.
- Large transboundary rivers - Mesta, Dospat, Struma (with Greece); Maritza, Toundja, Arda (with Turkey).
- Upper country for Greece and Turkey – “water donor”.



MODERN BULGARIA

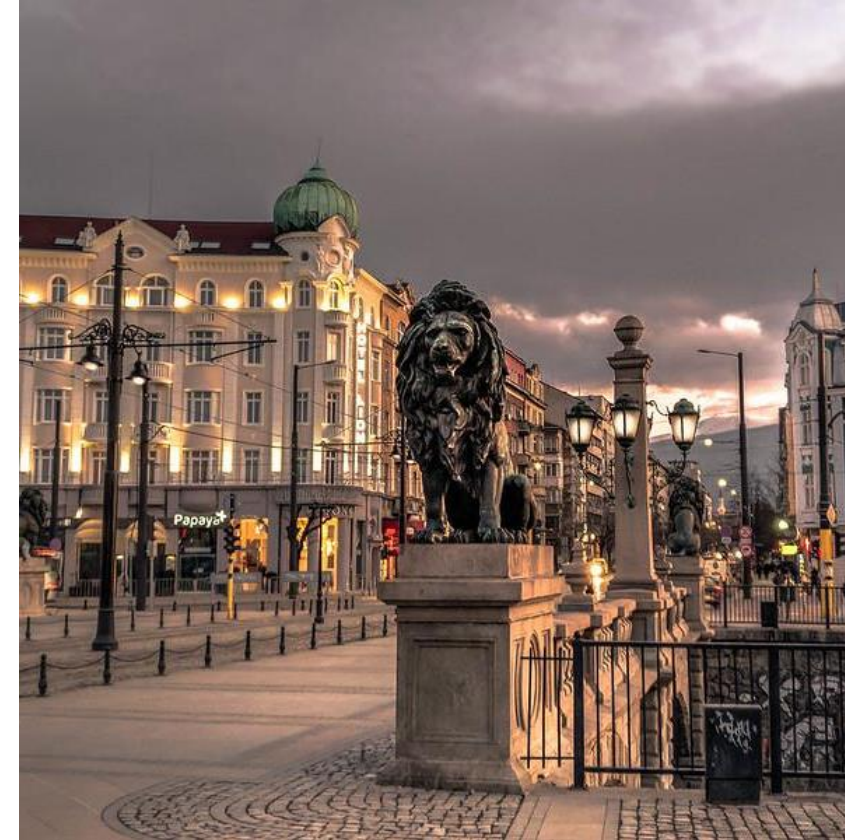
WTO 1996

NATO 2004

EUROPEAN UNION 2007

FRONT-LINE NATO STATE

“STATE-GATEWAY”



THE NATIONAL SYMBOL OF BULGARIA

- Bulgaria is one of the oldest states in the world - founded in 681 AD.
- The lion is the symbol of the bravery and courage of Bulgarian warriors, who fought “like lions”.
- For over 1300 years Bulgarians have never surrendered its flag in battle.



THE PEOPLE OF BULGARIA

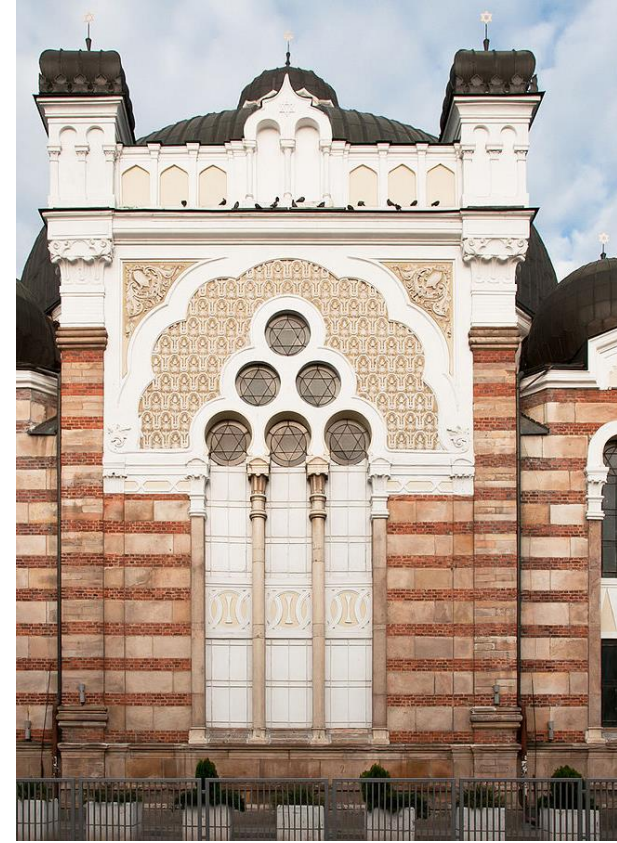
Population: 6,948,445. Population density is 158 per square mile, half the European Union average

Ethnic groups: Bulgarian 76.9%, Turkish 8%, Romani 4.4%

Languages: Bulgarian (official) 76.8% Turkish 8.2%, Romani 3.8%

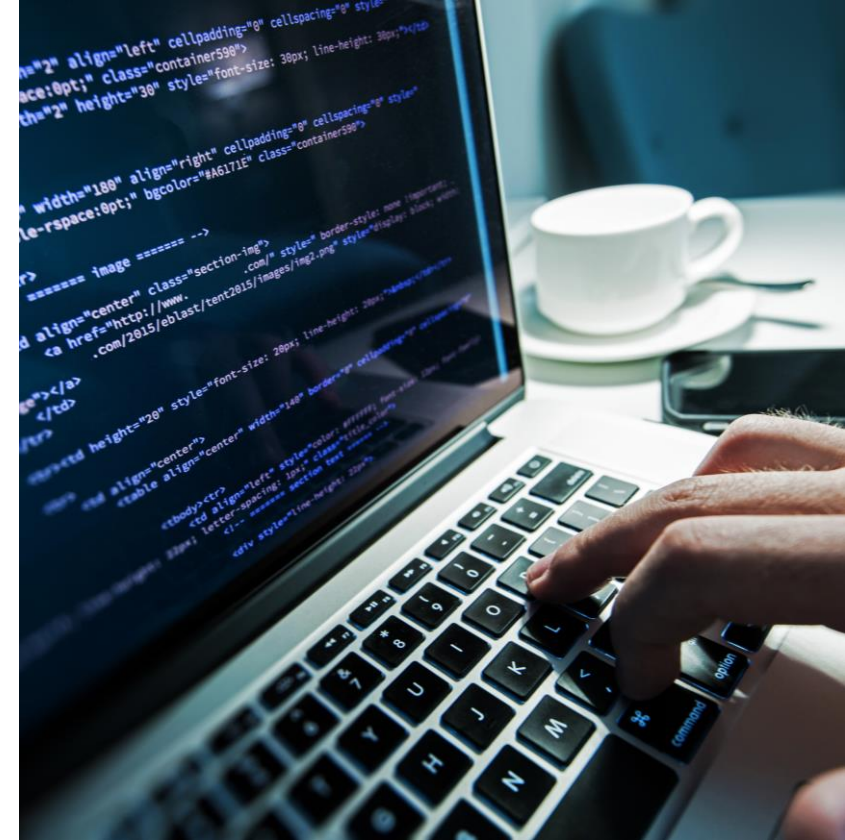
Religions: Eastern Orthodox 60%, Muslim 7.8%, Other (including Catholic, Protestant, Armenian Apostolic Orthodox, and Jewish) 1.7%

Bulgaria ranks 52nd in the list of 189 countries on the Human Development Index



COUNTRY OF TOLERANCE AND PILLAR OF STABILITY

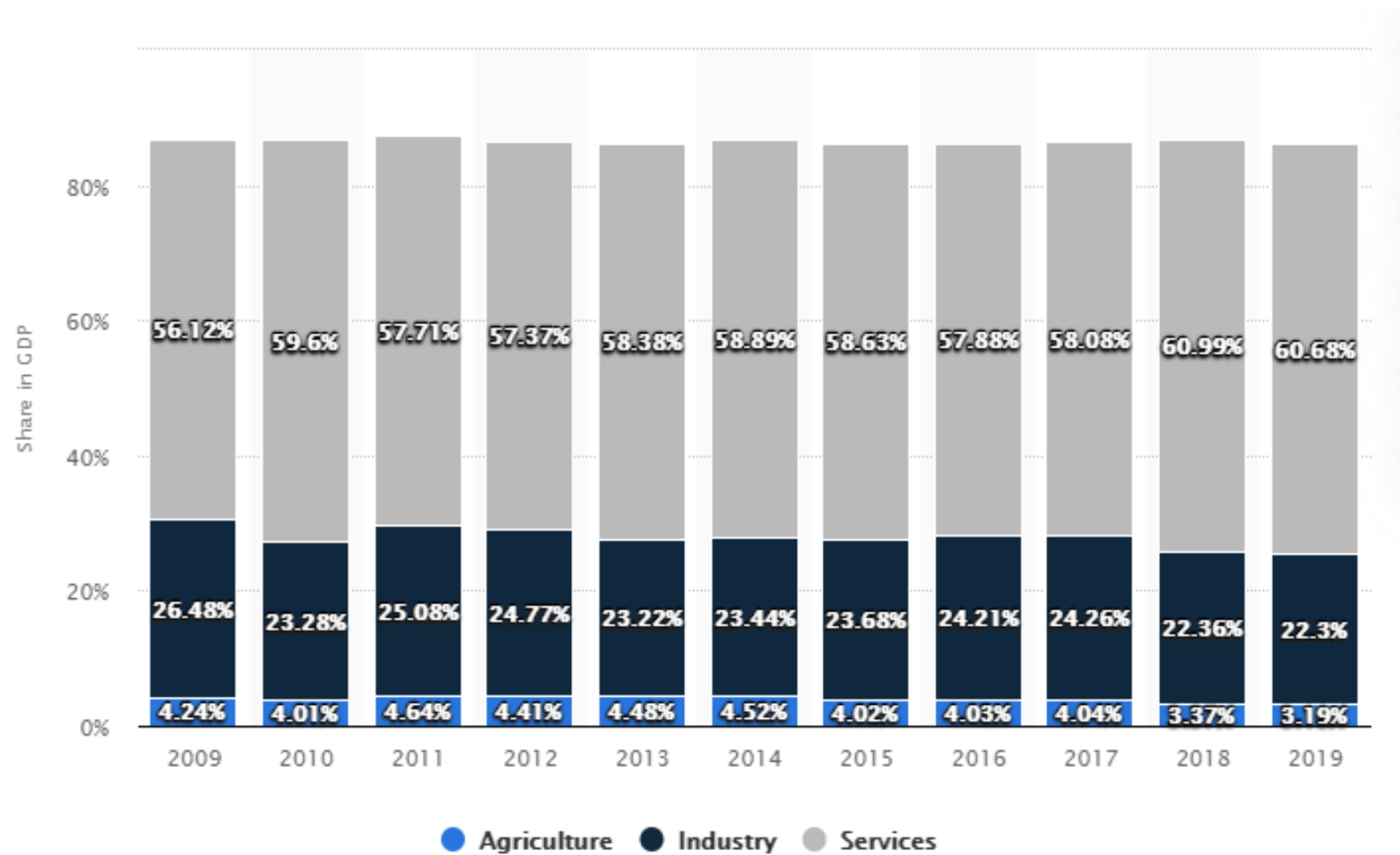
- Temples of different religions coexist in the center of Sofia.
- Bulgarians live peacefully with all other religions.



ECONOMY

- GDP: 67.9 bn USD
- Sofia's share - 42% with 22% of the total population.
- Services 67%, Industry 28%, Agriculture 5%

Bulgaria: Distribution of gross domestic product (GDP) across economic sectors from 2009 to 2019





INVEST IN BULGARIA

- Political, macroeconomic and financial stability.
- Free access to the EU market, easy access to the markets in Asia
- Highly skilled labor force - engineering and IT.
- The lowest tax rates in the European Union :
 - 10% flat corporate and individual income tax, 5% withholding tax on dividends
- Digital infrastructure – high Broadband adoption. VIVACOM 5G 4th fastest internet globally
- Access to the EU funds for R&D and production.

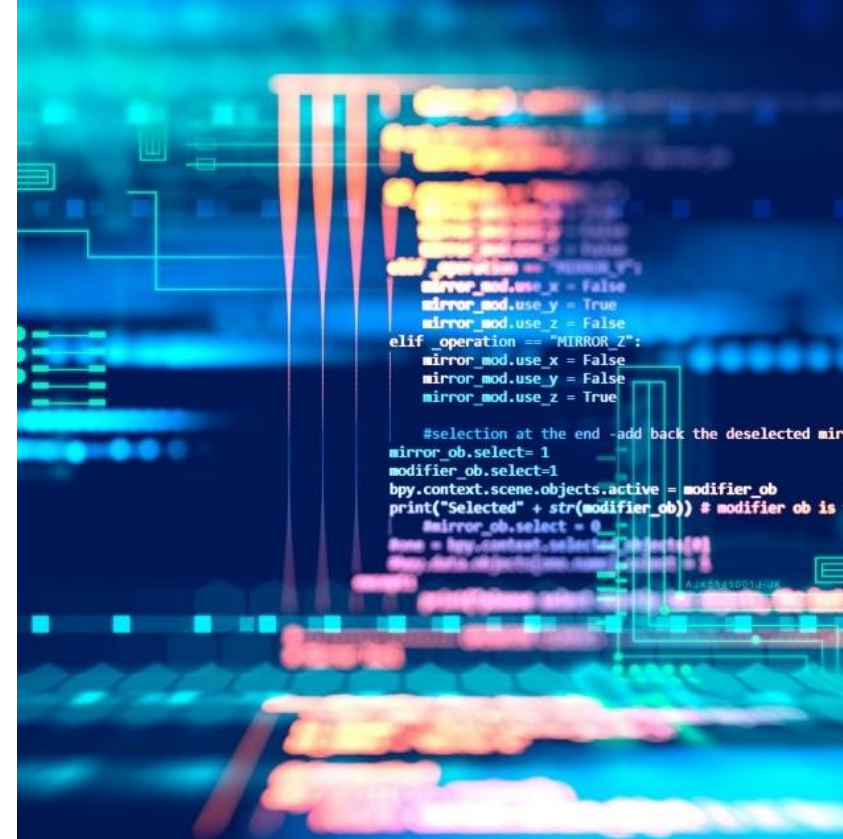


ICT SECTOR

TOP INNOVATION HUB

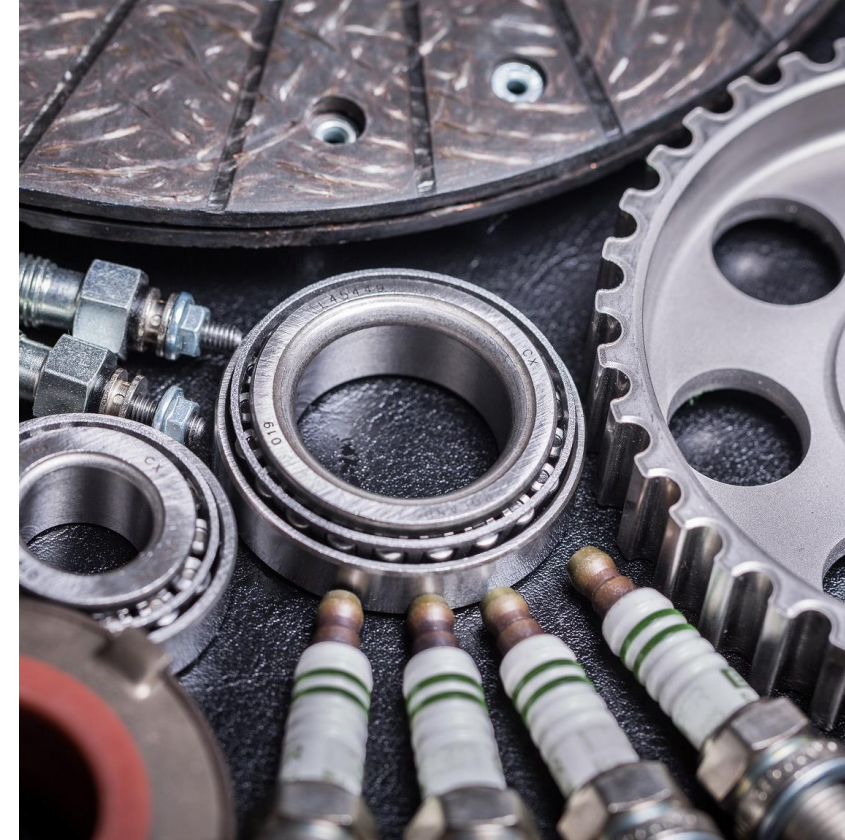
- 37th out of 131 countries - 2020 Global Innovation Index.
- Sofia is the 3rd city in Europe in number of start-ups, with 90% of them in the ICT sector.
- **Global IT R&D leaders** like SAP Labs, HP, Bosch, VMware, IBM, CISCO already operate large R&D centers.

*Photo: The monument of John Atanasoff, American physicist with Bulgarian origin.
He invented the first electronic digital computer.*



BPO & REGIONAL SERVICE CENTERS

- The World Bank
- Financial Times
- IBM Europe Finance Center
- Cargill Business Service
- AES Euroasia Shared Service Center in Sofia
- Lufthanza Technik Sofia



AUTOMOTIVE INDUSTRY

- Global market leader in automotive parts & component
- BMW, Mercedes, Porsche and recently for Tesla
- 90% of all airbag sensors in European cars are produced in Bulgaria
- AUTOMOTIVE R&D CENTERS: "Visteon" /USA/, "Sensata Technologies" /USA/



AGRICULTURE

- Bulgaria has overtaken France to become the world leader in lavender and lavender oil production.
- Bulgaria is the largest producer globally of rose oil.
- **Bulgaria** is one of the leading **exporters** of grain.



THE VALLEY OF ROSES

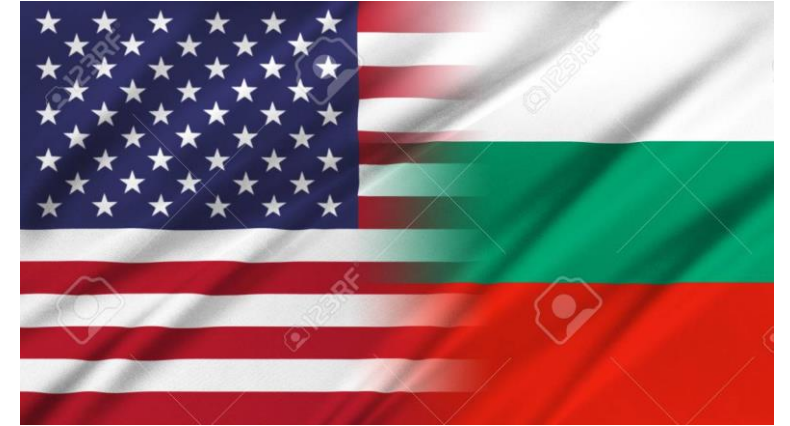


ENERGY

- POWER GENERATION MIX
- 45% fossil fuels - coal, natural gas, and oil
- 37% nuclear
- 18% renewable



SOUTHERN GAZ CORRIDOR
Carries gas from the Caspian Sea to Europe



BILATERAL RELATIONS

Since 1903

Bilateral Investment Treaty -1994

Bilateral Income Tax Treaty - 2007

U.S.- Bulgarian Defense Cooperation Agreement - 2006

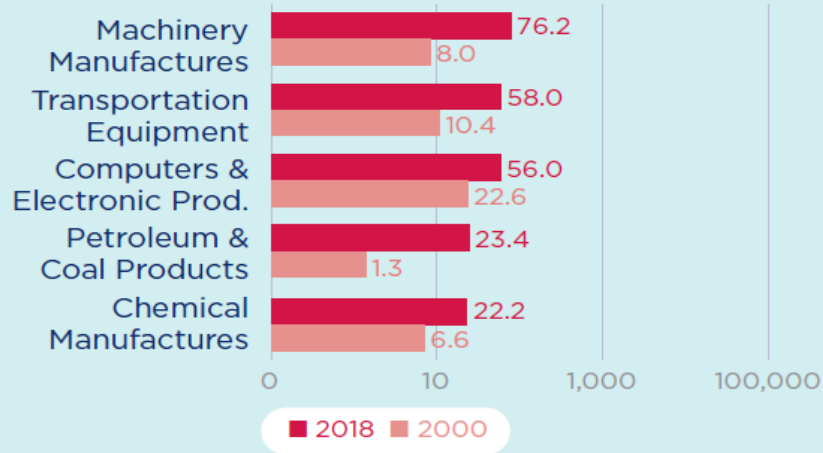


\$370 m

U.S. Goods Exports to Bulgaria, 2018

0.9% The U.S. supplied 0.9% of Bulgaria's total imports... **2.5%** ...but the U.S. share increases to 2.5% when intra-EU trade is excluded from the total.

Top Five U.S. Goods Exports to Bulgaria (\$ millions)



Top State Trade Partners Exports of Goods (\$ millions)

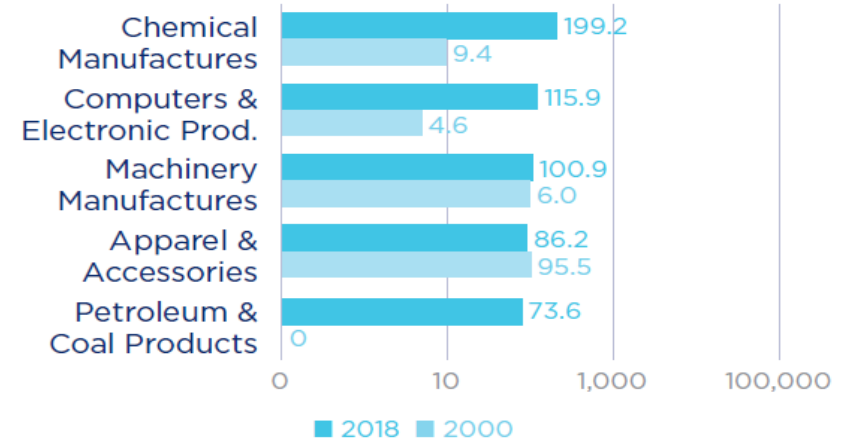
- 1**
101.2
 Texas
- 2**
37.5
 California
- 3**
23.2
 Washington
- 4**
17.0
 New York
- 5**
16.9
 Iowa

\$986 m

U.S. Goods Imports from Bulgaria, 2018

1.7% The U.S. received 1.7% of the total goods Bulgaria exported to the world... **5.2%** ...but the U.S. share increases to 5.2% when intra-EU trade is excluded from the total.

Top Five U.S. Goods Imports from Bulgaria (\$ millions)



Top State Trade Partners Imports of Goods (\$ millions)

- 1**
140.4
 Ohio
- 2**
80.5
 Texas
- 3**
70.7
 New York
- 4**
70.6
 New Jersey
- 5**
62.1
 Massa-



\$481 m

U.S. Services Exports to Bulgaria, 2018

\$577 m

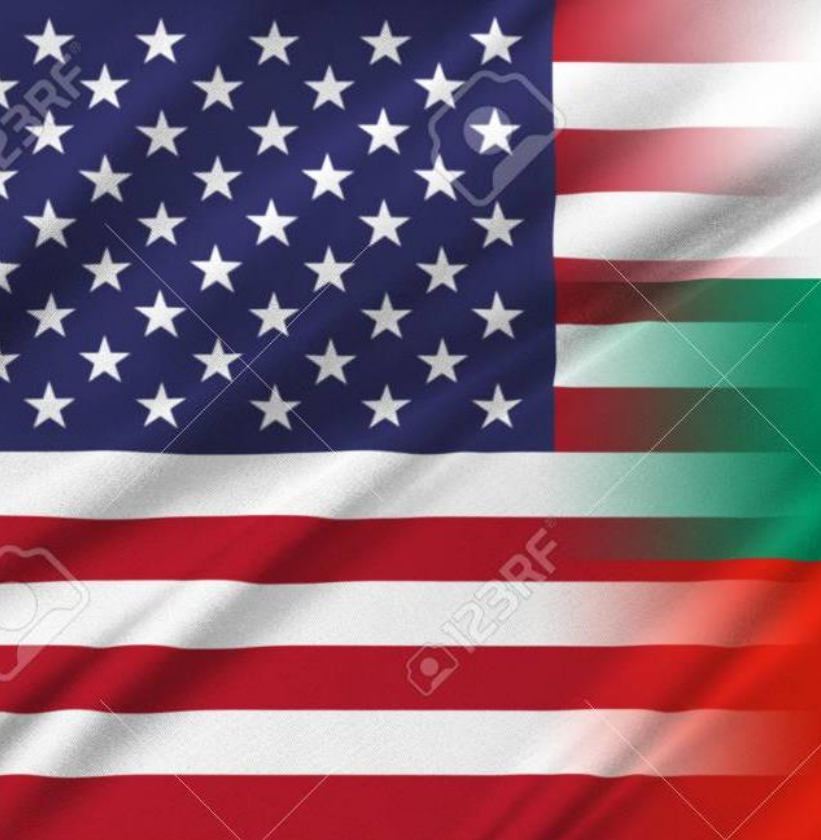
U.S. Services Imports from Bulgaria, 2018

Sources: Bureau of Economic Analysis; U.S. Commerce Department; International Monetary Fund; Office of Trade and Economic Analysis.



DISCOVER "MADE IN BULGARIA" IN THE U.S.





US INVESTMENTS

The U.S is the 5-th largest foreign investor in Bulgaria

90% of U.S. foreign direct investments – processing industry and power generation, indicating long-term commitment



Bulgaria and the United States

United States in Bulgaria

10,049



Jobs

Bulgaria in the United States

204

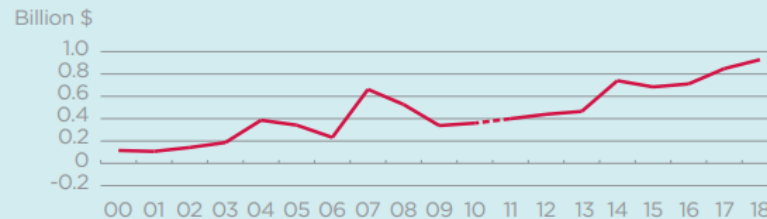
Jobs directly supported by majority-owned affiliates. Estimates for 2018. Total U.S.-related jobs are likely to be higher, because these figures do not include jobs created by trade flows, indirect employment effects through distributors or suppliers, or via non-equity arrangements such as strategic alliances, joint ventures, or other deals.

\$928 m

Foreign Direct Investment (FDI), 2018

America's investment base in Bulgaria is relatively small, and foreign affiliate sales totaled just \$2.6 billion in 2018, according to estimates. U.S. affiliates in Bulgaria employed approximately 10,000 workers in 2018, placing Bulgaria 6th among the EU13 in terms of U.S. firms' employment abroad.

U.S. FDI Position in Bulgaria

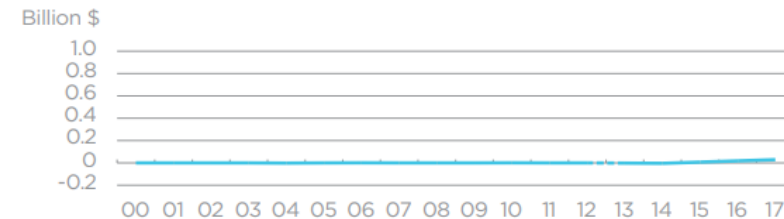


Investment

\$29 m

Foreign Direct Investment (FDI), 2017*

Bulgaria FDI Position in the U.S.



Foreign direct investment position, historic-cost basis, 2000-2018.

Note: Dotted line indicates that data has been suppressed for a particular year to avoid disclosure of individual company data.

*Latest year of available data.





CONTOURGLOBAL®



US INVESTORS IN
BG POWER GENERATION
SECTOR

AES – “ Maritsa East 1” TPP. 670 MW, 1 bn Euro

The single largest green- field foreign investment in Bulgaria

CONTOUR GLOBAL - “ Maritsa East 3” TPP. 900 MW

EDUCATION

AMERICAN UNIVERSITY

City of Blagoevgrad

1000 students from over 40 countries

50% of students are international

AMERICA FOR BULGARIA

\$200 mn granted since 2009 for civil engagement, education, culture, entrepreneurship in Bulgaria

U.S. Government foreign assistance to Bulgaria totaled over \$600 million through 2007





DEFENSE

- Bulgaria has participated in coalition operations, including in Libya, Iraq, Afghanistan, Kosovo, and Bosnia
- Four Joint US-Bulgarian military bases
- “Lockheed Martin” \$512 million contract for eight F-16V Block 70s.
- 10-year road map charting defense cooperation between the two countries over the next decade 2020-2030



VISIT BULGARIA









5th millennium B.C.



- Varna Necropolis
- The oldest gold treasure in the world 4000–4500 B.C.
- 1,5 kilos
- Varna Museum of Archaeology.

THRACIAN GOLDEN MASK – 2400 YEARS OLD

- The greatest archeological discovery in the XXI century
- Covered the face of Odrysian King Teres I (450 – 431 BC)
- 23.5 K gold
- Weight 672 g (1.48 lb)
- “There have been other gold masks discovered, but all of them are made of foil-thin gold. Gold masks with this shape and weigh are absolutely unknown”. Prof. Georgi Kitov
- Exhibited in the Archaeological Museum in Sofia







www.visitmybulgaria.com

www.bulgariatravel.bg

www.bulgariawinetours.com

www.golfinbulgaria.com

www.investsofia.com

LUBKA KATCHAKOVA
e-mail: l.katchakova@mi.government.bg







THANK
YOU !