

REGENT'S PROPERTY ADVISORS



BULGARIAN ECONOMY HIGHLIGHTS 2009



Bulgaria – key facts



Bulgaria in numbers

- ♦ Territory: 110,910 km²
- ♦ Population 31.12.2008: 7.6 mln.
- ♦ Time zone: GMT +2h
- ♦ Currency – BGN /lev/: EUR 1 = 1.95583 BGN, fixed rate
- ♦ Currency board
- ♦ GDP 2008 – EUR 34.12 bln.
- ♦ GDP growth Q3 2009: -5.8%; +6.0% for FY 2008 and +6.2.% for FY 2007
- ♦ Inflation Jan-Oct 2009: 0.0%, 8.7 % for Q3 2008.
- ♦ Unemployment rate – Q3 2009 6.7%, 5 % for Q3 2008.
- ♦ FDI Jan-Aug 2009 are EUR 1 950 mln. FDI for FY2008 were EUR 5 500 mln.
- ♦ Average salary – BGN 590 according to the official statistics of NSI. However the official salaries are understated due to a common practice of under reporting the actual payments.
- ♦ General price level 2008: 51% of the average of EU 27 countries
- ♦ There are 6 major cities in Bulgaria – (the capital) Sofia, Plovdiv, Varna, Burgas, Ruse and Pleven

Business environment

- ♦ Bulgaria is a member of EU and NATO.
- ♦ 10% corporate tax, and 10% personal income tax – the lowest tax rates in the Europe
- ♦ 5% dividend tax
- ♦ 20% VAT
- ♦ Tax incentives for major Investors
- ♦ One of the lowest operating expenses in Europe

Major cities in Bulgaria



Sofia – General information

Sofia is the capital of Bulgaria and the largest city in the country

- ♦ Population (as of 31/12/08): ~ 1 400 000 according to the official statistics; more than 2 000 000, according to the unofficial statistics
- ♦ Work force (as of 31/12/08) – 835 768
- ♦ Unemployment (as of 30/09/09) – 2.4%
- ♦ About 34% of Bulgaria's GDP is produced in Sofia
- ♦ The official average salary in Bulgaria is highest in Sofia city - about BGN 750 per month.



Plovdiv – General information

Plovdiv is the second largest city in Bulgaria

- ♦ Population: ~ 380 000
- ♦ Workforce (as of October 2009) – 329 800
- ♦ Unemployment (as of October 2009) – 7.5%
- ♦ The official salary in Plovdiv as of September 2009 is BGN 524 per month.



Varna – General information

Varna is the third largest city in Bulgaria

- ♦ Population: ~ 365 000
- ♦ Workforce (as of October 2009) – 218 800
- ♦ Unemployment (as of October 2009) – 6.2%
- ♦ The official salary in Varna as of September 2009 is BGN 600 per month.



Burgas – General information

Burgas is the fourth largest city in Bulgaria

- ♦ Population: ~ 208 000
- ♦ Workforce (as of October 2009) – 201 000
- ♦ Unemployment (as of October 2009) – 5.1%
- ♦ The official salary in Burgas as of September 2009 is ~BGN 550 per month.



Major cities in Bulgaria (cont.)



Ruse – General information

Ruse is the fifth largest city in Bulgaria

- ◆ Population: ~ 167 000
- ◆ Workforce (as of October 2009) – 121 000
- ◆ Unemployment (as of October 2009) – 8.1%
- ◆ The official salary in Ruse as of Q2 2009 is ~BGN 500 per month.



Pleven – General information

Pleven is the sixth largest city in Bulgaria

- ◆ Population: ~ 121 000
- ◆ Workforce (as of October 2009) – 68 000
- ◆ Unemployment (as of October 2009) – 9.7%
- ◆ The official salary in Pleven as of Q3 2009 is BGN 480 per month.



Why Bulgaria?

- ◆ A member country of EU and NATO
- ◆ Low operational costs, including low employment costs
- ◆ Skilled workforce
- ◆ The lowest tax rates in Europe
- ◆ Low utility expenses
- ◆ Relatively undeveloped market with high margins and growth rates



(Sources: EUROSTAT, National Statistical Institute /NSI/, Bulgarian National Bank/BNB/, Bulgarian Investment Agency)

Additional Market Studies can be provided upon request.



Contacts



Contact information:

Boyan Ivanov

bivanov@regents.bg

+ 359 887 85 77 18



Nikolay Petkov

npetkov@regents.bg

+ 359 882 88 70 70



Regent's Property Advisors

+ 359 2 950 5235

www.regents.bg

116 James Boucher Blvd.

Sofia 1407

Bulgaria

