



Basic Data:

Population: 7.68 million (Urban: 70.6 %)
Capital city: Sofia (population: 1.1 million)
Official language: Bulgarian (Cyrillic alphabet) - English is widely spoken in business
Currency: Lev - BGN (1 BGN = €0.51129 - The BGN is pegged to the Euro)
GDP per capita - at market prices, 2007: €3800 (Ireland: €43 200)
Actual GDP growth rate: 6.2 % (2007)
Time: GMT +2



Religion: Orthodox Christian (85%), Muslims (13%)
Government type: Constitutional parliamentary democracy
Administrative division: 9 provinces and 278 municipalities
Legal system: Civil and criminal laws based on Roman law.
People: Since the beginning of the 90's, the population of Bulgaria has been decreasing (negative natural increase: - 5.1 % in 2006)

Funded in 681, Bulgaria is one of the oldest states in Europe. The Country was conquered in 1396 by the Ottoman Empire and remained under its domination for nearly five centuries. Although several national liberation movements emerged during the 19th centuries, the Bulgarian state was only restored following the Russian-Turkish war of liberation (1878). After the end of WW2, Bulgaria was under the political and economical influence of the Soviet Union. Since 1990, it has chosen the way of democratic development and market economy. On January, 1, 2007, Bulgaria finally joined the European union.

Economy:

◆ Overview:

Since 1997, the Bulgarian government has implemented a structural reform programme which notably includes a currency board regime and conservative fiscal policies. Thanks in large part to these policies, Bulgaria has experienced **rapid economic growth** in recent years - GDP has grown at a rate superior to 5 % a year since 2000 – and budget surpluses (3.8% in 2007).

The GDP growth is mainly driven by **high investments**, including large inflows of Foreign Direct Investment, and **private consumption**. Imports of goods and services have increased at a rate of 9.9 % in 2007. Additionally, the Bulgarian government has introduced **the lowest tax rates in Europe** - 10% rate both on personal and corporate income taxes.

Unemployment has declined from more than 15% in 2002 to 6%, while the employed rate has notably increased. It has a relatively **low cost** and **highly-skilled labour force** who usually masters foreign languages. Bulgaria is located at a **unique and strategically important geographic place** - perfect for sales in the EU, Russia, Turkey and the Middle-east.

Despite **major economic and judicial progresses**, corruption, inefficiency bureaucracy and organized crime remain major concerns. If infrastructures are sometimes obsolete EU membership should notably increase funding for this kind of projects.

Inflation Rate - measured by HICPs:
7,6 % in 2007

Balance of payment: million of € -
6,219.9

Trade balance: million of € - 7357,0

FDI: €5,171.17

Gross fixed Capital formation: 21,7 %

Private consumption: 5,1 % (Retail sales: 12.3 %)

Imports of goods and services: 9,9%

Unemployment rate: 6 %

Employed: + 4,6 %

Average monthly wages: €220,4

University degrees: 22% of population

Despite Bulgaria remaining one of the poorest country of the EU, it has made major economic progresses over the last few years. **Real business opportunities** exist over there for Irish companies, notably in sector such as **consumer goods, capital goods** (infrastructure projects, environmental technologies) **and services**.

◆ Bulgarian economy by sector

GDP composition - by sector: Services: 61.5% - Industry: 32.3% - Agriculture: 6.2%

Industry still play a key role in the Bulgarian economy and rose the fastest in 2007 (industrial production increased by 9.2%) - **Main industries** include electricity, machinery and equipment (electronics), base metal, ferrous metallurgy (steel, pig iron), chemical products, food products, beverage and tobacco.

In 2007, the highest increases were registered in the construction sector (up 16.9%), the processing industry (up 15.4%), electricity and heating energy sectors (up 17.2%).

Although the **service** sector has comparatively grown at a lower rate in 2007, it remains very dynamic. Hewlett Packard, for instance, has established its Global services support centre for Europe, the Middle East and Africa in Bulgaria.

=> Very useful fact sheets, focusing on main economic sectors are available at <http://investbg.government.bg/index.php?sid=22>

◆ Main economic partners

Exports: Turkey, Italy, Germany, Greece and Belgium - Ireland ranked 40th in 2006 (Clothing and footwear's, metals, spare parts and equipments, etc.)

Imports: Russia, Germany, Italy, Turkey and Greece - Ireland ranked 28th in 2006 (Fuels, raw materials, machine and equipments)

FDI flows by country: UK, Belgium, the Netherlands, Austria and Greece. In 2007, Foreign investors mainly invest in **Real estate**, renting and business activities, **Financial intermediation**, **Construction**, Wholesale and retail sale.

Useful contacts

<p>Irish Embassy in Bulgaria, Platinum Business Centre, 26-28 Bacho Kiro Street, Sofia 1000, Bulgaria Tel: (+ 359 2) 985 34 25 @ : sofiaembassy@dfa.ie</p> 	<p>Bulgarian Chamber of Commerce and Industry 9 Iskar Street, 1058 Sofia, Bulgaria Tel: (+359 2) 811 74 00 / (+359 2) 987 26 31/35 @ : bcci@bcci.bg</p> 
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Main Sources:

- The Bulgarian National Bank, www.bnb.bg
- Bulgaria National Statistical Institute, www.nsi.bg
- Republic of Bulgaria, Council of ministers, www.government.bg
- Invest Bulgaria Agency, <http://investbg.government.bg>

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The information contained in this document aims to give an overview of the general situation in Bulgaria. Its account may thus omit some feature in the interest of brevity. No liability is accepted for any decision taken on foot of this document.