

# Bulgaria

## One of the best new emerging destinations for Indian business



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**B**ulgaria and India have a long-standing friendship and the bilateral relations are characterized by an atmosphere of close friendship and mutual understanding. Three years ago, in 2014, India and Bulgaria marked the 60th anniversary of the establishment of diplomatic relations between our two countries and throughout this entire period we have enjoyed excellent relations.

Bulgarian economy was growing in 2016 at an annual rate of 3.4% and is the sixth fastest-growing economy in the European Union, which in addition to the fact that Bulgaria has the most attractive tax regime among the EU member states - 10% flat tax, make the country an attractive trade partner and favorable destination for Indian investments.

Located at a strategic crossroads in the midst of five pan-European corridors, Bulgaria enjoys unlimited and duty-free access to the EU market and could be India's springboard to Europe.

At the same time, Bulgaria's holding of the rotating Presidency of the European Union in the first half of 2018 creates new opportunities for encouraging Bulgarian-Indian trade and economic relations.

Bulgaria considers as very important its trade and investment relations with India, which is one of the leading Bulgarian trade partners among the Asian countries.

The development of trade and economic relations between India and Bulgaria is actually impressive. The bilateral turnover has shown a

remarkable four times growth for the last decade from 54.7 million USD in 2005 to 215.4 million USD in 2016 (January-December). At the same time the Bulgarian export to India has increased with 29% and 118 % for 2016 and the first half of 2017 accordingly and new investment projects are in the pipeline.

These figures of the bilateral trade exchange do not include one of the most significant specifications of Bulgarian export to India which is the defence equipment. If the defence equipment export is added, the figure of the bilateral trade exchange will grow significantly. We also have to take into consideration the fact that huge amount of the Bulgarian export to India comes through third countries such as Singapore and the UAE and is not calculated as direct Bulgarian export to India by the official statistics. Nevertheless, we seek new opportunities for further expanding Bulgarian export to India. Aside from defence industry, there is good potential in other sectors in which bilateral trade can be pushed up by high value-added products – IT products (Bulgaria is the second best outsourcing destination in Europe in 2016), agricultural and food products (Bulgaria ranks first in the world in the production of lavender and is the third largest exporter of sunflower seeds worldwide in 2016), perfumery and cosmetics, medicines, engineering goods, high-tech machinery and equipment, auto components industry (eight of every ten cars in Europe are equipped with some parts produced in Bulgaria) etc.

Last but not least, Bulgaria puts great importance on its investment relations with India. Special attention is paid to the various programmes, provided by Indian government, like 'Make in India', 'Smart Cities' and 'Clean India'. I am proud to report about success stories of Bulgarian companies among which is the fastest growing Internet provider in New Delhi and Hyderabad, as well as the largest in Asia facility for packaging of bitumen in Mumbai and a plant for manufacturing of veterinary medicines in Pune. Under the

initiative 'Make in India' in 2017 Bulgarian and Indian companies initiated ambitious investment projects in the field of production of bio-toilets and construction of a solar plant in Bihar.

Currently, we have lots of successful Indian investments in Bulgaria in the field of agricultural sector (Namdhari Seeds), pharmaceutical sector (Elder Pharmaceuticals), cinema industry (Cine Grand), IT and outsourcing sector (Sutherland Global Services), tourism industry etc. Few months ago "Feuji-Bulgaria", part of the Indian technology and cloud services company "Feuji", started its successful business in Bulgaria as a support center for major multinational companies.

The Commercial Section of the Embassy of Bulgaria in New Delhi strongly supports and warmly welcomes new Indian investments in Bulgaria. Under the Investment Promotion Act various benefits for foreign investors are provided as corporate tax or VAT exemptions, institutional and financial support for priority investment projects and tailored administrative procedures. Ease of doing business in Bulgaria is supported by simple registration procedures and equal treatment of Bulgarian and foreign investments in the country.

With one of the most favorable tax regimes in Europe of 10% corporate tax, competitive cost of labor, affordable office rents and low costs of utilities, Bulgaria takes first position among all EU countries by providing the lowest overall costs for doing business, which is very important today.

Bulgaria is recognised as one of the most attractive European "all year round" destinations, achieving double digit growth in tourist arrivals for 2016. City walking, culture, spa, golf, wine, nature - all this made Bulgaria alluring for more than 10000 Indian tourists in 2016. With an increase of 27% in tourist arrivals, India is part of "TOP 50" tourism markets for Bulgaria.

At the end of 2016, Bulgaria won top honors as the "Best Emerging

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Tourism Destination for the Indian Tourists in 2016", voted by readers of the India's prestigious tourist magazine and digital platform "Travel & Leisure". As Bollywood's biggest stars Shah Rukh Khan, Kajol and Ajay Devgan, were in Bulgaria for shooting, we expect more Indian tourists to visit our country, whose beauty was captured in the Bollywood movies 'Dilwale', 'Shivaay', 'Bahubali', etc.

The Commercial Section of the Embassy of Bulgaria in New Delhi is working closely with the Ministry of Commerce and Industry and the leading Indian chambers, promoting exchange of business delegations between both countries. Forthcoming events in September 2017 are 'Indian-Bulgarian Business Forum' in Sofia and participation of Bulgarian business delegation in the International textile fair VASTRA-2017 in Jaipur.

To summarize it all, based on the political will of our leaderships and vast economic opportunities for both of our business entities, Indo-Bulgarian trade and economic relations are up for a prosperous and exciting journey ahead.