



digital smart dynamic

innovativeSofia

2021

# SOFIA BUSINESS DESTINATION





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**YORDANKA FANDAKOVA**  
Mayor of Sofia

## **AN ADDRESS BY THE MAYOR OF SOFIA**

Sofia is the city attractive to young and active people that provides the highest standard of living in the country. Due to its opportunities for education, work, rich cultural life and quality healthcare the capital is the most attractive place for living and working in the past years.

According to data from the National Statistical Institute 3230 people from the country moved to live in Sofia in 2019, and the average salary in our capital is almost 40% higher than the average one for the country. This also shows the opportunities for growth offered by our city.

Sofia continues to be a leader in attracting investments as almost one-half of foreign investments in Bulgaria are made in Sofia. This changes both the economic environment and the quality of life at an exceptionally rapid pace.

Among the leading engines of Sofia's economy remains the IT sector: almost 90% of the ICT sector have chosen Sofia to develop. In these hard times the digital sector attracts investments despite the pandemic and has thus added new jobs in 2020.

Our city received the prestigious recognition for its potential by having been chosen as one of the eight locations for building a supercomputer. This choice gives us opportunities for development of science and innovation, and they are the big driver of development that we are relying on today also for the preservation of life as we know it.

In such time of uncertainty and challenges the support we can provide to small and medium-sized business that suffers the most due to the crisis is key for us. That is why we have developed a package of relief measures for some municipal taxes and fees.

Despite the decrease in the revenues we do not plan to increase the municipal taxes, and we manage to ensure an increase in our investment program by more safeguarded funds from the European programs. For this programming period Sofia has safeguarded European financing of more than BGN 2.2 billion for key projects as the grants amount to BGN 1,587,759,261, and the own funds ensured amount to BGN 695,640,065.

The city's financial stability is also confirmed by the international credit rating agency S&P Global Ratings that confirmed the long-term credit rating of Sofia: BBB with a stable outlook. According to S&P Bulgaria's capital will continue to show stable financial results and good liquidity despite the economic crisis related to the COVID-19 pandemic. 3 years ago Sofia joined the cities with investment ratings and we manage to defend it. This also enabled us to get some exceptionally good financial conditions for the investment loan by which we will build new sections of the inner rings that are strategic for Sofia's development and the connections to the Ring Road.

Thanks to our systemic efforts to change the city and to modernize the urban environment Sofia continues to develop as a modern and dynamic city. This year we have again set in the budget of the municipality investments in strategic infrastructure and city's development as a green and innovative city which is key for improving the quality of life.



## **GENCHO KEREZOV**

Deputy Mayor of Sofia  
in charge of  
"Digitization, Innovation  
and Economic Development"

### **AN ADDRESS BY THE DEPUTY MAYOR OF SOFIA IN CHARGE OF DIGITIZATION, INNOVATION AND ECONOMIC DEVELOPMENT**

Over the past years Sofia has dynamically developed as an increasingly recognizable as a digital, innovative, technological and creative hub. The well-developed ICT and technological ecosystem and traditions in the sector make Sofia an international partner of choice in innovation, a destination for research and development and an increasingly active creator of products and solutions.

The coronavirus put us facing a situation that has impacted the healthcare, social and economic environment not only in Bulgaria but all over the world. On the one hand it has affected many sectors, on the other hand, it further stimulated the creation of innovative and digital solutions in various fields. The active local business and entrepreneur ecosystem, the opportunities for career development and the quality of life in the city continued to attract people and businesses in Sofia irrespective of the COVID-19 pandemic. The city also develops and the results achieved are due to the educated enterprising people.

In the beginning of the dynamic year of 2020 Sofia Municipality announced the establishment of Innovative Sofia – Digitization, Innovation and Economic Development Directorate. In 2020, Sofia Municipal Council also unanimously adopted first the Strategy for Digital Transformation of Sofia, and then the Action Plan on the Strategy's implementation outlining the steps and indicative actions towards Sofia's digital transformation.

The first year of our team's activity was full of challenges but together we have learned and achieved much. Our activity was (and will continue to be) in support of Sofia's development as a smart, digital, innovative and technological city and in increasing the innovative and industrial potential of the city and in encouraging its competitiveness. In 2021 we will continue to consolidate and manage the projects on digitization of the urban environment, to establish contacts with other cities and international partners, and to work towards increasing the number and the quality of municipal electronic services, open data and smart urban solutions.



## **MARIA POPOVA - HRISTOVA**

Chief Executive Officer of SMAPI

### **AN ADDRESS BY THE CHIEF EXECUTIVE OFFICER OF SOFIA MUNICIPAL AGENCY OF PRIVATIZATION AND INVESTMENT**

Sofia is the champion in labor market development for the past five years – the capital is among the most rapidly recovered cities during the economic crisis and continues to create many new jobs even against the background of the slowdown in many parts of the country. More than 43 000 students in Sofia study STEM specialities or the so-called “professions of the future”.

With its ambition to become a regional ICT centre Sofia is home to more than 50000 IT specialists. Every year the number of people employed in the ICT sector grows by 10-20 %, and the average salary in the sector reached BGN 3,350 in March.

Other priority industries for the city are biotechnologies, AI, creative industries.

The mission of Sofia Agency for Investments is to support the city’s development by improving the investment climate, linking the organizations and companies in the field of priority sectors with academic circles and regulatory experts for the purpose of exchanging knowledge and position regarding cases and challenges facing the European & international community in the field of ICT, artificial intelligence, biotechnologies and innovation.

The team of Sofia Agency for Investments works actively towards citizens benefiting from new advantages such as better medical services and healthcare, a safer and cleaner city, better public services.

Development of the business in the priority sectors and creation of a new generation of products and services.

Promotion of technology and a better understanding of what artificial intelligence, biotechnologies, innovations are.

We share the conviction that Sofia has the potential to be among the leaders in, data-based innovation which is the basis for a future sustainable economic growth and social well-being.

Despite the pandemic more than 50% of the companies invest in training and development of their employees’ skills, mostly the core ones who have been retained during the pandemic.

The pandemic has helped contactless economy and has increased online trade. Other sectors that have reported growth are pharmacy, finances, centers for services with people knowing foreign languages, fast-moving consumer goods. There has also been a 20% growth in logistics.



## **SOFIA MUNICIPALITY**

### **"DIGITIZATION, INNOVATION AND ECONOMIC DEVELOPMENT DIRECTORATE"**

The directorate was established in 2020 in order to support Sofia's development as a smart, digital, innovative and technological city.

The new unit consolidates and directs all projects of digitization of the urban environment and will continue to attract more investors from the hi-tech and development sector in Sofia.

The directorate will focus on increasing the number and the quality of municipal electronic services, open data and smart urban solutions.



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**DIGITIZATION AND SMART CITIES:** developing solutions supporting Sofia's digital and innovative development. Ensuring high quality of life for citizens and creating new business opportunities.



**INNOVATION:** supporting Sofia's transformation into a platform for innovation enabling the development and application of new digital services and smart solutions.



**THE CITY AS CREATOR OF MARKETS:** transforming Sofia into a market for digital products and services created by Sofia-based companies. Identifying or creating markets for digital services on a local, national or global level and facilitating the access to such markets.



**E-SERVICES:** increasing the number and the quality of municipal services. Reducing the administrative burden and optimizing the administrative processes.



**BUILDING A COMMUNITY:** creating and involving a community of various groups of stakeholders in order to facilitate the digitization process. Encouraging the participation of various local stakeholders (citizens, NGOs, enterprises, academic circles) in order to facilitate the digitization process and Sofia's development as a modern and smart city.



**ESTABLISHING A NETWORK OF CONTACTS:** establishing contacts and networks with prospective local and international partners, scientific and educational institutions, industry-wide organizations, representatives of municipal authorities, smart city.



**INFORMATION AND ANALYSES:** providing information and analyses related to the digital transformation, Sofia's development as a smart city and the condition of the economic environment in the city.



As part of Sofia Municipality Sofia's Agency of Privatization and Investments provides local and foreign investors with gratuitous support in order to build successful business in our city. We tell their success stories in Bulgaria and abroad.



**Specific decisions as to where and how to establish your business in Sofia.**



**Information and analyses needed to establish a business in Sofia.**



**Analyses of Sofia as a business destination compared to other locations in Bulgaria and abroad.**



**Establishing contacts with partners, scientific and educational institutions, industry-wide organizations, municipal authorities, etc.**



**Practical support in establishing a business in Sofia.**



**Subsequent support for development and growth of the business.**

# BULGARIA: COUNTRY PROFILE

Area: 110,993.6 sq. km

Population: 6,951,482

Capital: Sofia

Biggest city: Sofia, population: 1 409 729, inc. the surrounding area

Language: Bulgarian

Time zone: EET (UTC+2)

European Union Member State since 1 January 2007

NATO member since 29 March 2004



**BGN/EUR exchange rate:**

EUR 1 = BGN 1.95583  
Bulgarian National Bank

**Gross Domestic Product (GDP):**

EUR 61.2 billion (BGN 119.8 billion)  
National Statistical Institute (2019)

**GDP per capita:**

EUR 8,780 (BGN 16,973)  
National Statistical Institute (2019)

**GDP growth:**

3.4%  
National Statistical Institute (2019)

**Sofia's share in national GDP:**

40%  
Source: Institute for Market Economics  
(Economic and Investment Profile of Sofia  
Municipality, 2020)

**Sofia's GDP:**

EUR 22.7 bn  
National Statistical Institute (2019)

**GDP per capita of Sofia's population:**

BGN 33,437  
National Statistical Institute (2019)

**Corporate tax rate:**

10%

**Individual income tax rate:**

10%

**Doing Business ranking:**

ranked 61st out of 191 countries  
World Bank (2020)

**Index of economic freedom:**

ranked 36th out of 180 countries  
Heritage Foundation (2020)

**Global Competitiveness Index:**

ranked 55th out of 132 countries  
World Economic Forum (2020)

**In 2020, fDi Intelligence ranked Sofia among the Top 3 big European Cities of the Future 2020/2021 in terms of strategy for attracting foreign direct investments and among the Top 6 Eastern European Regions of the Future.**

# WHY SOFIA?

10 reasons to establish and develop your business in Sofia



## TALENT CENTRE



Highly qualified work force



5% of employees work in the sector of creative industries



more than 50 000 employees in the IT sector



More than 50% of the population has higher education



23 universities, 100 000+ students, 63 development centers, 30+ private IT schools



High level of English, Russian, German, Spanish, and French



43,000 people employed in BPO and SSC sector, with more than 30 languages



## COMPETITIVE OPERATING EXPENSES

The lowest general labor costs in the EU (based on the average hourly labor costs).  
Low costs for rental of office space: an average price of EUR 13.5 /sq.m. for Class A offices.  
One of the lowest prices for industrial electricity consumption in the EU.



## LOW CURRENCY RISK

BGN/EUR fixed exchange rate.  
Low currency risk for investors compared to other countries outside the eurozone.



## THE GLOBAL LEADERS IN DEVELOPMENT AND INFORMATION TECHNOLOGY ARE ALREADY IN SOFIA

Sofia is a regional ICT center. World leaders such as SAP Labs, VMWare, IBM, CISCO, Bosch, Coca-Cola, Financial Times, Uber already operate development centers, hire and develop thousands of highly-qualified professionals.



## STRATEGIC LOCATION

Use Sofia as a starting point to European and Asian markets by establishing a business in Bulgaria, a EU member state, part of a 550-million market.



## ACCESSIBILITY

1-3-hour flights to most European capitals. Sofia Airport, with more than 7 million passengers per year – just 20 min from downtown Sofia. Well-developed public transportation, metro: length 48 km.



## ATTRACTIVE TAX POLICY

**10%** One of the lowest corporate taxes in the EU.  
The lowest individual income tax in the EU.



## OPPORTUNITIES FOR FINANCING FROM THE EUROPEAN UNION

The companies registered in Bulgaria have access to EU programmes and funds for projects of national and European scope.



## IT IS EASY FOR YOU TO START & DEVELOP YOUR BUSINESS

- € Startup capital of EUR 1
- 📅 2-3 working days for company registration
- 📄 Low fees for company registration



## WELL-DEVELOPED DIGITAL INFRASTRUCTURE

One of the fastest average internet connection speeds in Europe and worldwide: download speed of 24 mbps and upload speed of 21 mbps, recorded in October 2019.



## **SOFIA: GENERAL PROFILE**

With its millennial history Sofia is one of the oldest cities in Europe. In 1879, after fierce voting, Sofia was declared capital of the recently liberated Bulgaria.

Sofia is the biggest city, a centre of administrative, judiciary and executive powers in the country (National Assembly, President's Office, Council of Ministers, and all Ministries) as well as Bulgaria's financial, educational, cultural, business and biggest economic center.

Sofia's population exceeds 1.2 million people (1.4 million including the surrounding areas) on an area of 492 sq. km, ranking it 15th by area in the European Union. Sofia generates 40% of Bulgaria's gross domestic product and 1/3 of Bulgaria's exports. Sixteen percent of exports are produced by the IT sector in the city.

Sofia has one of the most dynamic startup and entrepreneurship ecosystems in Central and Eastern Europe due to the abundance of technical talent. The capital available to the abundance of technical talent. The capital available to the local startup companies plays an important role in Sofia's positioning on Europe's entrepreneurship map. The employment in the sector of creative industries is also on the rise.

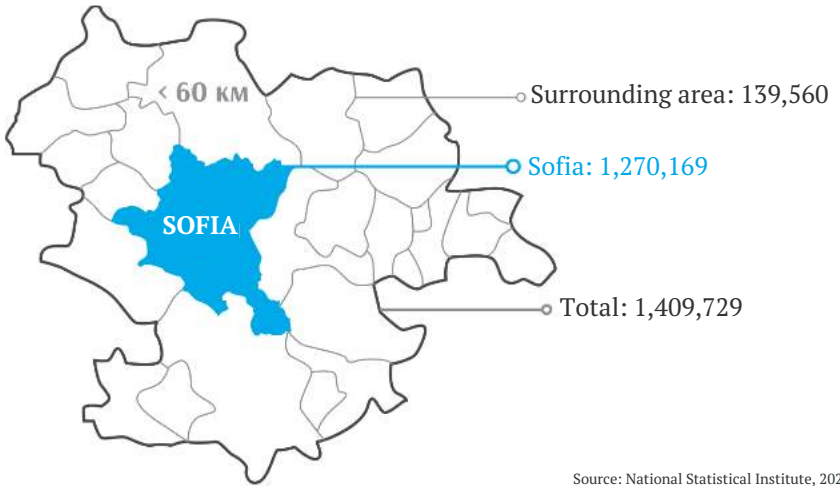
Sofia attracts talent. Twenty-four out of the 54 Bulgarian universities are situated in Sofia. There are about 100,000 university students in the city.

Well-developed transport infrastructure in the city, with public automobile, tramway and electric transportation as well as the growing network of the metro make Sofia a well-connected city. The biggest international airport in the country is just 20 min from downtown Sofia.

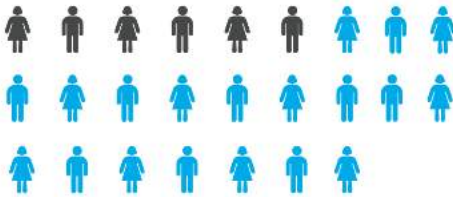
# DEMOGRAPHICS

## POPULATION

### Population of Sofia and Its Surrounding Area

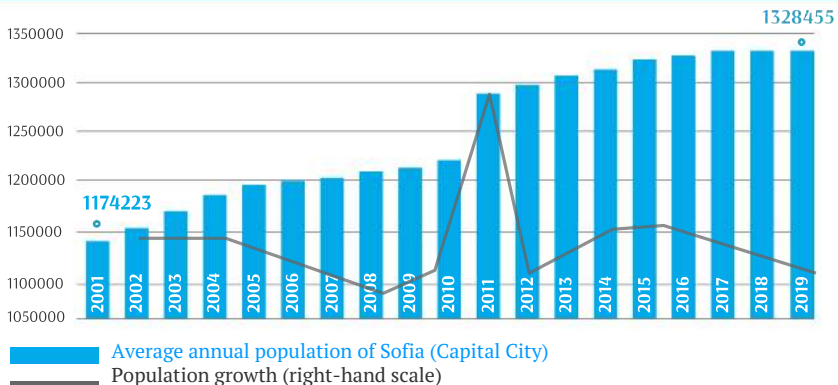


Source: National Statistical Institute, 2020



**19.1%**  
of country's population

**20.0 %**  
of country's work force



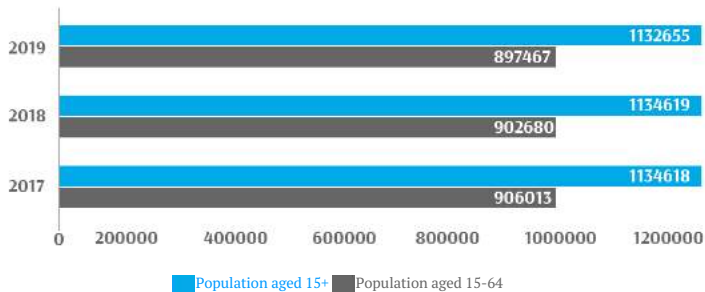
Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

# LABOR MARKET

Against the backdrop the shrinking population of the country as a whole the working-age population of Sofia remains relatively stable: its total number in the group of 15-64 year olds has decreased by approximately 10 thousand people over the past three years.

However, if we consider the people aged 65 and over who more and more often remain active in the labor market and in their jobs the volume of workforce expands to 1.13 million people, and the decrease is less than 2 thousand for the past three years. Naturally, in the case of such assumption one should also specify that the entire population aged 65 or over cannot be included in the workforce but the share of those fit for work in that age group increases due to the improvement of healthcare and general living conditions.

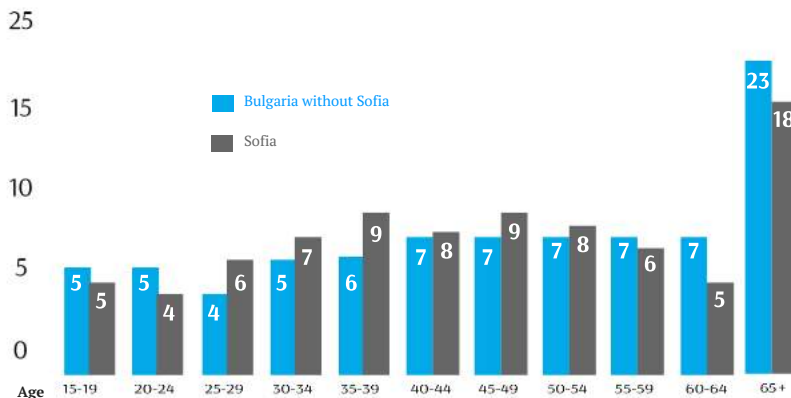
## Working-age population, number of persons aged 15 - 64 and aged 15 or over in Sofia, 2017-2019



Source: Institute for Market Economics (Economic and Investment Profile of Sofia Municipality, 2020)

**The distribution by age group is also favorable.**

## Distribution of population aged 15 and over by age group in Sofia and the remaining part of the country, %, 2019

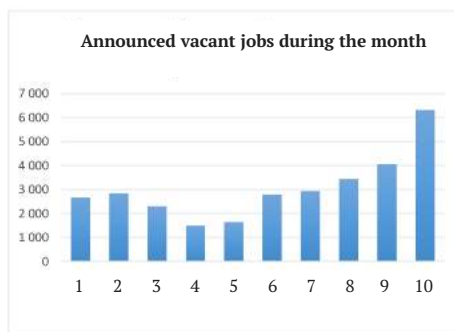
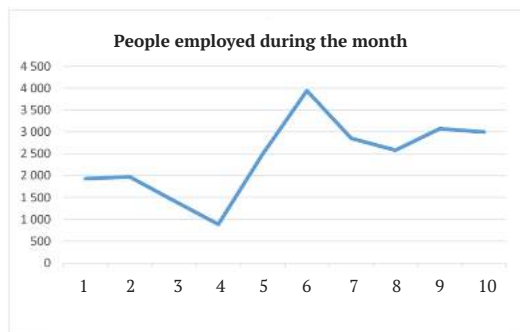
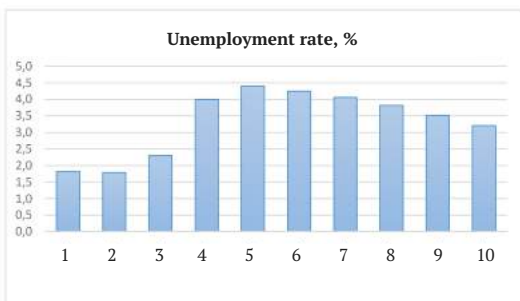


Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

# COVID-19 AND THE LABOR MARKET IN SOFIA

The labor market in Sofia, even under the conditions of pandemic and unprecedented crisis, proved itself to be flexible and resistant to external shocks. To a great extent the labor market dynamics is predetermined by the capital city's economic structure and mostly by the high share of people employed in the field of information and communication technology as well as in various business services, including classic professional activities and outsourcing of business processes. The data about the profile of unemployed people also provide ground for optimism over the rapid recovery. Very few of them, 500 people in the gravest months of the crisis, have been registered with the unemployment offices for more than one year, which in turn means that almost all of them have work habits and have left their jobs recently. About 60% of the registered unemployed in the capital city have higher education which supplements their potential for easy re-employment, including retraining, in the course of the economic recovery.

## Base indicators of employment offices for Sofia (capital city) for 2020

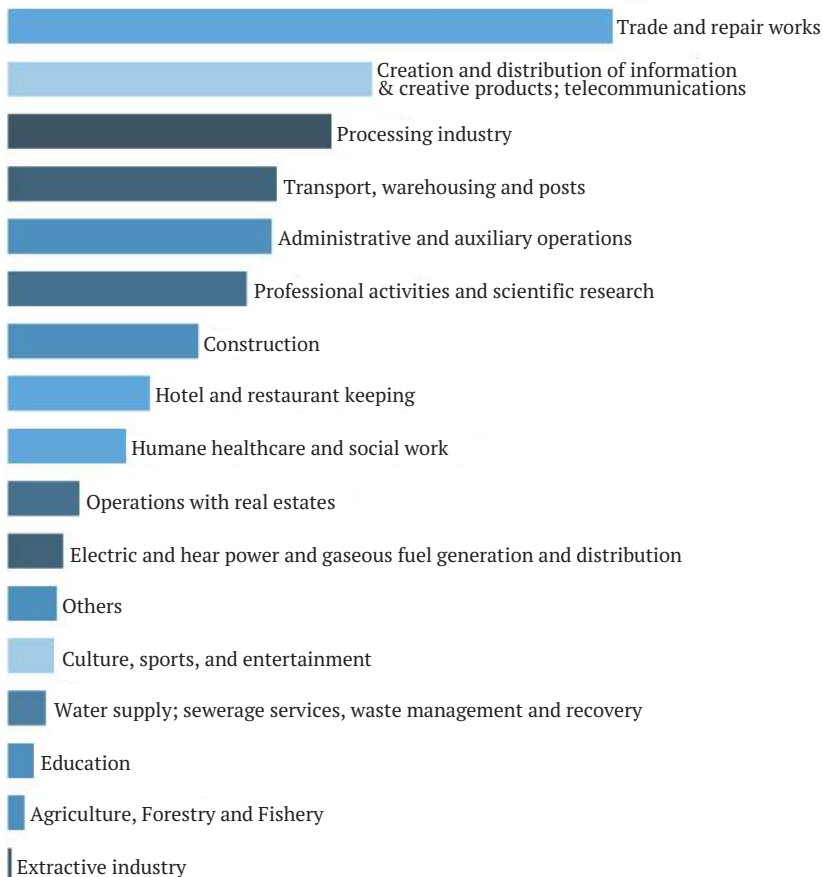


Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

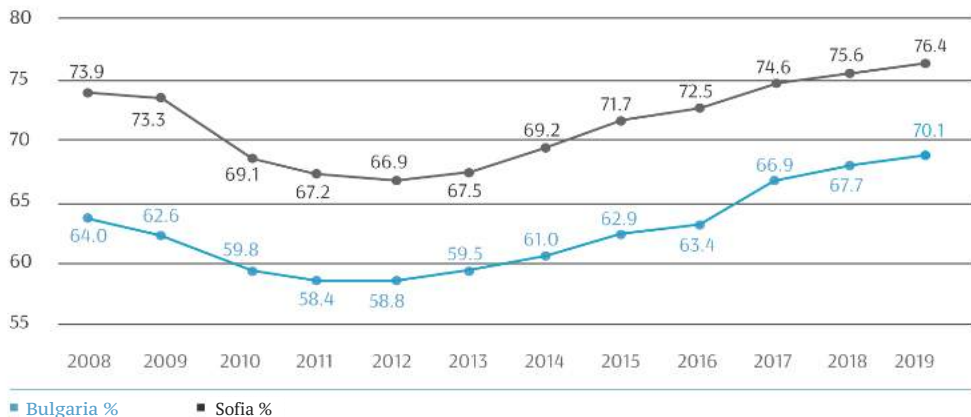
## EMPLOYMENT

In 2019, the employment rate in the capital city reached 76.5% for the population aged 15-64 compared to the average of 70% for the country. A total of 768 thousand people were employed in Sofia in 2019 as their number increased for yet another year in a row. The new jobs in 2019 were in the ICT sector, trade, construction, transport, hotels and restaurants and public administration. The distribution of people employed in Sofia generally follows the structure of production produced by non-financial enterprises. The exception here is the ICT sector which makes up 14% of the production but accounts for as little as 11.1% of employment which reflects the high added value of the people employed in it. Commerce accounts for the biggest share in employees (19.9%), followed by the ICT sector (11.1%) and administrative activities (8.5%). Expectedly, in a dynamic aspect the sectors of the most rapidly growing number of employees are ICT and outsourcing, taking into consideration the great concentration of new investments in them.

**Figure 19: Structure of employees under full-time or civil service employment relationship in Sofia, 2019**



**Figure 19: Structure of employees under full-time or or civil service employment relationship in Sofia, 2019**



Source: Institute for Market Economics

## Source: Institute for Market Economics

Sofia ranks 27th out of a total of 278 European regions included in the 2020 Index of Brain Business Jobs, with 101 people employed in the field of knowledge per 1,000 employed. The city performs very well in the technological and creative sectors. Some of the city's specific advantages are in design and IT sector.

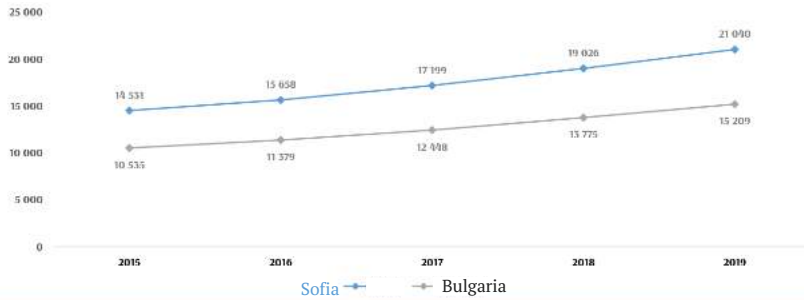
Source: National Statistical Institute

## PAY

Taking into consideration the high labor productivity of the working people in Sofia it is no surprise that some of the highest salaries in the country are paid in the capital city. For 2019 the average gross salary in the municipality reached BGN 21 thousand per year, or 38% higher than the average of BGN 15.2 thousand for the country. The average growth in the capital city also outstrips the growth for Bulgaria as a whole: for the past decade the salaries in Sofia have doubled.



## Average gross annual salary



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

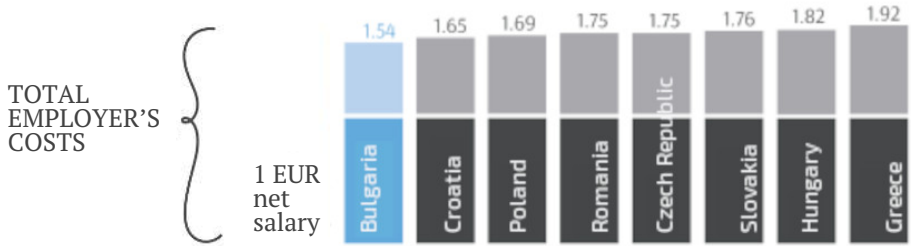
Some appreciable differences between the salaries in different economic activities can be observed. This is quite visible if we compare the economic activity with the highest average pay, i.e. ICT and telecommunications, with the lowest paying jobs at hotels and restaurants. The average salary in the ICT sector reaches BGN 40 thousand per year or almost twice more than the average for Sofia. However, the total level of pay increases in all sectors as the growth in average salaries is more than 10% for yet another year in a row. The most rapid growth over the past years is observed in the outsourcing sector, in part due to the relatively low starting position a decade ago.

## Average gross monthly salary by economic activity in Bulgaria and in Sofia, 2019



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

## Social security costs at employer's expense – regional comparison



† The maximum insurable income is BGN 3,000 per month

Source: Molinari Institute

The mandatory social security contribution is split between employer and employee in a ratio of 55/45. The employee pays 13.78% of total costs and the employer pays between 18.92% and 19.62% to the budget. The maximum insurable income is BGN 3,000 per month.

## LABOR CODE

### Working Hours



#### Working days

21 days per month  
249 days per year



#### Paid Annual Leave

at least 20 days per year



#### Public Holidays in 2021

12 days

### Employment Contracts



#### Open-ended employment contract

**Duration**  
no limitation

**Probation period**  
up to 6 months

**Prior notice**  
1 month



#### Fixed-term employment contract

**Duration**  
up to 3 years

**Probation period**  
up to 6 months

**Prior notice**  
3 months



#### Overtime Work

not more than 300 working hours per year

Pay: 50%

On non-working days: 75%  
On public holidays: 100%

## Maternity Leave / Up to 3 years

### First year

The state pays the worker 90% of the monthly gross salary up to a certain fixed amount

### Second year

The state pays BGN 380 per month

### Third year

no pay

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## FOREIGN EMPLOYEES AND INITIATIVES FOR STAFF ENROLLMENT

The citizens of all European Union member states, European Economic Area and Switzerland are entitled to reside and work in Bulgaria. The citizens of all other nationalities need a work permit and a long-term visa in order to work and reside in the country. Granting a work permit is a process initiated by the employer.

### Types of Work Permits

- **Stand-alone work and residence permit**

is granted to citizens of non-EU countries who apply for residence in Bulgaria in order to work, or who already have a valid residence permit for purposes other than work.

- **The European Blue Card**

is a work permit that entitles highly-qualified personnel from non-EU countries to reside and work in Bulgaria. In October 2017, the procedure for granting a Blue Card was facilitated, and the work permit and the term of residence in the country were increased to 4 years. A list of qualifying professions is published annually by the Ministry of Labor and Social Policy.

- **Intra-corporate transfer permit**

temporary secondment of a foreigner for work or training purposes, valid only in case of transfer of managers, specialists, and trainees.

- **Seasonal work permit**

non-EU citizens may enter into a contract with a local employer for seasonal work (up to 90 days). In 2017, Bulgaria reconsidered the procedure for registration of seasonal workers in order to facilitate the recruitment of workers in the sector of tourism.

- **Work permit for posted workers**

citizens of third countries temporarily posted in Bulgaria within the scope of provision of services for a limited period, may also work and reside in the country for a max. of 12 months.

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Source: Ministry of Labor and Social Policy, KPMG, 2018

The Employment Agency applies measures for recruitment and relocation of workers from non-EU countries.

Twenty-four out of a total of 54 universities in the country are situated in the capital city. A major part of working-age population in the city, or 52.8%, have higher education. The number of higher education graduates has increased considerably compared to 2011 when it was about 40%. This trend is expected to continue not only because Sofia is the city with the biggest number of university students in the country but also because it is an attractive centre for alumni of universities from other towns in the country and abroad.

### Educational structure of population aged 25-64 in Sofia and Bulgaria, 2019, %



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

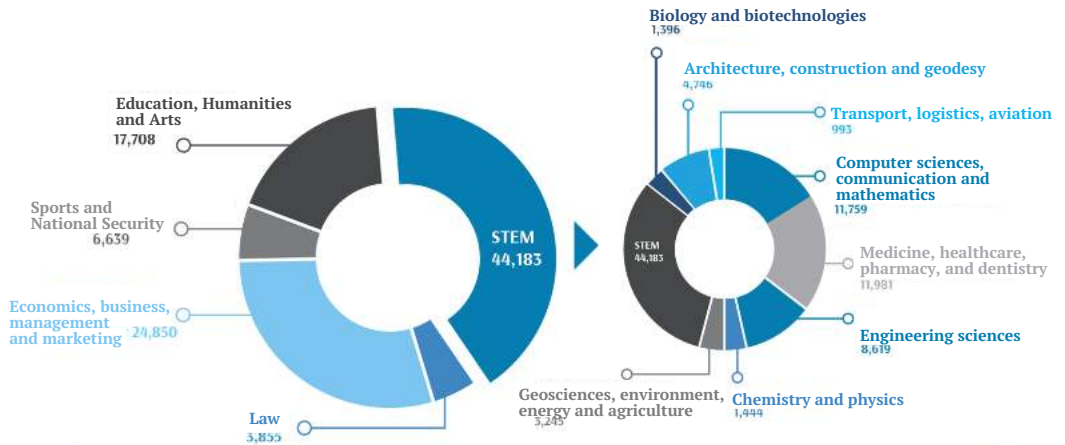
### The big universities in Sofia

University	Number of university students
St. Kliment Ohridski Sofia University	19 951
University of National and World Economy	16 064
Technical University	10 040
Medical University	8 396
New Bulgarian University	8 790

Source: opendata.government.bg; data for 2020

**The total number of students in Sofia is about 100,000 or 40% of all students in the country. About 21,000 people graduate every year.**

## Number of students studying in Sofia by type of speciality



Source: Ministry of Education and Science

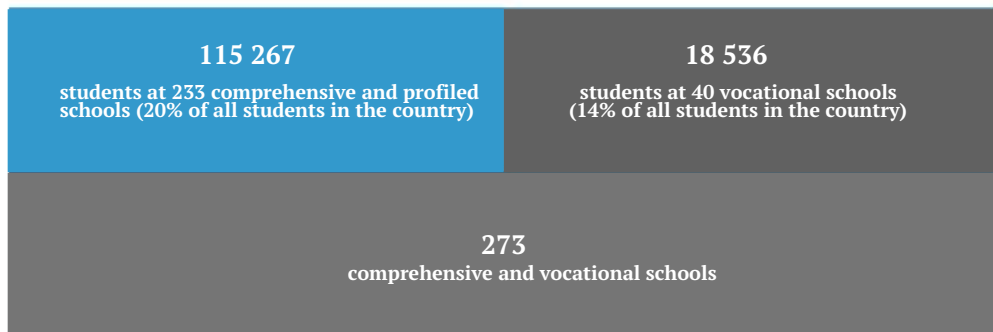
Dual training as well as increasing the number of students educated in STEM specialities (science, technology, engineering and mathematics) are among the current priorities of the state.

The Ministry of Labor and Social Policy offers full scholarships in engineering sciences.

Joint IT training between the private sector and the universities is also held now. There are plans for a new professional academy targeting both high-school and university students which will train staff for the automotive industry. More and more students who complete their secondary education in Bulgaria continue their higher education abroad. Germany, UK, Austria and the Netherlands are the most preferred destinations. The number of students who return to Bulgaria after they graduate abroad increases. More and more promotional and information campaigns organized by the public and private sectors in Bulgaria target Bulgarian students abroad.



# PRIMARY AND SECONDARY EDUCATION



Source: National Statistical Institute

## SOFTWARE SCHOOLS

The rapid expansion of the ICT sector in Sofia requires more and more qualified workforce. The ICT companies more and more often turn to higher schools and universities in the city for the purpose of developing joint courses. A number of big IT companies have created training programs open to both their employees and the general public.

More than 30 private software academies offer short- to mid-term educational programs (from 6 to 30 months). The subjects of the courses are various: from programming and computer graphics (3D graphics and web design) to IT project management and IT sales. The courses are often developed in cooperation with local IT companies in accordance with their employment requirements. While some programs are targeted at people with no experience, others attract specialists with 3 to 5-year length of service. The number of people having completed such courses has already reached several thousands and constantly increases. Recently, there has been an increase in the number of courses and programs offered for children.

## ENTREPRENEURSHIP SKILLS

In 2015, the Bulgarian Government ratified Action Plan Entrepreneurship 2020 Bulgaria. The strategy contains more than 30 specific measures in accordance with the Entrepreneurship 2020 action plan of the European Commission. The Preschool and School Education Act passed in 2016 stipulates education in entrepreneurship and digital skills within the compulsory curriculum. Currently more than 27,000 students in Sofia, from 1st to 12th grade have lessons in entrepreneurship.

Source: Ministry of Education, Ministry of Economy

## LANGUAGE EDUCATION

Approximately 25 foreign languages are part of the curriculum in Bulgarian school system.

### Number of students by foreign language studied and level of education in Bulgaria

Language	Primary education	Pre-secondary education	Secondary education: 1 level	Secondary education: 2 level	Vocational education	Total per language
English	200 818	173 790	236 453	121 815	114 638	847 514
Russian	11 681	22 506	66 852	121 815	34 597	167 851
German	6 966	11 001	73 374	46 174	27 200	164 715
French	1 900	2 665	20 412	13 852	6 560	45 389
Spanish	916	3 957	15 663	13 419	2 244	36 199
Italian	501	634	3 722	2 669	1 053	8 579
Other	1676	873	3 147	2 634	513	8 843
Total	224 458	215 426	419 603	232 798	186 805	1 279 090

Source: Eurostat, 2019

## PROFICIENCY IN FOREIGN LANGUAGES

The workforce in Sofia is characterized by an exceptionally high level of proficiency in foreign languages. The most wide-spread languages are English, German and Russian.



Source: EF English Proficiency Index, 2020

Language skills of Bulgaria’s workforce are still insufficient compared to other European countries. Eurostat data show that 50% of the working-age population speaks at least one foreign language which is considerably below the EU average of 64.5% and lower than all countries from Southeastern Europe except for Romania. Reassuringly this share reaches 60% in the age group 25-34. At the same time Bulgaria is the country from Southeastern Europe with the lowest share of people aged 25-34 who speak two or more foreign languages.

Almost three-fourths of the high school students in Bulgaria study two or more foreign languages according to the most recent data of Eurostat. English is the most popular language among secondary school students in Bulgaria. More than 87% of them learn English but this is the lowest percentage among all countries from Southeastern Europe. In the 2020 edition of the English Proficiency Index Bulgaria ranks fourth among the five participating countries from Southeastern Europe as the language proficiency is assessed as high. The other most wide-spread foreign languages include German, Russian, French and Spanish.

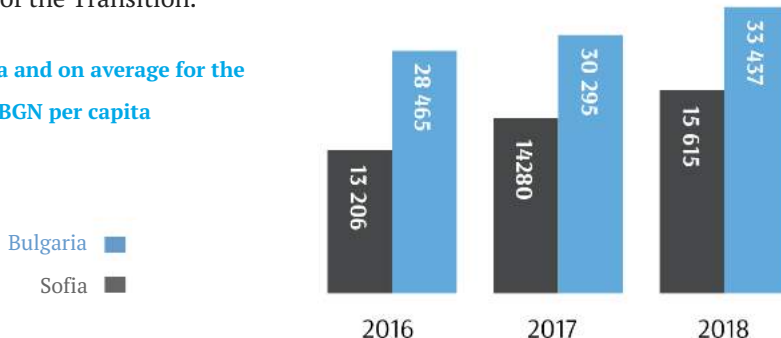
Source: AIBEST, Annual Report 2020

## ECONOMY

### GROWTH OF ECONOMY

The gross domestic product of the Province of Sofia City had a nominal growth of 8.7% in 2018 compared to 7.2% for the country. As an absolute value Sofia’s economy comprises approximately 40% of the economy of the country. To a great extent the acceleration of the growth in the capital city is due to the positive dynamics in the field of services which now account for almost 90% of the added value in Sofia. The development of the digital sector, especially in the field of information technology and services is the main growth driver of Sofia’s economy. The past two years mark the peak of that economic cycle. As the leading regional economy in the country Sofia manages to progress considerably faster than the rest, and even to approximate the average European values in terms of some indicators, especially in terms of the labor market. The fast positive dynamics is especially visible in the most rapidly developing sectors, i.e. ICT and outsourcing, where new investments, a serious growth in production and new jobs can be observed. In many respects those are the years of the most impetuous economic development of the capital city for the entire period since the beginning of the Transition.

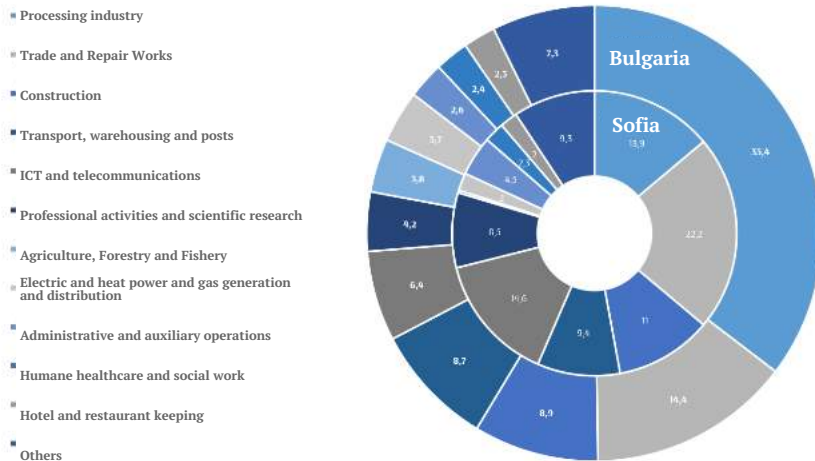
**GDP in Sofia and on average for the country, in BGN per capita**



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

# SOFIA'S ECONOMY BY SECTOR

## Added value by factor costs of non-financial enterprises in Sofia



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

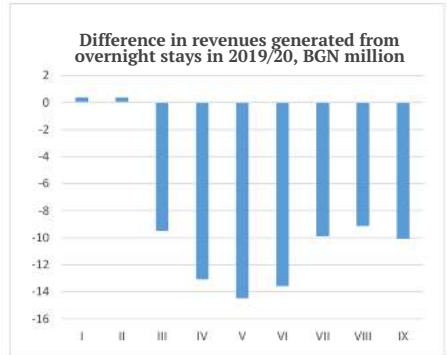
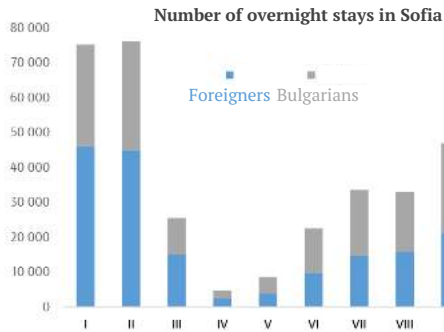
## COVID-19 AND BULGARIAN ECONOMY

COVID-19 inflicted an unprecedented blow on Bulgarian economy. The state of emergency declared on 13 March 2020 marked the beginning of the economic crisis in Bulgaria. Despite that the long-term trend of transformation of Sofia's economy is preserved irrespective of the consequences of the pandemic. While in the end of 2019 and early 2020 it was fashionable to talk about a "synchronized slowdown" of the world economy Sofia faced the pandemic at the peak of the economic cycle. The long-term potential and the trajectory of development of Sofia step on the influx of young and active people, the rapid development of industry in the city's broad periphery, the discernible growth in the digital field and the expanding innovation ecosystem. The coronavirus inflicted its blow on the dynamics in the capital city but, to all appearances, the positive long-term prospect for Sofia remains unchanged in the end of 2020. Undoubtedly, the economic sectors most seriously affected by this economic crisis are tourism, air transport, and construction market. This is also a result of the combination of anti-epidemic measures imposed all over Europe.

### COVID-19 and Tourism in Sofia

The monthly data from the places of accommodation clearly show the effect of the imposition of the restrictions: while during each of the months of January and February more 75 thousand people had an overnight stay in Sofia more than one half of them being foreigners in the next three months the tourist flow almost completely disappeared. After the most stringent measures were lifted – both in Bulgaria and in the remaining part of Europe where most visitors of the capital city come from – the tourist flow gradually recovered but remained far from its 2019 levels.

## Number of and revenues from overnight stays in Sofia by month, Q1-Q3 2020

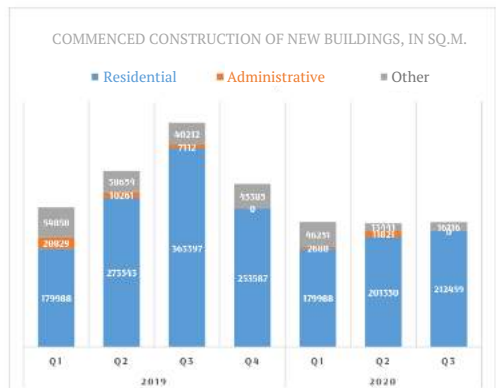
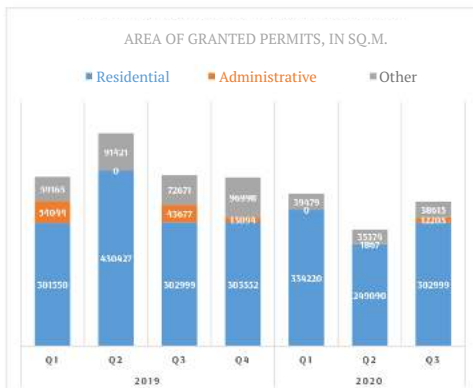


Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

## COVID-19 AND THE CONSTRUCTION MARKET

In the course of the rapid economic growth over the past five years the expansion of the business, the increase in households' income, and the facilitated access to credit naturally led to a considerable growth in construction activity in terms of both offices and residential buildings. As far as certain slowdown in granted permits and actually commenced construction was already observable in 2019 the crisis year 2020 did not mark such a palpable decrease in the basic indicators of construction market.

### Building permits granted and actually commenced construction of new buildings in Sofia in 2019 and 2020 by quarter

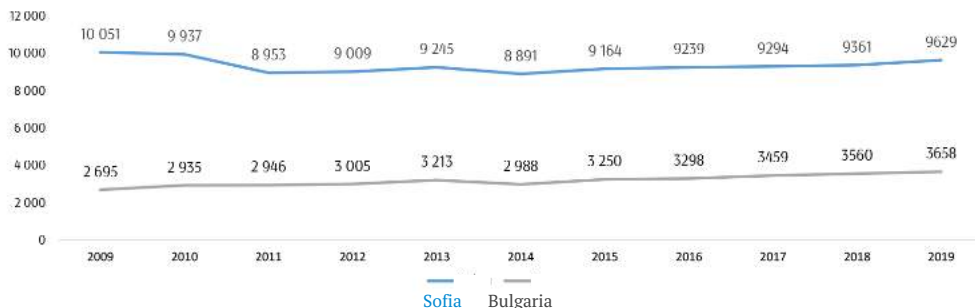


Source: Report by the Institute for Market Economics: The Economic Effects of COVID-19 and Sofia's Growth Potential: 2020  
\* Data about administrative buildings in Q2/2019 and Q1/2020 are confidential

## FOREIGN DIRECT INVESTMENTS (FDI)

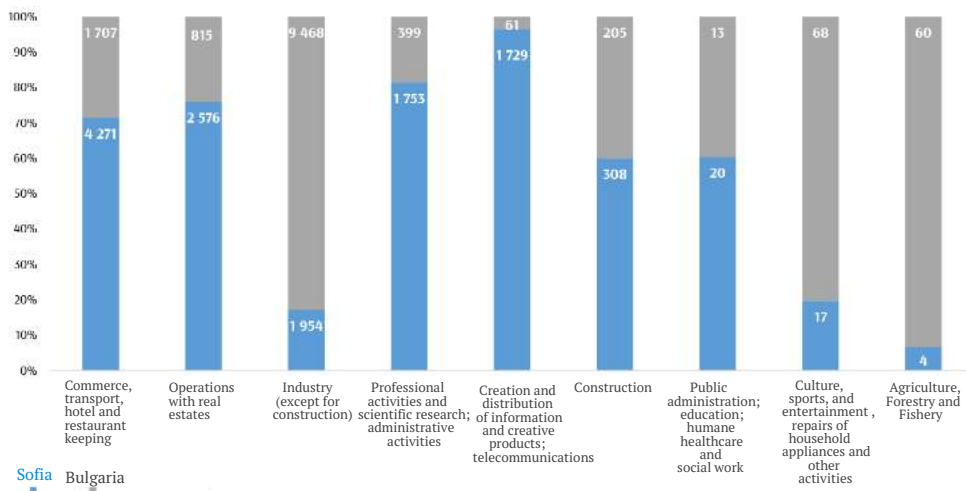
Sofia is the center of investment activity in the country. As at the end of 2019 a little more than one half of the total of EUR 25 billion in foreign direct investments (FDI) with accumulation in Bulgaria were made in the capital city. Compared to the population FDI in Sofia are EUR 9.6 thousand per person or approximately three times more than the average for the country.

### FDI with accumulation in Sofia and Bulgaria, 2009-2019\*, EUR/person



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

### FDI with accumulation as at December 31 of the respective year by economic activity, BGN million, 2019.



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

## CURRENCY

The official exchange rate is fixed at EUR 1 = BGN 1.95583. The Bulgarian currency is included in the ERM II exchange rate mechanism also known as the “waiting room” for the eurozone. According to the European rules it may not deviate by more than 15 % for at least two years so that the stay in ERM II can be considered successful.

## CREDIT RATINGS

### Bulgaria's Credit Rating

S&P	BBB	Positive	May 2020
Moody's	Baa2	Stable	October 2020
Fitch	BBB	Stable	August 2020

Source: Ministry of Finance

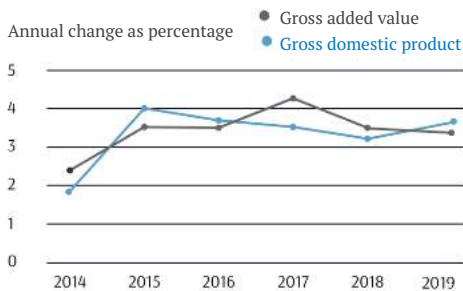
### Sofia's Credit Rating

S&P	BBB	Stable	August 2020
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Source: Ministry of Finance

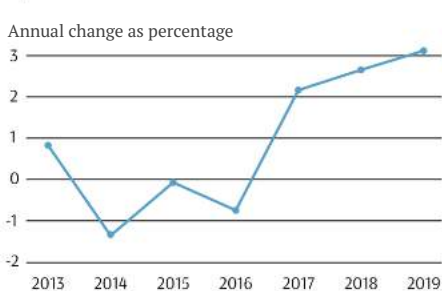
## MACROECONOMIC INDICATORS

### Bulgaria's Economic Growth



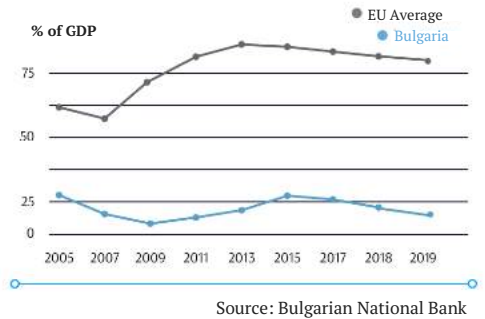
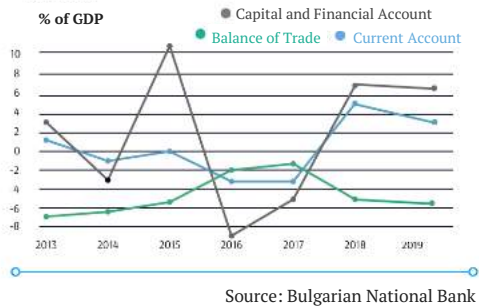
Source: Bulgarian National Bank

### Consumer Price Index, Bulgaria

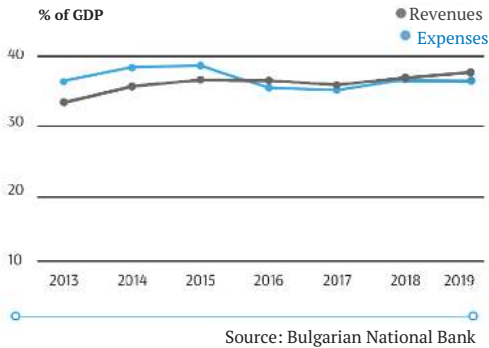


Source: Bulgarian National Bank

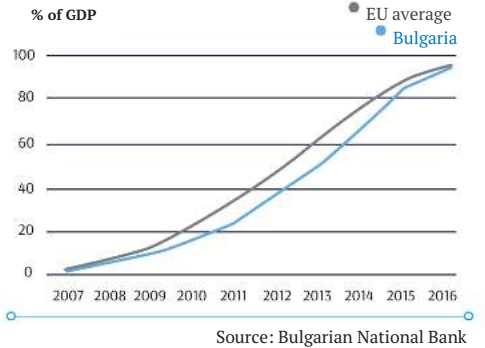
## Balance of Payments, Bulgaria



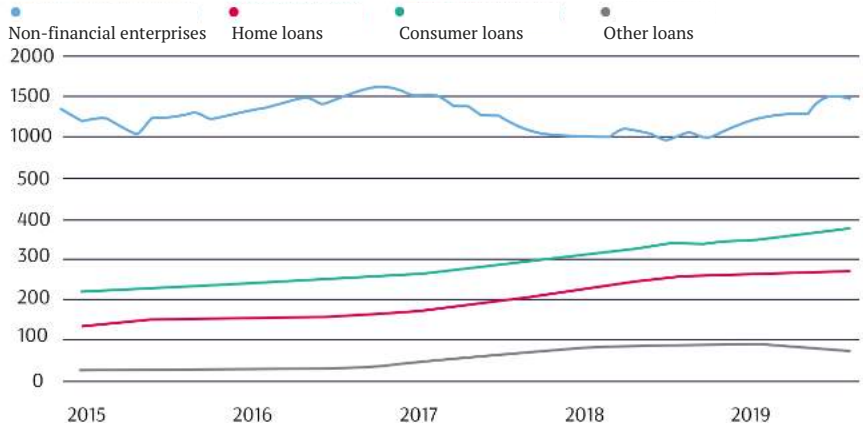
## Public Administration Sector Annual Account



## Absorption of funds under EU programmes, % of GDP



## New Loans

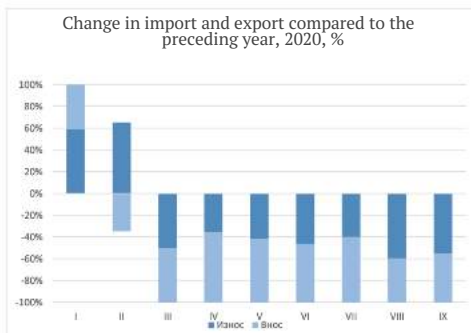
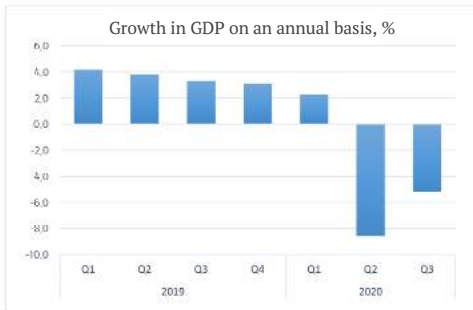


Source: Bulgarian National Bank, Eurostat

# COVID-19 AND THE MACROECONOMIC ENVIRONMENT IN 2020

COVID-19 and the restrictive anti-virus measures led to some considerable changes to the macroeconomic environment of both Sofia and Bulgaria as a whole. They are the result of the imposed social distancing measures, the deterioration of the international state of affairs, and the change to the behavior of businesses and households under the pandemic conditions. During the months of stringent restrictive measures there were some considerable decreases in the index of industrial production and the index of turnover in services. In industry the decrease was almost 20 percentage points during the months of the most stringent restrictions under the pressure of shrunk demand from the principal trade partners and general uncertainty but a relatively rapid recovery followed after the environment normalized, including international trade, and the introduction of more aggressive measures to support the business and employment all over Europe. As far as Sofia's economy is dominated by the sector of services the dynamics of the index of turnover in services in the country is quite relevant for the economy of the capital city. The decrease in the index of turnover in services was almost 30 points in the second quarter of 2020 followed by certain recovery. The decrease was quite string in transport, including handling of cargo as well as in tourism, including hotels and restaurants where an unprecedented decreased was observed. Against that backdrop in part of the key segments of services in Sofia, mostly the information technology and business services, the negative effect of Covid-19 is very limited, and in the third quarter of 2020 there was ready a stable growth. Despite the pandemic Sofia's digital economy actually added new jobs in 2020.

## Basic indicators of macroeconomic environment, 2019 and 2020



Source: Report by the Institute for Market Economics: The Economic Effects of COVID-19 and Sofia's Growth Potential: 2020

# ECONOMIC TRANSFORMATION AFTER THE PANDEMIC

After the period of rapid growth between 2014 and 2019 and thereto related record high employment and low unemployment Sofia's economy faced a considerable slowdown in 2020 as a result of the COVID-19 pandemic, the measures to restrict it, the increase in economic uncertainty, and a (similar) crisis in the country's trading partners.

The blow on Sofia's economy remains concentrated on the sectors directly affected by the restrictive measures: the ones related to everyday urban life.

The long-term competitive edges determining the structure and the dynamics of Sofia's economy remain in effect despite the pandemic. The processes of transformation of economy, including development of industry in the broad periphery of the capital city, the boom in hi-tech sector and in business services as well as the expansion of scientific infrastructure and innovation ecosystem set the trajectory of Sofia's development. In some respects the pandemic may even assist those processes, e.g. in the process of shortening the supply chains and directing industrial investments to the country as well as in developing the digital field.

Judging from the period of recovery after the previous crisis, Sofia is the region that will most rapidly be back on the track to growth. The main challenge at this stage seems to be the fast distribution of a vaccine which will eliminate the need of introducing new restrictive measures after the winter. The opportunities of the municipal administration to make use of the significant financial resources accessible within the framework of the EU anti-crisis and recovery instruments that could be beneficial in the course of transformation of economy and support the growth in Sofia also do matter.

## BANKING SYSTEM

The banking system in Bulgaria remains stable. The growth in banking sector's assets in the end of the second quarter of 2020 is 6.2% on an annual basis as they reach BGN 115.28 bn. The share of assets compared to the forecast GDP for 2020 is 98.3% as at 30 June 2020.

In the end of the second quarter of 2020 the market share of the five biggest banks in terms of asset size increased to 66.3% from 61.7%, i.e. the value as at the end of March 2020.

Under the conditions of the consolidation processes over the past years in the end of June 2020 there are 18 banks and 6 branches of foreign banks operating in Bulgaria compared to the total of 30 banks and branches of foreign banks 10 years ago.

The slowdown in credit activity, lower revenues from fees and commissions, the low interest rates, the expenses charged for depreciation, the management of operating expenses and the quality of the credit portfolio influence the financial result of the sector. Some one-off effects in individual banks such as, for instance, dividends received, gains from writeoffs of financial assets and liabilities, currency exchange differences, higher expenses for depreciation, also influence the system's financial result.

Although the level of non-performing loans is above the EU average the banking system in Bulgaria is characterized by the higher level of coverage by depreciation of the gross non-performing loans compared to the average level for the EU countries.

## Allocation of banks by group as at 30 September 2020

### First Group

UniCredit Bulbank  
DSK Bank  
United Bulgarian Bank  
Eurobank Bulgaria  
First Investment Bank

### Second Group

Raiffeisen Bank (Bulgaria)  
Central Cooperative Bank  
Bulgarian Development Bank  
Allianz Bank Bulgaria  
Procredit Bank (Bulgaria)  
Investbank  
Municipal Bank  
Bulgarian American Credit Bank  
International Asset Bank  
D Commerce Bank  
TBI Bank  
Texim Bank

### Third Group

Citibank Europe, Bulgaria Branch  
ING Bank N.V., Sofia Branch  
BNP Paribas S.A., Sofia Branch  
BNP Paribas Personal Finance S.A., Bulgaria Branch  
T.C. Ziraat Bankasi, Sofia Branch  
Varengold Bank AG, Sofia Branch

## Market share by asset size in the end of the second quarter of 2020



\* Banking Supervision Directorate groups the banks in view of highlighting the dynamics of the processes in the banking system. Their grouping does not carry a rating element and should not be interpreted as an assessment of their financial condition. The banks' place in the groups depends on the amount of their assets as at the end of every reporting period. The first group comprises the 5 biggest banks based on their total assets as at the end of every reporting period, the second group comprises the remaining banks, and the third one comprises the branches of foreign banks in Bulgaria.

Source: Bulgarian National Bank

## BULGARIAN STOCK EXCHANGE

Bulgarian Stock Exchange in Sofia (BSE) is the only regulated market for securities and other financial instruments in Bulgaria.

## FINANCIAL SUPERVISION

Financial Supervision Commission (FSC) is an independent public regulatory body controlling the financial system whose mission is to improve the development of a transparent and efficient capital market.

## ESTABLISHING A BUSINESS IN SOFIA

Establishing companies, including ones with foreign participation as well as acquiring shares in existing domestic trade companies is stipulated in the Commerce Act. There are no restrictions as to the participation of foreign legal entities and natural persons.

## TYPES OF TRADE COMPANIES

General partnership  
Joint-Stock Company  
(wholly-owned joint-stock companies)  
Limited partnership

Limited partnership with shares  
Limited liability Company  
(wholly-owned limited liability companies)  
Sole traders

No prior approval from state institutions is required for the incorporation of the aforesaid companies save for the cases involving banking and insurance operations, investment funds, management companies, investment intermediaries or special concession rights and others.

## FEES AND TERMS FOR COMPANY REGISTRATION

The most popular forms of trade companies are the limited liability company (OOD) and the joint-stock company (AD):

### Limited Liability Company (OOD)

- Minimum capital: EUR 1
- There must be at least 1 director and 1 shareholder
- There are no restrictions as to the nationality of directors or shareholders
- The registration of a company takes 3-4 working days

### Joint-Stock Company (AD)

- Minimum capital: EUR 25,000
- The minimum paid-in capital must be 25% of the total capital
- There must be at least 1 chair, 3 Board members and 1 shareholder
- There are no restrictions as to the nationality of the members of the Board of Directors or shareholders
- Annual audit

### Company registration: fees and terms

Procedure	Term (working days)	Fee
Fulfillment of the minutes from the founding meeting	1 day	none
Obtaining a notarized declaration of consent, sample form, and signature of the manager, and a certified copy of company's incorporation documents	1 day	BGN 5
Depositing the subscribed capital at a bank	1 day	BGN 10-30
Registration with the Trade Register kept by the Registry Agency	2 days	BGN 55 for online registration
VAT Registration	12 days	none
Purchase and registration of a fiscal memory device (cash register)	2 days	BGN 50 - 200
Registration of employees with the National Revenue Agency	Less than a day, an online procedure simultaneously with the preceding one	none
Registration of company's trade outlet (if any)	1 week	none

<b>Tax/Fee</b>	<b>Number of payments</b>	<b>Tax Rate</b>	<b>Taxable Base</b>
<b>Corporate tax</b>	1	10%	Taxable income
<b>Value added tax (VAT)</b>	1	20%	Added value
<b>Social security contributions</b>	1	18.92%	Gross salary (up to a monthly cap of BGN 3,000)
<b>Fees for municipal services (fee for household waste, Sofia)</b>	1 /in 4 installments/	10% <sup>bc</sup> (pro mille)	Reporting value and/or number of waste containers used
<b>Notary's fee for transfer of ownership</b>	1	BGN 30 to BGN 1,531 + 0.1% - 1.5% of the value of property (max. BGN 6,000) 20-percent VAT is charged on the notary's fee	(The higher of) taxable value or selling price
<b>Tax upon acquisition of properties</b>	1	3%	(The higher of) taxable value or selling price
<b>Tax on real estates</b>	1 /in 2 installments/	1.875% <sup>bd</sup>	(The higher of) taxable value or selling price
<b>Vignette*</b>	1 - 12	97 - 2 088 BGN (annual fee for different types of vehicles)	Vehicle type
<b>Tax on vehicles**</b>	1 /in 2 installments/	16 - 1 313 BGN (annual tax for various types of vehicles)	Vehicle type
<b>Insurance premium tax</b>	1	2.0%	Insurance value
<b>Conclusive/one-off tax on certain expenses (e.g. entertainment expenses, social expenses in kind)</b>	1	10% (there are exceptions)	Gross expenses
<b>Taxes on fuel</b>	1	-	Included in fuel price

\* Vignette: BGN 97 annual vignette for automobile < 3.5 tons and < 8 seats

\*\* Tax on vehicles: BGN 83 for a 4-year old automobile with EURO 6 standard registered in Sofia

## INCENTIVES FOR INVESTORS

The measures for encouraging investments in Bulgaria are national and local. They are granted by certifying the investment project by way of an investment certificate. The certification procedure takes several weeks.

**National: issued by the Bulgarian Government via the Bulgarian Investment Agency (BIA)**

**Local: issued by SMAPI**

	Priority	Class A	Class B	Class C*
Amount of investment	€ 50 M 50 – 150 jobs	€ 1 -5 M 25 – 150 jobs	€ 500 K – 2.5 M 10 – 100 jobs	up to € 1 M >1 jobs
Shortened administrative procedures	✓	✓	✓	✓
Right to purchase state - or municipality-owned properties without a tender or competition	✓	✓	✓	✓
Individual services	✓	✓		✓
Financial support for professional training	✓	✓	✓	
Refund of costs for social security	✓	✓	✓	
Financing the construction of technical infrastructure	✓	✓		
Public-private partnerships	✓			
No taxes upon changing the status of land	✓			
Right to acquire properties at prices below the market ones	✓			
Subsidies for research and development	✓			

\* Class C is issued for projects on the territory of Sofia Municipality.

## Criteria for certification

### 1. Sector\*:

In order to be issued a Class A, Class B or Priority certificate the investment must be in one of the following sectors:

- Manufacturing
- Sector of services, including:

Hi-tech activities in the field of ICT, research and development \*, outsourcing of business processes, central office operations, education, healthcare, warehousing and auxiliary activities for transport, accounting and audit, architecture and engineering.

\* Hi-tech sectors are subject to lower criteria regarding the amount of investment and number of jobs.

### 2. New jobs

### 3. Region in which the investment is made

Bulgaria is signatory to avoidance of double taxation treaties with 80 countries.

## ARBITRATION COURT

There are a number of independent arbitration courts in Sofia which settle disputes regarding civil and trade ownership and also disputes aiming at filling gaps in contracts or making corrections related to newly-occurred circumstances between different parties, natural persons and legal entities. At this stage the arbitration is applicable mainly in the field of trade disputes. It is regulated within the framework of the existing legislation and has long-standing traditions in Bulgaria.

## TRANSPORT AND CONNECTIVITY

### SOFIA AIRPORT

Sofia Airport is the biggest airport in Bulgaria. The new concessionaire that was chosen in 2019 to operate the airport for the next 35 years plans to build a third terminal by 2030 and to modernize the existing two ones.

**7,107,096**  
passengers (2019)

**2.1%**  
GROWTH in the  
number of passengers  
(2019)

**48**  
NEW PASSENGER  
lines (2019)

**20 MIN**  
DISTANCE TO  
DOWNTOWN SOFIA

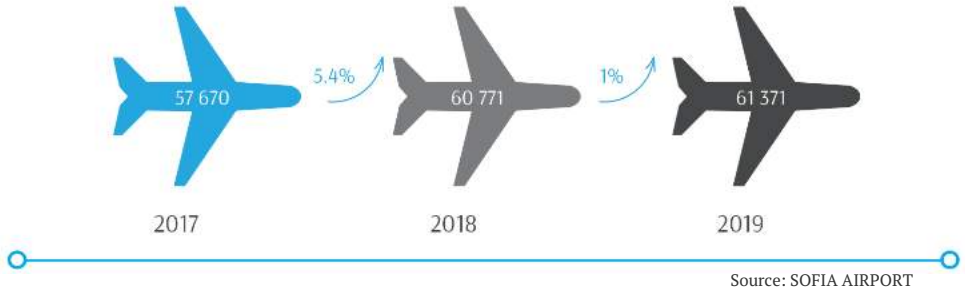
2020 (until the end of November)

- 2,765,072: number of passengers
- decrease in the number of passengers

In 2019, Sofia Airport served the record 7.1 million passengers after several years of continuous growth of passenger traffic. Since 2015 the number of passengers served has increased by 74%.

In 2019, the Airport processed 23,987 tons of cargo, an increase of 7.8% compared to 2018.

### Aircraft Flights



In 2020, the consumption of passenger aircraft decreased by 50% on the average due to the epidemic situation. At the expense of that despite the difficult year the processed tons of cargo decreased by only 10% on the average.

The most popular destination for 2019 and for 2020 is London, followed by two German cities: Frankfurt (am Main) and Munich.

### Sofia Airport: Top destinations by number of passengers, 2019-2020

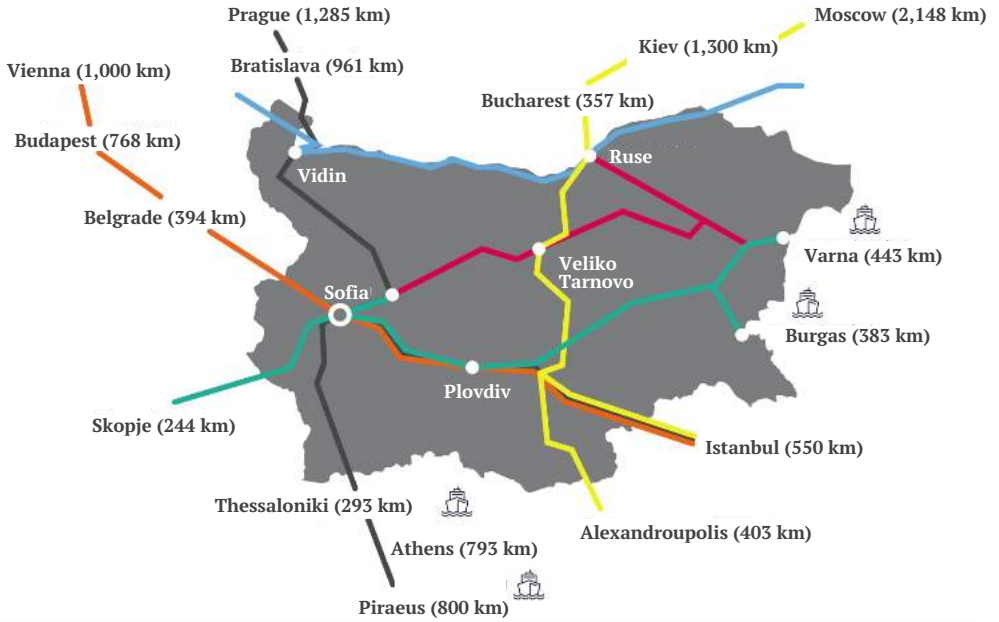
- |              |              |
|--------------|--------------|
| 1. London    | 6. Amsterdam |
| 2. Frankfurt | 7. Tel Aviv  |
| 3. Munich    | 8. Varna     |
| 4. Vienna    | 9. Paris     |
| 5. Milan     | 10. Rome     |

## HIGHWAY NETWORK

Three pan-European transport corridors pass through Sofia. Sofia is well-connected to the remaining part of Bulgaria, the Black Sea Coast, the port in Burgas as well as with the borders with Turkey, Greece (Thessaloniki) and Serbia via the Northern Speed Tangent, Trakia Highway (A1), Hemus Highway (A2) and Struma Highway (A3).

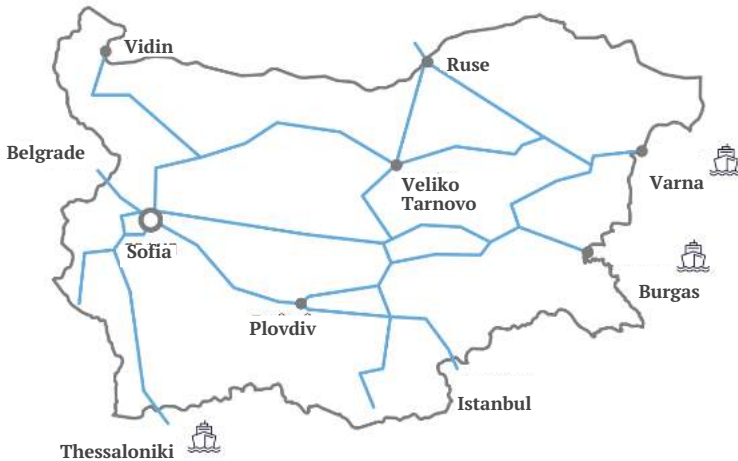


# TRANSPORT INFRASTRUCTURE



Source: Ministry of Transport

# RAILWAY INFRASTRUCTURE



Source: Bulgarian State Railways

# INTERNET CONNECTIVITY

Sofia has one of the fastest internet connection speeds in Europe in terms of both download and upload of information: 22.1 and 15.2 mbps, respectively. The level of wide-spread mobile broadband internet has constantly increased from 87 subscriptions per 100 people in 2017 to 98 subscriptions in 2018 and 103 subscriptions per 100 people in 2019. For the EU for 2019 there are 100 subscriptions per 100 people. For 2019 77 % of households in Bulgaria have coverage of high-speed broadband access compared to 86% for the EU.

The monthly internet subscription for business customers costs from BGN 35/EUR 18 (50 mbps) to about BGN 55/EUR 28 (100 mbps), exclusive of VAT. There are also higher speeds of up to 1 gbps

Source: Digital Economy and Society Index (DESI) 2020, testmy.net

# ACCESS TO UTILITY SERVICES

## ELECTRICITY

Bulgaria has been a net exporter of electric power for the past 10+ years. The country's energy sector is well-developed and has various sources comprising heat and water power plants, nuclear and renewable energy sources. The main electricity provider in Sofia is CEZ Bulgaria EAD. In 2014, the Independent Bulgarian Energy Exchange (IBEX) was established by starting organized exchange market for wholesale trade on the so-called "Day Ahead" market. IBEX works for the development of an organized market for electric power in Bulgaria on the basis of transparent and non-discriminatory principles. The "Intraday" segment as well as the Centralized Market for Purchase and Sale of Electric Power via bilateral contracts started to operate in 2018. The price for electric power for industrial use in Bulgaria is one of the lowest in Europe.

Source: eso.bg, ibex.bg, me.government.bg

## Price for electric power for non-household consumers for January-June 2019

Annual electricity consumption in thousand kW h	Prices (inclusive of all taxes, fees and VAT)	
	BGN/kW h	EUR/kW h
< 20	0.2308	0.1180
20 < 500	0.2184	0.1117
500 < 2 000	0.1914	0.0979
2 000 < 20 000	0.1834	0.0938
20 000 < 70 000	0.1685	0.0862
70 000 ≤ 150 000	0.1552	0.0794
> 150 000	0.1359	0.0695

Source: National Statistical Institute

## NATURAL GAS

The main suppliers of natural gas in Bulgaria and Sofia are Bulgargaz EAD and Overgaz.

Price for natural gas for non-household consumers for January-June 2020

Annual consumption of natural gas in GJ	Prices (inclusive of all taxes, fees and VAT)	
	BGN/GJ	EUR/GJ
< 1000	21,6684	11,0789
1 000 < 10 000	19,6026	10,0227
10 000 < 100 000	15,0863	7,7135
100 000 < 1 000 000	11,5619	5,9115
1 000 000 ≤ 4 000 000	10,6639	5,4524
≥ 4 000 000	confidential data	confidential data

Source: National Statistical Institute

## WATER SUPPLY AND SEWERAGE

The provider of water supply and waste water treatment services in Sofia is Sofiyska Voda AD.

The price for water supply for non-household consumers for 2020

Water supply, sewerage, waste water treatment	Prices (inclusive of all taxes, fees and VAT)	
	BGN/m <sup>3</sup>	EUR/m <sup>3</sup>
Pollution Level 1	2,996	1,532
Pollution Level 2	3,377	1,727
Pollution Level 3	3,600	1,841

Source: Sofiyska Voda

## OFFICE AND INDUSTRIAL AREAS

### BUILDING PERMITS

According to a report of the World Bank the process of granting permits to the completion of construction works for a common warehouse in Sofia, including its connection to water supply and sewerage system requires 18 procedures and takes 97 days, with an option to shorten it in consideration of additional fees for certain municipal services. The building quality control index for Bulgaria is 14.0 (out of 15) as only three countries in the world rank higher.

## Granting building permits in Sofia

Indicator	Sofia	Europe and Central Asia	High income OECD
Procedures (number)	18	16	12.7
Term (days)	97	170.1	153.1
Index of control of the quality of construction (0-15)	14	12.1	11.6

Source: World Bank, Economic Profile of Bulgaria; Doing Business 2020 report

## OFFICE SPACES IN SOFIA

Over the past years the market for office spaces in Sofia undergoes a dynamic development, mostly due to the growth in the IT and outsourcing industries.



2.18-2.32M M<sup>2</sup>

Available office spaces,  
Class A and Class B



376 K M<sup>2</sup>

Office spaces under  
construction



8-15 €/M<sup>2</sup>

Rental prices - Class A  
and Class B



10.8%

Vacant spaces



7.75-8%

Return on investment

Source: leading real estate agencies, fourth quarter of 2020

## INDUSTRIAL SPACES IN SOFIA

The market is dominated by built-to-suit construction or construction for individual needs. Despite that more than one half of the office spaces under construction are speculative. Most tenants are companies from the sectors of logistics and commerce, including electronic commerce.



1.1-1.3 млн. м2

Available industrial spaces, Class A and Class B



241K м2

Industrial spaces under construction



2.5-5 €/м2

Rental prices



2-7%

Vacant spaces



8-9.5%

Return on investment

Source: leading real estate agencies, data about the third quarter of 2020.

### Commercial spaces in Sofia



391-425K м2

Available commercial spaces



40 000 м2

Commercial spaces under construction



39 €/м2

Average rental price



6-9%

Vacant spaces



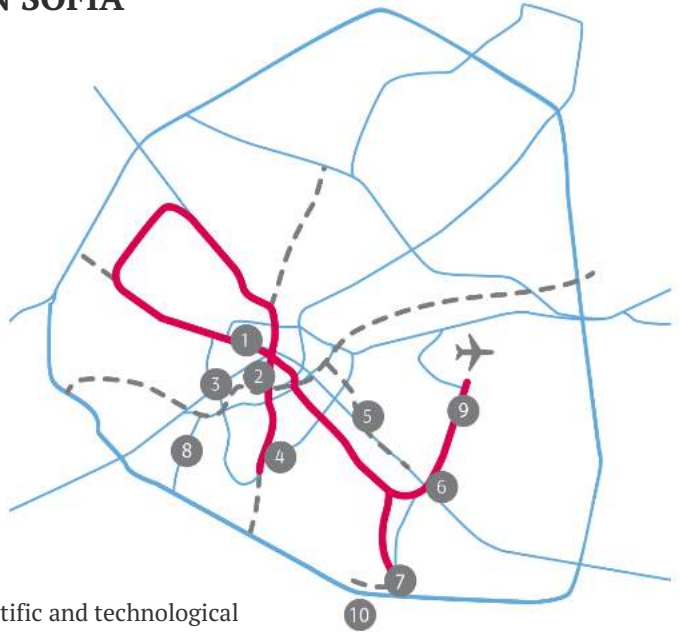
7.5%

Return on investment

Source: leading real estate agencies, data about the third quarter of 2020.

# BUSINESS ZONES IN SOFIA

1. Todor Aleksandrov Blvd.
2. Central Business Zone
3. Sofia Square Zone
4. Hladilnika Zone
5. Sofia Tech Park Zone
6. Capital Fort Zone
7. Business Park Sofia
8. Bulgaria Blvd.
9. Sofia Airport Zone
10. Kambanite Zone



## SOFIA TECH PARK

Sofia Tech Park, the first scientific and technological park in Bulgaria, was created in Sofia in 2015 with the aim to encourage the advance of development, innovation and technological capacity in the country. The park includes a huge laboratory complex, an innovation forum, the interactive center for children TechnoMagicLand and an incubator for innovative companies. The park is home to more than 40 companies and 34 startups. More than 200 events are held annually in the complex. In 2020, the Park opened a new coworking space called “GroWorking” and also the so-called “Club House” where networking events in the field of technologies and innovation will be held.

**Area: 40,000 sq.m.**

**Laboratory complex: 11 hi-tech laboratories having an area of 10,000 m<sup>2</sup>**

**Innovation forum: capacity of 1 000 seats**

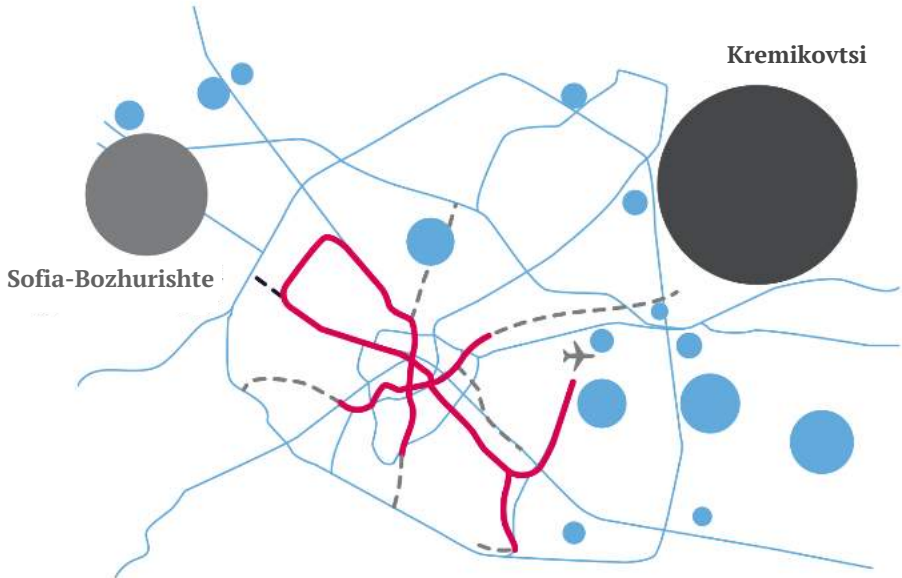
**TechoMagicLand: more than 45 interactive experiments for children aged 7-14**



# INDUSTRIAL AND LOGISTIC PARKS IN AND AROUND SOFIA

More than 15 industrial and logistic parks are situated in or around Sofia, including the biggest economic zone in the region: Sofia-Bozhurishte as well as the territory of the former plant Kremikovtsi.

## Industrial zones and logistic parks



Source: Forton | Cushman&Wakefield, National Company Industrial Zones

### Sofia-Bozhurishte Economic Zone

Sofia-Bozhurishte Economic Zone is managed by National Company Industrial Zones. The zone is situated 15 km from downtown Sofia and 23 km from Sofia Airport. The area of the complex is 3,038,527 sq.m.

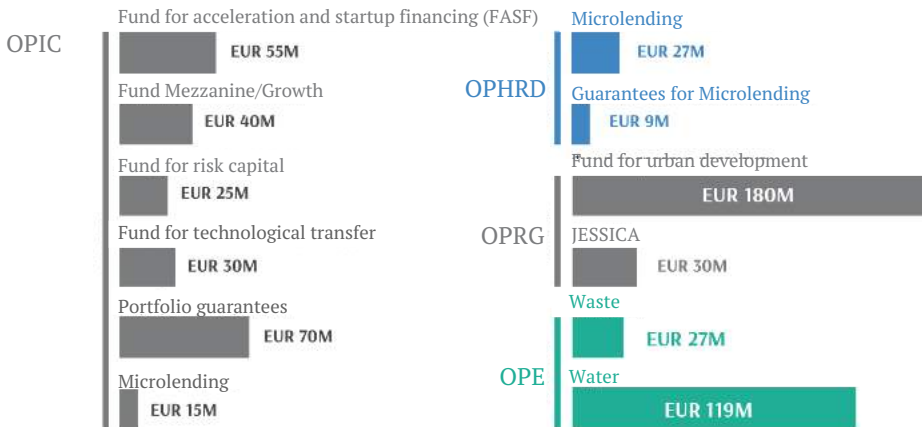
### Kremikovtsi Industrial Zone

The territory of the former Kremikovtsi metallurgical plant is a unique property having an area of 7.4 mln sq.m. The property has all necessary infrastructure to become once again the biggest industrial zone in Bulgaria. Over the past years the land has been cleared of old buildings and unnecessary underground infrastructure in order to be prepared for future investors. Near the complex there are numerous state- and municipality-owned properties which are also fit for industrial and logistic facilities. The area has the potential to become one of the biggest industrial centers in the EU. The area's development is a priority for both local and state authorities.

# FINANCING

There are numerous sources of financing for companies and public and private organizations in Bulgaria. The main body controlling the management of financial instruments on national level is the Fund of Funds.

The Fund of Funds manages BGN 1.2 bn under four operational programmes: Operational Programme Innovations and Competitiveness, Operational Programme Human Resources Development, Operational Programme Regions in Growth, and Operational Programme Environment.



Source: Fund of Funds

## MUNICIPAL GUARANTEE FUND

The Municipal Guarantee Fund for small and medium-sized enterprises (MGFSME) is a financial instrument established by Sofia Municipality to support the entrepreneurship and innovation ecosystem. The fund also operates the FISE (Financing of Innovative Startup Enterprises) program.

FISE	General Program
Guarantees of up to 50% and up to BGN 30000	Guarantees of up to 50% and up to BGN 150000
Maximum guarantee period: 60 months	Maximum guarantee period: 84 months
Enterprise <3 years or which develops innovative projects	Collateral: 60% of loan value
Collateral: 60% of loan value.	

Source: MGFSME

# EXECUTIVE AGENCY FOR PROMOTION OF SMALL AND MEDIUM-SIZED ENTERPRISES

Executive Agency for Promotion of Small and Medium-Sized Enterprises (EAPSME) implements the state policies to support entrepreneurship as well as to develop and internationalize the SMEs.

EAPSME organizes business delegations and participations in trade fairs abroad. Among the Agency's other programs are:

## - Voucher scheme

For provision of ICT services to SME (up to EUR 12,000)

## - National Innovation Fund, part of the National Innovation Strategy

Provides up to EUR 250,000 for industrial research and experimental development in the field of mechatronics and clean technologies, information and communication technology, healthcare and biotechnologies, technologies in creative and entertainment industries (createch).

# SMALL AND MEDIUM-SIZED ENTERPRISE ACCELERATOR MARKET (BEAM)

BEAM (Bulgarian Enterprise Accelerator Market) is a specialized market for SME growth organized by the Bulgarian Stock Exchange (BSE). The market provides SMEs with a number of concessions for admission to trading and capital raising. BEAM also provides mentorship.

# DISC INITIATIVE

In order to help attracting investments in the field of digital economy in Central, Eastern and Southeastern Europe the European Commission launched the Digital Innovation and Scale-up Initiative (DISC). EC's partners in the project are the European Investment Bank, the European Investment Fund, the European Bank for Reconstruction and Development as well as the World Bank and the International Finance Corporation. This is the first regional investment mechanism of that type. The DISC instruments for target financing are appropriate both for the early stage and for the stage of expansion of the digital startup companies. The expansion stage requires a more risky financing and is often underestimated by the traditional finance sector.



# EQUITY AND RISK FINANCING (VC) IN BULGARIA

## Pre-seed Stage



## VC Stage



## Growth Stage



## THE STARTUP ECOSYSTEM IN SOFIA

Sofia has one of the most attractive startup and entrepreneurship ecosystems in Central and Eastern Europe: a startup association, an association of angel investors, and clubs for angel investors function in the city.

In 2019, Sofia was accredited as a French technological hub in the network FrenchTech (French Tech Label). The city joined an international community of more than 50 innovation and technological hubs. According to data from Dealroom.co 246 financing rounds were conducted in Sofia for the past 6 years. Thus, Sofia ranks 3rd in CEE in terms of investment rounds, right after Warsaw and Tallin. Bulgaria has a diversified portfolio of technological startups in different industries. About 15% of Bulgarian startups are in the so-called deep tech sectors among which are artificial intelligence, aerospace technologies, robotics, and internet of things.

Entrepreneurs who have no prior experience can make use of local incubators and pre-accelerators in order to obtain knowledge and guidelines for starting a business. In addition, the VC community in Sofia supports the expansion of startup companies and companies at the growth stage.



**Bulgaria ranks 32nd worldwide out of 202 countries for 2020 according to the ranking of startupo ecosystems prepared by StartupBlink.**

# COWORKING SPACES IN SOFIA

Sofia has more than 35 technological, creative, social and other cowork spaces (coworking). Their number continues to increase.

## 1 DIGITAL COWORK SPACES

- Betahaus
- Puzl CowOrKing
- Work&Share
- 1HUB
- init Lab
- Mastilo
- Co Share HIVE
- Smart Space
- This Way Coworking Hub
- Resonator Co-Innovation Hub
- Cherryz.work
- CampusX
- Premium Coworking

## 2 CREATIVE COWORK SPACES

- Missia 23 Creative Hub
- SOHO
- Malkite 5
- Cosmos Coworking Camp
- Cre8
- Generator
- Trevor Workspaces
- Ko-Op Art&Coworking
- SODA Workspaces

## 3 INNOVATIVE

- Sofia Tech Park Incubator
- Groworking Space and Club House
- Microsoft Innovation Center
- JA Hambar
- CleanTech accelerator's co-working space
- Networking Zone

## 4 SOCIAL WORKS

- NGO House
- Coworking by MOVE.BG
- OvertAim
- Launchee
- Zone 21
- WORKY Coworking & Coffee
- NAMASA CoWorking and CoLiving
- Catcotheque Coworking & Coffee
- CO&WO Coworking café

# DIGITAL SOFIA

In 2015, Sofia Municipality adopted an Innovation Strategy for Smart Specialization 2014-2020" (ISSS) which sets IT and creative industries as priority ones.

In 2019, Sofia, represented by Sofia Municipal Agency of Privatization and Investments (SMAPI), created the Strategy for Digital Transformation of Sofia (SDTS) based on EC methodology and with the participation of more than 100 stakeholders. The purpose of the Strategy is to support local technological ecosystem by transforming Sofia into a platform for the digital products being created in the city.

The city has already carried out one of the first steps proposed by SDTS. A new unit was set up in Sofia Municipality as well as a new position: deputy mayor in charge of "digitization, innovation and economic development" directorate.

In 2019, the GATE Centre of Excellence in the field of Big Data and Artificial Intelligence started as a joint initiative of the University of Sofia and the universities Chalmers, Sweden and Chalmers Industrial Technologies, Sweden. GATE will develop innovations in four strategic directions: cities of the future, smart government, smart industries, and digital healthcare. Participants will have the opportunity to conduct experiments and tests in three modern technological laboratories: for modeling of the processes in urban environment (City Living Lab), for interdisciplinary cooperation with the industry (Digital Twin Lab) and for virtual reality and visualization of big data (Open Visualization Lab). One of the first projects of GATE is building a city information model (CIM) or a digital twin of a neighborhood in Sofia.

The first digital twin of Sofia will be on the territory of the District of Lozenets and will be on the territory of the District of Lozenets and will be validated in three pilot scenarios: urban planning, air quality, and public transportation.

**More than 200 teachers from 16 schools in Sofia became part of Sofia's pilot project "School in the Cloud" for development of digital skills and work in online environment.**



# PRIORITY INDUSTRIES IN SOFIA

## INFORMATION TECHNOLOGY (IT)

The most rapidly growing sector of the capital city are information and communication technology (ICT) and telecommunications as for five years the production made in it has increased twice: to BGN 10.9 billion, or 15% of Sofia's economy. In 2019 alone the ICT sector added BGN 1.5 billion (growth of 17%) more to Sofia's production, thus outstripping the processing industry and is currently the second most important sector in Sofia.

### Bulgarian Software Industry



**18%**

Growth in operating revenues in 2019

**8%**

Growth in jobs in 2019

**67%**

Growth in jobs between 2015 and 2020

**10%**

Growth in jobs in 2020

**3.8%**

Industry's share in GDP

According to the forecast of BASCOM the software industry in Bulgaria in 2024 will reach revenues of BGN 7.8 billion

Source: BASCOM Barometer

IN 2020, THE SKILLVALUE PLATFORM RANKED BULGARIA 14TH AMONG THE COUNTRIES WITH THE BEST SOFTWARE DEVELOPERS IN THE WORLD. 35% OF PEOPLE EMPLOYED IN THE SECTOR ARE FEMALE.

## ICT sector in Sofia



15%

of Sofia's GDP



17%

of Sofia's exports



11.1%

of Sofia's workforce



13.7%

of FDI with accumulation in Sofia

Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

## ARTIFICIAL INTELLIGENCE (AI)

The Bulgarian AI startup ecosystem is still in the beginning of its development but has grown at an enviable pace over the past years. In 2019, the Centre of Excellence in the field of big data and artificial intelligence (GATE) started at the Faculty of Mathematics and Computer Science with the Sofia University with financing of EUR 15 mln.

Also in 2019 the risk investment fund BrightCap Ventures created a program for companies in the fields of artificial intelligence, internet of things, blockchain, advanced analytics, autonomous technologies and quantum computing.

## FINTECH

Sofia is one of the most rapidly developing fintech destinations in CEE as 82% of Bulgarian fintech companies are based on the capital city.



**36%**  
of the companies are  
in the field of  
settlement and invoicing

**13%**  
of the companies are  
in the field of  
capital markets

**11%**  
of the companies are  
in the field of  
lending

**10%**  
of the companies are  
in the field of  
personal finance

Source: Annual Report of Bulgarian FinTech Association, 2020

Fintech companies are assisted by a number of investment funds, angel investors, private investors and local banks.

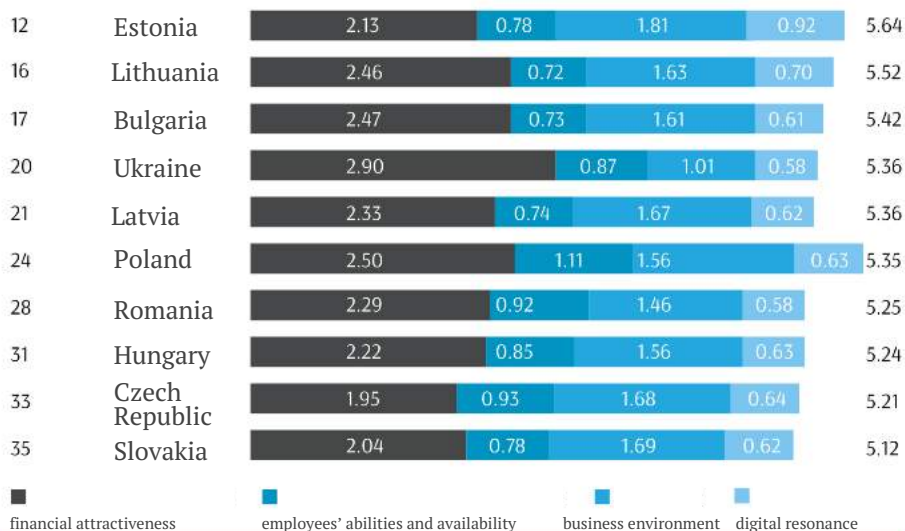
Bulgaria is often used as a test market as far as the ambition of the companies is to work globally. The fintech companies more and more often partner with traditional financial institutions (e.g. banks) and jointly develop solutions. The number of corporate accelerator programs in the sector continues to increase.

**In 2019, the report “Fintech Locations of the Future 2019/20” prepared by fDi Intelligence ranked Sofia ahead of 52 other cities from all over the world and recognized the capital city as Number One in the world in terms of cost efficiency.**

## OUTSOURCING AND SHARED BUSINESS SERVICES

Bulgaria ranks first as a location for business services in CEE according to the Global Services Location Index prepared by A.T. Kearney in 2019. The criteria examined include: financial attractiveness, employees’ abilities and availability, business environment and digital resonance. Bulgaria performs best in terms of the financial attractiveness criterion. The country is also very competitive in terms of the business environment. In addition, Bulgaria has well-developed telecommunication infrastructure as the internet connection speed is among the fastest in Southeastern Europe. The regulations on information security and confidentiality are in compliance with the existing legislation of the EU.

### Global index of the most attractive destinations for outsourcing of services: regional comparison

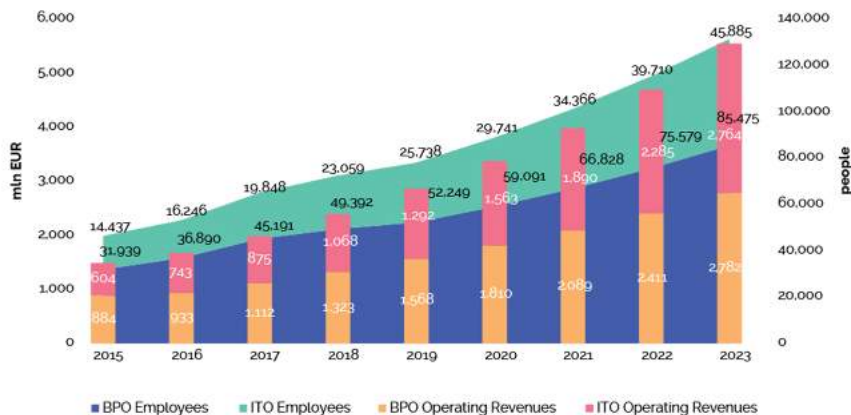


Source: A.T. Kearney GSLI, 2019

In 2018, the industry of outsourced services, which includes IT and business services, accounted for 5.2% of the national GDP generating revenues to the amount of EUR 2.4 billion. The sector reported a growth of 19.5% on an annual basis. In the end of 2018 the number of employees reached 73,694. The industry is expected to grow faster than the country's economy and to reach a turnover of EUR 4.8 billion or 9.2 % of GDP in 2022.

### Turnover of outsourced IT and business services in Bulgaria (EUR billion)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
IT services	0.60	0.74	0.88	1.07	1.29	1.56	1.89	1.29	2.76
Business services	0.84	0.93	1.11	1.32	1.67	1.81	2.08	2.41	2.78
<b>Total outsourced services</b>	<b>1.44</b>	<b>1.67</b>	<b>1.99</b>	<b>2.39</b>	<b>2.96</b>	<b>3.37</b>	<b>3.97</b>	<b>4.70</b>	<b>5.54</b>

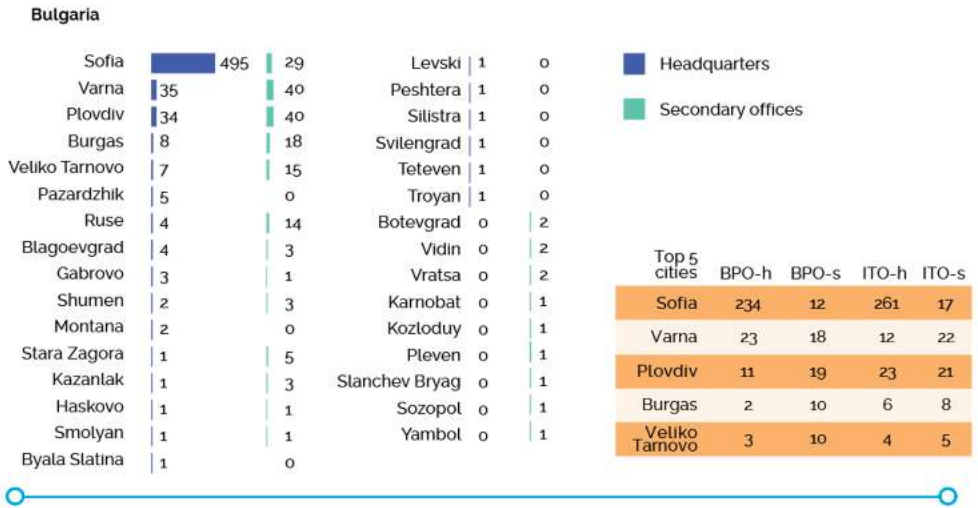


Source: AIBEST Annual Industry Report, 2020

## OUTSOURCED BUSINESS SERVICES IN SOFIA

Bulgaria's sector of outsourced services is concentrated in Sofia. The headquarters of more than 85% of the companies are in the capital city as that share has remained relatively stable between 2015 and 2019. The number of companies for outsourced business services in Sofia increases every year as in 2019 there were 495 companies for outsourced business services positioned in Sofia. For comparison: 35 companies are domiciled in the Bulgaria's city ranked second: Varna. At the same time the number of employees increased by about 15% per year. The main external markets serviced by Sofia-based companies are: USA, United Kingdom, Germany, the Netherlands, Switzerland, France, Austria, Belgium, Italy, Sweden, Australia, Russia, China, and India.

## Number of outsourcing companies in big cities.



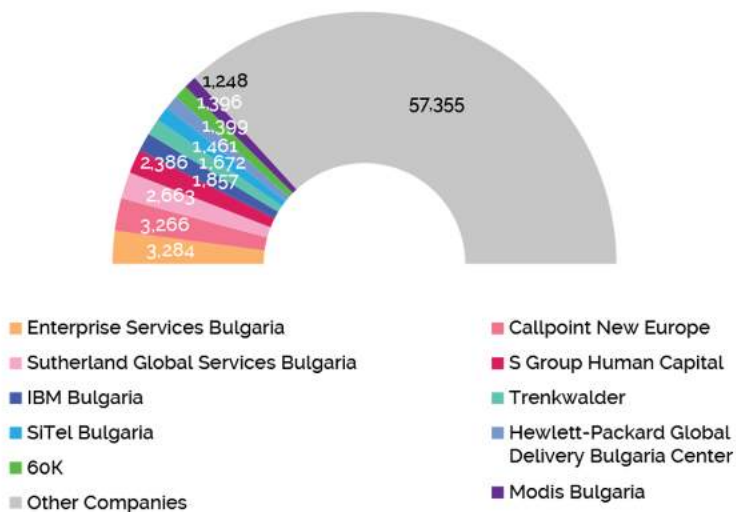
In 2019, Sofia University, jointly with the Association for Innovation, Business Services and Technologies (AIBEST), created a new Master's degree: **Outsourcing Projects and Companies**.

## SHARED SERVICES CENTERS

The shared services centers have been the most rapidly growing outsourcing segment in Bulgaria for the past five years. The most famous recent new centers that opened in Sofia are one of the World Bank as well as BIC Services Sofia. Bulgaria is the second most important SSC location in Southeastern Europe after Romania.

Bulgaria attracts global technological companies that develop the SSC sector in the country by their shared services centers as Sofia is the undisputed leader in terms of number of centers. Cities such as Varna, Plovdiv and Burgas also develop at an increasing pace. A great number of manufacturing and trade companies operate their SSC from Sofia and the country servicing their local and global financial, IT and HR operations. The shared services centers are the sourcing segment with the highest annual labor costs. The reason is that such centers are traditionally big and focused on knowledge-intensive activities.

## Top 10 of outsourcing companies in terms of number of full-time employees for 2019 FTEs - Full-time employees



Source: AIBEST Annual Industry Report, 2020

## CREATIVE INDUSTRIES

Sofia is the center of cultural and creative industries in Bulgaria and has the potential to be among the leading European creative hubs. Nearly 80% of the sector is concentrated in the city. 62% of all people employed in the sector in Bulgaria work in Sofia. More than 60,000 artists, designers, game developers, filmmakers, musicians, architects, writers, digital media content creators, software developers and other representatives of the creative industries work in more than 7,700 creative companies in Sofia. Most of their products and services are exported. Employment in the sector is on a constant increase.

## FILM INDUSTRY

Film industry and the services supplementing it are well-developed in Sofia. Many professional organizations bringing together directors and producers are also concentrated in Sofia. One of the leading film producing studios in Europe is situated in the city. Krastyo Sarafov National Academy of Theatre and Film Art, Sofia is the biggest one in Bulgaria. Since its creation in 1997, Sofia Film Fest has become the biggest and most important film festival on the Balkans. In 2014, Sofia joined the network of UNESCO creative cities and received the City of Film title.

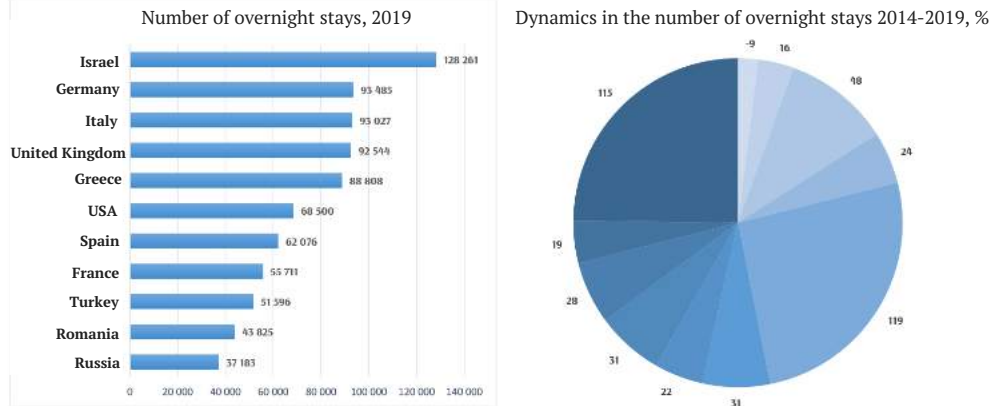
# GAMING INDUSTRY

Gaming is among the most rapidly developing creative industries in Sofia as its active development started in the mid 1990s. Currently, there are more than 35 gaming companies in Sofia, including branches of some global leaders, well-established Bulgarian studios as well as small indie studios. The games created cover the entire gaming range: educational, casual, strategic, RPG, AAA games, games with virtual reality, and others, and encompass all platforms: mobile devices, consoles and computer platforms.

## Tourism

As a result of the rapid expansion of low-cost airlines and online platforms for short-term rentals over the past years Sofia became a much more connected, accessible and popular destination for urban tourism.

### Number of and change in the number of overnight stays of foreigners in Sofia from principal destinations



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

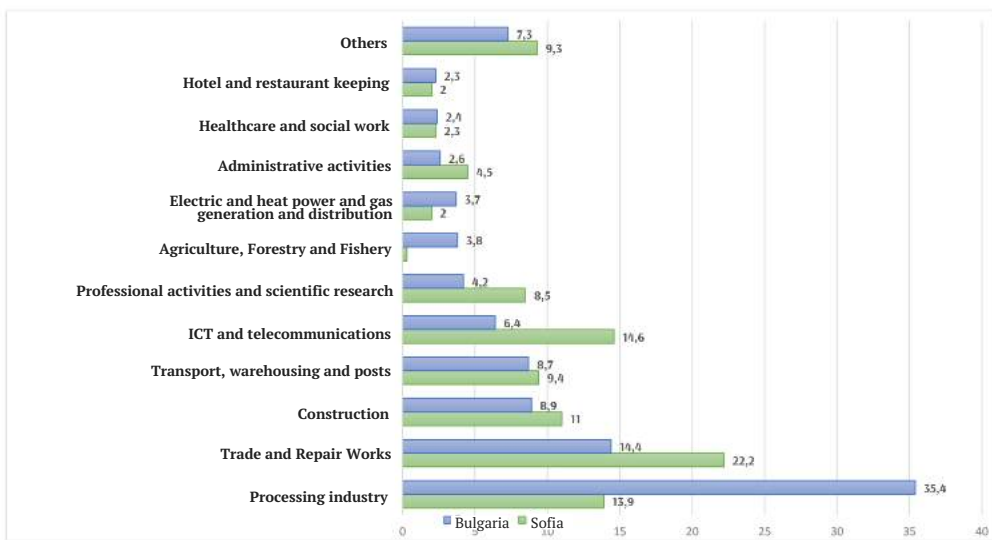
In 2019, there were 1.16 million visitors of the capital city, and the total number of overnight stays was nearly 2 million as 786 thousand of the visitors were foreigners. Against the backdrop of seaside and mountain resorts, however, the capital city maintains a greater balance between Bulgarian and foreign visitors, most likely as a result of business trips within the country. This conclusion is also supported by the small number of average overnight stays per person: less than the average of 2 per visitor in Sofia which corresponds rather to the profile of business trips and weekend urban tourism. In a dynamic aspect in recent years we have witnessed mostly a growth in visits by foreigners: more than 1/3 within five years – while there is no significant change in the Bulgarians.

The restrictions and the considerable shrinking of tourist trips in 2020 put a big question mark on the development of the capital city as a tourist destination. In addition to the decrease in Sofia Airport traffic the decrease in the tourist flow is also visible in the data from the places of accommodation as depending on the month the decrease in visits is up to 80% compared to the past year and up to 90% in terms of the visits by foreigners. Even after the restrictions were lifted and the transport connections were restored the economic crisis in some major countries that send tourists to Bulgaria - mostly Italy and Spain – will have a negative impact on the sector’s recovery. In turn, transferring business communication online threatens to lead to great decreases in business trips as well as in congress tourism.

## Manufacturing

There was a solid growth in processing industry in the capital city as the production reached BGN 10.4 billion in 2019. Industry increased its production by more than BGN 1 billion (growth of 11%) over the last year. This sector is driven by several big key enterprises, predominantly export-oriented, as among the important subsectors are manufacturing of metal products and food, drinks and tobacco industry.

### Shares of branches in the products produced in Sofia and Bulgaria, 2019\*, %



Source: Report by the Institute for Market Economics: Economic and Investment Profile of Sofia Municipality, 2020

The comparison with the allocation of manufactured products in the economy shows the specific structure and the weight of certain sectors in Sofia. While in the country the processing industry has the key place its share in the capital city is almost twice smaller. Instead, ICT and outsourcing activities have a share that is considerably higher than the average for the country. If the trends of outpacing growth of services continue the structure of Sofia’s economy will move farther and farther away from the economy of the country.

# AUTOMOTIVE SECTOR

The automotive industry in Bulgaria develops at a rapid pace. Sofia is one of the biggest centers in Bulgaria where global innovation are created for the sector. The automotive industry will play an increasingly important role in Sofia's economy and the development of industrial zones is among the priorities of Sofia Municipality.

## General overview of the automotive industry in Bulgaria

- **Turnover of more than EUR 6 billion in 2019**
- **Turnover is expected to double by 2022**
- **About 4.5% of country's GDP**
- **More than 220 automobile companies with 28 development centers in Bulgaria in 2019**
- **80% of sensors in all European automobiles are made in Bulgaria**

Source: Automotive Cluster Bulgaria

# ROBOTICS

More than 24 companies in Bulgaria develop products, services and software in the field of robotics and automation. The sector employs more than 5,000 people and its revenues for 2019 amount to BGN 950 mln. More than 30 academies and special interest clubs offer courses in robotics for students at primary and secondary schools in the country. Sofia has the leading place in Bulgaria's robotics ecosystem since the city is home to both celebrated domestic companies and development centers of some global leaders in the sector.

Sofia is also home to some key academies and educational institutions as well as the leading research institute in the sector, the Institute of Robotics at the Bulgarian Academy of Sciences. The institute hosts specialized robotics events and projects in the field of hi-tech infrastructure. The projects include the GATE Centre of Excellence in the field of Big Data and Artificial Intelligence (GATE), the new supercomputer in Sofia Tech Park and the Centre of Excellence in mechatronics and clean technologies. Thanks to its comprehensive network of well-established companies, startups, research institutes, technological parks, events, NGOs and educational institutions Sofia has the potential to become the capital of robotics in Central and Eastern Europe.



# AEROSPACE INDUSTRY



One of the biggest enterprises for aircraft and engine overhaul and maintenance in Europe, with more than 1,100 employees is based in Sofia.



The first strategic partner of the International Air Transport Association (IATA) is a Bulgarian manufacturer.

Technical University in Sofia offers Bachelor's and Master's degrees (B.Sc. and M.Sc.) in Aviation Engineering (in English) as well as B.Sc. and M.Sc. in Aviation Equipment and Technologies.

Bulgaria is the sixth country to send an astronaut in space, and the only country from CEE with two astronauts.



In 2017, SpaceX successfully launched in orbit the first Bulgarian geostationary telecommunication satellite BulgariaSat-1.

Sofia University offers a Master's degree (M.Sc.) in Aerospace Engineering and Communications (in Bulgarian, English and Russian).

A Bulgarian company is building the only decentralized platform for collection of satellite data.

Sofia-based companies manufacture CubeSats for scientific, educational



The biggest educational program for space science in CEE is located in Sofia.

# LIFE IN SOFIA

## COST OF LIVING

Sofia still is one of the most financially accessible capitals in Europe.

### Utility services

Basic (electricity, water supply, waste) for an apartment of 85 sq.m.	€ 105
Monthly fee for mobile phone with 1000 minutes and 5 GB of data included	€ 10
Monthly internet fee (more than 60 mbps, Unlimited Data, Cable/ADSL)	€ 10

### Establishments

One-person menu, middle-class restaurant	€ 6
Menu for two (three-course), middle-class restaurant	€ 28
Water 0.5 l	€ 1

### Supermarket

Milk (liter)	€ 1.07
Bread	€ 0.60
Chicken (kg)	€ 4

### Transportation

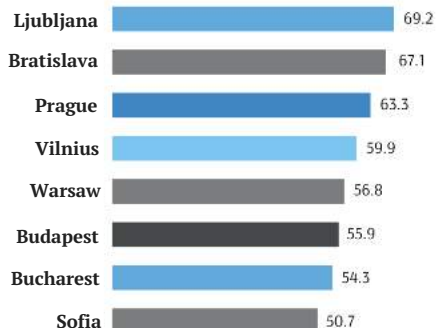
Ticket (public transportation)	€ 0.82
Annual card (public transportation)	€ 187
Taxi – 1-km trip (common tariff)	€ 0.41
Fuel (liter)	€ 0.98
Shared scooters	€ 0.77 + € 0.16/ min
Shared automobiles	€ 2-3.25 + € 0.15-€ 0.25/ min

### Monthly rental

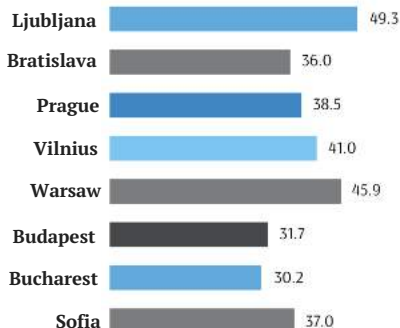
Single-room apartment in downtown Sofia	€ 368
Single-room apartment out of city center	€ 277
Three-room apartment in downtown Sofia	€ 675
Three-room apartment out of city center	€ 476

Source: Numbeo 2020, market observations

### Index of cost of living



### Purchasing Power Index



Source: UBS

# INTERNATIONAL SCHOOLS IN SOFIA

## PRIMARY AND SECONDARY SCHOOLS:

- Anglo-American School of Sofia\*
- British School of Sofia\*
- American College of Sofia
- American English Academy\*
- Britanica Park School\*
- Deutsche Goethe Schule \*
- Erich Kästner Private German School\*
- Queen Sofia of Spain Private Spanish School
- Victor Hugo French Lyceum
- Italian Lyceum (NCEC)
- Russian Lyceum\*
- St. George Private School\*
- Maple Bear Canadian School\*
- ESPA Private Secondary School \*
- Easy Science for Children Private Primary School
- Darby College

\*with a kindergarten

## Public Transportation

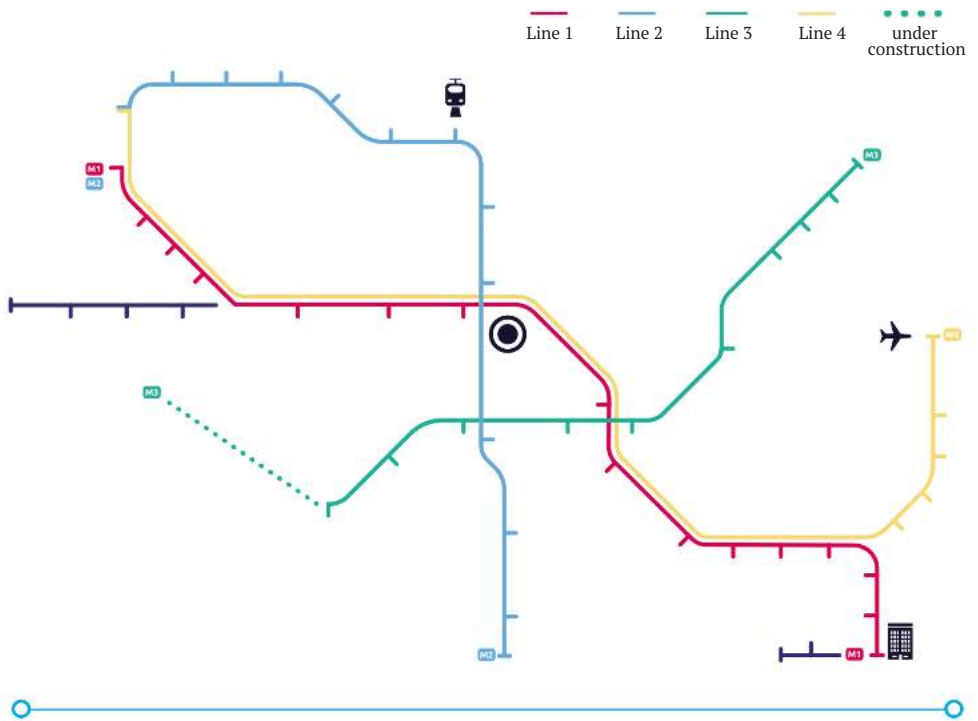
The public transportation network in Sofia is well-developed and includes various means of transport. On the territory of Sofia Municipality the passengers are served by metro trains, trolleys, tramways, urban buses, suburban buses, electric buses. In addition, a service for shared use of electric scooters operates on a public-private partnership basis.

Sofia has a bike lane infrastructure with a total of 49.51 km bikeways as the ambition of Sofia Municipality is to have a bike rental service for public use soon.

The metro connects the city with Terminal 2 of Sofia Airport, Business Park Sofia, most business zones in the capital, Inter Expo Center, Central Railway and Bus Stations as well as the big residential neighborhoods. Currently, the metro has lines having total length of 48 km, with 43 functioning stations. The rapid transit capacity of Sofia's metro is 50,000 passengers per hour and the minimum time interval is 180 seconds.

Sources: Metrolipiten EAD; Urban Mobility Center;





Sources: Metropolitan EAD / <https://www.metropolitan.bg>

## NIGHT SERVICE

Sofia has night-time public transportation serviced by four lines between 00:00 and 04:00 am connecting the big neighborhoods with the city center. You can see an up-to-date schedule of the lines at <https://www.sofiatraffic.bg/>



**NATIONAL HISTORICAL MUSEUM**  
with more than 650,000 exhibits, it  
is one of the biggest historical  
museums on the Balkans



**IVAN VAZOV NATIONAL THEATER**  
is one of the main landmarks of  
Sofia as well as the biggest and  
oldest theatre in the country.

**NATIONAL ART GALLERY**  
with its 9 branches in Sofia  
is the biggest museum of arts  
in Bulgaria



**NATIONAL ARCHAEOLOGICAL MUSEUM**  
has a collection of Thracian gold  
from the Bronze Age, silver  
treasures and Antiquity artifacts

**KVADRAT 500**  
28 halls with 2,000 works of art  
from the collection of the  
National Art Gallery



**SOFIA HISTORY MUSEUM**  
8 halls revealing the city's history,  
at the building of the former city baths.  
An architectural gem from the early 20th c.

**SOFIA THEATER**  
is the biggest municipal theater  
in the city. Some productions  
have English surtitles.



**SOFIA CITY ART GALLERY**  
has a big collection of paintings,  
sculptures, contemporary art and  
photography, and often hosts  
visiting exhibitions.

### ALEXANDER NEVSKY CATHEDRAL

is one of the biggest Eastern Orthodox cathedrals in the world. The highest belfry is 50.52 m high as the church has a total of 8 bells. The church's crypt hosts the Museum of Christian Art.



### BOYANA CHURCH

is famous for its Medieval murals, and since 1979 it has been inscribed on UNESCO World Heritage List.

### ST. SOPHIA BASILICA

Today, the tombs of Ancient Serdica the 5th c. BC are open for visits. The city is named after the medieval basilica of St. Sophia built over the tombs.



### ST. CYRIL AND ST. METHODIUS NATIONAL LIBRARY

“ is the biggest library of the country and the oldest cultural institute of post-Liberation Bulgaria.



**THE SOFIA OPERA AND BALLE**  
is one of the main cultural  
sights in the city and hosts  
world-famous artists



**BULGARIA HALL**  
is the main hall for classical  
music in the country

**THE NATIONAL PALACE OF CULTURE**  
is the largest congress and cultural  
center in Bulgaria



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## SOFIA FOR CHILDREN



**MUZEIKO**  
is the largest science center for children  
in Eastern Europe with over 130 interactive  
interactive games on an area of 2,000 sq.m.

**TECHNOMAGICLAND**  
an interactive technological center for  
children and young people who want to  
have intimate knowledge of  
science and technology



In June 2019, UNICEF ranked Bulgaria among the 20 best countries for families with children in the EU and OECD.



# FESTIVALS

## FESTIVALS

is one of the leading cinema events in Central and Eastern Europe included in Variety Magazine's ranking of the top 50 festivals.

## PHOTOFABRICA

An annual festival and an international platform for professional photography. The festival is part of the Sofia Municipality's Calendar of Cultural Events.

## SOFIA MUSIC WEEKS

Since 1970 the festival has been one of the most important international music events in the region. The festival bill includes concerts, opera, ballet, scientific conferences in the field of music theory, photo exhibitions, screenings of filmed operas, master classes.

## OPERA IN THE PARK

It has been 10 years now that it has been taking opera and ballet performances outdoors in one of Sofia's parks.

## WORLD THEATRE IN SOFIA

brings world-famous theatre and dance productions and performers from all over the world to Sofia.

## SPRING BOOK FAIR

is an annual event that includes literary readings, book presentations and other events appropriate for all ages.

## A to Jazz

tells the story of jazz for three days in July. Since 2011 the festival has of more than 100,000 people and some world-famous jazz musicians such as Branford Marsalis, Christian McBride, Robert Glasper, Kenny Garrett, Roy Hargrove, Dianne Reeves

## SOFIA FESTIVAL OF SCIENCE

The first and only festival in the country dedicated to the achievements of scientists and young researchers from Bulgaria and abroad targeting young people and adults.

## EUROPEAN MUSIC FESTIVAL

One of the most renowned events for classical music in Sofia. Its program features concerts of symphonic and chamber music, jazz, film music as well as an event for children.

## VITOSHA

Vitosha is just 30 minutes from downtown Sofia and offers a panoramic view of the city. The mountain offers entertainment activities such as tracking, skiing, mountain biking and rock climbing. Vitosha is accessible by urban transport and is surrounded by a good network of lifts, tracks and mountain chalets. Plans have been declared to connect the metro to the ski lifts in Simeonovo. Vitosha has two ski centers and several ski runs, including a night-timeski run. In the summer season Vitosha welcomes guests for several annual events and festivals, e.g. Vitosha Folklore Festival, and Vitosha 100 km Ultramarathon.

## MINERAL SPRINGS

In Sofia there are about 30 mineral springs that can be used for drinking and medicinal, spa and entertainment purposes. In 2020, there are plans to restore the mineral baths in Bankya which have the potential to become one of the biggest spa and balneological centers in the country.

## SOFIA – CITY OF SPORTS

In 2018, Sofia was awarded the permanent title of European Capital of Sports. The city will host more than 200 sports events as part of the campaign in 2020. Sofia offers several dozen parks and gardens as well as sports clubs for every kind of sports you would like to practice.

Sofia Marathon was held for the first time in 1983. It is on the list of IAAF Bronze Label events of the International Association of Athletics Federations. SKM RUN is held every Saturday morning in the South Park in Sofia. Children, adults, people with disabilities, parents with baby carriages, even pets join the run.

The two big artificial ponds near Sofia – Pancharevo and Iskar Dam – offer opportunities for water skiing, wakeboarding and rowing. The fans of wakeboarding prefer Kazichene water park, right next to Sofia’s Ring Road. Struma River, one-hour car drive to the south, is the most preferred place for kayaking and rafting in Bulgaria.



## USEFUL LINKS

<https://www.sofia-da.eu/>

Association for Development of Sofia is a resource center for research, analyses, innovation and experimentation that creates conditions and encourages the constant dialogue between the civil society, business, Sofia Municipality and academic institutions.

<https://youare.sofia.bg/>

“You Are Sofia” is a platform of Sofia Municipality aiming to provide the city’s inhabitants and visitors with easy access to information.

<https://myhealth.bg/>

myHealth platform is the healthcare electronic gateway of Sofia Municipality via which you can find a full list of all municipal healthcare institutions: dental centers, diagnostic and consultation centers, medical centers, general hospitals for active treatment, specialized hospitals, specialized centers, appropriate specialists depending on your needs; make an appointment with the doctor of your choice as well as read up-to-date news.

<http://zoosofia.eu/>

The website of Sofia’s Zoo where you can get up-to-date news of everything of interest that happens at the zoo. You will also find information about the Ecological Scientific and Educational Center at the Zoo and the initiatives it organizes.

You will also find useful information about the donation and volunteer campaigns you might join. You can also make your own virtual tour and meet the interesting animal species living on the territory of the Zoo in our capital.

<https://sofia2018.bg/>

Sofia was declared European Capital of Sports in 2018.

On the website at [sofia2018.bg](https://sofia2018.bg) you will get up-to-date news and information about the sport events organized with the support of Sofia - European Capital of Sports Foundation, find a calendar of the forthcoming tournaments, a full map of bike lanes in Sofia, projects, photographs of past events, information about how you can maintain an active lifestyle.

<http://artsofia.bg/bg>

The fullest information about the cultural events in Sofia and the region.

INFORMATION ABOUT SOFIA ON THE WEBSITE OF NATIONAL STATISTICAL INSTITUTE

<https://bit.ly/3otrfsU>



**SOFIA BUSINESS DESTINATION  
2021**