Project “Promoting the advantages of investing in Bulgaria”
BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.
CONTENTS

1. Introduction 4

2. Overview of Bulgaria 11

3. Overview of the Machine Building Sector 19
   ▶ Brief History 20
   ▶ Current situation 24
   ▶ Human resources 30
   ▶ Costs in Bulgaria 38
   ▶ Basic infrastructure 42

4. Major companies 46
Introduction

Products, manufactured in Bulgaria

- **Engine heads**
  Montupet is a main supplier of the engine heads for the Audi brand. The company produced 156 200 engine heads in 2010.

- **Seat systems for transport vehicles**
  Grammer produces seats for tractors, construction equipment, buses, forklift trucks, as well as parts and systems for the automobile interior.

- **Hydraulic and orbital motors**
  M + S Hydraulic is sixth in the world in production of hydraulic motors, which are used in agricultural industry and transport.

- **Wire rope hoists**
  Podemcrane – legal successor of Podem AD is the biggest producer of wire rope hoists in Central and Eastern Europe. Historically, the company has sold more than 1,900,000 units of lifting equipment in 40 countries all over the world.
Products, manufactured in Bulgaria

- **Hydraulic and vacuum pumps**
  - One of the biggest producers of hydraulic pumps in the world, whose second largest factory is located in Bulgaria
  - Produces hydraulic pumps for Mercedes and BMW

- **Bearings**
  SKF produces bearings for Europe, America and Asia, with main clients: Mercedes, BMW, Volkswagen, Ford, Renault, Peugeot, etc.

- **Production of automobiles**
  The first and the only factory for assembling Chinese automobiles

- **Aircraft repair**
  - The only repair facility of Lufthansa Technik in Eastern Europe
  - Lufthansa Technik Sofia manages to conduct the quickest D1 checks of Airbus A320 among the whole group of 31 companies and joint enterprises within only 16 days
Bulgaria offers unique opportunities for Machine building

- Established traditions and experience in the sector
- Steady growth between 2,000 and the years of crisis
- Qualified work force at affordable price
- Availability of experienced engineers
- More than 205,922 people, working in the sector
- Export oriented sector
- Appropriate infrastructure for the needs of the manufacturing industry

- Easy access to the markets of EU, Russia/CIS and the Middle East
- Proximity to the automobile clusters of Central and Eastern Europe
- Networks of technical universities and colleges
- Big diversity of international and local companies in the machine building sector, which are successfully operating in Bulgaria
- The producers of components are active in producing high precision and endurance components for various European customers
The best of Bulgaria as a place for business development is the highly qualified work force, the young people’s potential, and the good business climate in the country.

Iliya Terziev - Executive Director of Litex Motors

The reasons to invest in Bulgaria?

- Political and financial stability – the Bulgarian lev is fixed to the euro
- Administrative and governmental support upon investment
- Proximity to the clients
- Availability of appropriate terrains
- Low taxes and low work force price
- Acceptance of the importance of the industry on the part of the Bulgarian government

Michael Brison
Executive Director of Montupet

What distinguishes Bulgaria as an investment destination than other countries?

There is a very positive business climate, which can be further improved with a better support from the authorities and the people’s strong will to learn and progress.

Philippe Peroz
Managing Director at SKF Bearings Bulgaria

Bulgaria is still among the main producers of universal lathes in the world.
The sector has developed on the basis of an ecosystem of multinational and local firms…

- A number of large international companies from the machine building sector have discovered Bulgaria as the best destination for their business in Eastern Europe - SKF, Montupet, IXETIC, Palfinger, Festo, Se Bordnetze, Yazaki, Lufthansa, Grammer, Witte and many others.
- Many successful Bulgarian owned companies operate in the sector, offering competitive products worldwide - ZMM Sliven, Arsenal, M+S Hydraulic, Hydraulic Elements and Systems, Podemcrane, Sparky, Litex Motors, Bulyard, Shipyard Rousse, Madara and many others.
- The combination of local and multinational companies is creating an unique environment where productivity, ingenuity and innovation in manufacturing are thriving.

... supported by quality and affordable HR resources...

- Bulgaria offers qualified and experienced workforce for the needs of the machine building sector – from assembly workers to highly qualified engineers.
- More than 50 000 enrolled university students are potentially suitable for the industry.
- Workforce in the industry is available all over the country at the most competitive cost in Europe.
- Bulgarian technical high schools and universities are working together with the companies in the sector to create qualified workforce.
- Many Bulgarian students attend prestigious technical universities in Western Europe, USA and all over the world.
Bulgaria is crossed by five major Trans European corridors, providing easy access to regional and European markets.

Two of the largest ports at the Black Sea, Varna and Burgas, are located in Bulgaria, both connected to the trans-European corridor VIII, which links the Adriatic and the Black Sea.

There are 12 functioning industrial zones and 26 more under development, all of them suitable for manufacturing companies.

Infrastructure development is a priority for the Bulgarian government.

---

**Why Bulgaria?**

**Experience** – Long aviation history in Bulgaria

**Location** – Bulgaria is a very attractive location

**Competitiveness** – It strengthens LHTs presence in Central/ Southern Europe

**Hospitality** – We feel that we are welcomed!

Lufthansa Technik AG - Bulgaria

---

The production of forklift trucks in Bulgaria is a leading sector, ever since the country has become specialized in it as a member of the former economic union, COMECON. Three decades ago, the Bulgarian producers generated 20% of the world production with an annual production of more than 80 000 forklift trucks, thus the holding company at that time Balkancar Holding was among the three biggest suppliers of engine driven and electric driven forklift trucks in the world – together with the American company Clark and Japanese company Toyota.
Introduction

...specialized government incentives and EU funding...

- Manufacturing sectors, including Machine Building sector, are supported by the Investment Promotion Act (IPA)
- Lowest possible costs for the acquisition of government and municipal land plus waived taxes for land status changes
- Financial grant scheme for up to 10% of the investment project cost (50% for R&D)
- More than €8 bn EU funds are set aside for Bulgaria up until 2020
- Possibility for reimbursement of expenses paid by employer for social security and health insurance of employees (~17.9% of gross salary) for the period of 24 months

The advantages of Bulgaria are: EU union member, stable currency, stable government and safe of the properties.

Grammer Bulgaria

Bulgaria enjoys macroeconomic and financial stability in the current challenging times.
OVERVIEW OF BULGARIA
Bulgaria has experienced rapid economic growth over the last years coupled with strong fiscal performance:

- South-East Europe – a 122 million inhabitant, high growth market
- European Union - Bulgaria offers the lowest cost access to a market of 500 million people
- Russia/CIS, Middle East and North Africa

Bulgaria offers a combination of political and macroeconomic stability and incentives for doing business:

- Stable parliamentary democracy, EU, NATO and WTO member
- Bulgaria’s currency is fixed to the Euro under a currency board arrangement
- Lowest tax rate and one of the lowest labour costs in the EU coupled with special incentives for investors
- EU funding – more than €10 bln in EU funds over the next years
## Bulgaria: Summary Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>7.4 million</td>
</tr>
<tr>
<td>Labour force</td>
<td>3.4 million</td>
</tr>
<tr>
<td>Urban Population</td>
<td>73%</td>
</tr>
<tr>
<td>Capital</td>
<td>Sofia</td>
</tr>
<tr>
<td>Time zone</td>
<td>EET (UTC+2)</td>
</tr>
<tr>
<td>Summer (DST)</td>
<td>EEST (UTC+3)</td>
</tr>
<tr>
<td>Total area</td>
<td>110,879 sq. km</td>
</tr>
<tr>
<td>Land area</td>
<td>108,489 sq. km</td>
</tr>
<tr>
<td>Water area</td>
<td>2,390 sq. km</td>
</tr>
<tr>
<td>Climate</td>
<td>temperate</td>
</tr>
<tr>
<td>Languages</td>
<td></td>
</tr>
<tr>
<td>Bulgarian (official)</td>
<td>85.2%</td>
</tr>
<tr>
<td>Turkish</td>
<td>9.1%</td>
</tr>
<tr>
<td>Roma</td>
<td>4.2%</td>
</tr>
<tr>
<td>English, German, Russian, French:</td>
<td>widely spoken</td>
</tr>
<tr>
<td>Religions</td>
<td></td>
</tr>
<tr>
<td>Christian Orthodox</td>
<td>76%</td>
</tr>
<tr>
<td>Muslim</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
<tr>
<td>Currency</td>
<td>Lev (BGN)</td>
</tr>
<tr>
<td>Fixed exchange rate</td>
<td>€1 = BGN 1.95583</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>10%</td>
</tr>
<tr>
<td>Personal income tax</td>
<td>10%</td>
</tr>
<tr>
<td>VAT (standard)</td>
<td>20%</td>
</tr>
<tr>
<td>Government type</td>
<td>Parliamentary Democracy</td>
</tr>
<tr>
<td>Supreme legislative power</td>
<td>Unicameral 240-seat National Assembly</td>
</tr>
<tr>
<td>Executive state body</td>
<td>Council of Ministers, head: Prime Minister</td>
</tr>
</tbody>
</table>

EU member since 2007
NATO member since 2004
WTO member since 1996

Source: Bulgarian National Bank, National Statistical Institute
Bulgaria has exemplary macroeconomic fundamentals

<table>
<thead>
<tr>
<th>2012 Economic Snapshot:</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (€ bn):</td>
</tr>
<tr>
<td>Exports (€ bn):</td>
</tr>
<tr>
<td>Net FDI (% of GDP):</td>
</tr>
<tr>
<td>GDP growth (%):</td>
</tr>
<tr>
<td>Unemployment (%):</td>
</tr>
<tr>
<td>Inflation rate (annual change, %):</td>
</tr>
<tr>
<td>Government deficit (% of GDP):</td>
</tr>
<tr>
<td>Government debt (% of GDP):</td>
</tr>
<tr>
<td>Current account balance (% of GDP):</td>
</tr>
<tr>
<td>Long-term credit ratings:</td>
</tr>
<tr>
<td>Moody’s:</td>
</tr>
<tr>
<td>S&amp;P:</td>
</tr>
<tr>
<td>Fitch:</td>
</tr>
</tbody>
</table>


- The Bulgarian economy had a constant growth of above 6% in the period 2000-2008
- The economy stabilized in 2011 with GDP growth of 1.8% for 2011, and 0.8% in 2012
- The budget deficit in Bulgaria is one of the lowest in Europe for 2012: -0.5e%
- There are no currency fluctuations due to a currency board, introduced in 1997 – the Bulgarian Lev is pegged at 1.95583 to the Euro
- Bulgaria has the lowest government debt to GDP ratio in the EU27 in 2012

Bulgaria is the only European country with an increased credit rating by Moody’s since the beginning of 2010.
Overview of Bulgaria

- **Population**
  - Sofia: 1,291,591
  - Plovdiv: 338,153
  - Varna: 160,108
  - Sliven: 88,670
  - Kardjali: 167,585
  - Burgas: 121,290

- **Exports Breakdown**
  - Metals: 16%
  - Oil products and electricity: 14%
  - Food: 8%
  - Machines and equipment: 17%
  - Other raw materials: 20%
  - Consumer goods: 25%

- **GDP Breakdown 2011**
  - Agriculture: 5.6%
  - Industry: 31.2%
  - Services: 63.2%
Bulgaria offers a unique lifestyle experience within easy reach of Sofia...

...vibrant cities with many art galleries, festivals, concerts, museums

...emerging world-class golf courses

...beautiful coastline with white and golden sand beaches

...numerous spa resorts

...ski resorts including the 2012 World Cup host town of Bansko

...hiking and adventure sports in the beautiful Rila, Pirin, Rhodopes and Balkan mountains

...fine cuisine and boutique wineries

Bulgaria is an attractive destination even for outsourcing of Hollywood productions starring actors such as Arnold Schwarzenegger, Sylvester Stallone, Bruce Willis, Chuck Norris, Scarlett Johansson.
... and boasts some of Europe’s greatest historical treasures

...Thracian and Roman ruins and artifacts

...Medieval fortresses and artifacts from the time of the First and Second Bulgarian Kingdoms

...monasteries and temples dating back as far as 4th century AD

...picturesque villages from the period of the Bulgarian National Revival

Sofia is among the oldest capital cities in Europe and the only city besides Jerusalem with an Orthodox church, a Catholic cathedral, a mosque and a synagogue within a square kilometer.
OVERVIEW OF THE MACHINE BUILDING SECTOR
Brief History
Current Situation
Human Resources
Cost in Bulgaria
Basic Infrastructure
1878
Arsenal (military products) was founded in 1878 in the town of Ruse as first factory meant to serve the newly created Bulgarian Army.

1881
Shipyard Ruse was found.

1907
Foundation of the company for production of agricultural machines in Ruse.

1924
Bodyshell workshop in Botevgrad has produced the first bus.

1925
Two aircraft plants in Bozhurishte and Kazanlak were created.

1936
In 1936 in Sofia, started production of the first Bulgarian trams.

1941
The technical school in Sofia is established to become later the biggest Technical university in Bulgaria.

1948-1958
Beginning of construction of manufacturing plants for transportation machinery and investment equipment.
### 1957
Beginning of production of forklift trucks in Sofia.

### 1958
In Shumen starts production of heavy duty vehicles.

### 1960 - 1989
Golden Age

### 1969
In Plovdiv began assembling the cars Renault 8 and Renault 10.

### 1974
In Botevgrad begins mass production of buses “Chavdar”.

### 1979
The Heavy Machine building Plant - Radomir (district of Sofia) is put into operation.

### 1987
The production of industrial forklifts reached about 89,000 units, which represented more than 20% of the world production.

### 1970-1989
There are 730 factories and 430,000 employed. The leading role of machine building contributed for 30% of the total country manufacture in the late 80's.
1990-1999 Transition

1999
Liebherr (Germany) started production in Bulgaria near Plovdiv.

1995-1996
Assembling of Rover in Varna.

2006
Four ship building companies are operating in Bulgaria, two in Varna, in Ruse and Burgas.

2006
Montupet enter in Bulgaria with its factory in Ruse.

2007
The Austrian group Palfinger opens new plant in Tenevo for production of cylinders and hydraulic components.
2008
German companies IXETIC and Witte Automotive opened their plants in Rakovski Industrial Zone and respectively in Ruse for production of automotive components.

2008
Yazaki established its first factory in Yambol.

2012
Start of the production in car manufacturing plant established by Litex Motors Corporation in cooperation with the Chinese Great Wall Motor Co.

2008
German company Lufthansa Technik opened maintenance facility for repair and overhaul of aircrafts like Airbus A320 family and the Boeing 737 series.

2010
Again there is a certain revival of production and the number of employees in the sector is estimated at about 115 000.

2010-2011
There is strong export growth in the sector.

2012
South Africa company ALC is opening a production facility for luxury seats and interior for BMW cars near the capital Sofia.
Current situation

The sector is expected to grow significantly in the next years. Currently, the industry employs more than 205,000 people, generates revenues of €3.11 bn and is closely related with other industries like electronics and electrical engineering. Important trend in the industry is relocation of some manufacturing activities (both equipment and assembly) from developed countries to low-cost countries.

Main Subsectors

- Heavy machine building
- Metal-cutting and metal-processing machines
- Hydraulic elements and systems
- Material handling machinery
- Agriculture machinery
- Vehicle production and spare parts
- Ship building and repair
- Military equipment

<table>
<thead>
<tr>
<th>Size of Machine Building sector 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Revenues (€ ‘M)</td>
</tr>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Firms</td>
</tr>
</tbody>
</table>
Concentration of employees

Concentration of the Transport Equipment sector in Bulgaria in terms of employees

Concentration of the Machinery and Equipment sector in Bulgaria in terms of employees

FDI growth in the sector is 134 % in 2010 compared to 2007. An average annual FDI volume in the last 5 years is around EUR 65 mln.

Source: Amadeus, IBA Analysis
## Metal-cutting and metal-processing machines

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Revenues BGN mln</th>
<th>Number of employees</th>
<th>Manufacturing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remotex Radnevo SPJSC - Radnevo</td>
<td>2011</td>
<td>29</td>
<td>816</td>
<td>Machinery for mining, quarrying and construction</td>
</tr>
<tr>
<td>ZMM Sliven JSC - Sliven</td>
<td>2011</td>
<td>19.6</td>
<td>307</td>
<td>Metal processing machines</td>
</tr>
<tr>
<td>Himmash - JSC Haskovo</td>
<td>2011</td>
<td>7</td>
<td>137</td>
<td>Machines for chemical industry</td>
</tr>
</tbody>
</table>

## Military equipment

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Revenues BGN mln</th>
<th>Number of employees</th>
<th>Manufacturing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcus JSC - Lyaskovetz</td>
<td>2011</td>
<td>38.6</td>
<td>1892</td>
<td>Weapons and ammuniton</td>
</tr>
<tr>
<td>Vazov Machine Works SPJSC - Sopot</td>
<td>2011</td>
<td>60</td>
<td>3200</td>
<td>Weapons and ammuniton</td>
</tr>
<tr>
<td>Arsenal JSC - Kazanluk</td>
<td>2011</td>
<td>29</td>
<td>7000</td>
<td>Weapons and ammuniton</td>
</tr>
</tbody>
</table>
### Hydraulic elements and systems and Material handling equipment

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Revenues BGN mln</th>
<th>Number of employees</th>
<th>Manufacturing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideal Standart Vidima JSC - Sevlievo</td>
<td>2011</td>
<td>335</td>
<td>1907</td>
<td>taps and valves</td>
</tr>
<tr>
<td>Ixetic SPLTD - Stryama</td>
<td>2011</td>
<td>122.2</td>
<td>204</td>
<td>vacuum pumps and compressors</td>
</tr>
<tr>
<td>M+S Hydraulic JSC - Kazanluk</td>
<td>2011</td>
<td>90.9</td>
<td>920</td>
<td>Manufacture of pumps and compressors</td>
</tr>
<tr>
<td>Palfinger Produktionestehnik Bulgarien SPLTD - Tcherven bryag</td>
<td>2011</td>
<td>96.7</td>
<td>751</td>
<td>lifting and handling equipment</td>
</tr>
<tr>
<td>Hydraulic Elements and Systems JSC - Yambol</td>
<td>2011</td>
<td>40.1</td>
<td>510</td>
<td>pumps, compressors and hydraulic cylinders</td>
</tr>
<tr>
<td>Sparky-Eltos JSC - Lovetch</td>
<td>2011</td>
<td>61.6</td>
<td>737</td>
<td>machine-tools</td>
</tr>
<tr>
<td>Caproni JSC - Kazanluk</td>
<td>2011</td>
<td>27.3</td>
<td>740</td>
<td>pumps and compressors</td>
</tr>
<tr>
<td>VAP Hydro SPLTD - Pleven</td>
<td>2011</td>
<td>25.8</td>
<td>385</td>
<td>engines and turbines</td>
</tr>
<tr>
<td>Podemcrane JSC - Gabrovo</td>
<td>2011</td>
<td>17.1</td>
<td>192</td>
<td>lifting and handling equipment</td>
</tr>
<tr>
<td>Balkankar Record JSC - Plovdiv</td>
<td>2011</td>
<td>9</td>
<td>145</td>
<td>lifting and handling equipment</td>
</tr>
</tbody>
</table>

Source: BEIS BIA, IBA Analysis
## Ship building and repair

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Revenues BGN mln</th>
<th>Number of employees</th>
<th>Manufacturing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulyard Ship-building Industry SPJSC - Varna</td>
<td>2011</td>
<td>54.8</td>
<td>687</td>
<td>Building and repairing of ships</td>
</tr>
<tr>
<td>Shipyard Rousse JSC - Rousse</td>
<td>2011</td>
<td>13.2</td>
<td>451</td>
<td>Building and repairing of ships</td>
</tr>
<tr>
<td>Odessos Shiprepair Yard JSC - Rousse</td>
<td>2011</td>
<td>23</td>
<td>896</td>
<td>Building and repairing of ships</td>
</tr>
<tr>
<td>Terem KRZ Fleet Arsenal Varna SPLTD - Varna</td>
<td>2011</td>
<td>27</td>
<td>652</td>
<td>Building and repairing of ships</td>
</tr>
<tr>
<td>Bourgas Shipyards JSC - Bourgas</td>
<td>2011</td>
<td>3.1</td>
<td>213</td>
<td>Building and repairing of ships</td>
</tr>
</tbody>
</table>

Source: Bulgarian Commercial Register
## Transport equipment

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Revenues BGN mln</th>
<th>Number of employees</th>
<th>Manufacturing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Se Bordnetze Bulgaria SPLTD - Karnobat</td>
<td>2011</td>
<td>183</td>
<td>2 081</td>
<td>Parts and accessories for motor vehicles and their engines</td>
</tr>
<tr>
<td>Yazaki Bulgaria SPLTD - Yambol</td>
<td>2011</td>
<td>128</td>
<td>3 218</td>
<td>Electronics, wire and wiring harnesses</td>
</tr>
<tr>
<td>SKF Bearings Bulgaria SPJSC - Sofia</td>
<td>2011</td>
<td>127.7</td>
<td>1 435</td>
<td>Bearings, gears, gearing and driving elements</td>
</tr>
<tr>
<td>Transwagon JSC - Bourgas</td>
<td>2011</td>
<td>64.1</td>
<td>625</td>
<td>Railway and tramway locomotives</td>
</tr>
<tr>
<td>Lufthansa Technik Sofia Ltd</td>
<td>2011</td>
<td>52</td>
<td>472</td>
<td>Repair and maintenance of aircraft</td>
</tr>
<tr>
<td>Madara JSC - Shoumen</td>
<td>2011</td>
<td>84.6</td>
<td>147</td>
<td>Motor vehicles</td>
</tr>
<tr>
<td>Grammer JSC - Trudovetz</td>
<td>2011</td>
<td>55.2</td>
<td>700</td>
<td>Parts and accessories for motor vehicles and their engines</td>
</tr>
<tr>
<td>Teklas Bulgaria JSC - Kurdzhali</td>
<td>2011</td>
<td>30.8</td>
<td>301</td>
<td>Parts and accessories for motor vehicles and their engines</td>
</tr>
<tr>
<td>Cross LTD - Montana</td>
<td>2011</td>
<td>63.2</td>
<td>252</td>
<td>Bicycles</td>
</tr>
<tr>
<td>Montupet SPLTD - Rousse</td>
<td>2011</td>
<td>101.5</td>
<td>365</td>
<td>Engine heads</td>
</tr>
<tr>
<td>Drouzhba JSC - Razgrad</td>
<td>2011</td>
<td>5.2</td>
<td>292</td>
<td>Parts and accessories for motor vehicles and their engines</td>
</tr>
<tr>
<td>Velomania SPLTD - Sofia</td>
<td>2011</td>
<td>5.2</td>
<td>56</td>
<td>Bicycles</td>
</tr>
<tr>
<td>Litex Motors JSC - Sofia</td>
<td>2011</td>
<td>0.9</td>
<td>2 000</td>
<td>Automobiles</td>
</tr>
<tr>
<td>Witte Automotive Bulgaria SPLTD - Rousse</td>
<td>2011</td>
<td>9.5</td>
<td>130</td>
<td>Parts and accessories for motor vehicles and their engines</td>
</tr>
</tbody>
</table>

Source: BEIS BIA, IBA Analysis
The Technical High Schools and Technical Universities are located all over the country...

Five technical universities are located in the cities Sofia, Plovdiv, Burgas, Ruse and Varna

11% of the students are enrolled in specialties, which are appropriate for the needs of the chemical and related to it industries

34% of the pupils in the vocational high schools study related specialties

43% of the pupils in the vocational high schools in the sector are concentrated in the cities Sofia, Plovdiv, Burgas, Varna and Stara Zagora

Many of the universities maintain connections with companies in the branch, while the companies are offering internship programs, training courses and stipends for young specialists
...and train students in a wide range of related specialties.

Number of students at accredited universities in the academic year 2011/2012

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Number of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine building and automation</td>
<td>5 502</td>
</tr>
<tr>
<td>Transport and logistics</td>
<td>4 039</td>
</tr>
<tr>
<td>Industrial management</td>
<td>3 135</td>
</tr>
<tr>
<td>Electronics and electrical engineering</td>
<td>3 125</td>
</tr>
<tr>
<td>Pharmacy and cosmetics</td>
<td>3 102</td>
</tr>
<tr>
<td>Organic and inorganic chemistry</td>
<td>2 990</td>
</tr>
<tr>
<td>Electricity and water supply</td>
<td>2 776</td>
</tr>
<tr>
<td>Ecology, recycling</td>
<td>2 531</td>
</tr>
<tr>
<td>Engineering</td>
<td>2 227</td>
</tr>
<tr>
<td>Biotechnologies</td>
<td>1 546</td>
</tr>
<tr>
<td>Other</td>
<td>2 924</td>
</tr>
</tbody>
</table>

More than 59 000 pupils in related specialties in the vocational high schools

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Number of Pupils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics and electrical engineering</td>
<td>31 200 pupils</td>
</tr>
<tr>
<td>Chemical production</td>
<td>2 460 pupils</td>
</tr>
<tr>
<td>Machine building and transport equipment</td>
<td>15 100 pupils</td>
</tr>
<tr>
<td>Other related specialties</td>
<td>10 000 pupils</td>
</tr>
</tbody>
</table>

Source: NSI, Ministry of Education
Bulgarian educational system is particularly well suited for the needs of the machine building sector.

2011 University and college graduates by field of study:

- Business Economics 35%
- Social Sciences 33%
- Technical Sciences 17%
- Medical Studies 6%
- Law 3%
- Other 6%

Bulgaria has increased the number of students in bachelor and master degree from 215,000 to 285,000 (2006 - 2011).

17% of the graduates are potentially suitable for the industry.

Case study:

Technical University of Sofia is the biggest technical institute for higher education with 18,000 students. They have the opportunity to graduate in specialties taught through three languages - French, German and English. There is no enterprise or plant in Bulgaria, where the graduates of the Technical University of Sofia are not working.

There is a positive trend in the number of university students in Bulgaria. The amount of economic active population in Bulgaria (15-64) with university education has increased in the period 2005 - 2009.
The vocational schools offer a rich diversity of production specialties, which are appropriate for the sector

Students in professional schools in manufacturing specialties

- Chemicals 3%
- Wood 4%
- Food and Beverage 6%
- Electronics 24%
- Machine Building 8%
- Light manufacturing 9%
- Electrical and Mechanical Engineering 18%
- Construction 14%
- Transport Equipment 14%

Total students in professional schools - 157 251

About 57000 are the students in Bulgaria for 2010/2011 that study transport, machine, electrical and other relevant technologies in 22 universities and colleges in the country.

Source: NSI, Ministry of Education
Bulgarian students were ranked second among other European countries in terms of energy efficiency in this year’s initiative for fuel economy Shell Eco-marathon 2012. The students from Bulgaria won this prestigious ranking in the race managing to cover 1885.5 kms with 1kWh energy.

This is the first time that our country was presented in the racing for sustainable electric mobility with an electric automobile, which has a rechargeable plug-in battery (gathering energy from the electric network). This automobile was especially designed and built from our students for their fifth consecutive participation in the race. The electric automobile with the rechargeable plug-in battery is called “Eco 1”.

Eco 1 is a concept for an urban automobile of the future - green, compact and easily accessible. All of the innovations are developed owing to scientific research and scientifically proven theories. Contemporary methods and software for design preparation and simulation were used.

The team of students that developed the automobile has enough experience and has proven its efficiency in racing conditions with other similar concepts across Europe in Shell Eco-marathon 2008, 2009, 2010 and 2011. The team seeks to improve the technical parameters of the automobile and to design applications from them which would serve as components in mass production.
The team of Technical University Sofia – branch Plovdiv won a prize for unmanned air vehicle

On a race which took place in the military airport in Dolna Metropolia (October, 23 and 24, 2012), students from Technical University Sofia – branch Plovdiv, who study Aeronautical Engineering, were ranked first thanks to the designed and constructed by them unmanned aircraft. Seven teams in military and civilian fields took part in the competition.

The knowledge and skills of the students were assessed via team presentation, static display and flights. Each aircraft needed to overfly a square 200m wide, to leave a load of 500gr in a particular target (the middle of the square), to fly over the same route and to land. The main goal was to demonstrate stability of the aircraft before releasing the load and after that.

Aircraft constructors from Plovdiv achieved a certain levels of distinction owing to dynamic presentations, teamwork, excellent design of the aircraft and perfect flights.

Aeronautical engineer from the university, usually start working in Lufthansa Technik Sofia Ltd. Sofia Airport, where they deal with basic repair works of Boeing 737 and Airbus 320.
Selected universities with technical studies

**Sofia University “St. Kliment Ohridski”**
- 25 000 students
- Specialties: Electronics and Machine Building, Computing and computer science, etc.
- Many of the business and technical specialties are taught in English, French or German
- Programs for dual graduate certificates with Paris-Sorbonne, Bordeaux IV, City University Seattle

**Technical University of Sofia**
- 18 000 students
- Departments in automation, machine and equipment, transport equipment, electronics and electrical engineering, machine building, engineering, etc.
- Single representative of BEST for Bulgaria. BEST unites students from 67 technical universities from 27 states in Europe, conducting engineering competitions and trainings
- Branches in Plovdiv, Varna, Gabrovo

**University of Chemical Technology and Metallurgy - Sofia**
- 4 000 students
- Accredited specialties by the European Federation of National Engineering Associations /FEANI/
- Studied: Automation and Information Technologies, Industrial Management, Engineering Ecology, etc.
- Cooperation with universities such as: Queen Mary University – London, Technical University of Hamburg –Hamburg, National Polytechnic Institute of Toulouse, etc.

**University of Plovdiv “Paisii Hilendarski”**
- 16 500 students
- Faculty of Chemistry, Biology, Physics, Mathematics and Informatics, etc.
- Independent R&D unit in the field of: Microbiology and Biotechnologies, Research on the utilization of natural raw materials, environmental protection, synthesis of new organic and inorganic substances, etc.
Selected universities with technical studies

University of Food Technologies - Plovdiv
- 4 000 students
- Specialties: Technical Mechanics and Machine Science, Machines and Apparatuses for FPI, Automation, Information and Control Equipment, Electrical Engineering and Electronics, etc.
- Organizer of international scientific conferences

University “Prof. Dr. Assen Zlatarov” - Burgas
- 4 800 students
- Specialties: Mechanical and Instrumentation Engineering, Electrical Engineering and Electronics, Transport Equipment and Technologies, etc.
- Established active connections with institutes and universities from England, France, Germany, Russia, etc.

University of Ruse “Angel Kanchev”
- 8 500 students
- Special partnership program with the Cornell University
Among the 18 universities from Central Europe, that have achieved best results in the restructuring of the higher education, selected by the European TEMPUS commission

Higher School of Transport “Todor Kableshkov”
- Sofia
- 2 200 students
- Specialties: Transport Technology and Management, Railway Equipment, Automobile Equipment, Transport Construction, etc.
- Cooperation with more than 30 international universities in the transport equipment and machine building fields

Source: NSI, Ministry of Education
Country average gross wage comparison 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Average monthly wage, 2012 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>407</td>
</tr>
<tr>
<td>Serbia</td>
<td>497</td>
</tr>
<tr>
<td>Romania</td>
<td>562</td>
</tr>
<tr>
<td>Hungary</td>
<td>710</td>
</tr>
<tr>
<td>Slovakia</td>
<td>735</td>
</tr>
<tr>
<td>Poland</td>
<td>796</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>916</td>
</tr>
<tr>
<td>Croatia</td>
<td>1,030</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1,550</td>
</tr>
</tbody>
</table>

Most competitive cost of labor in Central / Eastern Europe

Average salaries in Bulgaria for the sector, 2011 (€)

<table>
<thead>
<tr>
<th>Production</th>
<th>Total</th>
<th>Managers</th>
<th>Analytical specialists</th>
<th>Technicians</th>
<th>Administrative staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydraulic pumps, hydraulic and pneumatic motors</td>
<td>367</td>
<td>631</td>
<td>466</td>
<td>389</td>
<td>329</td>
</tr>
<tr>
<td>Machines for the agriculture and forestry</td>
<td>246</td>
<td>464</td>
<td>341</td>
<td>253</td>
<td>231</td>
</tr>
<tr>
<td>Industrial refrigeration and ventilation equipment</td>
<td>251</td>
<td>549</td>
<td>360</td>
<td>377</td>
<td>227</td>
</tr>
<tr>
<td>Machines and equipment for food processing, beverages and tobacco</td>
<td>267</td>
<td>578</td>
<td>336</td>
<td>255</td>
<td>209</td>
</tr>
<tr>
<td>Vessels</td>
<td>323</td>
<td>618</td>
<td>418</td>
<td>375</td>
<td>260</td>
</tr>
<tr>
<td>Lifting machines</td>
<td>292</td>
<td>522</td>
<td>339</td>
<td>323</td>
<td>273</td>
</tr>
<tr>
<td>Fittings</td>
<td>494</td>
<td>809</td>
<td>629</td>
<td>513</td>
<td>332</td>
</tr>
<tr>
<td>Electronic and electrical engineering parts and devices for automobiles</td>
<td>282</td>
<td>805</td>
<td>616</td>
<td>411</td>
<td>350</td>
</tr>
<tr>
<td>Other parts and accessories for automobiles</td>
<td>413</td>
<td>710</td>
<td>623</td>
<td>462</td>
<td>433</td>
</tr>
<tr>
<td>Bearings, transmissions and clutches</td>
<td>288</td>
<td>530</td>
<td>364</td>
<td>302</td>
<td>229</td>
</tr>
</tbody>
</table>

Source: individual sovereign state’s statistical bureau
Bank Austria, NSI
Operating costs

**Lowest corporate income tax rate in Central / Eastern Europe - 2013**

- Bulgaria: 10%
- Romania: 16%
- Czech Republic: 19%
- Croatia: 20%
- Turkey: 20%
- Slovakia: 23%
- France: 33.33%

*0% tax rate for manufacturing companies in regions with low employment*

**Bulgarian cost of electricity for industrial users is 70% of the European average - February, 2013**

- Bulgaria: 0.064 EUR/KWh
- Turkey: 0.076 EUR/KWh
- Romania: 0.08 EUR/KWh
- Netherlands: 0.082 EUR/KWh
- Croatia: 0.09 EUR/KWh
- Germany: 0.09 EUR/KWh
- Greece: 0.092 EUR/KWh
- Czech Republic: 0.11 EUR/KWh
- Slovakia: 0.123 EUR/KWh

Source: IBA Analysis
Europe cluster map in automotive industry
With its strategic position in the heart of South-eastern Europe Bulgaria opens for you the doors to three continents.
Bulgaria is strategically located in region, which has constant economic growth

The geographical position of the country provides a strategic connection between Europe and Asia

- Bulgaria is located at the cross-roads of Europe and Asia
- Bulgaria is in the middle of the high growth market of South East Europe
- Bulgaria is a suitable export base for serving the region, the EU, Russia and CIS, and Middle East and Africa

Source: IBA Analysis, Eurostat
Bulgaria has infrastructure well suited for the needs of the manufacturing industries

A network of eight motorways connects Bulgaria to Western Europe, Russia, Asia Minor, and the Black Sea – E79, E83, E871, E772, E70, E773, E87 and E85

- Road network of 19,276 km, of which motorways are 437 km
- 5 motorways connecting the Bulgarian logistics hubs and Bulgaria with Turkey and Greece are in the process of construction
- Railroad network length of 4,098 km
- 6 major ports: largest river port Ruse; largest seaports Varna, Burgas
- 4 international airports in Bulgaria - the major are Sofia, Varna, Burgas
Major industrial zones where businesses can be successfully located

The industrial zones in Bulgaria offer attractive conditions for establishing production, warehousing, logistics and other activities at a very competitive prices (around 25-40 €/m²). Investment projects are supported by the Government, the Municipal Authorities and by the various domestic and foreign Chambers of Industry and Commerce in Bulgaria.

Currently Bulgaria offers:

- 12 functioning zones, with active local and foreign investors
- 46 zones, either with fully or mostly developed infrastructure and ready to be invested in
- 26 zones under development
Rent of industrial properties in Bulgaria is very attractive

- The main industrial and logistics space in Sofia is approximately 628,000 sq. m. with about 67,000 new offering for Q2 2011
- As of now, about 32,000 sq. m. more of the industrial space is under construction
- The level of unoccupied area is about 8%
- Rents of industrial facilities in Sofia are among the lowest in Europe and rent levels in the rest of Bulgaria are even lower

Average monthly industrial rents in Sofia compared to other European cities, € per sq m/month (Q3 2012)

<table>
<thead>
<tr>
<th>City</th>
<th>Rent (€ per sq m/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sofia</td>
<td>3.83</td>
</tr>
<tr>
<td>Bratislava</td>
<td>3.92</td>
</tr>
<tr>
<td>Athens</td>
<td>4.33</td>
</tr>
<tr>
<td>Bucharest</td>
<td>4.42</td>
</tr>
<tr>
<td>Prague</td>
<td>4.50</td>
</tr>
<tr>
<td>Istanbul</td>
<td>4.67</td>
</tr>
<tr>
<td>Zagreb</td>
<td>5.00</td>
</tr>
<tr>
<td>Warsaw</td>
<td>5.50</td>
</tr>
</tbody>
</table>

Source: Colliers International
Lufthansa Technik Sofia

- Lufthansa Technik is a world company, specialized in the maintenance and repair of aircrafts.
- Lufthansa Technik Sofia was founded in 2007 as a joint venture between Lufthansa Technik AG and Bulgarian Aviation Group.
- More than 400 highly qualified engineers and mechanics are working for the company.
- The only repair base of Lufthansa Technik for Eastern Europe is located in Bulgaria.
- Initial investment of EUR 20 million, with which it acquired Class А certificate for investment.
- In Bulgaria the company performs D-check – the most comprehensive and demanding check for an airplane.
- Since 2008, more than 50 heavy checks have been performed for customers like BMI, Bulgaria Air, Oman Air, Ural Airlines and many others.
- In 2011 Lufthansa Technik Sofia decided to expand its activity and to invest another EUR 13 million.
- On 14.09.2011 the company was awarded for a second time with a certificate for class А investor for its expansion.
- The company is working very well with the biggest technical universities for the recruitment of its employees.

Bulgaria has been competing for the investment of the German concern with all European countries, as well as with the neighbouring countries, Russia and the Ukraine. It has won due to three main reasons: the low costs for salaries, availability of specialized staff thanks to the Technical University, as well as the overall development of the aviation business in the country.

Tomas Schugger, Executive Director of “Products & Services” Department
Lufthansa Technik Sofia is the first foreign site with German EASA 145. It was successfully obtained after audits on 28th of October 2008. The hangar, which is one of the most modern in the MRO (Maintenance, Repair and Overhaul) industry offers:

- 2 bays for 2 narrow body aircraft simultaneously;
- 3 more under construction
- IL-/D- Checks capability incl. full painting

D-check is the most comprehensive and pedantic check for the aircraft serviceability. It is also known as Heavy Maintenance Visit (HMV). This check is performed at each 5-6 years. Often on more than 100 technicians are simultaneously working on one Boeing 747. Usually, such a check takes between 21 and 60 days depending on the aircraft and the number of the technicians.

Lufthansa Technik Sofia manages to perform only within 16 days the quickest D1 check on Airbus A320 among the whole group of 31 companies.
The first and single factory in Europe producing Chinese automobiles
The plant started operation in February, 2012 with capacity 50,000 automobiles per annum
The expectations are that the investment of EUR 96.4 million will open approximately 2,000 job places
The owner is the Bulgarian company Litex Motors Corporation in cooperation with the biggest private producer in China - Great Wall Motor Co Ltd
The plant continues the traditions in the transport machine building in the city. The “Pirin Fiat” automobiles were assembled in Lovech during the 1960s, and the Russian “Moskvich” automobiles from 1967 to 1988
Class A investment by InvestBulgaria Agency
The automobiles meet all the standards and requirements of the Acquis Communautaire

Why Bulgaria?
Bulgaria has experience in the production of automobiles. In the country, for example, a series of facilitations are available, related to the tax legislation for class A investors. From this point of view we think that there are good conditions for the automotive industry development in the country.

The best advantage of Bulgaria as a place for business development is the highly qualified work force, the youth’s potential, and the good business climate in the country.

The automobiles of Great Wall Motors are sold in more than 100 states all over the world.
In the 33-th edition of Rally Dakar (2012) SUV the model of Great Wall – Hover occupied the 7-th place in the final classification.
The production will start with the following two series:

**SUV**
Automobile series SUV (Sport Utility Vehicle) with powered 4 wheels

- Steed
- Hover

**A-Class**
Car in the A-Class segment

- Voleex

Up to 2016, Great Wall Motor have envisioned the development and the placement on the market in Europe a diversified model range, whose main task is to offer to the clients the best “price-product” ratio, following the most recent trends in the world machine building. The company is the only Chinese producer of automobiles, who presently sells on the European market and holds the respective type approval for its products pursuant to the European Community requirements.
Montupet (France) - manufacturer of aluminum parts for the automotive industry (cylinder heads, engine blocks, inlet & exhaust manifolds, brake parts, structure)

**Montupet Bulgaria**
- Greenfield investment in Ruse 2006
- Size of investment: EUR 80 million for the period 2005 – 2010
- Planned expanding in 2012
- Products – parts for engines, chassis and brake systems
- Estimated turnover: EUR 50 million
- Employees: 667 (2012)
- Certified by external auditors according to the ISO/TS 16949(automotive) and ISO 14001 standards
- Main clients of the plant are Renault, Peugeot, Audi, BMW, Ford and Volvo

**Development of the number of employed from the start of production**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>172</td>
<td>220</td>
<td>359</td>
<td>536</td>
<td>667</td>
</tr>
</tbody>
</table>

**Production of components for motor cars (in thousands)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120</td>
<td>477</td>
<td>791</td>
<td>1255</td>
</tr>
</tbody>
</table>
Prospects for development
The ambitions are to double the production capacity and the headcount, to reach around 1 000 employees, which will be the optimum size for a plant in our industry.

In Bulgaria, the Montupet plant produces engine heads for the whole series “Q” of Audi.

The reasons to invest in Bulgaria?

- Political and monetary stability with BGN indexed on euro
- Administrative and investment support from the country and the municipality
- Close to the clients
- Availability of appropriate terrene
- The low taxation and labour cost
- Understanding of importance of industry by the Bulgarian government

Michael Brison
Managing Director at Montupet
SKF Bearings Bulgaria

World producer of bearings and seals
Came to Bulgaria in 1925
Markets of the products manufactured in Bulgaria: Europe, America and Asia, but major clients are the automotive manufacturers in Europe, such as: Mercedes, BMW, Volkswagen, Ford, Renault, Peugeot and many others
The company creates employment for more than 1500 people from the region
Own educational center for R&D activities is built in the city of Sopot
Open Doors Days for students from the Technical universities – Sofia and Plovdiv

Future development?
- SKF Bearing Bulgaria will continue to invest and industrialize new products for main European customers.

What is the biggest success of your company since it started business in Bulgaria?
- The post 2008 crisis development has been very rapid, with a more than 20 % growth per year in 2010 and 2011.

Philippe Peroz
Managing Director at SKF Bearings Bulgaria
World producer of seat systems and automobile interior systems

- 1997 – the first plant of Grammer in Bulgaria
- More than 695 employees
- Net sales – BGN 44 million
- Export to Europe, USA, South America and Asia
- Major clients are: Deutsche Bahn, Mercedes, Liebherr, Iveco, Toyota, Linde, Man, Renault Trucks, Scania, Siemens, Audi, Land Rover, Seat, Saab, Skoda, Volkswagen, Ford, GM, BMW, Opel, etc.

Produces driver’s seats for trucks and self-powered machines, tractors, construction equipment, passengers’ and driver’s seats for trains, tourist and city buses, trolleybuses, etc.

Future development
- For 2012 increase in the production rate and the number of the employees up to 900 people. Start of the production of new products. The aim is to create a complete chain and to manufacture all products here in Bulgaria.
One of the world’s leading manufacturers of hydraulic and vacuum equipment used in engine management, transmission, suspension and braking systems of vehicles.

**IXETIC in Bulgaria**
- The second largest factory for the company is in Bulgaria
- Some of its biggest clients are Mercedes and BMW, for which IXETIC produces hydraulic pumps
- From first hole to an operating plant within only 11 months – times quicker than in Western Europe
- Bulgaria has been preferred to Romania, Poland, Slovakia and the Ukraine due to the stability and the traditions in the machine building sector
- More than 250 employees
- Certified class A investor since July, 2008
- Clients: BMW, Mercedes, Toyota, Porsche, Audi, Volkswagen, Ford, Honda, Renault, MAN, Navistar, Daimler, ITEC, Scania and Volvo

It is already possible to develop a highly technological business in Bulgaria and the foreign companies know that.

Ivaylo Petrov

We have intentions for plant expansion, as well as for doubling of production and staff by 2015.
Innovative and powerful know-how in the development and production of technical solutions for locking and latching systems

- Production Locations in Asia, South America, North America and Europe

- About 70 employees in Bulgaria

- Common development of technological high-quality locking and latching systems

- Main customers are the most automobile manufacturers in Europe

- Further development is assured in August 2008 by establishing WITTE Automotive Bulgaria EOOD in the town of Ruse. Starting as office for Design and Purchasing activities, it was enlarged by starting production in May 2010 with the first WITOL (Tolerance compensation system) products

- In 2011 WITTE Automotive Bulgaria increased the Production volumes for more than 4 times in comparison to those of 2010

- Over the next three years Witte will invest more than 7.51 million BGN in its new plant located in “Ruse Industrial Park”

- The investment includes capital expenditure on land and buildings, production equipment, assembly lines etc. After the realization of the investment the total number of the employees will reach 410 people.
The main activity of the company is new building of sea ships and ship repair works, while having opportunity to build metal structures and pipelines. Within the period 1999 – 2007 the company has built 40 ships. The geographic location of the Shipyard on the Danube river makes it possible to also carry out additional logistic and port activities.

Shipyard Ruse was found in 1881, privatized in 1991, 100% Bulgarian company, 100% export oriented. Main markets: Netherlands, Germany, Algeria, England, Greece, Russia and others.

The focus of the Yard for the next years is to build specialized tankers such as oil-tankers, bunker tankers, chemical tankers and bitumen carriers. The technological capacities allow the simultaneous new building of 10 ships of up to 5,000 tons deadweight annually.

The shipyard is certified by German Lloyd according to the DIN EN ISO 9001:2008 standard. The shipyard is approved by the company British Petroleum for safe building of tankers, and the company Thyssen Kruppp-Germany has recognized the Shipyard as a Bulgarian partner under projects for the building of warships.

Why Bulgaria: Good business climate, highly qualified staff and competitive labor price.
Until present, more than 850 ships for 27 owner states have been built and put into operation, which are sailing all over the world under the flags of over 22 countries.

“Bulyard Shipbuilding Industry” EAD is located in the South Industrial Zone of the city of Varna – the second biggest city and the biggest port of Bulgaria on the Black Sea.

Founded in 1907.

Major partners: Wartsila, B&W, ABB, Alfa Laval, Mitsubishi.

The biggest enterprise for shipbuilding, ship repair works and ship reconstruction in Bulgaria with regard to production volume and production capacities.

Since 2009 “Bulyard Shipbuilding Industry” EAD has been a member of the Bulgarian National Association of Shipbuilding and Shiprepair (BULNAS), which is a member of the Community of European Shipyard Associations (CESA).

More than 60% of the orders for new building of the shipyard have been executed for clients from the national and regional market – Bulgaria, Turkey, Greece. The same trend with regard to the shiprepair orders has also been observed.

An interesting example is the ship from the Japanese Future-56 series, which has been directly purchased from Bulyard by the Turkish company Diler Shipping & Trading, regardless of the fact that this same company is one of the most powerful shipyards in Turkey.
Main activity: Feasibility study, design, production and delivery of metal cutting machines – wide range of universal lathes and components & accessories for them, CNC lathes

Occupy major position on the lathe market in the world

ZMM is the biggest producer of universal lathes in Eastern Europe

100% Bulgarian company

99% export oriented company

Major markets are Germany, Italy, USA, Russia and Turkey, the Middle & Far East, Central and South America

Major clients are: Linde AG, Siemens AG, Thyssen Krupp AG, Robert Bosch GmbH, Fiat, MAN, etc.

“Balkancar Record” – AD has been a part of the Balkancar Holding and has created and endorsed the traditions of the Bulgarian forklift truck manufacturing. Today, Balkankar Record is one of the leading producers of forklift trucks in Bulgaria

The production range of the company includes electrically driven fork-lift trucks, diesel and gas engine driven trucks, engine-powered tractors, and spare parts for them. Depending on the modifications, the load capacity is from 1 250 to 12 500 kg, the lifting height is from 2 800 to 6 400 mm, and the traction force is from 15 to 20 kN

Founded in the middle of the 50-ties of XX century in the city of Plovdiv

150 employed

The main market is Eastern Europe, as well as Russia and the Ukraine, and “Balkancar Record” is a holder of gold medals from the International Technical Fairs in Plovdiv, Belgrade, Bucharest, Brno, etc.
Podem is among the leading companies in the world suppliers of crane components, designated for crane producers and end clients.

Podemcrane is a leading supplier of all types of cranes and services for the crane industry in Bulgaria and the region.

It offers complete package of equipment and maintenance for the whole lifting industry, high quality products and services in compliance with the international standards.

Founded in 1961.

1975 – Podem became the largest producer of wire rope hoists in the world.

Privatized in 1999.

More than 150 employed.

Main production facilities based in Gabrovo, Central Bulgaria.

95% of the production is for export, while major markets are Western Europe, Middle East, Russia, Vietnam, Malaysia, Singapore and India.


What differentiates the machine building in Bulgaria: excellent traditions and well trained work force.

Podemcrane – legal successor of Podem AD is the biggest producer of wire rope hoists in Central and Eastern Europe. Throughout its history, the company has sold more than 1 900 000 units of lifting equipment in 40 countries all over the world.
Main Activities:
Design, manufacturing and trade in small arms and artillery armaments, ammunition and components, pyrotechnic products, hunting and sport weapons and ammunition, machine-tools, tooling, casting, forging etc.; engineering

Established: 1878 in Ruse, Bulgaria
Location: Kazanlak, Bulgaria since 1924
Area: 7 044 267 sq. m.
Employees: over 7000
Product List: over 10 000 different items
Capacity: over 200 mln. Small arms ammo per year
Export: 80% to over 120 countries
Certificates: AQAP 2110, ISO 9001:2008

Highlights:
- The biggest factory in Bulgarian military industry
- One of the biggest factories in Bulgaria at all
- 100% full cycle production
- Recognized quality
M+S Hydraulic is a leading producer of hydraulic motors, servo-steering, valves, brakes and accessories, used in all machine building industries. The products find application in the agricultural industry and transport.

- Founded in 1963
- Privatized in 1997
- Location: Kazanlak
- About 1000 employed
- Turnover: BGN 63 million
- The products of the company find application in the agricultural industry and transport
- Exports its production to European and other world markets
- The company occupies 6th place in the world for the production of hydraulic and orbital motors for application in the mobile and industrial systems with geometric volume from 12 to 800 cm³
- 133 % increase rate of production in 2011 compared to 2009
- M+S Hydraulic is developing many new types for all of its products and has turned into one of the main world producers of hydraulic motors
- The company has R&D unit to improve the products and develop new ones compliant to the market requirements
HES designs, produces and services hydraulic cylinders, which find application in the transport equipment, as well as in construction machines and ships.

- Founded in 1968
- Location: Yambol
- Privatized in 1997
- 565 employed
- Turnover: BGN 39.7 million
- Main client in Bulgaria is Palfinger Austria, for which the company is a main supplier of hydraulic cylinders
- Over 95% of the production of the company is sold on the West-European market and in Russia

There are wonderful perspectives for the development of the company and the sector as whole during the next 5 to 10 years.

Main advantage of the company: quality, accuracy of the supplies, flexibility and competitive prices.

<table>
<thead>
<tr>
<th>Output (thousand BGN/person)</th>
<th>Sales (BGN mln.)</th>
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<td>43</td>
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<td>71</td>
<td>40</td>
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</tbody>
</table>
Established in 2011
Location Musachevo, Sofia district
Employees: 500
Production: Leather Seat Covers for the Automotive Industry

Current Plant Capacity is 500 car sets per day
6,000 m² Factory space + 700 m² offices
13,000 m² Surface area of current property

ALC Bulgaria is part of the ALC Group, a Wholly owned South African Company.

Currently the main Customer of the ALC Bulgaria is BMW Germany.
The Bulgarian Branch Chamber - Machine Building

The Bulgarian Branch Chamber - Machine Building was established in the autumn of 1991 as a non-profit association for rendering assistance, encouragement, representation and protection of the interests of its members.

Members of the Chamber are more than 280 companies - basic producers from all sectors of the Machine Building. The Branch Chamber member-companies manufacture about 70% of the Bulgarian machine building products.

They produce: metal-working machines and tools, wood-working machines, hydraulics, engine-driven and battery-driven trucks, machines and equipment for the food, tobacco and wine industry, refrigerating engineering, agricultural machinery, heavy machines and equipment, motor vehicles, ships, metal products etc.

The activities of the Chamber are versatile and aimed mainly at supporting the development of the companies and raising the level of their competitiveness.

www.bbcmb.dir.bg
IBA Services:

- Macroeconomic information
- Legal advice
- Information on operational costs
- Regional data on unemployment, availability of skilled labour force, level of education, infrastructure, foreign investors and industrial zones
- Recommendation of vacant land
- Identification of potential suppliers, subcontractors or joint venture partners
- Individual administrative services
- Contacts with the central and the local authorities
- Contacts with industry chambers, local universities and NGOs
Project “Promoting the advantages of investing in Bulgaria”
BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.