

Business Climate

Overview

Bulgaria is said to have made considerable efforts within the business arena over the past few years, accomplishing many positive changes on its way to join the EU and substantially improving its image in the world economy market. Some issues still need to be resolved, however, one such being the bureaucracy factor - a system full of controversial regulations, unresponsive to both the needs of the individual businessman and the private sector. Although attempts have been made to limit it, bureaucracy still plays an essential role in business life overall.

Many changes have also been applied to Company Law in Bulgaria in recent years but there is still room for improvement, especially within the area of intellectual and industrial property rights. Striving to meet EU requirements Bulgaria is slowly but surely transforming its business climate, becoming more tempting and competitive, suitable for all businesses and enterprises.

Foreigners in Business

The European Commission, in its latest report (November 2003) regarding progress made by European Union candidate countries, noted that Bulgaria had made substantial moves towards creating a non-discriminatory business environment for foreigners carrying out economic activities in the country. In 2003 the Bulgarian Parliament agreed to changes in the Foreign Investment Act aimed at equal treatment of foreign and domestic investors and minimizing time spent on administrative issues in the business sector. Now investors can choose which status to use in the country - that of a local or foreign investor - and are also entitled to set up any company formation, agreed by Bulgarian law.

Foreigners continue to face restrictions on land ownership in Bulgaria, however, restrictions which will remain in place until 2014 at the earliest. At present they can only own land by setting up a company and declaring the property as a company asset. This regulation is aimed at transferring investment money to goods meant for export (such as agricultural production or IT products), as well as creating new jobs in the economic sector of the resident country.

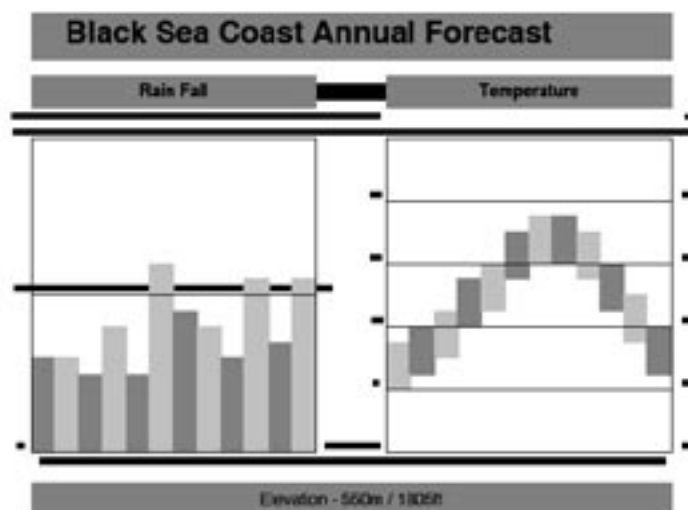
Economic Climate

In recent years Bulgarian economy has been subject to numerous regulations and thus has achieved a sufficient macroeconomic stability. Amongst the most influential factors are the currency board arrangement (put in place in 1998 to stabilise the currency, tying performance of the lev to that of the euro), a tight fiscal stance and wage moderation. These have led to substantial economic growth, especially within the tourism sector, the capital market and the banking system in Bulgaria. The country also has a well-educated and computer-literate workforce and, for the time being at least, a more affordable labour source than in Western countries.

For these reasons the Bulgarian economic climate is a mild and relatively competitive one throughout all Eastern Europe and, as the country is considered a cause of stability in the Balkan area, its potential has been rapidly extending throughout the last few years. Nowadays Bulgaria is thought to be a country with vast business opportunities and specialists predict that, with determined effort, it could overcome obstacles and achieve a much improved business environment. That is why so many expatriates find Bulgaria such a pleasant place, both to live and work.

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FREE ADVERTISING? CAN IT BE TRUE?

I was looking around various holiday related web-sites recently and came across an offer that seemed too good to be true, but turned out to be genuine. A UK run web-site is offering owners of holiday homes, villas and apartments the opportunity to advertise their properties **FREE OF CHARGE for the rest of this year!**

This seemed to buck the normal trend of a paid for service so I started looking deeper into this proposition, what I discovered is they have recently added Bulgaria to their listing of holiday destinations, and would like to build a portfolio of holiday accommodation available here for the independent holiday-maker who prefers to be self-catering rather than taking your normal run of the mill package deal.

Given the current trend towards eco-tourism and getting away from

the usual sand and sea packages currently offered by the tour companies, this web-site sounds to me like somewhere owners of properties here in Bulgaria should be taking a serious look at if they are interested in letting their home to the lucrative holiday and tourist markets. The site can be found at: **www.euaccommodation.biz** and then just follow the link at the bottom of the page to advertise your property, and as its free you can only gain by being listed here.

You should also couple this offer with a management package from an experienced property management company (try Black Sea Property Management on 052-612882) as this gives complete peace of mind regarding the maintenance and security of your home when you are not using it yourself.