

2015 SBA Fact Sheet

Bulgaria

Key points

Past & future SME performance¹:

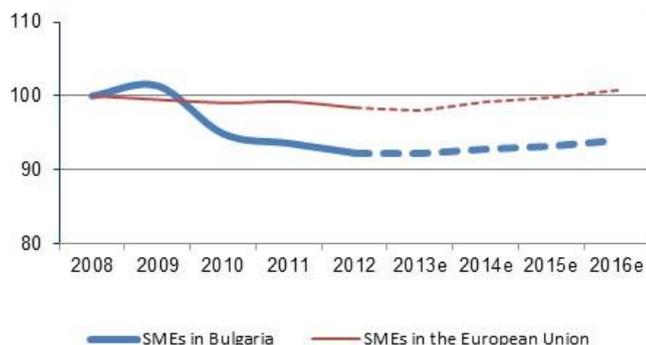
The performance of Bulgarian SMEs since 2008 has been mixed. They are estimated to have returned to pre-crisis levels of value added in 2014, but have not recovered jobs lost during the crisis: employment in SMEs in 2014 stood 7 % below the 2008 level. Forecasts predict a further 5 % increase in value added and a moderate 1 % rise in employment until 2016.

Implementing the Small Business Act for Europe (SBA): Bulgaria's SBA profile shows weak results in four out of ten areas. This is mainly due to continuous political volatility which results in an unstable and burdensome business environment. Bulgaria's performance in any SBA area is at best average and the profile does not show any area of excellence. On State aid & public procurement, access to finance and the single market the country is in line with the EU average. 'Second chance' and 'responsive administration' score below-average results, whereas the greatest room for improvement is in skills & innovation, environment and internationalisation.

SME policy priorities: Improving the attitude to businesses ('think small first') should be the main SME policy goal for the immediate future. It needs to go in parallel with improving the policy implementation process and making public administration more responsive to SMEs' needs. Skills & innovation and opening up to international trade should stand next in line for improvements.

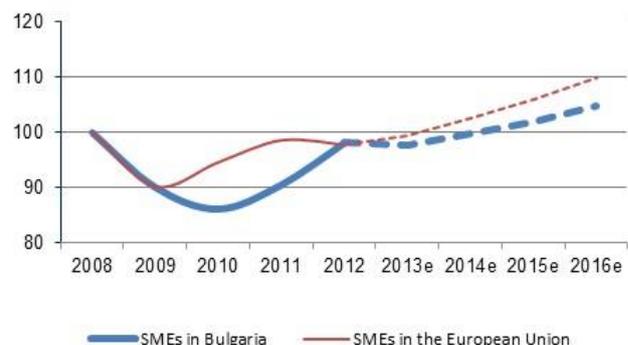
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2013 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2013 onwards)



About the SBA fact sheets

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and 'responsive administration' to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

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1. SMEs — basic figures

	Number of enterprises			Number of persons employed			Value added		
	Bulgaria		EU-28	Bulgaria		EU-28	Bulgaria		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	281 413	91.2 %	92.7 %	562 961	30.2 %	29.2 %	4	19.3 %	21.1 %
Small	22 200	7.2 %	6.1 %	442 801	23.8 %	20.4 %	4	20.6 %	18.2 %
Medium-sized	4 194	1.4 %	1.0 %	410 895	22.1 %	17.3 %	4	22.1 %	18.5 %
SMEs	307 807	99.8 %	99.8 %	1 416 657	76.1 %	66.9 %	12	62.0 %	57.8 %
Large	634	0.2 %	0.2 %	445 261	23.9 %	33.1 %	7	38.0 %	42.2 %
Total	308 441	100.0 %	100.0 %	1 861 918	100.0 %	100.0 %	19	100.0 %	100.0 %

These are estimates for 2014 produced by DIW Econ, based on 2008-2012 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'non-financial business economy', which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

For employment and value added, SMEs are more important for Bulgaria's non-financial business economy than on average in the EU. SMEs accounted for 76 % of total employment, 9 percentage points more than the EU average. Their 62 % contribution to total value added exceeded the EU average by 4 percentage points.

Medium-sized businesses (50-249 employees) made the biggest contribution to SME value added: 22 %. Their contribution to employment was also 22 %.

Wholesale and retail trade was the main contributor to SME value added, at 31 % (8 percentage points above the EU average). This sector also provided 32 % of SME employment (exceeding the EU average by 6 percentage points). It accounts for 45 % of all SMEs, compared with 28 % on average in the EU.

Since 2009, the economy has been in slow recovery. SME value added returned to its pre-crisis levels in 2014, but this growth did not bring new jobs. In 2014 SME employment was still around 7 % below the 2008 level. Only employment in micro

businesses of 0-9 employees has grown since 2008, by 6 %.² These developments are due to three factors: facilitation measures introduced in the Law of Commerce, the relatively late arrival of the crisis in the country, and the first stages of 'necessity entrepreneurship' related to the crisis. In addition, micro-enterprises were considerable contributors to growth in SME value added between 2008 and 2014. During that time their share of value added grew by 16 %.

Transport and storage posted solid growth after the crisis. Between 2009 and 2014 SME employment in this sector rose by 11 %, and value added by 13 %. This strong performance was driven by a number of factors: the boom in the transport and storage sector in central and eastern Europe³; a number of policy measures⁴; fresh capital arriving via EU funding⁵; strong foreign investment⁶; and efficiency gains from implementing IT solutions⁷. With five pan-European transport corridors passing through the country, Bulgaria has transformed itself into a multilateral transport bridge between resource-rich countries in the Middle East, west and central Asia, and countries in western and central Europe.⁸ In 2010, the government introduced a

strategy to support the competitiveness and modernisation of transport infrastructure⁹. The Operational Transport Programme 2007-2013 contributed approximately EUR 2 billion from EU funds to the same end.¹⁰

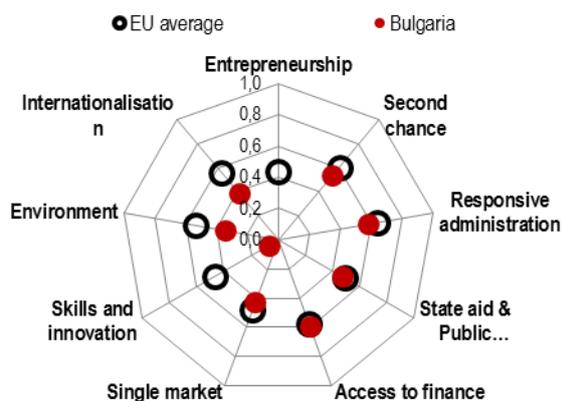
In 2014 *manufacturing* recovered from the crisis in so far as SME value added in the sector returned to its pre-crisis level. The number of jobs in the sector was nonetheless still 8 % lower than in 2009. The increase in value added among large companies was far bigger at 29%. This improvement was partly driven by the *manufacture of motor vehicles and transportation equipment* sub-sector.¹¹ With its logistical advantages, relatively low labour costs and a number of support measures, Bulgaria has attracted several car parts manufacturers.¹²

Between 2008 and 2012, business dynamics were hurt not only by the crisis but also by problems with the flow of payments.

There were difficulties with payments both between private sector entities and from public authorities to the private sector. In 2012, the government settled a large proportion of delayed payments to the private sector and amended the Commercial Law to forbid late payment in commercial transactions. This boosted confidence and increased the number of new business registrations in 2012. The net increase in the number of businesses was around 50 000 in 2012, 44 000 in 2013 and 42 000 in 2014.^{13,14,15}

The outlook for the 'non-financial business economy' in 2014-2016 is mixed. SME value added is expected to increase by 5 %, while SME employment is set to grow by 1 % and the number of SMEs by 2 % over the whole period. The outlook for large companies is less positive: employment is forecast to drop by 3 %, the number of businesses to fall by 7 % and value added to remain stable.

2. SBA profile¹⁶



Bulgaria's SBA profile shows improvements are needed in all areas. In not one did Bulgaria achieve above-average results. Its performance on state aid & public procurement, access to finance and the single market was in line with the EU average. It scored below average on 'second chance', 'responsive administration', skills & innovation, environment and internationalisation.

Bulgaria has made progress in implementing the SBA since it was launched in 2008. Stakeholders consider the fastest progress has been in environment, access to finance, state aid & public procurement, entrepreneurship and internationalisation. The data available only partially confirm this perception, pointing only to improvements in 'responsive administration' and internationalisation.

In 2014 and the first quarter of 2015 — the reference period for this fact sheet — Bulgaria adopted a substantial number of SBA

policy measures. A selection of 15 of them is presented in this fact sheet.

The key policy measures adopted in the reference period include strategies for e-justice and e-government, the new procurement law and the better regulation agenda (including impact assessment guidelines and the SME test). They reflect Bulgaria's response to the Council's related country-specific recommendation from 2014. Given the early stage of all these initiatives, the recommendation remains valid. Their degree of success will depend on how well they are implemented. Bulgaria's policymakers will therefore need to step up their efforts and raise quality standards.

Improving the business environment should start with raising the quality of public administration. This calls for a shift in attitudes and for reining in corruption. Cutting red tape, promoting e-government and streamlining insolvency procedures should remain at the top of the SME policy agenda. The country has taken the first steps to improve its public procurement system and is advancing in implementing e-procurement, but it needs to improve the quality and independence of the judiciary and step up the fight against corruption.

In 2014 the government adopted a national strategy for promoting SMEs for 2014-2020. It includes 10 goals. Each of them reflects an SBA principle, aligning Bulgaria's support for SMEs with the priorities of the European Union. This structure should facilitate benchmarking against other Member States' results and should help better integrate the SBA into other policies, for example sectoral policies.

The lack of political stability was likely a factor in preventing successful implementation of policies and hindered continuity in SME policy. The management of the National Agency for Promotion of SMEs has changed five times in the last three years; frequent leadership changes have also affected the Ministry of Economy.

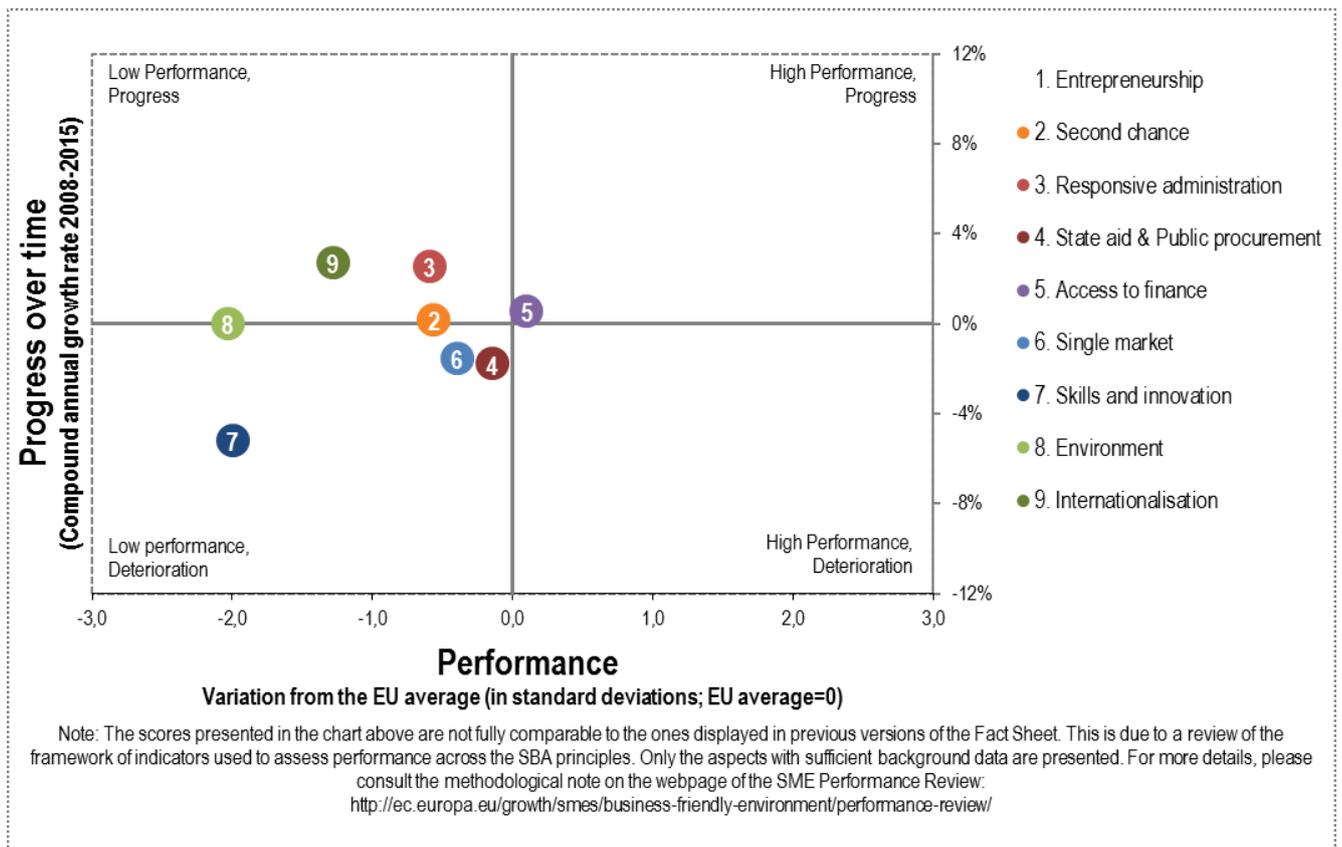
In spite of this volatility, Bulgarian governments have a good track record of announcing and preparing new policy measures,

but have not been able to match this performance when implementation was concerned. It is of utmost importance that the country makes a quantum leap forward in ensuring high-quality implementation of government policies.

In this respect e-government solutions have proven beneficial for businesses. E-services tend to improve the transparency of

requirements and, by standardising procedures, eliminate problems such as subjective judgments and diverging interpretations. They also help accelerate the processing of requests. The recent adoption of the e-government and e-justice strategies has the potential to greatly improve the business environment.

SBA performance of Bulgaria: state of play and development from 2008 to 2015¹⁷



3. SBA principles¹⁸

3.0 ‘Think Small First’

The ‘think small first’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policy-makers to take SME interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

Since 2008 the ‘think small first’ principle has been applied unevenly and the political commitment to SMEs has varied due to frequent changes in government. The regulatory burden on SMEs has remained high.

The quality of public consultations needs to be improved. Consultations are carried out at relatively late stages in the process of preparing legislative proposals. This limits stakeholders’ room for possible comments and reduces the likelihood of the government taking comprehensive contributions on board. Stakeholders are given only two weeks to reply, too little time to prepare good quality contributions. The government also provides no ex-post feedback to stakeholders on their contributions.

Regulatory impact assessment (RIA) process needs improvements. In mid-2014 the government announced a legislative initiative to strengthen impact assessments and adopted new RIA guidelines. Around 700 public servants were trained in impact assessments. Despite this progress, the RIA process is still not sufficiently well developed. The proposals selected to undergo impact assessment are chosen on an ad hoc basis and cover only a small fraction of all laws passed. The quality check is not sufficiently rigorous and there is no independent committee to review RIA reports.

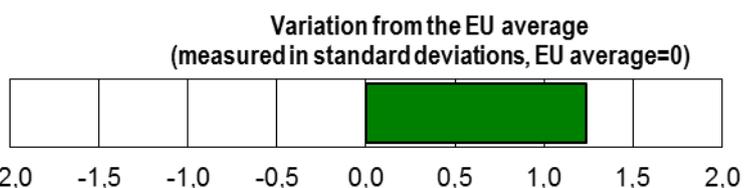
Bulgaria has no SME test in place, which means that new legislative proposals are not tested for their impacts on micro, small or medium-sized businesses.

Common commencement dates for introduction of new laws are not applied.

The role of the SME Envoy would benefit from being given a higher profile.

3.1 Entrepreneurship

Degree to which school education helped develop an entrepreneurial attitude; 2012; Bulgaria: 61; EU avg: 50



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Not enough statistical information is available to establish Bulgaria’s level of performance in this area.

The degree to which school education helped foster entrepreneurial spirit exceeded the EU average by a good margin (61 % versus 50 %).

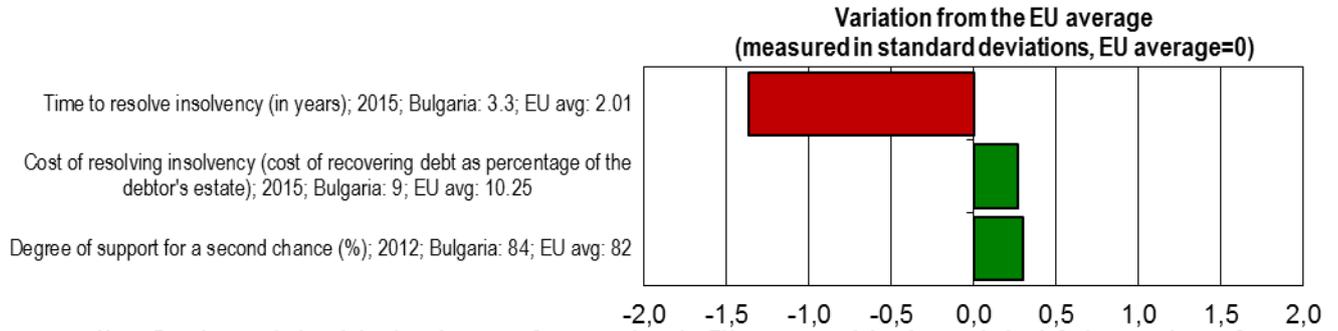
Since 2008 Bulgaria has put in place measures addressing most of the SBA’s recommendations on entrepreneurship.

During the reference period the government’s Technostart programme supported students willing to start a business while at university. The sectors eligible for such support are industry, IT

services and R&D. The assistance took the form of grants of up to EUR 10 000. Nineteen grants were given in 2014.

The government announced the preparation of a strategic document on entrepreneurship. A task force made up of government and private sector members will prepare the strategy, which is intended to mirror the European Commission’s ‘entrepreneurship 2020’ action plan at national level. It is planned that the strategy will list about 40 measures for fostering entrepreneurship in Bulgaria.

3.2 ‘Second chance’



‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly.

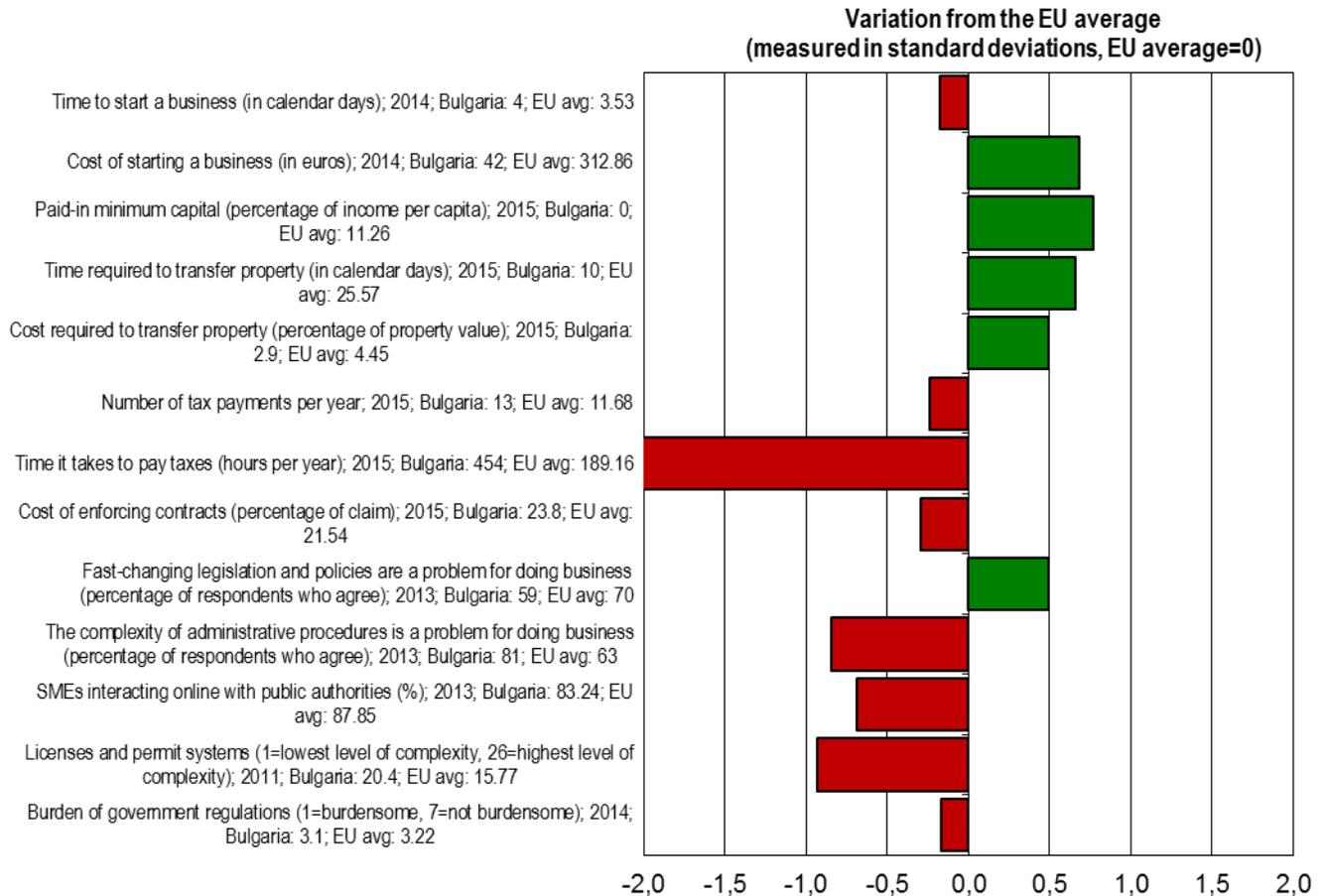
Bulgaria continues to provide worse-than-average conditions for restarting business activity, mainly due to the lengthy procedure for closing unsuccessful businesses. The indicators available showed no change from last year.

It takes 3.3 years to wind down an unsuccessful business in Bulgaria, about 1.3 years longer than the EU average and almost three years longer than in Ireland, the EU leader in this category. The cost consumed around 9 % of the debtor’s estate, slightly

less than the EU average. The degree of public support for granting honest, failed entrepreneurs a second chance slightly exceeded the average.

No significant policy measures were put in place since the SBA was adopted in 2008, which means none have been introduced during the reference period. Bulgaria has not addressed any of the SBA’s recommendations in this area. The authorities should consider taking measures to tackle judicial bottlenecks and ensure timely and predictable insolvency proceedings.

3.3 ‘Responsive administration’



‘Responsive administration’ refers to public administration being responsive to the needs of SMEs. The public administration in Bulgaria was less supportive of small businesses than in the rest of the EU. As in the previous year, the country trailed the EU average in this area.

None of the indicators has changed substantially since the previous year, although there were a few small moves in the right direction. On the positive side, starting a business has become less expensive. The cost fell to EUR 42 from EUR 60 last year, way below the EU average of EUR 313. The time it takes to transfer property was also reduced, from 14 days to 10, significantly below the EU average of almost 26 days.

Bulgaria also provided favourable conditions for starting a business and for transferring property. The four days needed to start a business were in line with the EU average, while the minimum capital requirements in Bulgaria compared favourably with other EU countries.

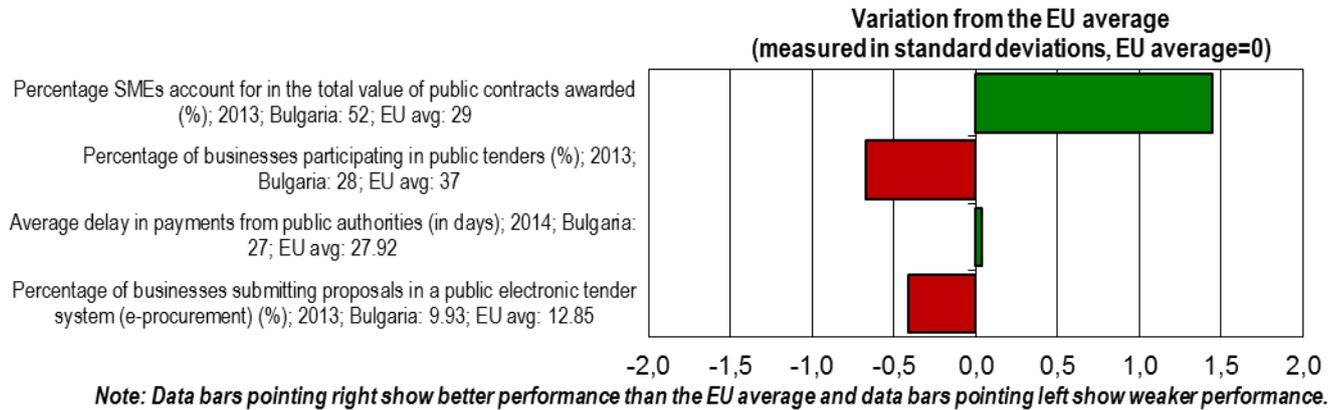
Taxation, by contrast, was a major burden for businesses. They were required to make around 13 tax payments per year, roughly in line with the EU average of 12 payments. However, completing the payments took 454 hours of businesses’ time, while in the EU it took an average of 189 hours.

The changes in the legislative and administrative environment did not create significant extra pressure on business even though there was a relatively high degree of political instability. However, businesses also suffered from the complexity of administrative procedures, the burdensome character of government regulations and the difficulties associated with obtaining licences. These issues reflect the relatively unfavourable conditions for SMEs.

The government’s e-justice strategy for 2014-2020 seeks to address the major problem for foreign investors and domestic businesses, namely the relationship with the judiciary. The strategy is intended to serve as the key element of judicial reform by facilitating access to justice for individuals and businesses.

The e-government strategy for 2014-2020 is yet another policy document that seeks to improve the quality of public services and communications by making greater use of electronic channels.

3.4 State aid & public procurement



Bulgaria’s performance remained average, as in previous years.

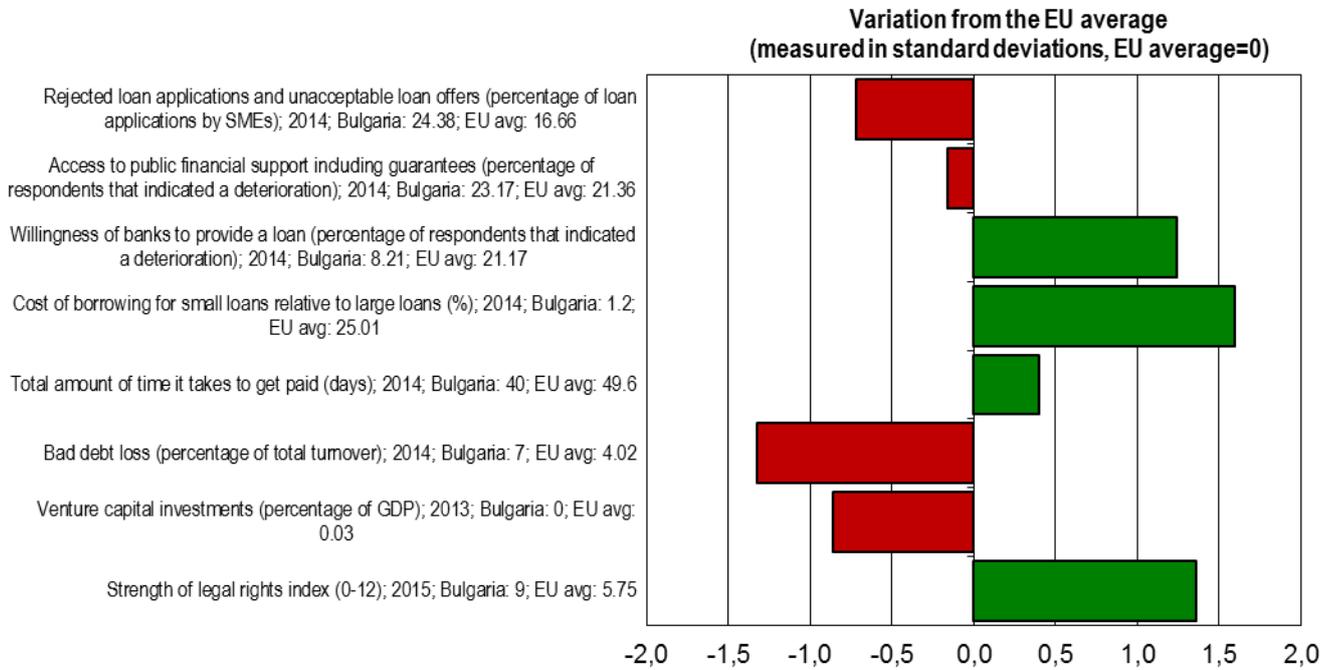
The proportion of SMEs that succeeded in obtaining public contracts was far ahead of the EU average (52 % versus 29 %). This was despite the fact that only 28 % of Bulgarian businesses sought public contracts, fewer than the EU average of 37 %. This comparatively low activity was possibly due to earlier difficulties in receiving timely payments from public authorities. The situation had been volatile in recent years as the government’s attitude to paying on time fluctuated. In the last year the timeliness of payments deteriorated. Public payments were on average 27 days overdue compared with 22 days a year earlier. The transposition of the EU Directive on late payment in commercial transactions, which entered into force in March 2013, is expected to bring an improvement in the near future.

Measures have been taken to respond to most of the SBA’s recommendations in this area. However, stakeholders argue for more transparency in the public procurement process.

The main policy developments during the reference period included the draft new law on public procurement which transposes the recent EU directives in this area. Bulgaria also took steps towards e-procurement by introducing a centralised e-platform for announcing active calls for tenders, a 'virtual procurement office' and an e-paperwork database.

The EU directives require the public procurement process to be made fully digital in 2018.

3.5 Access to finance



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

SMEs' access to finance in Bulgaria is on a par with the EU average. The latest results did not substantially change from the previous year, although there was a noticeable deterioration in the availability of bank finance or public financial support.

Access to bank loans became more difficult. The rate of loan applications refused increased to 24 % from 14 %, and was substantially higher than the EU average of 16 %. Banks' willingness to provide finance to SMEs declined slightly but remained safely above the EU average. The additional risk premiums banks charged for small loans to SMEs were the second-lowest in the EU. At the same time public guarantees became more difficult to obtain and venture capital remained scarce.

While Bulgaria scored well above average on the strength of legal rights, it did much less well on the loss creditors incurred on bad debts. At 7 %, these losses were around 75 % higher than the EU average.

Since 2008 Bulgaria has implemented only some of the SBA recommendations in this area. In particular there is no one-stop-shop where Bulgarian SMEs can get help in accessing the finance they need. EU funding for SMEs was considered to be relatively difficult to get.

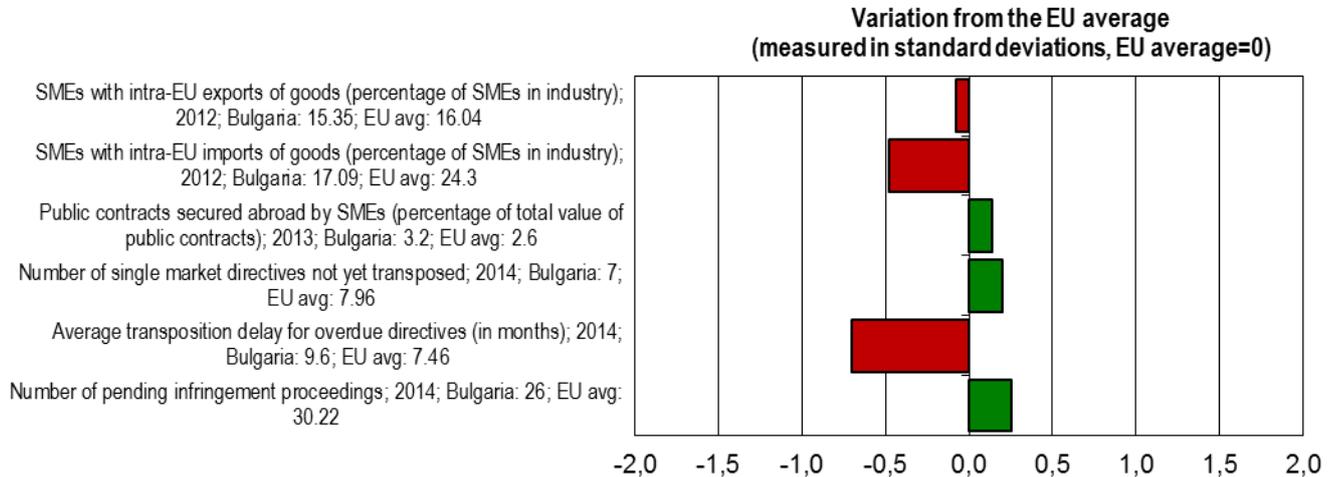
During the reference period, the government announced two policy measures in the area, both relying on European Investment Fund financing.

A standalone equity-type facility is intended to support knowledge-intensive young companies. Eligible companies will include start-ups established in universities, R&D institutes or science labs. Financing will be used to support transfer of patents or licences as well as big R&D projects from researchers to commercial ventures. It will be provided until the companies can obtain financing from regular market players: venture capital, private equity, banks, strategic investors or corporations.

It was announced that an 'acceleration and seed fund' would provide early-stage financing to emerging entrepreneurs to help them develop their concepts and bring them to market. The project builds on the experiences acquired from a similar measure implemented during the period 2012 – 2014.

The implementation of the late payment directive should improve Bulgarian SMEs' liquidity.

3.6 Single market



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Bulgaria's performance on the single market was largely in line with the EU average. There were no substantial changes in any of the indicators compared with the year before.

Some 15 % of Bulgarian manufacturing SMEs exported within the EU, very close to the EU average. However, only 17 % imported from the EU, well below the average of 24 %. The proportion of Bulgarian SMEs that secured public procurement contracts in other EU markets was slightly higher than the EU average (3.2 % against 2.6 %).

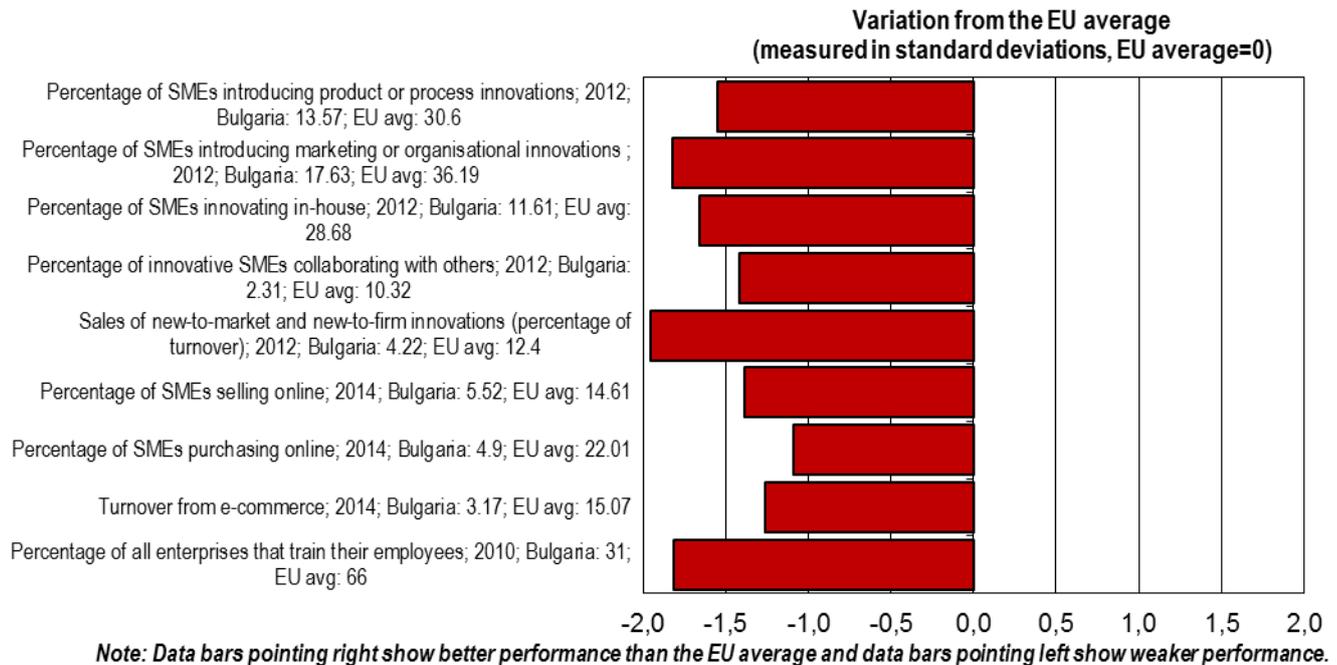
The process of transposing EU directives into national law made slightly less progress than the previous year but Bulgaria's

overall performance on this was broadly in line with the EU average. In 2014, seven directives awaited transposition. Overdue directives were transposed on average 9.6 months after the deadline, and the European Commission had 26 infringement cases against Bulgaria open in 2014.

Since 2008 Bulgaria has put in place measures that respond partially or entirely to the SBA's recommendations on the single market. Notably though, single points of contact to support SMEs in the single market have not yet been set up.

No significant policy measures were taken during the reference period.

3.7 Skills & innovation



Bulgaria trailed the EU average by a wide margin and has not kept up with the pace of development in the EU since the introduction of the SBA. The performance of Bulgarian SMEs in this area is a major weakness.

The figures show that Bulgarian SMEs do not innovate, either in collaboration with others or on their own. Only 14 % of SMEs developed product or process innovations and only 18 % sought innovative solutions in terms of organisation or marketing. The proportion in both cases was less than half the EU average.

Online trade is significantly less developed in Bulgaria than in the rest of the EU. It accounted for only 3 % of turnover, and only around 5 % of Bulgarian SMEs traded online as sellers or buyers.

The progress made since 2008 in both skills & innovation is insufficient. Although measures have been taken in response to most of the SBA recommendations, they have not yet delivered the expected results.

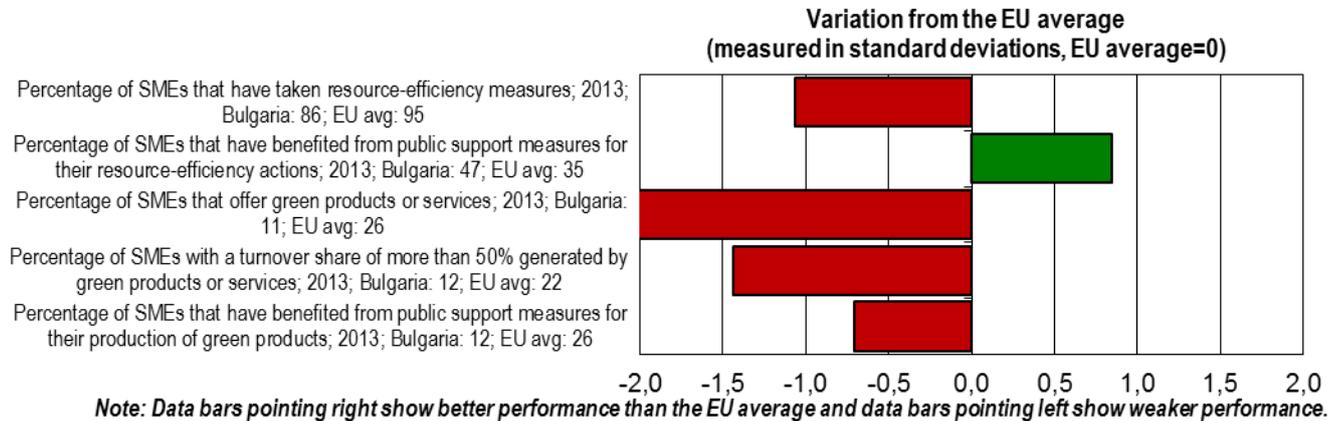
Two particular measures were announced during the reference period: the 2014-2018 programme for development and the network of local business development centres.

The programme for development includes a national innovation strategy. Successful implementation will be key to ensure the programme and the strategy achieve their objectives.

The government wants to set up a network of local business development centres to help implement SME policies effectively. The network will be based on existing entities which will be modernised to follow a common single business model.

The Ministry of Education and the National Agency for Vocational Education are currently implementing the national strategy for vocational education for 2015–2020. This is expected to bring the supply of skills into line with demand from businesses. The strategy aims to modernise the system of vocational education and improve collaboration among parties involved in vocational training activities. The strategy is geared towards implementing best practices more effectively by getting the business sector to participate, providing more flexibility and better accessibility, and making vocational education more attractive.

3.8 Environment

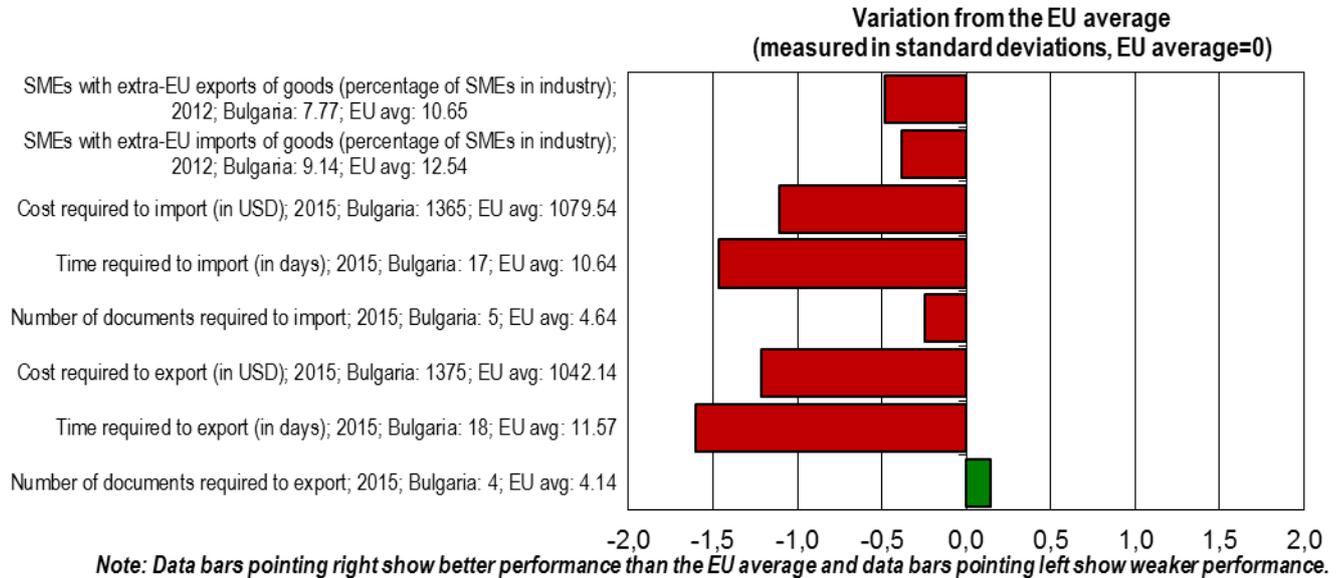


Bulgaria trailed average EU performance in this area. None of the indicators has been updated since the previous year.

The only notable policy measure taken was the setting up of a national programme for improving the energy efficiency of

residential buildings. The programme has an overall budget of EUR 500 million for 2015 and 2016. It covers 265 municipalities.

3.9 Internationalisation



Bulgarian SMEs still traded outside the EU significantly less than small businesses in the rest of the EU last year but the proportion increased slightly. The progress applied to both exports and imports. There has been a steady improvement in this area since 2008.

The customs environment remained largely unchanged. Both the import and export procedures required four to five documents to be filled in, roughly in line with EU-wide practices. However, compared with EU average values both procedures were time-consuming and costly. They required 17-18 days and USD 1 365-1 375 to complete. The time needed to export fell by 2 days from last year, but at 18 days was still substantially longer than the EU average of 12 days.

Two new policy measures were announced during the reference period: a voucher scheme to finance SMEs' participation in international trade fairs and a pilot scheme offering technical assistance for first-time exporters. The assistance provided under the latter will consist in helping companies prepare and implement an individual plan for international expansion. Grants of up to EUR 13 500 are available.

4. Interesting new initiative

Below is an example of a new initiative from Bulgaria to show what governments can do to support SMEs:

Acceleration & seed fund

This policy measure is an investment fund that aims to provide finance for start-ups. It builds on the experiences acquired from a similar measure implemented during the period 2012 – 2014.

The second version of the 'acceleration and seed fund' will manage a budget of EUR 55 million during the financing period up to 2020. Its activities will be closely aligned with the goals of the national strategy for the Bulgarian SME sector 2014 – 2020. SME stakeholders contributed to the design of the new edition of the fund, ensuring that its activities fit in well with other small business policy measures.

The fund will be divided into two compartments, each of which will finance a different stage in the business' start-up phase. The 'acceleration compartment', will provide initial financing to emerging entrepreneurs which will enable them to research and develop a first concept. The 'seed compartment' will provide follow-up financing to successful graduates from the 'acceleration compartment' as well as seed capital to other companies.

The previous edition of the fund helped to strengthen Bulgaria's position in the South East Europe region by providing seed capital. Ninety-six deals were closed during the period between 2012 and 2014, compared with 3 deals completed in the years between 2009 and 2011.

References:

<http://inventures.eu/at-a-glance-the-bulgarian-startup-scene>

<http://venturevillage.eu/startup-sofia-guide>

http://www.eif.org/news_centre/publications/country-fact-sheets/EIF_factsheet_bulgaria.pdf

Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information for the 28 EU Member States and 7 non-EU countries that also contribute to the COSME programme. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making. For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:

http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

grow-spr@ec.europa.eu

Small Business Act:

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

Endnotes

¹ The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2013, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2012 figures from Eurostat's Structural Business Statistics Database. The data cover the 'non-financial business economy', which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

² This development is most likely due to so-called necessity entrepreneurship.

³ Analytiqa, <http://news.old.expert.bg/n147353>, last accessed 25.03.2015

⁴ Ministry of Transport: Strategy for the Development of the Transport System of the Republic of Bulgaria until 2020,

https://www.mtitc.government.bg/upload/docs/Transport_Strategy_2020_eng.pdf

⁵ OP Transport 2007 – 2013, <http://www.optransport.bg/page.php?c=2&d=2>, last accessed 25.03.2015

⁶ Community organisation 'The Building', Will Bulgaria become a logistics centre?

<http://www.the-building.eu/proekti/skladove-logistichni-tzentrove/200-ima-li-perspektiva-za-logistichni-uslugi-v-balgariya>, last accessed 25.03.2015

⁷ Ministry of Transport: Strategy for the Development of the Transport System of the Republic of Bulgaria until 2020,

https://www.mtitc.government.bg/upload/docs/Transport_Strategy_2020_eng.pdf

⁸ OP Transport 2007 – 2013, <http://www.optransport.bg/page.php?c=2&d=2>, last accessed 25.03.2015

⁹ Ministry of Transport: Strategy for the Development of the Transport System of the Republic of Bulgaria until 2020,

https://www.mtitc.government.bg/upload/docs/Transport_Strategy_2020_eng.pdf

¹⁰ OP Transport 2007 – 2013, <http://www.optransport.bg/page.php?c=2&d=2>, last accessed 25.03.2015

¹¹ Institute for Market Economy, <http://ime.bg/bg/articles/koi-sektori-syzdavavt-novi-rabotni-mesta/>, last accessed 25.03.2015

¹²Newspaper Capital, Companies in the business with auto parts http://www.capital.bg/biznes/kompanii/2013/07/11/2101415_s_apetit_za_oshte_fabriki/, last accessed 25.03.2015

¹³Ministry of Justice, Law on Amendments to the Commercial Law, <http://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=73663>, last accessed 25.03.2015

¹⁴Bulgarian Registry Agency, http://www.registryagency.bg/media/filer_public/31/04/310428f2-2e25-4506-a9ed-2d606f208086/_2014_.pdf

¹⁵ Ibid.

¹⁶ The 2015 SBA fact sheets benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

¹⁷ The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2015. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2015. All SBA principles, with the exception of the 'think small first' principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. For more information on the methodology see Saisana and Dominguez-Torreiro 2015 on the webpage of the SME Performance Review: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/index_en.htm

¹⁸The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2014 and the first quarter of 2015. The national SME policy expert that CARSA Spain (DG GROW's lead contractor for the 2015 SBA fact sheets) contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in producing this year's fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW website.