

DOING BUSINESS ABROAD

BEAUTIFUL BULGARIA

Country Facts:-

Population : 7.5 million
Main Exports : clothing, footwear, iron and steel, machinery and equipment, wine
Main Imports : machinery and equipment, metals and ores, chemicals, plastics, fuels, minerals and raw materials, cars

Business in Bulgaria is really booming. The Bulgarian Finance Minister reported that 2004 saw a record volume of direct foreign investments (2 billion euros), and this is growing. The EU is now Bulgaria's main export market and a major source of inward direct investment.

Foreign investors' interests mainly focus on three major areas: Energy, Telecommunications, and Tourism. The Bulgarian property market was incredibly active in 2004, boosted by foreign purchasers, but prices are still comparatively cheap.

Bulgaria's economic advantages include increasingly strong SME's, a well-educated and computer-literate workforce, and low wage and production costs.

There is now preferential treatment for foreign inward investors. This differs according to the type and amount of investment. There are still problems connected with red tape, but this is being worked on by the Bulgarian authorities, bearing in mind the move towards full Bulgarian membership of the EU.

The legal system is gradually being adapted to meet EU requirements. Harmonisation with EU regulations has so far reached 90%. In 2004, there were several reforms to this effect, which have had a profound impact on the business environment. The most notable change was to Bulgaria's Commercial Code and amendments to the Foreign Investments Act.

Every prudent business carries out market research and evaluation before attempting to break into a market. Acquiring knowledge of local laws, regulations and trading practices is an important element in order to obviate potential risk and maximise opportunities.

A.M.& Partners, lawyers of Sofia (mdimitrova@amlega.com) work closely with Temple & Co Commercial, Solicitors in Daventry, (who were awarded the East Midlands Business News Legal Services Award 2004) in assisting UK businesses enter the Bulgarian market, by winning investment support from the Bulgarian authorities, as well as in employment, distribution, property investments, and joint venture issues.

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