

2019

SOFIA BUSINESS GUIDE



SOFIA INVESTMENT AGENCY

Part of
Sofia Municipality





Sofia Investment Agency, part of Sofia Municipality

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MAYOR'S ADDRESS



In recent years, Sofia has developed as an attractive place to invest. The work that's being done in Sofia brought the city to leading positions in both national and international rankings in terms of employment, infrastructure, quality of life, education, economic growth and increase in the number of visitors. Investors are attracted by Sofia's location, good connectivity, but most of all, by the qualified and highly-educated population of the city.

Sofia remains the largest regional economy in Bulgaria, providing the highest standard of living. For the last several years, Sofia has been one of the European cities with the highest growth of GDP per capita. The GDP per capita in the city is over twice the average for the country and exceeds the EU average. Sofia accounts for 40% of Bulgaria's GDP.

By the end of 2017, Sofia had attracted half of the foreign investments in Bulgaria, totalling EUR 12.2 billion or EUR 9 200 per resident, three times the average for the country. A big share of the investments is directed towards high value-added sectors, as Sofia aims to encourage projects in the field of R&D, biotech, creative industries, high value value-added manufacturing and technologies for sustainable city development.

According to the latest FDI Intelligence Global Cities of the Future ranking, Sofia comes up fourth in cost effectiveness and ninth in business friendliness among all large cities worldwide. The fact that Sofia finds its place in a growing number of international rankings indicates an increased interest in the city's potential.

Sofia is characterized by a good uptake of European funds and has absorbed nearly 1/3 of the total amount of funds, allocated under the Operational Programs, or about BGN 2 700 per person on average. By July 2018, funds, paid out to projects, financed by the EU in both program periods on the territory of Sofia, amounted to BGN 3.613 billion.

The average salary in Sofia exceeds the country's average by 34%, coming close to the average level in the EU. Given the concentration of highly-educated working-age population, Sofia has the highest employment rate in Bulgaria – 75% for 2017. Furthermore, the city has the lowest unemployment rate in the country, less than 3%.

The city's financial stability was affirmed by the Standard & Poor's International rating agency, which in 2018 increased Sofia's investment rating to BBB-, with positive outlook, which is an investment-grade rating.

Due to the systematic effort and investments made in the city's urban environment and cultural sites, Sofia is becoming an increasingly attractive tourist destination. According to the Global Destination Cities Index, in 2017 Sofia was second among the European cities with the highest growth of foreign tourists – an overall increase of 15.2% on annual basis, ahead of cities like Lisbon and Paris.

Our efforts are focused on implementing innovative solutions in city governance and urban development. Sofia is changing and the most important thing is that more and more citizens are taking part in this change. The city develops with a consistent focus on one strategic priority – the improvement of the life of its citizens.

In the last years the city has created a favourable environment for technologies and innovation. We owe the achievements in these areas to the educated and enterprising people of Sofia – the city's most valuable asset. The future of Sofia is to develop as a green and innovative city and to transform into the digital capital of the region.



YORDANKA FANDAKOVA

Mayor of Sofia



SOFIA INVESTMENT AND PRIVATIZATION AGENCY

We support local and foreign businesses in building their success stories in Sofia. Sofia Investment and Privatization Agency is part of Sofia Municipality.

OUR SERVICES ARE FREE OF CHARGE AND INCLUDE:



TAILOR-MADE SOLUTIONS

Tailor-made solutions for locating your project, business or research activities in Sofia.



INFORMATION AND ANALYSES

Information and analyses relevant to establishing business activities in Sofia, including strategic strengths, business climate, investment incentives, business costs and location factors such as distribution, work environment and human resources.



BENCHMARK SERVICES

A comprehensive opportunity and benchmarking service.



FACILITATING CONTACTS

Facilitating contacts and networks with potential partners, public authorities, research and educational institutions.



ASSISTANCE IN SETTING UP

Practical assistance in setting up a business in Sofia.



AFTERCARE PROGRAMME

Aftercare programme to grow your business once you are here.

BULGARIA: AN OVERVIEW

Area: 110 993.6 km²

Population: 7 050 034

Capital: Sofia

Largest city: Sofia (Population: 1 671 330 incl. the surrounding region)

Language: Bulgarian

Time Zone: EET (UTC+2)

EU member since 2007

NATO member since 2004



Currency	EUR 1 = BGN 1.9558 fixed exchange rate Bulgarian National Bank
GDP	EUR 51.7 billion (USD 58.38 billion) Bulgarian National Bank (2017)
GDP per capita	EUR 7 301 (USD 8 250) National Statistical Institute (2017)
GDP Annual Growth	3.1% Bulgarian National Bank (2018)
Sofia's share of the national GDP	40% Sofia Economic Profile
GDP Sofia	EUR 20.52 billion (USD 23.18 billion) National Statistical Institute (2017)
GDP per capita Sofia	EUR 15 490 (USD 17 523) National Statistical Institute (2017)
Corporate tax	10%
Personal income tax	10%
Doing Business rank	59 out of 190 countries World Bank Doing Business Report (2019)
Economic Freedom Index	47 out of 180 countries Heritage Foundation (2018)
Global Competitiveness Index*	51 out of 140 countries World Economic Forum (2018)

* + 1.2 points improvement from 2017

Sofia ranks fourth in cost effectiveness and ninth in business friendliness among large cities worldwide according to FDI Intelligence Global Cities of the Future 2018 ranking.

WHY SOFIA

Here are 10 great reasons to start and grow your business in Sofia.



REGIONAL TALENT HUB



Over 50% of the population has a university degree.



Over 50 000 people employed in the IT sector.



70 000 people employed in the BPO and SSC sector, working in over 30 languages.



Highly-skilled work force.



23 universities, 100 000+ university students, 63 research centres, 15+ independent IT schools.



5% of the professionals are employed in the creative industries sector.



High level of language fluency in English, Russian, German, Spanish and French.



LOW CURRENCY RISK

The Bulgarian lev (BGN) is pegged to the Euro. Investors will avoid additional risk of local currency exchange rate fluctuations, present in other non-Euro-zone countries.



COMPETITIVE BUSINESS COSTS

The lowest overall labor cost per hour in the EU. Low office space costs - €13.5 average price for Class A. One of the lowest industrial energy prices in the EU.



GLOBAL R&D ICT LEADERS ARE ALREADY IN SOFIA

Sofia is a regional ICT center with over 50 000 people employed in the ICT sector; Global leaders like SAP Labs, VMware, IBM, CISCO and many others already operate large R&D centers employing, educating and developing thousands of highly-qualified professionals.



STRATEGIC BUSINESS LOCATION

Use Sofia as your gateway into the markets of Europe and Asia, while setting operations in a EU-member country, part of a 550-million consumer market.

WELL-CONNECTED

One to three-hour flight to most EU capitals.
Sofia Airport – over 6 million passengers per year & 20 min from downtown Sofia.

Well-developed network of public transport, including 40 km of expanding underground metro.



BUSINESS FRIENDLY TAX RATES

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



EASY TO START AND GROW YOUR BUSINESS

€ Capital requirement of **1 Euro**.



2-3 business days to register a company.



Low fees to register a company.



EU FUNDING OPPORTUNITIES

Companies registered in Bulgaria have access to EU funds on both national and EU level.



GREAT DIGITAL INFRASTRUCTURE

One of the highest average connection speeds in Europe and the world in both download and upload, with **24** and **15 mbps** registered in December, 2018.

SOFIA: AN OVERVIEW

Sofia is one of the oldest cities in Europe. Its history dates back several millennia.

In 1879, after a close vote by the Parliament, Sofia became the capital of the newly independent Bulgaria.

Today Sofia is Bulgaria's capital, its largest city, the centre of the legislative, executive and judiciary power in the country (National Assembly, Presidency, Council of Ministers and all Ministries), the financial, educational, cultural, business and commercial centre and the biggest city-economy in Bulgaria.

Sofia's population exceeds 1.3 million over an area of 492m², making it the 15th largest city in the European Union.

Sofia's economy is growing at a rapid pace. The city was ranked among the top 10 best performing cities in Europe in 2017*.

Sofia accounts for 40% of the nation's GDP and 1/3 of the country's export. Fourteen percent of the exported goods are produced by the growing ICT sector in the city.

Sofia has one of the most vibrant start-up and entrepreneurial ecosystems in Central and Eastern Europe, due to the abundance of technical talent. The capital available to local startups has played an instrumental role in positioning Sofia on the entrepreneurial map of Europe.

The employment in the sector of the creative industries is also growing.

Sofia acts as a magnet for talent. Twenty-three of Bulgaria's 51 universities are located in Sofia, with over 100 000 students.

A developed transport infrastructure, with bus, tram and underground public transport, makes Sofia a well-connected city. The largest international airport in the country is just 20 min from downtown Sofia.

Sofia is a growing tourist destination. The city was second in Europe in growth of international visitors - 15.2% for 2017 **.

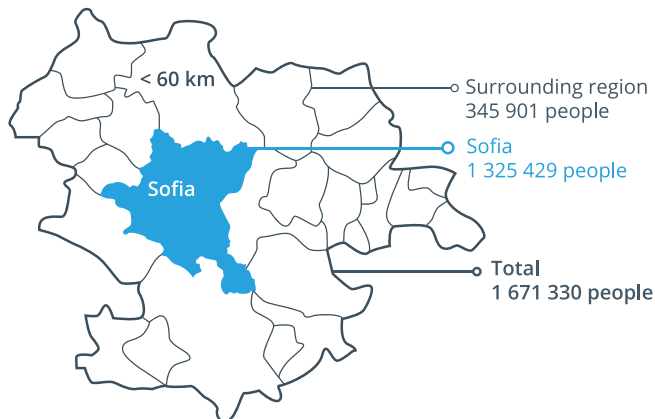
*Best-performing Cities, Europe 2017, Milken Institute

**Mastercard Global Destination Cities Index, 2018

THE PEOPLE OF SOFIA

TOTAL POPULATION

Population of Sofia and the surrounding region



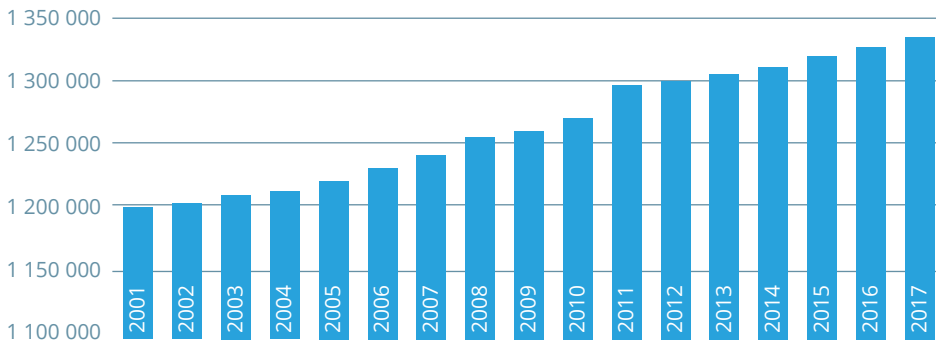
Source: NSI data for 2017



23%
of Bulgaria's
population

25%
of the total labour
force in Bulgaria

Total population of Sofia

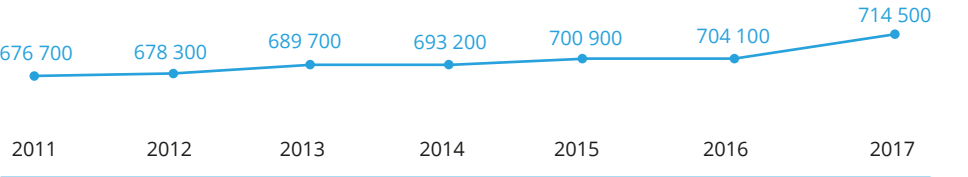


Source: NSI

LABOUR FORCE

Sofia is the largest city in Bulgaria in terms of population. It is also one of the few cities in the country experiencing population growth and benefiting from overall favourable demographic trends. The population growth in Sofia is supported by the continuing influx of young people to the city, which provides diversity and easy access to workforce. The labour force in the city increased by 26% in the period from 2003 to 2017, or by a total of 147 100 people and currently amounts to 714.5 thousand people. Sofia together with the broader Sofia region (within < 60 km of the city) has a total workforce of over 1M people.

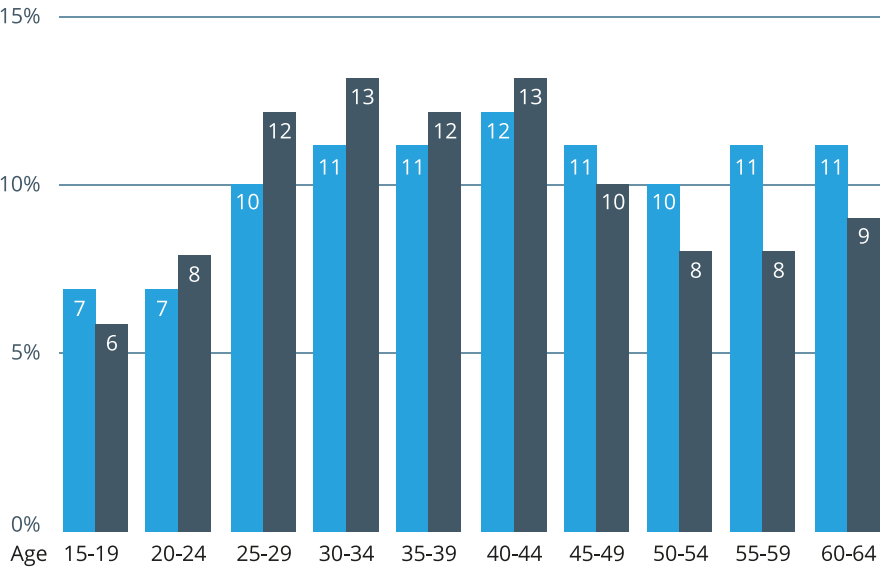
Sofia: workforce by year



Source: NSI

The age group distribution of the population in Sofia is also favourable.

Age group distribution of the population in Sofia, aged 15-64, in %



Source: NSI data for 2018

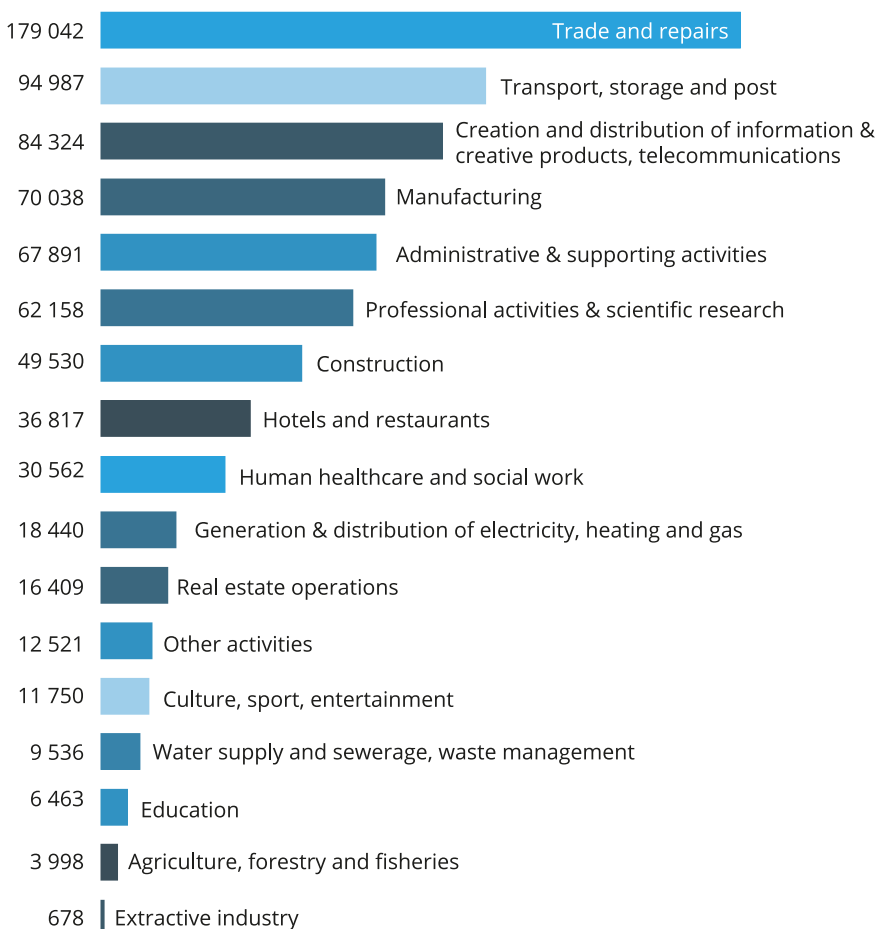
● Bulgaria % ● Sofia %

EMPLOYMENT

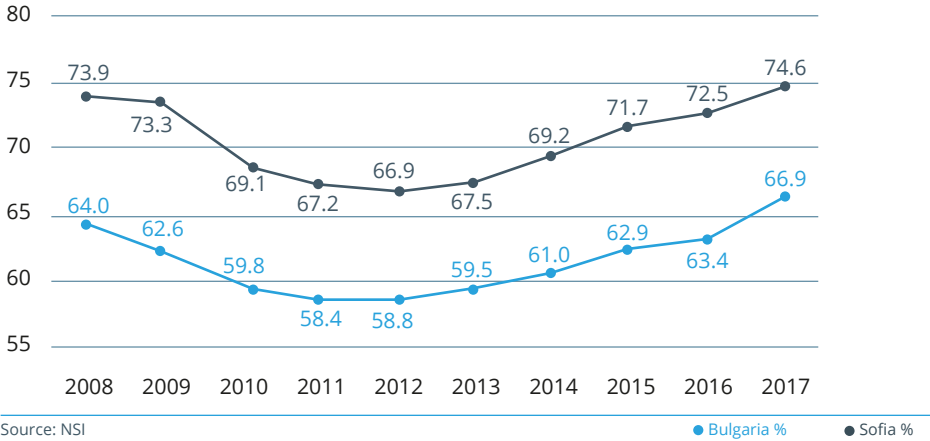
Sofia has the highest labour participation rate in Bulgaria, above the EU average and the lowest unemployment rate in the country.

The data on employment by economic activity shows the ongoing restructuring of Sofia's economy due to the rapid growth of the ICT and outsourcing industries. The number of employed in these sectors increased by over 50 000 people between 2008 and 2017 and now accounts for nearly 20% of the total employment in Sofia.

Number of employed by sector of economic activity in Sofia



Average annual employment rate of the population, aged 15-64, in %



KNOWLEDGE WORKERS

Much of Bulgaria's 'brain business' is concentrated in Sofia. The city ranks 28th, out of 283 European regions, included in the 2018 Brain Business Jobs Index, with 89.6 brain jobs per 1 000 working-age population. Sofia is increasingly viewed as an alternative for ICT-localization to the leader Bratislava, which has the highest concentration of brain-business jobs of Europe.

Sofia is performing very well in the tech and creative sectors. Some of the specific strengths of the city are in design and IT.

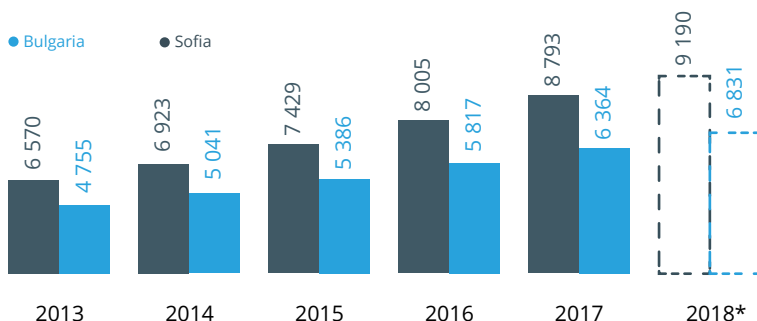
Sofia is 28th among 283 regions in share of the population, engaged in brain jobs.

Source: Europe's Brain Business Jobs Index, 2018

WAGES AND SALARIES

In 2018, the annual gross salary in Sofia was EUR 8 793, showing an increase of almost 10% on annual basis. Although the upward trend is expected to continue, Sofia still has one of the lowest labour costs among the EU capitals.

Average annual gross salary, EUR

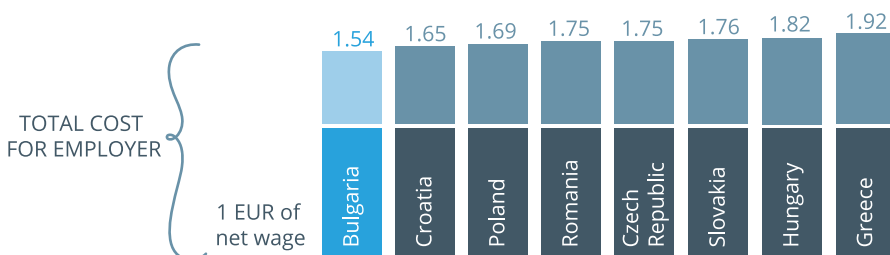


Source: NSI

* 2018 Sofia Investment Agency estimation

IT and the sector of professional services, incl. business process outsourcing (BPO) offer the highest salaries in Sofia. The average salary in the IT sector was three times higher than the average for the city, while in the BPO sector it was 30% above the average for the city.

Total employer cost per EUR 1.00 of net salary - regional comparison



*The maximum taxable income in Bulgaria is capped at BGN 3 000 per month (2019)

Source: Institut Économique Molinari

The employee part of the Bulgarian mandatory social security tax amounts to 13.78% of the total cost for employer, while the employer portion varies between 18.92 % and 19.62 %. The social security contribution in Bulgaria is split 55/45 between the employer and the employee.

Working time



Working days

21 days per month
252 days per year



Annual paid leave

min. 20 days per year



Public holidays in

2019

11 days

Labour contracts



Indefinite contract

Duration: indefinite

Probation period: up to 6 months

Termination notice: 1 month



Term contract

Duration: up to 3 years

Probation period: up to 6 months

Termination notice: 3 months



Overtime

max. 150 hours per year

Overtime compensation:

On working days: 50%

On weekends: 75%

On national holidays: 100%



Maternity leave

up to 3 years
(paid by the state, very small employer contribution)

1st year – the state pays 90% of the gross salary, up to a fixed amount

2nd year – the state pays
BGN 380 per month

3rd year – without pay

FOREIGN EMPLOYEES AND INITIATIVES FOR ATTRACTING TALENTED LABOUR FORCE

Citizens of all EU and EEA countries, plus Switzerland have the right to reside and work in Bulgaria indefinitely.

All other nationals need a work permit and a long-term visa in order to work or reside in Bulgaria.

The issuance of a work permit is an employer-driven process.

Types of work permits

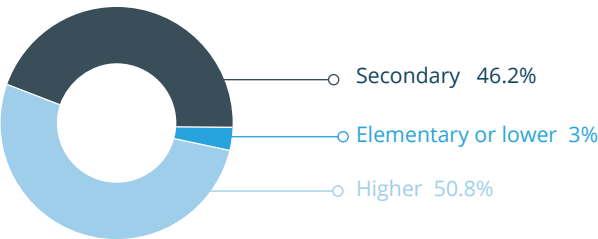
- **Single work and residence permit** is issued to non-EU nationals who apply to reside in Bulgaria for the purpose of work, or who already have a valid residence permit for purposes other than work.
- **EU Blue Card** is a work permit entitling highly qualified non-EU nationals to reside and work in the country. In October 2017, the requirements for receiving a Blue Card in Bulgaria were eased up and the duration of the employment permit was extended to 4 years. A list of the qualifying professions is published by the Ministry of Labour and Social Policy yearly.
- **Intra-corporate transfer permit:** temporary secondment of a foreigner for work or training purposes, applies only in case of relocation of managers, specialists and trainees.
- **Seasonal employment permit:** non EU-nationals can contract with a local employer for seasonal (up to 90 days) work. In 2017 and 2018, Bulgaria simplified the procedure for registration of seasonal workers.
- **Work permit for posted employees:** non-EU nationals temporary posted to Bulgaria for project-based, limited term services for a maximum of 12 months.

EDUCATION IN SOFIA

UNIVERSITIES IN SOFIA

Sofia is home to 23 of Bulgaria's 51 universities. The majority of the working-age population in the city, or nearly 51%, hold a university degree. The number of people with tertiary education has grown significantly since 2011, when it was around 40%. The trend is expected to continue as Sofia is not only the city with the highest number of university students in the country, but also attracts graduates from other cities in Bulgaria and abroad.

Share of Sofia population aged 15+ by education level



Source: Sofia Economic Profile, 2018

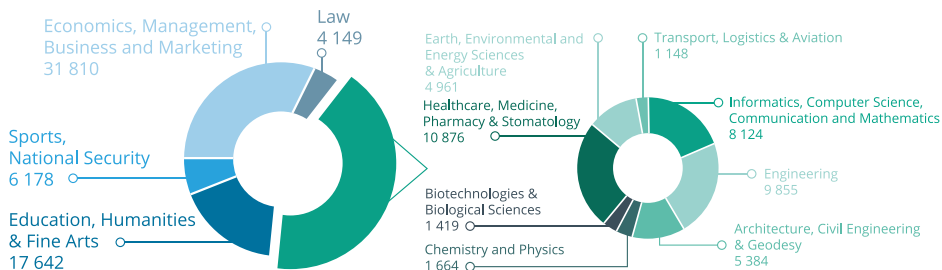
Largest universities in Sofia

University	Number of students
Sofia University 'St Kliment Ohridski'	20 170
University of National and World Economy	18 870
Technical University	9 644
Medical University	8 311
New Bulgarian University	7 793

Source: opendata.government.bg/; data for 2017

The total number of university students in Sofia is over 100 000 or 40% of all university students in the country.

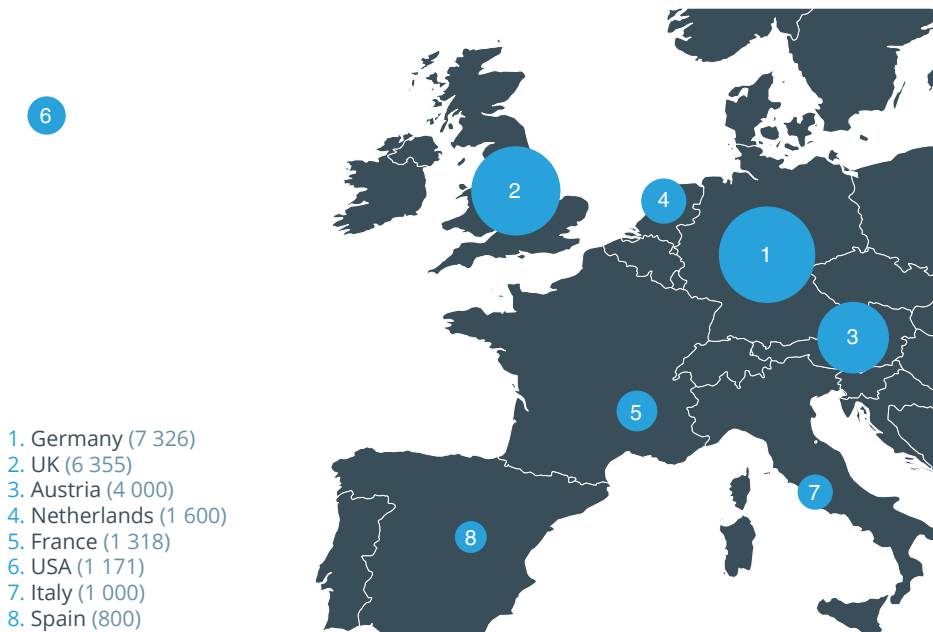
Number of current students in Sofia by field of study



Source: Ministry of Education

An increasing number of students, graduating from secondary schools in Bulgaria continue their university education abroad. Germany, UK, Austria and the Netherlands have traditionally been the preferred destinations. According to some estimates, the number of Bulgarians studying abroad averages around 30 000 every year.

Bulgarian university students abroad by country

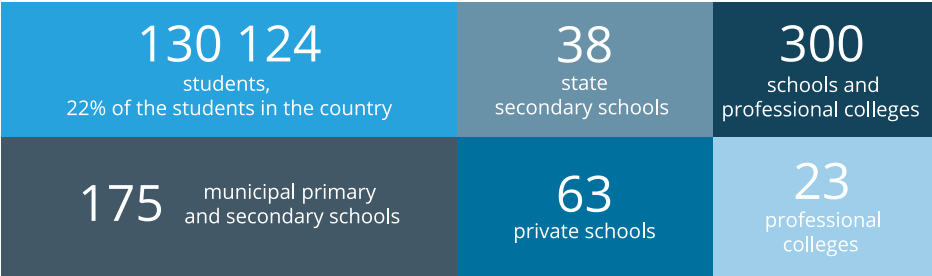


Source: Labour Market in Sofia Report, 2017

An increasing number of graduates are returning to Bulgaria upon graduation. Various information and promotion campaigns of public institutions and the private sector began to target Bulgarian university students abroad. In 2018 alone, the National Centre for Information and Documentation / NACID / has recognized close to 900 foreign-issued diplomas. Most of the diplomas were issued from universities in UK and Russia.

Source: nacid.bg

SECONDARY AND PRIMARY EDUCATION IN SOFIA



Source: NSI; sofia.bg

SOFTWARE SCHOOLS

Due to rapid expansion of the ICT sector in Sofia, ICT companies are increasingly turning to the high schools and universities in the city to develop joint courses.

The alternative ICT education is also growing in popularity. Over 15 private software academies offer short to mid-term educational programs (6 to 30 months). Courses range from programming and computer graphics to IT project management and sales.

While some programs are targeting people with little or no IT background, others attract developers with 3 -5 years of experience.

The courses are often developed in collaboration with local IT companies in accordance with their labour demands. The number of graduates has already reached several thousand and is growing steadily. Lately, there is an increase in the courses and programs tailored for children.

ENTREPRENEURIAL SKILLS

In 2015 the Bulgarian government ratified the Action Plan Entrepreneurship 2020 – Bulgaria, with over 30 specific measures in accordance with the Entrepreneurship 2020 action plan of the European Commission.

The Pre-school and School Education Act, adopted in 2016, included the education in entrepreneurship and digital skills in the mandatory school curriculum. Currently, over 27 000 students in Sofia, grades 1st to 12th take classes in entrepreneurship.

The Ministry of Education is implementing measures targeted at broader age groups through the National Strategy for Lifelong Learning 2014-2020.

In addition, there are several initiatives focusing on introducing or expanding entrepreneurial education.

Source: Ministry of Education, Ministry of Economy.

LANGUAGE EDUCATION

Close to 25 foreign languages form a part of the curriculum in the Bulgarian school system.

Number of students by foreign language studied per education level in Bulgaria

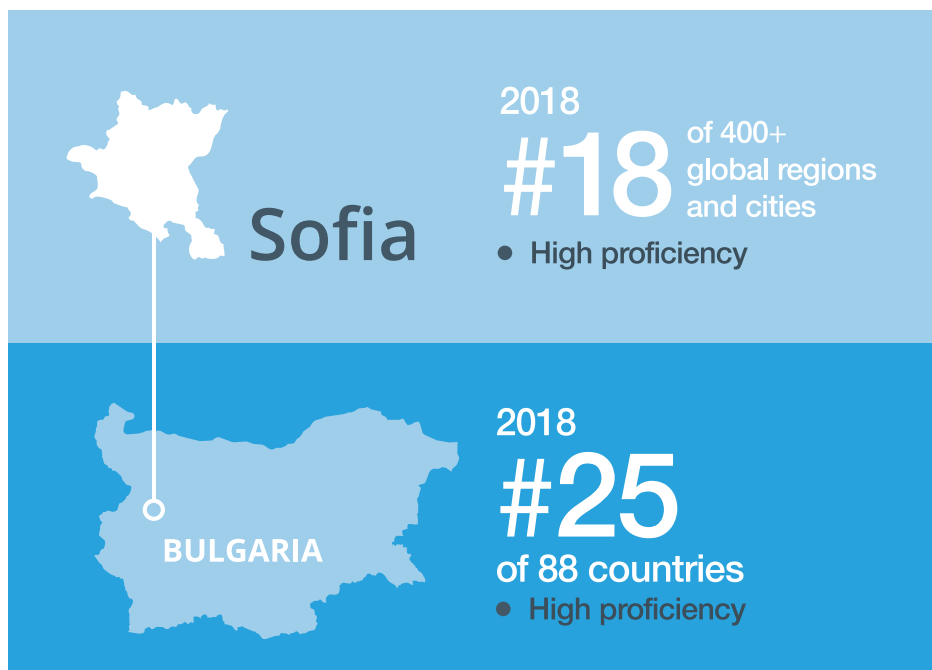
LANGUAGE/ ISCED11	Primary education	Lower secondary education	Upper secondary education	Upper secondary education - general	Upper secondary education - vocational	TOTAL PER LANGUAGE
English	199 616	193 013	223 790	116 476	107 314	840 209
Russian	12 812	32 556	69 353	31 959	37 394	184 074
German	6 244	12 855	77 037	46 758	30 279	173 173
French	2 480	4 327	22 535	14 797	7 738	51 877
Spanish	652	3 405	15 072	13 112	1 960	34 201
Italian	368	713	3 517	2 434	1 083	8 115
Other	2 047	1 543	3 412	2 882	530	10 414
Total	224 219	248 412	414 716	228 418	186 298	1 302 063

Source: Eurostat 2017

FOREIGN LANGUAGE PROFICIENCY IN SOFIA

Sofia is characterized by high level of foreign language fluency. The most commonly spoken languages are English, German and Russian.

EF English Proficiency Index



Source: EF English Proficiency Index, 2018

English is the most preferred foreign language choice in Bulgarian schools. Most of the students in secondary schools with intensive language curriculum in Bulgaria in 2017 also studied English (64 074 students), followed by German (13 283) and French (6 218).

Education in Far Eastern languages in Bulgaria is available mostly in Sofia. It is estimated that over 2 000 students in the city take classes in Japanese, Chinese or Korean. Over 1000 students study Hebrew and additional 200 take Scandinavian languages such as Norwegian, Danish and Swedish, which are rapidly gaining popularity.

Close to 1/3 of the population between 19 and 34 years self-report that they speak more than one foreign language at an intermediary level, or higher. The most common language combinations are English and Russian, followed by English and German.

Source: Sofia Labour Report 2017

ECONOMY OF SOFIA

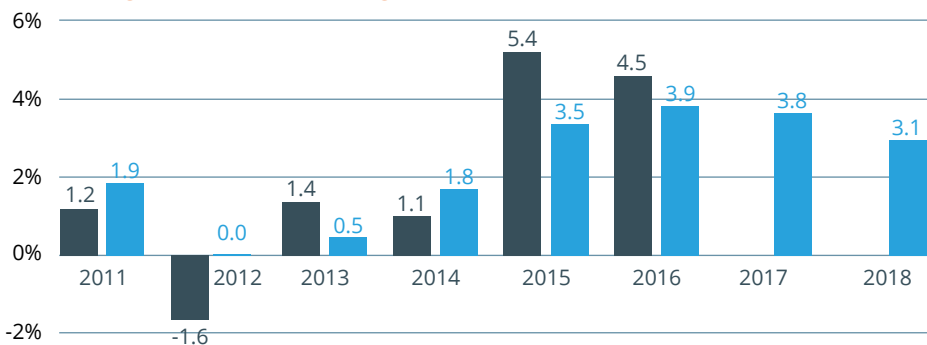
ECONOMIC GROWTH

Sofia: BGN 40.13 billion in 2017

Sofia GDP per capita: BGN 28 465 (2.2 times the national average)

Sofia is the biggest city-economy in Bulgaria. It provides close to 40% of the nation's GDP. Due to the strong export and final consumption in the last several years, it has been growing at a rate faster than the EU average. It is export oriented and accounts for 1/3 of the national export, exceeding BGN 24 billion.

Real GDP growth: Sofia and Bulgaria, %

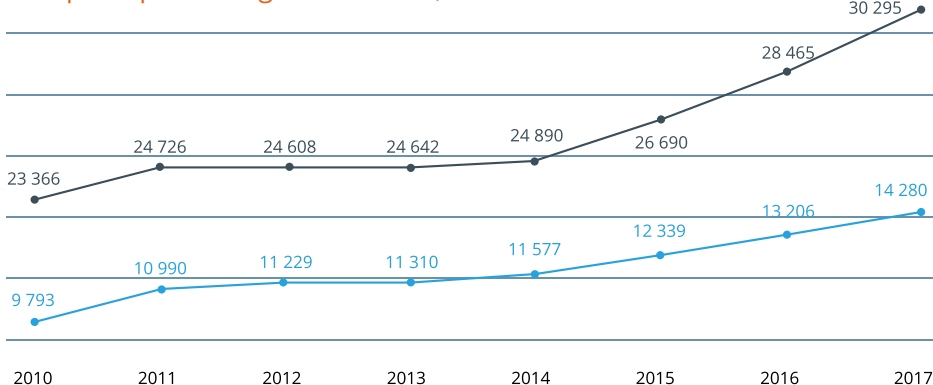


Source: NSI

● Bulgaria %

● Sofia %

GDP per capita in Bulgaria and Sofia, BGN



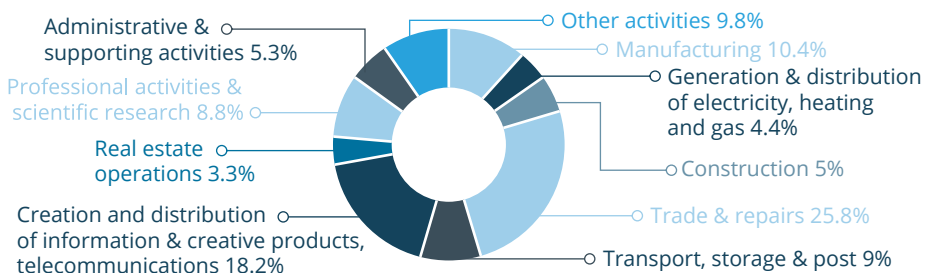
Source: NSI

● Bulgaria

● Sofia

SOFIA ECONOMY BY SECTOR

Value added at factor costs of non-financial enterprises, in Sofia in %

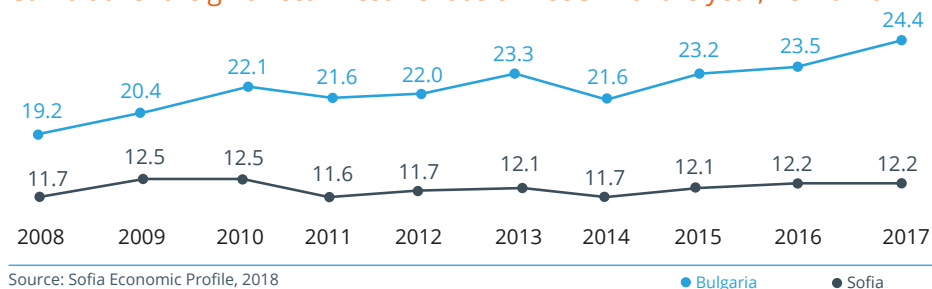


Source: Sofia Economic Profile, 2018

OREIGN DIRECT INVESTMENT (FDI)

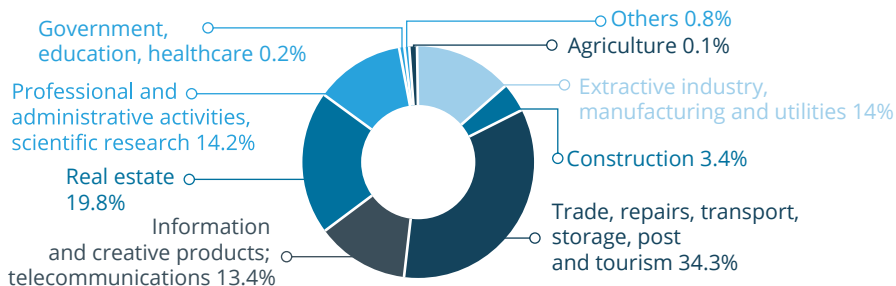
At the end of 2017, the cumulative foreign direct investment in Sofia was EUR 12.2 billion (2000-2017), accounting for exactly 50% of the overall cumulative FDI to Bulgaria.

Cumulative foreign direct investment as of Dec 31* of the year, EUR billion



Source: Sofia Economic Profile, 2018

Foreign direct investment in Sofia by sector (2000-2017)



Source: Sofia Economic Profile, 2018#

CURRENCY

The Bulgarian Lev (BGN) is pegged to the EURO at 1.96 BGN per 1 EUR. It will remain pegged until Bulgaria enters the Eurozone.

CREDIT RATINGS

Fitch Ratings	as of December, 2017	BBB/Stable
Standard and Poor's	as of December, 2017	BBB-/Positive
Moody's	as of May, 2017	Baa2/Stable

Credit ratings assigned to Sofia

Standard and Poor's	as of December, 2017	BBB-/Positive
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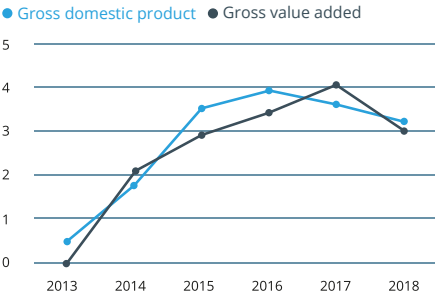
Source: Ministry of Finance of the Republic of Bulgaria



MACROECONOMIC INDICATORS

Economic growth of Bulgaria

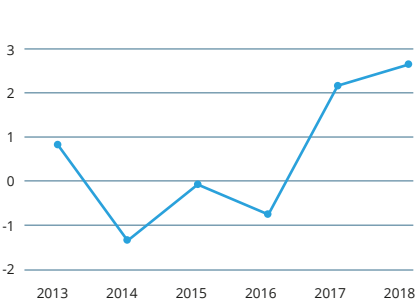
Average annual % change



Source: Bulgarian National Bank

Consumer price index, Bulgaria

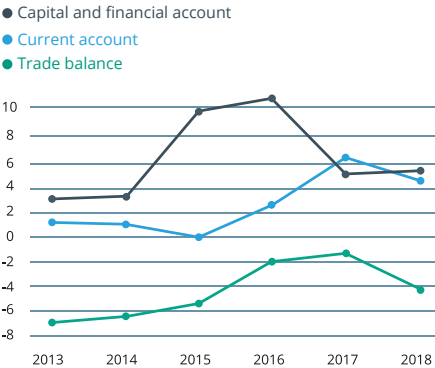
Average annual % change



Source: Bulgarian National Bank

Balance of payments, Bulgaria

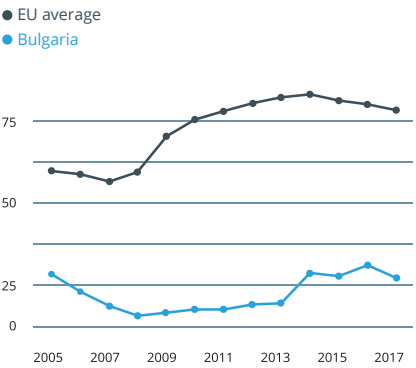
% of GDP



Source: Bulgarian National Bank

Government debt of Bulgaria

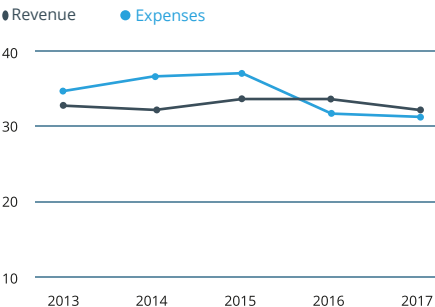
% of GDP



Source: Bulgarian National Bank, Eurostat

General government operations

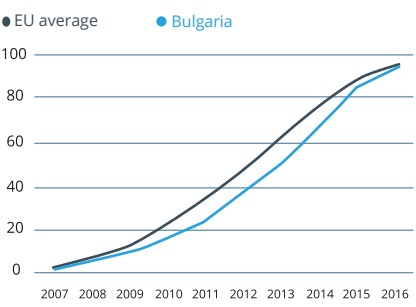
% of GDP



Source: Bulgarian National Bank

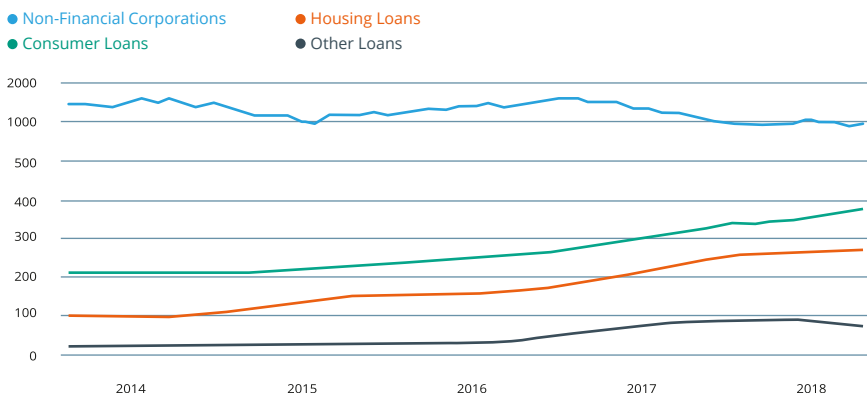
EU funds absorption rates

%



Source: European commission and IMF staff calculations

New loans BGN million



Source: Bulgarian National Bank, Eurostat

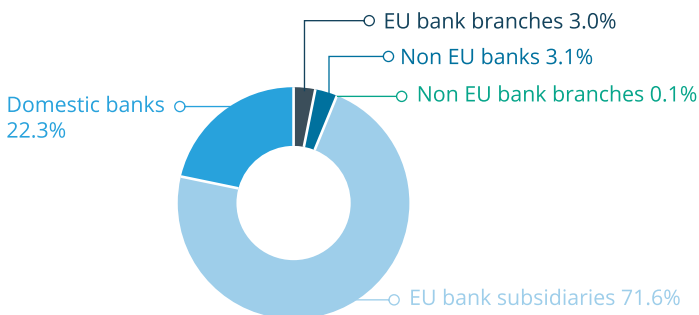
BANKING SYSTEM

The Bulgarian banking system remains stable with growing assets and capital adequacy and liquidity indicators significantly above the regulatory requirements.

At the end of 2018 there were 26 licensed banks and foreign banks' branches operating in Bulgaria, down by one from the previous year due to an ongoing trend of bank consolidation that is likely to continue in 2019. The market share of the five largest banks was 58.4% in July, 2018.

The majority of the banks operating in Bulgaria are members of international, almost entirely European, banking groups.

Market share of domestic banks and subsidiaries of foreign banks in Bulgaria



Source: Bulgarian National Bank, 2018

The biggest banks in Bulgaria by assets

- **Unicredit Bulbank** – part of UniCredit Group (Italy)
- **DSK Bank** – part of OTP group (Hungary)
- **United Bulgarian Bank** - part of KBC (Belgium)
- **First Investment Bank**
- **Eurobank Bulgaria** – part of Eurobank (Greece)
- **Raiffeisen Bulgaria** – part of Raiffeisen Bank International (Austria)

Total bank assets in 2018 exceeded EUR 50 billion, following an increase of several percentage points over a year ago.

Loans to households and non-financial corporations increased in 2018, reflecting the low interest rates, higher earnings and optimistic economic expectations. The share of gross non-performing loans and advances of the Bulgarian banking system fell to 8.5% at the end of 2018, following a general downward trend, but remains above the EU average. Deposits into the banking system also increased.

Source: Bulgarian National Bank

THE BULGARIAN STOCK EXCHANGE

Bulgarian Stock Exchange – Sofia /BSE/ is the only regulated securities and other financial instruments market in Bulgaria.

MARKET SUPERVISION

The Financial Supervision Commission (FSC) is responsible for stock market supervision. The Commission is an independent state authority whose mission is to protect investors' rights and to enhance the development of a transparent and efficient capital market.



STARTING A BUSINESS IN SOFIA

Establishing new business entity, including with foreign participation, or acquisition of shares of an existing local entity in Bulgaria, is governed by the Commercial Act. There is no limitation on the share participation of foreign legal entities and individuals.

Types of business entity

- Unlimited partnerships
- Limited partnerships
- Limited liability companies
(solely-owned limited liability companies)
- Joint-stock companies
(solely-owned joint-stock companies)
- Limited partnerships with shares
- Sole traders

No prior permission from government institutions is required except for cases involving banking or insurance activities, investment funds, management companies or investment intermediaries, special concession rights and others.

SETTING UP A COMPANY

The most popular forms of business associations are the limited liability company (OOD) and the joint stock company (AD):

Limited Liability Company (OOD)

- The minimum required capital is EUR 1
- Should have at least 1 Director and 1 Shareholder
- No restrictions for nationality of Directors or Shareholders
- Company incorporation takes 3-4 working days

Joint Stock Company (AD)

- Minimum required capital - EUR 25 000
- Minimum required paid-up capital - 25% of the total capital
- Annual audit
- Should have at least 1 Chairman, 3 Board Members and 1 Shareholder
- No restrictions for nationality of Board members and Shareholders.

Registering a business - fees and turnaround times

Procedure	Time (business days)	Fees (BGN)
Implementation of the Articles of association	1 day	none
Obtaining a notary certified statement of consent and signature specimen of the manager and a verified copy of the company's Articles of incorporation	1 day	BGN 5
Depositing subscribed capital in the bank	1 day	BGN 10-30
Registration in the Commercial Register of the Registry Agency	2 days	BGN 55 (for online registration)
VAT registration	12 days	none
Registration of fiscal device (cash register)	2 days (simultaneous with previous procedure)	BGN 50-200
Register employees with National Revenue Agency	Less than one day, online procedure simultaneous with previous procedure	none
Register commercial object of the company (in case the company will operate commercial sites)	1 week	none

Source: World Bank Doing Business, 2019



BUSINESS TAXES AND FEES

Type	Number of payments	Tax rate	Tax base
Corporate tax	1	10%	Taxable income
Value added tax (VAT)	1	20%	Value added
Employer social security contribution	1	18.92%	Gross monthly salary, up to the monthly ceiling of BGN 3 000
Communal taxes (non-residential waste collection tax in Sofia)	1 (in 4 installments)	10‰ (per mille)	Book value or taxable value of the property or/and the number of the used containers.
Real estate transfer fee	1	Notary fee from BGN 30 to 1 531 0.1% to 1.5% of the property value (max. BGN 6 000) A 20% VAT is charged on the notary's fee.	The taxable value or the selling price (whichever is higher)
Real estate transfer tax	1	2.5%	The taxable value or the selling price (whichever is higher)
Property tax	1 (in 2 installments)	0.1875%	Book or taxable value (whichever is higher)
Vignette	1-12	From BGN 97 to 2 088 (annual fee for various vehicle types)	Vehicle type
Vehicle tax	1 (in 2 installments)	BGN 16 to 1 313 (annual fee for various vehicle types)	Vehicle type
Insurance premium tax	1	2.0%	Insured amount
Final/One-off tax on some expenses (e.g. representative expenses, social expenses in kind)	1	10% (exemptions apply)	Gross expenses
Tax on fuel	1	-	Included in the fuel price

INVESTMENT INCENTIVES

Investment incentives in Bulgaria are national and local. The investment projects is reviewed and awarded an investment certificate. The certification procedure takes a few weeks.

	National by Invest Bulgaria Agency			Municipal by Sofia Investment Agency
	Priority Class	Class A	Class B	Class C*
THRESHOLD				
	€ 50 M 50 – 150 Jobs	€ 1 -5 M 25 – 150 Jobs	€ 500 K – 2.5 M 10 – 100 Jobs	Up to € 1M No job requirements
INCENTIVES				
Shortened administrative procedures	✓	✓	✓	✓
The right to purchase government or municipal real estate without a tender	✓	✓	✓	✓
Individual services	✓	✓		✓
Financing of vocational training	✓	✓	✓	
Social security cash-back	✓	✓	✓	
Financing of supporting infrastructure	✓	✓		
Public-private partnership	✓			
No tax on land status change	✓			
Acquiring public real estate at below market price	✓			
R&D grants	✓			

*Class C is awarded for projects within the territory of Sofia Municipality.

Certification criteria

1. Economic activity*:

To be awarded with Class A, B or Priority certificate, the investment must be in the sector of:

- Manufacturing
- Services including:

High-tech activities in the field of ICT, R&D, Outsourcing of business processes, Activities of head offices, Education, Human health care, Warehousing and support activities for transportation, Accounting and auditing, Architecture and engineering

*High-tech sectors have lower investment volume requirements.

2. Number of new jobs created

3. Location of the investment

Bulgaria has signed Double Taxation Avoidance Agreements with 80 countries.



TRANSPORT AND CONNECTIVITY

SOFIA AIRPORT

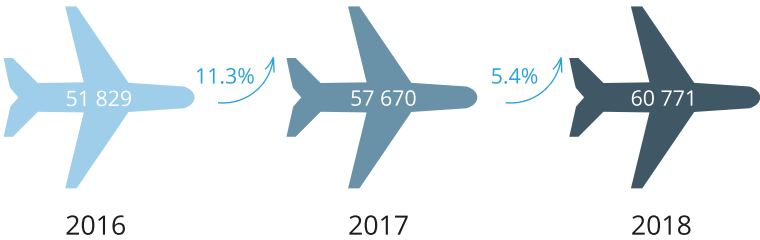
Sofia Airport is the biggest international airport in Bulgaria.

6 962 040	7.3%	44	20 min
NUMBER OF PASSENGERS	PASSENGER INCREASE	NEW FLIGHTS ADDED	DISTANCE TO CITY CENTRE
2018	2018	2015 - 2018	

In 2018, Sofia Airport welcomed almost 7 million passengers, following several years of double digit passenger growth - 30.3% in 2017 and 21.8% in 2016.

In 2018 the airport handled 22 251 tons of cargo.

Aircraft movements



In 2018 London was the most popular destination with 443 198 passengers to and from Sofia Airport, followed by Varna with over three times fewer passengers.

Sofia airport: Top destinations in number of passengers

1. London	443 198	6. Amsterdam	125 859
2. Varna	146 638	7. Brussels	120 406
3. Milan	132 977	8. Athens	117 935
4. Rome	128 645	9. Frankfurt	117 402
5. Tel Aviv	127 795	10. Madrid	102 265

Source: Sofia Airport, 2018

HIGHWAY NETWORK

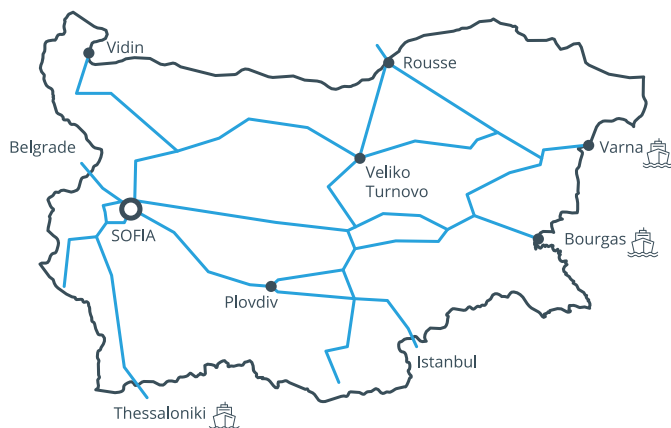
Sofia is part of 3 Pan-European transport corridors.

The city is well connected with the rest of Bulgaria and the Black Sea Coast, the city and the port of Bourgas, as well as with the borders with Turkey, Greece (Thessaloniki) and Serbia through the Northern Speed Tangent road, Sofia Ring Road, Trakia Motorway (A1), Hemus Motorway (A2) and Struma Motorway (A3).

TRANSPORT NETWORK



RAILWAY NETWORK IN BULGARIA



Source: Bulgarian State Railways

INTERNET CONNECTIVITY

Sofia has one of the highest Internet speeds in Europe. The city has the second highest average internet connection rate in the region, both downloading and uploading – 24 and 15 MBPS respectively.

95% of households in Bulgaria have fixed broadband coverage and 75% of them have ultrafast broadband coverage compared to 97% and 58% in the EU.

A stand-alone monthly broadband subscription for a business client costs from EUR 18 (50 MBPS) to EUR 28 (100 MBPS) per month excl. VAT. Higher speeds of up to 1 GBPS are also available.

Source: Digital Economy and Society Index (DESI) 2018, testmy.net

ACCESS TO UTILITIES

ELECTRICITY

Bulgaria has been a net exporter of electricity in the last 10 years. The country's power sector has a diverse supply mix consisting of nuclear, hydro, thermal-based and renewable energy generation.

The main electricity supplier in Sofia is CEZ Bulgaria EAD. The Bulgarian Energy Exchange (IBEX) commenced operations in the beginning of 2016 with the establishment of an organized energy wholesale trading market Day-ahead. The Intraday electricity market and the Centralized Market for Bilateral Contracts (CMBC) segment started operating in 2018.

Source: ibex.bg, me.government.bg

Price of electricity for industrial use in Bulgaria is one of the lowest in the EU.

Price of electricity for non-household consumers (Jan-Jun, 2018)

Annual electricity consumption (MWh)	Prices (including all taxes, levies and VAT)	
	BGN/kWh	EUR/kWh
< 20	0.247	0.126
20 < 500	0.221	0.113
500 < 2 000	0.190	0.097
2 000 < 20 000	0.175	0.080
20 000 < 70 000	0.160	0.082
70 000 ≤ 150 000	0.149	0.076
> 150 000	0.142	0.073

Source: NSI

NATURAL GAS

The major natural gas suppliers in Bulgaria and Sofia are Bulgargaz EAD and Overgas Inc. AD.

Price of natural gas for non-household consumers (Jan-Jun, 2018)

Annual gas consumption in GJ	Prices (including all taxes, levies and VAT)	
	BGN/GJ	EUR/GJ
< 1000	20.302	10.380
1 000 < 10 000	19.085	9.758
10 000 < 100 000	16.686	8.531
100 000 < 1 000 000	13.173	6.735
1 000 000 ≤ 4 000 000	11.973	6.122
≥ 4 000 000	confidential data	confidential data

Source: NSI

WATER & SEWAGE

Sofiyska Voda AD is the water supplier and provider of waste water services in Sofia.

Price of water for non-household consumers (2018)

Water supply, sewerage and waste water treatment	Prices (including all taxes)	
	BGN/m3	EUR/m3
Degree of pollution 1	2.406	1.230
Degree of pollution 2	2.729	1.395
Degree of pollution 3	2.917	1.491

Source: Sofiyska voda

OFFICE & INDUSTRIAL SPACES

CONSTRUCTION PERMITS

According to a report by the World Bank, completing the construction permitting process for a simple warehouse in Sofia, including connecting it to water and sewerage, requires 18 procedures.

Among Bulgarian cities, Sofia has the easiest and fastest construction permitting process, taking 97 days with a fast-track option at an additional fee for several municipal services. The building quality control index for Bulgaria is 14 (out of 15) with only three countries in the world having a higher score.

Dealing with construction permits in Sofia

Indicator	Sofia	Europe and Central Asia	OECD High Income
Procedures (number)	18	16	12.7
Time (days)	97	170.1	153.1
Building quality control index (0-15)	14	12	11.5

Source: Doing Business 2019, World Bank

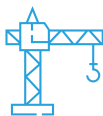
OFFICE SPACES IN SOFIA

The office space market in Sofia has been growing rapidly in the last several years due to tenants from the growing IT, BPO and SSC sectors in the city.



1.8-2M m²

Existing stock of class A and B office spaces



440 000 m²

Office spaces under construction



8-15 €/m²

Rental prices - Class A and B



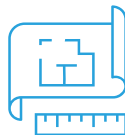
8.5-9.5%

Vacancy rate



7.75%

Prime yields



250 000 m²

New projects awaiting building permits

Source: leading real estate agencies for Q4, 2018

INDUSTRIAL SPACES IN SOFIA

The market is dominated by owner-occupied and built-to-suit facilities.



1-1.1M m²

Existing stock of industrial spaces



200 000 m²

Industrial spaces under construction



2.7-5 €/m²

Rental prices



<6%

Vacancy rate



9%

Prime yields

Source: leading real estate agencies for Q4, 2018

RETAIL SPACES IN SOFIA



400 000 m²

Existing stock of retail spaces



40 000 m²

Retail spaces under construction



32-39 €/m²

Average rental prices



12-15%

Vacancy rate



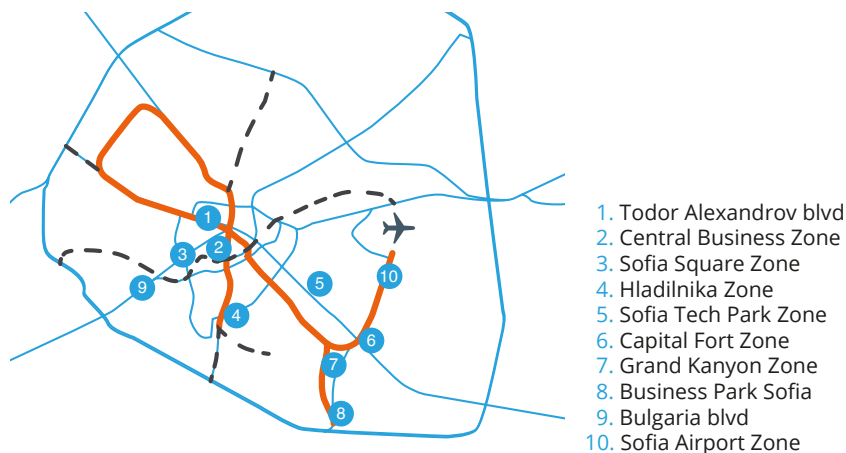
7.25%

Prime yields

Source: leading real estate agencies for Q3, 2018

*The available data is for shopping centres only

BUSINESS ZONES IN SOFIA



Source: Forton | Cushman&Wakefield

SOFA TECH PARK

The first science and technology park in Bulgaria opened in Sofia in 2015. Sofia Tech Park aims to support the development of the research, innovation and technology capacity of the country. It includes a vast laboratory complex, an innovation forum, an interactive children's center TechnoMagicLand, and an incubator for innovative companies.

Area: 40 000 m²

Laboratory Complex: 11 high-tech labs

Incubator: new batch of innovative companies in 2019

Innovation Forum: 1 000 seats and over 100 events

TechnoMagicLand: over 40 interactive experiments for children

Sofia ranks 94th in the Smart Cities 2018 Index. The index assesses the degree of implementation of smart technologies in 500 cities around the world.

Source: Sofia Tech Park; Smart Cities Index 2018 by EasyPark

INDUSTRIAL AND LOGISTICS ZONES IN AND AROUND SOFIA

Over 15 industrial and logistics parks are located in or around Sofia, including the biggest economic zone in the region – Sofia-Bozhurishte.

Industrial and logistic parks



Source: Forton | Cushman&Wakefield, NCIZ

Sofia-Bozhurishte economic zone

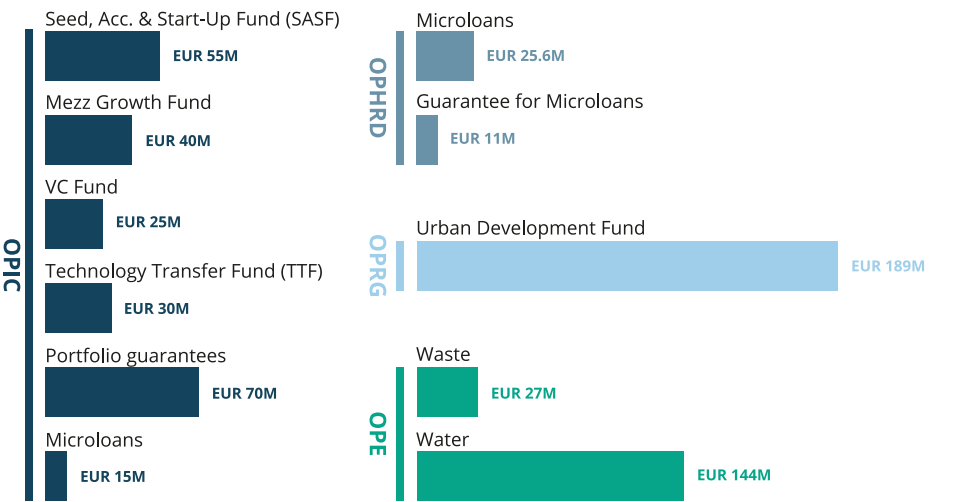
Sofia-Bozhurishte economic zone is run by the National Company Industrial Zones. The zone is 15 km from the city centre and 23 km from Sofia airport and has an area of 3 038 527 m².

FUNDING

There are multiple sources of financing available to companies and public and private organizations in Bulgaria. The Fund of Funds is the national entity overseeing the management of the financial instruments in the country.

FUND OF FUNDS

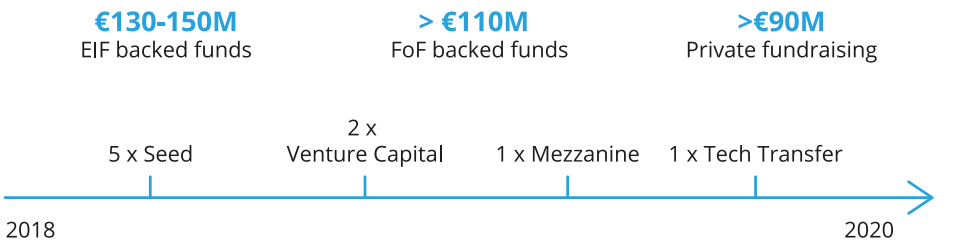
The Fund of Funds (FoF) manages BGN 1.2 billion under four operational programs: OP „Human Resources Development “, OP „Innovation and Competitiveness “, OP „Environment “and OP „Regions in Growth “.



Source: Fund of Funds

FUTURE DEVELOPMENT OF THE LOCAL INVESTMENT INDUSTRY

According to the Bulgarian Venture Capital Association (BVCA), the equity capital for innovation and growth is estimated to triple over the next 24 months.



Source: Bulgarian Private Equity & Venture Capital Association (BVCA)

SOFIA MUNICIPAL GUARANTEE FUND

The Municipal Guarantee Fund for SMEs (MGFSME) is a financial instrument operated by Sofia Municipality in support of the entrepreneurship and innovation ecosystem in Sofia. In 2018 the Fund launched the Financing Innovative Start-ups Program in addition to its General Guarantee Scheme. In 2019 the Fund introduced a pilot program to support SME's with up to BGN 10 000.

Financing Innovative Start-ups program	General program
<ul style="list-style-type: none"> • Guarantees up to 50% up to BGN 30K. • Maximum warranty period - 60 months. • SME's < 3yrs old or established ones with innovative projects. • Collateral of at least 60% of the loan amount. 	<ul style="list-style-type: none"> • Guarantees up to 50% up to BGN 150K. • Maximum warranty period - 84 months. • Collateral of at least 60% of the loan amount.

Source: MGFSME

THE START-UP ECOSYSTEM IN SOFIA

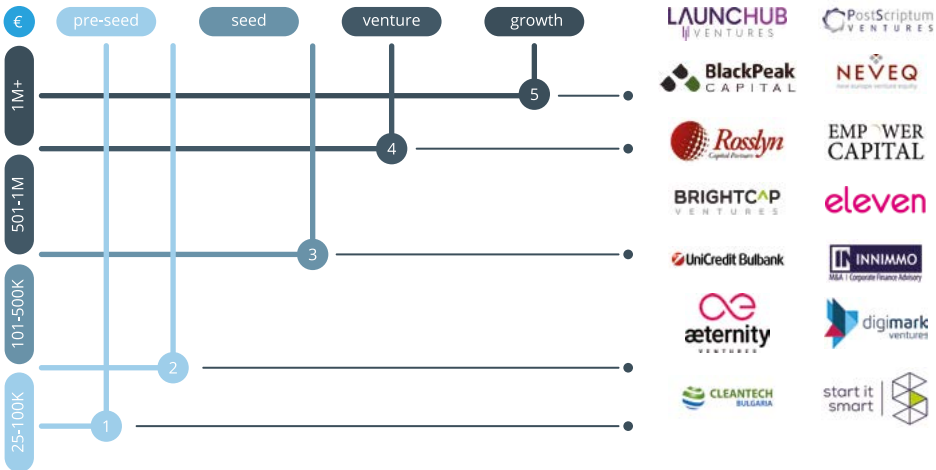
Over 9% of the adult population (18-64 yrs) was in the process of starting a business or owned a new (<3.5 years old) business in 2017, almost double the average for the country of 4.8%. The new business ownership rate in Sofia is also higher, which implies that new ventures survive longer if created in Sofia, a result of better opportunity recognition or better skills and resources available to Sofia-based entrepreneurs.*

Sofia has one of the most vibrant startup and entrepreneurial ecosystems in Central and Eastern Europe, with a startup association, business angel association and angel investment clubs.

First-time entrepreneurs can resort to local incubators and pre-accelerator programs to get knowledge and guidance on starting a business. In addition, the VC community in Sofia supports scaling startups and companies in the growth stage.

*Source: Global Entrepreneurship Monitor Bulgaria Annual Report 2016/17

Bulgarian-based equity funds



Source: Bulgarian Private Equity & Venture Capital Association (BVCA)



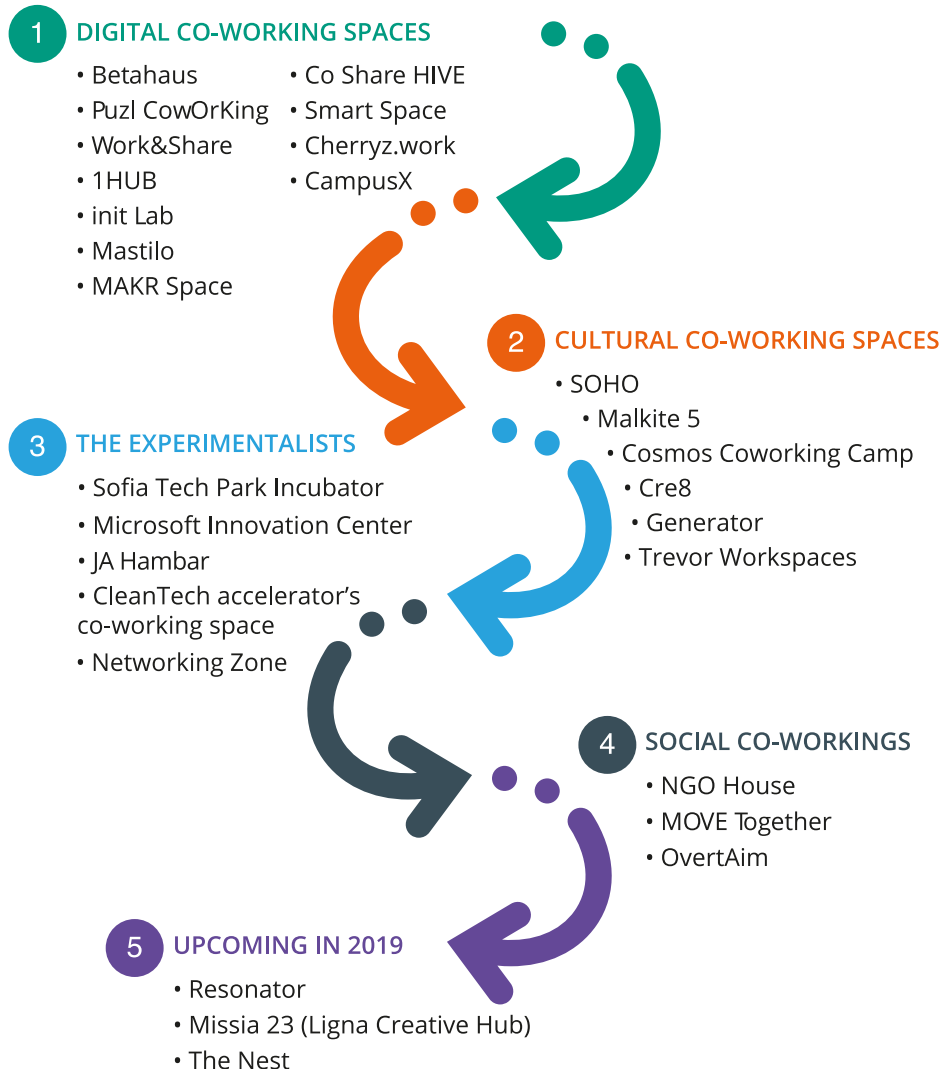
IN LATE 2015, FORBES MAGAZINE RANKED
SOFIA IN THE TOP 10 CITIES WORLDWIDE
TO START A BUSINESS.



COWORKING SPACES IN SOFIA

Sofia has over 25 tech, art, social and other coworking spaces.

betahaus | Sofia was the first shared office space in the city followed by SOHO. Puzl CowOrKing is the biggest IT coworking space on the Balkans and a double winner of CESA's Award for Best Coworking in CEE. The newest addition to the ecosystem is Campus X – a shared office and incubator for tech companies.



IT AND START UP EVENTS IN SOFIA

Sofia is developing as an IT, innovation and entrepreneurial hub of the Balkans.

In addition to the daily meetups, knowledge-sharing events and highly specialised conferences, Sofia hosts several of the flagship event in South East Europe, including Digitalk, WEBIT and Innovation Explorer.

FEB

Innovation Explorer

February 21, 2019

MAR

ICU Sofia

March 7, 2019

TEDx Vitosha

March 9, 2019

Annual Fintech Summit

March 13, 2019

MAY

Webit Festival Europe

May 13-15, 2019

Total Chaos

May 16-18, 2019

JPrime Conference

May 28-29, 2019

Digitalk

May 30-31, 2019

JUN

Startup Live Sofia

June 22-23, 2019

OCT

HackConf

October 11-13, 2019

AUG

Dev.BG Annual Conference

last week of August 2019

NOV

BEGE EXPO

November 2019

Eastern European Gaming Summit

November 2019

Global Tech Summit

TBA

SOFIA: PRIORITY INDUSTRIES

INFORMATION TECHNOLOGY (IT)

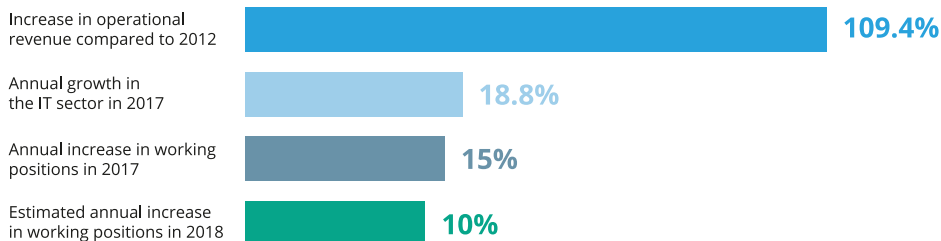
IT is one of the fastest growing sectors in Sofia. Its share of the city economy exceeds 6%, showing a growth of over 50% since 2011. In 2017 alone, the growth of the share of IT in Sofia's economy was close to 20%.

The sector is almost entirely export oriented. In 2017 foreign exchange earnings from the ICT sector in Sofia accounted for 14% of Sofia's and 6% of Bulgaria's total export earnings.

Close to 90% of the technology companies in Bulgaria and the majority of the Bulgarian IT professionals work in Sofia.

The wider sector of Creation and Distribution of Information & Creative Products and Telecommunications employed close to 85 000 people or 12% of the total work force in Sofia for 2017. The sector accounts for 18.2% of Sofia economy in terms of value added at factor cost and has attracted 13.4% of the cumulative FDI in Sofia.

Bulgarian IT sector, 2018



Source: BASSCOM Barometer 2018

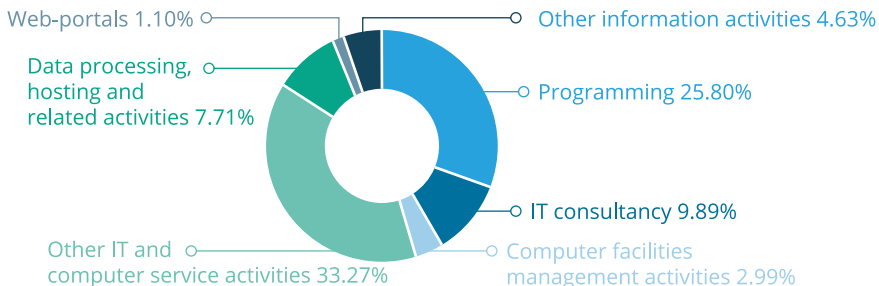
Sofia ranks 2nd among the Top 10 fastest growing tech centres in Europe in terms of annual growth of active members of the ecosystem. The IT sector in Sofia has one of the highest labour productivity in the country.

Source: State of the European Tech Report, 2018

Bulgaria is the EU country with the highest share of women in ICT - 31.2%.

Source: Eurostat 2017

Distribution (%) of employees in the IT sector in Sofia by type of activity



Source: State and Development of the IT industry in Sofia by Sofia Investment Agency, September 2017

FINTECH

Bulgaria has the highest number of fintech companies in South-Eastern Europe. Over 70 fintech companies operate in the country, most of them in Sofia.

Bulgaria is often used as a test market, while the strategy of the companies is to work globally. There is a growing trend for fintech and traditional financial institutions like banks to develop new solutions jointly.

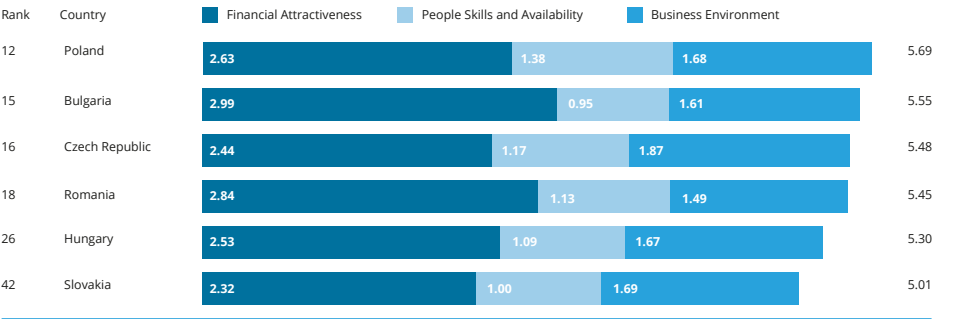
Source: Bulgarian Fintech Association, SeeNews Southeast Europe Fintech and Innovations 2018 industry report



OUTSOURCING AND SHARED SERVICES

Sofia is a preferred destination for IT and business process outsourcing and shared services centres of multinational companies, due to the city's developed digital infrastructure and the availability of multilingual talent.

Global Services Location Index regional comparison

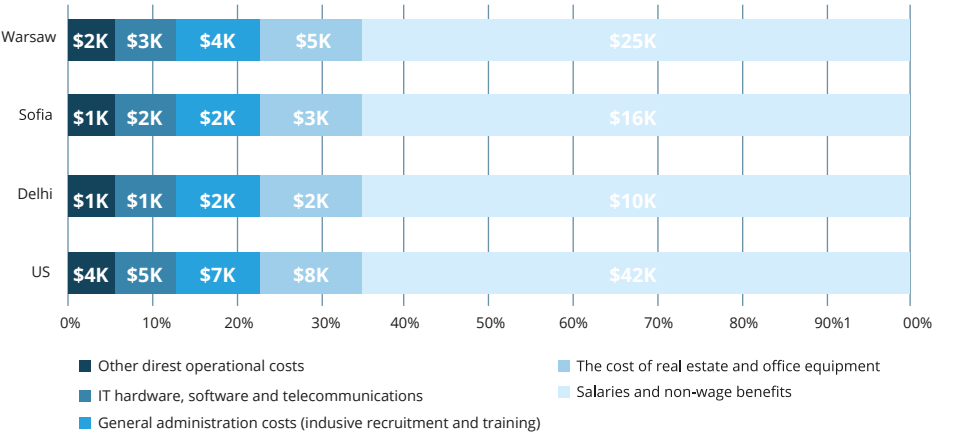


Source: A.T. Kearney Global Services Location Index, 2017

SHARED SERVICES

Large multinational companies from the FMCG, Agriculture, Logistics, Finance and Insurance, Healthcare, and Media industries have chosen Sofia for their shared service centres operating with HR, F&A, IT, Logistics, Procurement & Trade Execution, Sales and Customer Care functions. Bulgaria is associated with developed IT skills and is a major SSC hub for Europe and the Middle East.

Average annual costs per one FTE (thousand USD)



Source: SSON Analytics

OUTSOURCING

Sofia-based operations provide IT, Knowledge Process, HR process, Finance and Accounting and other business process outsourcing services, in addition to the standard voice services.

In 2017, the outsourcing turnover in Bulgaria totalled EUR 2.1 billion and contributed 4.8% of Bulgaria's GDP. The sector is still growing and it is estimated that by 2021 the outsourcing activities will constitute 7.9% of the national economy and reaching EUR 4.0 billion in value.

BPO and ITO revenue in Bulgaria (billion EUR)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total ITO	0,41	0,51	0,61	0,74	0,89	1,05	1,24	1,45	1,71
Total BPO	0,67	0,81	1,03	1,06	1,24	1,44	1,68	1,95	2,27
Total Outsourcing	1,15	1,32	1,64	1,8	2,13	2,49	2,92	3,4	3,98

Source: Bulgarian Outsourcing Association, 2018

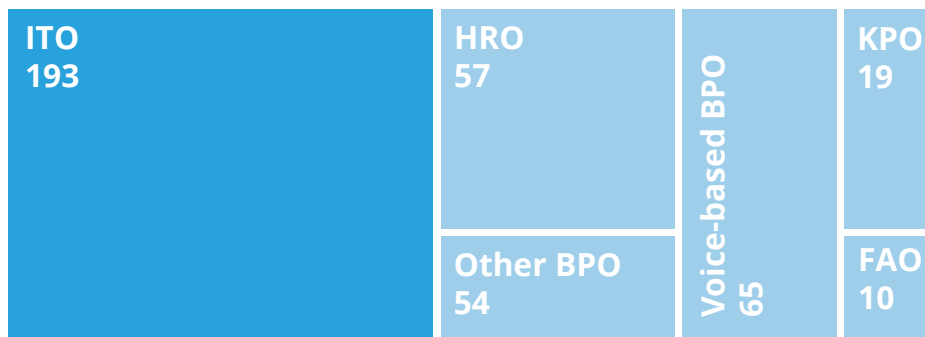
Bulgaria was named Europe's top outsourcing destination for 2015 by the National Outsourcing Association – UK and ranks 15th in A.T. Kearney's Global Services Location Index (GSLI) for 2017.

BPO IN SOFIA

Over 80% of the outsourcing companies and more than 90% of the employed in the sector are in Sofia and account for 20% of all companies in the city.

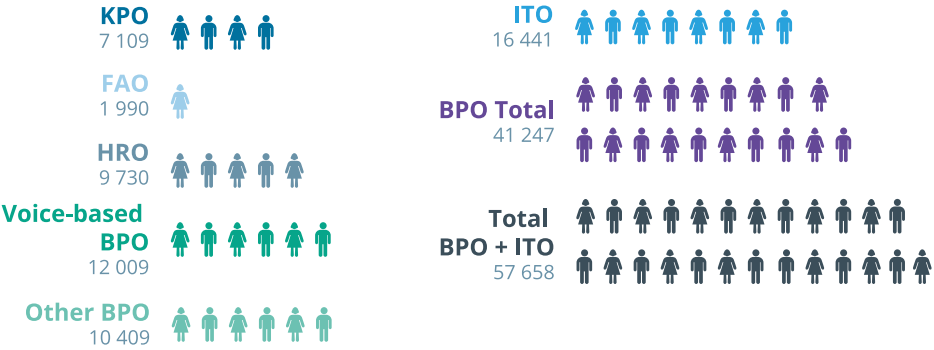
In the period 2013-2017 the number of companies grew steadily with an average growth rate of 10%. The number of the employed increased even faster, by 17.3%. The main foreign markets of the Sofia-based outsourcing companies are USA, UK, and Germany.

Number of outsourcing companies in Sofia by sector



Source: Bulgarian Outsourcing Association, 2018

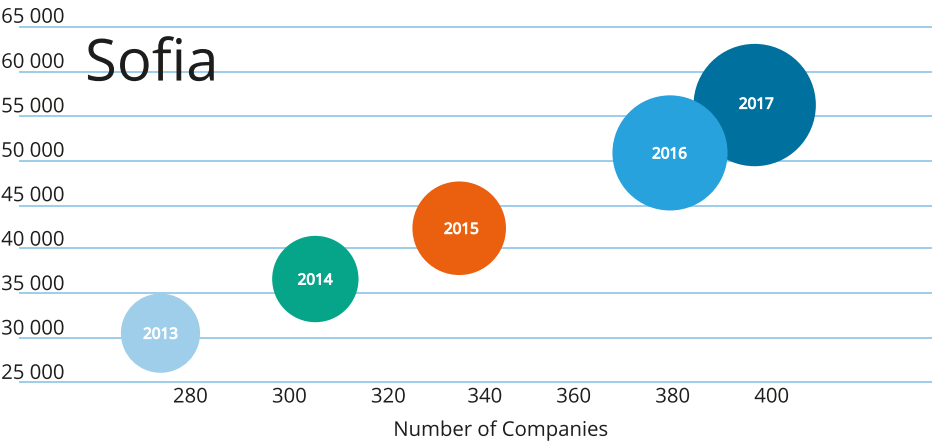
Headcount of Sofia-headquartered companies



Source: Bulgarian Outsourcing Association, 2018

Number, headcount and turnover of Sofia-based outsourcing companies

Employed



Source: Bulgarian Outsourcing Association, 2018

Note: The bubble size represents the companies' total turnover for the respective year

CREATIVE INDUSTRIES

Sofia is the centre of cultural and creative industries in Bulgaria. Latest NSI statistics from 2016 show that 2/3 of the sector and 3/4 of the employed are concentrated in Sofia.

There are 7 500 creative companies in Sofia or just over 6% of all enterprises in the city. Most of their products and services are export-oriented.

Close to 33 000 people or nearly 5% of the employed in Sofia work in the creative industries sector. Employment in the sector is still growing.

FILM INDUSTRY IN SOFIA

Sofia is home to an active service sector, focusing on the film industry. Many professional organizations bringing together film directors and producers are also based in the city. Sofia is home of one of the leading film production studios in Europe.

Bulgaria's biggest film school (NAFTA) is located in Sofia.

Since its first edition in 1997, the Sofia Film Festival has emerged to become the Balkans' largest and most important film festival.

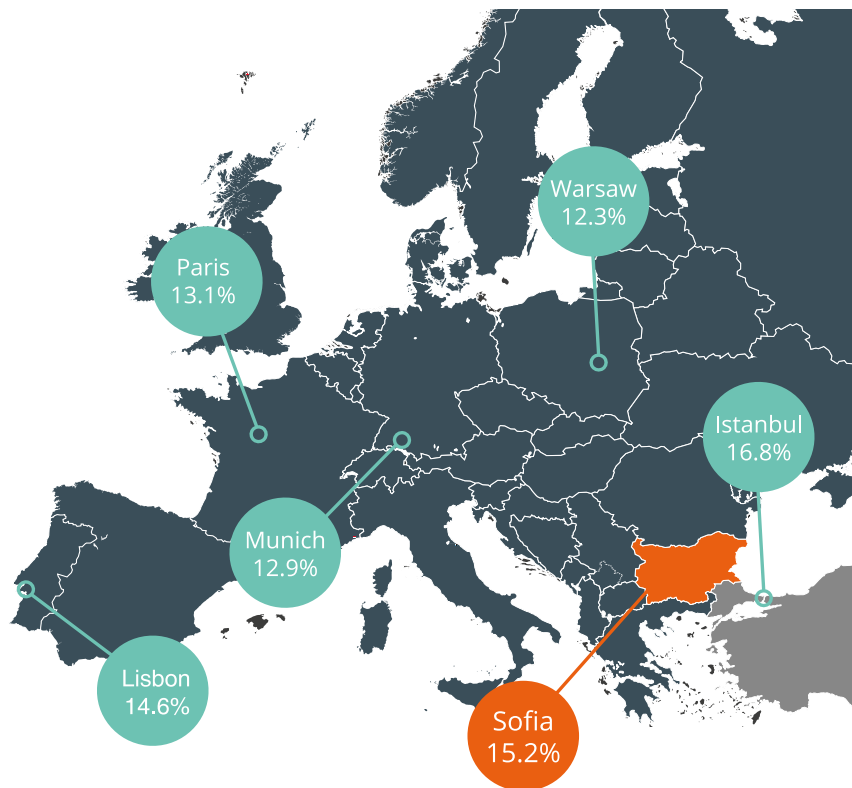
In 2014, Sofia joined the network of creative cities of UNESCO, and was awarded the title 'City of Film'.



TOURISM

Sofia is second in Europe in growth of international visitors for 2017 and is among the TOP 5 cities in Europe with the highest overall growth of international visitors for 2009 – 2017, with an average increase of 9% per year.

Top cities in Europe by annual growth of international visitors, 2018



Source: Mastercard Global Destination Index, 2018

In 2017, Sofia was visited by 1 346 993 tourists, 65% of which foreigners. The number of foreign tourists in Sofia increased by 19.4% - from 738 697 in 2016 to 882 142 in 2017.

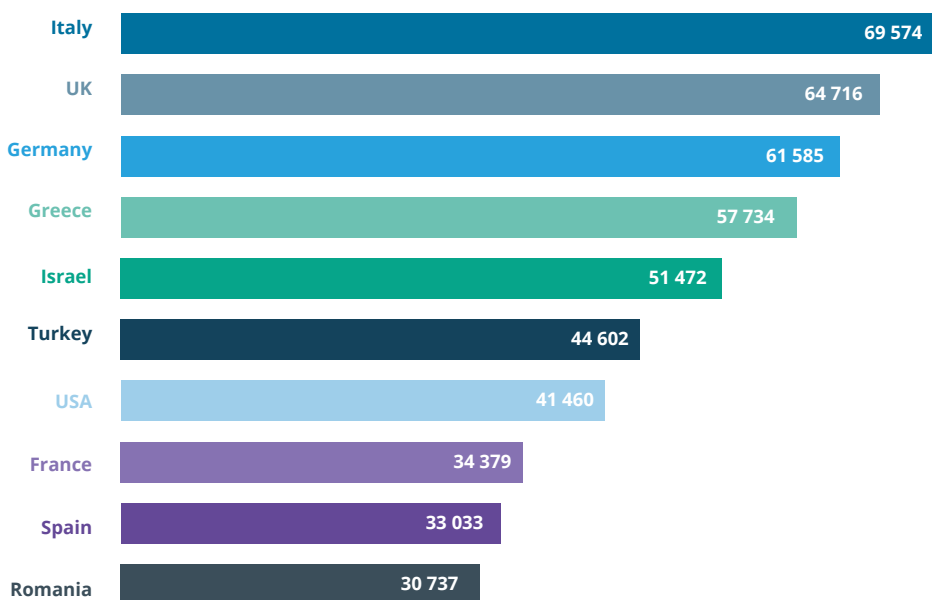
The number of tourists visiting Sofia has been on the rise since 2009, but is particularly notable in the last couple of years. In 2017, for a second year in a row, Sofia had a double-digit growth of the number of visitors, close to 13%. The number of nights spent also increased by 14% in 2016 and 15% in 2017.

Sofia visitors

	Total number of tourists	Tourist growth (%)	Number of foreign tourists	Share of foreign tourists (%)	Growth of foreign tourists (%)	Number of nights spent	Growth of nights spent (%)
2015	1 061 522	9.7%	640 621	60%	9.4%	1 872 978	8.5%
2016	1 197 564	12.8%	738 697	62%	15.3%	2 126 462	14%
2017	1 346 993	12.5%	882 142	65%	19.4%	2 444 684	15%

Source: Sofia Tourism Administration

TOP 10 countries by number of visitors to Sofia



* Source: Sofia Tourism Administration

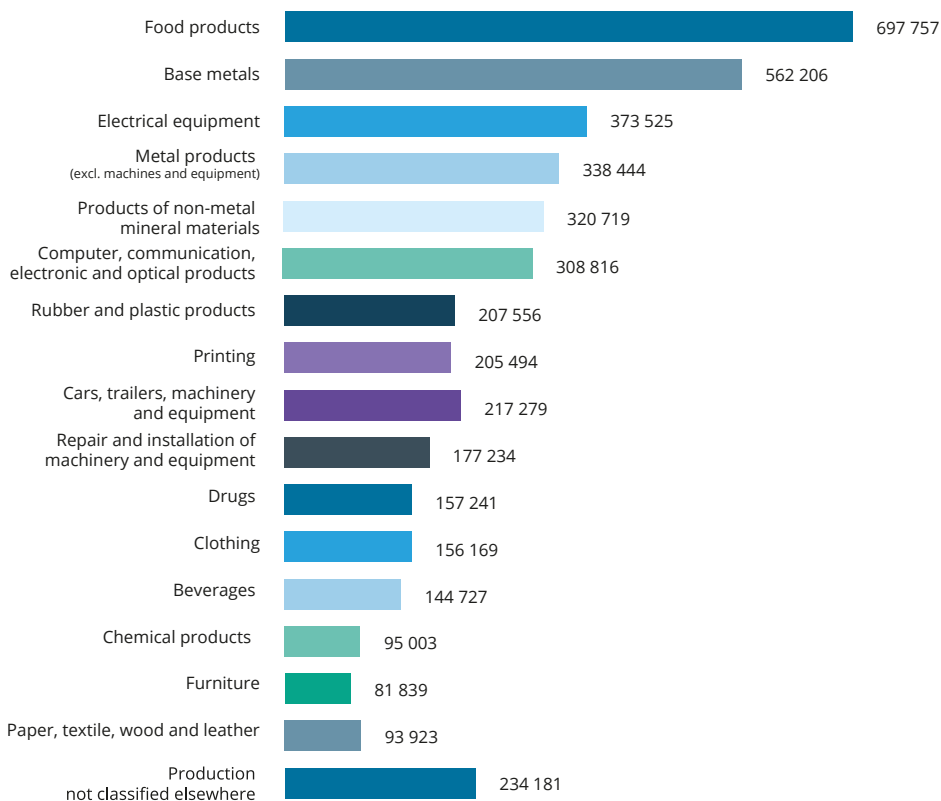
MANUFACTURING

The total output volume of the manufacturing industry was slightly above EUR 4.35 billion or 14% of Sofia's economy for 2017. The city's share of the total manufacturing production of the country was 13.6%. A total of 70 000 people, or 13% of all employed in the city work in the sector.

By the end of 2017, manufacturing in Sofia had attracted EUR 1.7 billion of foreign direct investment.

Source: Sofia Investment Agency Manufacturing Report, 2019 & Sofia Economic Profile, 2018

Manufacturing industry in Sofia by output in EUR thousand



Source: NSI, IME, data for 2017

LIVING IN SOFIA

COST OF LIVING

Sofia remains one of the most affordable EU capitals.

Utilities

Basic (electricity, heating, cooling, water, garbage) for 85m ² apartment	88.23 €
1 min. of prepaid mobile tariff – local (no discounts or plans)	0.15 €
Monthly internet fee (60 Mbps or More, Unlimited Data, Cable/ADSL)	10.31 €

Transportation

One-way ticket (public transport)	0.82 €
Taxi 1 km (normal tariff)	0.41 €
Gasoline (per litre)	1.17 €

Restaurants

Meal, inexpensive restaurant	5.11 €
Meal for 2 people, mid-range restaurant, three-course	25.56 €
Water 0.33-litre bottle	0.56 €

Rent per month

1 bedroom apartment city centre	335.29 €
1 bedroom apartment outside of centre	257.87 €
3 bedroom apartment city centre	617.87 €
3 bedroom apartment outside of centre	446.41 €

Cost of living - comparison

Cost of living index

Ljubljana	64.47
Vilnius	54.26
Prague	53.84
Bratislava	53.64
Budapest	51
Warsaw	48.31
Poznan	45.27
Bucharest	44.38
Belgrade	43.99
Sofia	43.11

Local purchasing power

Ljubljana	74.70
Vilnius	56.97
Prague	77.13
Bratislava	72.75
Budapest	55.54
Warsaw	77.31
Poznan	74.63
Bucharest	58.75
Belgrade	40.25
Sofia	60.66

INTERNATIONAL SCHOOLS IN SOFIA

Primary and secondary schools

- British School of Sofia*
- Anglo-American School of Sofia*
- The American College of Sofia
- "Erich-Kästner" German school*
- Deutsche Schule
- French Lyceum Victor Hugo*
- Italian Lyceum
- Russian Lyceum*

*with a kindergarten

PUBLIC TRANSPORT

Sofia has an extensive bus and tram public transport system and an expanding rapid transit network.

The Sofia Metro connects the city with Sofia Airport's Terminal 2, Sofia Business Park, most of the business zones in the city, the Inter Expo Center, the Central Railway and Bus Station and largest residential areas.

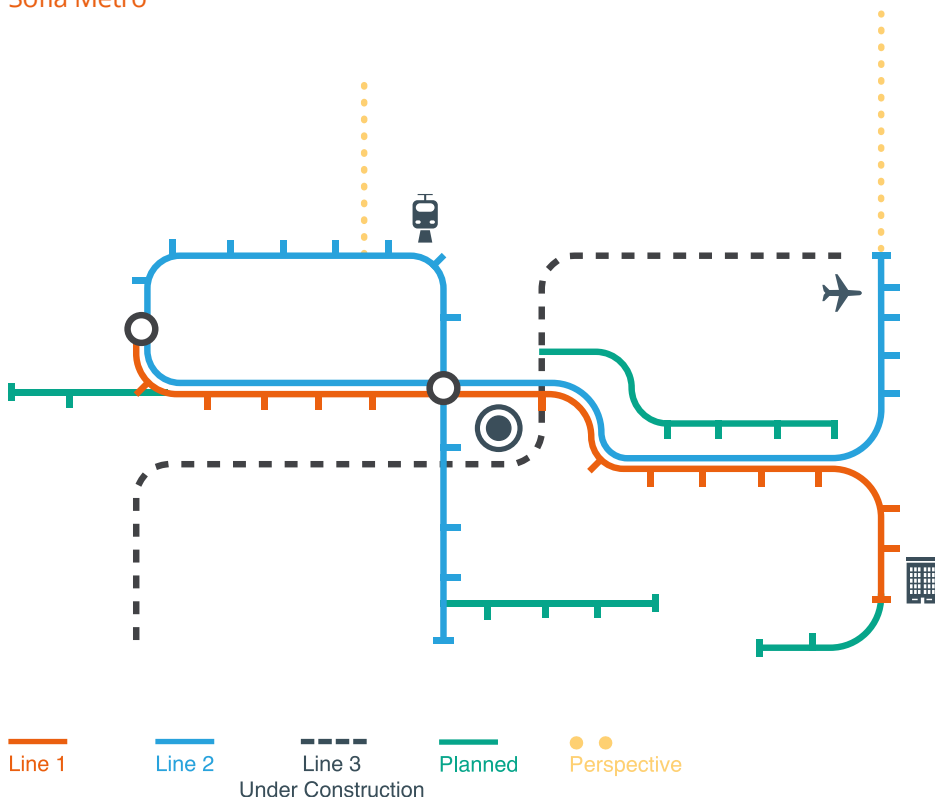
It currently operates 35 stations on 2 lines over the length of 40 km. Line 3 will add 21 km and 21 new stations by 2020, when the total capacity of the Metro will reach 0.5 million passengers per day. There are plans for further extension to the Southwest and the Northeast, and to the Vitosha Mountain ski lifts.



The Metro has reduced the number of vehicles moving in Sofia by about 55 000 and allows for time savings of 110 000+ hours per day. With the construction of Metro Line 3, the traffic in Sofia is expected to further decrease by 20% and the amount of saved greenhouse gas emissions to reach 90 000 tonnes per year.

Source: Sofia Metropolitan; Sofia Tourism and Air Transport Market report by Sofia Investment Agency, 2018

Sofia Metro



NIGHT PUBLIC TRANSPORT

Night public transport was introduced in Sofia in April, 2018. The four night lines connect large neighbourhoods in the city with the city centre. The buses run from midnight until 4 a.m.

CULTURAL LIFE

NATIONAL HISTORY MUSEUM

with over 650 000 cultural artefacts it is one of the largest history museums on the Balkans.



"IVAN VAZOV" NATIONAL THEATRE

is one of the major landmarks in Sofia and the largest and the oldest theatre in the country.

ALEXANDER NEVSKY CATHEDRAL
is one of the largest Eastern Orthodox cathedrals in the world.



NATIONAL ART GALLERY

With 9 locations around Sofia, this is the largest art institution in Bulgaria.



THE BOYANA CHURCH
is famous for its medieval frescoes, included in 1979 in UNESCO's World Cultural and Natural Heritage Convention.





BASILICA ST. SOFIA AND NECROPOLIS

The 5 c BC necropolis of the ancient city of Serdica (current day Sofia) is now open to the public. The medieval Basilica of St. Sofia gave the name to the city.



SOFIA HISTORY MUSEUM

8 halls telling the story of Sofia.



KVADRAT 500

28 halls featuring 2000 art pieces from the collection of the National Gallery.



MUZEIKO

A modern educational space for children, provoking interest in science, technology and arts.



SOFIA OPERA AND BALLET

The National Opera and Ballet welcomes world-renowned performers and is one of the major cultural attractions in the city.

FESTIVALS

Sofia Film Fest

The largest film festival in Bulgaria and one of the leading cinema events in Central and Eastern Europe, Sofia Film Fest was included in 'Variety' magazine's list of top 50 film festivals worldwide.

FOTOFABRIKA

An international festival and platform for high-quality professional photography, part of the official Cultural Calendar of Sofia Municipality.

The International

A to Jazz Festival

is spreading the jazz spirit for three days in July. Since 2011 the festival has welcomed more than 100 000 visitors.

Sofia Science Festival

An innovative event dedicated to the achievements of young scientists and researchers from Bulgaria and abroad, attracting both children and grown-ups.

Sofia Spring Book Fair

Annual event with literary readings, book presentations and more.

Sofia Music Weeks

is the premier classical music event in Bulgaria and the region, including concerts, opera and ballet performances and master classes between March and July every year.

The European Music Festival

a series of classical concerts taking place from April to mid-June every year in Sofia.

Sofia Theater Festival

and the prestigious Ikar Awards for performing arts take place since 1974 on March 27th, the World Theatre Day.

World Theatre in Sofia

brings international theatre and dance productions and leading performers from all over the world.

MOUNT VITOSHA

Vitosha Mountain National Park overlooks the city of Sofia and offers a variety of recreational activities like hiking, skiing, mountain biking and rock climbing, just 30 minutes from the city centre. The mountain is accessible by public transport and is encompassed by a good network of lifts, trails and mountain huts. Plans for connecting the city's Metro system with the Simeonovo ski lifts were announced in 2018.

Two ski centres and several ski runs, with an option for night skiing, operate on Vitosha. Festivals and events organized in the park include an international folklore festival and the "Vitosha 100 km" ultra marathon.



THERMAL SPRINGS

Sofia has 30 thermal springs, with water suitable for drinking and medical treatments, SPA procedures and recreation. Bankya Mineral Bath has the potential to become one of the largest SPA and wellness centres in Bulgaria and is expected to re-open for visitors by 2020, after a renovation.

SOFIA - CITY OF SPORT

In 2014, ACES Europe designated Sofia the European Capital of Sport for 2018. At present, the city is declared a permanent holder of the title European Capital of Sport and the Mayor of Sofia – an Honorary President of ACES Europe for 2019.





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