

# Promoting of the Internationalization of the Bulgarian Enterprises

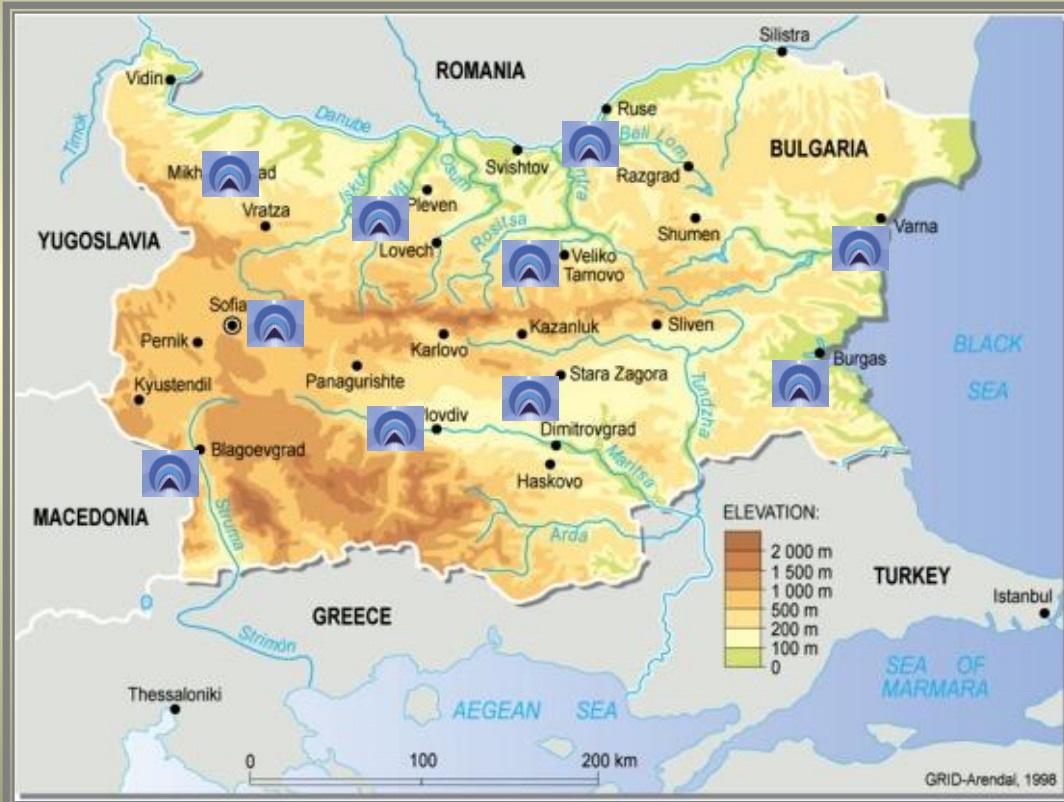


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**BULGARIAN SMALL AND MEDIM ENTERPRISES  
PROMOTION AGENCY**  
**MINISTRY OF ECONOMY, ENERGY  
AND TOURISM**





# The Bulgarian Small and Medium Enterprises Agency



# SME Promotion National Strategy 2007-2013 г.

- Training and qualification
- Improvement of the business environment
- Improvement of of the access to financial resources
- Competitiveness and innovations
- Development of cluster structures
- Improvement of the access to foreign markets
- Protection of property rights



# Export Promotion Measures

Policies for investment promotion, entrepreneurship, improved business environment and competitiveness - key for export performance

Proactive export policy will be implemented focusing on:

- Promotional events and support for the SMEs participation in fairs, exhibitions and trade missions
- Information services and establishment of internet based services
- More adequate information to the companies for foreign markets
- Organization of information campaigns for the business
- Catalogue of the Bulgarian companies on products offered
- Optimizing tasks of the trade and economic services to our embassies abroad
- Development of export crediting and increase of the export insurance activities

Source:MEET



# Operational Programmes - EU Funds



# EU Structural- and Cohesion Funds in Bulgaria (in Bln. Euro)

| Operational Programme/Fund                          | EU Financing | National Co-Financing | Total Budget of OP |
|---|--------------|-----------------------|--------------------|
| OP „Regional Development“/ERDF                      | 1,361        | 0,240                 | 1,601              |
| OP „Competitiveness of the Bulgarian Economy“ /ERDF | 0,988        | 0,174                 | 1,162              |
| OP Transport / ERDF&CF                              | 1,624        | 0,379                 | 2,003              |
| OP „Environment“/ ERDF & CF                         | 1,466        | 0,334                 | 1,800              |
| OP „Human Resources“                                | 1,032        | 0,182                 | 1,214              |
| OP „Administrative Capacity“/ ESF                   | 0,154        | 0,027                 | 0,181              |
| OP „Technical Assistance“ / ERDF                    | 0,048        | 0,009                 | 0,057              |
| Development of Rural Areas                          | 2,609        | 0,632                 | 3,241              |
| Fischery  | 0,080        | 0,027                 | 0,107              |
| <b>Total Budget</b>                                 | <b>9,362</b> | <b>2,004</b>          | <b>11,366</b>      |



# OP “Development of the Competitiveness of the Bulgarian Economy”

- **Priority Axis 1: “Development of a knowledge-based economy and innovation activities”**
  - is focused on assisting the development of R&D activities for and by enterprises, aiming at strengthening their innovation potential and establishing a suitable pro-innovative business infrastructure, which shall strengthen the science-business relationship.
- **Priority Axis 2: “Increasing efficiency of enterprises and promoting a supportive business environment”**
  - is focused on the support of micro-, small and medium-sized enterprises with a development potential, where the modernization of technologies and quality management will be assisted, as well as the improvement of the consultancy and information services offered to business, improving energy efficiency of enterprises and encouraging business co-operation and networking. A specific focus will be to promote investments in environmentally friendly, low-waste, energy saving production technologies and utilization of renewable energy sources





# OP “Development of the Competitiveness of the Bulgarian Economy”

- **Priority Axis 3: “Financial Resources for Developing Enterprises”**
  - aims at improving the access to development capital for enterprises. Its objectives are to increase investment activity and promotion of entrepreneurship through the development of special financial instruments and financial engineering for SME funding. The envisaged interventions are intended to add new opportunities for access to risk capital to SMEs in “financing niches” where traditional bank finance is currently absent or deficient. The achievement of the majority of these objectives will be sought through implementation of the joint initiative JEREMIE (*Joint European Resources for Micro to medium Enterprises*).
- **Priority Axis 4: “Strengthening the international market positions of Bulgarian economy”.**
  - The priority axis is aimed at facilitating the integration of the Bulgarian economy in the single European and world market through improving the environment for investments and export. It will support the promotion of foreign investments in Bulgaria, improve the export potential of the national economy, and provide support for the national quality infrastructure by upgrading the calibration and testing laboratories and conformity assessment bodies.





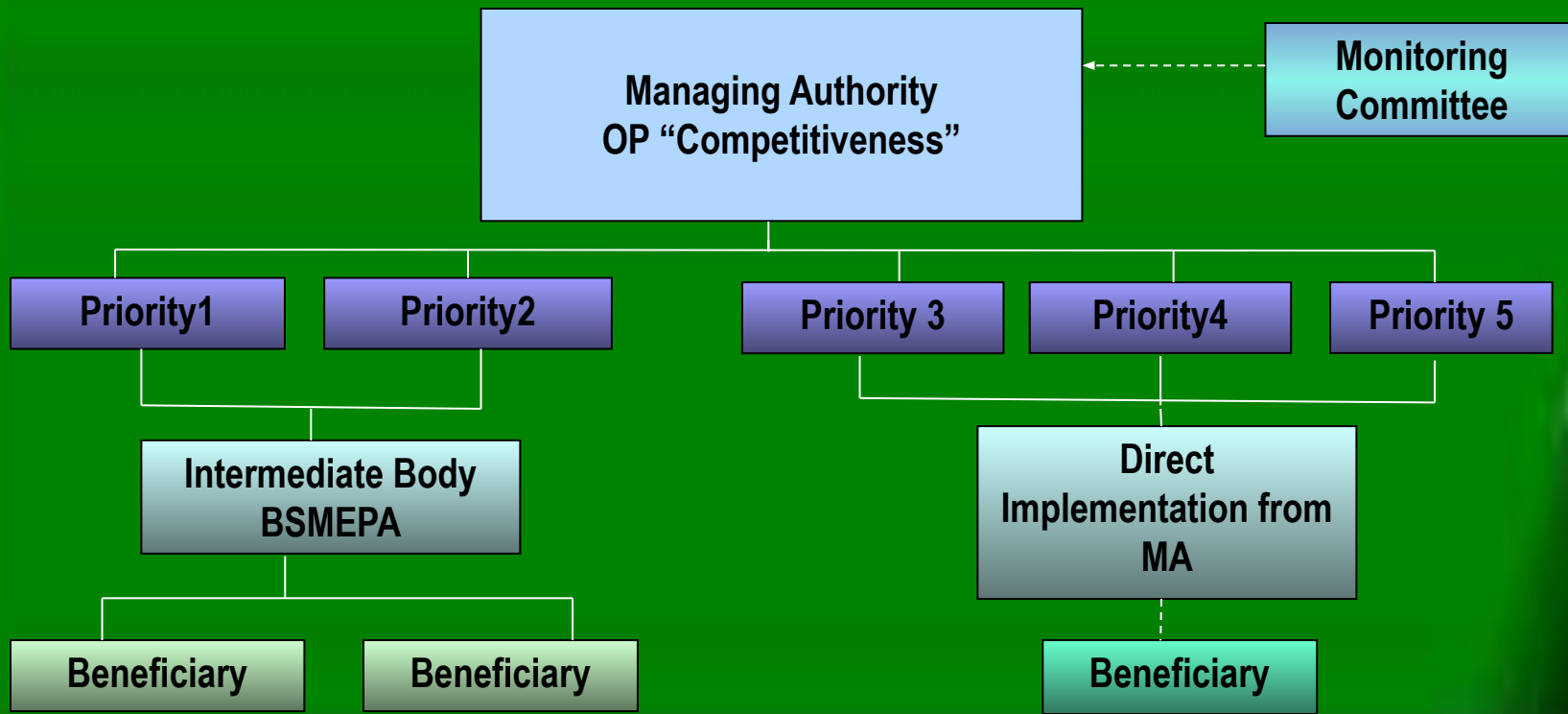
# Operational Programme “Development of the Competitiveness of the Bulgarian Economy”

- **Priority Axis 5: "Technical Assistance"**

- will provide support for the management, implementation, monitoring and control of OP “Competitiveness” activities as well as support for the work of the Monitoring Committee by funding researches and studies necessary for the implementation and the evaluation of the projects, information and publicity measures which are ensuring the transparency of the programme. The objective of the priority axis is to improve the quality of the interventions to be carried out and to increase the effectiveness of Structural funds absorption.



# OP “Development of the Competitiveness of the Bulgarian Economy” - Management Structure



# OP “Development of the Competitiveness of the Bulgarian Economy” - Financial and Technical information (€)

| Priority Axis  | EU Contribution    | National Public Contribution | Total Public Contribution |
|--|--------------------|------------------------------|---------------------------|
| Development of a knowledge-based economy and innovation activities                   | 209 525 000        | 36 975 000                   | 246 500 000               |
| Increasing efficiency of enterprises and promoting a supportive business environment | 504 762 113        | 89 075 667                   | 593 837 780               |
| Financial Resources for Developing Enterprises                                       | 170 000 000        | 30 000 000                   | 200 000 000               |
| Strengthening the international market positions of Bulgarian economy                | 73 960 090         | 13 051 780                   | 87 011 870                |
| Technical assistance   | 29 636 016         | 5 299 885                    | 34 935 901                |
| <b>Total</b>   | <b>987 883 219</b> | <b>174 402 332</b>           | <b>1 162 285 551</b>      |



# OP “Development of the Competitiveness of the Bulgarian Economy 2007-2013”

Project name: “Promoting of the internationalization of the Bulgarian Enterprises”

Project No: BG 61 PO003 – 4.2.01 – No0001– C001

Managing Authority: Ministry of Economy, Energy and Tourism

Budget: 27 396 493.00 BGN (14 007 604.00 Euro)

Project period: 36 months (since 22.04.2010)

Target group: Bulgarian exporters and ready for export competitive companies



OP “Development of the Competitiveness of the Bulgarian Economy” 2007-2013  
Priority 4.2. “Strengthening the international positions of Bulgarian economy”



# Main Objectives

- Effective use of the European market by the Bulgarian SMEs;
- Successful integration in the European and World economy through expanding the Bulgarian SMEs presence on foreign markets



OP "Development of the Competitiveness of the Bulgarian Economy" 2007-2013  
Priority 4.2. "Strengthening the international positions of Bulgarian economy"



# Project Activities

1. Development of a National Export Internet Portal, providing Bulgarian companies with access to information and specialized services, funded by this project
2. Financial support for creation of sector export strategies  
Identification and analysis of the competitive industrial sectors and product groups.
3. Trainings and seminars for capacity building  
Development of skills in foreign trade and specific qualifications



OP "Development of the Competitiveness of the Bulgarian Economy" 2007-2013  
Priority 4.2. "Strengthening the international positions of Bulgarian economy"



# Project Activities

4. Information and consultancy services and foreign markets analysis in support of the Bulgarian exporters.
5. Organization of promotional events and B2B forums for presentation of competitive Bulgarian products and services in Bulgaria and abroad
6. Financial support for organization of national participation at international fairs and exhibitions.
7. Advertizing activities. Development and distribution of informational and advertising materials, brochures etc.

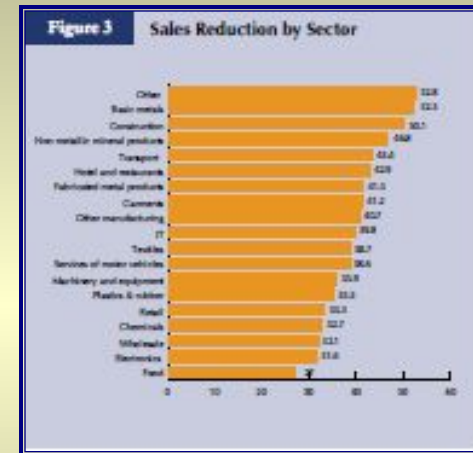
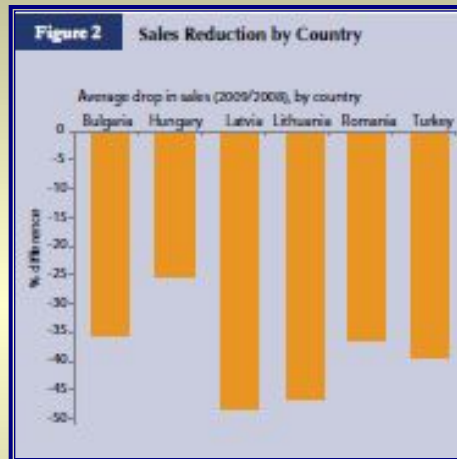


OP "Development of the Competitiveness of the Bulgarian Economy" 2007-2013  
Priority 4.2. "Strengthening the international positions of Bulgarian economy"





# The Impact of the Global Economic Crisis on the Corporate Sector – a Firm-Level Survey by the WB



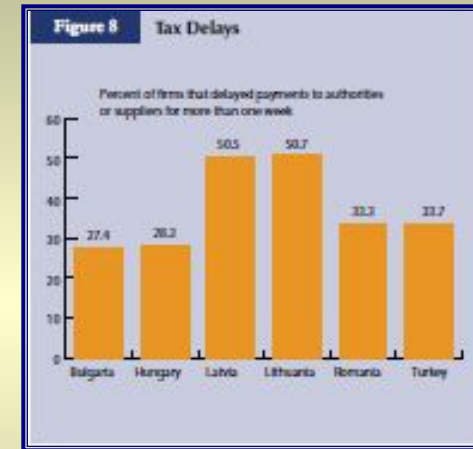
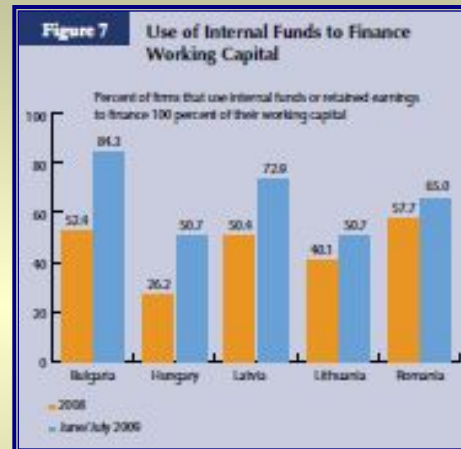
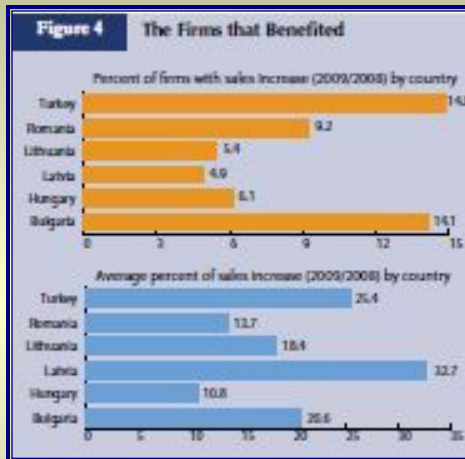
- The drop in demand was the most relevant impact of the crisis in all countries

- The impact of the crisis was extensive, regardless of sector, firm size, or location

- Yet some enterprises have already experienced significant growth



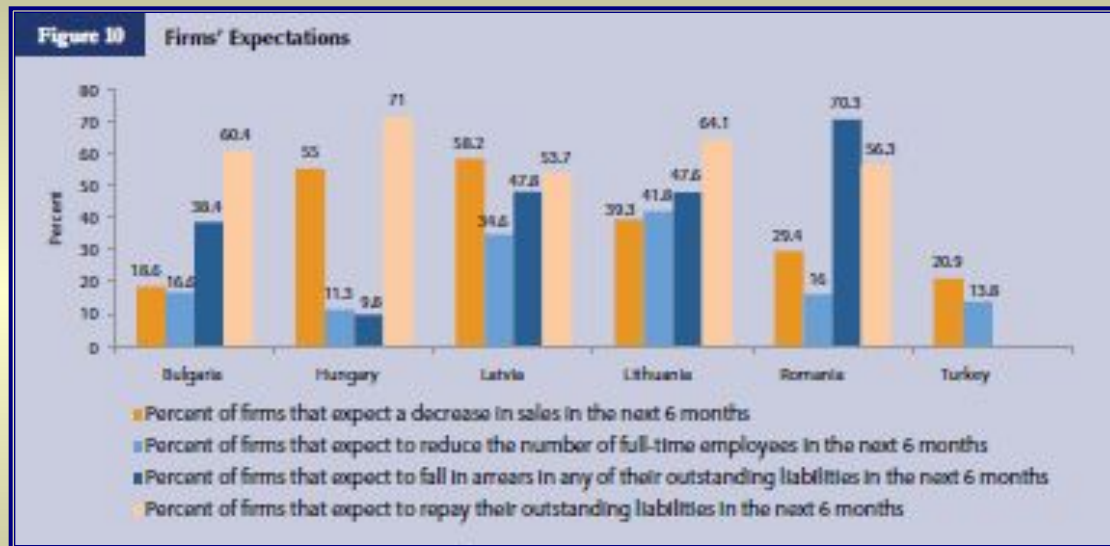
# The Impact of the Global Economic Crisis on the Corporate Sector – a Firm-Level Survey by the WB



- The corporate sector's debt is moderate
- Firms reacted to the crisis by increasing the use of internal funds to finance working capital



# The Impact of the Global Economic Crisis on the Corporate Sector – a Firm-Level Survey by the WB



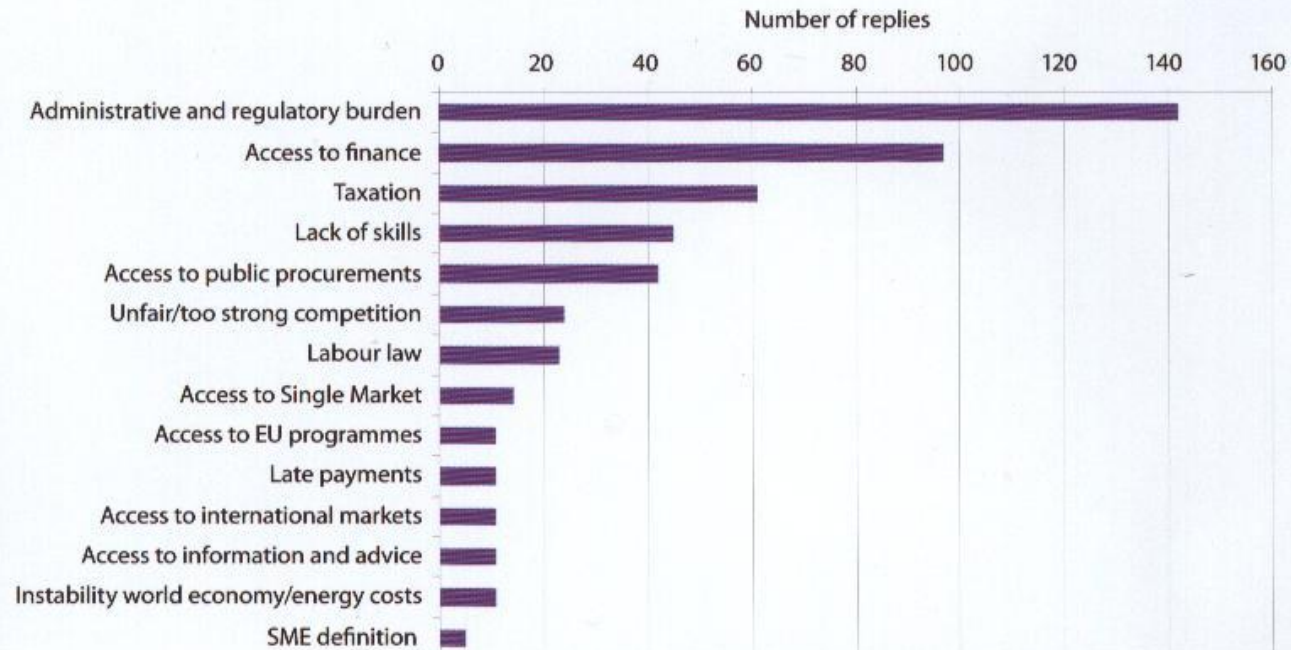
- As firms allocate more of their internal funds to finance working capital, fewer resources will be available for investments in new equipment, labor training, and R&D.

- Younger firms experienced a larger contraction in sales than older firms



## WHAT CHALLENGES DO SMEs FACE?

### Most important problems EU SMEs are facing



N.B.: It was possible to give several replies

Source: European Commission, Report on the results of the open consultation on a Small Business Act for Europe, April 2008



A NEW STRATEGY FOR THE SINGLE MARKET  
DE MONTI'S REPORT TO THE PRESIDENT OF THE EC  
JOSÉ MANUEL BAROSSO

### Initiatives to build a stronger single market

- ensuring better functioning of the single market in the perspective of citizens, consumers and SMEs;
- creating a digital single market;
- exploiting the potential of the single market to support green growth and Europe's transition to a low-carbon, resource efficient economy;
- reaping the full benefits of the single market for goods;
- fully exploiting the potential of the single market for services;
- ensuring geographical labour mobility in the single market.
- establishing the "physical" infrastructure for the single market;





Thank you for Your attention!

Bulgarian SME Promotion Agency



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