



INVESTMENT DESTINATION

2021

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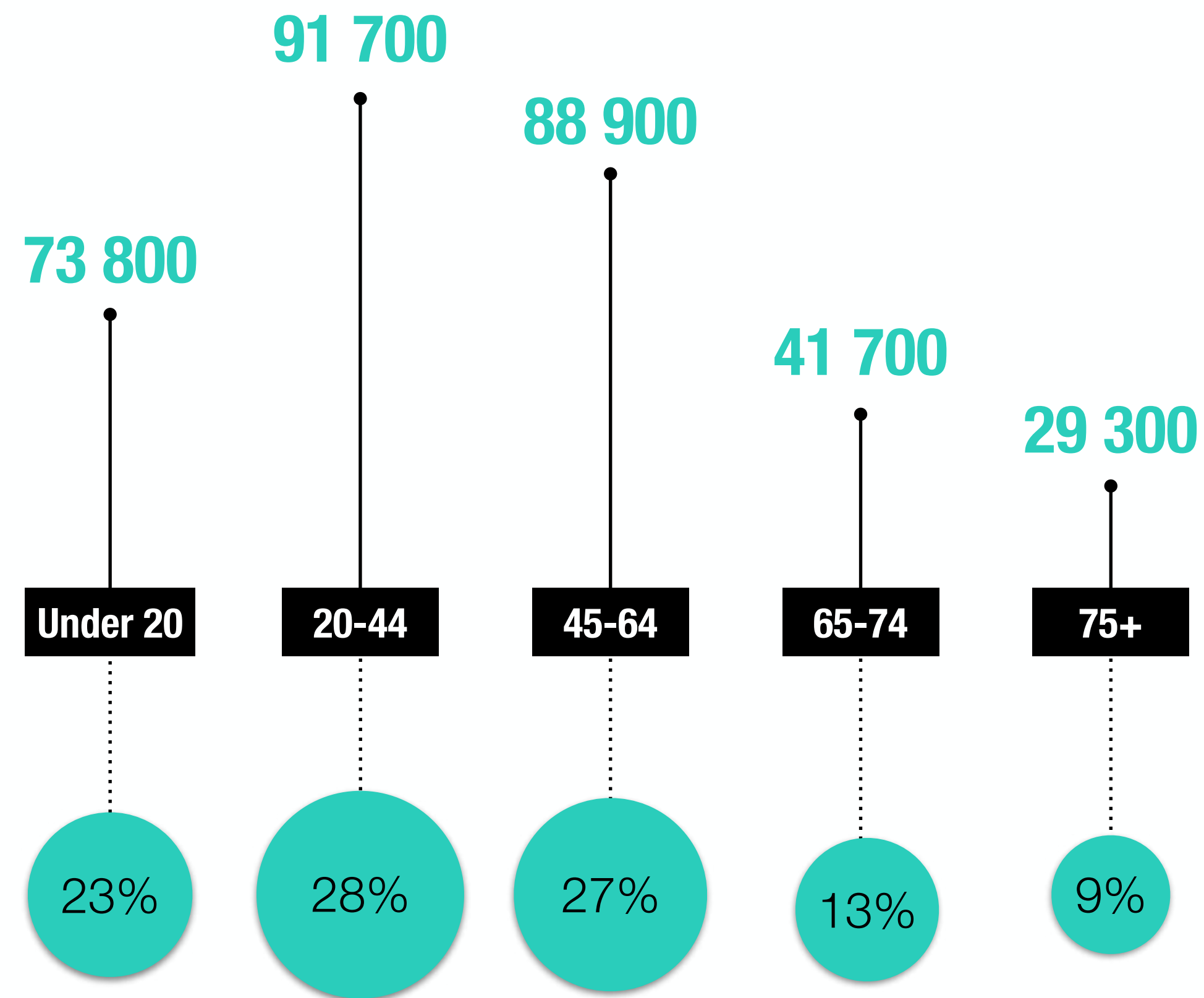
POTENTIAL

POPULATION SIZE

DEMOGRAPHIC TRENDS

MIGRATION PROCESSES

POPULATION SIZE



Data for wider Sliven (distance 45 min.)

180 600

POPULATION IN WORKING AGE

More than half of the population in the wider Sliven region **is aged 20-64 years.**

The population in working age in Sliven municipality alone is 64 900.

325 400

45 MIN. FROM INDUSTRIAL ZONES

The combined population of the city of Sliven and the settlements at **commutable distance from the industrial zones (45 minutes in one direction)**

is about 325 400.

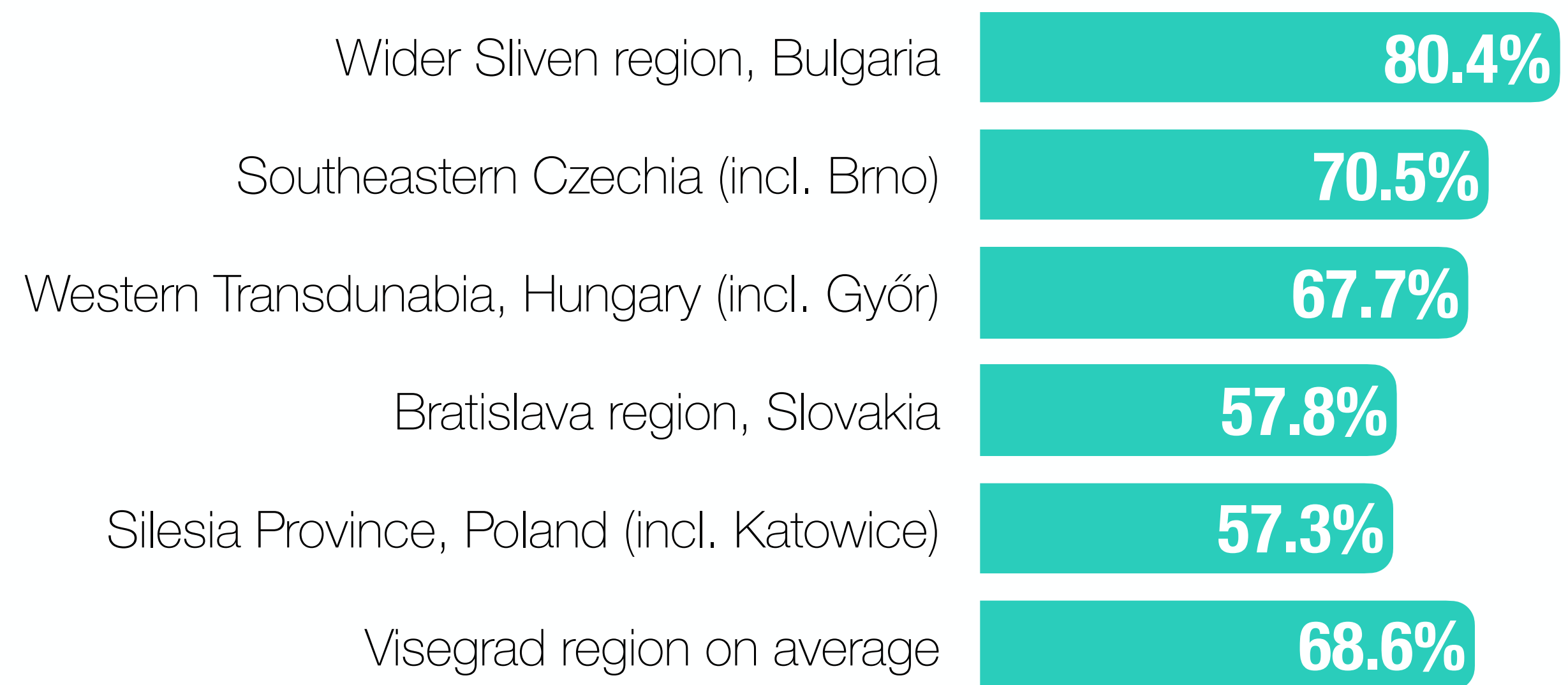
Source: NSI, 2020

DEMOGRAPHIC TRENDS

In recent years, **the demographic replacement rate** (ratio of people entering working age to people leaving working age) **in wider Sliven region is on the rise.**

The ratio is much higher than that in most investment destinations in CEE.

Ratio of age group 15-19 to age group 60-64 in selected investment destinations



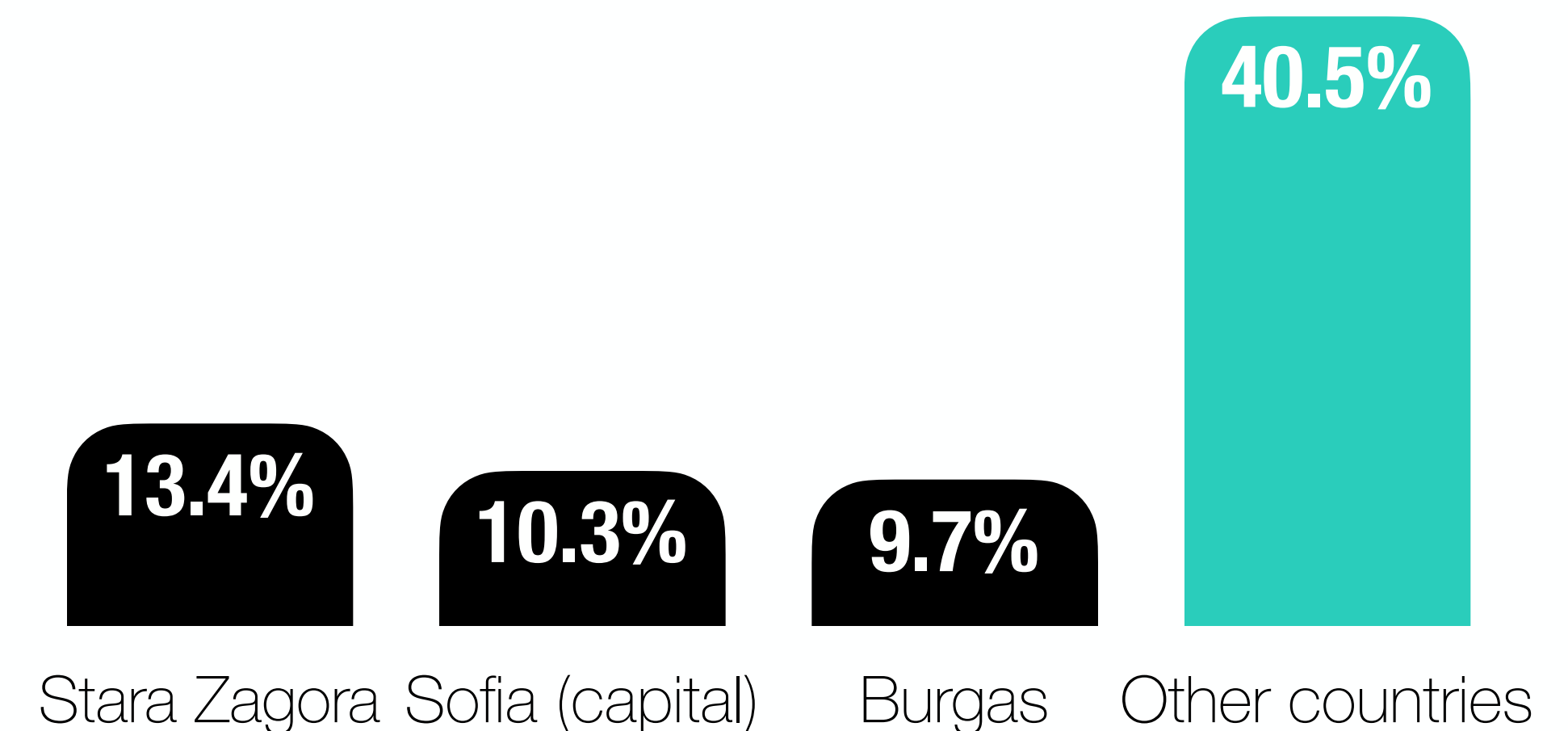
Source: NSI, Eurostat, 2020

MIGRATION PROCESSES

Good quality of life and developing manufacturing industry create conditions for investors in Sliven for **attracting and relocating skilled workers** from other regions in the country, as well as from abroad.

Most of the new citizens in Sliven come from the neighbouring regions of Stara Zagora and Burgas, as well as from abroad and the capital Sofia.

Districts with biggest share in migration towards Sliven



District level data

Source: NSI, 2020

EDUCATIONAL SYSTEM

HIGH SCHOOLS

TECHNICAL DUAL EDUCATION

UNIVERSITIES

HIGH SCHOOLS

High schools are often the main sources of personnel for companies.

Over 57% of high school students in the wider Sliven region **are enrolled in vocational high schools.**

18

VOCATIONAL
HIGH SCHOOLS

23

GENERAL, ART & SPORT
HIGH SCHOOLS

4

FOREIGN LANGUAGE & MATH
HIGH SCHOOLS

12 500

STUDENTS IN
HIGH SCHOOLS

of which

7100

IN VOCATIONAL
HIGH SCHOOLS

1800

HIGH SCHOOL
GRADUATES

Data for wider Sliven (distance 45 min.)

Investment Destination Sliven | 2021

Source: Regional Department of Education, NSI, 2020/2021

TECHNICAL DUAL EDUCATION

Dual education is becoming increasingly popular. The number of dual educational programs and successful **business-education partnerships is on the rise** in recent years.

17
VET CENTERS

12 HIGH SCHOOLS PART OF THE
"INNOVATIVE SCHOOLS" PROGRAM
OF THE MINISTRY OF EDUCATION

Data for wider Sliven (distance 45 min.)

Source: Regional Department of Education, MoE, NAVET

New vocational high school dual education programs in 2021/2022 in wider Sliven region in:

- ⦿ Mechatronics
- ⦿ Electrical engineering
- ⦿ Machine-building, metalworking and metallurgy
- ⦿ Technical studies - railway engineering, agricultural machinery
- ⦿ Production technologies - textiles, clothing, footwear and leather
- ⦿ Construction

UNIVERSITIES

Students enrolled in technical studies in Sliven

333 Machine engineering

184 Electrotechnics, electronics & automation

158 Energy studies

71 Communication & computer technologies

55 Food technologies

Data for Sliven municipality

Source: Technical University of Sofia - Sliven branch, 2021

2

UNIVERSITIES

University education in STEM in the region is offered by the Sliven branch of the Technical University of Sofia. Sliven also hosts a branch of the Varna Medical University.

In the coming years Sliven municipality plans on **creating a center for technology transfer** in partnership with the Technical University in the city and the business sector, including innovative startup companies.

LABOR MARKET

NUMBER OF JOBS

LABOR COST

GROWTH OF KEY INDICATORS

NUMBER OF JOBS

30 700

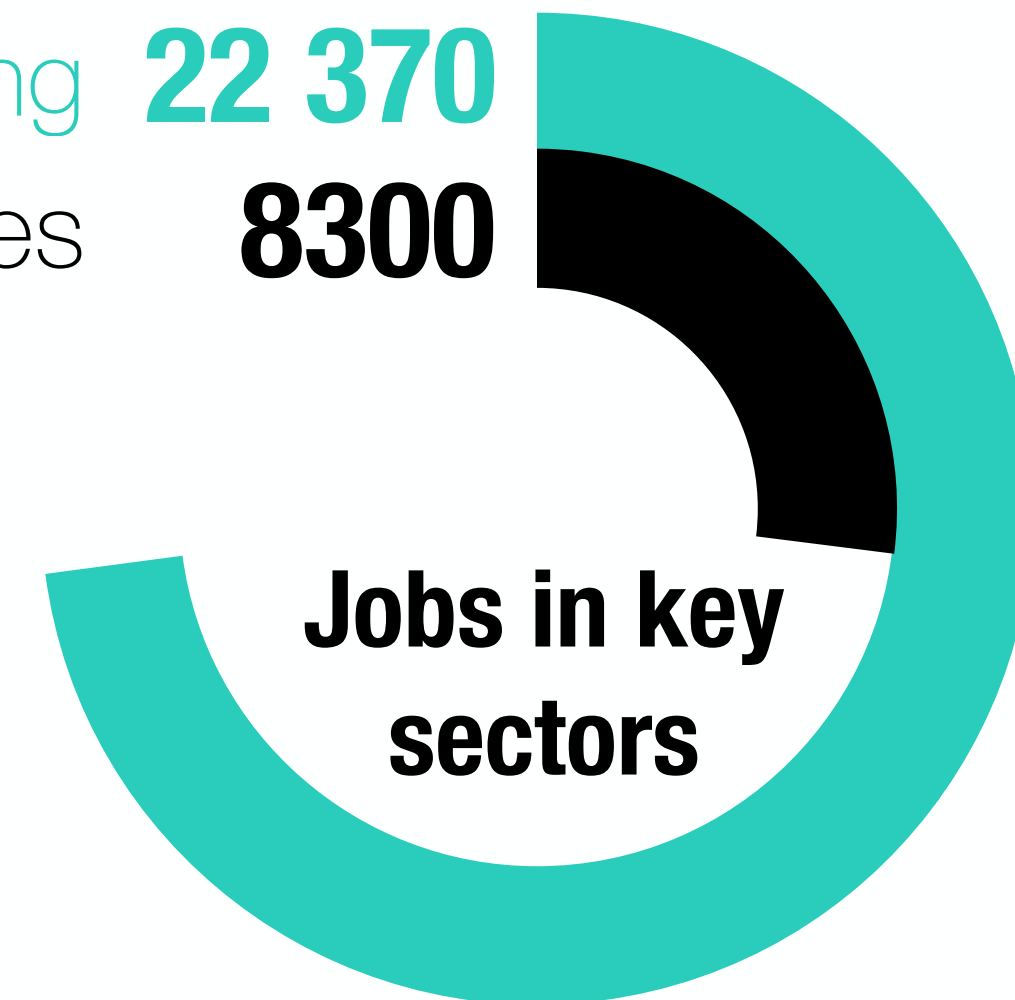
JOBS IN KEY SECTORS

READILY ADAPTABLE
LABOR FORCE FOR
INVESTORS IN
MANUFACTURING,
FREIGHT TRANSPORT,
LOGISTICS & OTHER
BUSINESS SERVICES

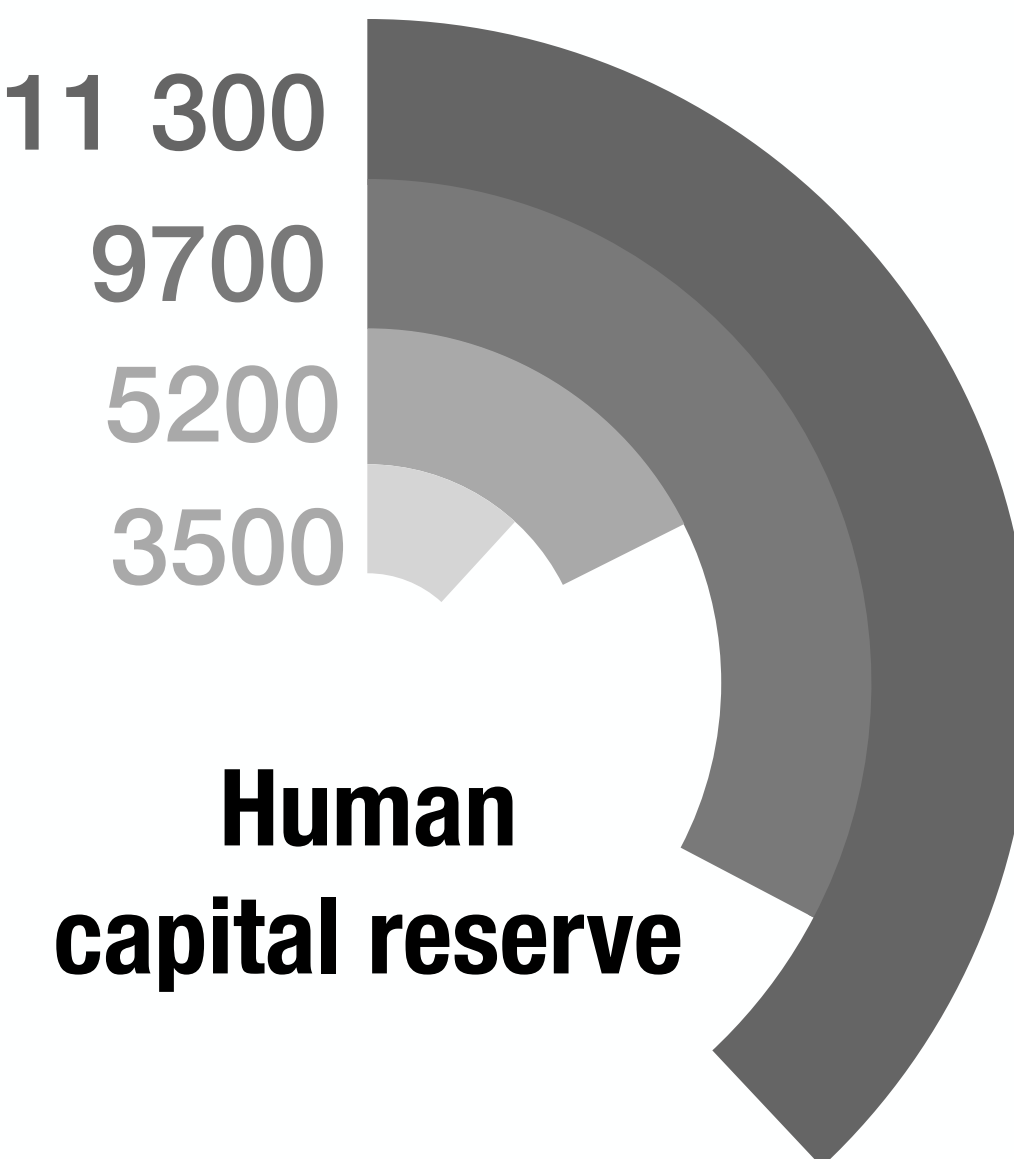
Data for wider Sliven (distance 45 min.)

Source: Trakia Tech with NSI and Commercial register data for 2020

Manufacturing **22 370**
Business services **8300**



Consumer services **11 300**
Mining, power & utilities **9700**
Agriculture **5200**
Construction **3500**



LABOR COST

Labor costs in Bulgaria are still the lowest in the EU.

Wages in the wider Sliven region are lower than the those in other competitive regions as Burgas and Stara Zagora, as well as lower than the country average.

34.8%

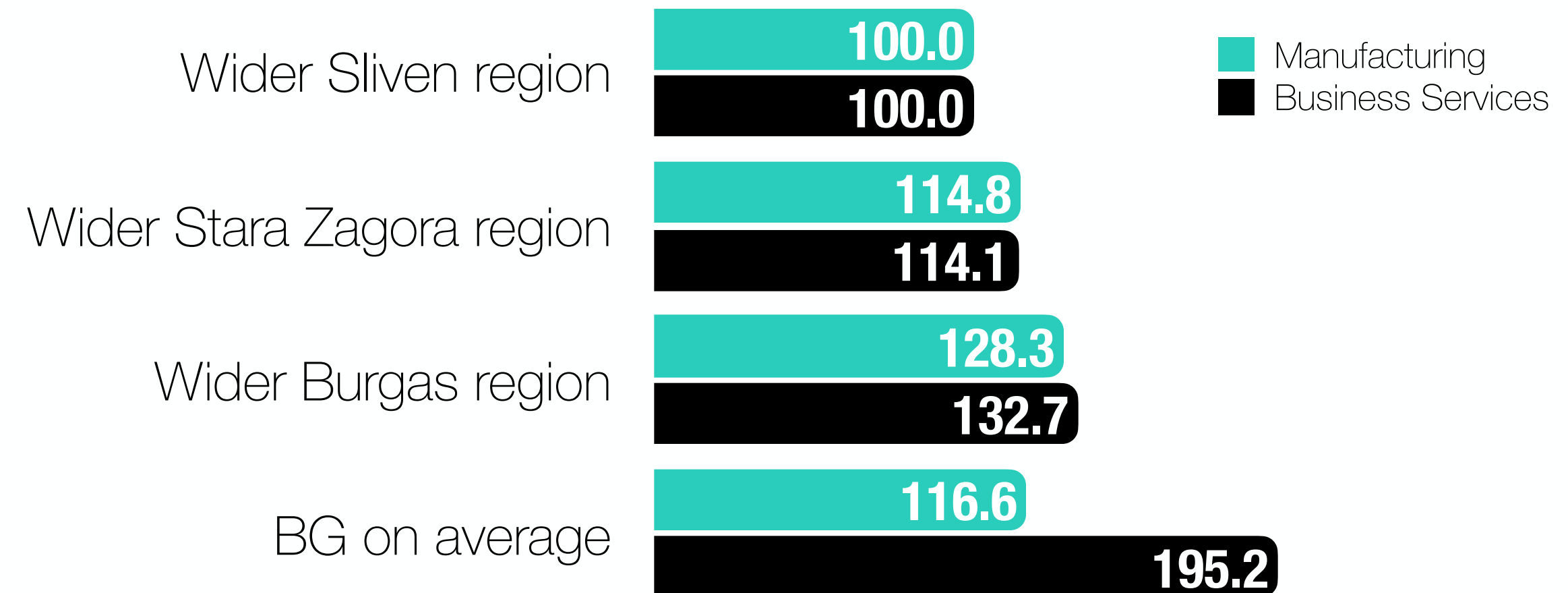
**Taxes on labor
as % of labor
costs**

€18 400

**Maximum
annual social
security base**

Labor cost in selected key sectors in Bulgaria

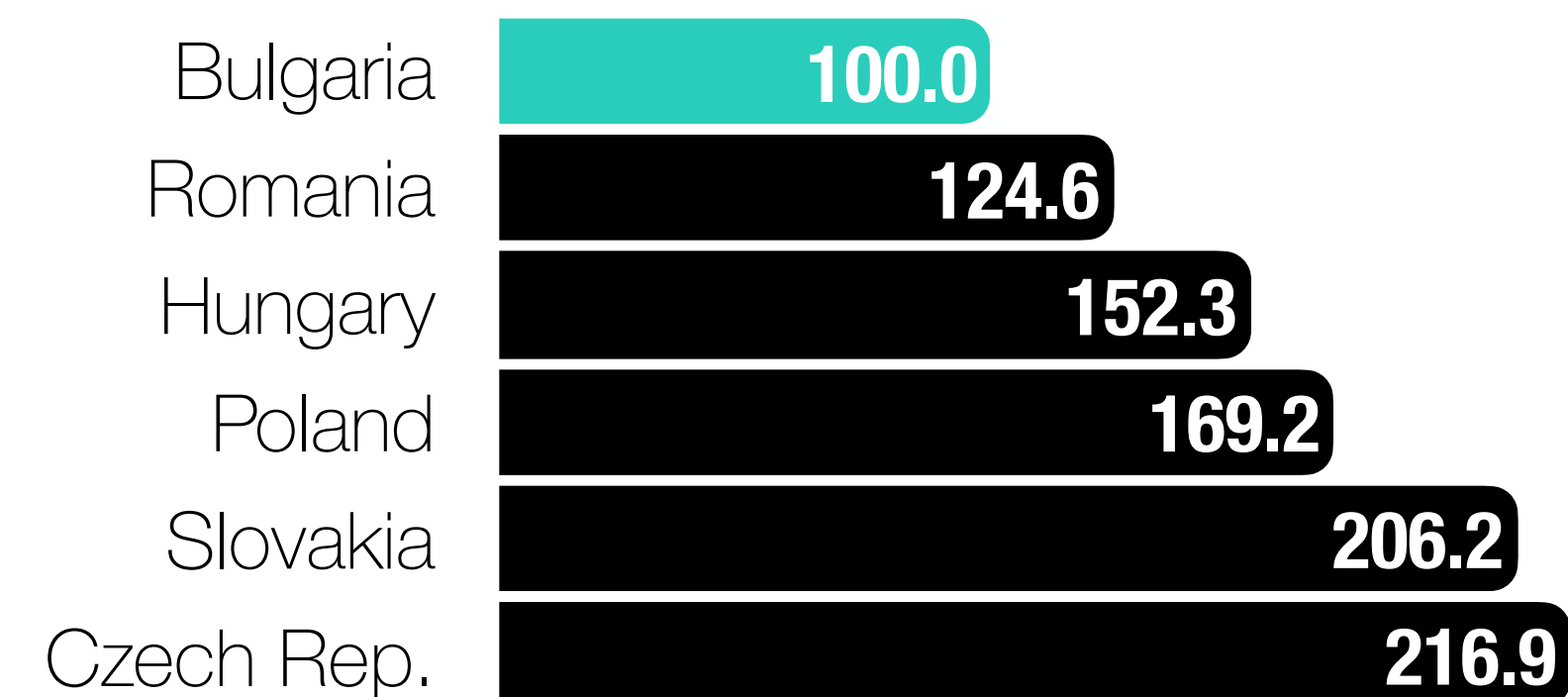
Wider Sliven region = 100



Source: Trakia Tech with NSI and Commercial register data for 2020

Labor cost in industry, construction & services in Europe

Bulgaria = 100



Source: Eurostat, 2020

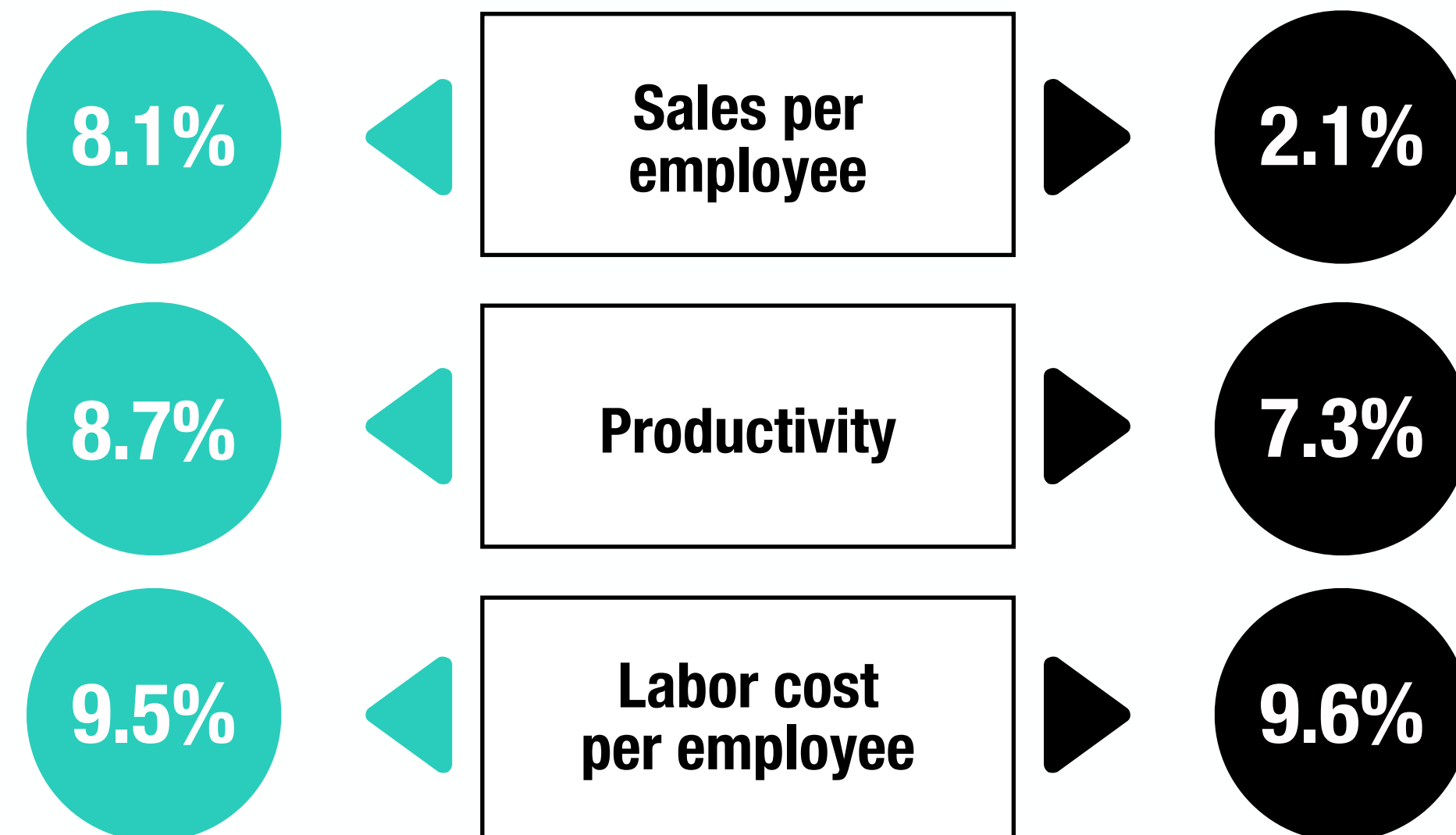
GROWTH TRENDS

Data for wider Sliven (distance 45 min.)

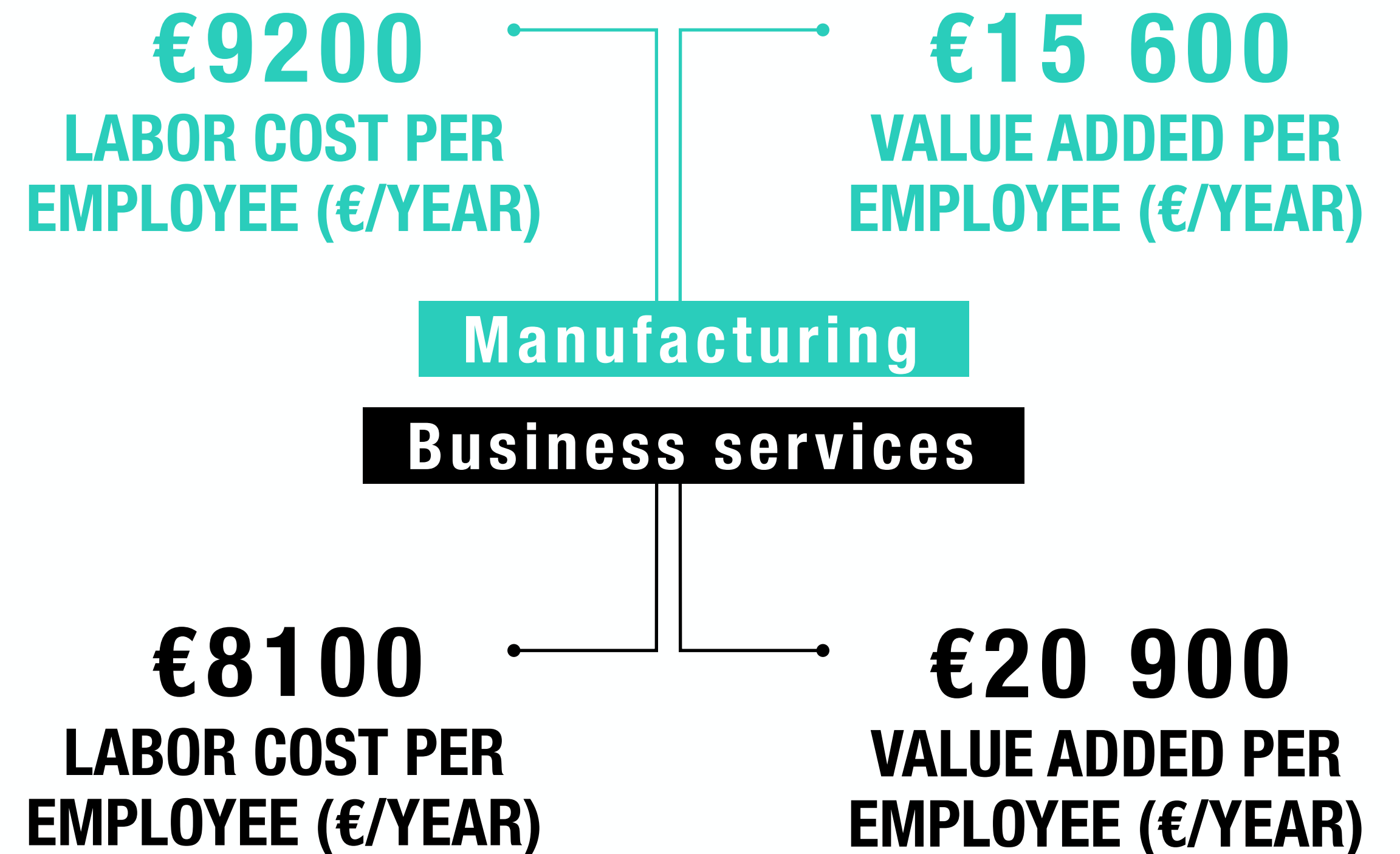
Annual average growth for key sectors

Manufacturing

Business services



2022 forecast



Model based on data extrapolation

MANUFACTURING CLUSTER

STRUCTURE

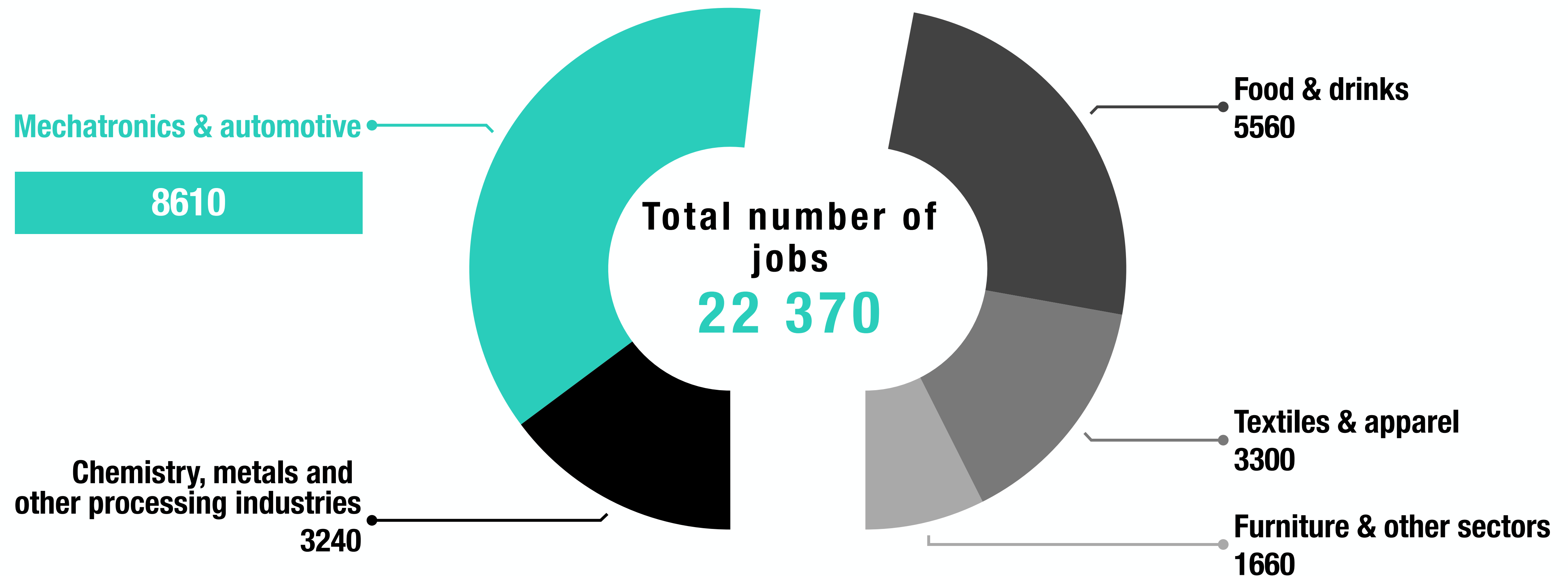
MECHATRONICS & AUTOMOTIVE

MAJOR COMPANIES

STRUCTURE

Data for wider Sliven (distance 45 min.)

The wider Sliven region is **one of the bigger mechatronics & automotive clusters** in Bulgaria with 8% of all jobs in the sector.



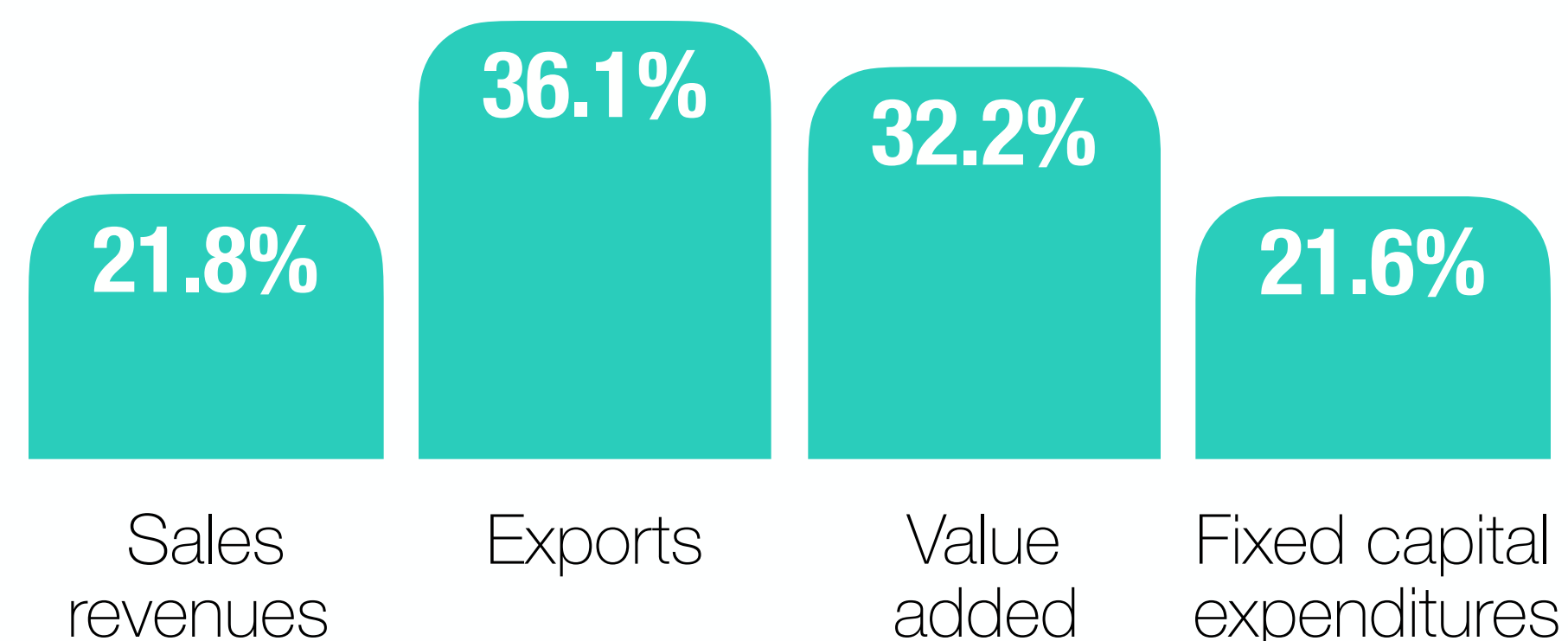
Source: Trakia Tech with NSI and Commercial register data for 2020

MECHATRONICS & AUTOMOTIVE: KEY INDICATORS #1

The modern manufacturing industry in Europe, as well as that in Sliven, is to a large extent shaped by the presence of mechatronics & automotive companies.

Every fourth manufacturing worker in the Sliven region is employed by a foreign mechatronics & automotive investor.

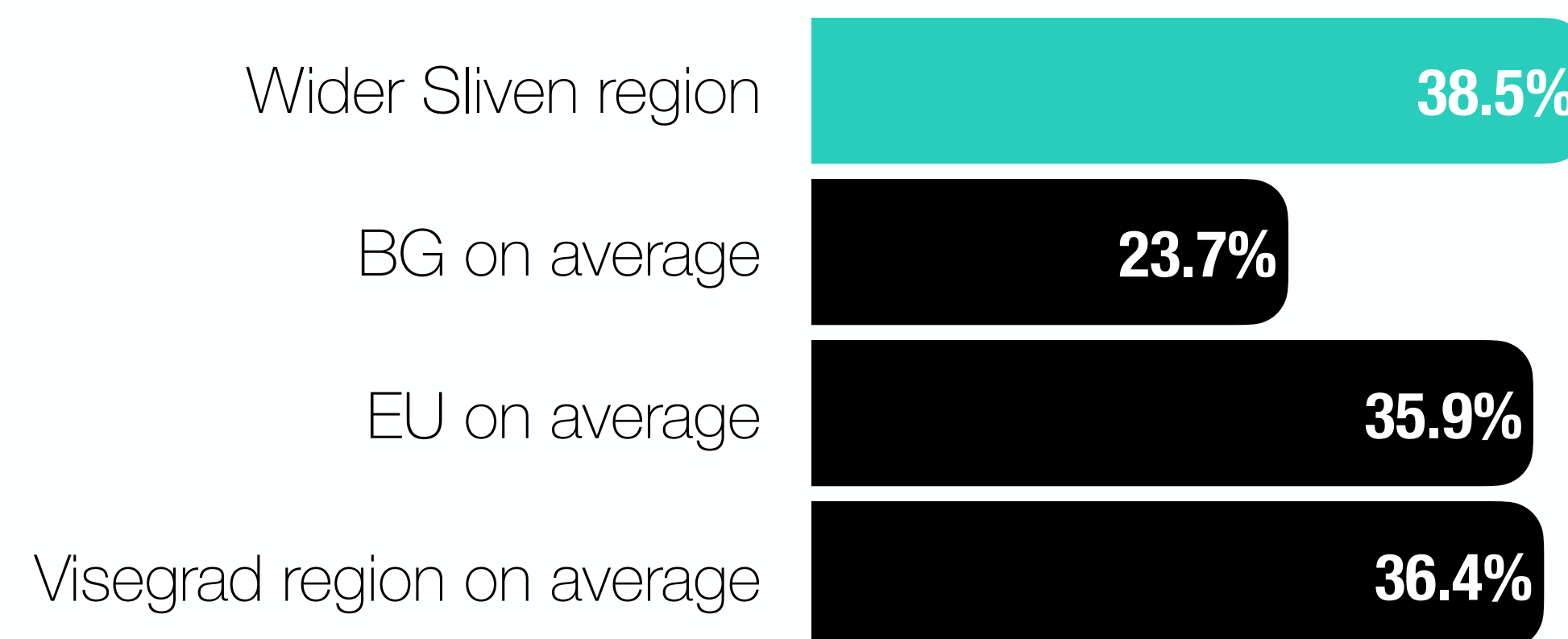
Share in regional manufacturing



Data for wider Sliven (distance 45 min.)

Source: Trakia Tech with NSI and Commercial register data for 2020

Share of mechatronics & automotive in regional manufacturing



Source: Trakia Tech with NSI and Commercial register data for 2020, Eurostat, 2018

MECHATRONICS & AUTOMOTIVE: KEY INDICATORS #2

Wage growth in mechatronics & automotive goes hand in hand with improvements in labor productivity. Wage growth in the sector will be softened by the availability of workers in industries with relatively low wages.

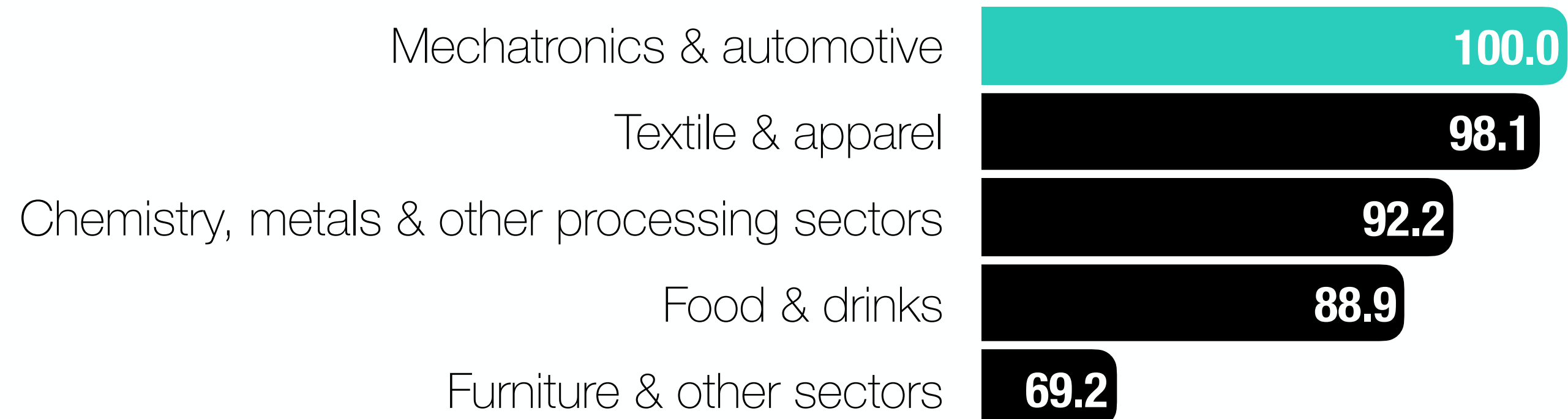
Data for wider Sliven (distance 45 min.)

Annual average growth



Labor cost in manufacturing

Mechatronics & automotive = 100



MAJOR COMPANIES

MECHATRONICS & AUTOMOTIVE

AS ENGINEERING
ATES
DINAMO SLIVEN
ELOPAR
HYDRAULIC ELEMENTS & SYSTEMS (HES)
HYDROSYSTEM
MILKTOTRONIC
PALFINGER PRODUKTIONSTECHNIK BULGARIA
SE BORDNETZE-BULGARIA
TSK TEST SYSTEMS BULGARIA
VACUUM EL SYSTEM
YAZAKI BULGARIA
ZMM - NOVA ZAGORA
ZMM-POBEDA
ZMM-SLIVEN

PROCESSING INDUSTRY

AUTOFIL YARNS LIMITED
AYGROUP
BULMETAL
DGR INTERNATIONAL
ECOPLAST FIBRE
HIMICHESKI PRODUKTI
INDUSTRIAL SOLUTIONS BULGARIA
N SIE H - KACHEVI
PARMASH
RETAL BALKAN
SINTERAMA BULGARIA
SWORDSON
VIN.S.INDUSTRIES
ZPT

CONSUMER GOODS

AGRONIK
E.MIROGLIO
FRUCTO SLIVEN
GRADUS - 3
HL-TOPMIX
KRONOS
LEMPRIERE WOOL
NACHEVI-90
PALIRRIA BULGARIA
PAPAS OIL
SIS INDUSTRIES
TIRBUL
VIDENOV GROUP
VILLA YAMBOL
VINEX SLAVYANTSI

WHOLESALE & CONSTRUCTION

AGRARICA
BONOIL
BORISOV & DENEV COMMERCE
DIAS 2000
DIYAVAL TRADE
EUROINVEST-2009
FORMATT BUILDING PRODUCTS
GRAINSTORE BULGARIA
IM PETROLEUM
KRONOS AGRO TRADE
PATNO PODDARZHANE
PESHTOSTROI
TOBACCO TRADE SLIVEN
TRASH ENERGY
TUIDA GROUP
YOVANA

CONSUMER SERVICES & AGRICULTURE

BLUE SEPTAGON
BRATYA NIKOLAY I IVAN PEEVI KOLEVI
CARIO
DIANA MI - MINCHO IVANOV
DICHONI
DOMAINE BOYAR BULGARIA
ECO FARM - 2005
ECOENERGY
EKO ASORTI BAICHEV I SIE
LIDL BULGARIA
MILENIUM 2000
REPRODUCTOR PO SVINEVADSTVO
SLAVEKS
SVINECOMPLEX ZIMEN
VG GLOBAL
VILTON - 2
ZHYULIV

INDUSTRIAL PARKS

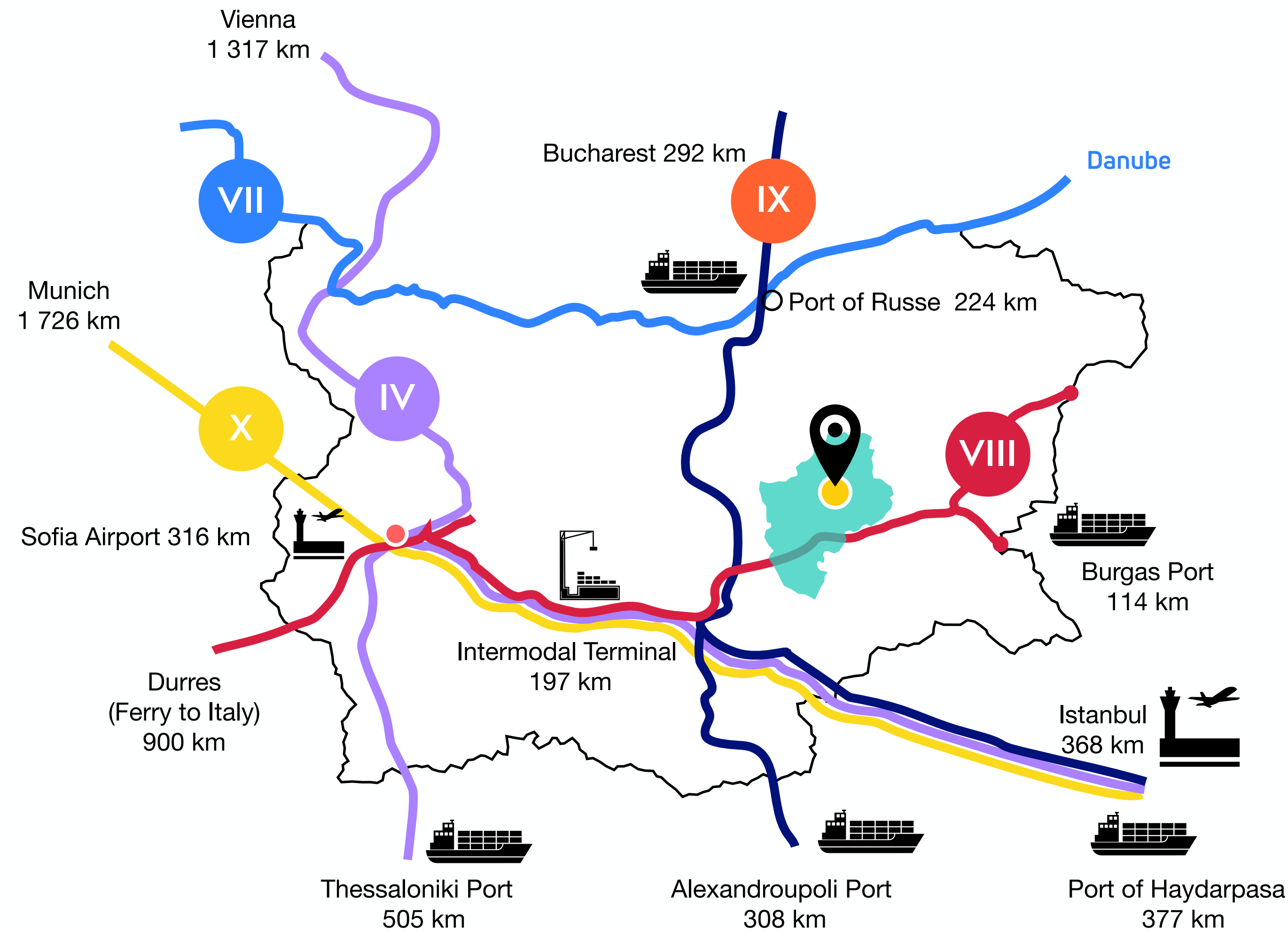
LOCATION & CONNECTIVITY

INDUSTRIAL PARKS

PRICES & RENTS

ACCESS TO UTILITIES

LOCATION & CONNECTIVITY



Industrial parks connectivity

-  City public transport
-  Highway - 17 km
-  Railway Station - 1 km
-  Fire Station - 5 km
-  Power substation - 0.5 km
-  Gas pipeline - 0.5 km

INDUSTRIAL PARKS

**Sliven Industrial
Zone West 1**

**135
acres**

**Sliven Industrial
Zone West 2**

**6
acres**

**Sliven Industrial
Zone East**

**29
acres**

**Industrial Park
Barshen**

**643
acres**

City center

Railway Station

Burgas Port 114 km



Sofia Airport 316 km
Plovdiv Airport 179 km

E80



The industrial zones in the
Sliven region have access to
the following utilities:

H₂O



PRICES & RENTS

20 €/m²

PRICE OF INDUSTRIAL LAND

**400-500
€/m²**

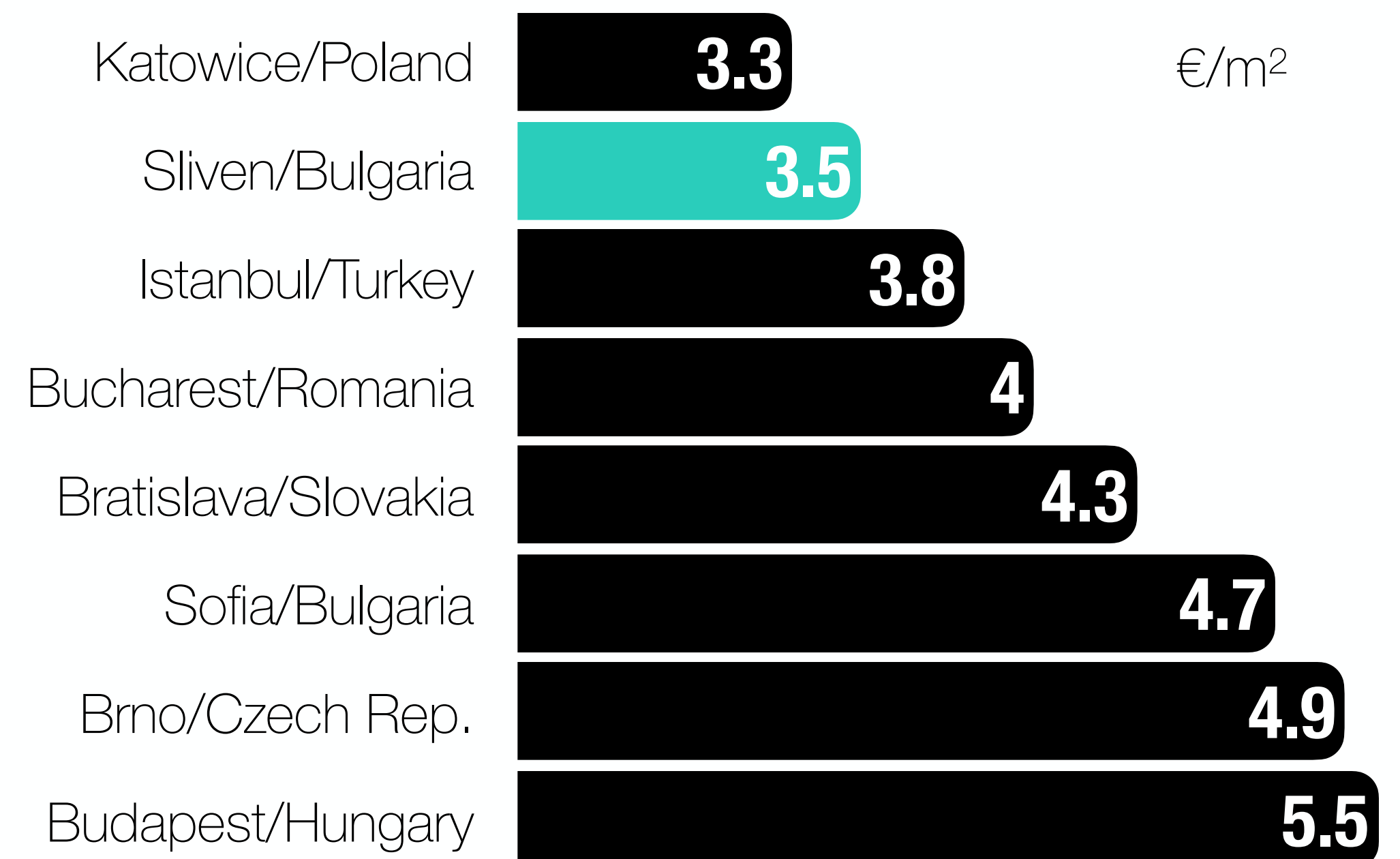
**PRICE OF
BUILT-TO-SUIT
INDUSTRIAL
WAREHOUSES**

**37-46
€/ft²**

3-3.5 €/m²

RENT OF PRIME OFFICE SPACE

Rents of prime warehouses



Source: Trakia Tech, Colliers

ACCESS TO UTILITIES

Cost of Electricity

Annual consumption in mWh, up to	Final price, incl. VAT, EUR/kWh
20	0.128
500	0.115
2000	0.101
20 000	0.095
70 000	0.089
150 000	0.076
150 000+	0.0763

Source: Eurostat, H2 2020

Cost of Natural gas

Annual consumption in GJ, up to:	Final price, incl. VAT, EUR/GJ
1000	9.816
10 000	8.618
100 000	6.718
1 000 000	4.918
4 000 000	4.554

Source: Eurostat, H2 2020

Cost of Water & Sewage

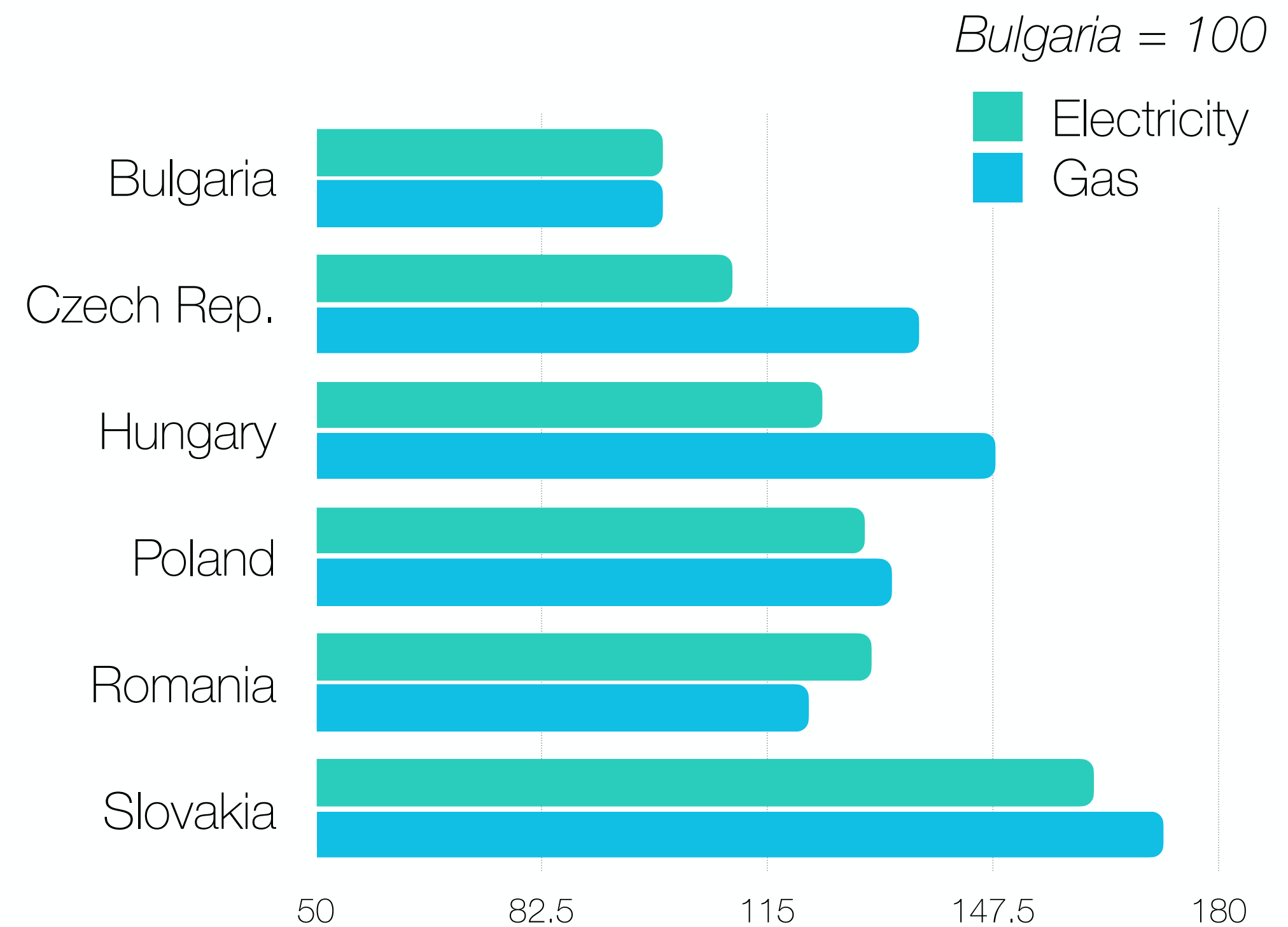
Level of contamination	Final price, incl. VAT, EUR/m ³
I	1.259
II	1.359
III	1.529

Source: Water & Sewage Sliven, 2021

ENERGY PRICES

The entire Sliven Municipality, including its industrial zones, have a modern power distribution infrastructure. In case of **a greenfield investment there is a streamlined process of several quick steps to get connected to the power grid.**

The natural gas network in Sliven Municipality consists of 50 km of gas pipelines, that run through or near the industrial zones in Sliven.



*Notes: Electricity prices for annual consumption 70-150 thousand MWh.
Gas prices for annual consumption 1-4 million GJ.*

Source: Eurostat, H 2020

ECONOMIC POLICY

LOCAL TAXES AND FEES INVESTOR INCENTIVES SINGLE POINT OF CONTACT

LOCAL TAXES & FEES

For calculating the property tax and waste fee for legal entities the higher value between the tax valuation and the book value of the property is considered.

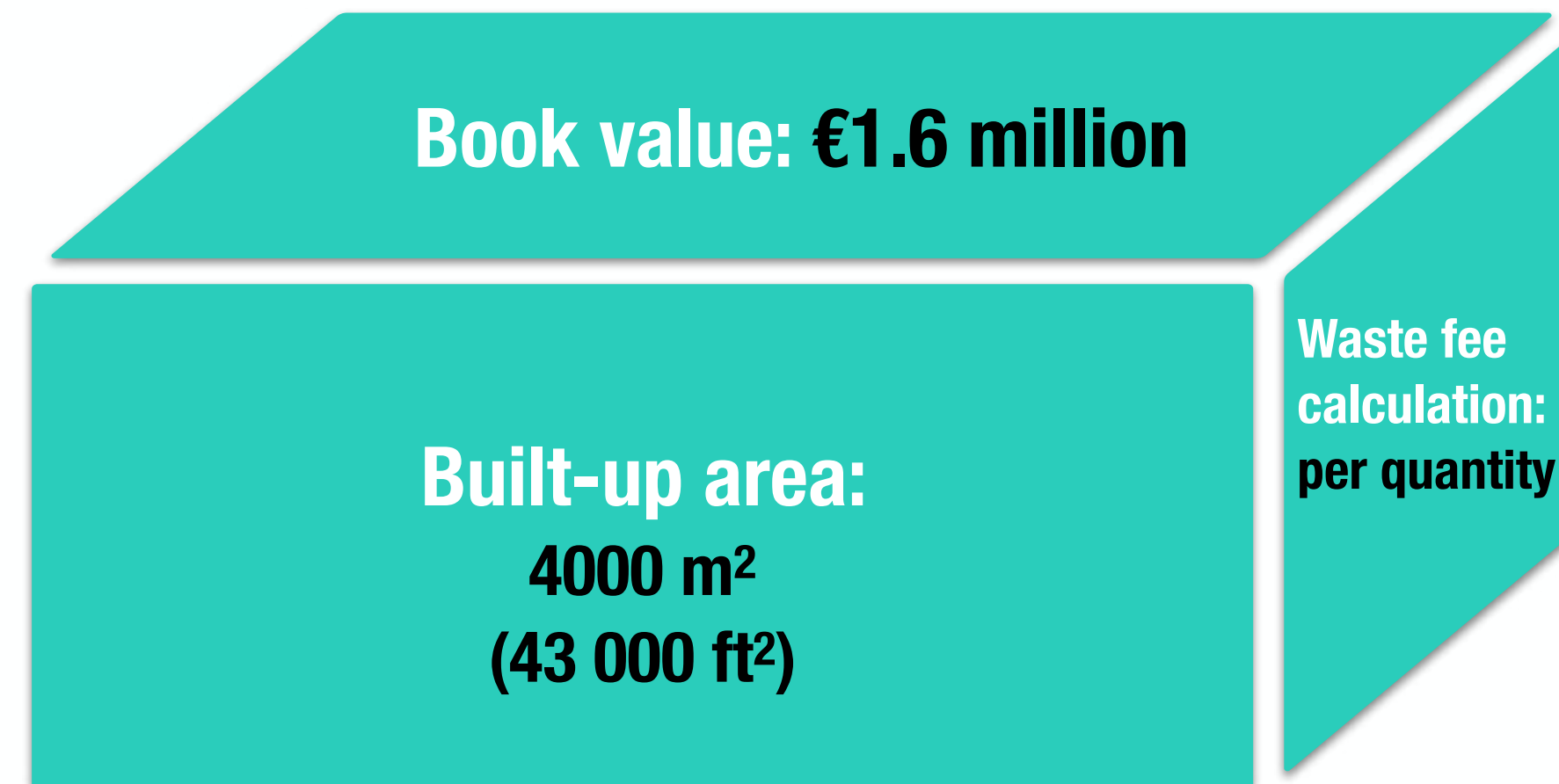
For new industrial properties, their book value is likely to exceed the tax valuation. Therefore, the tax base will be the book value of the investment, which may include both acquisition costs (land and buildings), and construction and repair costs.

LOCAL TAX BURDEN COMPARISON, WHEN WASTE FEE IS CALCULATED ON THE BASIS OF PROPERTY VALUE
(for calculation when waste fee is calculated per quantity see next slide)

	Property	Waste	TOTAL
Sliven	0.270%	0.200%	0.470%
Stara Zagora	0.145%	0.420%	0.565%
Yambol	0.198%	0.404%	0.602%
Plovdiv	0.180%	0.530%	0.710%
Burgas	0.175%	0.690%	0.865%

Source: Selected municipalities

A CALCULATION EXAMPLE



Legal entities pay waste fee regardless of whether they are manufacturers or service providers as long as they have any physical presence in the municipality (warehouse, office, etc.). When choosing to pay according to quantities of waste, the company pays annually another 0.043% on the property tax base for cleaning of public areas.

Case assumptions

Property tax	4320 €
One container	2366 €
Lump-sum waste fee	688 €
Total	7374 €

Notes:

Container size: 1100 liters (290 US gallons)

Collection frequencies: 52 times per year

INVESTOR INCENTIVES

Financial incentives representing regional state aid

Tax relief

Relief related to charging VAT or
the right to refund VAT

Financial support for construction of
technical infrastructure elements
(used exclusively by the investor)

Financial support of up to 25%
for the vocational training for
obtaining professional qualifications, of
persons, who have occupied the new
jobs linked to the investments

Reimbursement of labor costs paid by
the employer for a period of up to 2 years

Providing a grant of up to 10% of the
total investment cost

Acquiring ownership rights or building
rights over real estate, without an
auction or a competitive bidding
procedure, or at prices lower than the
market ones (but not lower than the tax
assessment)

Introducing exemption from the
obligation of paying stamp duty upon
alteration of the assigned use of the land

Maximum aid ammount under European Commission regulation

For projects with expenditures below € 50 million

50% of the total investment cost

For projects with expenditures above € 50 million

$50\% \times (50 + 0.5 \times B + 0.34 \times C)$

B is the part of eligible costs between
€ 50 million and € 100 million

C is the part of eligible costs
above € 100 million

Example:

Electric vehicle manufacturer with
€120 million total investment cost

Maximum aid

$50\% \times (50 + 0.5 \times 50 + 0.34 \times 20) = \text{€ } 40.9 \text{ MILLION}$

Construction of public infrastructure elements, that can also be used by other investors, is not considered a regional state aid

SINGLE POINT OF CONTACT

Invest Sliven is the official unit of Sliven Municipality for FDI & business development. The municipal unit provides a single point of contact, connecting investors with everyone they need to know for a soft landing for the company set-up. Once the company is up and running, Invest Sliven will assist and guide the investor in the local ecosystem.

Incentives provided by Sliven Municipality

Shortened waiting time for administrative services

Individual administrative and information services

Acquisition of real estate constituting private municipal property, without an auction or a competitive bidding procedure

In the coming years Sliven municipality plans on implementing projects that will improve the business ecosystem, including:

- Business infrastructure improvements
- Network development, consisting of entrepreneurship organizations, clusters, accelerators, business angels and venture capital funds
- Construction of a four-lane road, connecting Sliven and Yambol
- Development of co-working spaces
- New industrial zones development
- Support for business digitalization, automation and the circular economy

QUALITY OF LIFE

CHILDCARE & MEDICAL SERVICES SPORTS & RECREATION ARTS, HISTORY & TOURISM

CHILDCARE & MEDICAL SERVICES

KINDERGARTENS AND NURSERIES IN SLIVEN MUNICIPALITY PROVIDE ENOUGH SPACES
FOR MEETING THE DEMAND FOR CHILD CARE

28

**KINDERGARTENS &
NURSERIES**

104

**PLACES IN KINDERGARTENS
PER 100 KIDS**

28

**SCHOOLS PROVIDING
PRIMARY EDUCATION**

3

**KIDS & YOUTH
CENTERS**

79

PLAYGROUNDS

5

HOSPITALS

53

**CLINICS & OTHER
HEALTHCARE FACILITIES**

39

**DOCTORS PER
10 000 INHABITANTS**

Source: Sliven Municipality 2021, NSI 2020

SPORTS & RECREATION

A well developed green system and a sports infrastructure, consisting of tennis courts, skate park, indoor and outdoor swimming pools, football, basketball, volleyball, track-and-field and other sports fields.

33

SPORT CLUBS

54

sports facilities

218 **acres**

CITY PARKS & GARDENS

5773 acres

Other green areas

12 **miles**

BIKE LANES

2239 **ft²**

GREEN AREAS PER CITIZEN

58

**SPORT EVENTS &
COMPETITIONS INCLUDING:**

- ⦿ **International Drift Rally – May/September**
- ⦿ **International Monbat Rally – June**
- ⦿ **International Cycling Race – July**
- ⦿ **Basketball Tournament of Twinned cities – August**
- ⦿ **Grappling Tournament – September**
- ⦿ **Grand Prix Sliven – November**

ARTS, HISTORY & TOURISM

RICH CULTURAL HERITAGE IN THE CITY
AND ITS CLOSEST SETTLEMENTS

15

**MUSEUMS AND OTHER
CULTURAL ORGANIZATIONS**

52

Community centers

272

**SIGHTS OF CULTURAL
SIGNIFICANCE**

**Diverse arts program for 2022,
including:**

- **Easter Celebrations – March/April**
- **Retro Cars Parade – April**
- **Children and Youth Theatre Festival**
- **Days of Culture "Sliven Fires" – May**
- **National Poetry Competition – May**
- **International Children Folk Dance Festival – May/June**
- **Autumn Salon of Theatre – September**
- **The Festival of the 100 Voivodes – September**
- **Sliven Town Celebrations – October**
- **Christmas & New Year's Eve Celebrations – December**

Source: Sliven Municipality, 2021

PLACES TO VISIT



"Hadji Dimitar"
Square



The Old Clock
Tower



The "Ring" Natural
Phenomenon



Sliven Historical
Museum



"Hadzi Dimitar"
House-Museum



"Tuida"
Fortress



Hoshterova
House



Art Gallery "Dimitar
Dobrovich"



Mineral Baths
of Sliven



"Blue Stones"
Park

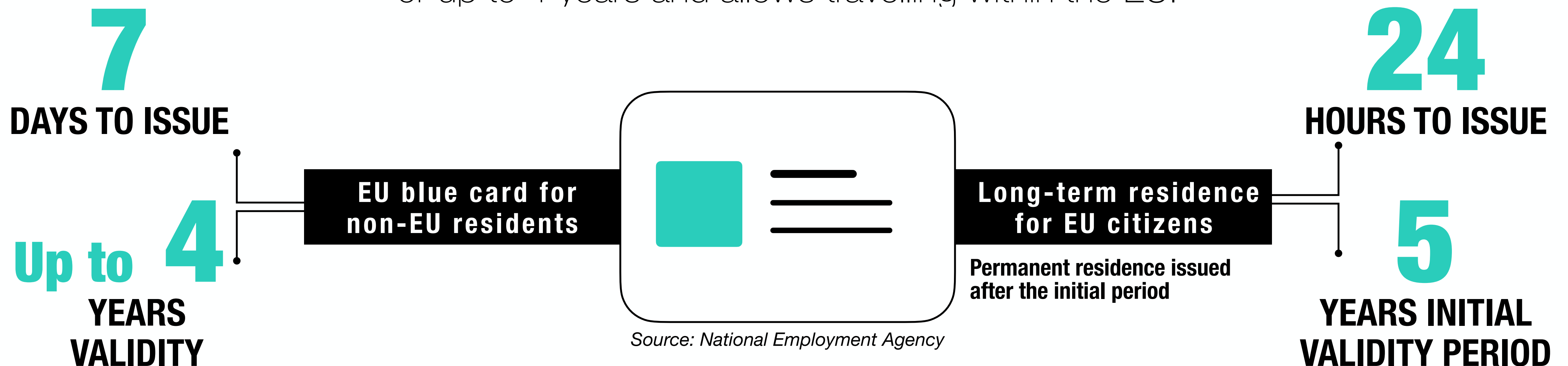
TECH & STARTUP GUIDE

A PLACE FOR YOUNG TALENT COST OF LIVING EASE OF COMPANY SETUP

A PLACE FOR YOUNG TALENT

Sliven is ready to attract tech & startup teams, digital nomads and high-skilled professionals from abroad with its good quality of life, low cost of living, and opportunities for engineering career in the mechatronics & automotive cluster.

Non-EU citizens, who perform highly skilled labour, can apply for the EU Blue Card. The applicants must be university graduates and have secured a work contract with a Bulgarian employer. It gives its holder extended rights to stay in the country for the duration of the contract or up to 4 years and allows travelling within the EU.



COST OF LIVING

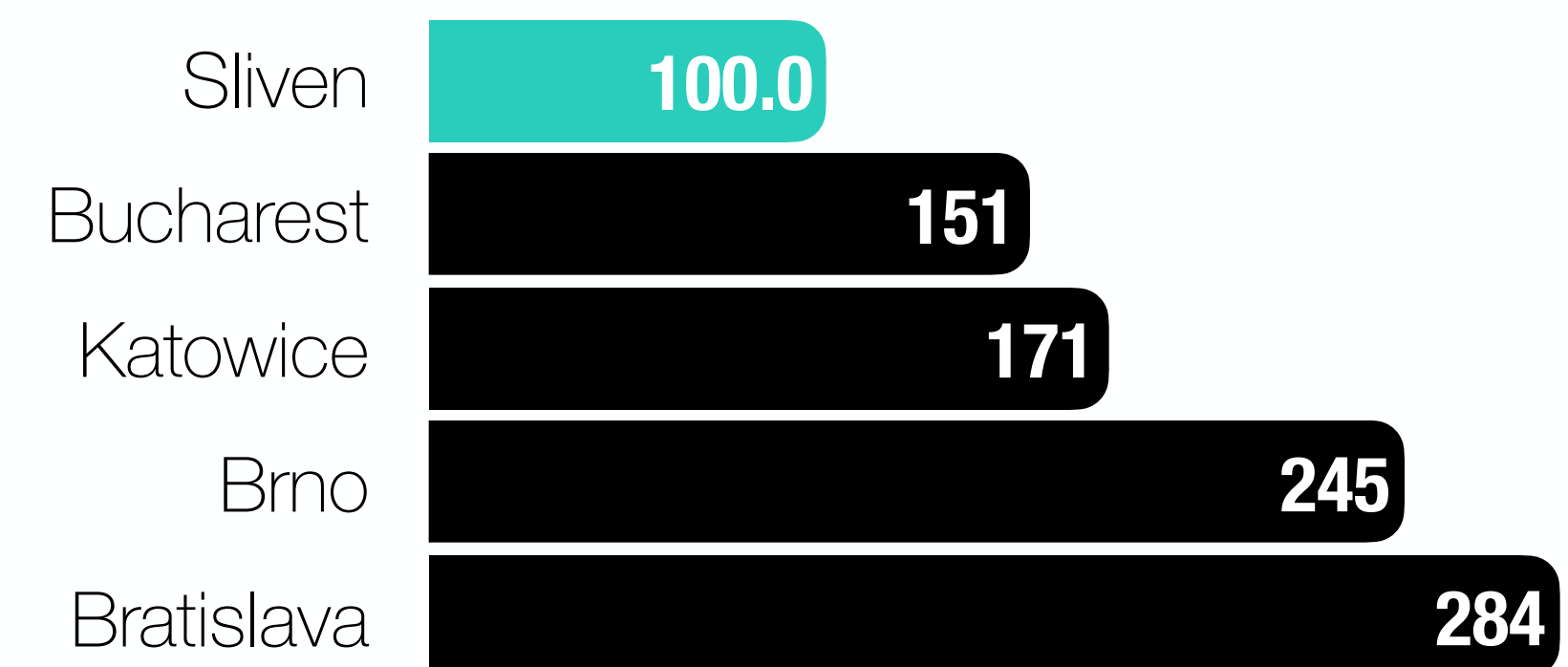
Typical prices in Sliven for everyday items

Lunch menu	3.6 €
Public transport (one-way ticket)	0.4 €
Taxi journey of 5 km (3 miles)	2.8 €
Parking in city center (per hour)	0.5 €
Gym membership (monthly fee)	16.6 €
Cinema ticket	4.1 €
Private kindergarten (per month)	89.6 €
1-bedroom apartment in city center (per month)	153.6 €
Basic utilities	102.4 €
Internet	8.5 €

SLIVEN IS AN ATTRACTIVE CITY FOR
TECH TEAMS & DIGITAL NOMADS FOR
ITS LOW COST OF LIVING COMPARED
TO OTHER EUROPEAN CITIES

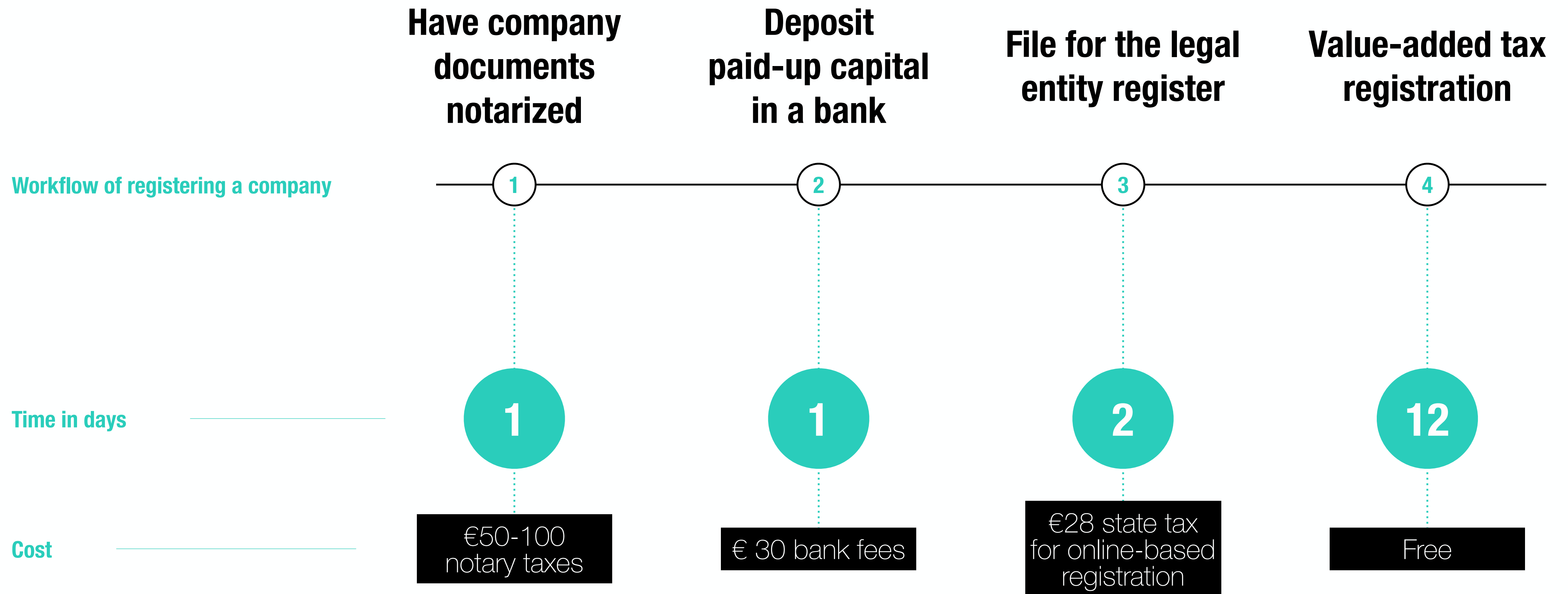
Rent prices in selected European cities vs. Sliven

Index Sliven = 100



Source: Numbeo, 2021

EASE OF COMPANY SETUP



2021

SLIVEN

INVESTMENT DESTINATION

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www.invest.sliven.bg

SLIVEN MUNICIPALITY



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