



# From Centralized Economy to Market Economy

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# Outlook

- Economic reforms;
- Transition to market economies/risks and opportunities;
- Increased integration of the economies;
- Increased competition;
- Increased labour market flexibility;
- Increased productivity;
- Restructuring of financial institutions.



# **SMEs, the backbone of the economy**

- 99% of total number of Bulgarian enterprises;
- 79% of employment;
- 75% of the turnover of private enterprises;
- 61% of the value added of private enterprises;
- 57% of the fixed tangible assets of private companies;
- 67% of the investments in fixed tangible assets of private companies;



# **SMEs, the backbone of the economy (2)**

- 54% of the export;
- 73% of the import of the private business;
- 55% of all SMEs are in “Trade and repair” sector;
- 90% of the total number of SMEs are microfirms;
- 78% of private enterprises productivity.



# Priorities

1. Simplification of administrative and regulatory procedures.
2. Improvement of Financial services.
3. Improvement of SME competitiveness.
4. European and Global Market Integration.



# Institutions



## I. Governmental

1. EAPSME (since 2004) – SMA Agency, since 1997;  
SME ACT, since 1994;
1. Invest Bulgaria Agency
2. Bulgarian Agency for Export Insurance
3. Employment Agency

## II. NGOs

1. Business Associations (branch, sectorial, regional).
2. Business support organizations – information, advise, consultancy, training.
3. Think-tank groups:

*Center for Study of Democracy*

*Center for Economic Development*

*Institute for Market Economy*

*Foundation for Entrepreneurship Development*

Foundation for Entrepreneurship  
Development



# Business Support Networks

1. Bulgarian Chamber of Commerce and Industry
2. Bulgarian Industrial Association
3. Joint Opportunities for Business Support
4. Bulgarian Association of Regional Development Agencies
5. Euro Info Centres
6. European Innovation Center
7. Business incubators, technological and innovation centers



# Targeted SMEs preparation for the Single European Market

1. Requirement of the Euromarket
2. International Quality Standards
3. Introduction of New Products and Services
4. The Environmental Norms
5. Consumer protection
6. Innovations
7. ICT
8. Electronic Trade



# Project Financing

## **I. PHARE/EC**

Support of the competitiveness

Development of Clusters

Quality Standards in Food Industry

HR Development

Business Incubators

Consultancy Grant Schemes

## **II. National**

Creation of Competitive Start Ups (Project 100)

Support for innovative firms



# Programmes and Strategies

- OP “Development of Competitiveness of Bulgarian Economy 2007-2013”
- National Strategy for SME 2007-2013
- National Innovation Strategy
- National Strategy on Clusters Development