



**TO  
BOYKO BORISSOV  
PRIME MINISTER**

**TOMISLAV DONTCHEV  
DEPUTY PRIME MINISTER**

**MARIANA NIKOLOVA  
DEPUTY PRIME MINISTER**

**VLADISLAV GORANOVA  
MINISTER OF FINANCE**

**DENITSA SACHEVA  
MINISTER OF LABOR AND SOCIAL POLICY**

**KIRIL ANANIEV  
MINISTER OF HEALTH**

**EMIL KARANIKOLOV  
MINISTER OF ECONOMY**

**CC:  
TSVETA KARAYANCHEVA  
CHAIRPERSON OF  
THE 44<sup>TH</sup> NATIONAL ASSEMBLY**

*Sofia, April 3<sup>rd</sup>, 2020*

**Subject: Statement for support and recommendations to the Government of the Republic of Bulgaria with regard additional economic measures to overcome the COVID-19 crisis**

**DEAR PRIME MINISTER,  
DEAR MINISTERS,**

On behalf of our eleven bilateral chambers we address you with our position and a set of proposals for joint efforts to combat the extremely complex epidemic and economic situation in the country.

We have built an excellent dialog with you all on a wide span of economic topics. Thus, the Management Boards of the Advantage Austria, American Chamber of Commerce in Bulgaria, Belgium-Bulgaria-Luxemburg Business Club, British Bulgarian Business Association, Bulgarian Romanian Chamber of Commerce and Industry, Bulgaria - Montenegrin Chamber of Commerce and Industry, Italian Chamber of Commerce in Bulgaria, Confindustria Bulgaria – association of the Italian entrepreneurship in Bulgaria, Hungarian-Bulgarian Chamber of Commerce, French-Bulgarian Chamber of Commerce and Industry, and the Swedish-Bulgarian Chamber of Commerce are addressing you as we declare support to the undertaken measures and activities to protect the lives and health of the Bulgarian citizens, as well as with the first series of presented economic measures. We strive to add value to this process by presenting proposals collected from our members for initiatives for protecting the Bulgarian economy.

We are representing foreign and Bulgarian investors in the country. Our joint focus is that together with you to discuss and apply the approved measures for the successful combatting with this complex situation, caused by the pandemic. Our members have knowledge, experience, and other resources that can be useful in the seek and implementation of solutions to overcome the crisis. The process we initiate is open for the other bilateral chambers to join with expertise in short term.

## **LADIES AND GENTLEMEN,**

We would like to share our position with regard the economic approach and measures at this stage that include stabilization of the workforce, various sectors and keeping the markets of and the innovation potential of the enterprises.

## **ECONOMIC ASPECT OF THE EMERGENCY CAUSED BY COVID-19**

The impact of the novel coronavirus SARS CoV-2 that caused of the pandemic of the decease COVID-19 requires joint and coordinated efforts by the governments and business to protect the lives and health of the people, as well as measures to sustain the economies.

Along with the complex healthcare measures, another series of economic measures are required. The economic consequences of the pandemic will echo long time after we beat it. The return to the previous levels is unachievable in short term. The recovery will be a long process that requires joint efforts. Our members report that many economic activities are blocked, the demand is shrinking, markets are turbulent or lost, the consumption is limited.

We represent various businesses and interests that are part of the foreign investors' community in Bulgaria. We have a joint focus to mitigate the economic and social damage that COVID-19 is causing already.

Therefore, it is needed in Bulgaria, all of us, to attempt to protect the manufacturing, incl. transformation to meet the healthcare and safety needs; to adapt our services and make efforts for maximum protection of the jobs. We appeal to the government to consider and to apply a

combination of economic means, incl. extension of deadlines for taxes and duties payment, securing of liquidity in companies and banks, maintaining of an optimal level of target state spending without gaining excessive debt; ease access to cheap loans; speeding-up of the digitalization of the administration, incl. a full-scale e-health; removing of ineffective administrative burden and regimes, etc. these are some of the ways to support the survival of whole sectors and companies.

The protection of our economy as part of the EU Common market, as well as part of global supply chains in EU and the United States, will allow us to recover quickly. The proposed measures by the government we see as the first set of complex decisions to support our economy.

We believe that the Bulgarian business (not only members) endures the disaster of the emergency, applies dully the health measures; seeks and finds ways to optimize and defend their businesses. Over the past weeks the business supports actively their clients, incl. state, municipal, to adapt to this extraordinary situation. Even more, it initiated and joins large scale charity campaigns, thus supporting the joint combat against COVID-19.

## **URGENT MEASURES FOR FINANCIAL SUPPORT TO THE BUSINESS**

In the emergency situation in which the country should make timely decisions, we consider that it is critical to be implemented prompt and proven mechanisms for support of the business – these measures should cover all companies thus making a guarantee the positive development of the country and its economy in longer run. Those measures should be reviewed on each stage depending of the emergency development.

### **We propose the following additional measures:**

1. Establishment of an Economic Advisory Board to the Government with the participation of bilateral chambers representatives utilizing the experience of various parties in the joint combat with COVID-19, thus to contributing the protection and the recovery of the economy.
2. Mechanisms applying to all companies – compensation and freezing of all tax and social-insurance liabilities until the end of September. Companies should be allowed to opt for interest-free deferral of the amounts due over a period of up to six months.
3. Freezing all principal and interest payables under loans, financing facilities and leasing agreements (with the exception of vehicles which are not directly used in manufacturing processes or for the provision of services) until the end of September, without charging additional interest during that period.
4. Fast and simplified procedures for granting long-term loans (maturity up to 30 years) with a view to ensuring the liquidity of SMEs and reducing B2B (business-to-business) indebtedness.

5. Simplify the procedures for obtaining access to the Unemployment Fund in the case of temporary suspension of work for companies in all sectors, including self-employed individuals, whereby the Unemployment Fund should cover 60% of the insurable income for up to six months and so that after the second month the employer will be exempted from the obligation to pay the remaining 40% of the insurable income. The amount paid cannot be less than the minimum monthly wage level officially established in the country.
6. Simplify, whenever possible, the submission to and obtaining of documents to/from government and administrative institutions by using electronic means in order to avoid movement and clustering of people. In brief: measures to reduce the administrative burden by issuance and submission of e-documents (such as certificates, etc.).
7. Extend the validity of international driving licenses and the validity of the annual vehicle checks that expire during the emergency with up to three months.
8. The EU Funds intended for enhancing the competitiveness of businesses (Operative Program Innovation and Competitiveness, Operative Program Development of HR, Rural Regions Development) incl. funds dedicated to already planned and announced schemes and invitations for projects proposals, not to be reallocated to other measures. We propose the extension of the deadlines for presenting new projects to already announced EU funding measures. Those funds should reach their already approved beneficiaries quickly, as well as we appeal for the rest the government to mobilize additional administrative resource, to secure not having potential delays in the process of operational management of those programs, considering the current crisis situation and their specific needs of the firms. Companies that have already signed contracts and which are already in implementation to be secured timely or speeded refunding of the amounts under those projects. As an alternative we propose evaluation of the option that national funds such as those that subsidize business (Labor Conditions Fund, National Innovation Fund, others) to become sources for additional targeted support for the most damaged sectors, incl. and for a measure to transform their production lines and services aimed to contribute the combat against COVID-19.
9. Financial support for cleaning, disinfection and ensuring the safety/security of workplaces in the form of tax credit equal to 50% of the costs incurred since the beginning of March.
10. Provision should be made for additional financial resources and measures to strengthen the public healthcare system and the other State institutions directly involved in combatting the virus and in ensuring compliance with the measures adopted by the Government. VAT to medical donations to be refunded to the Ministry of Health to be added to the emergency funds.
11. Obliging the government and municipal enterprises, owners of office and business building to extend their payments and to recommend to the private sector to renegotiate lending contracts upon request by the tenant whenever possible.

12. In the Tourism sector the social security payments and tax to be frozen till April 30<sup>th</sup>, 2020 for all tourist agencies, tour-operators, and all companies in hospitality sub-sector. The define policy and mechanisms for issuing vouchers in Tourism.

We and our teams and members remain at your disposal for additional information and details to shape joint activities. We believe that only joint efforts of all institutions, business, and citizens to lead to as quick as possible outcome of this extraordinary situation.

**Yours sincerely:**

For Advantage Austria:	Ulrike Straka, Commercial Advisor
For American Chamber of Commerce in Bulgaria:	Olivier Marquette, President
For Belgium-Bulgaria-Luxemburg Business Club:	Rostislava Pavlova, President
For the British Bulgarian Business Association:	Garry Levesley, Chairman
For the Bulgarian-Romanian Chamber of Commerce and Industry:	Petko Dimitrov, Chairman
For the Bulgarian-Montenegrin Chamber of Commerce and Industry:	Nadezhda Vaneva, Chairperson.
For the Italian Chamber of Commerce in Bulgaria:	Marco Montechi, President
For Confindustria Bulgaria Association of the Italian entrepreneurship in Bulgaria:	Maria Louisa Meroni, Chairperson
For the Hungarian-Bulgarian Chamber of Commerce:	Rosen Tkachenko, Ph.D.
For the French-Bulgarian Chamber of Commerce and Industry:	Stephane Delahaye, Chairman
For the Swedish Chamber of Commerce in Bulgaria:	Stepfan Bengtsson, Chairman