



Eleven Bilateral Chambers Propose Additional Economic Measures for the Government to Combat the COVID-19 Crisis in Bulgaria

- Chambers propose the establishment of an Economic Advisory Board to support the Government during the crisis.
- The proposals are mainly focused on job protection, securing liquidity by means of various instruments, relaxation of tax and social security regulations, and more.
- As Chambers welcome the Government's efforts to cope with crisis, they see the announced economic measures as the first phase of support in this dynamic situation.

Sofia, 3 April 2020 – Eleven bilateral chambers in Bulgaria sent today a joint position to the Government of the Republic of Bulgaria with regard the COVID-19 epidemic in the country. They express their support for the public health measures implemented over the past weeks. The Chambers acclaim some of the announced economic measures by the State as well. They see them as the first of a series of economic measures to address the situation. On the basis of feedback from members, the business associations would like to table additional recommendations aimed at ensuring faster adaptation of businesses over the next three months.

The joint letter is addressed to **Boyko Borissov**, Prime Minister, **Tomislav Dontchev**, Deputy Prime Minister, **Mariana Nikolova**, Deputy Prime Minister, **Vladislav Goranov**, Minister of Finance, **Denitsa Sacheva**, Minister of Labor and Social Policy, **Kiril Ananiev**, Minister of Health, **Emil Karanikolov**, Minister of Economy. A copy of the letter is sent to the Chair of Parliament **Tsveta Karayancheva**.

The letter is signed by 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 Italian entrepreneurship in Bulgaria, Hungarian-Bulgarian Chamber of Commerce, French-Bulgarian Chamber of Commerce and Industry, and the Swedish-Bulgarian Chamber of Commerce. The initiative is open for other bilateral chambers to join.

‘We represent international and Bulgarian investors in the country. Our joint focus is to discuss and apply, together with you, the approved measures for successfully resolving the complex situation caused by the pandemic. Our members have knowledge, experience, and other

resources that can be beneficial for the identification and implementation of solutions to overcome the crisis,' state the Chambers in their letter.

'We believe that the Bulgarian business community (not only our members) sustains the hardships of this emergency, applies diligently the health/preventive measures; looks for and finds ways to optimize and protect operations. Over the past weeks businesses have proactively supported their clients, including Government and municipal agencies, to help them adapt to this extraordinary situation. Furthermore, businesses have initiated and/or subscribed to major charity campaigns, thus supporting the joint response to COVID-19,' remarked the business associations.

Additional Economic Measures (summary)

1. Establish an Economic Advisory Board to the Government with members including bilateral chambers representatives.
2. Deploy mechanisms for all companies – compensation and freezing of all tax and social-insurance liabilities until the end of September. Provide options to businesses for interest-free deferral of the amounts due over a period of up to six months.
3. Freeze 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. Establish 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 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 annual vehicle inspections which will expire during the emergency period with up to three months.
8. Ensure that the EU Funds intended for enhancing the competitiveness of businesses (Innovation and Competitiveness, HR Development, Regional Development), including

allocations to already planned and published schemes and calls for projects proposals, are not reallocated to other measures. Alternatively, consider the option of transforming certain National Funds such as those which provide financial support to businesses (Labor Conditions Fund, National Innovation Fund, etc.) in sources of additional assistance targeted to the most heavily affected sectors, including measures aimed at reorganizing their manufacturing operations and services so that they can contribute to combating the COVID-19.

9. Provide 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. Mobilize additional financial resources and measures to strengthen the public healthcare system. The VAT collected on medical donations should be refunded to the Ministry of Health and added to the emergency funds.

11. Obligate State and municipal enterprises which own office and business buildings to extend their payment deadlines, and encourage private owners renegotiate lending contracts by request of the tenants, whenever possible.

12. In the Tourist sector, freeze all social-insurance and tax payments until 30 April 2020. This measure should be applicable to all tourist agencies/tour operators, and to all businesses in the hospitality sub-sector. Define policies and mechanisms enabling the issuance of vouchers for tourist services.