

Financial Instruments

Promotion of Modern Financial Instruments in the Cross-border area

D3.4.2: Identification, Recording and Evaluation of all suitable existing SMEs located in the cross-border area that can apply for funding from modern financial tools

The contents of this document are sole responsibility of the Industrial Association - Sandanski and can in no way be taken to reflect the views of the European Union, the participating countries the Managing Authority and the Joint Secretariat.

The implementation of Deliverable 3.2. was a joint effort between all project partners and its implementation was coordinated by the LB. Therefore, PB4- the Industrial Association – Sandanski has provided the relevant input for the region of Blagoevgrad, according to LB's contents and instructions, hereby attached. It includes the following main topics:

- Main business activities, geography, relevant stakeholders in Bulgarian region
- Conducting a survey using the common project's methodology and tools among SMEs from Blagoevgrad region; analysis and synthesis of results and conclusions of the conducted survey

Project Title: “PROMOTION OF MODERN FINANCIAL INSTRUMENTS IN THE CROSS-BORDER AREA”

Project Acronym: “FINANCIAL INSTRUMENTS”

Work Package 3:

Identification of Current Status in the Cross-Border Area/Networking Activities

Deliverable D.3.2.:

“Identification, Recording and Evaluation of all suitable existing SMEs located in the cross border area that can apply for funding from modern financial tools”

Delivered by the Regional Development Agency of Rodopi S.A. (LB)



and Approved by all Project Beneficiaries

The FINANCIAL INSTRUMENTS project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece-Bulgaria 2014-2020” Cooperation Programme



Table of Contents

1	Executive Summary	3
2	Introduction	3
3	Presentation of the state of business in the EMTH area	3
3.1	Historical Data	3
3.2	Main business activities, geography, relevant stakeholders	3
4	Survey among SMEs from the EMTH region regarding their needs for modern financial instruments	5
4.1	Methodology – implementation of survey	5
4.2	Results and conclusions of the conducted survey	5
5	Financial Tools/Instruments vs SMEs	15
5.1	Methodological Framework – grouping of SMEs based on previous chapters.....	Error! Bookmark not defined.
5.2	Evaluation Matrix – SMEs vs basic elements of tools	Error! Bookmark not defined.
6	Conclusions – Recommendations.....	15
7	Sources – Bibliography	16
8	ANNEXES	16

1 Executive Summary

2 Introduction

3 Presentation of the state of business in the EMTH area

3.1 Historical Data

3.2 Main business activities, geography, relevant stakeholders

3.2.2 Main business activities, geography, relevant stakeholders in Bulgarian region

Blagoevgrad region is part of the South-West planning region, bordering Greece and North Macedonia, with the regions of Pazardzhik, Smolyan, Kyustendil and Sofiyska. Its total area is 6,449 sq. km., which represents 5.8% of the country's territory. Administratively, the region is divided into 14 municipalities (Bansko, Belitsa, Blagoevgrad, Garmen, Gotse Delchev, Hadzhidimovo, Kresna, Petrich, Razlog, Sandanski, Satovcha, Simitli, Strumyani and Yakoruda), 96 town halls and 280 settlements.

The data on the number of non-financial enterprises in the Blagoevgrad region of the Bulgarian National Statistical Institute show a continuing downward trend - in 2021 their number reached 20,897 or a decrease of 0.5% compared to 2020 (21,008 enterprises). It is positive that the rate of decrease is slowing down, considering that in 2020 enterprises decreased by 832 enterprises or 3.9% compared to 2019 (21,840 enterprises), mainly as a result of the economic crisis caused by the Covid-19 pandemic. In addition, the number of non-financial enterprises relative to the population of the region remains far higher than the national average. Their structure is dominated by micro enterprises (up to 9 employees), which make up 93.5% of their total number. Small enterprises (from 10 to 49 employees) are 5.6%, medium enterprises (from 50 to 249 employees) – 0.8%, and large enterprises (over 250 employees) form 0.1% of all non-financial enterprises in the region.

In terms of the number of employed persons, 2021 saw some recovery of the jobs "lost" in the worst year of the pandemic. Thus, they grew by 1.9% (or 1,552 employed persons), reaching 84,789. For comparison, in 2019, employed persons were 89,026 and reached 83,237 in 2020, decreasing by as much as 6.5% or 5,789 employed.

A positive trend is observed in terms of production. In 2021, values higher than the period before the pandemic were recorded, reaching a value of BGN 5,748 million and catching up with the decline from 2020 of nearly 7.9%.

Table 1. Main economic indicators for Blagoevgrad region, 2018-2021

INDICATOR	2019	2020	2021
Non-financial enterprises (number)	21 840	21 008	20 897
Share of micro enterprises (%)	93,4	93,8	93,5
Share of small enterprises (%)	5,6	5,4	5,6
Share of medium enterprises (%)	0,9	0,7	0,8
Share of large enterprises (%)	0,1	0,1	0,1
Employees (number)	89 026	83 237	84 789
Produced output (million BGN)	5 639	5 194	5 748

Source: Bulgarian National Statistical Institute

The main sectors in the economy of the Blagoevgrad region are some traditional industrial sectors, agriculture and wood processing, as well as tourism.

Characteristic of the industrial development of the region is its strong polarization, as the enterprises are unevenly distributed over the territory of the region, predominantly around the large ones and the regional center (more than 50% of the industrial enterprises are concentrated in the municipality of Blagoevgrad). The industry is multi-sector, where the growth of traditional industries is observed at the expense of high-tech and science-intensive industries. The leaders are mechanical engineering and electronics, and the textile, knitwear and clothing industries are traditionally one of the main and most significant sectors for the industrial development of the municipality. It is characteristic of the clothing industry that the main market for the industry's products (mainly clothing) are mainly customers from Germany and Italy. The food industry is also highly developed, including activities related to the production and processing of meat, processing and canning of fruits and vegetables, production of vegetable and animal fats, production of milk and milk products, mill products, ready-made animal feed, bread, bakery and confectionery, prepared foods, pasta, soft drinks and alcohol.

Agriculture is the main source of income for the population in the villages and for most of the municipalities in the region and benefits from the natural and climatic features of the territory.

Cultivable land is 155,091 decares. or 27% of the used agricultural area, the largest share of which is occupied by cereals (38%) and technical crops (24%). The largest relative share of cereals is wheat, which occupies 57% of the area, while corn, barley and oats are also grown. Potatoes have a significant share, followed by pulses and fresh vegetables. The presence of geothermal springs in the Blagoevgrad region is a good prerequisite for the development of the greenhouse production of flowers and vegetables. Among the permanent plantings with the largest share are vineyards. There is a clear trend towards the development of organic farming.

Animal husbandry is not a significant branch, as the main share in it is the breeding of goats and, accordingly, the production of goat's milk. At the same time, the climate and natural resources form a potential for development based on the development of pasture animal husbandry and the production of certified ecologically clean products.

Blagoevgrad region has a rich forest fund, and forestry is well developed, predetermining the development opportunities of a number of municipalities on the territory of the region through logging, wood processing, mushroom growing, herbalism and forest fruit extraction.

It is nature, national parks and reserves that are the greatest assets of the region and make tourism the main industry. Spa tourism is developing rapidly, because over a third of all mineral springs in Bulgaria are located in the region. There is a well-developed bed base and various opportunities for recreation and tourism. Tourist sites in the region attract a large number of tourists, a significant proportion of whom are foreigners. A big contribution to this is the Bansko resort complex, which has established itself in recent years as a year-round destination.

The produced gross domestic product in the Blagoevgrad region in 2021 was BGN 3,785 million. Compared to 2020, its volume in nominal terms increased by 15.9%. The GDP produced in the region is 2.7% of the total for the country. BGN 12,629 per person of the value of the indicator for the Blagoevgrad region, compared to BGN 20,212 for the country.

Foreign direct investments by enterprises from the non-financial sector in the Blagoevgrad region for 2021 amount to EUR 507.3 million at current prices, which is 2.0% less compared to the previous year. Their share in the total amount of foreign investments made in the country is 1.8% and, respectively, 3.0% of FDI within the Southwest region.

In 2021, the value of foreign direct investments made in the services sector (trade; car and motorcycle repair; transport, storage and post office; hotel and restaurant industry) was the highest – 222.5 million euros, or by 11.6 % less than the previous year. 153.2 million euros were invested in the enterprises from the Industry sector in the region, which is 7.7% more compared to 2020.

Main business support organization are the regional offices of the national representative organizations of employers in Bulgaria – resp. the Bulgarian Industrial Association, the Bulgarian Chamber of Commerce and Industry, etc., such as:

- Regional Industrial Association – Blagoevgrad
- Regional Industrial Association – Bansko
- Regional Industrial Association – Razlog
- Regional Industrial Association – Simitli
- Regional Industrial Association – Sandanski
- Regional Industrial Association – Petrich
- Regional Industrial Association – Gotse Delchev
- Regional Industrial Association – Yakoruda
- Chamber of Commerce and Industry - Blagoevgrad
- Chamber of Commerce and Industry - Razlog
- Chamber of Commerce and Industry - Belitsa

- Chamber of Commerce and Industry - Yakoruda
- Chamber of Commerce and Industry - Kresna
- Chamber of Commerce and Industry - Strumyani
- Chamber of Commerce and Industry - Simitli
- Chamber of Commerce and Industry - Hadzhidimovo
- Chamber of Commerce and Industry - Petrich
- Chamber of Commerce and Industry – Sandanski, etc.

In addition, in the region of Blagoevgrad several branch organizations provide support to local SMEs:

- Bulgarian Construction Chamber
- Federation of bread producers and confectioners in Bulgaria
- Regional Viticulture Chamber
- Regional Agency for Economic Development
- Industrial Chamber of Commerce
- Union for economic initiative of citizens
- Chamber of architects in investment design.

4 Survey among SMEs from the EMTH region regarding their needs for modern financial instruments

4.1 Methodology – implementation of survey

4.2 Results and conclusions of the conducted survey

4.2.2. Results and conclusions of the conducted survey of the Bulgarian partner

The present study presents the results of the questionnaire which was answered by 30 companies operating in Blagoevgrad region in Bulgaria. The purpose of the questionnaire is to map the needs of enterprises regarding the financial instruments available, to explore the cross-border relations of companies with the country of Bulgaria, to describe the current situation in this region as well as the difficulties and opportunities faced by enterprises.

The questionnaire consists of 5 sections of questions:

- -Section 1 (general information),
- -Section 2 (financial data of the company for the last 3 years),
- -Section 3 (scientific research and development activity),
- -Section 4 (financing of the company in the next 3 years),
- -Section 5 (activity in Greece).

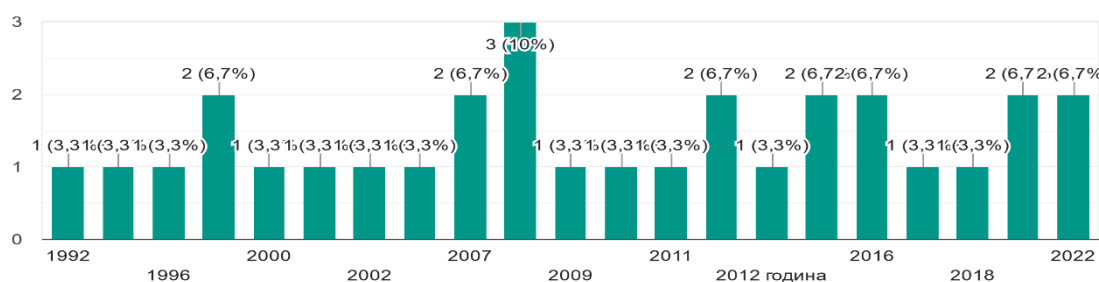
The first section presents information on the year of establishment, address, main activity and size of the enterprise. The second section presents questions concerning the income for the year 2021 (the last the last financial and accounting year closed, as the survey was conducted in the period January-February 2023), sources of external financing, the purposes for using this external financing, the leases of the enterprise for vehicles, equipment, etc., information on applications for bank loans made by the enterprise and the reasons for refusal of loan provision, the plans of the firms of getting financing in the future. The third section presents information regarding the firm's investments in Research and Development, the firm's cooperation with research organizations for the development of innovative products, processes and services. In the fourth section, the questions concern the possibility that the company may need external funding in the future, the company's applications for grants from operational programs funded by the European Union in the period 2014-2020 (e.g. the Operational Program "Innovations and Competitiveness", Operational Program "Human resource development", the Rural Development Program, Financial mechanism of the European Economic Area and Norwegian Financial mechanism, etc.), the company's knowledge of the funding opportunities from the European Union in the new programming period (2021-2027) and the new funding opportunities under the Recovery and Resilience Plan, the support that the firm needs to successfully apply for a loan from a commercial bank or grant program. The fifth section of questions presents information on business partnerships in the Greek market, the company's possible intentions to expand in Greece, the company's knowledge of the Greek business environment (e.g. tax system, social security system, local business culture).

The 30 responding enterprises are all registered in the region of Blagoevgrad. The enterprises are active in a wide range of sectors such as Electricity production (including renewable resources), Tourism, Mining industry, Food industry, Manufacturing industry, Food industry, Engineering activities, Financial and insurance activities, Information technologies Agriculture, Trade&Wholesale. The size of the companies ranges from micro enterprises (up to 9 staff) to Medium (between 50 and 249 staff). Further details will be analyzed in the part below which presents a summary of the companies' responses. For each response we present the breakdown of firms by response via graphs along with the associated commentary and description of the responses.

Section 1 "General information"

Q 1.2. Year of registration of the company

1.2. Година на регистрацията на фирмата/организацията 30 отговора



First, we consider the establishment of the companies. It is apparent from the diagram that majority of the companies were registered more than 5 years ago and, accordingly, are sustainably present on the local market. Moreover, these are companies that have withstood the pressure of the Covid-19 crisis. Some of the companies - respondents are even registered in 2022, namely after its passing and the observed recovery of the local and national economy.

Q 1.3. Address

All respondents are registered in the region of Blagoevgrad.

Q 1.7. Main activity of the company

1.7. Основна сфера на дейност 30 отговора



The main activities of the companies that responded to the questionnaire are as follows: manufacturing, wholesale and retail trade, construction, tourism, creative industries, and financial and insurance activities. We observe that secondary and tertiary sectors' activities are mostly presented.

Q 1.8. Size of the company

1.8. Размер на предприятието

30 отговора



The structure of the sample is in accordance with The distribution of the enterprises in the sample by their size is corresponding to their structure in the economy of the region of Blagoevgrad, respectively micro-enterprises prevail (70,0%), followed by small (23,0%) and medium-sized enterprises (7,0%).

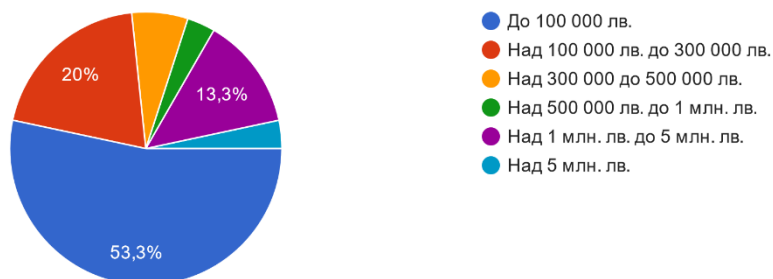
Section 2 "Financial data of the company for the last 3 years"

The second section of the questionnaire is focused on the financial status of the companies in the last three years.

Q 2.1. What is the revenue of the company you represent for 2021?

2.1. Какви са приходите на представляваната от Вас организация/фирма за 2021 г.?

30 отговора

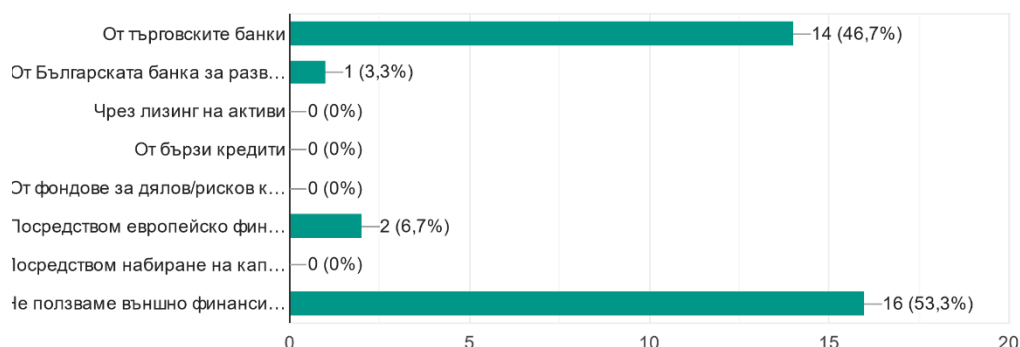


The results show that every second company has revenues for 2021 of up to EUR 50,000, which logically corresponds to the number of micro and small enterprises that are covered by the survey. Another 20% share that their turnover for the researched period is between EUR 50,000 and BGN 150,000, and the share of companies whose turnover is over EUR 500 000 is 16%.

Q 2.2. From where does your company secure the necessary external funding if necessary?

2.2. От къде Вашата организация/бизнес си осигурява необходимото външно финансиране при необходимост?

30 отговора



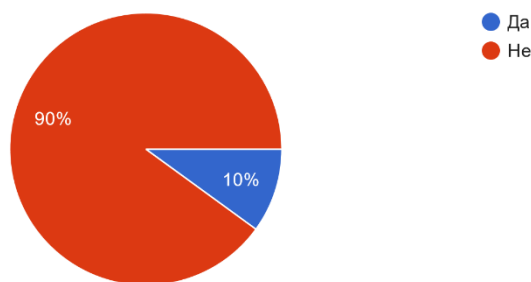
Interesting results are reported regarding the sources of external financing - every second company says that it did not use external financing, and most often the source of finance, in case of need, is commercial banks. The micro enterprises from the sample (69% of the positive responses), with revenues up to EUR 50,000 (30%) and with revenues between EUR 50,000 and 150,000 (30%) benefit most often from a bank loan.

Individual respondents share that they used financing from the Bulgarian Development Bank, as well as from European financing under grant schemes. This exhausts the sources of external financing for the companies from the Blagoevgrad region covered by the study, and potential opportunities such as equity/risk capital funds, the Bulgarian Stock Exchange have not been used.

Q 2.3. In the last 3 years have you used an operating lease (using an asset for operational needs without owning it), e.g. for vehicles, equipment, etc.?

2.3. През последните 3 години ползвали ли сте оперативен лизинг (ползване на актив за оперативни нужди без придобиването му), напр. за превозни средства, оборудване и др.?

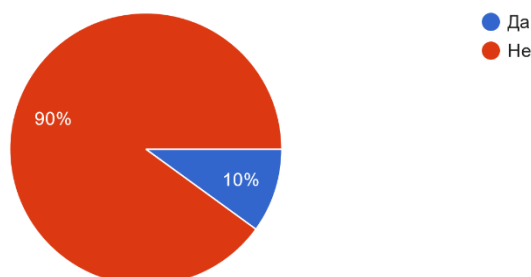
30 отговора



Q 2.4. In the last 3 years have you used a financial lease (using an asset by acquiring it "for payment") e.g. for vehicles, equipment, etc.?

2.4. През последните 3 години ползвали ли сте финансов лизинг (ползване на актив с придобиването му „на изплащане“), напр. превозни средства, оборудване и др.)?

30 отговора

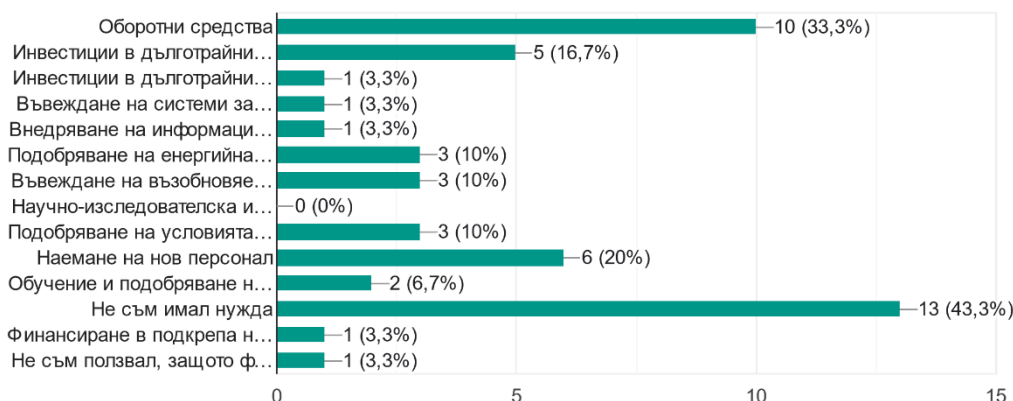


Only 10% of the respondents used in the period 2020 - 2022 an operating lease (use of an asset for operational needs without its acquisition) or a financial lease (use of an asset with its acquisition "on payment"), e.g. for vehicles, equipment, etc. However, it cannot be concluded if this result is due to the nature of activities, the very small size of the companies, or the lack of familiarity with modern financial tools.

Q 2.5. If in the last 3 years (2020-2022) the company you represent used external financing (e.g. bank loan, EU funds or other sources), for what purpose it was used?

2.5. Ако през последните 3 години (2020 – 2022 г.) представляваната от Вас организация/фирма е използвала външно финанс...очник), за какви цели е било използвано то?

30 отговора



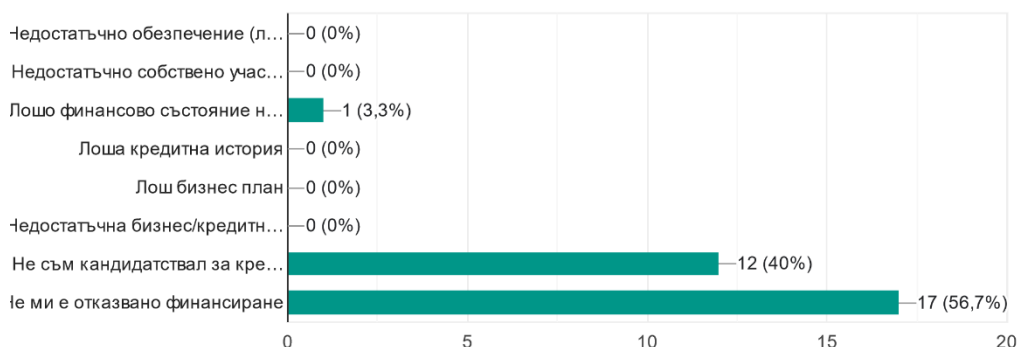
Firms that have used external financing in the past three years report that it was mostly for working capital (33%), hiring new staff (20%) and investment in tangible fixed assets such as buildings, land, machinery , equipment, means of transport, etc. (16%). The companies that used financing for working capital are predominantly micro enterprises (66% of the positive responses) from various economic sectors and with revenues up to EUR 50,000.

In separate cases over the last three years, respondents have used external financing to improve energy efficiency and introduce renewable energy sources, as well as to improve working conditions at the workplace. None of the respondents used funding for research and development and only 1 company used for the purpose of implementing long-term intangible assets (eg patents, utility models, etc.). The share of those who used financing for the purpose of implementing information technologies (e.g. website and mobile application development, cyber security, ICT solutions for optimizing management, production and logistics processes) and introducing quality management systems, for the environment and etc. (ISO).

Q 2.6. If you applied and were denied a bank loan, what was the reason?

2.6. Ако сте кандидатствали и Ви е отказан кредит от банка, каква е била причината?

30 отговора

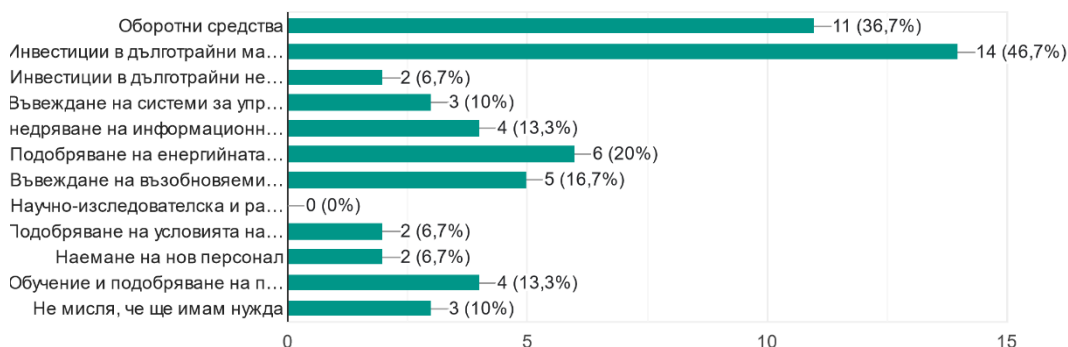


Only 1 respondent said that he was refused a bank loan, and the reasons for this was company's poor financial condition (eg high indebtedness). Every second company from the survey has successfully applied for bank loan (56,7%).

Q 2.7. If you are going to seek external funding (e.g. in the next 3 years) for what purposes will it be?

2.7. Ако Ви предстои да търсите външно финансиране (напр. в следващите 3 години), за какви цели ще бъде предназначено то?

30 отговора



Regarding the plans for the next 3 years, the respondents say that they will need it first of all for investments in fixed tangible assets (47%) and for working capital (37%). In contrast to the period 2020-2022, characterized by the consequences of the Covid-19 pandemic, the war in Ukraine and the associated ever-increasing operational costs, there is a shift in the focus of enterprises towards increasing resilience. Accordingly, intentions to increase non-energy efficiency and implementation of renewable energy sources are identified among a larger share of surveyed enterprises, as well as for the implementation of quality management systems and staff training.

In conclusion, the analysis of data related to business financing strongly indicates the need to diversify the sources of financing for enterprises, so that they can more easily and more efficiently not only meet the needs of their business, but also provide possibility for their growth and optimization, including in accordance with modern requirements for sustainable development and use of the opportunities provided by Industry 4.0. Moreover, the use of diverse sources of external financing will create conditions for starting new ones and improving local economic development. This can be achieved by providing additional information, promoting and encouraging the use of various sources of external funding, including number of financial instruments. It is here that the role of organizations in support of business stands out, including Bulgarian Chamber of Commerce and its regional organizations, which can provide information and advice to its members and to local business in general.

Section 3 “Research and Development Activity”

According to data for 2022, Bulgaria is once again in the penultimate place among the member countries in terms of its innovation performance. Moreover, the country's innovation performance is weaker than that of a number of candidate

countries for membership that do not have access to European structured funding, which Bulgaria mainly relies on to subsidize its science and innovation policy in recent years.

Q 3.1. Does your company conduct research and development?

3.1. Вашата организация/фирма извършва ли научно-изследователска и развойна дейност?

30 отговора



The survey among the companies from the region of Blagoevgrad found that only 13,3% of them shared that research and development activities are carried out in the organization. This is realized both through an internal team of researchers within the company and also through cooperation with universities or scientific research institutes. One of the respondents shared that he applies a combination of both methods mentioned above. In 75,0% of cases, innovations are implemented with external financing, most often from commercial banks and the Bulgarian Development Bank.

It is interesting to note that the majority of respondents believe that they do not need research and development activities - as many as 76,7%. Most often these are micro enterprises (70,0%), from the trade and services sector, with revenues for 2021 in the amount of up to EUR 50,000 (61,0%).

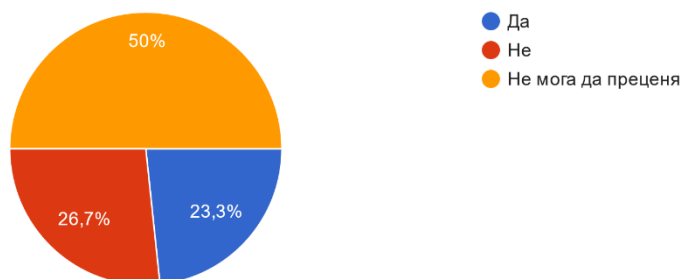
Another 10% of the surveyed companies share that they need research and development activities, but not the necessary funds. At the same time, the results of the previous section show that companies have not used in the last 3 years, and are not inclined to use external financing for such activities in the future. This unequivocally shows insufficient knowledge of the various possibilities for obtaining financing under various funds/instruments/programs, so that companies become more innovative and therefore competitive, including on international markets.

Next, when asked whether they expect in the next 3 years to have a need to collaborate with scientific research organizations to develop and implement innovative products, processes or services, the positive answers are 23% against 27% of the negative answers. Every second company says it cannot estimate.

Q 3.2. Do you think that in the next 3 years you will need to work with research organizations to develop and implement innovative products, processes or services?

3.2. Смятате ли, че през следващите 3 години ще имате необходимост от сътрудничество с научно-изследователски организации за разработ... на иновативни продукти, процеси или услуги?

30 отговора



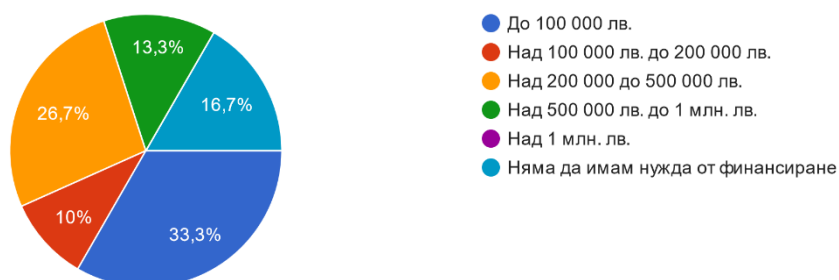
It is clear from the data that a large number of companies are not sufficiently aware of the need to introduce innovations in every aspect of an enterprise's activity – at the product, process and/or service level. This is natural, taking into account the low levels of implementation of innovations in the Bulgarian economy, and enterprises from the Blagoevgrad region are no exception. At the same time, the proximity to two national borders - with Greece and the Republic of North Macedonia, as well as the presence of educational institutions in the region and the proximity of the capital Sofia, create serious

prerequisites for enterprises from the Blagoevgrad region to switch to a more innovative way of doing business by overcoming of established attitudes towards traditional production.

Section 4 "Firm's financing"

Q 4.1. In the event that in the next 3 years you think you will need external financing for the development of the company's activity, what would be its amount?

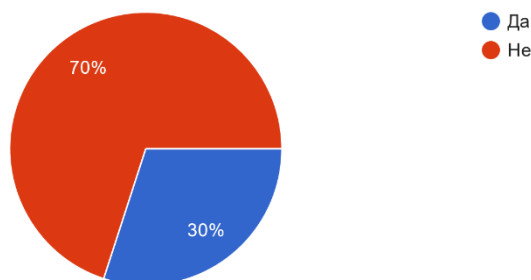
4.1. В случай, че през следващите 3 години смятате, че ще се нуждаете от външно финансиране за развитие на дейността на организацията/фирмата, в какъв размер би било то?
30 отговора



The results of the survey show that every third company expects to seek external financing for its activities in the amount of up to EUR 50,000. Another 10,0% expect to need financing between EUR 50,000 and 100,000, while for 26,7% the requested amount would be between EUR 100,000 and 250,000. Nearly 17,0% of companies believe that they will not need external financing for their activities at all.

Q 4.2. Have you applied for a grant to any of the operational programs funded by the EU in the period 2014-2022?

4.2. Кандидатствали ли сте за безвъзмездна финансова помощ по някоя от оперативните програми, финансирани от Европейския съюз в п...грама за развитие на селските райони и др.)?
30 отговора



Next, there is a low share of companies that have applied for grants under any of the operational programs financed by the European Union in the period 2014-2022 - only 30,0% of the respondents submitted a project proposal. At the same time, all these project proposals have been approved and financed, respectively, under one of the following financing programs:

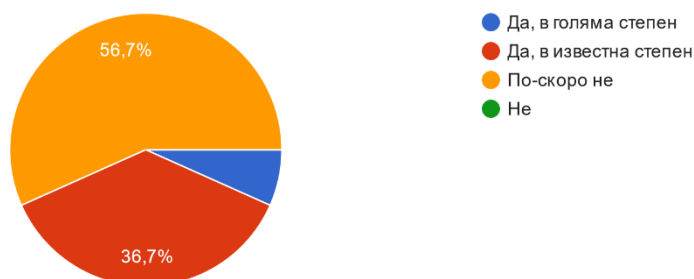
- Operational program "Innovations and competitiveness", incl. on measures to overcome the consequences of the Covid-19 Pandemic
- Operational Program "Human Resources Development"
- Financial Mechanism of the European Economic Area

The difference with the results of section "SECTION 2. BUSINESS FINANCING IN THE LAST 3 YEARS" is due to the different period that is examined (respectively Question 2.2. and Question 4.2. of the questionnaire). At the same time, the comparison of the data shows that the companies that gave a positive answer applied with projects most often more than 3 years ago. Therefore, in conclusion, it can be said that the investigated companies from the region of Blagoevgrad not only have a low interest in applying for the various donor programs, but also their activity decreases over time. This is further proven by the next question in the questionnaire, namely whether they know the funding opportunities from the European Union in the new program period, to which more than half of the respondents gave a negative answer.

Q 4.4. Do you know the funding opportunities from the EU during the new programming period?

4.4. Познавате ли възможностите за финансиране от Европейския съюз през новия програмен период?

30 отговора

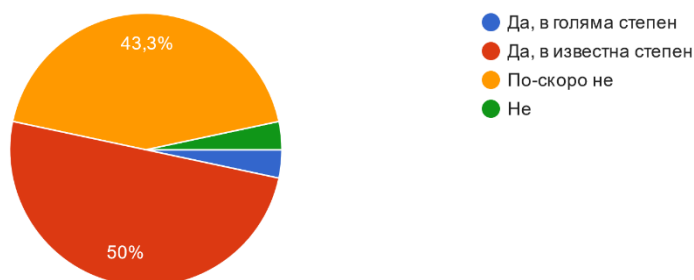


The data obtained regarding the knowledge of financing possibilities under the Recovery and Sustainability Plan are similar - every second company gives a negative answer.

Q 4.5. Are you aware of the funding opportunities under the Recovery and Resilience Plan?

4.5. Познавате ли новите възможности за финансиране по Плана за възстановяване и устойчивост (2023 – 2026 г.)?

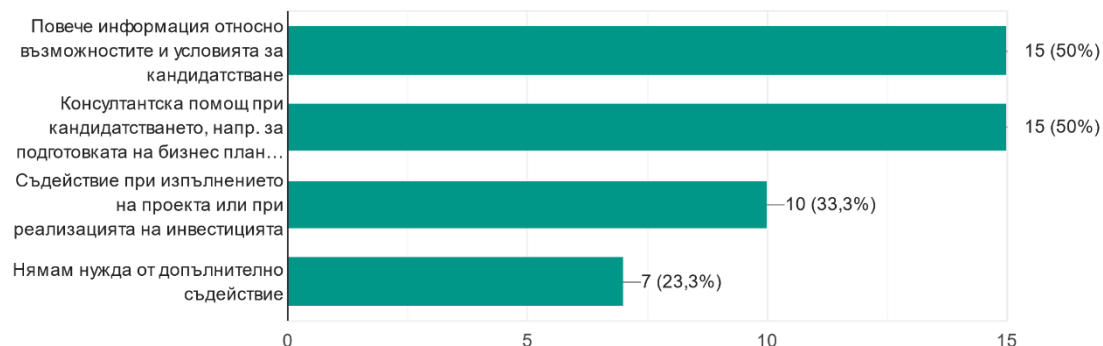
30 отговора



Q 4.6. What kind of support do you need to successfully apply for a commercial bank loan or grant scheme with EU funding?

4.6. От какво допълнително имате нужда, за да кандидатствате успешно за заем от търговска банка или по грантова схема с европейско финансиране?

30 отговора



Asked what they additionally need in order to successfully apply for a loan from a commercial bank or under a grant scheme with European funding, the companies shared that it is mostly:

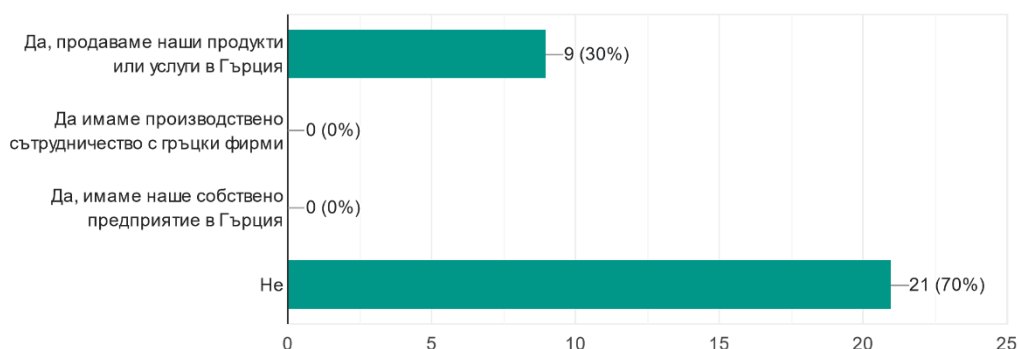
- More information about the possibilities and application conditions (50,0%)
- Consulting assistance with the application, e.g. for the preparation of a business plan for a bank loan or the application form for a project (50,0%)
- Assistance in the implementation of the project or in the realization of the investment (33,3%)¹

Section 5 “Activity in Bulgaria”

Q 5.1. Do you currently have business partnerships in the Greek market?

5.1. Имате ли в момента бизнес контакти на гръцкия пазар?

30 отговора

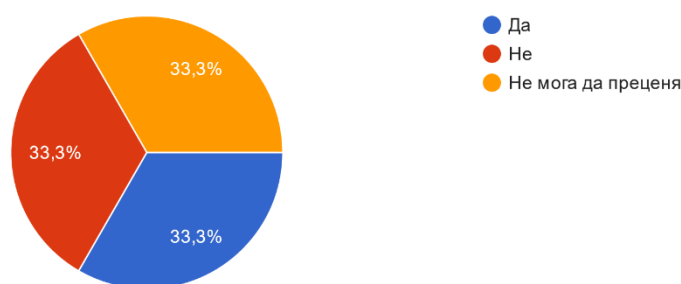


The results of the survey show that every third company of the respondents has business contacts on the Greek market and accordingly sells goods and/or services to it. These are predominantly micro and small enterprises (77,0% of positive responses) from the processing industry. However, neither company shares about production cooperation with Greek companies or the presence of its own enterprise in Greece.

Q 5.2. Are you planning to expand your company in Greece in the next 3 years?

5.2. Планирате ли да разширите Вашия бизнес в Гърция през следващите 3 години?

30 отговора



33,3% of companies say they plan to expand their business in Greece in the next three years.

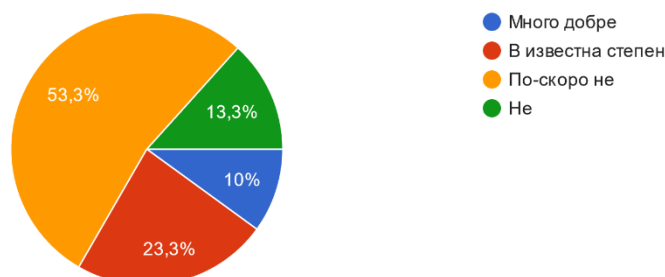
Q 5.3. How well do you know the business environment in Greece (e.g. tax system, social security system, local business culture, etc.)?

Most of the respondents (76,6%) declared less or non-knowledge. This fact shows that most firms avoid developing any corporation and activity in the neighboring country.

¹ The number of responses exceeds the number of respondents, as the question allows more than one answer.

5.3. Доколко познавате средата за правене на бизнес в Гърция (напр. данъчна система, социално-осигурителна система, местна бизнес култура)?

30 отговора



In the context of these results, are also the data on how well local companies know the environment for doing business in Greece (e.g. tax system, social security system, local business culture) - one third of the surveyed companies say they know them "very well" or 'to some extent'.

5 Financial Tools/Instruments vs SMEs

6 Conclusions – Recommendations

6.2. Conclusions – Recommendations by the Bulgarian partner

The current report presented the findings from a questionnaire that was completed by 30 businesses doing business in the region of Blagoevgrad. The questionnaire's objectives include identifying the financial instruments that businesses need, investigating their cross-border relationships with Bulgaria, describing the current environment in this area, and identifying business challenges and opportunities.

The 30 responding businesses operate in many different industries, including the Electricity production (including renewable resources), Tourism, Mining industry, Food industry, Manufacturing industry, Food industry, Engineering activities, Financial and insurance activities, Information technologies Agriculture, Trade&Wholesale. The companies range in size from micro- (up to 9 employees) to medium (between 50 and 249 employees).

The main conclusions can be summarized in the following points

- Firms use mostly bank loans as a source of external financing
- External financing is mainly used for investments
- The majority of the firms do not invest in R&D
- A sizeable number of firms intends to cooperate with research organizations
- The majority of the firms needs less than EUR 100 000 as external financing
- Most of the firms haven't applied for EU funding programs
- A sizeable number of firms is not aware of EU funding opportunities
- Most of the firms need support regarding
 - a) Information of funding opportunities and deadlines
 - b) Consulting regarding the application process
- Most of the firms operate domestically in the region
- Most of the firms do not intend to expand business activities in Greece
- Most of the firms are not familiar with business environment in Greece

7 Sources – Bibliography

- Information portal of the European Structural and Investment Funds <https://www.eufunds.bg/bg>
- INTERREG VI-A Greece-Bulgaria 2021 – 2027 Program website <https://www.interreg.gr>
- Regional Development Strategy for the region of Blagoevgrad 2014-2020
- National Recovery and Resilience Plan
- National Statistical Institute website: www.nsi.bg
- Regional profiles website: www.regionalprofiles.bg

8 ANNEXES