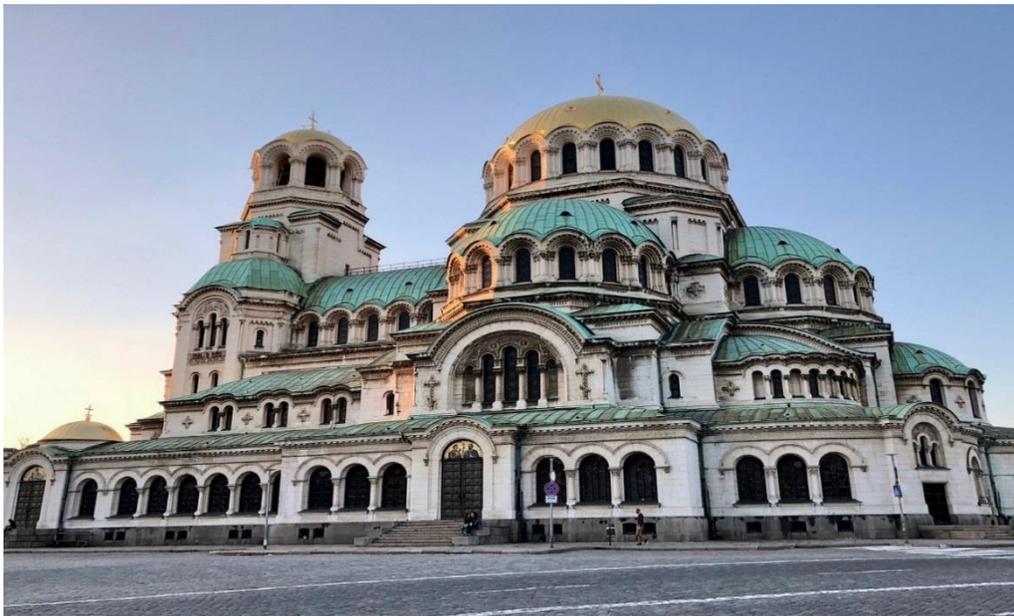




世民律師事務所 SHIMIN LAW OFFICES

## The Annual Meeting "16+1" to be held in Bulgaria On the 6th-8th of July



Aleksandar Nevski Cathedral, Sofia

On the 6th-8th of July Sofia will be the host of the "16 + 1" Summit of China and the countries from Central and Eastern Europe (CEE).<sup>1</sup> The Chinese Prime Minister Li Keqiang arrives in Sofia today. He will visit Bulgaria for the first time and will meet with the leaders of 16 Central and Eastern European countries. Participation in the forum has confirmed 250 Chinese companies and 700 businesspeople from Central and Eastern Europe. For Beijing, the "16 + 1" format is also a chance to boost economic cooperation in the infrastructure sector as a part of "The Belt and Road" Initiative.

At the time of the 7th summit between China and CEE Mr. Li Keqiang, Premier of PRC and Mr. Boyko Borisov, Prime Minister of the Republic of Bulgarian, together with the other Government officials of CEE countries will discuss and coordinate implementation of the Plan for cooperation between China and CEE countries from Budapest.

Prior to his visit to Sofia, the Chinese prime minister praised Bulgaria as the rotating EU Council president during the first half of the year and pointed out its contribution

to the development of Sino-Bulgarian and Sino-European relations and the 16 + 1 cooperation. "In 2019, China and Bulgaria will mark the 70th anniversary of the establishment of diplomatic relations, and cooperation under the 16 + 1 format will enter its seventh year. Sino-Bulgarian relations and cooperation "16 + 1" are facing fresh start and the countries move forward with new hope. ... The road ahead is not smooth, but the glory is achieved after overcoming difficulties through hard struggle. Let's make a concerted effort to elevate Sino-Bulgarian relations and cooperation in the format "16 + 1" on a new higher level."

The 16 + 1 format, which was proposed by China and which will be held in Sofia, proved to be extremely effective as an opportunity to develop comprehensive integration processes between the PRC and the CEE countries. What has actually been done in all areas of cooperation between the CEE countries and China during these years has proved both the high efficiency of such projects and that they are fully in line with the objective requirements of the new civilization stage in which mankind enters the 21st century.

## **Why Invest in Bulgaria?**



Bulgaria is a member of the European Union, NATO, and WTO; therefore the country provides stable political and business environment. Moreover, Bulgaria has the most favorable tax regime in Europe. The Corporate income tax rate is 10%, the lowest in the EU. Personal income tax is 10 %, flat rate. Industries in high-unemployment areas are granted 0% tax rate. There is a 2-year VAT exemption for imports of equipment for investment projects of over €5 million, creating at least 50 jobs. 5% withholding tax on dividends and liquidation quotas (0% for EU tax residents)

Another very important factor is Bulgaria has one of the most competitive costs of labor in Central and Eastern Europe.

Located at the heart of the Balkans, Bulgaria is a strategic logistics hub. Ease of transportation of cargo is provided by Five Pan-European corridors (IV, VII, VII, XI, X), which pass through the country; Transport program TRACECA, which connects Europe with Caucasian and Central Asian region; Four major airports, Two main seaports, and numerous ports at the Danube River.

Due to its location Bulgaria provides direct access to the following key markets: European Union - zero tariff market with population of 500 million; CIS – still not well penetrated market with a high potential; Turkey - zero tariff market of near 80 million population; Middle East – a market with high purchasing power; North African market.

Interested in exploring the investment opportunities in Bulgaria and the countries from Central and Eastern Europe? Interested in Bulgaria's Tax and Residence Policies? Don't hesitate to contact Shimin Law Offices' CEE Legal team for further information. We are here to help you expand your business further.

Contact : [apetrova@shiminlaw.com](mailto:apetrova@shiminlaw.com)

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<sup>i</sup> In addition to China, the 16 participating countries include the EU Member States of Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia, as well as countries that are not members of the EU. EU, Albania, Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia.