## Foreword

**Local Council of Small and Medium Sized Enterprises (CLIMM) Craiova** in partnership with **Craiova City Hall and Industrial Association from Pleven** unrolled from November 2004 to September 2005 the project ***RO2003/005.701.06-12 "Integration in European Union and public-private partnership"***. The project was financed under Programme - Phare Cross Border Cooperation, Romania-Bulgaria.

The goal of the project is to increase the joint actions of the main local and regional actors from Romanian and Bulgarian cross-border area (Dolj-Pleven) in order to support the regional economical development and represent better the interests of the business climate.

The survey of the business climate for Craiova (Romania) and Pleven (Bulgaria) offers true and useful information about the business climate situation, having in view the integration of the both countries (Romania and Bulgaria) in EU. The study has to give a clear image about the preparation and awareness level of the companies for integration in EU.
The information obtained as follow the survey applied will be used in the realization of the "Development strategy of the business climate from Craiova and Pleven.

**PHARE 2003 CROSS BORDER COOPERATION**
**JOINT SMALL FUNDS PROJECTS**
**ROMANIA-BULGARIA**

*Market study*
*"The survey of the business climate having in view the integration of the Romania and Bulgaria in EU"*
*for Craiova*

**Realized by CLIMM Craiova**
**within the project:**

**Integration in European Union and public private partnership**

**May 2005**

## I. INTRODUCTION

In April 2005 a business climate survey was conducted among employers of Craiova residents. The objective of the survey was to provide useful and credible information concerning the attitudes of those who invest and create jobs in Craiova.
Survey items included the history and status of the business, the nature of its business, labor and employee matters, business facility information, government services and relations and overall impressions of a town and county as a place to do business.

## II. METHODOLOGY

50 surveys were completed in April 2005. The list of the companies to be interviewed included SMEs and companies with over 250 employees. The aggregated responses of all 50 companies are included in this report.

To encourage complete and frank responses from employers, those interviewed were assured that this report would not include reference to specific business, and the survey forms would remain confidential.

The 50 firms employ a total of 7615 employees. 5 companies employ more than 500 employees, 20 other firms employ between 50 and 249 persons each and 25 other firms employ until 50 persons each. Significant differences were found among responses of the companies in different sectors of economy (construction, machinery, electro technical, light industry and services sector), and much of data was analyzed making this distinction.

Although surveying of 50 companies cannot definitively reflect the attitudes of the entire Craiova business community, these SMEs and those 5 large companies employ significant part of the local economically active work force, especially in industrial medium sized companies.

## III. MAIN FINDINGS

1. Local economy displays certain good signs – planned increase of the sales or new investments and jobs to be created. On the other hand, three quarters of companies are not satisfied with general economic situation in the country and more than a half with national legislation.
2. Current employment of all firms interviewed is 7615 and companies plan to create several hundreds of new jobs next year. Light industry, construction and services are the leaders in new jobs creation, followed by textile producers.
3. The local economy is not too export-oriented. Only 9 of all 50 companies export substantial part of their products and services out of Romania. Small companies with less than 50 employees just occasionally serve other than local market, of those interviewed there were 3 exporters abroad with less than 50 employees.
4. The companies rated the quality of 18% of their labor force as "excellent" and 64% as "good", which represents above-average level of satisfaction. The average wage is comparably high with almost 5,7 million lei per month.
5. 31 of the 50 firms have decided to modernize or improve their present facilities to expand their operations in Craiova, either by adding to existing buildings or building new facilities, mostly in 2005. 29 companies plan to expand elsewhere or at least consider this option. At the same time 22 firms think about or even plan moving its operation out of their town, mostly because of lack of adequate properties.
6. Overall, the quality of local government services was rated rather poor (average of 3.41 on 4 point scale). The support of SMEs and road maintenance were most often mentioned as requiring improvement.
7. None of the 50 companies rated the quality of the local government as "excellent" (mark 1 just once for county council and prefecture). 7 find the performance of municipal government “good” and 23 “fair”, while 20 companies consider it "poor." The prefecture received in general better grades than city hall and county council, but this does not mean success (almost half just “fair” and still 17 “poor” ratings).
8. Opinions on Craiova’s business climate were even worse than those on local government. 2 companies only rated the area as a “good” place to do business while 13 ranked it as "fair" and 35 of the businesses considered Craiova as a "poor" place to do business.

## IV. RESULTS OF THE SURVEY

### 1. Status of business

Of the 50 interviewed 44 companies were founded since 1990. There are one or two subjects established before 1990 evenly distributed among the sectors identified. Certain connection may be traced between size and year of establishing a company (former state corporations). Such high share of newly established businesses indicates both vitality of entrepreneurship in the area and influence of restructuring and privatizing of national economy. Just 8 companies employing some 14% of surveyed sample are now owned completely or partially by foreign capital, on the other hand there are six entities in the surveyed sample that remain state owned and employ about half of the workforce.

### 2. Business in general

The Craiova economy seems to be well diversified since it consists of various types of industrial production/processing/services etc. (see above), in particular (1) strong clusters, especially in textile, electro(nic) and carpentry, (2) important individual machinery companies, (3) construction companies and (4) smaller and medium sized trade and service companies started by local entrepreneurs.

Companies were asked to name the factors having a negative impact on current and future development (see chart 1 in appendix) of their products and services. In order of priority (1) general economic situation was the most important factor since mentioned by 78% of firms, especially electro, light and construction; (2) national legislation is a problem for 51% of companies (considerably higher among construction and service companies and only 25% of textile producers), (3) inadequate facilities for 44% of firms (and over 50% of electro and textile companies). Companies in machinery also complain about energy costs and domestic competition (67%, while average of all firms is under 30%). Light industries suffer from unavailable finances and high interest rates (73 and 67% average being 36 and 33%). On the other hand distance to markets, transportation problems and labor costs are a problem for only a couple of firms each.

Entry into EU is expected more positively, however companies are also aware of negatives (see charts 2 and 3). Stable business climate (68%), access to a big market (47%, mostly for exporters from light industry and transportation/construction companies), opportunities connected with participation on EU programs (47%) and easier law enforcement (45%) were perceived as the most important factors (machinery sector looks forward to higher level of protection of economic competition). On the other hand over 49% of companies are afraid of strong competition and higher labor costs (almost 67% in machinery and light industry for the former), 35% of the investment to adapt to new conditions (especially services). Light industry and machinery share their feelings again towards stricter environmental legislation, end of low prices advantage worries mostly construction companies.

### 3. Customers

All firms provided information about geographic distribution of their customers (chart 4). 7 companies reported that they export more than one half of their goods and services out of Romania and 2 other export at least 10%. That is why about 23% of total sales go outside Romania. This share is lower than in other industrial regions and might be increased especially in the sector of SMEs. Textile and electro-technical companies are considerably more export oriented than the rest with about 58% of sales out of the country. On the other hand construction and major part of service companies serve exclusively to Romanian market.

Very good news: there is just one company expecting reduced sales in 2005 related to 2004. Average expected rise is close to 23%. An average sale per employee is on a high level of about 400 million lei.

Customers are also the main reason for 43 companies to be located in Craiova, 24 firms take advantage of cluster of similar industries, 18 reported that they have suppliers of raw materials and 17 report suppliers of components.

### 4. Labor and employment matters

The total number of full time employees in these 50 firms is 7615, compared with 7463 last year. Chart 5 shows relative changes in employment in individual sectors. New jobs were created mainly in light industries, construction and service sector, at the same time several individual large manufacturers were losing jobs. The overall trend of past 5 years is positive and when asked about new investments, companies answer they plan to create almost 400 new jobs. Share of women kept increasing during the years, but expected to fall again from present 35% to 28% next year women (mostly due to situation in textile industry, now almost 90%, and next year 62%). Share of university graduates rose almost twice to the present 15%, which adds to the good economic indicators.

The average number of employees per surveyed firm in 2005 is 152 compared to 149 in 2001. This is typical for rather stable environments with an important role of medium and large businesses, risk of social quakes should a giant enterprise wind up makes these systems vulnerable to structural changes.

Employers are quite satisfied with the quality of their work force. Overall, 18% of workers are excellent, 64% are rated good, 15% fair and only 3% poor (chart 6). Service, textile and light industry companies tend to be very satisfied (35% or 27% excellent) while electro companies report about 37% of fair and poor workers.

The average monthly wages paid by all surveyed are 5,649,070 lei, the lowest in textile industry (3.5 million) and highest in electro (6.7million) (chart 7B), while 12 companies pay in average 6,000,000 and more. 16 companies (in all sectors) are missing specific professions and skills, which are important for their future development and fifteen expect to face this problem in future (chart 7C). The highly qualified technically oriented professions – engineers (electro, wood processing and plastics), IT specialists, financial and marketing experts are mentioned most often as missing.

## 5. Business facility information

However almost 60% of the interviewed own their property and have space for expansion (chart 8), inadequate facilities represent an issue. That is also why more than 80 percent does not offer redundant properties on the realty market. Many (especially electro and light industries) on the contrary plan to invest substantially in facility improvement. 28 of the 50 companies own their facilities and 2 both own and rent. 29 companies report that they own sufficient property to allow for expansion as needed, however situation of several others is so bad that they are even considering relocation because of inadequate facilities. 26 companies plan to modernize or improve existing buildings, mostly during this and the next year. Expected investments range from 200 million lei to several (even hundreds of) billions. In aggregate, these new investment exceed 800 billion lei and will create about 400 permanent jobs, especially in light industry, services and electro. 13 companies intend to expand elsewhere in the country and 11 are considering this. 3 firms are decided to move their operations, other reasons being small market or moving headquarters to Bucharest. Since 11 other companies at least think about replacement of their operations, local government should adopt an active approach in relationship to local businesses in order to keep jobs and investments at home.

## 6. Government services and relations

The companies were asked to rate 9 municipal government services on a scale of 1 to 4 (1 = excellent, 4 = poor). In average, these services were rated rather critically with an average mark of “three minus” (3.41 to be exact, see chart 9). Some satisfaction was expressed with Licensing and permitting for business (3.02) and Police performance (3.10). The companies were really disturbed by the quality of Road maintenance (3.81), SME support (3.75) and Offer of sites and buildings for businesses (3.70). The most satisfied were the construction companies (if one may speak about satisfaction at 3.26 average) and the least machinery companies (3.55).

Overall, the responses to this question indicate that businesses recommend initiatives that might be taken especially in the area of SME support through better cooperation and communication with local government. Among the comments were more often: infrastructure (road and gas) improvements; more attractive financial incentives; taking care of available business properties for decent prices.

The companies were also asked which services to businesses located in Craiova the local government should provide. Chart 10 shows that firms do not support that much direct or indirect financial assistance and strongly welcome activities which can be provided for almost no costs – cooperation, information and joint promotion. Construction of industrial sites is recommended by almost 80% of companies as a very visible activity to improve the local business climate and attract new job creating investments. The companies also opened the sensitive issue of public tenders (close to 100% of the respondents answered sure or probable yes to the question of support in winning local public tenders, which has its logical legal limits).

Companies evaluated contacts with government individuals and organizations. Results are rather average as seen at chart 11. Police department and Labor offices received the best grades. Urbanism directorate, Planning office, Assets office and City council were rated as the worst regarding success of the contact.

## 7. Overall impressions

The firms were asked to give their overall impressions of Craiova local government. Municipal government was rated worse than prefecture and than county council. Another inquiry concerned overall opinion of the town as a place in which to conduct business. As reported in Main Finding 8, the responses were not positive. Electro-technical enterprises seem to be the most critical with an average mark given 3.83, which is a bit surprising compared to the economic indicators mentioned above, though in compliance with other statistics dealing with the satisfaction of the sector in various aspects.

Examples of positive elements of Craiova business climate mentioned by the companies are usually the following three:

- Development potential
- Size of the city
- Renewed water and heating networks

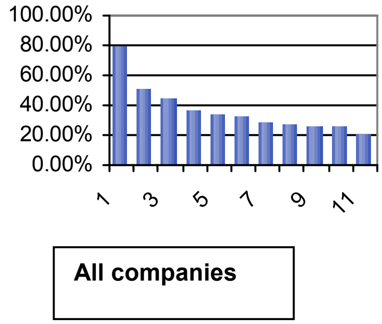
There are more negative factors identified in Craiova that are mostly concerned with business climate and technical infrastructure. Companies expect local government to adopt a more proactive approach in creating better business climate in the town:

- Poor communication (between public and private bodies)
- Corruption, clientelism, poor behavior of clerks
- Lack of the business facilities, poor infrastructure (roads)
- Tax burden, problems with financing
- Public representatives/bodies indifferent towards SMEs and business in general

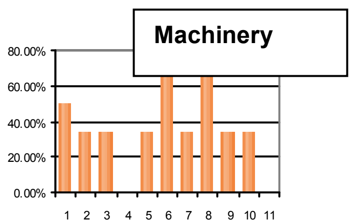
# V. SUMMARY

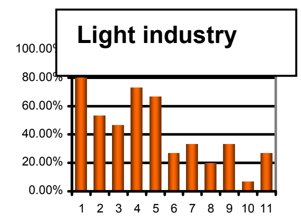
This Business Climate Survey reflects the accumulated opinions of the major employers in Craiova. Their collective attitudes towards town government will have a strong influence on whether its economy will grow, stagnate or decline.

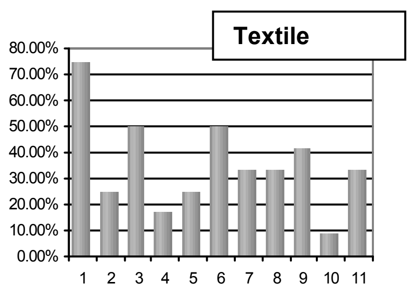
## *Chart 1 – Barriers of development*

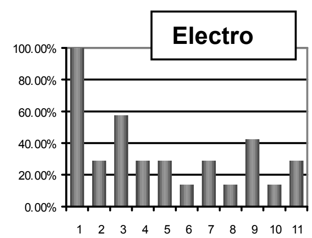


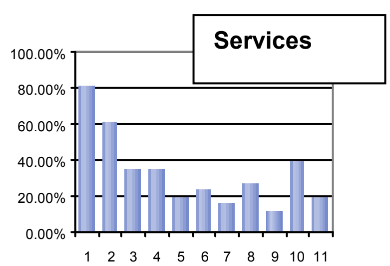

1 General economic situation
2 National legislation
3 Inadequate facilities
4 Availability of financing
5 Interest rates
6 Energy costs
7 Costs of materials
8 Domestic competition
9 Foreign competition
10 Local administration attitude
11 Availability of skilled labor

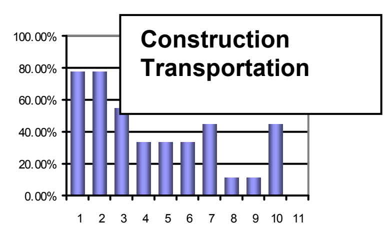


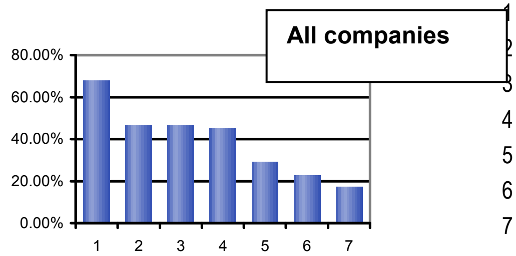



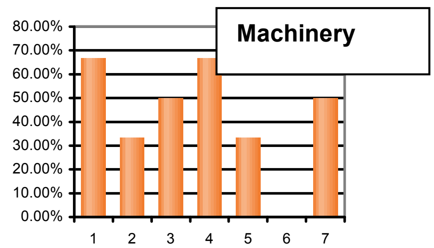



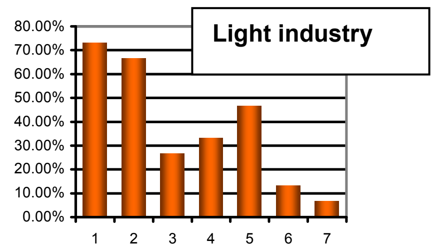



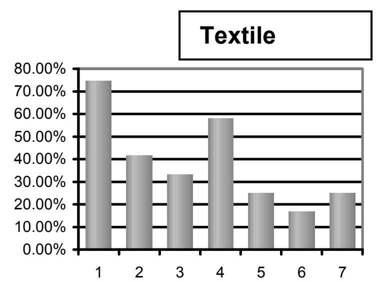
## *Chart 2 – EU positives*

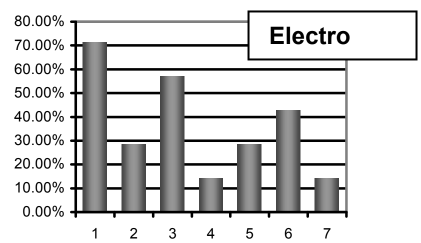


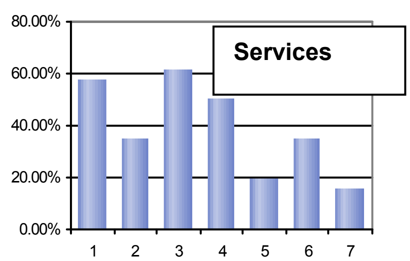

1 Stable business climate
2 Access to a big market
3 EU programs
4 Easier law enforcement
5 Stable capital market
6 Unified currency
7 Higher level of protection of economic competition

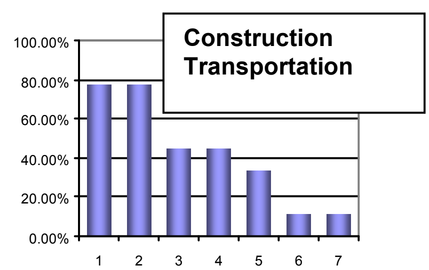


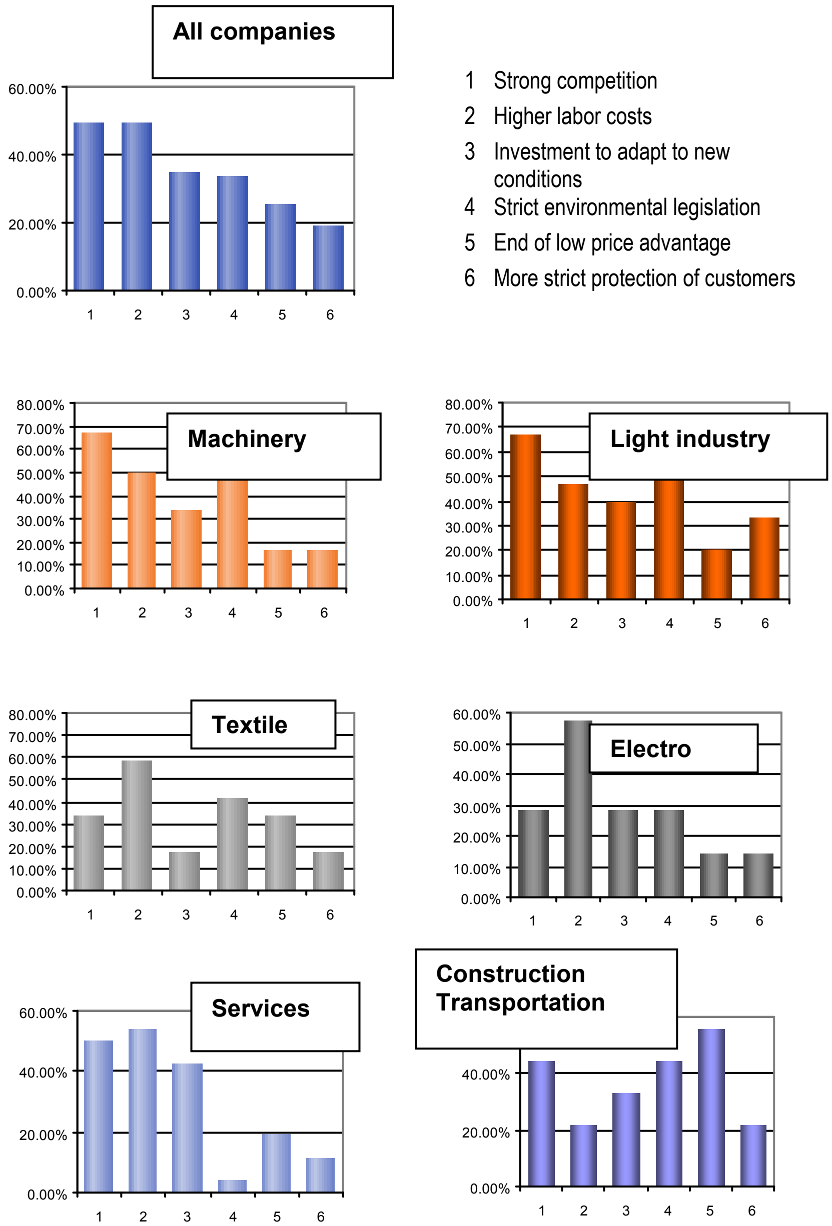



## *Chart 3 – EU negatives*



## *Chart 4 – Sales in regions*

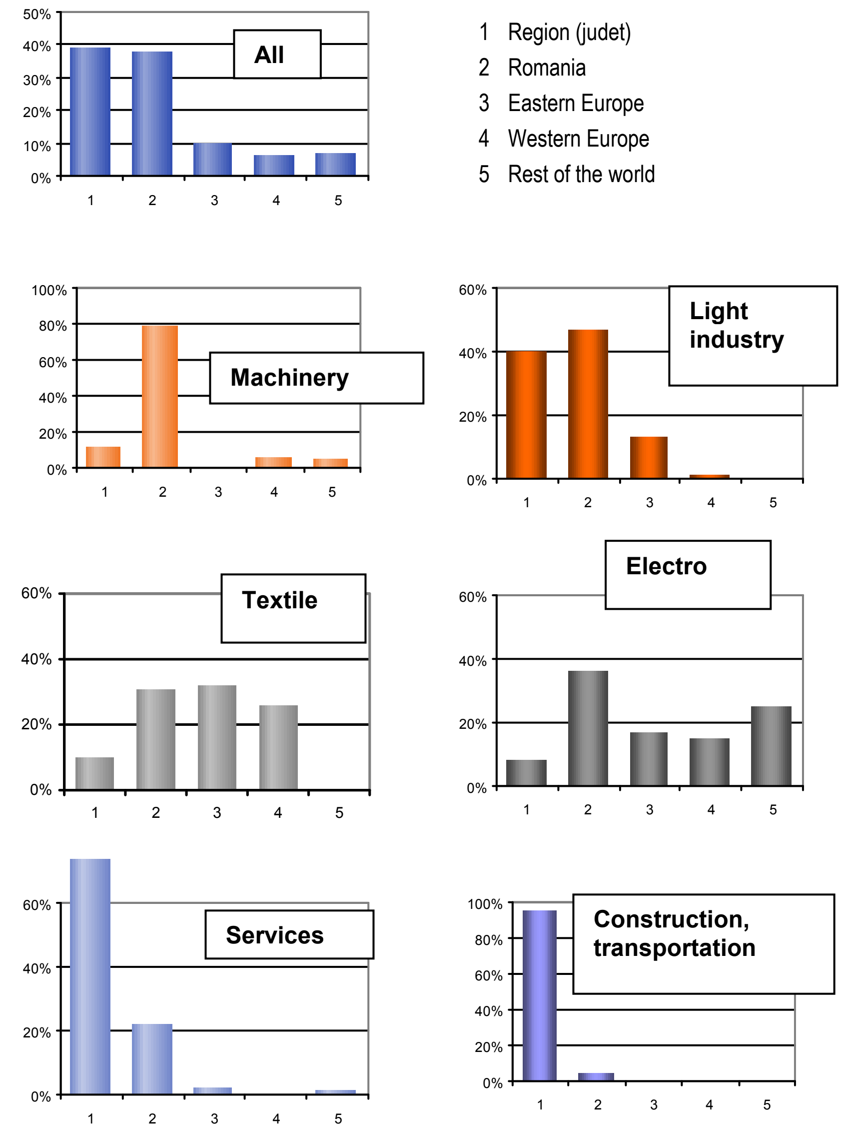


**Chart 5 – Relative change of employment**

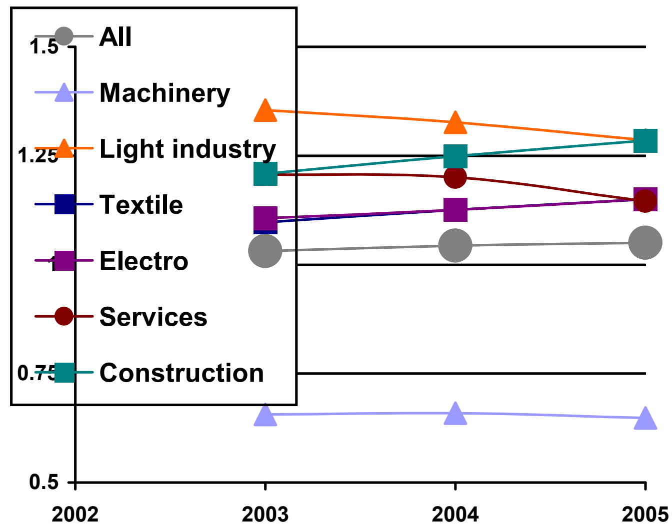
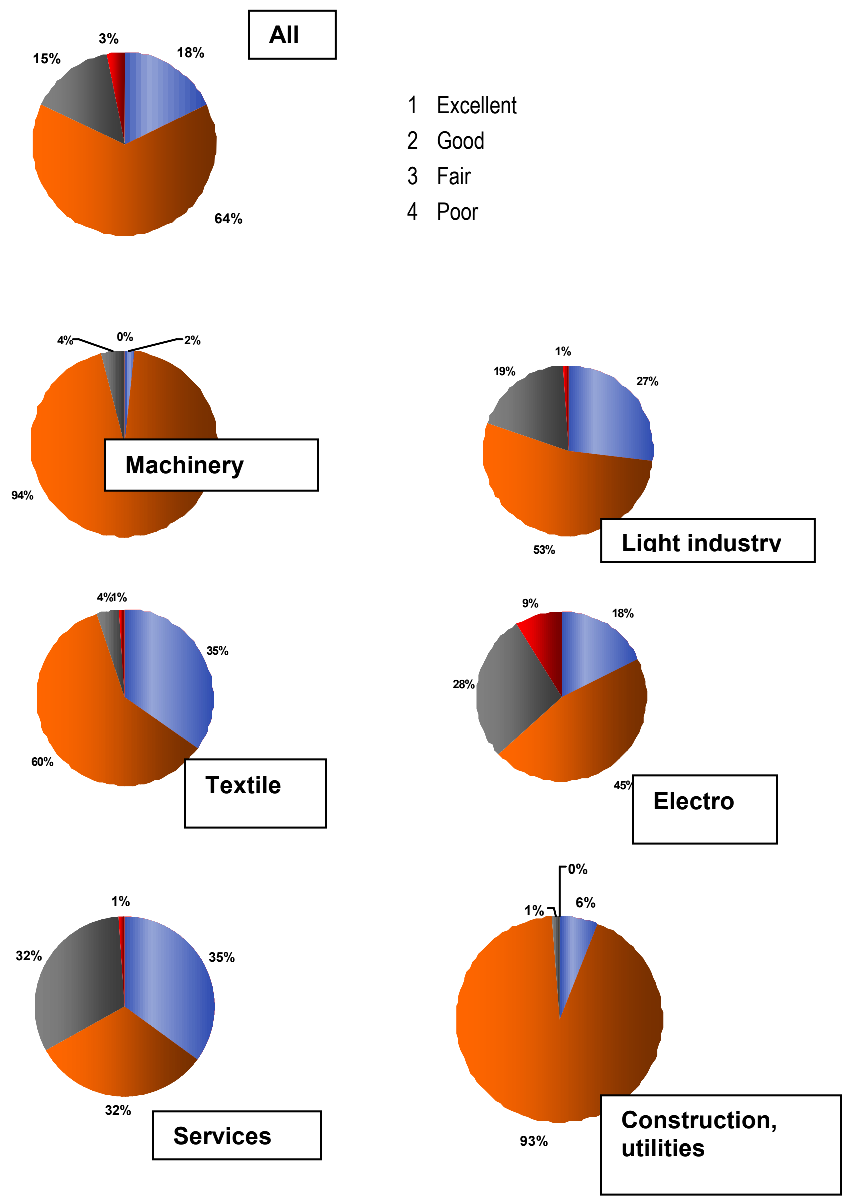
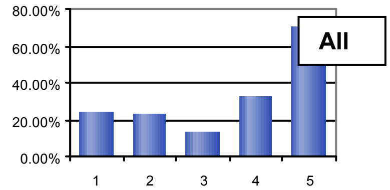


**_Chart 6 – Work force quality_**



## *Chart 7 – Anchor in judet*




Do you have in judet the following?

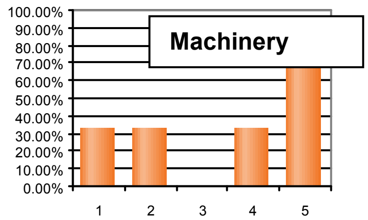
1 Suppliers of raw materials

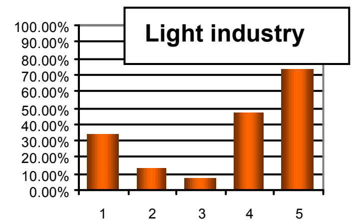
2 Suppliers of components

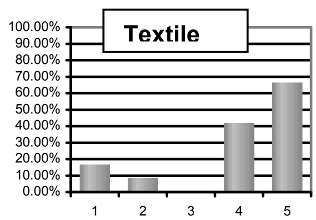
3 Research and development

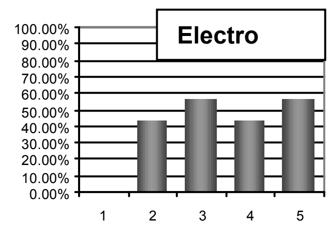
4 Cluster of similar industries

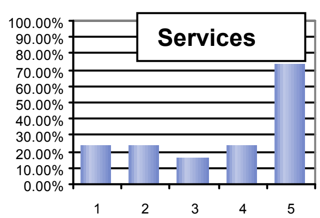
5 Customers



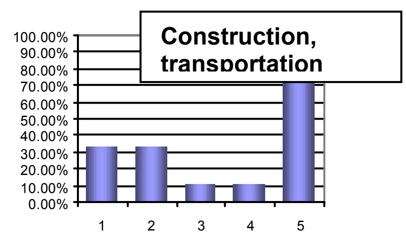



**_Chart 7B – Sales per employee (millions of ROL) and average salaries (thousands of ROL)_**

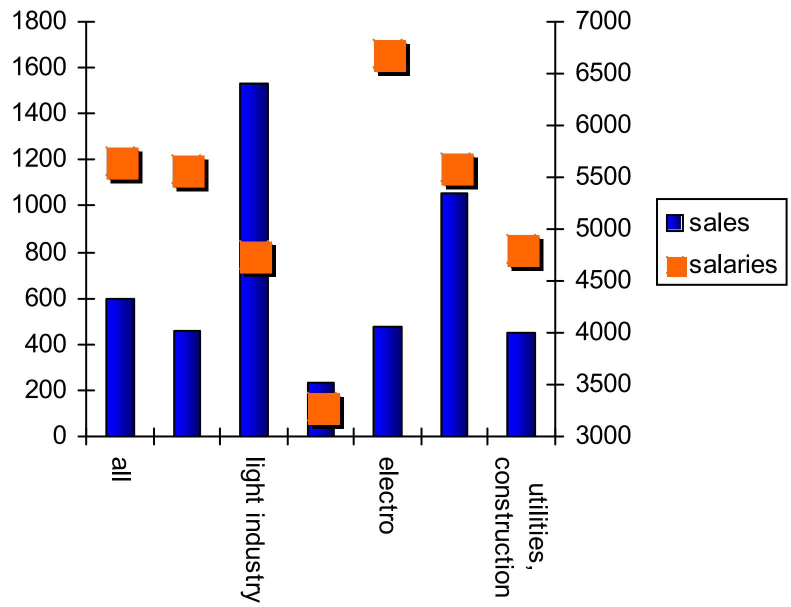


**_Chart 7C – Lack of skills_**

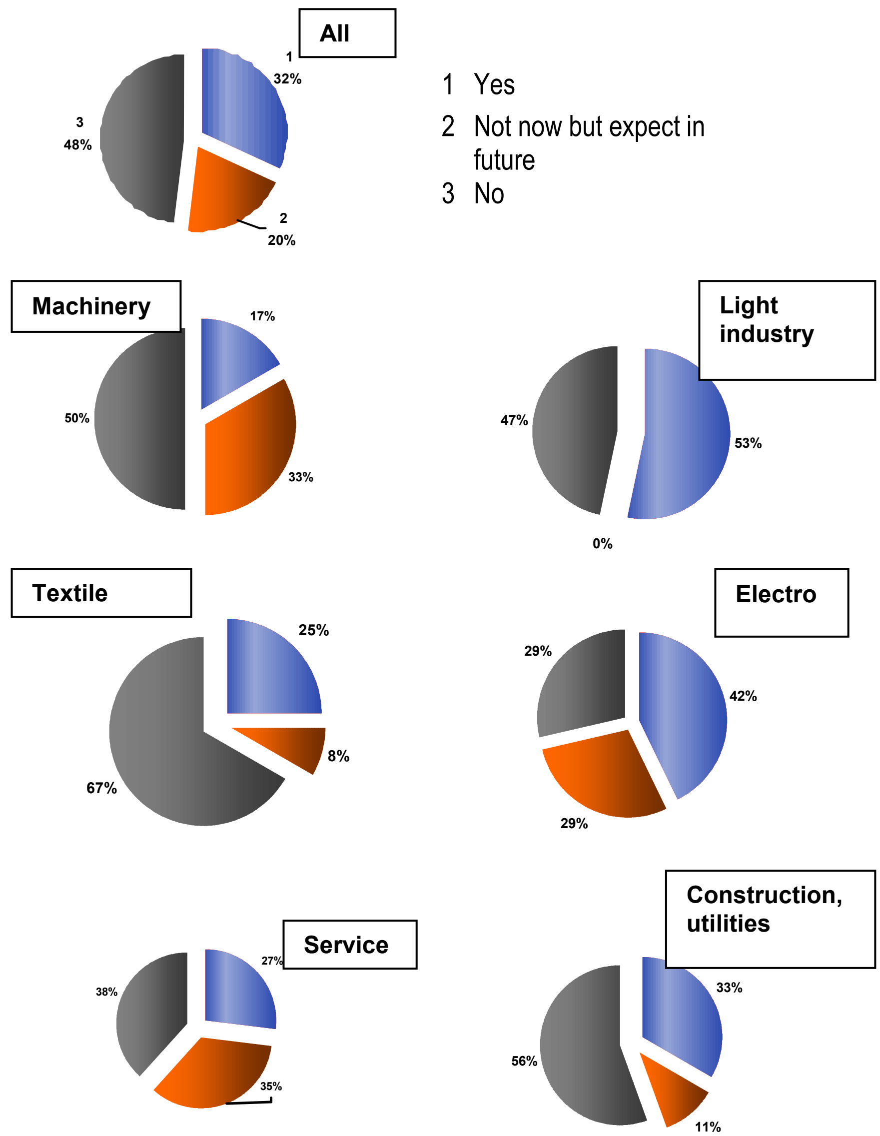
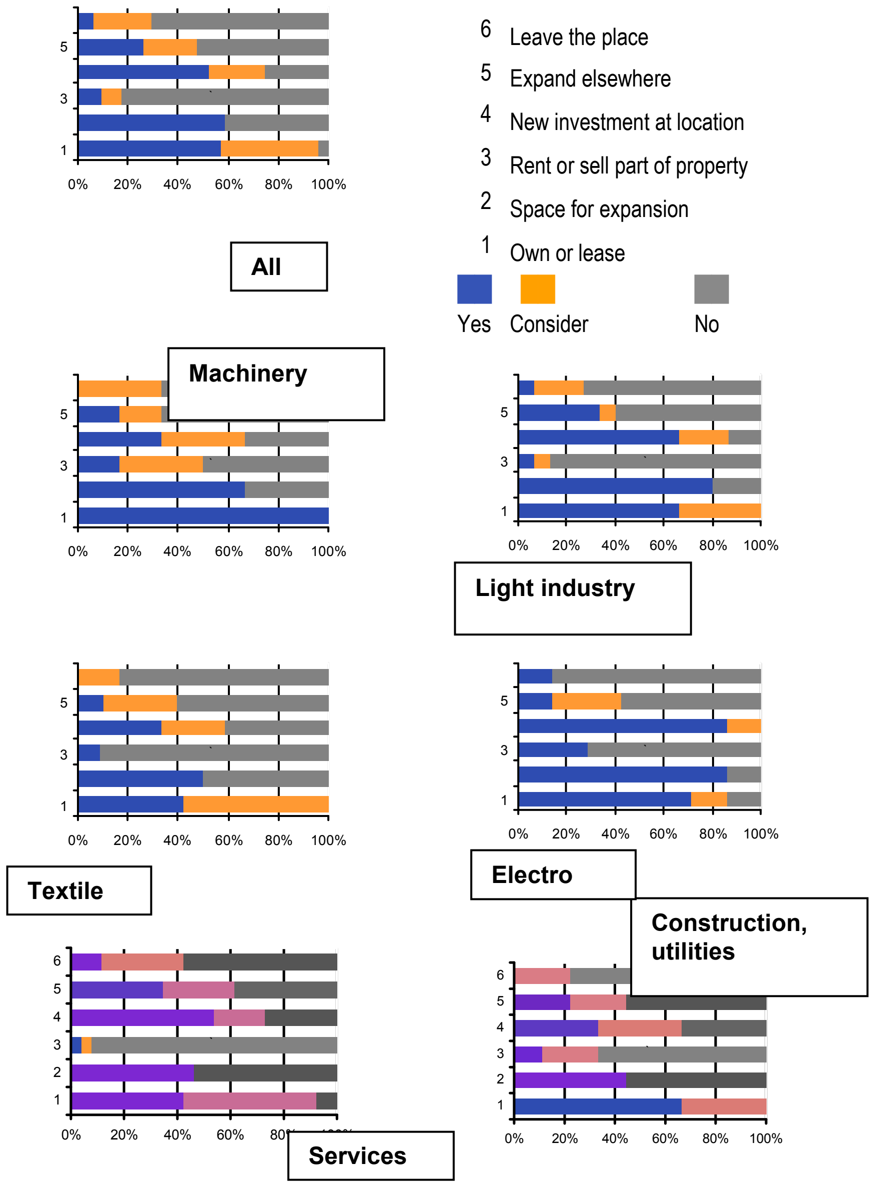


**_Chart 8 – Information about further development and business property_**



## *Chart 8B – Internet use*

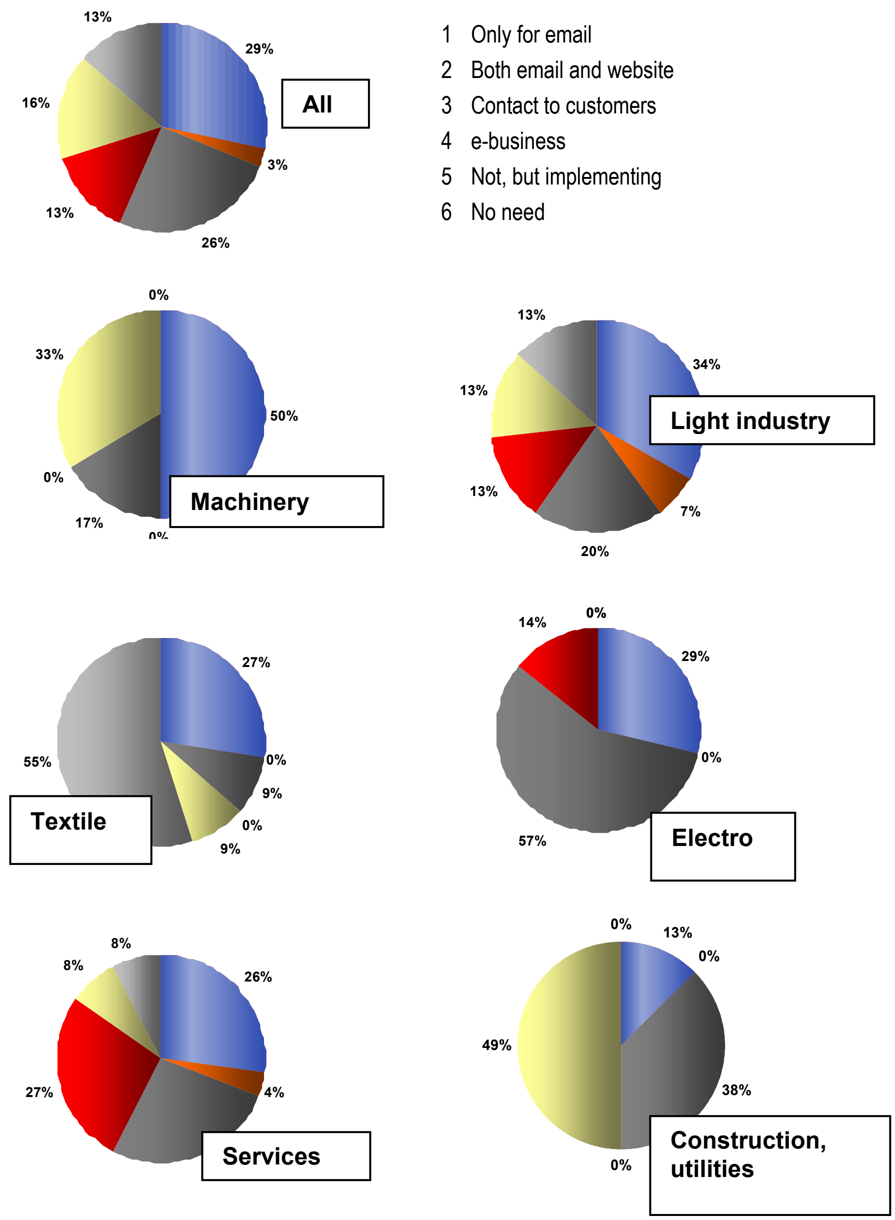
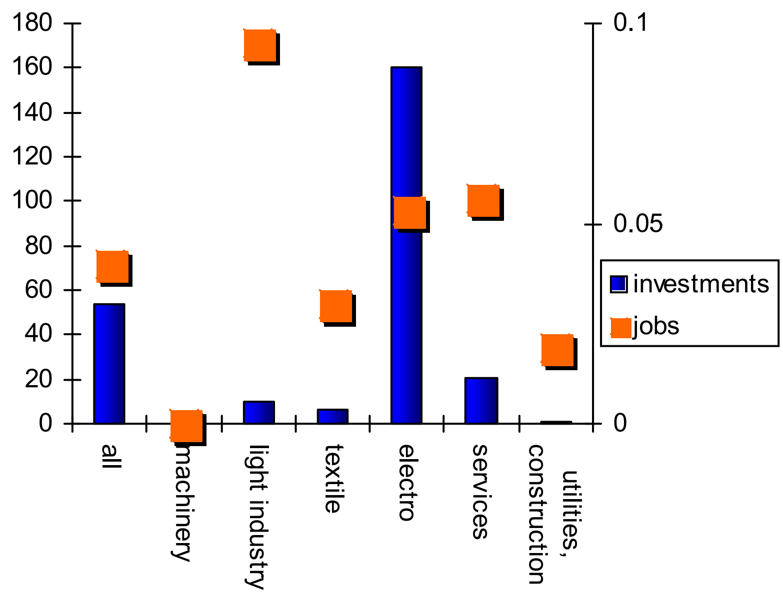
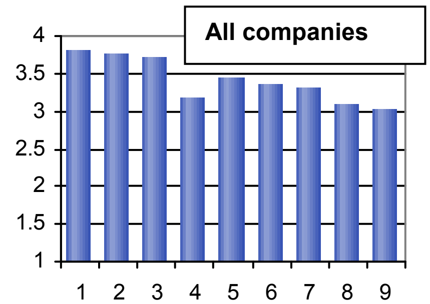


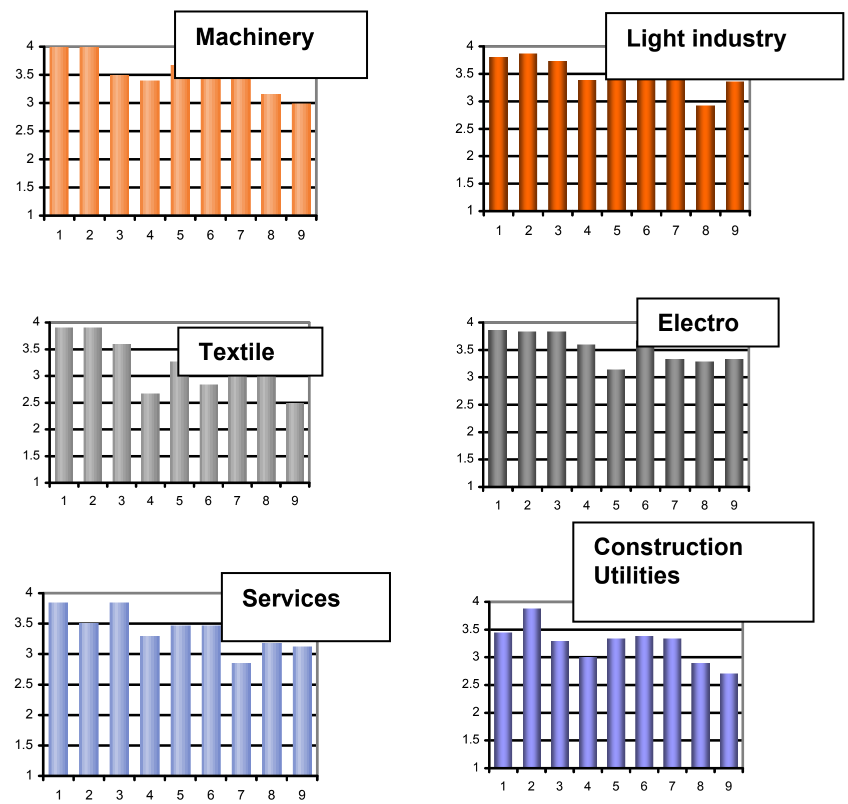
***Chart 8C – Investments per employee (millions of ROL) and new jobs (per 1 existing job)***



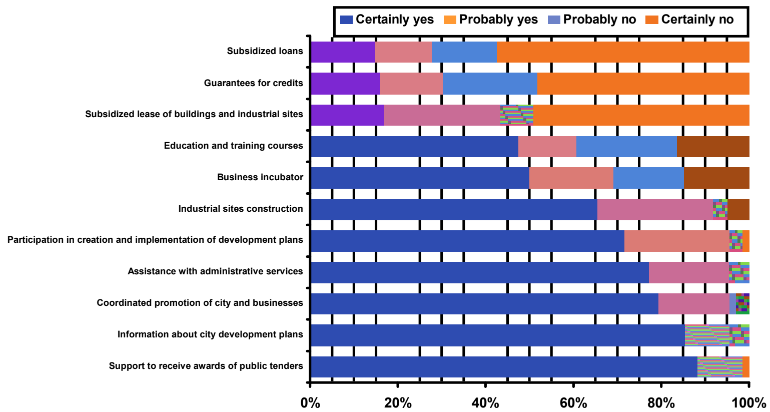
## *Chart 9 – Quality of public services*



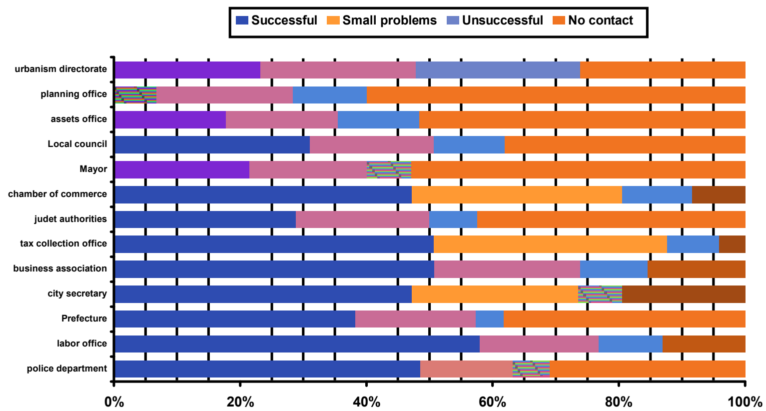

1 Roads maintenance
2 SME support
3 Offer of sites and buildings for business
4 Licensing and permitting for construction
5 Infrastructure development
6 Garbage collection
7 Public transportation
8 Police performance
9 Licensing and permitting for business



# Chart 10 – Recommended services (all companies)



## Chart 11 – Contacts with local government (all companies)



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# JOINT SMALL FUNDS PROJECTS
# ROMANIA-BULGARIA

***Market study***
***"The survey of the business climate having in view the integration of the Romania and Bulgaria in EU"***
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**May 2005**

## I. INTRODUCTION

In April 2005 a business climate survey was conducted among employers of Pleven residents. The objective of the survey was to provide useful and credible information concerning the attitudes of those who invest and create jobs in Pleven.

Survey items included the history and status of the business, the nature of its business, labor and employee matters, business facility information, government services and relations and overall impressions of a town and county as a place to do business.

## II. METHODOLOGY

39 surveys were completed in April 2005. The list of the companies to be interviewed included SMEs and companies with over 250 employees. The aggregated responses of all 39 companies are included in this report.

To encourage complete and frank responses from employers, those interviewed were assured that this report would not include reference to specific business, and the survey forms would remain confidential.

The 39 firms employ a total of 3144 employees. 1 company employ more than 500 employees, 19 other firms employ between 50 and 249 persons each and 19 other firms employ until 50 persons each. Significant differences were found among responses of the companies in different sectors of economy (machinery, electro technical, light industry and textiles, agriculture and food industry, construction and wood processing), and much of data was analyzed making this distinction.

Although surveying of 39 companies cannot definitively reflect the attitudes of the entire Pleven business community, these companies employ significant part of the local economically active work force, especially in industrial medium sized companies.

## III. MAIN FINDINGS

1. Local economy displays certain good signs – planned increase of the sales or new investments and jobs to be created. On the other hand, three quarters of companies are not satisfied with general economic situation in the country and more than a half with national legislation.
2. Current employment of all firms interviewed is 3144 and companies plan to create new jobs next year. Light industry and textiles, electro are the leaders in new jobs creation.
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4. The companies rated the quality of 57.94% of their labor force as "excellent" and 37.18% as "good", which represents above-average level of satisfaction. The average wage is comparably high with almost 115 Euro per month.
5. 38 of the 39 firms have decided to modernize or improve their present facilities to expand their operations in Pleven, either by adding to existing buildings or building new facilities, mostly in 2005. All companies plan to expand elsewhere or at least consider this option. At the same time 3 firms think about or even plan moving its operation out of their town, mostly because of lack of adequate properties.
6. Overall, the quality of local government services was rated rather “satisfactory” (average of 2.38 on 4 point scale). The infrastructure development, public transport and road maintenance were most often mentioned as requiring improvement.
7. None of the 39 companies rated the quality of the local government as "excellent”. All companies find the performance of local administration “good”. The City hall received in general better grades than Prefecture and Regional Council, but this does not mean success (almost half just “fair”).
8. Opinions on Pleven’s business climate were even worse than those on local administration. 16 companies only rated the area as a “good” place to do business while 23 of the businesses considered Pleven as "fair" place to do business.

## IV. RESULTS OF THE SURVEY

### 1. Status of business

Of the 39 interviewed 32 companies were founded since 1990. There are one or two subjects established before 1990 evenly distributed among the sectors identified. Certain connection may be traced between size and year of establishing a company (former state corporations). Such high share of newly established businesses indicates both vitality of entrepreneurship in the area and influence of restructuring and privatizing of national economy. Just 12 companies employing some 31% of surveyed sample are now owned completely or partially by foreign capital.

### 2. Business in general

The Pleven economy seems to be well diversified since it consists of various types of industrial production/processing/services etc.: 7 companies in machinery, 13 in electro, 1 in construction, 1 in wood processing, 12 in light industry and textiles, 5 in agriculture and food industry.

Companies were asked to name the factors having a negative impact on current and future development (see chart 1 in appendix) of their products and services. In order of priority (1) general economic situation was the most important factor since mentioned by 28% of firms, especially light industry and textiles; (2) national legislation is a problem for 13% of companies (considerably higher among light industry and textiles companies – 17% and only 20% of agriculture producers and food industry), (3) inadequate facilities for 21% of firms (and over 33% of light industry and textile companies). Companies in light industry and textiles also complain about unavailability of financing, foreign and domestic competition, inadequate facilities (25%, 58%, 33% while average of all firms is under 38%, 56% and 21%). Agriculture and food industry suffer from unavailable finances (80% and average being 38%). On the other hand local administration attitude, costs of materials and labor costs are a problem for only a couple of firms each.

Entry into EU is expected more positively, however companies are also aware of negatives (see charts 2 and 3). Access to a big market (56%, mostly for electro, agriculture and food industry), stable capital market (54%), unified currency (46%), easier law enforcement (26%) were perceived as the most important factors (agriculture and food industry sector looks forward to higher level of protection of economic competition and electro sector looks EU programs). On the other hand over 41% of companies are afraid of end of low price advantage (almost 57% in machinery and 42% in light industry and textiles), 38% of the strict environment legislation, 18% of more strict protection of customers and investment to adapt to new conditions (especially construction and wood processing). Light industry and textiles share their feelings again towards stricter environmental legislation, customers, investments and strong competition worries mostly machinery companies.

### 3. Customers

All firms provided information about geographic distribution of their customers (chart 4).  45% of companies' production is for Pleven market, 38% is for Bulgaria and 17% is for export.  Only 17 of companies export substantial part of their products out of Bulgaria.

Concerning the sales, the companies think the sales will increase with a percentage between 2-15%. Average expected rise is close to 6.6%. An average sale per employee is on a high level of about 16477 Euro.

Customers are also the main reason all 39 companies to be located in Pleven, all firms take advantage of cluster of similar industries, 27 reported that they have important customers in the area.

### 4. Labor and employment matters

The total number of full time employees in these 39 firms is 3144, compared with 3124 last year. Chart 5 shows relative changes in employment in individual sectors. New jobs were created mainly in electro, at the same time the other companies have not employed new persons. The overall trend of past 5 years is positive and when asked about new investments, companies answer they plan to create almost 100 new jobs.

The average number of employees per surveyed firm in 2005 is 81 compared to 57 in 2000. This is typical for rather stable environments with an important role of medium and large businesses, risk of social quakes should a giant enterprise wind up makes these systems vulnerable to structural changes.

Employers are quite satisfied with the quality of their work force. Overall, 57.94% of workers are excellent, 37.18% are rated good, 4.62% fair and only 0.26% poor (chart 6). The companies tend to be very satisfied (57% or 60% excellent) while the companies satisfied report about 37-

40% and only 5% reported fair and poor workers.

The average monthly wages paid by all surveyed are 115 Euro, the lowest in construction (100 Euro) and highest in electro (123 Euro) (chart 7B). 87% companies (in all sectors) are missing specific professions and skills, which are important for their future development and 13% expect to face this problem in future (chart 7C). The highly qualified technically oriented professions – engineers (electro, wood processing and plastics), IT specialists, financial and marketing experts are mentioned most often as missing.

## 5. Business facility information

However almost 54% of the interviewed own their property and have space for expansion (chart 8), inadequate facilities represent an issue. That is also why more than 97 percent does not offer redundant properties on the realty market. Many (especially electro and light industries) on the contrary plan to invest substantially in facility improvement. 21 of the 39 companies own their facilities and 13 both own and rent. 33 companies report that they own sufficient property to allow for expansion as needed, however situation of several others is so bad that they are even considering relocation because of inadequate facilities. All 39 companies plan to modernize or improve existing buildings, mostly during this and the next year. Expected investments range from some thousand Euro to 2 million Euro. In aggregate, these new investment exceed 2.492 million Euro and will create about 100 permanent jobs, especially in light industry, textiles and electro. All companies intend to expand elsewhere in the country. 3 firms are decided to move their operations, other reasons being small market or moving headquarters.

## 6. Government services and relations

The companies were asked to rate 9 municipal government services on a scale of 1 to 4 (1 = excellent, 4 = poor). In average, these services were rated rather critically with an average mark of “three” (2.92 to be exact, see chart 9). Some satisfaction was expressed with “SMEs support” (2) and “Police performance” (1.51). The companies were really disturbed by the quality of “Road maintenance” (2.9), “Public transport” (2.92) and “Licensing and permitting for business” (2.82). The most satisfied were the construction and wood processing companies.

Overall, the responses to this question indicate that businesses recommend initiatives that might be taken especially in the area of SME support through better cooperation and communication with local government. Among the comments were more often: roads maintenance, public transport and licensing and permitting for business.

The companies were also asked which services to businesses located in Craiova the local government should provide. Chart 10 shows that firms do not support that much direct or indirect financial assistance and strongly welcome activities which can be provided for almost no costs – cooperation, information and joint promotion. Construction of industrial sites is recommended by almost 54% of companies as a very visible activity to improve the local business climate and attract new job creating investments.

Companies evaluated contacts with government individuals and organizations. Results are rather average as seen at chart 11. Chamber of commerce and business associations received the best grades. Urbanism directorate, Planning office, Assets office and public authorities were rated as the worst regarding success of the contact.

## 7. Overall impressions

The firms were asked to give their overall impressions of Pleven local government. Municipal government was rated worse than prefecture and than regional council. Another inquiry concerned overall opinion of the town as a place in which to conduct business. As reported in Main Finding 8, the responses were positive. 41% of companies reported the business climate is favorable while 59% think this is fair for economic activity.

Examples of positive elements of Pleven business climate mentioned by the companies are usually the following three:

- Development potential
- Size of the city
- Work force

There are more negative factors identified in Pleven that are mostly concerned with business climate and technical infrastructure. Companies expect local government to adopt a more proactive approach in creating better business climate in the town:

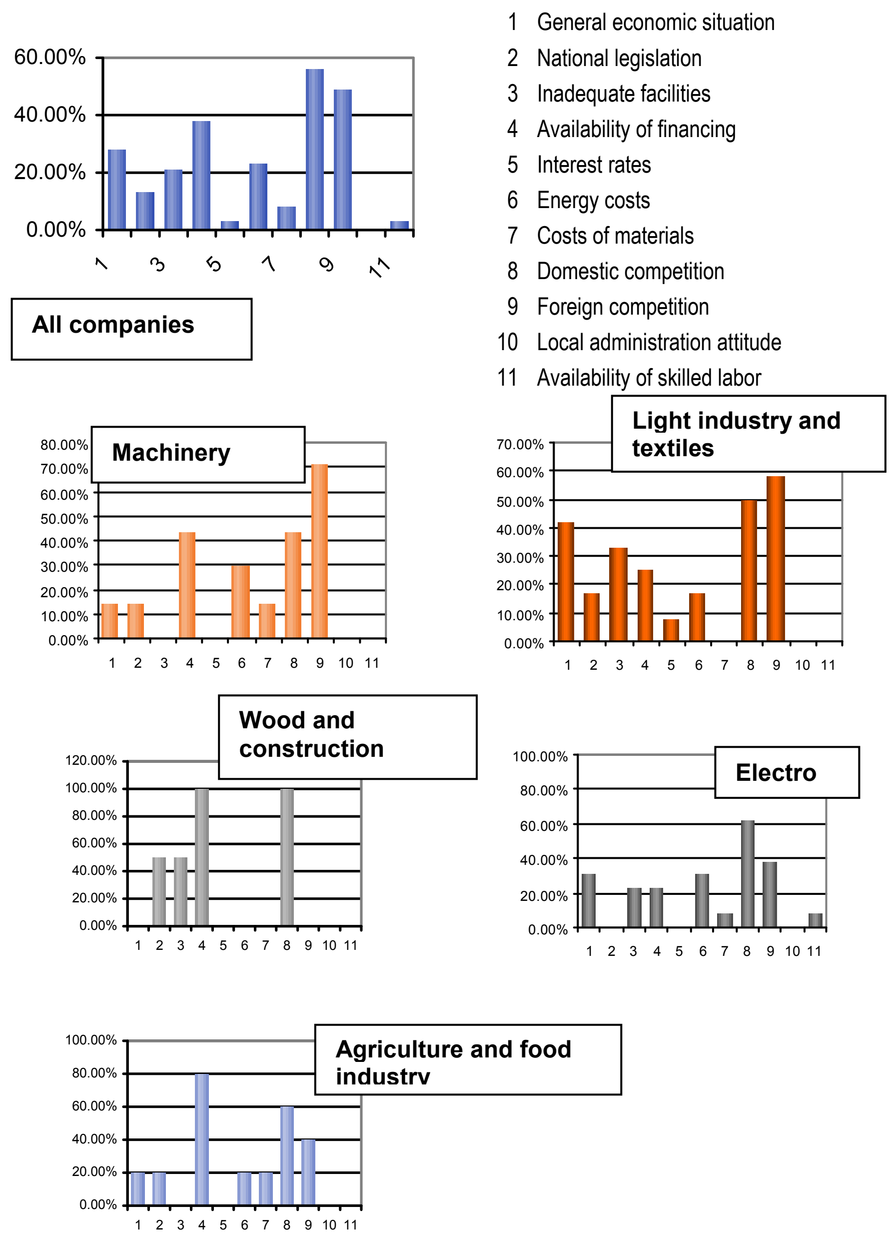
- Poor communication (between public and private bodies)

- Corruption, clientelism, poor behavior of clerks
- Lack of the business facilities, poor infrastructure (roads)
- Tax burden, problems with financing
- Public representatives/bodies indifferent towards SMEs and business in general

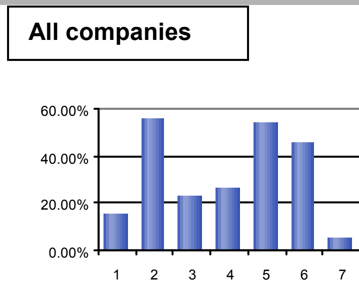
## V. SUMMARY

This Business Climate Survey reflects the accumulated opinions of the major employers in Pleven. Their collective attitudes towards town government will have a strong influence on whether its economy will grow, stagnate or decline.

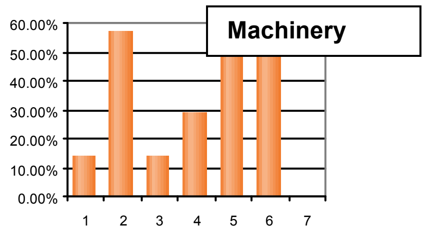
## *Chart 1 – Barriers of development*

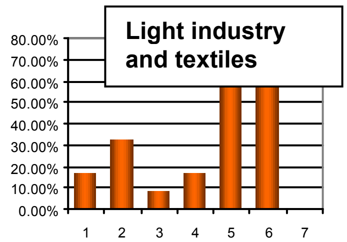


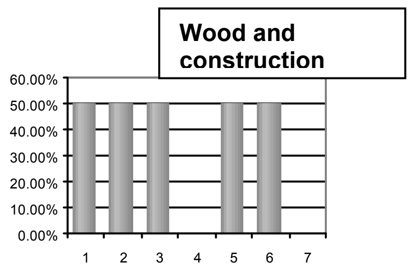
## *Chart 2 – EU positives*

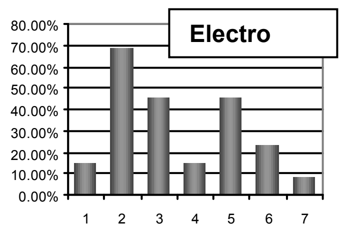



1. Stable business climate
2. Access to a big market
3. EU programs
4. Easier law enforcement
5. Stable capital market
6. Unified currency
7. Higher level of protection of economic competition



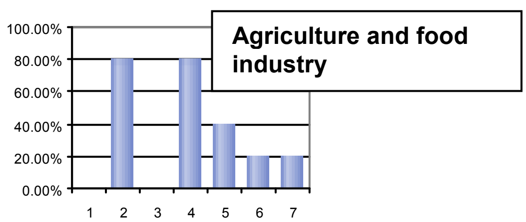



**_Chart 3 – EU negatives_**

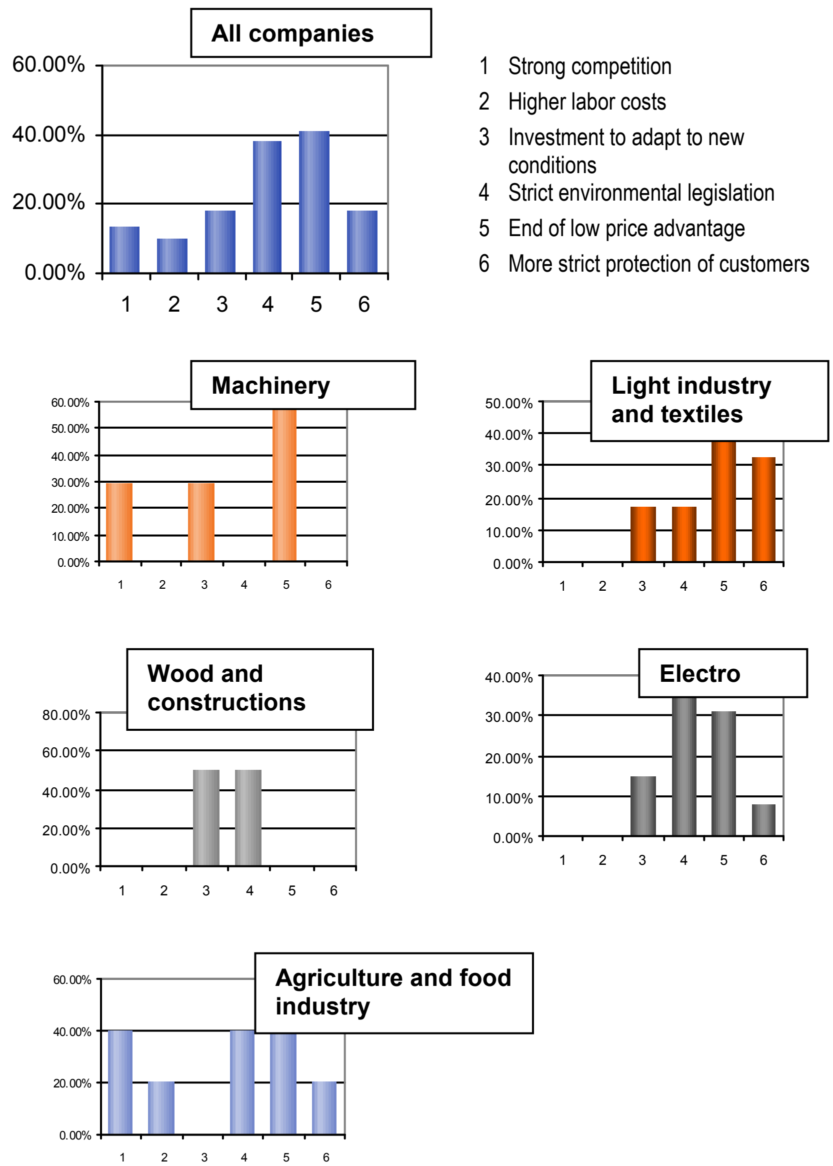
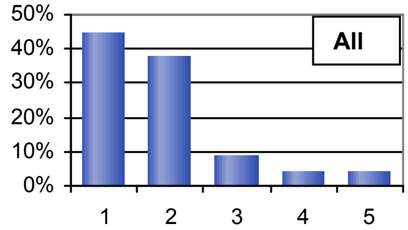
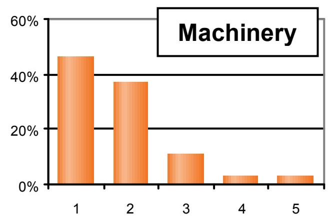
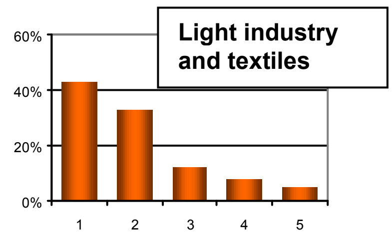


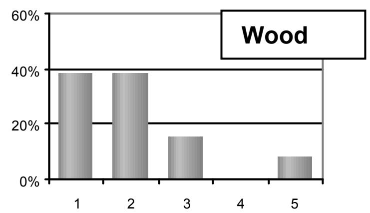
**_Chart 4 – Sales in regions_**

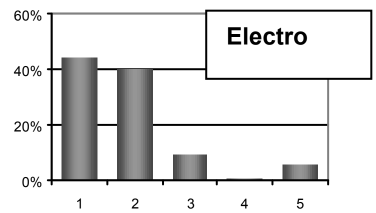


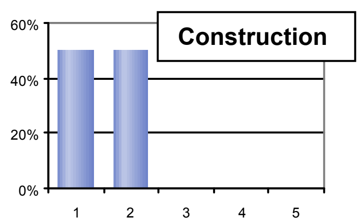

1 Pleven
2 Bulgaria
3 Eastern and Central Europe
4 Western Europe
5 Rest of the world



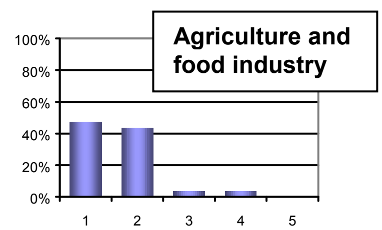
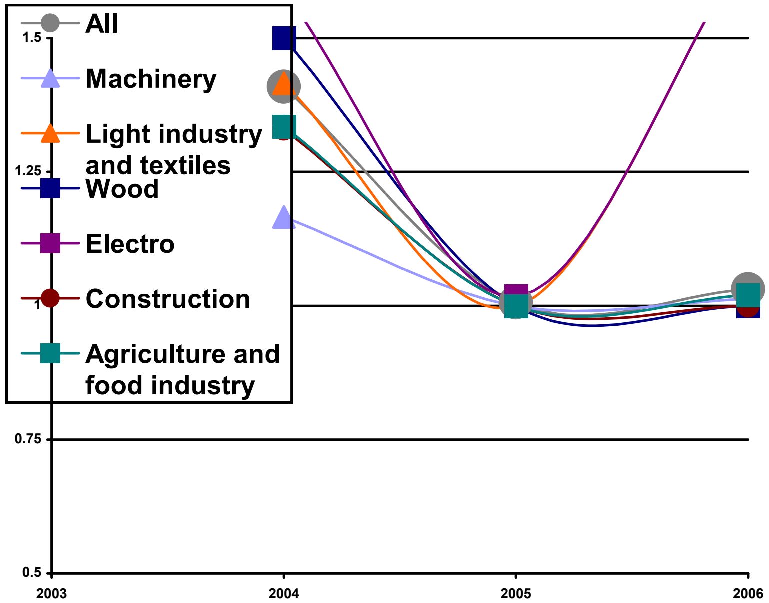
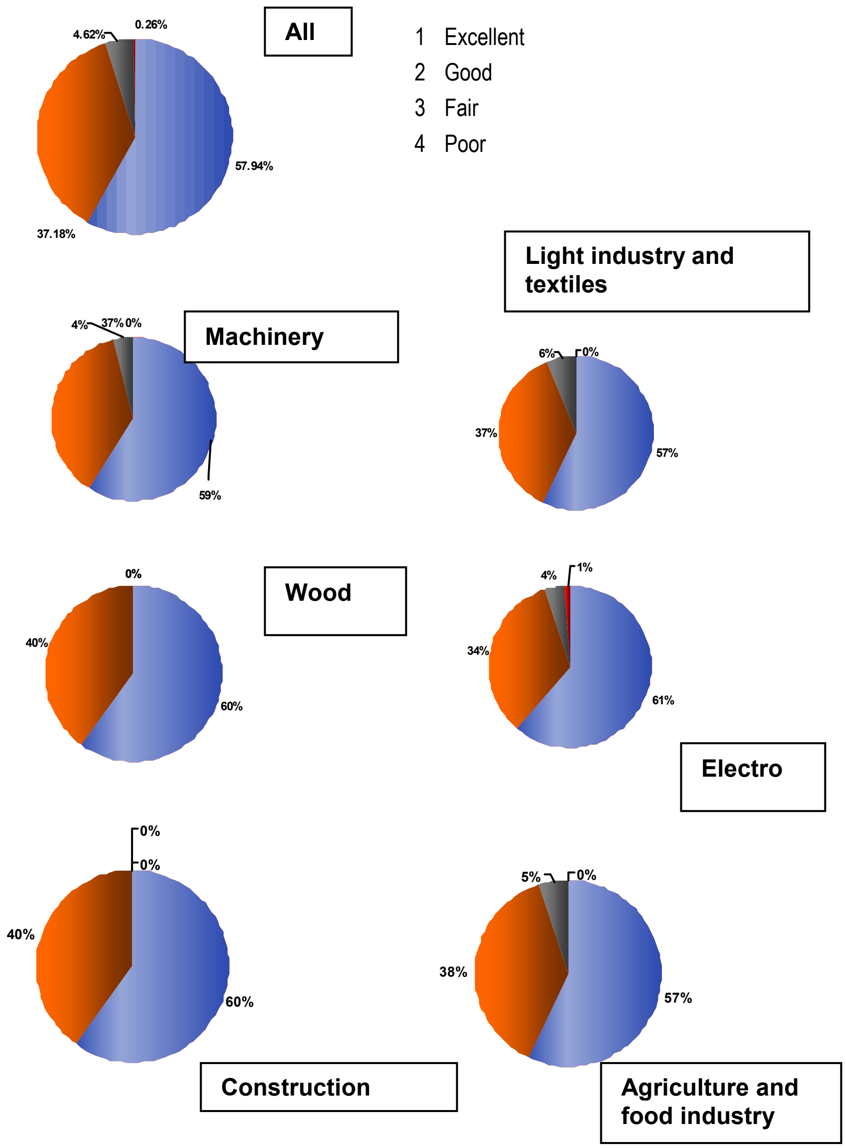



**_Chart 5 – Relative change of employment_**



## *Chart 6 – Work force quality*



## *Chart 7 – Anchor in the district*

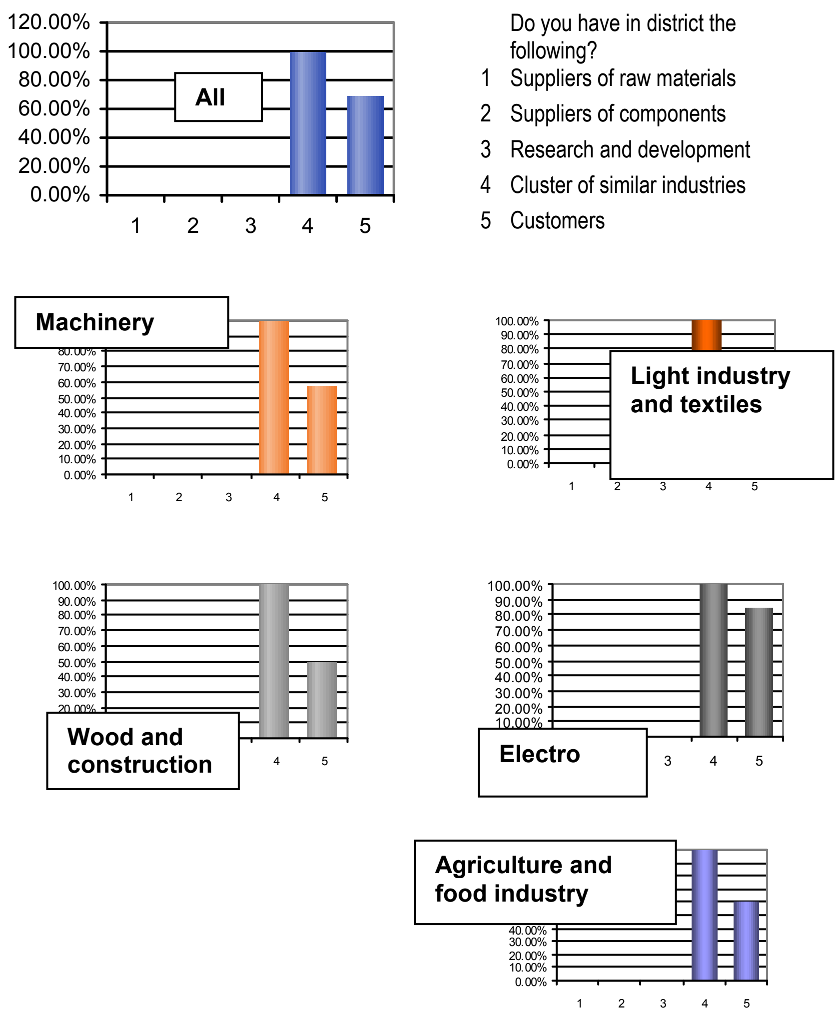
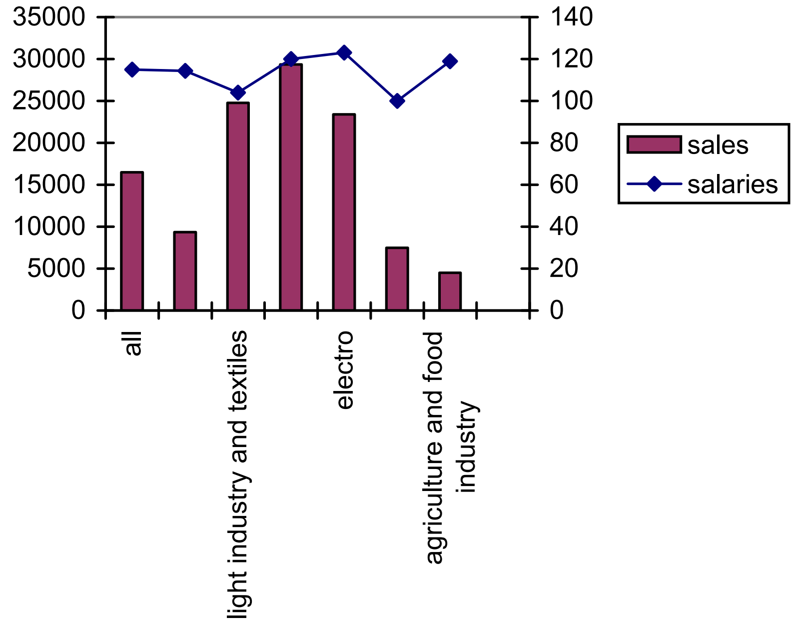


**_Chart 7B – Sales per employee (Euro) and average salaries (Euro)_**



## *Chart 7C – Lack of skills*

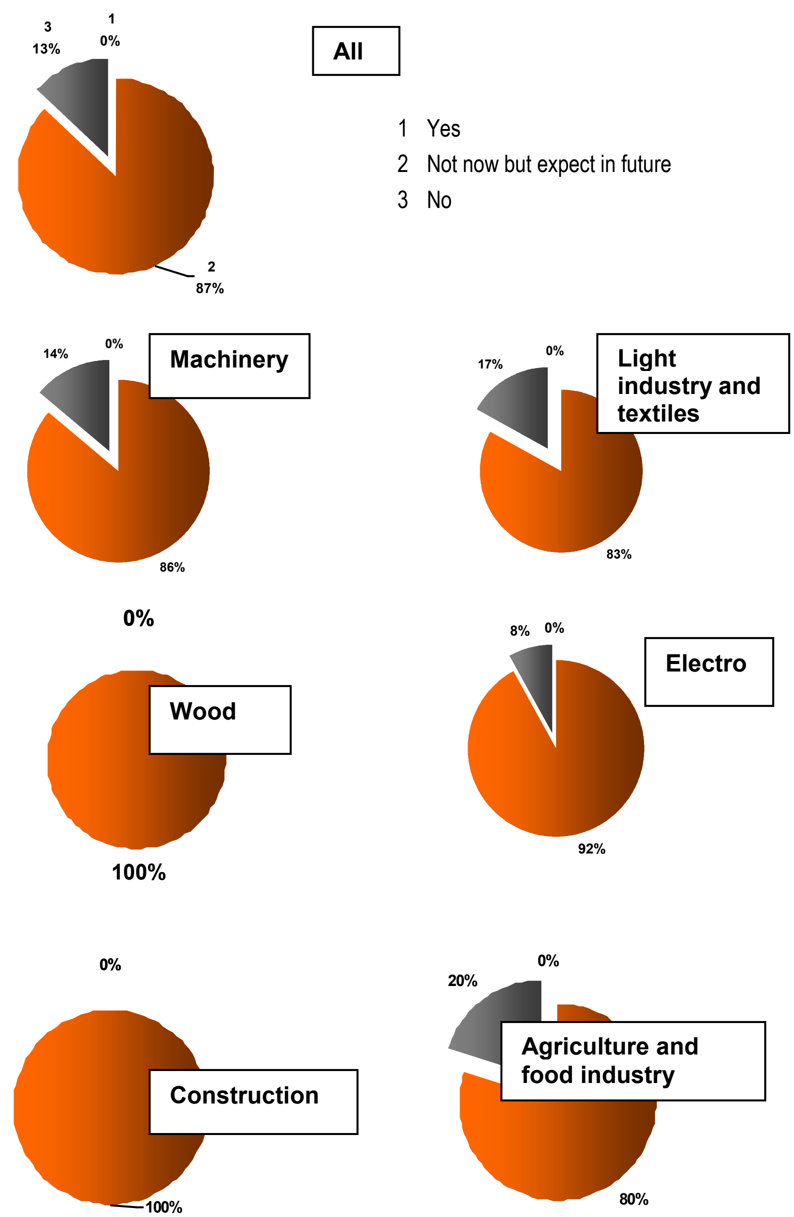
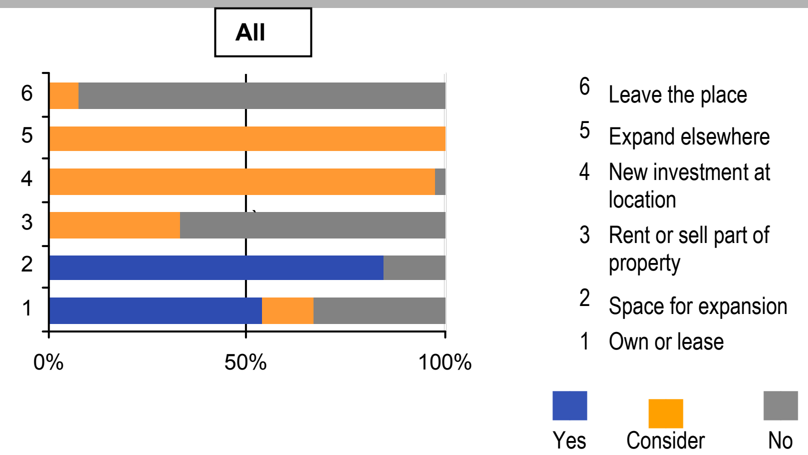


***Chart 8 – Information about further development and business property***



## *Chart 8B – Internet use*

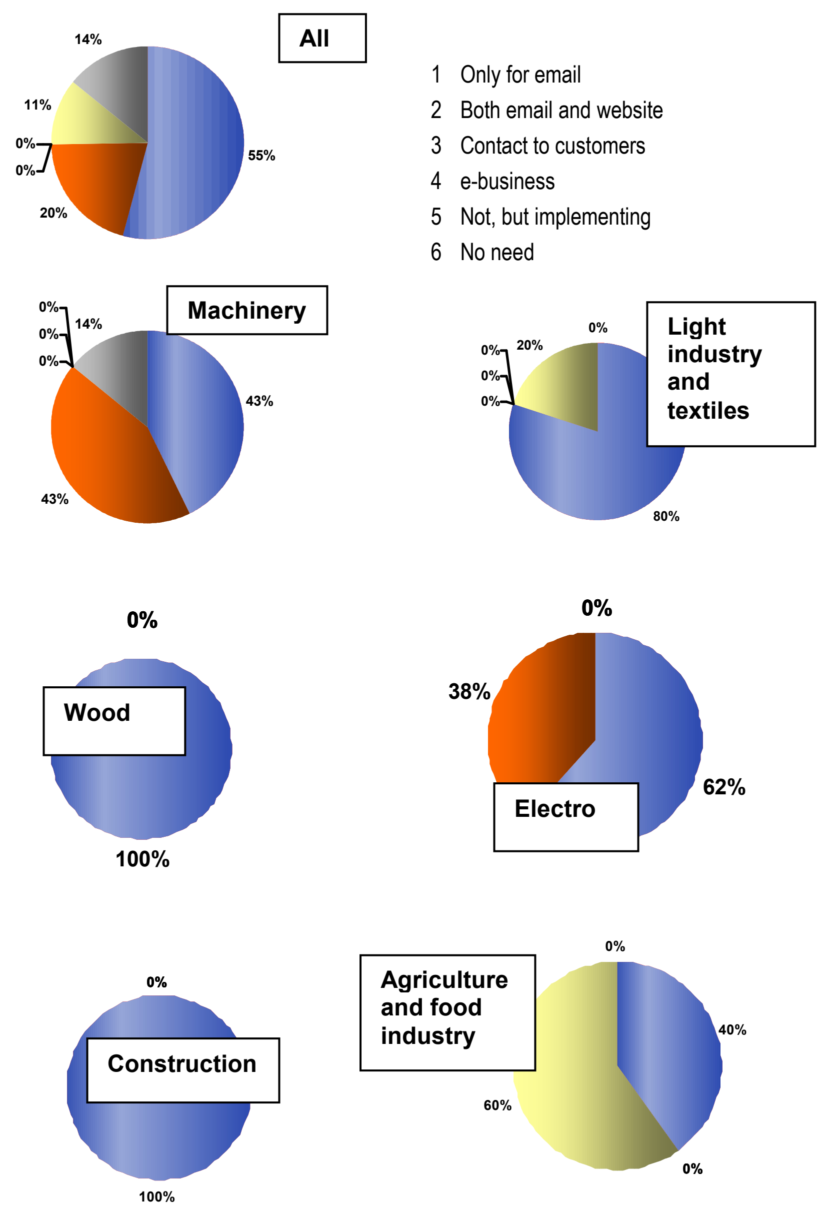


***Chart 8C – Investments per employee (thousands Euro) and new jobs (per 1 existing job)***

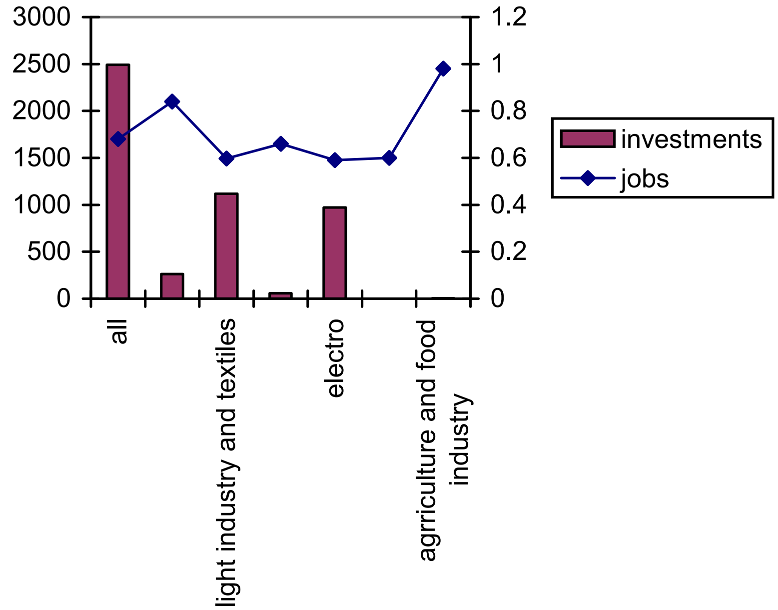
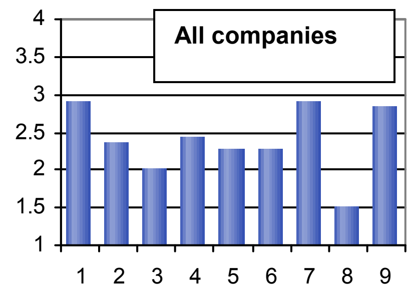
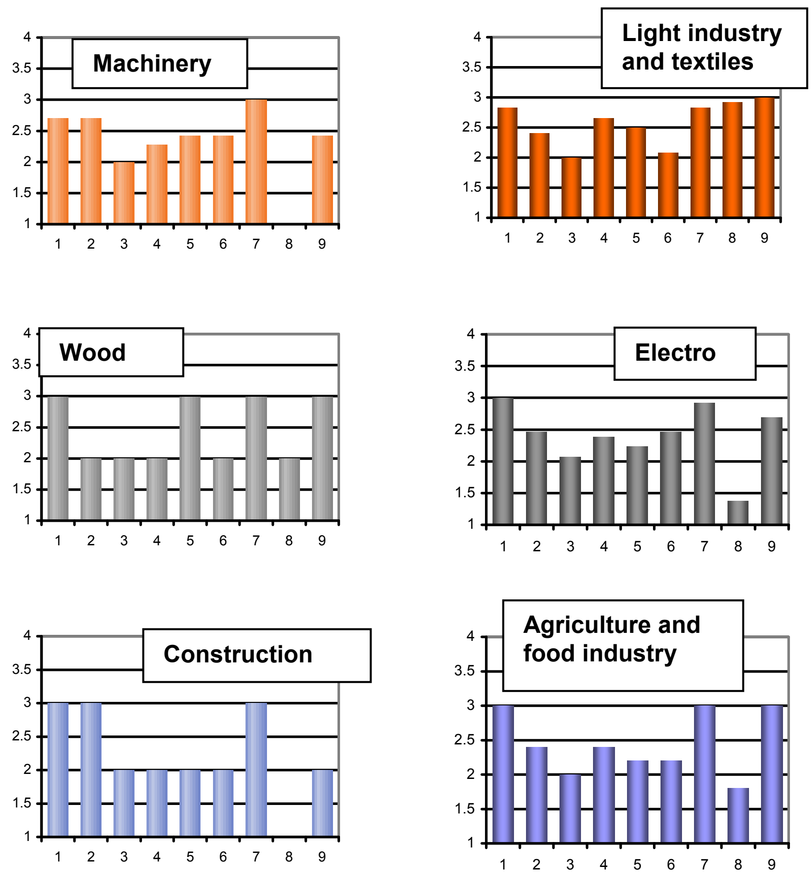


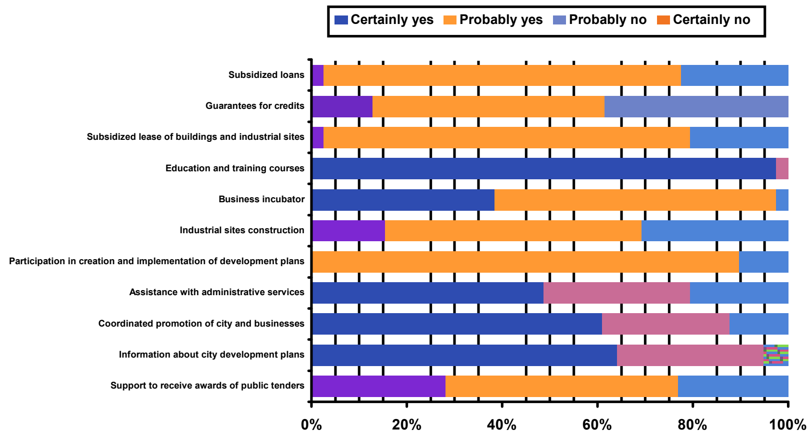
***Chart 9 – Quality of public services***




1 Roads maintenance
2 SME support
3 Offer of sites and buildings for business
4 Licensing and permitting for construction
5 Infrastructure development
6 Garbage collection
7 Public transport
8 Police performance
9 Licensing and permitting for business



## Chart 10 – Recommended services (all companies)



## Chart 11 – Contacts with local government (all companies)