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“Evaluation of the Competitiveness and the business environment of Bulgaria”

MA DISSERTATION

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Bulgaria

- Capital: Sofia
- Total Area: 110,994 sq km (42,855 sq miles)
- Population: 7.4 million
- Trade Organizations: EU, WTO, OSCE and BSEC



- Currency: Lev
- GDP in ppp: \$103.7 billion (2012 est.)
- GDP per Capita (ppp): \$14.200
- Real GDP growth rate: 0.8%
- GDP by sector: Agriculture 5.6%-Industry 31.2%-Services 63.2% (2012)
- Inflation rate: 3%
- Population below Poverty Line: 21%
- Labour force: 2.451 million (2012)
- Unemployment: 12.5% (2012)
- Average salary: \$400 (2012)

Source: EBRD, 2013

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“Gratitude is not only the greatest of virtues, but the parent of all the others.”

~Marcus Tullius Cicero

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ABSTRACT

This paper presents a comprehensive study on the performance of Bulgaria's economy in the global ranking of competitiveness and the business environment. In order to do so, data of two reports from recent years are taken into consideration; namely the Doing Business Report (World Bank) and the Global Competitiveness Report (World Economic Forum). A detailed analysis of the outliers resulting from the classification of the countries according to basic indicators of both reports is provided so as to evaluate the economy's stance. In order to estimate Bulgaria's competitiveness and to conduct a comparative analysis the country's performance is compared to others' of the region. In the comparison that follows with the Balkans, the Black Sea and the EU27, Bulgaria shows relatively good position in many sectors. Concerning though the comparison with the two major economic powers USA and China the results differ. Relating to USA Bulgaria is far below its performance while in relation to China can compete with it in many sectors. After the benchmarking among the economies under question, there is a focus on Bulgarian economy. The strengths and weaknesses concerning competitiveness and ease of doing business are introduced and after considering the drawbacks that emerge from the previous analysis, the paper continues with some policy recommendations for improvement.

Key words: Bulgaria, Competitiveness, Business Environment, GCI, EDB

1. INTRODUCTION

The nowadays globalized environment with the speedy changes and spillovers to the economies worldwide imposes a set of determinants that assess countries' performance; thus economies are motivated to develop and surpass their potential so as to stand up to the upcoming challenges.

The introduction of competitiveness and ease of doing business are two terms, created to measure a country's efficiency to the macroeconomic and the microeconomic level. The business environment is complicated, dynamic in nature and has a far-reaching impact on economic growth. It refers to different parameters that affect business operations. Competitiveness is another significant determinant for the good performance of states in international trade and relations. There is a close and continuous interaction between business environment and competitiveness. The study of this interaction helps in strengthening entrepreneurship and in identifying strengths, weaknesses, opportunities and threats of the national economy. National competitiveness and favorable business environment are broadly associated with the economic development. Being competitive is vital for small open economies, since they are more relied on international trade and foreign direct investments. Therefore, it is imposing to measure the country's competitiveness both on the national level and globally. This analysis interests politicians, analysts, investors, businessmen, consumers.

This paper concerns an attempt to analyze and evaluate the Bulgaria's place in international competitiveness and in the global business environment. The aim of this study is the evaluation of competitiveness and business climate in Bulgaria. In order to estimate these factors the analysis is based on the data of two publications: the Global Competitiveness Index (World Economic Forum) and the Ease of Doing Business Index (World Bank).

The paper starts with the theory of competitiveness as the World economic forum defines. We will introduce the Global Competitiveness Index and we will explain how it is measured. There will follow a short description of the 12 pillars that evaluate competitiveness, underlining in the same time which stage of development for the economy represent these factors. To provide a fuller picture of the level of

competitiveness of Bulgaria we compare its results in relation to the other countries' results. More specifically a comparison follows with the EU27, the Balkans as well as the Black Sea region. Additionally a further analysis is provided in appraisal with the competitiveness of the two major global economic players: USA and China. Comparison among those countries proves that no matter how close or beyond the borders they might be, they mark significant diversifications or outstanding similarities, respectively.

After the benchmarking, the weaknesses and strengths of Bulgaria's economy are presented. Bulgaria has marked significant improvement during the last years. Despite many challenges, such as the transition period and the global economic crisis, the country has succeeded to be the most competitive in the Balkan region. The moderate progress of the economy is attributed to numerous factors that will be described in detail to this paper. Various remains from the former communist regime have been obstacles but some of them can still be used to develop competitive advantage. With the adjustment to the EU directories, Bulgaria tends to become a more European country, which attracts not only investors but also tourists that enhance its economy.

After analyzing the positive and the problematic factors of Bulgarian economy, that promote or impede development, there is a chapter with the lining up of policy recommendations. Being an «efficiency enhancer» driven economy, Bulgaria constitutes a developing economy. The macroeconomic stability that diversifies it from the rest of the EU countries sets the ground to implement new techniques so as to increase competitiveness. Main focus should be given to innovation and business sophistication as well as to the environmental friendly production and exports. Detailed reforms on these matters are recommended to this part.

Apparently, competitiveness indicates whether there is fertile ground for doing business in a region. For this reason, the second section of this paper concerns the ease of doing business in Bulgaria. Once more, there will be a familiarization with the ease of doing business index and the components of this index. As previously, we introduce a brief regional analysis, comparing the same countries and then we again focus on Bulgaria. The analysis will let us conclude which are the main challenges when starting, operating and closing a business to the country. As it will be remarked, in some dimensions Bulgaria reaches or even surpasses other EU countries.

Finally, policy recommendations to promote the ease of doing business will be summarized, taking into consideration the problematic factors that hinder business and the attraction of foreign capital.

2. GLOBAL COMPETITIVENESS INDEX AND 12 PILLARS

The term of competitiveness includes all the institutions, policies and factors that determine a country's productivity level. The level of productivity, is expressing the sustainable level of prosperity that an economy can achieve. This means that in more competitive economies there are higher levels of income for the citizens.

Furthermore, the productivity level is highly connected to the amounts of return that are obtained by the investments to an economy. Since the rates of return play a major role to an economy's growth, a more competitive economy will grow faster in the forthcoming. (Sala, Martin, Blanka, Drzeniek, Hanouz ,Geiger, Paua, 2007 p. 3, World Economic Forum,2014 p.4)

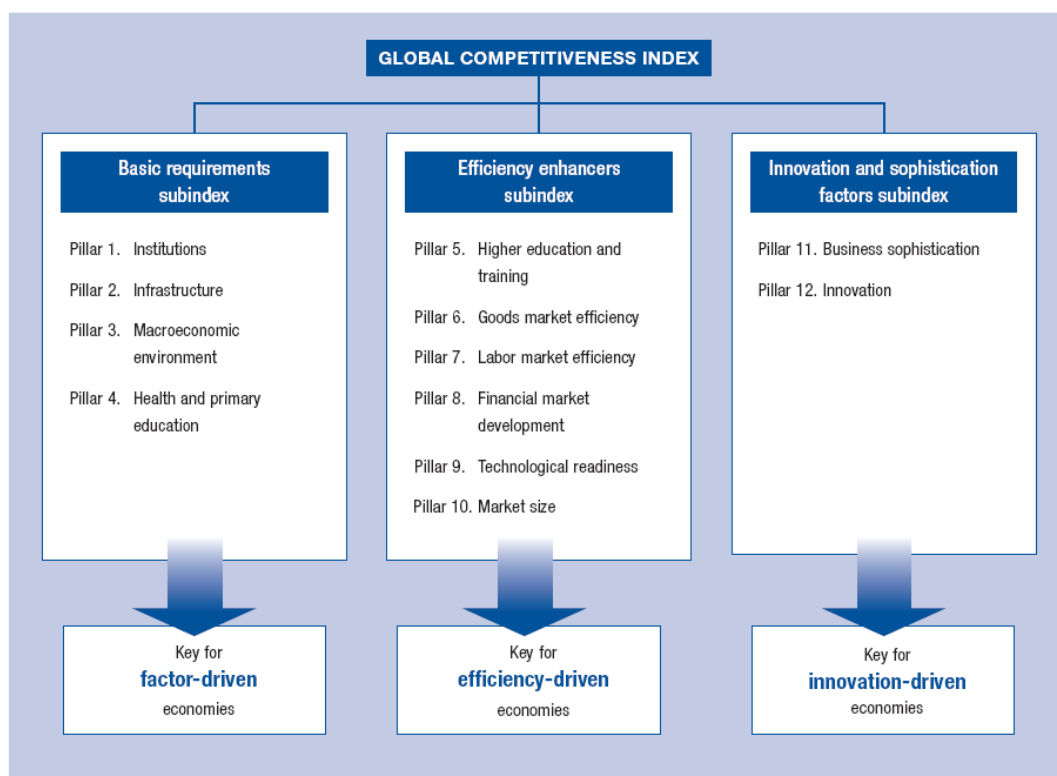
Assessing the competitiveness of regions is fundamental in order to manage an efficient and balanced regional policy. The competitiveness level of an economy is seriously taken into consideration from private and state entities as well as local and foreign investors so as to achieve predefined objectives. (Ivanov, 2010, p.619)

In order to measure, compare and analyze competitiveness among countries, the World Economic Forum, uses the Global Competitiveness Index (GCI). GCI is a tool that measures the microeconomic and macroeconomic foundations of national competitiveness; its values range from 1-7, meaning 1 for the less competitive economies and 7 for the most competitive ones.

The competitiveness of a country depends on which stage of development the economy belongs. In the first stage of development, the economies are factor driven and compete according to the level of labor efficiency (which is unskilled) and of the natural resources. In this case, competitiveness is based on the stable, well-functioning condition of the first 4 pillars, namely institutions, infrastructure, macroeconomic environment and workforce with a basic education. As the economy is emerging it becomes more competitive, it enters the efficiency-driven stage of

development. This means that production increases and the quality of products improves, because wages are getting higher but prices are not increased. At this point, competitiveness is influenced by the quality of the below pillars: higher education and training, efficient goods markets, well-functioning labor markets, developed financial markets, the ability to use and take advantage of technology and the existence of large domestic or foreign markets. The economy is called ‘developing’ or ‘emerging’ at this point. Finally, as countries move into innovation-driven stage, wages and the standard of living are rising more and the competition is accomplished with new, unique and different products. In this case, companies compete by using the most sophisticated production processes and by innovating new ones. These 2 factors, are the last pillars that feature a well ‘developed’ economy. (The World Economic Forum, The Global Competitiveness Report 2013-2014)

The Global Competitiveness Index framework



Source: The World Economic Forum, Global Competitiveness Report 2014

In the next part, there is a brief description of the 12 pillars so as to make more understanding their meaning and importance on measuring national competitiveness.

a) 1st pillar: Institutions

Institutions are the base for a balanced and healthy economy. They set a legal and administrative framework for the interaction among individuals, enterprises and governments. The quality of institutions is seriously accounted for investment decisions and business entrepreneurship. Thus, when there are strong institutions, there are fewer problems emerging in the process of doing business in both public and private sector. For example, bureaucracy, red tape, lack of transparency, corruption and overregulation can be restricted once proper institutions are established.(see World economic Forum, The Global Competitiveness Report 2013-2014, p.5-8).

b) 2nd pillar: Infrastructure

The quality of infrastructure plays also a major role to the development of an economy since it helps international relations and co-operation among countries. The problems of distance and mobility are reduced by a good infrastructure system. The transportation of goods and persons are facilitated with the existence of airports, roads and railways. What is more infrastructure networks, such as electricity, energy and telecommunications improve the information and commercial relations. (ibid)

c) 3rd pillar: Macroeconomic environment

Macroeconomic stability represents a healthy environment for the economic activities, attracts business and investments and as a result improves competitiveness of a country. When macroeconomic stability lacks, many dysfunctions emerge. The government, in order to make high –interest payments on its past debts, cannot provide efficient public services. As for private sector, firms, when inflation rates increase to a great degree, cannot operate in a proper manner. Recent examples are the US and European countries, which could not prevent macroeconomic instability when their public debt reached unsustainable levels in the beginning of the global financial crisis. (ibid, p. 6)

d) 4th pillar: Health and primary education

Health and primary education of the labor force are main determinants for an efficient and fruitful economy. Personnel with physical capabilities and certain qualifications is necessary for advanced production and the more qualified the persons are the more competitive an enterprise, and an economy as a whole, will manage to be. The existence of these characteristics reassures success when it comes to more sophisticated or value-intensive products. (ibid)

e) 5th pillar: Higher education and training

When a country develops and becomes more competitive, well educated personnel is more demanded. Higher education is of main importance nowadays and in combination with constant training speeds the progress of an enterprise. The globalized economy and the evolving technology require specialized individuals that may adapt on their own or after training to the expanding business environment, perform complex tasks and get easily accustomed to the increasing demands of the production system.

f) 6th pillar: Goods market efficiency

Goods market efficiency means that a country manages to produce the right mix of products and services according to the supply and demand conditions. Moreover, when the goods are effectively distributed and traded in the domestic and foreign economy, with the lowest costs possible there is a good market performance. In this case the less the government intervenes the more the business activity proceeds. When there are burdensome taxes, protectionist measures or discriminatory rules on international trade and FDIs (which hinder foreign ownership), competitiveness is restrained. The recent economic crisis shows how important is the maintenance of open markets and the interdependence among economies in order to achieve growth worldwide. Goods market efficiency is influenced by the demand conditions. Particularly, in some countries customers have various preferences and habits,

depending on cultural and historical factors. When customers become more demanding markets are getting more innovative and customer oriented. This pillar also expresses the market concentration; oligopolies and monopolies impend the business productivity. On the contrary, when a market is scattered, it is more efficient because competition among firms prevails. (ibid)

g) 7th pillar: Labor Market Efficiency

Apart from the use of talented, highly skilled and well educated labor force there are also other factors that define a labor market as efficient. From the aspect of the enterprises, there should be a suitable allocation of employees in a productive away and incentives should be provided so as to accomplish efficiency. Moreover, each genre has its own talent, so discrimination between men and women should not exist. Flexibility to move workers from one activity to another and wages fluctuation also encourage labor market efficiency. (ibid, p.7)

h) 8th pillar: Financial Market Sophistication

Financial Market Sophistication has a great impact to many aspects of an economy. Financial market is functional when there is a balanced allocation between resources that come from abroad and those that occur from nation's savings. A healthy financial system is based on investment projects with the highest rates of revenues and entrepreneurial action that brings the most productive results. Political connections should be absent in this case. The financial products provided as capital for investments are loans from sound banking sector, well regulated security exchange or venture capital. Nowadays, in the times of the financial crisis, the liquidity in business is missing. It is imposing to establish a transparent banking sector and a strict regulation on financial markets with the purpose to protect investors and other entities that activate to the global economy. (ibid)

i) 9th Technological Readiness

Technological Readiness represents information and communication technologies. This pillar measures how quickly an economy adopts technological changes so as to increase the industries' productivity. ICT contribute to significant spill-overs to the economy and they are essential components that ease commercial transactions.

The difference from the other pillars is that there is not importance where technology develops (domestically or out of national borders). Developing countries can achieve competitiveness by transferring technology through FDIs. Although from 2004 FDI was increasing, from 2008, deterioration was signed. This dramatic change was due to the lack of finance and a change to a more risk attitude towards business. (ibid)

j) 10th pillar: Market Size

Competitiveness of an economy is also determined by the size of the market. A market is large when it is expanded to a widespread geographic location and when it has international transactions. Trade has a positive effect on growth and this is more intense in countries with small domestic markets. In this case international markets substitute domestic ones. What is imposing nowadays is the increase of goods purchase from one country to another. This procedure could be managed with the further lowering of barriers to trade. Countries that belong to a common market, such as the European Union, meet comparative advantage since market size is measured both in domestic and foreign market.

k) 11th pillar: Business Sophistication

When a country enters the stage to be called developed, more business sophistication is necessary so as to thrive to the international economy. This pillar concerns the quality of a country's business networks and the quality of firms' operation and strategies. Apparently, there is increased efficiency when companies are connected in geographically proximate groups and exchange knowledge and innovation. Moreover, advanced strategies such as branding, marketing, value chain and production of

unique products lead to sophisticated and modern business processes; thus firms become more competitive.

1) 12th pillar: Innovation

Contrary to the previous pillar that refers only to non technology innovation, the specific pillar measures the use of technological innovation to the countries that have already accomplished a high level of competitiveness. Developed countries have less reliance on foreign capital and knowledge and progress by the support of the public and private sector. This means sufficient investment in research and development, high quality scientific research institutions, extensive collaboration in research and technological developments between universities and industry. Moreover, there is protection of intellectual property, in addition to access to venture capital and financing. In this way firms in these countries move towards higher valued added activities and maintain a competitive edge. (ibid, p.4-9, Economic Alternatives, 2013, p.76)

3. BULGARIA: REGIONAL ANALYSIS

a) Bulgaria in comparison to Balkans12, EU27, Black Sea, China and USA

According to the 2013-2014 Global Competitiveness Index Report, Bulgaria is listed as the most competitive Balkan economy. Bulgaria ranked 57th among the 148 countries listed in the report, with a score 4,27 out of 7. It was followed by Montenegro, which was ranked in 67th place and FYROM, in the 73rd place. The less competitive regions in the Balkans are Serbia (101st), Greece (91st) and Albania (95th).

In European area, Bulgaria also surpassed member states such as Cyprus (58th place), Hungary (63rd place) and Slovakia (78th place). Finland remained in third position and Germany moved up two places to fourth place. Sweden reached the 6th place, while Netherlands came 8th.

Finland comes first in the EU in the aspects of institutions (1st place), health and primary education (1st place), with Belgium to the 3rd place, higher education and training (1st place), while here the last place holds Bulgaria (69th), financial market

(5th place), while here Greece holds the last place (138th) and innovation (1st) . To the last case, Bulgaria holds also the last place, ranking only 105th.

As for infrastructure, Germany comes first in the EU holding the 3rd place and France the 4th. Romania, Bulgaria and Poland rank the worst with scores 100th, 75th and 74th respectively. In the macroeconomic environment Sweden (14th) and Luxemburg (15th) show the best performances. Greece and Ireland due to macroeconomic instability are last to the ranking holding the 147th and 134th position respectively.

Goods market is most efficient to Luxemburg (5th place) while Romania is the last to this aspect (117th). As for labor market efficiency UK (5th place) performs the best, while Italy the worst (137th place).

Sweden is the first in the EU when it comes to technological readiness while Bulgaria, Hungary and Romania are the last (44th, 46th and 54th place accordingly). In UK also there is large market size (6th position) as well as in Germany (5th position). The smallest markets in the EU area are Cyprus (110th) and Malta. (127th).

Balkan Region

| Balkans 12 | SCORE | RANK |
|-------------------|--------------|-------------|
| Albania | 95 | 3.85 |
| BiH | 87 | 4.02 |
| Bulgaria | 57 | 4.31 |
| Croatia | 75 | 4.13 |
| FYROM | 73 | 4.14 |
| Greece | 91 | 3.93 |
| Moldova | 89 | 3.94 |
| Montenegro | 67 | 4.2 |
| Romania | 76 | 4.13 |
| Serbia | 101 | 3.77 |
| Slovenia | 4.25 | 62 |
| Turkey | 4.45 | 44 |

With regards to the Balkans, the EU countries face the economic crisis more intensively and lag behind due to economic instability, Turkey faces a comparative advantage in terms of market size (44th), Goods Market (43th) and Business Sophistication (43th) and the rest of the economies are still far from being competitive. More precisely: Slovenia comes first in the Balkans in terms of infrastructure (36th), Health and Primary Education (17th), Higher Education (25th), Technological Readiness (33th) and Innovation (40th). Serbia has become the less competitive country in terms of institutions (126th), Goods Market (132nd) and Business Sophistication (137th). Moldova also performs not well being the last in Health and primary education (93th), Higher Education (90th), Financial Market (138th) and innovation (138th).

Black Sea region

| GLOBAL COMPETITIVENESS | | |
|-------------------------------|-------------|--------------|
| COUNTRIES | RANK | SCORE |
| Albania | 95 | 3.85 |
| Armenia | 79 | 4.1 |
| Azerbaijan | 39 | 4.51 |
| Bulgaria | 57 | 4.31 |
| Georgia | 72 | 4.15 |
| Greece | 91 | 3.93 |
| Moldova | 89 | 3.94 |
| Romania | 76 | 4.13 |
| Russia | 64 | 4.25 |
| Turkey | 44 | 4.45 |
| Ukraine | 84 | 4.05 |

Regarding the Black Sea region, as a whole looks an enough competitive economy, since it belongs also to a common market with open frontiers to international trade and transactions. The most competitive countries in the region are Azerbaijan, which comes 39th (score 4,51) with a very stable macroeconomic environment (8th place),

and 2 countries with large market size: Turkey which takes the 44th position (score 4,45) and Russia which raised to 3 places higher from last year, to the 64th position (score 4,25). The less competitive economies in the Black Sea are Greece and Albania, as mentioned also above, and Moldova which is to the 89th place (score 3.94).

In general the countries of the Black sea region that belong to the former Soviet Union face more or less the same problems. Although the macroeconomic environment is quite healthy and stable there are many problematic factors remaining from the fall of the communist regime that hinder competitiveness of the region. Institutions are very insufficient, Goods market efficiency is a negative aspect of the economy for making trade and Business sophistication is quite below the average ranking. As for the countries that belong to the Balkans there was a short analysis above.

In the following, there will be a brief analysis of two regions with high competitiveness performance worldwide. China and USA are competitors mostly for Russia, EU and less for Turkey in terms of market size. There could be sustainable comparison with the EU because there is a common market with developed intra and inter regional trade and with Russia and, to a lower degree with Turkey, as far as geographical expansion is concerned. (The World Economic Forum, 2013)

Global Competitiveness Rank and Score 2013/2014-China

| | Rank (out of 148) | Score (1–7) |
|------------------------------------------------------------|----------------------|----------------|
| GCI 2013–2014 | 29 | 4.8 |
| GCI 2012–2013 (out of 144) | 29 | 4.8 |
| GCI 2011–2012 (out of 142) | 26 | 4.9 |
| Basic requirements (40.0%) | 31 | 5.3 |
| Institutions | 47 | 4.2 |
| Infrastructure | 48 | 4.5 |
| Macroeconomic environment | 10 | 6.3 |
| Health and primary education | 40 | 6.1 |
| Efficiency enhancers (50.0%) | 31 | 4.6 |
| Higher education and training | 70 | 4.2 |
| Goods market efficiency | 61 | 4.3 |
| Labor market efficiency | 34 | 4.6 |
| Financial market development | 54 | 4.3 |
| Technological readiness | 85 | 3.4 |
| Market size | 2 | 6.9 |
| Innovation and sophistication factors (10.0%) | 34 | 4.1 |
| Business sophistication | 45 | 4.3 |
| Innovation | 32 | 3.9 |

China is sharing the 29th position this year, with a score 4,8. The country's competitive advantage comes from the significant domestic and foreign market size (ranked 2nd), which allows the country's companies to benefit from economies of scale.

Macroeconomic stability is another source of competitive advantage (ranked 10th), coming from manageable government debt, high national savings, and low inflation.

However, China's competitive performance reveals some weaknesses in certain areas, such as the financial markets, higher education and training, and the quality of public and private institutions. Regarding the financial market sophistication, China holds the 118th place with poor ratings in the soundness of banks, legal rights, restriction on capital flows, regulation of securities exchange and ease of access to loans.

Serious attention should be given to certain aspects that seem to be ranked very low and harm China's competitiveness. As far as higher education attainment is

concerned, the country ranks 90th and 83rd in terms of secondary and tertiary enrollment rates, respectively. Moreover, public and private institutions note significant weaknesses. On public institutions, there is lack of transparency in government policymaking, not efficient diversion of public funds and lack of judicial independence. In the same time, on private institutions corporate boards are inefficient, there is no protection of minority shareholders' interests, auditing and reporting standards are insufficient and firms' ethics is highly absent. (The World Economic Forum, Global Competitiveness Report, p.28, 2013)

Global Competitiveness Rank and Score 2013/2014-USA

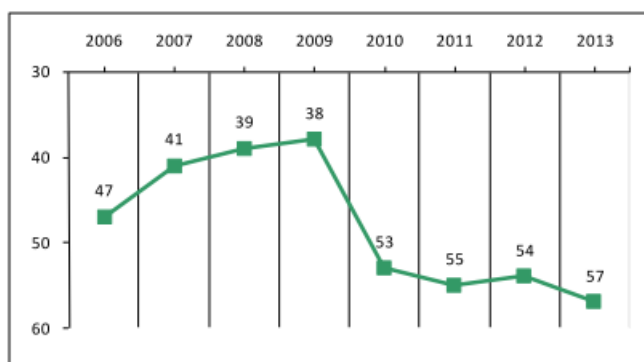
| | Rank (out of 148) | Score (1–7) |
|------------------------------------------------------------|----------------------|----------------|
| GCI 2013–2014 | 5 | 5.5 |
| GCI 2012–2013 (out of 144)..... | 7..... | 5.5 |
| GCI 2011–2012 (out of 142)..... | 5..... | 5.4 |
| Basic requirements (20.0%) | 36 | 5.1 |
| Institutions | 35..... | 4.6 |
| Infrastructure | 15..... | 5.8 |
| Macroeconomic environment | 117..... | 4.0 |
| Health and primary education..... | 34..... | 6.1 |
| Efficiency enhancers (50.0%) | 1 | 5.7 |
| Higher education and training..... | 7..... | 5.8 |
| Goods market efficiency | 20..... | 4.9 |
| Labor market efficiency | 4..... | 5.4 |
| Financial market development | 10..... | 5.3 |
| Technological readiness..... | 15..... | 5.7 |
| Market size..... | 1..... | 6.9 |
| Innovation and sophistication factors (30.0%) | 6 | 5.4 |
| Business sophistication | 6..... | 5.5 |
| Innovation..... | 7..... | 5.4 |

USA, after a four-year downward trend, climbed 2 places from last year, reaching the 5th place globally (with a rate 5,5) in terms of competitiveness. USA comes first at efficiency enhancers (5,7), since its huge market size ranks also 1st (6,9). Labor market efficiency comes 4th (5,4) and higher education 7th (5,8). This economy is well developed in terms of innovation, ranking 7th (rate 5,4) and business sophistication factors, ranking 6th (rate 5,5). As for basic requirements, the country reaches the 36th place (5,1). Although infrastructure holds a good position, 15th with a rate 5, 6, macro

economical instability brings the country to the 117th position, with a rate 4. The USA's success to regain a good position in competitiveness stems from a rebounding, financial sector, an abundance of technological innovation and the increase of successful companies.

4. BULGARIA: COUNTRY ANALYSIS

Figure 1: Overall ranking of Bulgaria – place assigned in IMD WCY



| YEAR | GC RANK | GCI |
|-----------|---------|------|
| 2013-2014 | 57 | 4,31 |
| 2012-2013 | 62 | 4,27 |
| 2011-2012 | 74 | 4,16 |
| 2010-2011 | 71 | 4,13 |

Bulgaria, as all the Balkan countries, belongs to the stage of efficiency-driven economies. What characterises these countries is more efficient production processes and improved product quality, in comparison to the 1st stage of development economies.

The country is ranked at 57th place out of 148 countries. The highest achievement in the competitiveness reports was in 2009 when Bulgaria reached the 38th place.

In 2012 the country was placed at the 62th position and this year it climbed 5 places. The competitiveness index reached 4,31 compared to 4,27 last year. By analysing the sub-indexes it is noticed that Bulgarian economy holds the highest rank in “basic

requirements”; it holds 58th position (last year it held the 65th position). The country holds the 60th position in terms of “efficiency enhancers” and regarding “innovation and sophistication” factor, the 97th. A comparison of the indexes during the last 5 years shows a significant increase to the overall competitiveness. The most notable competitive advantages are in terms of **technological readiness** (44th place from 52th last year) and **macro economical stability** (30th place). Improvement in technological readiness is attributed to high speed internet, the high number of internet users, (55,1%, rank 55th) and broadband subscribers (17,6 per 100 inhabitants, ranking 38th).

As for macro economical stability in the country, it is attributed to a good performance of the national debt, the lowest government debt in comparison within the EU, a well-balanced budget with low deficit, the 23,2% of national savings and fall of inflation to 2,4% (Bulgaria ranks 1st out of 148 countries for the low percentage of inflation). Bulgaria’s economic stability combined with best possible taxation is a preferred FDI destination. This will be further analysed to the second part of this paper.

Since the country constitutes a member of the European Union, it has an open free-market system and, this is a positive element for the market’s size. It is notable that in exports as a percentage of GDP, Bulgaria ranks 28th and in foreign market size 59th. Moreover, in terms of goods market efficiency, in the sub-pillar trade-tariffs, Bulgaria is at the fourth position since the tariffs are very low and facilitate trade with other countries. Recently it was classified by the World Bank as an upper-middle income economy. Although it is ranked as the lowest income member of EU, it is one of the fastest growing European countries in recent years. (Sourcing Line, 2013)

Until last year, Bulgaria managed positive changes to the indices and the positions on all the factors of competitiveness. However, this year there was a deterioration related to labor market, ranking 61st (rate 4,4) contrary to 49th last year (rate 4,5) and business development.

Furthermore, the last five competitiveness indexes show that the Bulgarian economy is lagging behind in the areas of technologies and technological development, business sophistication, ranking 106th with a score 3,6 and innovations, ranking 105th, with a score 3. The index of innovation and sophistication factors has dropped

11 places from last year, reaching the 108th place. The performance of Bulgaria in the field of innovation is below EU average and the country lags behind other member states with regards to carbon intensity, waste generation by enterprises and export of environmental goods. In order to foster innovation, the authorities should be focused on the increase of productivity, the improvement of energy efficiency across all sectors of the economy and the development of the transport infrastructure .

Global Competitiveness Rank and score 2013/2014- Bulgaria

| | Rank (out of 148) | Score (1–7) |
|-----------------------------------------------------------|----------------------|----------------|
| GCI 2013–2014 | 57 | 4.3 |
| GCI 2012–2013 (out of 144)..... | 62..... | 4.3 |
| GCI 2011–2012 (out of 142)..... | 74..... | 4.2 |
| Basic requirements (40.0%)..... | 58 | 4.7 |
| Institutions | 107 | 3.4 |
| Infrastructure | 75..... | 3.9 |
| Macroeconomic environment | 30..... | 5.6 |
| Health and primary education..... | 45..... | 6.0 |
| Efficiency enhancers (50.0%)..... | 60 | 4.2 |
| Higher education and training..... | 69..... | 4.3 |
| Goods market efficiency | 81..... | 4.2 |
| Labor market efficiency | 61..... | 4.4 |
| Financial market development | 73..... | 3.9 |
| Technological readiness..... | 44..... | 4.4 |
| Market size..... | 63..... | 3.9 |
| Innovation and sophistication factors (10.0%)..... | 108 | 3.3 |
| Business sophistication | 106..... | 3.6 |
| Innovation..... | 105..... | 3.0 |

Source: WEF

Global Competitiveness Rank and score 2012/2013- Bulgaria

| The Global Competitiveness Index | | |
|------------------------------------------------------------|----------------------|----------------|
| | Rank (out of 144) | Score (1–7) |
| GCI 2012–2013 | 62 | 4.3 |
| GCI 2011–2012 (out of 142)..... | 74 | 4.2 |
| GCI 2010–2011 (out of 139)..... | 71 | 4.1 |
| Basic requirements (40.0%) | 65 | 4.6 |
| Institutions | 108 | 3.4 |
| Infrastructure | 76 | 3.8 |
| Macroeconomic environment | 31 | 5.4 |
| Health and primary education..... | 49 | 5.9 |
| Efficiency enhancers (50.0%) | 59 | 4.2 |
| Higher education and training..... | 63 | 4.3 |
| Goods market efficiency | 83 | 4.2 |
| Labor market efficiency | 49 | 4.5 |
| Financial market development | 80 | 4.0 |
| Technological readiness..... | 52 | 4.3 |
| Market size..... | 62 | 3.8 |
| Innovation and sophistication factors (10.0%) | 97 | 3.3 |
| Business sophistication | 97 | 3.6 |
| Innovation..... | 92 | 3.0 |

Source: WEF

It is noteworthy that the quality of the institutions has the most significant negative contribution to the low competitiveness of the Bulgarian economy. This year institutions ranked 107th, marking a slight change from last year, that ranked 108th. The assessments were very low in terms of judiciary (123th), low level of transparency in government policymaking (124th), low trust in politicians (97th), multiple business regulations (105th) and widespread corrupt practices. Government should set as a priority the improvement of the institutions performance. The most radical tool is the rapid adoption of e-government. What is also imposing is to introduce transparency, as well as real dialogue with civil society, business discussions and joint problem solving. (BG Daily News, 2013)

The top 5 negative issues that restrict development in Bulgaria are corruption, inefficient government bureaucracy, inadequate supply of infrastructure and inadequate educated workforce. The access to financing, despite it improves during the years is also pointed out as one of the most problematic factors (Bankova, 2013, p.79).

The most important factors that hinder innovations and productivity, and consequently impend opportunities for growth of SMEs in Bulgaria, are the excessive energy consumption, the low level of internationalization of the SMEs and the difficult access to funding. (Ministry of Economy and energy, 2013, p.9)

In general, the country stays in an unfavorable position concerning the living standard, use of resources and environmental protection in comparison to the other EU member states. To make matters worse, the existing and long lasting economic crisis has deepened these problems since the leading for the generation of employment and economic growth are the sectors of the low quality production, services and construction.

Bulgaria remains the least developed EU country with GDP per capita 45% of the EU average, with the lowest indicators regarding labor productivity, energy consumption and resource utilization efficiency.

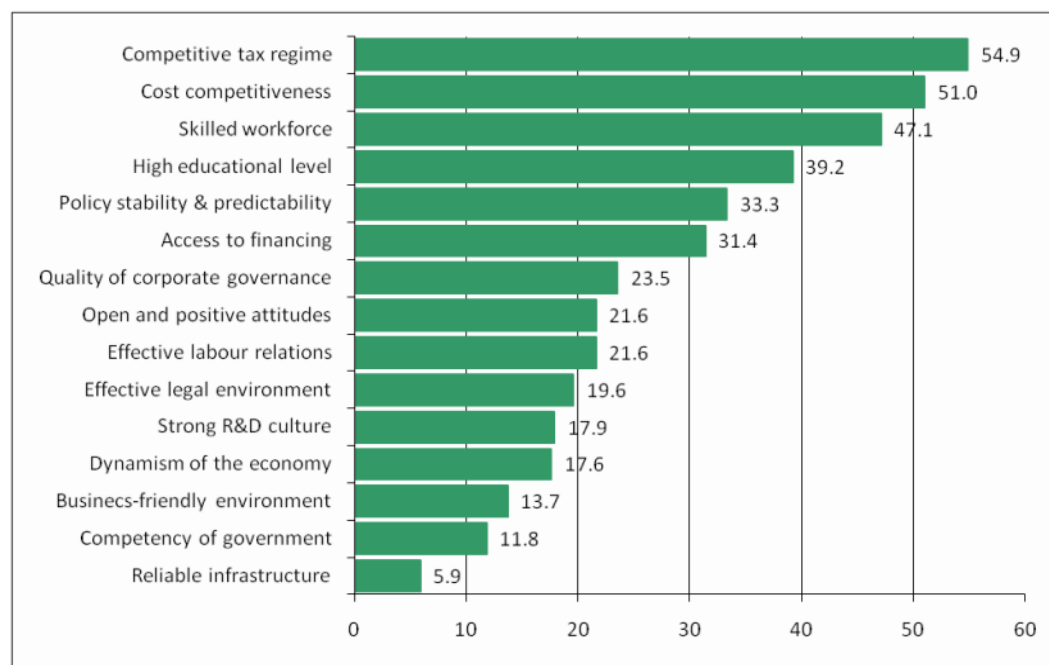
Since entering the transition period and for the last 20 years, Bulgarian economy continues relying on production related to sectors and activities that require the use of low skills and technologies. This includes agriculture, mining, textile and leather production, petrol products. Thus, it could be argued that Bulgaria has a significant industrial export diversification. The raw materials exports surpass 46% of the total exports; on the contrary, high tech products exports are less than 3% (when the average in the EU is 16%)

Apparently, the competitive advantages of the Bulgarian economy stem from the low prices of the base factors, namely labor and natural resources, and not on the specialized factors, such as innovation, technology, training and scientific studies. (ibid)

Additionally, competitiveness in Bulgaria is based on the low living, labor and production costs, as well as to the country's fiscal stability. Productivity quality increases due to the increasing unemployment and as a result Bulgarian businesses have slowly recovered with profits in the aftermath of the economic crisis. Therefore, there was marked a slow export-led growth in the 2010-2012 period and the gradual recovery of domestic demand has stimulated the limited growth in 2012,

Still, the remaining instability in eurozone and the shallow labor market in Bulgaria, along with the corrupt management practices and the weak institutional framework undermine to a great extent Bulgaria's future progress. (Center for the Study of Democracy, 2013)

Figure 3: Key attractiveness indicators for Bulgaria, 2013



Source: IMD WCY 2013

and in 2013 as the limited GDP recovery did not

5. POLICY RECOMMENDATIONS

In order to increase competitiveness in Bulgaria serious measures should be taken. Inadequate infrastructure is a problem of crucial importance. Private sector can be further enhanced in infrastructure. The remaining enterprises should be partly or fully privatized and deal with energy generation companies, transport operations and other municipal utilities, such as bridges, ports and airports. There is enough space for private sector to participate in some largescale projects that concern transport and energy issues.

Another key priority is to develop a financially strong and well-regulated municipal sector. This means that considerable steps should be made to reduce the reliance on centrally-managed EU grants, strengthen municipalities' ability to meet contractual obligations and to attract commercial financing and increase the capacity to absorb

EU funds. In the following there are some particular recommendations analyzed, which could improve Bulgaria's competitiveness performance.

“Entrepreneurship and business development”

What is imposing nowadays in Bulgaria is the increase of SMEs' competitiveness. This could be achieved by improving the efficiency and productivity of the technologies, the enterprise management and the support for starting and developing business in priority sectors of the economy. Bulgaria is at a stage of development that has the potential and the need to ameliorate the enterprise operations by introducing new technological solutions.

By the encouragement of investments in modern technology and equipment, Bulgarian economy will manage to develop new products and high valued services, as well as better production processes. Thus, there are created opportunities for increasing productivity rate, along with the chance to sale products on new markets, mainly abroad. Putting more emphasis to the support of cultural and creative industries creates conditions for developing activities which generate high valued added in the economy.

Furthermore, the development of economic connections, based on the clusters approach, will increase SMEs' efficiency and will promote internationalization, and consequently the companies will be more competitive in the domestic and foreign market.

“Innovations”

The sector in which Bulgaria lags most is “innovations”. In order to accomplish the successful transition towards sustainable and inclusive growth, it is necessary to create high-quality system for scientific studies and innovations. Suitable mechanisms should be introduced so as to support the business development through investments that will raise the labor productivity and decrease the energy and resource consumption of the production. It is crucial to facilitate the access of newly established companies and SMEs to financial means and more complex business

services. Moreover, there should be a support to the private investments in scientific research (Ministry of Economy and Energy, p.10, 2013) as well as the development of cooperation between business and scientific communities. A tight connection and interaction between the knowledge triangle, namely education, science and business, should be encouraged. The support of this system from all participants during all stages till the completion, from the occurrence of the idea, through its laboratory testing to the commercialization of the results, will promote competitiveness to enterprises and to the economy as a whole.

“Green and energy-efficient economy”

In comparison to the remaining European countries, Bulgaria is the most energy consuming and the most depended on the import of energy resources. It is of main importance to increase the energy and resource efficiency. The main factors for improving the competitiveness in Bulgaria are the reduction of the energy consumption and the increase in the utilization efficiency of the natural resources. This could be achieved with the introduction of eco-innovations, energy efficient and ecological production technologies, production from renewable sources at the enterprises. Thus new market opportunities will be created and resource and energy costs as well as the hazardous emissions will be reduced. Moreover, there will be more opportunities for new jobs, labor productivity will increase, income and living standard will be improved. This will lead to sustainability.

In order to manage success in this field systematic measures and actions are required along the chain: production-transmission-distribution-consumption. Significant potential for optimization of the process along the whole chain exists in relation with the setting up of smart grids for measurement and reporting. Additionally, there are smart distribution grids that allow simultaneous transmission flexibility, control and participants' awareness. Efficiency would be enhanced with the use of combined production of thermal and electrical energy. (Co-generation).

“Internationalization and business services”

SMEs in Bulgaria mark a lower degree of internationalization in comparison to the EU average. Moreover, Bulgaria is characterized by a significant delay regarding the development of services for the business, due to the limited access, the poor distribution and the low quality of the offered services. A factor that would increase competitiveness in Bulgarian enterprises is the creation of sustainable systems that support and expertise new or existing agencies and institutions by providing modern and innovative services. Due to traditionally low level of managerial knowledge and skills in the companies, the access to quality information and consultation services is important for the SMES so as to develop the business environment. (Ministry of Economy and Energy, p.11-13, 2013)

6. EASE OF DOING BUSINESS

The second index that is analyzed is the ease of Doing Business. The Doing Business Report 2014 provides details of the business environment of local firms in 189 economies. Bulgaria according to data of 2014 is the 58th country in the global ranking. In order to understand the meaning of this ranking a set of regulations affecting 10 stages of the Bulgarian's business's life are measured: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Each one of the 10 stages is graded using a scale from 0 to 189, with 1 representing the most conducive business environment. After a brief description of all sub-indexes of the ease of doing business, information is provided in relation to the evolution of Bulgaria's business environment since 2006. More specifically, below are identified and reported all the reforms and regulations concerning the business cycle of an enterprise; from its opening until its closing.

a) Starting a business

Starting a business contains a detailed summary of the process of setting up a company. It sets firstly the bureaucratic place to do business. It describes the laws and regulations that are officially valid and in general all rules governing business start-up. After gathering all the related information, a detailed list of procedures is developed, along with the necessary time and cost. According to Doing Business Report 2013 for measuring the indicator four factors have to be calculated: the time in calendar days for the registration, the cost as a percentage of income per capita, the paid-in minimum capital requirement and the number of procedures which are to be completed. The ranking of the ease of starting a business is the average of the above rankings. As it is understandable economies with efficient business registration have a higher entry rate. (EDB report, 2013)

b) Dealing with construction permits

Dealing with construction permits is referred to the construction industry. *Doing Business* records all procedures required for a business to build a standardized warehouse. To measure this indicator *Doing Business* records the procedures, time and cost required to build a simple commercial warehouse and connect it to electricity, water, sewerage and telecommunications services. All the inspections and certificates needed during the construction period of the warehouse are included. Procedures necessary to register the property so that it can be used as collateral or transferred to another entity are also counted. In addition are involved all the relevant documents, permits, licenses that are to be submitted to the authorities. The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators. (ibid)

c) Getting electricity

The third indicator is related to permanent electricity connection and supply for a warehouse. Doing Business measures the procedures, time and cost for a small to medium-size business to get a new electricity connection. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works (Doing business Report,2 014). The study provides information on a number of issues highlighting economies with the fewest and simplest procedures.

d) Registering property

In this section, Doing Business indicates the required procedures for a business to purchase and transfer an immovable property from one business (the seller) to another (the buyer). Doing Business Reports measure and compare regulations relevant to property rights from obtaining the necessary documents until the transaction is completed. Every procedure required by law and comply with tax regulations is included, as well as the days to transfer the property and the cost as a percentage of property value. The process ends when the buyer is registered as the new owner who can use it as he wants. The ranking of the ease of registering property is equal to the average of the above components.

e) Getting credit

Access to finance is the basic step for a start-up. It concerns on the one part the legal rights of allocation of capital between borrowers and lenders and on the other part the strength of credit registries and bureaus. The first element is referred to collateral and bankruptcy laws while the second helps creditors assess the creditworthiness of borrowers. Sharing credit information through credit registries and bureaus facilitates lending. Rankings on the ease of getting credit are based on the sum of the strength of legal rights index and the depth of credit information index.

f) Protecting investors

According to Doing Business Reports this indicator assesses the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. To calculate the ranking three issues are taken into consideration: the approval and transparency of related-party transactions (extent of disclosure index), the liability of company directors for self-dealing (extent of director liability index) and the shareholders' ability to obtain corporate documents before and during derivative or direct shareholder litigation (Doing Business Report, 2014). The ranking on the strength of investor protection is their average.

g) Paying taxes

The tax regime of a country greatly affects entrepreneurship and investments. Thus, Doing Business provides data with the taxes and mandatory contributions that a company is obliged to pay. The ranking is the average of the following sub-indicators: number of payments, time and total tax rate. The first sub-indicator illustrates how often a company has to file and pay taxes while the second calculates the required number of hours to prepare, file and pay three major types of taxes: profit taxes, consumption taxes, and labor taxes and mandatory contributions. Ultimately, the total tax rate measures the amount of taxes and mandatory contributions borne by the standard firm as a percentage of commercial profit only while for example, value added taxes are excluded (Doing Business Report, 2010). Rankings on the ease of paying taxes are simple averages of the percentile rankings of its component indicators, with a threshold applied to the total tax rate.

h) Trading across borders

Doing Business analyses the procedure of exporting and importing a standard containerized cargo by sea transport. It measures the time and cost (excluding tariffs) of inland transport between the largest business city and the main port as well as the documentation requirement to complete the transaction. More specifically it is based on the number of documents to export and import, on the time for the document preparation, customs clearance and control as well as the cost (US\$ per 20-foot container) for completing the transaction.

i) Enforcing contracts

This indicator measures the efficiency of the judicial system. It refers to commercial dispute resolutions among domestic companies before the commercial courts. More specifically, it calculates the time, the cost (fees and court costs) and the procedures (to file claim, obtain judgment and enforce it). These three sub-indicators are measured throughout the 3 main phases of court proceedings namely the filing and service of process, the trial and judgment, and the enforcement. High ranking in this indicator is associated with efficient market performance.

j) Resolving insolvency

Resolving insolvency concerns the time, cost and outcome of insolvency frameworks across economies. It concerns laws and regulations related to bankruptcy context. The time is the number of years from the filing for insolvency in court until the resolution of distressed assets and it is recorded in calendar years¹. The cost of proceedings is recorded as a percentage of the value of the debtor's estate. The recovery rate for creditors is a function of time, cost and other factors such as lending rate and the likelihood of the company continuing to operate. The ranking on this indicator is based on the recovery rate. (ibid)

¹<http://data.worldbank.org/indicator/IC.ISV.DURS>

7. BULGARIA: COUNTRY ANALYSIS

| <i>Starting a business in Bulgaria</i> | | | | | | | | | |
|-----------------------------------------------|-------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 85 | 100 | 81 | 50 | 43 | 49 | 57 | 65 |
| Procedures (number) | 11 | 9 | 9 | 4 | 4 | 4 | 4 | 4 | 4 |
| Time (days) | 32 | 32 | 32 | 49 | 18 | 18 | 18 | 18 | 18 |
| Cost (% of income per capita) | 9.6 | 7.9 | 8.4 | 2.0 | 1.7 | 1.6 | 1.5 | 1.1 | 1.0 |
| Paid-in Min Capital (% of income per capita) | 104.2 | 91.3 | 56.3 | 47.8 | 20.7 | 0.0 | 0.0 | 0.0 | 0.0 |

Globally, Bulgaria is 65th in the ranking of 189 economies on the ease of starting a business. In Bulgaria in contrast to previous years starting a business became more difficult. In relation to 2012 the country registered a fall of 8 places and in 2014 other 8 places as it has not made any reform towards that direction with the exception of a small reduction of cost. Remarkable improvement was made after 2008 with the peak in 2011 when the country reached the 43rd position in the global ranking. According to data of the Doing Business reports in 2009 a commercial registration centralized electronic database was created reducing the number of registration procedures. Moreover, other registration formalities such as publications, inspections etc were cut reducing the days needed to start-up a business. Bulgaria is also among other economies that have steadily improved business incorporation regulations and creating and improving one-stop shops². After 2010 the country also made amendments regarding the minimum capital requirement, the cost of opening a company is only 1.0% of income per capita, namely less than \$2. (ibid)

² <http://doingbusiness.org/reports/global-reports/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Chapters/DB14-Starting-a-business.pdf>

| <i>Dealing with Construction permits in Bulgaria</i> | | | | | | | | | |
|------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 140 | 103 | 117 | 119 | 119 | 128 | 123 | 118 |
| Procedures (number) | 24 | 22 | 22 | 24 | 24 | 24 | 23 | 21 | 18 |
| Time (days) | 212 | 226 | 131 | 139 | 139 | 139 | 120 | 107 | 104 |
| Cost (% ofpropertyvalue) | 325.1 | 270.5 | 499.9 | 493.6 | 436.5 | 442.3 | 317.0 | 293.5 | 222.9 |

The country takes low position in the global ranking regarding this indicator as it is 118th out of 189 economies. Bulgaria after 2008 set more fees, time and procedures for construction related procedures making the ease of obtaining a construction permit more difficult. Even though from 2011 and then the country shows progress in relation to this indicator. Movements have been made towards the transparency and the number of procedures by adopting new legislations³ according to the European standards, such as the Law on Environment Protection, and by introducing technical passports.

| <i>Getting electricity in Bulgaria</i> | | | | | | | | | |
|----------------------------------------|------|------|------|------|------|------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | | | | | | 133 | 128 | 135 |
| Procedures (number) | | | | | | | 6 | 6 | 6 |
| Time (days) | | | | | | | 130 | 130 | 130 |
| Cost (% of income per capita) | | | | | | | 366.6 | 340.7 | 320.0 |

Getting electricity is a new subject in the ease of Doing Business ranking. In Bulgaria it is not so easy for an entrepreneur to connect a warehouse to electricity and thus the country needs steps of improvement. Obtaining an electricity connection is costly in relation to other European countries as there is only one power supplier and the price of electricity is regulated by the State Water and Energy Regulatory Commission⁴. In 2007, the electricity distribution market was liberalized to comply with EU energy legislation, but despite this movement, the electricity distribution needs a lot of efforts and investments to compensate for the years after 1990 and the economic transition.

³ <http://www.doingbusiness.org/data/exploretopics/dealing-with-construction-permits/reforms>

⁴ http://export.gov/bulgaria/static/2012%20CCG%20final%20to%20upload_Latest_eg_bg_048029.pdf

| Registering property in Bulgaria | | | | | | | | | |
|-----------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 65 | 62 | 59 | 56 | 62 | 66 | 68 | 62 |
| Procedures (number) | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 7 |
| Time (days) | 19 | 19 | 19 | 19 | 15 | 15 | 15 | 15 | 14 |
| Cost (% ofpropertyvalue) | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 3.0 | 3.0 | 2.9 | 2.9 |

Bulgaria in 2013 made it easier to register property as the country's ranking was up 6 places to 62 according to the latest data. Important amendments have been made since 2008. The country simplified registration formalities such as publication, notarization and other requirements. Also, the time for the registration process was shortened by offering expedited procedures. Moreover, as it is noticeable from the above table the required time to register property was reduced in 2012 to 14 days as an integrated web-based property register was introduced. Thus, by providing online access to the ownership and the cadastral maps⁵ this medium supported the registration process unification and the property register in Bulgaria.

| Getting credit in Bulgaria | | | | | | | | | |
|-------------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 33 | 13 | 5 | 4 | 6 | 8 | 40 | 28 |
| Strength of legal rights index (0-10) | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 8 | 9 |
| Depth of credit information index (0-6)_ | 3 | 4 | 6 | 6 | 6 | 6 | 6 | 4 | 4 |
| Private bureau coverage (% of adults) | 0.0 | 0.0 | 3.0 | 5.0 | 6.2 | 13.1 | 52.8 | 56.3 | 61.0 |
| Public registry coverage (% of adults) | 13.6 | 20.7 | 25.4 | 30.7 | 34.8 | 37.0 | 28.8 | 0.0 | 0.0 |

⁵ www.RegistryAgency.bg

Bulgaria records high positions regarding this indicator and especially during 2009-2012 is among the top ten countries. According to Doing Business Report 2010, the country shed light the previous years on the credit information system. Credit information coverage grew quickly in economies with new credit bureaus. It is among few countries in the Balkans that established new private credit bureaus and public registries facilitating the sharing of credit information in the financial market. Also, it strengthened the legal rights of lenders and borrowers under collateral and bankruptcy laws. In 2012, Bulgaria in the effort to enable access to credit, distributed data on loans below 1% of income per capita (Doing Business, 2012). But after 2012 a deterioration of its position is noticed, because the country stopped the distribution of credit reports to financial institutions by the private credit bureau and thus complicating lending decisions. In 2013 and after no public registry bureau operates.

| <i>Protecting investors in Bulgaria</i> | | | | | | | | | |
|-----------------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 33 | 33 | 38 | 41 | 44 | 46 | 49 | 52 |
| Extent of disclosure index (0-10) | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Extent of director liability index (0-10) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Ease of shareholder suits index (0-10) | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 |
| Strength of investor protection index (0-10) | 5.3 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |

Bulgaria's ranking is worsening from year to year being though in relative high positions among the 189 economies in question. There is high transparency of related-party transactions and relatively easy minority shareholders' access to evidence before and during trial. But the country lacks clear rules that regulate the liability of directors and this is obvious from the low liability for self-dealing (only 2 to 10). Moreover, the economy's regulations offer strong investor protections against self-dealing in the areas measured. But according to data from the Doing Business Reports in Bulgaria no significant reform has been made the recent years except for an effort in 2014 according to the European directives to regulate approval of related-party transactions (Doing Business Report, 2014).

| <i>Paying taxes in Bulgaria</i> | | | | | | | | | |
|----------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 107 | 88 | 94 | 95 | 85 | 69 | 91 | 81 |
| Payments (number) | 27 | 27 | 17 | 17 | 17 | 17 | 17 | 15 | 13 |
| Time (hoursperyear) | 616 | 616 | 616 | 616 | 616 | 616 | 500 | 454 | 454 |
| Total tax payable (% of gross profit) | 38.6 | 40.7 | 36.7 | 34.9 | 31.4 | 29.0 | 28.1 | 28.7 | 27.7 |

From 2006 until now Bulgaria's position is altering a fact showing the government's try to improve its tax system. Bulgaria was the top reformer in 2006/07 reducing the corporate tax from 15% to 10% and employers' labor taxes by 7 % (Doing Business Report, 2007). In 2008 it also changed the process of paying taxes by introducing or expanding an online filing for corporate income tax and social security contributions and thus reducing the number of payments from 27 to 17 as well as the required time. After the country's entry to the European Union there was a need to affiliate the European standards so according to this direction in 2009 the government adopted a new Corporate Income Tax Act and a new Value Added Tax Act while the Additional annual VAT return was abolished (Doing Business Report, 2009). In addition the employer's contribution rates for social security were reduced by 5% in 2011.

| <i>Trading across borders in Bulgaria</i> | | | | | | | | | |
|-------------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 104 | 89 | 102 | 106 | 108 | 91 | 93 | 79 |
| Documents to export | 7 | 7 | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| Cost to export (US\$ per container) | 5 | 1233 | 1329 | 1626 | 1551 | 1551 | 1551 | 1551 | 1375 |
| Time to export (days) | 26 | 26 | 23 | 23 | 23 | 23 | 21 | 21 | 20 |
| Documents to import (number) | 10 | 10 | 7 | 7 | 7 | 7 | 6 | 6 | 5 |
| Cost to import (US\$ per container) | 4 | 1201 | 1377 | 1776 | 1666 | 1666 | 1666 | 1626 | 1365 |
| Time to import (days) | 24 | 25 | 21 | 21 | 21 | 21 | 17 | 17 | 17 |

The ease of trading across borders indicator shows deficiency. Although notable is the effort for improvement. The country this year in comparison to 2011 managed to gain almost 30 places reaching the 79th position. In 2012 Bulgaria facilitated trading across borders by introducing online submission of customs declaration forms, reducing by this way the number of necessary documents for the transactions. Moreover, as it is

described in the Doing Business Report of 2008, Bulgaria's national banks opened branches in other countries (likewise Germany, Greece, Croatia and Albania) which consequently reduced the time to obtain a letter of credit. Nevertheless the cost for imports and exports is still very high. The weak domestic currency combined with the corruption at customs is strong obstacles to trade. In 2014 though it is noticed a reduction on the cost regarding the customs clearance and the technical controls reducing by this way the corresponding cost namely 176\$ per container in exports and 261\$ in imports.

| <i>Enforcing contracts in Bulgaria</i> | | | | | | | | | |
|----------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 52 | 90 | 86 | 87 | 87 | 87 | 86 | 79 |
| Procedures (number) | 34 | 34 | 40 | 39 | 39 | 39 | 39 | 39 | 38 |
| Time (days) | 440 | 440 | 564 | 564 | 564 | 564 | 564 | 564 | 564 |
| Cost (% of debt) | 14.0 | 14.0 | 22.2 | 23.8 | 23.8 | 23.8 | 23.8 | 23.8 | 23.8 |

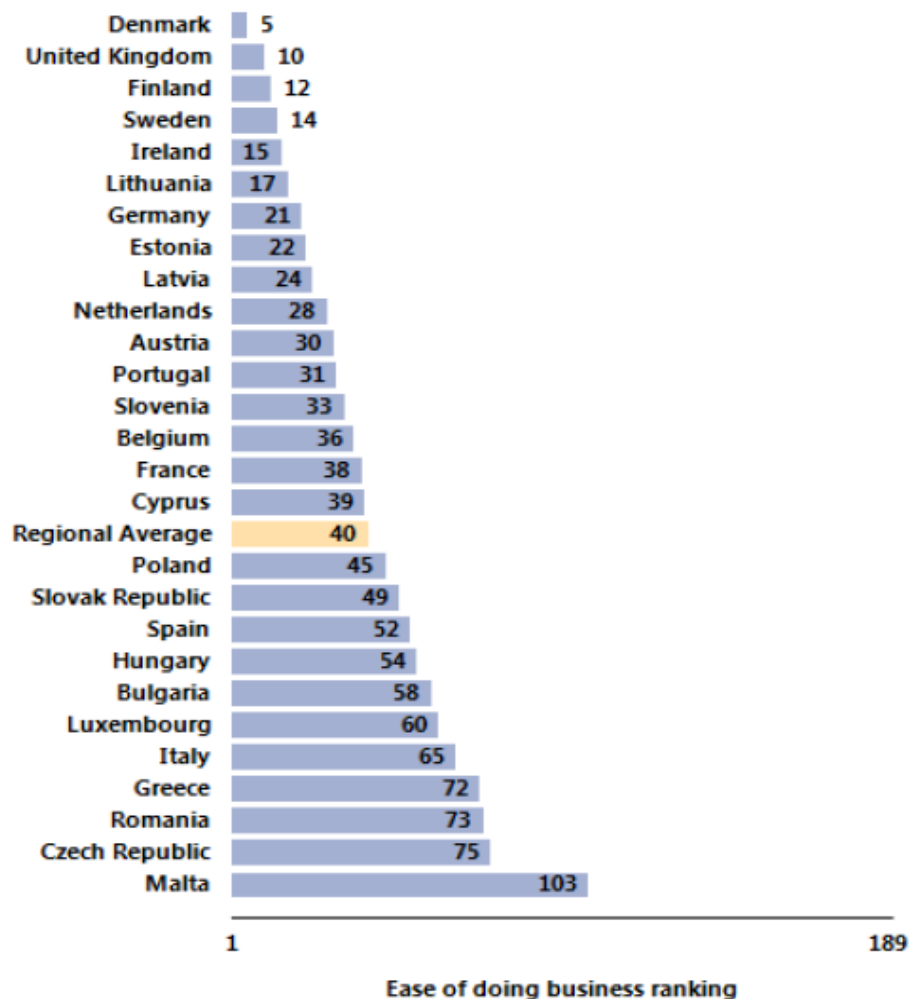
Bulgaria does not show variations in this field the years from 2008 onwards with the exception of this year. In 2006/07, the country was among 14 countries that reformed contract enforcement (Doing Business, 2008). It introduced private bailiffs, shortening the time to enforce a judgment from 150 days to 125. In Eastern Europe, including Bulgaria, reformers concentrated on making the enforcement of judgments as the enforcement of contracts takes place through the courts. Bulgaria's main problem as it is mentioned above is the corruption and therefore the country focused on the judicial system. It introduced random allocation of court cases to judges and in addition doubled judges' salaries. Bulgaria also made the selection and appointment of judges more transparent. In 2009 amendments to the civil procedural code have helped speed contract enforcement. They reformed "rules for evidence and default judgments, raised the minimum threshold for cases in the lower courts, and empowered the civil court of last instance to decide which cases to hear, limiting abuse of the appeals process" (Doing Business in Bulgaria, 2012). According to Doing Business Report of 2009, Bulgaria shortened trial times by requiring judges to refuse incomplete court filings rather than allow multiple extensions with sanctions to any noncompliance. Bulgaria also reformed its appeals process. Appeals are now possible only on new cases and only against judgments exceeding lev 1,000 (Doing

Business Report,2009). With all these efforts the country is reaching procedural efficiency and manages to reduce judicial corruption, achieving hence better position in the global ranking.

| <i>Resolving insolvency in Bulgaria</i> | | | | | | | | | |
|------------------------------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Rank | | 64 | 72 | 75 | 78 | 83 | 90 | 93 | 92 |
| Time (years) | 3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Cost (% of estate) | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Recovery Rate (cents on the dollar) | 33.5 | 34.4 | 32.4 | 32.1 | 32.1 | 31.0 | 31.4 | 31.7 | 32.6 |

According to data of the Doing Business Report in 2014, resolving insolvency takes 3.3 years on average and costs 9% of the debtor's estate, with a very low rate of return, 32.6 cents on the dollar. Bulgaria's performance as far as this indicator is concerned is not so good noting a downward trend year by year. In 2009, Bulgaria, as far as the bankruptcy legislation is concerned, passed 2 laws: the Civil Procedure Code and the Law for the Commercial Registry trying to reduce the time for resolving. The two laws reduced the burden of cases for the Supreme Court trying to avoid long delays. Additionally the bankruptcy court is now obliged to post on the commercial registry's website the most significant decisions and rulings. Worldwide, 16 economies improved insolvency regimes in 2010/11 as well as Bulgaria which introduced or tightened deadlines and streamlined procedural appeals. Imposing time limits facilitates fast resolution of bankruptcy, avoiding deterioration in a company's value over time (World Bank, 2010). In 2012 Bulgaria amended its commerce act to extend further rights to secured creditors, allowing them to have a say in insolvency proceedings and hence increasing transparency.

8. BULGARIA: REGIONAL ANALYSIS



Source: *Doing Business Report, 2014*

a) Bulgaria in comparison to EU27, the Black Sea and the Balkans

According to the data of Doing Business Report in 2014, Bulgaria is the 4th country in the ranking among the Balkans states. The primacy holds FYROM since 2009 whereas in the worst position is Bosnia Herzegovina. More specifically the country is above the Balkans average 14 positions. In relation to the EU average Bulgaria is below 18 positions being at the 21st place on the ranking. Regarding the Black Sea region Bulgaria performs well, holding the 3rd position in the row and being 11 positions above the regional average. Concerning the China's performance Bulgaria is

doing much better while it is far below USA's performance. A detailed description of all the indicators at a regional level follows.

As far as the ease of *starting a business* indicator is concerned, Bulgaria comes 6th among the Balkan states and 7th in the Black Sea region. It is the 2nd less costly country after Slovenia to start a business. In the European level Bulgaria is 18th having problems with the required time. On the other hand is among the 11 European countries that don't need a minimum capital to begin a business. Regarding the *Dealing with construction permits* and the *ease of getting electricity* the results are disappointing. Concerning the first indicator Bulgaria is the 3rd worst European country and concerning the second is the 4th worst. The results can be attributed to the high cost that is required for a SME to obtain the approvals needed to build a warehouse and to get and pay the electricity connection. In the Balkans and the Black Sea region, as the rankings of these economies are well below the EU average, the country's performance is better.

Bulgaria's efforts for improvement concerning the *ease of registering property* have succeeded. EU27 has the same average with that of Bulgaria's even though the number of procedures to register property in Bulgaria is still high. In the Balkans the best performance has Moldova whilst Bulgaria is 5th in the ranking. It is significant to stress that Georgia has the first place in the Black Sea region and worldwide regarding this indicator. To continue, the *credit market* is easily accessed in the Balkans and the Black Sea states. These two regions have better performance than the European Union. Many Balkan states are among the best 50 countries in the ranking. Bulgaria is in the top 30 countries with a developed access to credit and information sharing in the financial transactions. Equally well Bulgaria is coping with the protection of investors' rights. The country is 52nd, it is above the averages of the Balkans, the Black Sea region and the EU27 (63, 56, 66 respectively).

The Bulgarian *tax system* needs amendments in order to compete with the European economies. Bulgaria is 19th among the EU27. The tax burden is also high in the Balkans and the Black Sea region. Only FYROM is doing well as it is in 26th position worldwide. Additionally, the high levels of corruption in *customs administration* put Bulgaria in the final position in the European Union. The problem is also obvious in the other two regions under question. The EU27 average is far beyond the other two.

The main problem is bureaucracy and the time consuming procedures. Bureaucracy also affects the next indicator, namely the *enforcing of contracts*. Bulgaria is in the 23rd position in the EU27, 6th in the Balkans and 9th in the Black Sea region. Austria is the top performer in the EU, Moldova in the Balkans while Russia in the Black Sea.

Finally, according to the Doing Business Report (2014) although *insolvency* proceedings in Bulgaria cost less than in the European economies (9% of estate in Bulgaria while the EU average is 10.11%) they tend to recover much less than similar proceedings in other countries, and are more time consuming by approximately one more year. Thus, Bulgaria is the second worst performer in the EU27 after Romania and among the five worst in the Balkans and the Black Sea region. The regional resolving insolvency legislation is among the sectors that needs regulation so as the neighboring countries keep up with in the global arena.

b) Balkans in comparison to the Black Sea, USA and China

USA's ranking in the ease of Doing Business Report of 2014 is very high being the 4th best country globally. In comparison with the EU27, there are some major differences in the way businesses operate in Europe and the way they operate in the USA. The European commercial law and the business environment need a lot of amendments in order to compete with the USA. It is obvious that the European Union is damaged from the financial crisis in the Euro zone and thus many economies show weak performance. The EU average deteriorated this year by 3 positions while USA remains constantly in the 4th place globally. USA holds the first 10 positions globally in many sectors, namely the getting credit (3rd), the protecting investors (6th) and the enforcing of contracts while EU is almost in the middle. On the contrary Bulgaria is heavily affected in these sectors showing medium performance the last years. The European average in all indicators is below USA's except for the indicator of paying taxes. The total tax rate as a percentage of profit in USA is 46.3% while the European average is 42.54%. Many European countries are better performers in paying taxes than USA i.e. Ireland (6th place), Denmark (12th), United Kingdom (14th) while the worst regionally is Italy (138th) because of the high tax rate

The Balkans and the Black Sea countries are in even worse position. The Balkan average is below USA 65 positions while the Black Sea region 75 positions. The large difference is noticed in the majority of the indicators with the peak of construction permits, the cost of electricity, trading across borders and the resolving insolvency regime. Solid insolvency laws in the United States and anti-corruption measures are effective leading to more business friendly environment than in the Balkans and the Black Sea. Though, as far as the Black Sea region is concerned, Georgia is a country that can compete with USA in many sectors. More specifically, Georgia shows better results in the starting a business (8th), dealing with construction permits (2nd), registering property (1st) and paying taxes (29th) while they are sharing the 3rd place regarding the getting credit.

Bulgaria in relation to the Balkans is the 4th country in the ease of doing business rank after FYROM, Slovenia and Montenegro. It is the 5th country regarding the dealing with construction permits and registering property while it is doing not so well in enforcing contracts and resolving insolvency by being in the last positions. In the Black Sea region Bulgaria is the 3rd country after Georgia and Armenia being among the first 5 countries in most indicators. Bulgaria's average is approximately near the regional average.

Finally, the results for **China** are disappointing as the country falls 5 positions in the ranking compared to the ranking of 2013. China lags behind all the economies under question. China's average is below EU average by 56 positions, from Balkans' 26 positions while the difference is shorter regarding the Black Sea by only 16 positions. In attempt to compare China with the averages of the Balkans and the Black Sea the problematic factors that hinder their business environment can be easily noticed again. Those concern the electricity cost, the registering property procedures, the customs administration, the enforcing of contracts as well as the insolvency regime. In these sectors Bulgaria lags behind China too. In comparison to the EU27 China has the lead regarding the indices of registering property and the enforcing contracts. China in comparison to the USA has less friendly business environment with a lot of restrictions. It needs years of effort to reach the USA's financial regulations as well as the European standards.

9. POLICY RECOMMENDATIONS

Bulgaria is ranked 58th out of 189 economies in Doing Business 2014. The business environment is not at least as good as those of the global leaders in terms of cost, timeliness and effectiveness. Its overall ranking increased by 8 points compared to last year, reflecting improvements in many sectors. Its position was deteriorated regarding only three indicators, namely the starting a business, the ease of getting electricity and the protection of investors. In addition the country's worst performance concerns the following indicators: dealing with construction permits (118th), getting electricity (135th), trading across borders (79th) and resolving insolvency (92nd). According to recent survey of EBRD (2013), the top 3 obstacles to running a business include Access to Finance, Practices of the Informal Sector, and Political Instability. Bulgaria must recognize the level of performance of the global leaders in such services, and should regularly benchmark Bulgarian performance. The benchmarking should be focused on time and cost for customs throughput, time and cost to set up and close a business, time and cost of getting electricity etc. All problematic indicators are related to the judicial and the regulatory system. Bulgaria's main problem is the informal sector noting many cases of corruption and bureaucratic obstacles. The most affected areas include the customs administration, public procurement, political party finance and the judiciary.

'Administrative reforms'

Thus, first of all, the country should emphasize on the reduction of the administrative burden and to the shrinkage of informal sector. The Enterprise Surveys (2009) found out that 54.1% of firms compete against unregistered or informal firm. Efforts must be made to restore normal lending to SMEs and prevent them from the informal economy. After the country's accession to EU Less than 30% of the EU funds made available to Bulgarian business⁶. The effective use of these resources on business investments is crucial for boosting entrepreneurship. To increase investment, while avoiding irregularities, the relevant legislation should be fully enforced. In order to

⁶http://ec.europa.eu/europe2020/pdf/nd/nrp2013_bulgaria_en.pdf

improve the ranking on starting a business the finance of SMEs and innovative start-ups under all financial instruments must be supported.

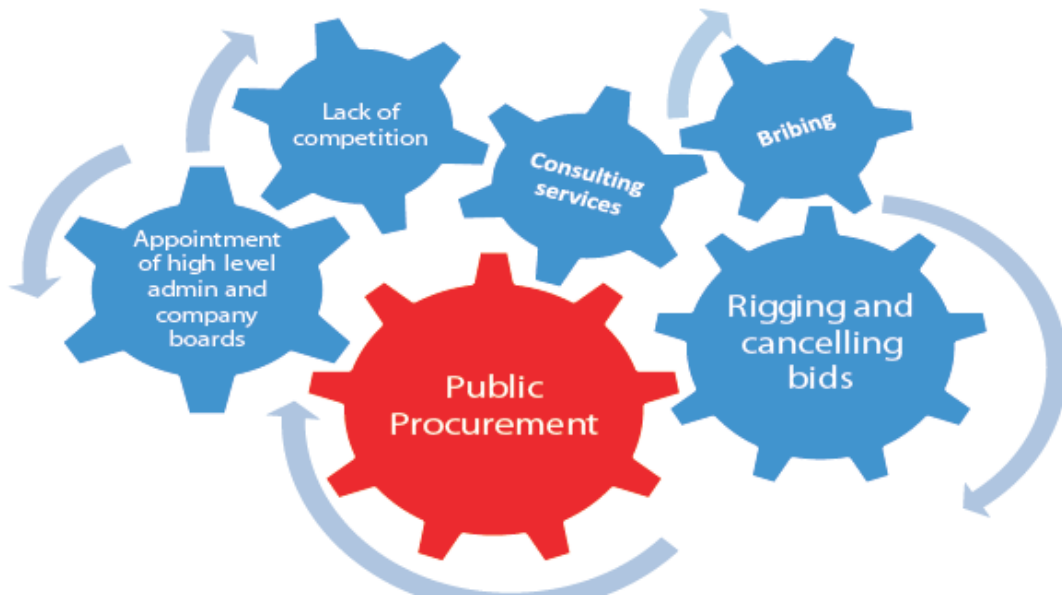
Priority areas should be administrative reforms, an integrated information system and expansion of electronic databases. The deployment of e-government provides wider access to higher quality services with a minimized corruption risk and administrative burden (Bulgarian ministry of finance, 2013). E-submitting of documents can eliminate the time and procedures regarding the dealing with construction permits indicator. Also the opportunity to acquire real property owned by the state or a municipality must be given under more favorable conditions. Great attention must be also paid on the enforcement of civil and consumer rights to enforce the investor protection. Measures to improve effectiveness include increasing scrutiny by market supervisors, establishing specialized courts and offsetting legal fees for shareholder actions (Doing Business Report, 2014). Transparency is a key prerequisite for a favorable business environment and increases investor confidence and entrepreneurship.

In addition the country has to move towards a more transparent and independent judiciary system in order to reach full investment capacity in the country. Introducing also in this sector an electronic access to justice will ensure efficiency and transparency of the judicial proceedings. Hopeful is the fact that the introduction of e-justice is already under way according to the national reform program "Europe 2020". Regarding the program Bulgaria has begun to set up a centralized e-justice portal by providing real-time centralized and authorized access to the content of electronic case files, publication of e-communications and e-summons, fee payment, provision of e-services and access to standardized websites of the courts of law⁷. After its full implementation the bodies of the judiciary will be working with a single centralized information system reducing the time and the number of procedures required for a court dispute and thus facilitating the fast resolution of a resolving insolvency case and the enforcement of contracts.

⁷http://ec.europa.eu/europe2020/pdf/nd/nrp2013_bulgaria_en.pdf

Finally amendments to the Commercial Law (CL) in terms of bankruptcy are needed as bankruptcy and insolvency in Bulgaria are governed primarily by this law. Despite the remarkable progress that has been achieved in recent years, many issues still need to be addressed to correspond to local and international businesses. Firstly, there is lack of information sharing during the insolvency period and very low recovery rate in comparison with other European countries. Moreover, the law does not facilitate out of court restructurings. It is worth mentioning that the managers of a company are obliged to file for a restructuring plan in one month after the company has gone insolvent or over indebted, which in very many cases, is too short, with the result that business rescues are rare (Coface, 2013). Thus the law should be amended so as to permit expedited restructuring proceedings, and allowing for out of court restructurings as well as putting in place rules ensuring timely payment. With regard to insolvency administrators, more inspections should be made as well as strict penalties in cases of fraud. A personal bankruptcy regime likewise in other European countries is also recommended. Personal bankruptcy provides small business debtors partial insurance by offering an option to discharge debt in case of business failures (Ye George Jia, 2010). This regime fosters entrepreneurship as to start-up becomes more attractive since by limiting the borrower's liability the cost of failure is reduced, the debt is discharged immediately and the garnishment is avoided (White, 2007). Streamlining bankruptcy proceedings and putting in place rules ensuring timely payment.

The energy sector



Source: Center for the Study of Democracy, (2010)

'Energy reform'

Bulgaria needs also energy reform. Bulgaria's energy market remains heavily monopolistic at all levels and there is virtually no price discovery on free markets in the country (Nitzov, Stefanov, Nikolova and Hristov, 2008). Prices are regulated indicating the low competition in the energy sector. The energy system should be reorganized in order to tackle the high electricity connection costs. A good solution could be the liberalization of the energy sector so as to prevent the electricity producers from using their monopoly position on the market to the detriment of consumers. According to the European directives Bulgaria is still to implement fully the internal energy market, as it is highly dependent on few external sources and has the highest energy intensity in the EU (Center for the Study of Democracy, 2010). The energy sector needs independence of operators of transmission and distribution networks⁸. The government needs to channel public funds into energy efficiency programs – both industrial and household-focused in order to lower the prices that the final consumer pays for the use. Incidentally, Bulgaria, according to the Ease of Doing Business Report of 2014, is the 4th most expensive country in the EU regarding

⁸http://ec.europa.eu/europe2020/pdf/nd/nrp2013_bulgaria_en.pdf

the cost of electricity. Thus, it should be a rational price setting; prices for industrial consumers should be lowered in order to follow the EU standards of industrial/household price balance. Price control can boost energy efficiency and enhance the capacity to cope with disruptions.

10. CONCLUSION

According to the latest data from both reports, Bulgaria begins to recover at a moderate pace. In 2013, business climate retained its upward trend which gives grounds to expect the gradual recovery of the economy. Taking into consideration the above analysis, it is concluded that Bulgaria can be a competitive economy with prospects of development as long as serious policy measures are implemented. By ranking first in the Balkans with regards to competitiveness and by surpassing some remaining EU countries, Bulgaria seems to have a promising future.

As it was mentioned before, according to the Global Competitiveness results, Bulgaria holds the highest rank after Slovenia and Turkey in the Basic Requirements pillar. Macroeconomic stability has not been affected seriously from the global crisis, due to the high production of heavy industry in combination with the low cost of labor and natural resources. Moreover the level of the health and primary education is high in comparison to the other Balkan countries. In addition, by belonging to a common market with low trade barriers, tariffs and taxes it is an attractive destination for exports and FDI inflows. Therefore the country performs high in the Goods Market Efficiency too.

The country's comparison with the Balkan region, the Black Sea and China, shows that Bulgaria shares some common elements with them. Inefficient financial markets, lack of higher education and training, low quality of public and private institutions and lack of transparency of government in policymaking are the challenges that all these economies are obliged to meet. Contrary to China, in the USA and the EU area there is macroeconomic instability due to the deep economic crisis.

Regarding the Ease of Doing Business results, Bulgaria showed progress in the following indicators: dealing with construction permits, registering property, getting

credit, paying taxes, trading across borders and enforcing contracts while regarding the remaining showed a slight deterioration. Bulgaria's worst performance is noticed in dealing with construction permits, the ease of getting electricity and in resolving insolvency

From the points analyzed before it can be noted that the Balkan region has a competitive advantage in the ease of starting a business, in getting credit and in protecting investors in relation to the EU27, the Black Sea and China. In the Black Sea region access to credit is easier than in China and it is above the EU27 average. EU27 surpasses Balkans and the Black Sea countries in dealing with construction permits, in getting electricity and in paying taxes while remarkable is the difference in trade and resolving insolvency. China's top sectors are registering property and enforcing contracts while USA is among the 20 best countries globally.

Concerning the Balkan region following FYROM, Slovenia and Montenegro, Bulgaria has an advantage in getting credit while regarding the other indicators shows mediocre performance being above the regional average in the most sectors. In the Black Sea region Bulgaria holds a high position with relatively conducive trading across borders conditions. From the previous analysis it is significant to stress the fact that regarding the resolving insolvency Bulgaria has the lowest positions in the Balkans and the Black Sea region. In comparison to China, Bulgaria has a more lenient tax system while it lags behind in all the other sectors. The results of the benchmarking with USA are incomparable with Bulgaria as the latter has many gaps to fill in.

Although Bulgaria shows a competitive advantage in the use of basic factors, and it performs efficiently in terms of technological readiness, it lags far below innovation and business sophistication. Thus, priority should be given to enter innovation in all aspects of the economy both in the business sector as well as in the public sector. The implementation of progressive techniques facilitates business and modernizes public administration. In a nutshell, the country, in order to confront the economic impediments considerable attention should be given to adopt environmental friendly methods for production and for the encouragement of the SMEs to access to finance and information. For the Balkans and the Black Sea region serious reforms should be applied so to improve the inadequate supply of infrastructure and the multiple corrupt

practices. Moreover, institutions and the burdensome bureaucracy need improvement, since the remains of the socialist regime are still apparent in the public and the private sector. Higher education and training needs to be stimulated and different methods to enhance cooperation and interaction between enterprises should be introduced as well. Another high priority is the reform of the energy sector and its high connection costs. Last but not of least importance judiciary system requires restructuring. The lack of transparency in policymaking, corruption and insufficient diversion of public funds need to be tackled urgently. If the policy makers take into consideration all the problems that hinder entrepreneurship in national level and focus on the implementation of practical improvements, competitiveness can be increased and the business environment can be more attractive to foreign investors.

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12. APPENDIX

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meaning of colours in tables:

| | |
|--|-------------------------------|
| | Bulgaria |
| | less Competitive EU countries |
| | more competitive EU countries |

Table 1: Global Competitiveness index and rank 2004-2014 EU 27

| | 2004 | | 2005 | | 2006 | | 2007/2008 | | 2008/2009 | | 2009/2010 | | 2010/2011 | | 2011/2012 | | 2012/2013 | | 2013/2014 | |
|-------------------|----------|-------|----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Country/ EU27 | Ran k | Score | Ran k | Scor e | Ran k | Scor e | Ran k | Scor e | Ran k | Scor e | Ran k | Scor e | Ran k | Scor e | Ran k | Scor e | Rank | Scor e | Rank | Scor e |
| Austria | 17 | 5.20 | 21 | 4.95 | 17 | 5.32 | 15 | 5.23 | 14 | 5.23 | 17 | 5.13 | 18 | 5.09 | 19 | 5.14 | 16 | 5,22 | 16 | 5,15 |
| Belgium | 25 | 4.95 | 31 | 4.63 | 20 | 5.27 | 20 | 5.10 | 19 | 5.14 | 18 | 5.09 | 19 | 5.07 | 15 | 5.20 | 17 | 5,21 | 17 | 5,13 |
| Bulgaria | 59 | 3.98 | 58 | 3.83 | 72 | 3.96 | 79 | 3.93 | 76 | 4.03 | 76 | 4.02 | 71 | 4.13 | 74 | 4.16 | 62 | 4,27 | 57 | 4,31 |
| Cyprus | 38 | 4.56 | 34 | 4.54 | 46 | 4.36 | 55 | 4.23 | 40 | 4.53 | 34 | 4.57 | 40 | 4.50 | 47 | 4.36 | 58 | 4,32 | 58 | 4,3 |
| Czech Republic | 40 | 4.55 | 38 | 4.42 | 29 | 4.74 | 33 | 4.58 | 33 | 4.62 | 31 | 4.67 | 36 | 4.57 | 38 | 4.52 | 39 | 4,51 | 46 | 4,43 |
| Denmark | 5 | 5.66 | 4 | 5.65 | 4 | 5.70 | 3 | 5.55 | 3 | 5.58 | 5 | 5.46 | 9 | 5.32 | 8 | 5.40 | 12 | 5,29 | 15 | 5,18 |
| Estonia | 20 | 5.08 | 20 | 4.95 | 25 | 5.12 | 27 | 4.74 | 32 | 4.67 | 35 | 4.56 | 33 | 4.61 | 33 | 4.62 | 34 | 4,64 | 32 | 4,65 |
| Finland | 1 | 5.95 | 1 | 5.94 | 2 | 5.76 | 6 | 5.49 | 6 | 5.50 | 6 | 5.43 | 7 | 5.37 | 4 | 5.47 | 3 | 5,55 | 3 | 5,54 |
| France | 27 | 4.92 | 30 | 4.78 | 18 | 5.31 | 18 | 5.18 | 16 | 5.22 | 16 | 5.13 | 15 | 5.13 | 18 | 5.14 | 21 | 5,11 | 23 | 5,05 |
| Germany | 13 | 5.28 | 15 | 5.10 | 8 | 5.58 | 5 | 5.51 | 7 | 5.46 | 7 | 5.37 | 5 | 5.39 | 6 | 5.41 | 6 | 5,48 | 4 | 5,51 |
| Greece | 37 | 4.56 | 46 | 4.26 | 47 | 4.33 | 65 | 4.08 | 67 | 4.11 | 71 | 4.04 | 83 | 3.99 | 90 | 3.92 | 96 | 3,86 | 91 | 3,93 |
| Hungary | 39 | 4.56 | 39 | 4.38 | 41 | 4.52 | 47 | 4.35 | 62 | 4.22 | 58 | 4.22 | 52 | 4.33 | 48 | 4.36 | 60 | 4,3 | 63 | 4,25 |
| Ireland | 30 | 4.90 | 26 | 4.86 | 21 | 5.21 | 22 | 5.03 | 22 | 4.99 | 25 | 4.84 | 29 | 5.74 | 29 | 4.77 | 27 | 4,91 | 28 | 4,92 |
| Italy | 47 | 4.27 | 47 | 4.21 | 42 | 4.46 | 46 | 4.36 | 49 | 4.35 | 48 | 4.31 | 48 | 4.37 | 43 | 4.43 | 42 | 4,46 | 49 | 4,41 |
| Latvia | 44 | 4.43 | 44 | 4.29 | 36 | 4.57 | 45 | 4.41 | 54 | 4.26 | 68 | 4.06 | 70 | 4.14 | 64 | 4.24 | 55 | 4,35 | 52 | 4,4 |
| Lithuania | 36 | 4.57 | 43 | 4.30 | 40 | 4.53 | 38 | 4.49 | 44 | 4.45 | 53 | 4.30 | 47 | 4.38 | 44 | 4.41 | 45 | 4,41 | 48 | 4,41 |
| Luxembour g | 26 | 4.95 | 25 | 4.90 | 22 | 5.16 | 25 | 4.88 | 25 | 4.85 | 21 | 4.96 | 20 | 5.05 | 23 | 5.03 | 22 | 5,09 | 22 | 5,09 |
| Malta | 32 | 4.79 | 35 | 4.54 | 39 | 4.54 | 56 | 4.21 | 52 | 4.31 | 52 | 4.30 | 50 | 4.34 | 51 | 4.33 | 47 | 4,41 | 41 | 4,5 |
| Netherland s | 12 | 5.30 | 11 | 5.21 | 9 | 5.56 | 10 | 5.40 | 8 | 5.41 | 10 | 5.32 | 8 | 5.33 | 7 | 5.41 | 5 | 5,55 | 8 | 5,42 |
| Poland | 60 | 3.98 | 51 | 4.00 | 48 | 4.30 | 51 | 4.28 | 53 | 4.28 | 46 | 4.33 | 39 | 4.51 | 41 | 4.46 | 41 | 4,46 | 42 | 4,46 |

Table 1b: Global Competitiveness index and rank 2004-2014 EU 27

| | 2004 | | 2005 | | 2006 | | 2007/2008 | | 2008/2009 | | 2009/2010 | | 2010/2011 | | 2011/2012 | | 2012/13 | | 2013/14 | |
|-----------------|--------|-------|--------|-------|--------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|---------|-------|---------|-------|
| Country | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score | Rank | Score |
| Portugal | 24 | 4.96 | 22 | 4.91 | 34 | 4.60 | 40 | 4.48 | 43 | 4.47 | 43 | 4.40 | 46 | 4.38 | 45 | 4.40 | 49 | 4,4 | 51 | 4,4 |
| Romania | 63 | 3.86 | 67 | 3.67 | 68 | 4.02 | 74 | 3.97 | 68 | 4.10 | 64 | 4.11 | 67 | 4.16 | 77 | 4.08 | 78 | 4,07 | 76 | 4,13 |
| Slovak Republic | 43 | 4.43 | 41 | 4.31 | 37 | 4.55 | 41 | 4.45 | 46 | 4.40 | 47 | 4.31 | 60 | 4.2 | 69 | 4.19 | 71 | 4,14 | 78 | 4,1 |
| Slovenia | 33 | 4.75 | 32 | 4.59 | 33 | 4.64 | 39 | 4.48 | 42 | 4.50 | 37 | 4.55 | 45 | 4.42 | 57 | 4.30 | 56 | 4,34 | 62 | 4,25 |
| Spain | 23 | 5.00 | 29 | 4.80 | 28 | 4.77 | 29 | 4.66 | 29 | 4.72 | 33 | 4.59 | 42 | 4.49 | 36 | 4.54 | 36 | 4,6 | 35 | 4,57 |
| Sweden | 3 | 5.72 | 3 | 5.65 | 3 | 5.74 | 4 | 5.54 | 4 | 5.53 | 4 | 5.51 | 2 | 5.56 | 3 | 5.61 | 4 | 5,53 | 6 | 5,48 |
| UK | 11 | 5.30 | 13 | 5.11 | 10 | 5.54 | 9 | 5.41 | 12 | 5.30 | 13 | 5.19 | 12 | 5.25 | 10 | 5.39 | 8 | 5,45 | 10 | 5,37 |
| AVERAGE | 146.70 | 4,83 | 147.09 | 4,7 | 147.62 | 4,89 | 34.78 | 4,74 | 35.96 | 4,75 | 35.17 | 4,7 | 38.94 | 4,73 | 42.00 | 4,71 | 42.65 | 4,74 | 44.77 | 4,75 |

Table 2: GLOBAL COMPETITIVENESS INDEX AND RANK 2004-2014 BALKANS

| | GCI | RANK | GCI | RANK | GCI | RANK | GCI | RANK | GCI | RANK | GCI | RANK | GCI | RANK |
|-----------------------|------|------|------|------|------|------|------|------|------|-------|---------|------|---------|------|
| Balkans 12 | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | | 2006/07 | | 2007/08 | |
| Albania | | - | - | - | - | - | - | - | 3.07 | 100 | 3.46 | 98 | 3.48 | 109 |
| BiH | - | - | - | - | - | - | 3.38 | 81 | 3.17 | 95 | 3.67 | 89 | 3.55 | 106 |
| Bulgaria | 3.82 | 59 | 3.68 | 62 | 3.67 | 64 | 3.98 | 59 | 3.83 | 58 | 3.96 | 72 | 3.93 | 79 |
| Croatia | - | - | 3.8 | 58 | 3.97 | 53 | 3.94 | 61 | 3.74 | 62 | 4.26 | 51 | 4.20 | 57 |
| FYROM | - | - | - | - | 3.22 | 81 | 3.34 | 84 | 3.26 | 85 | 3.86 | 80 | 3.73 | 94 |
| Greece | 4.46 | 36 | 4.32 | 38 | 4.58 | 35 | 4.56 | 37 | 4.26 | 46 | 4.33 | 47 | 4.08 | 65 |
| Moldova | - | - | - | - | - | - | - | - | 3.37 | 82 | 3.71 | 86 | 3.64 | 97 |
| Montenegro | - | - | - | - | - | - | - | - | - | - | - | - | 3.91 | 82 |
| Romania | - | - | 3.59 | 66 | 3.38 | 75 | 3.86 | 63 | 3.67 | 67 | 4.02 | 68 | 3.97 | 74 |
| Serbia | - | - | - | - | 3.36 | 77 | - | - | - | - | - | - | 3.78 | 91 |
| Serbia and Montenegro | - | - | - | - | - | - | 3.23 | 89 | 3.38 | 80 | 3.69 | 87 | - | - |
| Slovenia | 4.7 | 31 | 4.64 | 28 | 4.7 | 31 | 4.75 | 33 | 4.59 | 32 | 4.64 | 33 | 4.48 | 39 |
| Turkey | 3.86 | 54 | 3.31 | 69 | 3.65 | 65 | 3.82 | 66 | 3.68 | 66 | 4.14 | 59 | 4.25 | 53 |
| AVERAGE | 4.21 | 45 | 3.89 | 54 | 3.82 | 60.1 | 3.87 | 63.6 | 3.64 | 70.27 | 3.98 | 70 | 3.92 | 78.8 |

Table 2b: GLOBAL COMPETITIVENESS INDEX AND RANK 2004-2014 BALKANS

| | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK |
|-------------------|--------|-------|---------|-------|---------|------|---------|-------|---------|-------|---------|-------|
| | 2008/9 | | 2009/10 | | 2010/11 | | 2011/12 | | 2012/13 | | 2013/14 | |
| Balkans 12 | 3.55 | 108 | 3.72 | 96 | 3.94 | 88 | 4.06 | 78 | 3.91 | 89 | 3.85 | 95 |
| Albania | 3.56 | 107 | 3.53 | 109 | 3.70 | 102 | 3.83 | 100 | 9.93 | 88 | 4.02 | 87 |
| BiH | 4.03 | 76 | 4.02 | 76 | 4.13 | 71 | 4.16 | 74 | 4.27 | 62 | 4.31 | 57 |
| Bulgaria | 4.22 | 61 | 4.03 | 72 | 4.04 | 77 | 4.08 | 76 | 4.04 | 81 | 4.13 | 75 |
| Croatia | 3.87 | 89 | 3.95 | 84 | 4.02 | 79 | 4.05 | 79 | 4.04 | 80 | 4.14 | 73 |
| FYROM | 4.11 | 67 | 4.04 | 71 | 3.99 | 83 | 3.92 | 90 | 3.86 | 96 | 3.93 | 91 |
| Greece | 3.75 | 95 | - | - | 3.86 | 94 | 3.89 | 93 | 3.94 | 87 | 3.94 | 89 |
| Moldova | 4.11 | 65 | 4.16 | 62 | 4.36 | 49 | 4.27 | 60 | 4.14 | 72 | 4.2 | 67 |
| Montenegro | 4.10 | 68 | 4.11 | 64 | 4.16 | 67 | 4.08 | 77 | 4.07 | 78 | 4.13 | 76 |
| Romania | 3.90 | 85 | 3.77 | 93 | 3.84 | 96 | 3.88 | 95 | 3.87 | 95 | 3.77 | 101 |
| Serbia | - | - | - | - | - | - | - | - | - | - | - | - |
| Slovenia | 4.50 | 42 | 4.55 | 37 | 4.42 | 45 | 4.3 | 57 | 4.34 | 56 | 62 | 4.25 |
| Turkey | 4.15 | 63 | 4.16 | 61 | 4.25 | 61 | 4.28 | 59 | 4.45 | 43 | 44 | 4.45 |
| AVERAGE | 3.99 | 77.17 | 4.00 | 75.00 | 4.06 | 76 | 4.07 | 78.17 | 4.05 | 77.25 | 12.20 | 68.31 |

Table 3: Competitiveness Pillars- Basic Requirements- EU27 2013-2014

| | | | PILLARS | | | | | | | |
|-----------------|---------------------------|-------|------------------------|-------|--------------------------|-------|-------------------------------------|-------|----------------------------------------|-------|
| EU-27 | BASIC REQUIREMENTS | | 1. INSTITUTIONS | | 2. INFRASTRUCTURE | | 3. MACROECONOMIC ENVIRONMENT | | 4. HEALTH AND PRIMARY EDUCATION | |
| Country/Economy | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Austria | 19 | 5.63 | 21 | 5.07 | 16 | 5.72 | 37 | 5.37 | 19 | 6.37 |
| Belgium | 22 | 5.51 | 24 | 5.00 | 19 | 5.60 | 69 | 4.71 | 3 | 6.72 |
| Bulgaria | 58 | 4.73 | 107 | 3.38 | 75 | 3.93 | 30 | 5.61 | 45 | 6 |
| Cyprus | 51 | 4.84 | 42 | 4.47 | 44 | 4.63 | 126 | 3.73 | 8 | 6.54 |
| Czech Republic | 55 | 4.8 | 86 | 3.64 | 39 | 4.71 | 55 | 5.01 | 60 | 5.84 |
| Denmark | 21 | 5.55 | 18 | 5.21 | 23 | 5.53 | 42 | 5.28 | 32 | 6.17 |
| Estonia | 26 | 5.43 | 27 | 4.90 | 40 | 4.70 | 22 | 5.89 | 29 | 6.22 |
| Finland | 7 | 5.97 | 1 | 6.10 | 21 | 5.55 | 36 | 5.42 | 1 | 6.82 |
| France | 23 | 5.5 | 31 | 4.79 | 4 | 6.21 | 73 | 4.65 | 24 | 6.33 |
| Germany | 9 | 5.9 | 15 | 5.30 | 3 | 6.24 | 27 | 5.68 | 21 | 6.36 |
| Greece | 88 | 4.3 | 103 | 3.49 | 38 | 4.79 | 147 | 2.82 | 35 | 6.10 |
| Hungary | 65 | 4.61 | 84 | 3.67 | 51 | 4.37 | 84 | 4.51 | 57 | 5.88 |
| Ireland | 33 | 5.18 | 16 | 5.27 | 26 | 5.27 | 134 | 3.57 | 6 | 6.60 |
| Italy | 50 | 4.85 | 102 | 3.50 | 25 | 5.35 | 101 | 4.26 | 26 | 6.29 |
| Latvia | 40 | 5 | 57 | 4.08 | 59 | 4.24 | 29 | 5.63 | 41 | 6.05 |
| Lithuania | 43 | 4.91 | 61 | 4.04 | 41 | 4.69 | 58 | 4.94 | 50 | 5.97 |
| Luxembourg | 11 | 5.87 | 10 | 5.59 | 13 | 5.79 | 15 | 6.04 | 36 | 6.08 |
| Malta | 34 | 5.17 | 37 | 4.61 | 34 | 5.02 | 74 | 4.64 | 15 | 6.39 |
| Netherlands | 10 | 5.89 | 8 | 5.62 | 7 | 6.13 | 45 | 5.22 | 4 | 6.61 |
| Poland | 59 | 4.72 | 62 | 4.01 | 74 | 3.96 | 65 | 4.88 | 42 | 6.03 |
| Portugal | 41 | 4.98 | 46 | 4.32 | 22 | 5.55 | 124 | 3.75 | 27 | 6.28 |
| Romania | 87 | 4.32 | 114 | 3.34 | 100 | 3.33 | 47 | 5.14 | 84 | 5.47 |
| Slovak Republic | 67 | 4.6 | 119 | 3.32 | 67 | 4.12 | 62 | 4.91 | 39 | 6.07 |
| Slovenia | 37 | 5.06 | 68 | 3.94 | 36 | 4.91 | 53 | 5.03 | 17 | 6.38 |
| Spain | 38 | 5.05 | 58 | 4.07 | 10 | 5.97 | 116 | 3.97 | 30 | 6.21 |
| Sweden | 8 | 5.95 | 5 | 5.72 | 20 | 5.60 | 14 | 6.05 | 13 | 6.45 |
| United Kingdom | 24 | 5.48 | 12 | 5.43 | 8 | 6.12 | 115 | 3.98 | 16 | 6.39 |

Table 4: Competitiveness Pillars- Efficiency Enhancers- EU27 2013-2014

| | | PILLARS | | | | | | | | | | | | |
|-----------------|----------------------|---------|----------------------------------|-------|----------------------------|-------|----------------------------|-------|---------------------------------|-------|----------------------------|-------|-----------------|-------|
| EU-27 | EFFICIENCY ENHANCERS | | 5. HIGHER EDUCATION AND TRAINING | | 6. GOODS MARKET EFFICIENCY | | 7. LABOR MARKET EFFICIENCY | | 8. FINANCIAL MARKET DEVELOPMENT | | 9. TECHNOLOGICAL READINESS | | 10. MARKET SIZE | |
| | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Austria | 21 | 4.97 | 13 | 5.57 | 23 | 4.88 | 42 | 4.56 | 37 | 4.56 | 20 | 5.59 | 37 | 4.63 |
| Belgium | 17 | 5.03 | 5 | 5.83 | 13 | 5.08 | 64 | 4.34 | 44 | 4.48 | 18 | 5.61 | 28 | 4.82 |
| Bulgaria | 60 | 4.18 | 69 | 4.25 | 81 | 4.19 | 61 | 4.36 | 73 | 3.95 | 44 | 4.45 | 63 | 3.87 |
| Cyprus | 49 | 4.34 | 32 | 5.01 | 29 | 4.74 | 36 | 4.62 | 64 | 4.07 | 36 | 4.78 | 110 | 2.83 |
| Czech Republic | 37 | 4.51 | 39 | 4.85 | 48 | 4.41 | 81 | 4.20 | 58 | 4.20 | 34 | 4.88 | 41 | 4.50 |
| Denmark | 16 | 5.05 | 14 | 5.54 | 24 | 4.87 | 13 | 5.03 | 36 | 4.57 | 5 | 6.05 | 53 | 4.24 |
| Estonia | 30 | 4.64 | 23 | 5.22 | 30 | 4.73 | 12 | 5.03 | 35 | 4.59 | 29 | 5.20 | 99 | 3.06 |
| Finland | 9 | 5.30 | 1 | 6.27 | 15 | 5.03 | 20 | 4.85 | 5 | 5.57 | 11 | 5.89 | 55 | 4.2 |
| France | 19 | 5.00 | 24 | 5.21 | 45 | 4.43 | 71 | 4.31 | 33 | 4.61 | 17 | 5.69 | 8 | 5.76 |
| Germany | 8 | 5.31 | 3 | 5.90 | 21 | 4.92 | 41 | 4.57 | 29 | 4.69 | 14 | 5.72 | 5 | 6.02 |
| Greece | 67 | 4.06 | 41 | 4.81 | 108 | 3.93 | 127 | 3.77 | 138 | 2.86 | 39 | 4.62 | 47 | 4.37 |
| Hungary | 54 | 4.28 | 44 | 4.72 | 78 | 4.23 | 85 | 4.18 | 74 | 3.93 | 46 | 4.35 | 52 | 4.26 |
| Ireland | 24 | 4.89 | 18 | 5.43 | 11 | 5.21 | 16 | 4.93 | 85 | 3.86 | 13 | 5.75 | 57 | 4.15 |
| Italy | 48 | 4.34 | 42 | 4.75 | 87 | 4.17 | 137 | 3.48 | 124 | 3.33 | 37 | 4.71 | 10 | 5.61 |
| Latvia | 41 | 4.41 | 40 | 4.84 | 40 | 4.53 | 26 | 4.76 | 45 | 4.46 | 38 | 4.70 | 95 | 3.18 |
| Lithuania | 47 | 4.35 | 27 | 5.15 | 49 | 4.40 | 9 | 4.31 | 87 | 3.82 | 35 | 4.81 | 78 | 3.58 |
| Luxembourg | 22 | 4.92 | 36 | 4.89 | 5 | 5.33 | 22 | 4.83 | 14 | 5.14 | 2 | 6.19 | 97 | 3.14 |
| Malta | 36 | 4.52 | 31 | 5.04 | 32 | 4.72 | 43 | 4.56 | 34 | 4.61 | 16 | 5.71 | 127 | 2.46 |
| Netherlands | 11 | 5.27 | 6 | 5.78 | 8 | 5.25 | 21 | 4.84 | 30 | 4.68 | 8 | 5.97 | 21 | 5.11 |
| Poland | 32 | 4.60 | 37 | 4.88 | 57 | 4.34 | 80 | 4.20 | 38 | 4.54 | 43 | 4.47 | 20 | 5.14 |
| Portugal | 46 | 4.38 | 28 | 5.15 | 72 | 4.26 | 126 | 3.79 | 114 | 3.50 | 27 | 5.24 | 50 | 4.34 |
| Romania | 63 | 4.13 | 59 | 4.41 | 117 | 3.89 | 110 | 3.96 | 72 | 3.95 | 54 | 4.14 | 46 | 4.44 |
| Slovak Republic | 56 | 4.27 | 58 | 4.44 | 76 | 4.24 | 76 | 4.24 | 42 | 4.49 | 52 | 4.16 | 58 | 4.03 |
| Slovenia | 62 | 4.14 | 25 | 5.21 | 62 | 4.32 | 106 | 4.00 | 134 | 2.98 | 33 | 4.00 | 83 | 3.46 |
| Spain | 28 | 4.64 | 26 | 5.19 | 63 | 4.32 | 115 | 3.93 | 97 | 3.72 | 26 | 5.26 | 14 | 5.45 |
| Sweden | 7 | 5.31 | 8 | 5.69 | 12 | 5.10 | 18 | 4.88 | 8 | 5.32 | 1 | 6.22 | 35 | 4.64 |
| UK | 4 | 5.45 | 17 | 5.45 | 14 | 5.05 | 5 | 5.35 | 15 | 5.00 | 4 | 6.06 | 6 | 5.8 |

Table 5: Competitiveness Pillars- Innovation and Sophistication- EU27 2013-2014

| | | | PILLARS | | | |
|-----------------|----------------------------------------------|-------|------------------------------------|-------|-----------------------|-------|
| EU-27 | INNOVATION AND SOPHISTICATION FACTORS | | 11. BUSINESS SOPHISTICATION | | 12. INNOVATION | |
| Country/Economy | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Austria | 12 | 5.14 | 8 | 5.46 | 15 | 4.82 |
| Belgium | 15 | 5.07 | 12 | 5.27 | 14 | 4.87 |
| Bulgaria | 108 | 3.28 | 106 | 3.59 | 105 | 2.97 |
| Cyprus | 50 | 3.87 | 44 | 4.34 | 56 | 3.41 |
| Czech Republic | 36 | 4.07 | 38 | 4.43 | 37 | 3.7 |
| Denmark | 11 | 5.14 | 11 | 5.29 | 11 | 4.99 |
| Estonia | 35 | 4.08 | 51 | 4.26 | 31 | 3.89 |
| Finland | 2 | 5.65 | 5 | 5.51 | 1 | 5.79 |
| France | 18 | 4.84 | 21 | 5 | 19 | 4.68 |
| Germany | 4 | 5.59 | 3 | 5.68 | 4 | 5.5 |
| Greece | 81 | 3.46 | 83 | 3.84 | 87 | 3.08 |
| Hungary | 71 | 3.6 | 96 | 3.69 | 47 | 3.51 |
| Ireland | 21 | 4.81 | 18 | 5.04 | 20 | 4.58 |
| Italy | 30 | 4.22 | 27 | 4.74 | 38 | 3.69 |
| Latvia | 68 | 3.61 | 67 | 4.01 | 70 | 3.21 |
| Lithuania | 44 | 3.93 | 48 | 4.29 | 44 | 3.58 |
| Luxembourg | 17 | 4.84 | 22 | 4.98 | 18 | 4.7 |
| Malta | 40 | 4.03 | 36 | 4.44 | 42 | 3.61 |
| Netherlands | 7 | 5.36 | 4 | 5.56 | 10 | 5.16 |
| Poland | 65 | 3.65 | 65 | 4.06 | 65 | 3.24 |
| Portugal | 38 | 4.06 | 57 | 4.18 | 29 | 3.93 |
| Romania | 103 | 3.32 | 101 | 3.62 | 97 | 3.01 |
| Slovak Republic | 77 | 3.49 | 73 | 3.95 | 95 | 3.02 |
| Slovenia | 49 | 3.88 | 58 | 4.14 | 40 | 3.63 |
| Spain | 32 | 4.14 | 33 | 4.52 | 34 | 3.75 |
| Sweden | 5 | 5.46 | 7 | 5.48 | 6 | 5.43 |
| UK | 10 | 5.15 | 9 | 5.4 | 12 | 4.9 |

Table 6: Competitiveness Pillars- Basic Requirements-Balkans 2013-2014

| | | | PILLARS | | | | | | | |
|-----------------|--------------------|-------|-----------------|-------|-------------------|-------|------------------------------|-------|---------------------------------|-------|
| Balkans | BASIC REQUIREMENTS | | 1. INSTITUTIONS | | 2. INFRASTRUCTURE | | 3. MACROECONOMIC ENVIRONMENT | | 4. HEALTH AND PRIMARY EDUCATION | |
| Country/Economy | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Albania | 94 | 4.24 | 118 | 3.32 | 99 | 3.33 | 94 | 4.41 | 56 | 5.9 |
| BiH | 81 | 4.44 | 71 | 3.87 | 83 | 3.67 | 104 | 4.23 | 46 | 5.99 |
| Bulgaria | 58 | 4.73 | 107 | 3.38 | 75 | 3.93 | 30 | 5.61 | 45 | 6.00 |
| Croatia | 61 | 4.69 | 93 | 3.6 | 42 | 4.66 | 68 | 4.71 | 66 | 5.8 |
| FYROM | 70 | 4.55 | 60 | 4.05 | 86 | 3.63 | 59 | 4.94 | 79 | 5.6 |
| Greece | 88 | 4.3 | 103 | 3.49 | 38 | 4.79 | 147 | 2.82 | 35 | 6.10 |
| Moldova | 97 | 4.20 | 122 | 3.24 | 88 | 3.57 | 77 | 4.62 | 93 | 5.38 |
| Montenegro | 68 | 4.59 | 52 | 4.16 | 70 | 4.04 | 112 | 4.07 | 37 | 6.07 |
| Romania | 87 | 4.32 | 114 | 3.34 | 100 | 3.33 | 47 | 5.14 | 84 | 5.47 |
| Serbia | 106 | 3.96 | 126 | 3.2 | 90 | 3.51 | 136 | 3.36 | 69 | 5.75 |
| Slovenia | 37 | 5.06 | 68 | 3.94 | 36 | 4.91 | 53 | 5.03 | 17 | 6.38 |
| Turkey | 56 | 4.75 | 56 | 4.08 | 49 | 4.45 | 76 | 4.62 | 59 | 5.86 |

Table 7: Competitiveness Pillars- Efficiency Enhancers- Balkans 2013-2014

| | | | PILLARS | | | | | | | | | | | |
|------------|----------------------|-------|----------------------------------|-------|----------------------------|-------|----------------------------|-------|---------------------------------|-------|----------------------------|-------|-----------------|-------|
| Balkans | EFFICIENCY ENHANCERS | | 5. HIGHER EDUCATION AND TRAINING | | 6. GOODS MARKET EFFICIENCY | | 7. LABOR MARKET EFFICIENCY | | 8. FINANCIAL MARKET DEVELOPMENT | | 9. TECHNOLOGICAL READINESS | | 10. MARKET SIZE | |
| Country | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Albania | 100 | 3.68 | 78 | 4.17 | 97 | 4.06 | 67 | 4.33 | 128 | 3.27 | 92 | 3.33 | 107 | 2.92 |
| BiH | 89 | 3.8 | 63 | 4.3 | 104 | 3.98 | 88 | 4.15 | 113 | 3.53 | 73 | 3.74 | 98 | 3.09 |
| Bulgaria | 60 | 4.18 | 69 | 4.25 | 81 | 4.19 | 61 | 4.36 | 73 | 3.95 | 44 | 4.45 | 63 | 3.87 |
| Croatia | 68 | 4.05 | 51 | 4.53 | 111 | 3.92 | 114 | 3.94 | 78 | 3.9 | 45 | 4.41 | 74 | 3.59 |
| FYROM | 76 | 3.96 | 76 | 4.18 | 44 | 4.47 | 79 | 4.21 | 62 | 4.15 | 67 | 3.84 | 109 | 2.9 |
| Greece | 67 | 4.06 | 41 | 4.81 | 108 | 3.93 | 127 | 3.77 | 138 | 2.86 | 39 | 4.62 | 47 | 4.37 |
| Moldova | 102 | 3.66 | 90 | 3.88 | 107 | 3.93 | 95 | 4.09 | 105 | 3.6 | 64 | 3.89 | 124 | 2.55 |
| Montenegro | 72 | 4.01 | 50 | 4.61 | 64 | 4.31 | 58 | 4.39 | 49 | 4.4 | 49 | 4.22 | 135 | 2.14 |
| Romania | 63 | 4.13 | 59 | 4.41 | 117 | 3.89 | 110 | 3.96 | 72 | 3.95 | 54 | 4.14 | 46 | 4.44 |
| Serbia | 92 | 3.78 | 83 | 4.05 | 132 | 3.64 | 119 | 3.9 | 115 | 3.48 | 60 | 3.94 | 69 | 3.68 |
| Slovenia | 62 | 4.14 | 25 | 5.21 | 62 | 4.32 | 106 | 4.00 | 134 | 2.98 | 33 | 4.00 | 83 | 3.46 |
| Turkey | 45 | 4.38 | 65 | 4.29 | 43 | 4.52 | 130 | 3.74 | 51 | 4.4 | 58 | 4.05 | 16 | 5.3 |

Table 8: Competitiveness Pillars- Innovation and Sophistication- Balkans 2013-2014

| | | | PILLARS | | | |
|----------------|----------------------------------------------|-------|------------------------------------|-------|-----------------------|-------|
| Balkans | INNOVATION AND SOPHISTICATION FACTORS | | 11. BUSINESS SOPHISTICATION | | 12. INNOVATION | |
| Country | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Albania | 119 | 3.12 | 122 | 3.44 | 119 | 2.8 |
| BiH | 89 | 3.4 | 110 | 3.53 | 63 | 3.28 |
| Bulgaria | 108 | 3.28 | 106 | 3.59 | 105 | 2.97 |
| Croatia | 80 | 3.46 | 88 | 3.81 | 79 | 3.12 |
| FYROM | 94 | 3.37 | 100 | 3.65 | 86 | 3.09 |
| Greece | 81 | 3.46 | 83 | 3.84 | 87 | 3.08 |
| Moldova | 133 | 2.87 | 125 | 3.32 | 138 | 2.42 |
| Montenegro | 70 | 3.61 | 89 | 3.79 | 54 | 3.42 |
| Romania | 103 | 3.32 | 101 | 3.62 | 97 | 3.01 |
| Serbia | 125 | 3.01 | 137 | 3.18 | 112 | 2.85 |
| Slovenia | 49 | 3.88 | 58 | 4.14 | 40 | 3.63 |
| Turkey | 47 | 3.91 | 43 | 4.36 | 50 | 3.47 |

Table 9: Global Competitiveness Index and Rank in USA and China 2013-2014

| PILLARS | USA | | CHINA | |
|----------------------------------------------|------------|-------|--------------|-------|
| | RANK | SCORE | RANK | SCORE |
| BASIC REQUIREMENTS | 36 | 5.12 | 31 | 5.28 |
| 1. INSTITUTIONS | 35 | 4.64 | 47 | 4.24 |
| 2. INFRASTRUCTURE | 15 | 5.77 | 48 | 4.51 |
| 3. MACROECONOMIC | 117 | 3.95 | 10 | 6.29 |
| 4. HEALTH AND PRIMARY | 34 | 6.1 | 40 | 6.06 |
| EFFICIENCY ENHANCERS | 1 | 5.66 | 31 | 4.63 |
| 5. HIGHER EDUCATION AND | 7 | 5.75 | 70 | 4.23 |
| 6. GOODS MARKET EFFICIENCY | 20 | 4.93 | 61 | 4.32 |
| 7. LABOR MARKET EFFICIENCY | 4 | 5.37 | 34 | 4.63 |
| 8. FINANCIAL MARKET | 10 | 5.26 | 54 | 4.32 |
| 9. TECHNOLOGICAL READINESS | 15 | 5.72 | 85 | 3.44 |
| 10. MARKET SIZE | 1 | 6.94 | 2 | 6.85 |
| INNOVATION AND SOPHISTICATION FACTORS | 6 | 5.43 | 34 | 4.1 |
| 11. BUSINESS SOPHISTICATION | 6 | 5.49 | 45 | 4.31 |
| 12. INNOVATION | 7 | 5.37 | 32 | 3.89 |

Table 10: Global Competitiveness Index and Rank -Black sea region 2013-2014

| | OVERALL INDEX | | BASIC REQUIREMENTS | | EFFICIENCY ENHANCERS | | INNOVATION & SOPHISTICATION FACTORS | |
|------------|---------------|-------|--------------------|-------|----------------------|-------|-------------------------------------|-------|
| COUNTRIES | RANK | SCORE | RANK | SCORE | RANK | SCORE | RANK | SCORE |
| Albania | 95 | 3.85 | 94 | 4.24 | 100 | 3.68 | 119 | 3.12 |
| Armenia | 79 | 4.1 | 73 | 4.53 | 85 | 3.9 | 88 | 3.4 |
| Azerbaijan | 39 | 4.51 | 44 | 4.9 | 66 | 4.09 | 60 | 3.71 |
| Bulgaria | 57 | 4.31 | 58 | 4.73 | 60 | 4.18 | 108 | 3.28 |
| Georgia | 72 | 4.15 | 57 | 4.74 | 86 | 3.89 | 122 | 3.08 |
| Greece | 91 | 3.93 | 88 | 4.3 | 67 | 4.06 | 81 | 3.46 |
| Moldova | 89 | 3.94 | 97 | 4.2 | 102 | 3.66 | 133 | 2.87 |
| Romania | 76 | 4.13 | 87 | 4.32 | 63 | 4.13 | 103 | 3.32 |
| Russia | 64 | 4.25 | 47 | 4.88 | 51 | 4.32 | 99 | 3.35 |
| Turkey | 44 | 4.45 | 56 | 4.75 | 45 | 4.38 | 47 | 3.91 |
| Ukraine | 84 | 4.05 | 91 | 4.27 | 71 | 4.01 | 95 | 3.36 |

Table 11: Ease of Doing Business EU27- 2005-2014

| | 2005/2006 | 2006/2007 | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ECONOMY | | | | | | | | | |
| Austria | 32 | 30 | 25 | 27 | 28 | 32 | 32 | 29 | 30 |
| Belgium | 18 | 20 | 19 | 19 | 22 | 25 | 28 | 33 | 36 |
| Bulgaria | 62 | 54 | 46 | 45 | 44 | 51 | 59 | 66 | 58 |
| Cyprus | x | x | x | x | 40 | 37 | 40 | 36 | 39 |
| Czech Republic | 41 | 52 | 56 | 75 | 74 | 63 | 64 | 65 | 75 |
| Denmark | 8 | 7 | 5 | 5 | 6 | 6 | 5 | 5 | 5 |
| Estonia | 16 | 17 | 17 | 22 | 24 | 17 | 24 | 21 | 22 |
| Finland | 13 | 14 | 13 | 14 | 16 | 13 | 11 | 11 | 12 |
| France | 44 | 35 | 31 | 31 | 31 | 26 | 29 | 34 | 38 |
| Germany | 19 | 21 | 20 | 25 | 25 | 22 | 19 | 20 | 21 |
| Greece | 80 | 109 | 100 | 96 | 109 | 109 | 100 | 78 | 72 |
| Hungary | 52 | 66 | 45 | 41 | 47 | 46 | 51 | 54 | 54 |
| Ireland | 11 | 10 | 8 | 7 | 7 | 9 | 10 | 15 | 15 |
| Italy | 70 | 82 | 53 | 65 | 78 | 80 | 87 | 73 | 65 |
| Latvia | 26 | 24 | 22 | 29 | 27 | 24 | 21 | 25 | 24 |
| Lithuania | 15 | 16 | 26 | 28 | 26 | 23 | 27 | 27 | 17 |
| Luxembourg | x | x | 42 | 50 | 64 | 45 | 50 | 56 | 60 |
| Malta | x | x | x | x | x | x | x | x | 103 |
| Netherlands | 24 | 22 | 21 | 26 | 30 | 30 | 31 | 31 | 28 |
| Poland | 54 | 75 | 74 | 76 | 72 | 70 | 62 | 55 | 45 |
| Portugal | 42 | 40 | 37 | 48 | 48 | 31 | 30 | 30 | 31 |
| Romania | 78 | 49 | 48 | 47 | 55 | 56 | 72 | 72 | 73 |
| Slovak Republic | 37 | 36 | 32 | 36 | 42 | 41 | 48 | 46 | 49 |
| Slovenia | 63 | 61 | 55 | 54 | 53 | 42 | 37 | 35 | 33 |
| Spain | 30 | 39 | 38 | 49 | 62 | 49 | 44 | 44 | 52 |
| Sweden | 14 | 13 | 14 | 17 | 18 | 14 | 14 | 13 | 14 |
| United Kingdom | 9 | 6 | 6 | 6 | 5 | 4 | 7 | 7 | 10 |
| AVERAGE | 35.75 | 37.42 | 34.12 | 37.52 | 40.5 | 37.11 | 38.54 | 37.73 | 40.03 |

Table 12: Ease of Doing Business EU27 Pillars

| | Ease of Doing Business | Starting a Business | Dealing with Construction Permits | Getting Electricity | Registering Property | Getting Credit | Protecting Investors | Paying taxes | Trading Across Borders | Enforcing Contracts | Resolving Insolvency |
|-----------------|------------------------|---------------------|-----------------------------------|---------------------|----------------------|----------------|----------------------|--------------|------------------------|---------------------|----------------------|
| ECONOMY | | | | | | | | | | | |
| Austria | 30 | 138 | 94 | 28 | 36 | 28 | 98 | 79 | 19 | 6 | 14 |
| Belgium | 36 | 49 | 100 | 90 | 180 | 73 | 16 | 76 | 28 | 16 | 6 |
| Bulgaria | 58 | 65 | 118 | 135 | 62 | 28 | 52 | 81 | 79 | 79 | 92 |
| Cyprus | 39 | 44 | 86 | 108 | 103 | 55 | 34 | 33 | 27 | 110 | 24 |
| Czech Republic | 75 | 146 | 86 | 146 | 37 | 55 | 98 | 122 | 68 | 75 | 29 |
| Denmark | 5 | 40 | 8 | 18 | 7 | 28 | 34 | 12 | 8 | 32 | 10 |
| Estonia | 22 | 61 | 38 | 56 | 15 | 42 | 68 | 32 | 7 | 26 | 66 |
| Finland | 12 | 55 | 36 | 22 | 26 | 42 | 68 | 21 | 9 | 8 | 3 |
| France | 38 | 41 | 92 | 42 | 149 | 55 | 80 | 52 | 36 | 7 | 46 |
| Germany | 21 | 111 | 12 | 3 | 81 | 28 | 98 | 89 | 14 | 5 | 13 |
| Greece | 72 | 36 | 66 | 61 | 161 | 86 | 80 | 53 | 52 | 98 | 87 |
| Hungary | 54 | 59 | 47 | 112 | 45 | 55 | 128 | 124 | 70 | 15 | 70 |
| Ireland | 15 | 12 | 115 | 100 | 57 | 13 | 6 | 6 | 20 | 62 | 8 |
| Italy | 65 | 90 | 112 | 89 | 34 | 109 | 52 | 138 | 56 | 103 | 33 |
| Latvia | 24 | 57 | 79 | 83 | 33 | 3 | 68 | 49 | 17 | 21 | 43 |
| Lithuania | 17 | 11 | 39 | 75 | 6 | 28 | 68 | 56 | 15 | 17 | 44 |
| Luxembourg | 60 | 103 | 37 | 66 | 124 | 170 | 128 | 15 | 41 | 1 | 53 |
| Malta | 103 | 161 | 163 | 115 | 77 | 180 | 68 | 27 | 34 | 122 | 64 |
| Netherlands | 28 | 14 | 97 | 70 | 47 | 73 | 115 | 28 | 13 | 29 | 5 |
| Poland | 45 | 116 | 88 | 137 | 54 | 3 | 52 | 113 | 49 | 55 | 37 |
| Portugal | 31 | 32 | 76 | 36 | 30 | 109 | 52 | 81 | 25 | 24 | 23 |
| Romania | 73 | 60 | 136 | 174 | 70 | 13 | 52 | 134 | 76 | 53 | 99 |
| Slovak Republic | 49 | 108 | 53 | 65 | 11 | 42 | 115 | 102 | 108 | 65 | 38 |
| Slovenia | 33 | 38 | 59 | 32 | 83 | 109 | 14 | 54 | 48 | 52 | 41 |
| Spain | 52 | 142 | 98 | 62 | 60 | 55 | 98 | 67 | 32 | 59 | 22 |
| Sweden | 14 | 61 | 24 | 9 | 38 | 42 | 34 | 41 | 6 | 25 | 20 |
| United Kingdom | 10 | 28 | 27 | 74 | 68 | 1 | 10 | 14 | 16 | 56 | 7 |
| AVERAGE | 40.04 | 69.56 | 73.56 | 74.37 | 62.74 | 56.48 | 66.15 | 62.93 | 36.04 | 45.22 | 36.93 |

Table 13: Starting a Business EU27

| | Starting a Business RANK | Procedures | Time | Cost | Paid-in Min. Capital |
|-----------------|---------------------------------|-------------------|-------------|-------------|-----------------------------|
| ECONOMY | | | | | |
| Austria | 138 | 8 | 25 | 4.8 | 47.8 |
| Belgium | 49 | 3 | 4 | 5.2 | 18.2 |
| Bulgaria | 65 | 4 | 18 | 1 | 0 |
| Cyprus | 44 | 6 | 8 | 12.3 | 0 |
| Czech Republic | 146 | 9 | 19.5 | 8.2 | 29.5 |
| Denmark | 40 | 4 | 5.5 | 0.2 | 23.9 |
| Estonia | 51 | 5 | 6.5 | 1.5 | 20.6 |
| Finland | 55 | 3 | 14 | 1.1 | 7 |
| France | 41 | 5 | 6.5 | 0.9 | 0 |
| Germany | 111 | 9 | 14.5 | 4.7 | 0 |
| Greece | 36 | 5 | 14 | 4.6 | 0 |
| Hungary | 59 | 4 | 5 | 8.6 | 9.4 |
| Ireland | 12 | 4 | 10 | 0.3 | 0 |
| Italy | 90 | 6 | 6 | 14.2 | 9.8 |
| Latvia | 57 | 4 | 12.5 | 1.9 | 0 |
| Lithuania | 11 | 4 | 6.5 | 0.9 | 0 |
| Luxembourg | 103 | 6 | 18.5 | 1.9 | 20.8 |
| Malta | 161 | 11 | 39.5 | 10.8 | 1.5 |
| Netherlands | 14 | 4 | 4 | 5,2 | 0 |
| Poland | 116 | 4 | 30 | 14,3 | 12,6 |
| Portugal | 32 | 3 | 2,5 | 2,4 | 0 |
| Romania | 60 | 5 | 8.5 | 2.4 | 0.7 |
| Slovak Republic | 108 | 7 | 18,5 | 1,5 | 19,3 |
| Slovenia | 38 | 2 | 6 | 0 | 44.1 |
| Spain | 142 | 10 | 23 | 4,7 | 13,4 |
| Sweden | 61 | 3 | 16 | 0,5 | 13,1 |
| United Kingdom | 28 | 6 | 12 | 0,3 | 0 |

Table 14: Dealing with Construction Permits EU27

| | Dealing with Construction Permits Rank | Procedures | Time | Cost |
|-----------------|----------------------------------------|------------|-------|-------|
| ECONOMY | | | | |
| Austria | 94 | 13 | 194 | 55.8 |
| Belgium | 100 | 13 | 214 | 54.3 |
| Bulgaria | 118 | 18 | 104 | 222.9 |
| Cyprus | 86 | 9 | 677 | 57 |
| Czech Republic | 86 | 33 | 120 | 10.5 |
| Denmark | 8 | 8 | 67 | 87.2 |
| Estonia | 38 | 13 | 148 | 15 |
| Finland | 36 | 16 | 66 | 43.3 |
| France | 92 | 9 | 184 | 244.4 |
| Germany | 12 | 9 | 97 | 46.7 |
| Greece | 66 | 19 | 105 | 27.1 |
| Hungary | 47 | 24 | 79 | 9.2 |
| Ireland | 115 | 12 | 156 | 446.3 |
| Italy | 112 | 11 | 233.5 | 186.4 |
| Latvia | 79 | 18 | 152 | 15.4 |
| Lithuania | 39 | 16 | 105 | 18 |
| Luxembourg | 37 | 12 | 157 | 19.1 |
| Malta | 163 | 18 | 224 | 150.1 |
| Netherlands | 97 | 14 | 157 | 79,4 |
| Poland | 88 | 18 | 161 | 10,6 |
| Portugal | 76 | 13 | 99 | 374,9 |
| Romania | 136 | 15 | 287 | 71.2 |
| Slovak Republic | 53 | 11 | 286 | 6,6 |
| Slovenia | 59 | 10 | 182 | 66.2 |
| Spain | 98 | 9 | 230 | 172,9 |
| Sweden | 24 | 7 | 116 | 76,3 |
| United Kingdom | 27 | 12 | 88 | 66 |

Table 15: Getting Electricity EU27

| | Getting Electricity Rank | Procedures | Time | Cost |
|-----------------|---------------------------------|-------------------|-------------|-------------|
| ECONOMY | | | | |
| Austria | 28 | 5 | 23 | 101.7 |
| Belgium | 90 | 6 | 88 | 92.5 |
| Bulgaria | 135 | 6 | 130 | 320 |
| Cyprus | 108 | 5 | 247 | 96.6 |
| Czech Republic | 146 | 6 | 279 | 179 |
| Denmark | 18 | 4 | 38 | 118.4 |
| Estonia | 56 | 4 | 111 | 188 |
| Finland | 22 | 5 | 42 | 29.6 |
| France | 42 | 5 | 79 | 43.3 |
| Germany | 3 | 3 | 17 | 46.9 |
| Greece | 61 | 6 | 62 | 66.7 |
| Hungary | 112 | 5 | 252 | 116.4 |
| Ireland | 100 | 5 | 205 | 89.4 |
| Italy | 89 | 5 | 124 | 215.9 |
| Latvia | 83 | 5 | 108 | 326.1 |
| Lithuania | 75 | 5 | 148 | 48.1 |
| Luxembourg | 66 | 5 | 120 | 57.7 |
| Malta | 115 | 5 | 136 | 463.2 |
| Netherlands | 70 | 5 | 143 | 35,8 |
| Poland | 137 | 6 | 161 | 205,2 |
| Portugal | 36 | 5 | 64 | 53,6 |
| Romania | 174 | 7 | 223 | 534 |
| Slovak Republic | 65 | 5 | 158 | 10,5 |
| Slovenia | 32 | 5 | 38 | 120.3 |
| Spain | 62 | 5 | 85 | 234,4 |
| Sweden | 9 | 3 | 52 | 36,6 |
| United Kingdom | 74 | 5 | 126 | 91,9 |

Table 16: Registering Property EU27

| | Registering Property Rank | Procedures | Time | Cost |
|-----------------|------------------------------|------------|-------|------|
| ECONOMY | | | | |
| Austria | 36 | 3 | 20.5 | 4.6 |
| Belgium | 180 | 8 | 64 | 12.7 |
| Bulgaria | 62 | 7 | 14 | 2.9 |
| Cyprus | 103 | 6 | 28 | 10.3 |
| Czech Republic | 37 | 3 | 24 | 4 |
| Denmark | 7 | 3 | 4 | 0.6 |
| Estonia | 15 | 3 | 17.5 | 0.5 |
| Finland | 26 | 3 | 14 | 4 |
| France | 149 | 8 | 49 | 6.1 |
| Germany | 81 | 5 | 40 | 5.7 |
| Greece | 161 | 11 | 20 | 11.7 |
| Hungary | 45 | 4 | 16.5 | 5 |
| Ireland | 57 | 5 | 37 | 2.6 |
| Italy | 34 | 4 | 16 | 4.4 |
| Latvia | 33 | 5 | 18 | 2 |
| Lithuania | 6 | 3 | 2.5 | 0.8 |
| Luxembourg | 124 | 7 | 26.5 | 10.1 |
| Malta | 77 | 7 | 15 | 5.1 |
| Netherlands | 47 | 5 | 2,5 | 6,1 |
| Poland | 54 | 6 | 35 | 0,4 |
| Portugal | 30 | 1 | 1 | 7,3 |
| Romania | 70 | 8 | 20 | 1.6 |
| Slovak Republic | 11 | 3 | 16,5 | 0 |
| Slovenia | 83 | 5 | 109.5 | 2 |
| Spain | 60 | 5 | 12,5 | 7,1 |
| Sweden | 38 | 1 | 28 | 4,3 |
| United Kingdom | 68 | 6 | 21,5 | 4,7 |

Table 17: Getting Credit EU27

| | Getting Credit Rank | Strength of legal rights index (0-10) | Depth of Credit Information Index (0-6) | Public Registry Coverage (%of adults) | Private Bureau Coverage (%of adults) |
|-----------------|---------------------|---------------------------------------|-----------------------------------------|---------------------------------------|--------------------------------------|
| ECONOMY | | | | | |
| Austria | 28 | 7 | 6 | 1.7 | 51.8 |
| Belgium | 73 | 6 | 4 | 96.2 | 0 |
| Bulgaria | 28 | 9 | 4 | 61 | 0 |
| Cyprus | 55 | 9 | 2 | 0 | 6.7 |
| Czech Republic | 55 | 6 | 5 | 6.4 | 76 |
| Denmark | 28 | 9 | 4 | 0 | 7.5 |
| Estonia | 42 | 7 | 5 | 0 | 33.7 |
| Finland | 42 | 8 | 4 | 0 | 19.5 |
| France | 55 | 7 | 4 | 43.6 | 0 |
| Germany | 28 | 7 | 6 | 0 | 100 |
| Greece | 86 | 4 | 5 | 0 | 84.4 |
| Hungary | 55 | 7 | 4 | 0 | 73.2 |
| Ireland | 13 | 9 | 5 | 0 | 100 |
| Italy | 109 | 3 | 5 | 25.6 | 100 |
| Latvia | 3 | 10 | 5 | 73.6 | 0 |
| Lithuania | 28 | 7 | 6 | 28.3 | 89.4 |
| Luxembourg | 170 | 4 | 0 | 0 | 0 |
| Malta | 180 | 3 | 0 | 0 | 0 |
| Netherlands | 73 | 5 | 5 | 0 | 79.9 |
| Poland | 3 | 9 | 6 | 0 | 82.8 |
| Portugal | 109 | 3 | 5 | 100 | 23.2 |
| Romania | 13 | 9 | 5 | 11.8 | 46.9 |
| Slovak Republic | 42 | 8 | 4 | 2.7 | 61.6 |
| Slovenia | 109 | 4 | 4 | 3.3 | 100 |
| Spain | 55 | 6 | 5 | 51.9 | 15.6 |
| Sweden | 42 | 8 | 4 | 0 | 100 |
| United Kingdom | 1 | 10 | 6 | 0 | 100 |

Table 18: Protecting Investors EU27

| | Protecting Investors Rank | Extent of Disclosure Index (0-10) | Extent of Director Liability Index (0-10) | Ease of shareholder suits index (0-10) | Strength of investor protection index (0-10) | |
|-----------------|---------------------------|-----------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------------|--|
| ECONOMY | | | | | | |
| Austria | 98 | 5 | 5 | 5 | 5 | |
| Belgium | 16 | 8 | 6 | 7 | 7 | |
| Bulgaria | 52 | 10 | 2 | 6 | 6 | |
| Cyprus | 34 | 8 | 4 | 7 | 6.3 | |
| Czech Republic | 98 | 2 | 5 | 8 | 5 | |
| Denmark | 34 | 7 | 5 | 7 | 6.3 | |
| Estonia | 68 | 8 | 3 | 6 | 5.7 | |
| Finland | 68 | 6 | 4 | 7 | 5.7 | |
| France | 80 | 10 | 1 | 5 | 5.3 | |
| Germany | 98 | 5 | 5 | 5 | 5 | |
| Greece | 80 | 7 | 4 | 5 | 5.3 | |
| Hungary | 128 | 2 | 4 | 7 | 4.3 | |
| Ireland | 6 | 10 | 6 | 9 | 8.3 | |
| Italy | 52 | 7 | 4 | 7 | 6 | |
| Latvia | 68 | 5 | 4 | 8 | 5.7 | |
| Lithuania | 68 | 7 | 4 | 6 | 5.7 | |
| Luxembourg | 128 | 6 | 4 | 3 | 4.3 | |
| Malta | 68 | 3 | 6 | 8 | 5.7 | |
| Netherlands | 115 | 4 | 4 | 6 | 4,7 | |
| Poland | 52 | 7 | 2 | 9 | 6 | |
| Portugal | 52 | 6 | 5 | 7 | 6 | |
| Romania | 52 | 9 | 5 | 4 | 6 | |
| Slovak Republic | 115 | 3 | 4 | 7 | 4,7 | |
| Slovenia | 14 | 5 | 9 | 8 | 7.3 | |
| Spain | 98 | 5 | 6 | 4 | 5 | |
| Sweden | 34 | 8 | 4 | 7 | 6,3 | |
| United Kingdom | 10 | 10 | 7 | 7 | 8 | |

Table 19: Paying Taxes EU27

| | Paying taxes Rank | Payments (number per year) | Time (hours per year) | Profit tax (%) |
|-----------------|-------------------|----------------------------|-----------------------|----------------|
| ECONOMY | | | | |
| Austria | 79 | 12 | 166 | 52.4 |
| Belgium | 76 | 11 | 160 | 57.5 |
| Bulgaria | 81 | 13 | 454 | 27.7 |
| Cyprus | 33 | 30 | 147 | 22.5 |
| Czech Republic | 122 | 8 | 413 | 48.1 |
| Denmark | 12 | 10 | 130 | 27 |
| Estonia | 32 | 7 | 81 | 49.4 |
| Finland | 21 | 8 | 93 | 39.8 |
| France | 52 | 7 | 132 | 64.7 |
| Germany | 89 | 9 | 218 | 49.4 |
| Greece | 53 | 8 | 193 | 44 |
| Hungary | 124 | 12 | 277 | 49.7 |
| Ireland | 6 | 9 | 80 | 25.7 |
| Italy | 138 | 15 | 269 | 65.8 |
| Latvia | 49 | 7 | 264 | 35.9 |
| Lithuania | 56 | 11 | 175 | 43.1 |
| Luxembourg | 15 | 23 | 55 | 20.7 |
| Malta | 27 | 7 | 139 | 41 |
| Netherlands | 28 | 9 | 123 | 39,3 |
| Poland | 113 | 18 | 286 | 41,6 |
| Portugal | 81 | 8 | 275 | 42,3 |
| Romania | 134 | 39 | 200 | 42.9 |
| Slovak Republic | 102 | 20 | 207 | 47,2 |
| Slovenia | 54 | 11 | 260 | 32.5 |
| Spain | 67 | 8 | 167 | 58,6 |
| Sweden | 41 | 4 | 122 | 52 |
| United Kingdom | 14 | 8 | 110 | 34 |

Table 20: Trading Across Borders EU27

| | Trading Across Borders Rank | Documents to export (number) | Time to export (days) | Cost to export (US\$ per container) | Documents to import (number) | Time to import (days) | Cost to import (US\$ per container) |
|-----------------|-----------------------------|------------------------------|-----------------------|-------------------------------------|------------------------------|-----------------------|-------------------------------------|
| ECONOMY | | | | | | | |
| Austria | 19 | 3 | 9 | 1090 | 4 | 8 | 1155 |
| Belgium | 28 | 4 | 9 | 1240 | 4 | 8 | 1400 |
| Bulgaria | 79 | 4 | 20 | 1375 | 5 | 17 | 1365 |
| Cyprus | 27 | 5 | 7 | 865 | 7 | 5 | 1010 |
| Czech Republic | 68 | 4 | 17 | 1215 | 6 | 17 | 1190 |
| Denmark | 8 | 4 | 6 | 795 | 3 | 5 | 745 |
| Estonia | 7 | 3 | 6 | 765 | 4 | 5 | 795 |
| Finland | 9 | 4 | 9 | 615 | 5 | 7 | 625 |
| France | 36 | 2 | 10 | 1335 | 2 | 11 | 1445 |
| Germany | 14 | 4 | 9 | 905 | 4 | 7 | 940 |
| Greece | 52 | 4 | 16 | 1040 | 6 | 15 | 1135 |
| Hungary | 70 | 6 | 17 | 885 | 6 | 19 | 845 |
| Ireland | 20 | 2 | 8 | 1160 | 2 | 10 | 1121 |
| Italy | 56 | 3 | 19 | 1195 | 3 | 18 | 1145 |
| Latvia | 17 | 5 | 10 | 600 | 5 | 11 | 801 |
| Lithuania | 15 | 4 | 10 | 750 | 5 | 9 | 800 |
| Luxembourg | 41 | 5 | 8 | 1425 | 4 | 7 | 1420 |
| Malta | 34 | 5 | 11 | 855 | 7 | 9 | 970 |
| Netherlands | 13 | 4 | 7 | 925 | 4 | 6 | 975 |
| Poland | 49 | 5 | 17 | 1050 | 4 | 14 | 1025 |
| Portugal | 25 | 4 | 15 | 780 | 4 | 13 | 925 |
| Romania | 76 | 5 | 13 | 1485 | 6 | 13 | 1495 |
| Slovak Republic | 108 | 7 | 17 | 1500 | 6 | 16 | 1480 |
| Slovenia | 48 | 5 | 16 | 745 | 7 | 14 | 830 |
| Spain | 32 | 4 | 10 | 1310 | 4 | 9 | 1350 |
| Sweden | 6 | 3 | 9 | 725 | 3 | 6 | 735 |
| United Kingdom | 16 | 4 | 8 | 1005 | 4 | 6 | 1050 |

Table 21: Enforcing Contracts EU27

| | Enforcing Contracts Rank | Procedures (number) | Time (days) | Cost (%of claim) |
|-----------------|-----------------------------|------------------------|----------------|---------------------|
| ECONOMY | | | | |
| Austria | 6 | 25 | 397 | 18 |
| Belgium | 16 | 26 | 505 | 17.7 |
| Bulgaria | 79 | 38 | 564 | 23.8 |
| Cyprus | 110 | 43 | 735 | 16.4 |
| Czech Republic | 75 | 27 | 611 | 33 |
| Denmark | 32 | 35 | 410 | 23.3 |
| Estonia | 26 | 35 | 425 | 21.9 |
| Finland | 8 | 33 | 375 | 13.3 |
| France | 7 | 29 | 395 | 17.4 |
| Germany | 5 | 30 | 394 | 14.4 |
| Greece | 98 | 39 | 1300 | 14.4 |
| Hungary | 15 | 35 | 395 | 15 |
| Ireland | 62 | 21 | 650 | 26.9 |
| Italy | 103 | 137 | 1185 | 23.1 |
| Latvia | 21 | 27 | 469 | 23.1 |
| Lithuania | 17 | 32 | 300 | 23.6 |
| Luxembourg | 1 | 26 | 321 | 9.7 |
| Malta | 122 | 40 | 505 | 35.9 |
| Netherlands | 29 | 26 | 514 | 23,9 |
| Poland | 55 | 33 | 685 | 19 |
| Portugal | 24 | 34 | 547 | 13 |
| Romania | 53 | 32 | 512 | 28.9 |
| Slovak Republic | 65 | 32 | 545 | 30 |
| Slovenia | 52 | 32 | 1270 | 12.7 |
| Spain | 59 | 40 | 510 | 18,5 |
| Sweden | 25 | 30 | 314 | 31,2 |
| United Kingdom | 56 | 28 | 437 | 39,9 |

Table 22: Resolving Insolvency EU27

| | Resolving Insolvency Rank | Time (years) | Cost (%of estate) | Recovery Rate (Cents on the dollar) |
|-----------------|---------------------------|--------------|-------------------|-------------------------------------|
| ECONOMY | | | | |
| Austria | 14 | 1.1 | 10 | 82.4 |
| Belgium | 6 | 0.9 | 4 | 89 |
| Bulgaria | 92 | 3.3 | 9 | 32.6 |
| Cyprus | 24 | 1.5 | 15 | 70.5 |
| Czech Republic | 29 | 2.1 | 17 | 65 |
| Denmark | 10 | 1 | 4 | 87 |
| Estonia | 66 | 3 | 9 | 38.9 |
| Finland | 3 | 0.9 | 4 | 90.2 |
| France | 46 | 1.9 | 9 | 48.3 |
| Germany | 13 | 1.2 | 8 | 82.9 |
| Greece | 87 | 3.5 | 9 | 34 |
| Hungary | 70 | 2 | 15 | 38.3 |
| Ireland | 8 | 0.4 | 9 | 87.6 |
| Italy | 33 | 1.8 | 22 | 62.7 |
| Latvia | 43 | 1.5 | 10 | 48.4 |
| Lithuania | 44 | 1.9 | 7 | 48.4 |
| Luxembourg | 53 | 2 | 15 | 43.5 |
| Malta | 64 | 3 | 10 | 39.2 |
| Netherlands | 5 | 1,1 | 4 | 89,2 |
| Poland | 37 | 3 | 15 | 54,8 |
| Portugal | 23 | 2 | 9 | 71,6 |
| Romania | 99 | 3.3 | 11 | 30 |
| Slovak Republic | 38 | 4 | 18 | 54,1 |
| Slovenia | 41 | 2 | 4 | 50.1 |
| Spain | 22 | 1,5 | 11 | 72,3 |
| Sweden | 20 | 2 | 9 | 75,5 |
| United Kingdom | 7 | 1 | 6 | 88,6 |

Table 23 EASE OF DOING BUSINESS BALKANS RANK 2005-2014

| | 2005/2006 | 2006/2007 | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ECONOMY | | | | | | | | | |
| 1 Albania | 117 | 120 | 136 | 86 | 82 | 82 | 82 | 85 | 90 |
| 2 BiH | 87 | 95 | 105 | 119 | 116 | 110 | 125 | 126 | 131 |
| 3 Bulgaria | 62 | 54 | 46 | 45 | 44 | 51 | 59 | 66 | 58 |
| 4 Croatia | 118 | 124 | 97 | 106 | 103 | 84 | 80 | 84 | 89 |
| 5 FYROM | 81 | 92 | 75 | 71 | 32 | 38 | 22 | 23 | 25 |
| 6 Greece | 80 | 109 | 100 | 96 | 109 | 109 | 100 | 78 | 72 |
| 7 Moldova | 83 | 103 | 92 | 103 | 94 | 90 | 81 | 83 | 78 |
| 8 Montenegro | 92 | 70 | 81 | 90 | 71 | 66 | 56 | 51 | 44 |
| 9 Romania | 78 | 49 | 48 | 47 | 55 | 56 | 72 | 72 | 73 |
| 10 Serbia | 92 | 68 | 86 | 94 | 88 | 89 | 92 | 86 | 93 |
| 11 Slovenia | 63 | 61 | 55 | 54 | 53 | 42 | 37 | 35 | 33 |
| 12 Turkey | 93 | 91 | 57 | 59 | 73 | 65 | 71 | 71 | 69 |
| 13 Kosovo | - | - | - | - | - | - | 117 | 98 | 86 |
| AVERAGE | 87.17 | 86.33 | 81.50 | 80.83 | 76.67 | 73.50 | 76.46 | 73.69 | 72.38 |

Table 24: EASE OF DOING BUSINESS BALKANS PILLARS 2014

| | Ease of Doing Business Rank | Starting a Business | Dealing with Construction Permits | Getting Electricity | Registering Property | Getting Credit | Protecting Investors | Paying Taxes | Trading Across Borders | Enforcing Contracts | Resolving Insolvency |
|----------------|-----------------------------|---------------------|-----------------------------------|---------------------|----------------------|----------------|----------------------|--------------|------------------------|---------------------|----------------------|
| ECONOMY | | | | | | | | | | | |
| Albania | 90 | 76 | 189 | 158 | 119 | 13 | 14 | 146 | 85 | 124 | 62 |
| BiH | 131 | 174 | 175 | 164 | 96 | 73 | 115 | 135 | 107 | 115 | 77 |
| Bulgaria | 58 | 65 | 118 | 135 | 62 | 28 | 52 | 81 | 79 | 79 | 92 |
| Croatia | 89 | 80 | 152 | 60 | 106 | 42 | 157 | 34 | 99 | 49 | 98 |
| FYROM | 25 | 7 | 63 | 76 | 84 | 3 | 16 | 26 | 89 | 95 | 52 |
| Greece | 72 | 36 | 66 | 61 | 161 | 86 | 80 | 53 | 52 | 98 | 87 |
| Kosovo | 86 | 100 | 136 | 121 | 58 | 28 | 98 | 43 | 121 | 138 | 83 |
| Moldova | 78 | 81 | 174 | 165 | 19 | 13 | 80 | 95 | 150 | 23 | 91 |
| Montenegro | 44 | 69 | 106 | 69 | 98 | 3 | 34 | 86 | 53 | 136 | 45 |
| Romania | 73 | 60 | 136 | 174 | 70 | 13 | 52 | 134 | 76 | 53 | 99 |
| Serbia | 93 | 45 | 182 | 85 | 44 | 42 | 80 | 161 | 98 | 116 | 103 |
| Slovenia | 33 | 38 | 59 | 32 | 83 | 109 | 14 | 54 | 48 | 52 | 41 |
| Turkey | 69 | 93 | 148 | 49 | 50 | 86 | 34 | 71 | 86 | 38 | 130 |
| AVERAGE | 72.38 | 71.08 | 131.08 | 103.77 | 80.77 | 41.46 | 63.54 | 86.08 | 87.92 | 85.85 | 81.54 |

Table 25: Starting a Business Balkans

| | Starting a Business RANK | Procedures | Time | Cost | Paid-in Min. Capital |
|----------------|--------------------------|------------|-------|------|----------------------|
| ECONOMY | | | | | |
| Albania | 76 | 5 | 4.5 | 21.1 | 0 |
| BiH | 174 | 11 | 37 | 14.9 | 29.1 |
| Bulgaria | 65 | 4 | 18 | 1 | 0 |
| Croatia | 80 | 6 | 8 | 9.3 | 0 |
| FYROM | 7 | 2 | 2 | 1.9 | 0 |
| Greece | 36 | 5 | 14 | 4.6 | 0 |
| Kosovo | 100 | 6 | 30 | 22.1 | 0 |
| Moldova | 81 | 6 | 7 | 5.4 | 8.1 |
| Montenegro | 69 | 6 | 10 | 1.5 | 0 |
| Romania | 60 | 5 | 8.5 | 2.4 | 0.7 |
| Serbia | 45 | 6 | 11.5 | 7.2 | 0 |
| Slovenia | 38 | 2 | 6 | 0 | 44.1 |
| Turkey | 93 | 6 | 6 | 12.7 | 13.2 |
| AVERAGE | 71.08 | 5.38 | 12.50 | 8.55 | 7.32 |

Table 26: Dealing with Construction Permits Balkans

| | Dealing with Construction Permits Rank | Procedures | Time | Cost |
|----------------|----------------------------------------|------------|--------|--------|
| ECONOMY | | | | |
| Albania | 189 | - | - | - |
| BiH | 175 | 17 | 179 | 1100.2 |
| Bulgaria | 118 | 18 | 104 | 222.9 |
| Croatia | 152 | 12 | 317 | 646.5 |
| FYROM | 63 | 12 | 90 | 512.1 |
| Greece | 66 | 19 | 105 | 27.1 |
| Kosovo | 136 | 15 | 151 | 514.7 |
| Moldova | 174 | 26 | 291 | 65 |
| Montenegro | 106 | 9 | 158 | 1159.3 |
| Romania | 136 | 15 | 287 | 71.2 |
| Serbia | 182 | 18 | 269 | 1433.5 |
| Slovenia | 59 | 10 | 182 | 66.2 |
| Turkey | 148 | 20 | 164 | 142.5 |
| AVERAGE | 131.08 | 15.92 | 191.42 | 436.54 |

Table 27: Getting Electricity Balkans

| | Getting Electricity Rank | Procedures | Time | Cost |
|----------------|--------------------------|------------|-------|-------|
| ECONOMY | | | | |
| Albania | 158 | 6 | 177 | 543.3 |
| BiH | 164 | 8 | 125 | 492.4 |
| Bulgaria | 135 | 6 | 130 | 320 |
| Croatia | 60 | 5 | 70 | 319.8 |
| FYROM | 76 | 5 | 107 | 258.6 |
| Greece | 61 | 6 | 62 | 66.7 |
| Kosovo | 121 | 7 | 48 | 881.1 |
| Moldova | 165 | 7 | 140 | 542.1 |
| Montenegro | 69 | 5 | 71 | 487.6 |
| Romania | 174 | 7 | 223 | 534 |
| Serbia | 85 | 4 | 131 | 505.6 |
| Slovenia | 32 | 5 | 38 | 120.3 |
| Turkey | 49 | 4 | 70 | 475.3 |
| AVERAGE | 103.8 | 5.8 | 107.1 | 421.6 |

Table 28: Registering Property Balkans

| | Registering Property Rank | Procedures | Time | Cost |
|----------------|---------------------------------|------------|-------|------|
| ECONOMY | | | | |
| Albania | 119 | 6 | 33 | 11.1 |
| BiH | 96 | 7 | 25 | 5.3 |
| Bulgaria | 62 | 7 | 14 | 2.9 |
| Croatia | 106 | 5 | 102.5 | 5 |
| FYROM | 84 | 7 | 31 | 3.3 |
| Greece | 161 | 11 | 20 | 11.7 |
| Kosovo | 58 | 7 | 28 | 0.3 |
| Moldova | 19 | 5 | 6 | 0.9 |
| Montenegro | 98 | 6 | 70 | 3.1 |
| Romania | 70 | 8 | 20 | 1.6 |
| Serbia | 44 | 6 | 11 | 2.8 |
| Slovenia | 83 | 5 | 109.5 | 2 |
| Turkey | 50 | 6 | 6 | 4 |
| AVERAGE | 80.77 | 6.62 | 36.62 | 4.24 |

Table 29: Getting Credit Balkans

| | Getting Credit Rank | Strength of legal rights index (0-10) | Depth of Credit Information Index (0-6) | Public Registry Coverage (%of adults) | Private Bureau Coverage (%of adults) |
|----------------|------------------------|---------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------------------------------|
| ECONOMY | | | | | |
| Albania | 13 | 9 | 5 | 13.1 | 0 |
| BiH | 73 | 5 | 5 | 39.1 | 4.9 |
| Bulgaria | 28 | 9 | 4 | 61 | 0 |
| Croatia | 42 | 7 | 5 | 0 | 100 |
| FYROM | 3 | 9 | 6 | 34.8 | 77.1 |
| Greece | 86 | 4 | 5 | 0 | 84.4 |
| Kosovo | 28 | 8 | 5 | 22.1 | 0 |
| Moldova | 13 | 9 | 5 | 0 | 4.5 |
| Montenegro | 3 | 10 | 5 | 25.2 | 0 |
| Romania | 13 | 9 | 5 | 11.8 | 46.9 |
| Serbia | 42 | 7 | 5 | 0 | 100 |
| Slovenia | 109 | 4 | 4 | 3.3 | 100 |
| Turkey | 86 | 4 | 5 | 27 | 71.7 |
| AVERAGE | 41.46 | 7.23 | 4.92 | 18.26 | 45.35 |

Table 30: Protecting Investors Balkans

| | Protecting Investors Rank | Extent of Disclosure Index (0-10) | Extent of Director Liability Index (0-10) | Ease of shareholder suits index (0-10) | Strength of investor protection index (0-10) |
|----------------|---------------------------|-----------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------------|
| ECONOMY | | | | | |
| Albania | 14 | 7 | 9 | 6 | 7.3 |
| BiH | 115 | 3 | 6 | 5 | 4.7 |
| Bulgaria | 52 | 10 | 2 | 6 | 6 |
| Croatia | 157 | 1 | 5 | 4 | 3.3 |
| FYROM | 16 | 9 | 8 | 4 | 7 |
| Greece | 80 | 7 | 4 | 5 | 5.3 |
| Kosovo | 98 | 6 | 6 | 3 | 5 |
| Moldova | 80 | 7 | 3 | 6 | 5.3 |
| Montenegro | 34 | 5 | 8 | 6 | 6.3 |
| Romania | 52 | 9 | 5 | 4 | 6 |
| Serbia | 80 | 7 | 6 | 3 | 5.3 |
| Slovenia | 14 | 5 | 9 | 8 | 7.3 |
| Turkey | 34 | 9 | 5 | 5 | 6.3 |
| AVERAGE | 63.54 | 6.54 | 5.85 | 5.00 | 5.87 |

Table 31: Paying Taxes EU27

| | Paying taxes Rank | Payments (number per year) | Time (hours per year) | Total tax rate (% profit) |
|----------------|-------------------|----------------------------|-----------------------|---------------------------|
| ECONOMY | | | | |
| Albania | 146 | 42 | 357 | 31.7 |
| BiH | 135 | 40 | 40.7 | 25.5 |
| Bulgaria | 81 | 13 | 454 | 27.7 |
| Croatia | 34 | 19 | 196 | 19.8 |
| FYROM | 26 | 29 | 119 | 8.2 |
| Greece | 53 | 8 | 193 | 44 |
| Kosovo | 43 | 33 | 162 | 15.4 |
| Moldova | 95 | 31 | 181 | 40.4 |
| Montenegro | 86 | 29 | 320 | 20.9 |
| Romania | 134 | 39 | 200 | 42.9 |
| Serbia | 161 | 66 | 279 | 36.8 |
| Slovenia | 54 | 11 | 260 | 32.5 |
| Turkey | 71 | 11 | 226 | 40.2 |
| AVERAGE | 86.08 | 28.54 | 229.82 | 29.46 |

Table 32: Trading Across Borders Balkans

| | Trading Across Borders Rank | Documents to export (number) | Time to export (days) | Cost to export (US\$ per container) | Documents to import (number) | Time to import (days) | Cost to import (US\$ per container) |
|----------------|-----------------------------|------------------------------|-----------------------|-------------------------------------|------------------------------|-----------------------|-------------------------------------|
| ECONOMY | | | | | | | |
| Albania | 85 | 7 | 19 | 745 | 8 | 18 | 730 |
| BiH | 107 | 8 | 16 | 1260 | 8 | 13 | 1200 |
| Bulgaria | 79 | 4 | 20 | 1375 | 5 | 17 | 1365 |
| Croatia | 99 | 7 | 18 | 1335 | 7 | 15 | 1185 |
| FYROM | 89 | 6 | 12 | 1376 | 8 | 11 | 1380 |
| Greece | 52 | 4 | 16 | 1040 | 6 | 15 | 1135 |
| Kosovo | 121 | 8 | 15 | 1775 | 7 | 15 | 1810 |
| Moldova | 150 | 7 | 32 | 1545 | 8 | 35 | 1870 |
| Montenegro | 53 | 6 | 14 | 985 | 5 | 14 | 985 |
| Romania | 76 | 5 | 13 | 1485 | 6 | 13 | 1495 |
| Serbia | 98 | 6 | 12 | 1455 | 7 | 15 | 1760 |
| Slovenia | 48 | 5 | 16 | 745 | 7 | 14 | 830 |
| Turkey | 86 | 7 | 13 | 990 | 8 | 14 | 1235 |
| AVERAGE | 87.92 | 6.15 | 16.62 | 1239.31 | 6.92 | 16.08 | 1306.15 |

Table 33: Enforcing Contracts (8th pillar) Balkans

| | Enforcing Contracts Rank | Procedures (number) | Time (days) | Cost (% of claim) |
|----------------|--------------------------|---------------------|-------------|-------------------|
| ECONOMY | | | | |
| Albania | 124 | 39 | 525 | 35.7 |
| BiH | 115 | 37 | 595 | 34 |
| Bulgaria | 79 | 38 | 564 | 23.8 |
| Croatia | 49 | 38 | 572 | 13.8 |
| FYROM | 95 | 37 | 604 | 28.8 |
| Greece | 98 | 39 | 1300 | 14.4 |
| Kosovo | 138 | 53 | 420 | 33 |
| Moldova | 23 | 31 | 337 | 28.6 |
| Montenegro | 136 | 49 | 545 | 25.7 |
| Romania | 53 | 32 | 512 | 28.9 |
| Serbia | 116 | 36 | 635 | 34 |
| Slovenia | 52 | 32 | 1270 | 12.7 |
| Turkey | 38 | 36 | 420 | 24.9 |
| AVERAGE | 85.85 | 38.23 | 638.38 | 26.02 |

Table 34: Resolving Insolvency EU27

| | Resolving Insolvency Rank | Time (years) | Cost (%of estate) | Recovery Rate (Cents on the dollar) |
|----------------|---------------------------|--------------|-------------------|-------------------------------------|
| ECONOMY | | | | |
| Albania | 62 | 2 | 10 | 40.7 |
| BiH | 77 | 3.3 | 9 | 36 |
| Bulgaria | 92 | 3.3 | 9 | 32.6 |
| Croatia | 98 | 3.1 | 15 | 30.3 |
| FYROM | 52 | 1.8 | 10 | 43.8 |
| Greece | 87 | 3.5 | 9 | 34 |
| Kosovo | 83 | 2 | 15 | 35.3 |
| Moldova | 91 | 2.8 | 9 | 32.8 |
| Montenegro | 45 | 1.4 | 8 | 48.4 |
| Romania | 99 | 3.3 | 11 | 30 |
| Serbia | 103 | 2 | 20 | 29 |
| Slovenia | 41 | 2 | 4 | 50.1 |
| Turkey | 130 | 3.3 | 15 | 22.3 |
| AVERAGE | 81.54 | 2.60 | 11.08 | 35.79 |

Table 35: Ease of doing business Black Sea pillars 2014

| | Ease of Doing Business Rank | Starting a Business | Dealing with Construction Permits | Getting Electricity | Registering Property | Getting Credit | Protecting Investors | Paying Taxes | Trading Across Borders | Enforcing Contracts | Resolving Insolvency |
|----------------|-----------------------------|---------------------|-----------------------------------|---------------------|----------------------|----------------|----------------------|--------------|------------------------|---------------------|----------------------|
| ECONOMY | | | | | | | | | | | |
| Albania | 90 | 76 | 189 | 158 | 119 | 13 | 14 | 146 | 85 | 124 | 62 |
| Armenia | 37 | 6 | 79 | 109 | 5 | 42 | 22 | 103 | 117 | 112 | 76 |
| Azerbaijan | 70 | 10 | 180 | 181 | 13 | 55 | 22 | 77 | 168 | 28 | 86 |
| Bulgaria | 58 | 65 | 118 | 135 | 62 | 28 | 52 | 81 | 79 | 79 | 92 |
| Georgia | 8 | 8 | 2 | 54 | 1 | 3 | 16 | 29 | 43 | 33 | 88 |
| Greece | 72 | 36 | 66 | 61 | 161 | 86 | 80 | 53 | 52 | 98 | 87 |
| Moldova | 78 | 81 | 174 | 165 | 19 | 13 | 80 | 95 | 150 | 23 | 91 |
| Romania | 73 | 60 | 136 | 174 | 70 | 13 | 52 | 134 | 76 | 53 | 99 |
| Russia | 92 | 88 | 178 | 117 | 17 | 109 | 115 | 56 | 157 | 10 | 55 |
| Turkey | 69 | 93 | 148 | 49 | 50 | 86 | 34 | 71 | 86 | 38 | 130 |
| Ukraine | 112 | 47 | 41 | 172 | 97 | 13 | 128 | 164 | 148 | 45 | 162 |
| AVERAGE | 69.00 | 51.82 | 119.18 | 125.00 | 55.82 | 41.91 | 55.91 | 91.73 | 105.55 | 58.45 | 93.45 |

Table 36: Ease of doing business Balkans, Black Sea, China, USA pillars 2013-2014

| | Ease of Doing Business Rank | Starting a Business | Dealing with Construction Permits | Getting Electricity | Registering Property | Getting Credit | Protecting Investors | Paying Taxes | Trading Across Borders | Enforcing Contracts | Resolving Insolvency |
|----------------|-----------------------------|---------------------|-----------------------------------|---------------------|----------------------|----------------|----------------------|--------------|------------------------|---------------------|----------------------|
| ECONOMY | | | | | | | | | | | |
| BALKANS | 70.10 | 53.98 | 116.22 | 123.30 | 54.58 | 44.79 | 63.49 | 85.17 | 106.45 | 46.55 | 98.35 |
| BLACK SEA | 79.39 | 63.85 | 122.30 | 123.29 | 65.55 | 50.84 | 76.05 | 93.74 | 110.13 | 46.50 | 101.98 |
| CHINA | 96 | 158 | 185 | 119 | 48 | 73 | 98 | 120 | 74 | 19 | 78 |
| USA | 4 | 20 | 34 | 13 | 25 | 3 | 6 | 64 | 22 | 11 | 17 |

Table 37: Ease of Doing Business average rank Balkans,EU, USA, China 2005-2014

| REGIONS | 2005/2006 | 2006/2007 | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| BALKANS | 87,17 | 86,33 | 81,5 | 80,83 | 76,67 | 73,5 | 76,46 | 73,69 | 72,38 |
| EU | 35,75 | 37,42 | 34,12 | 37,52 | 40,5 | 37,12 | 38,54 | 37,73 | 40,04 |
| USA | 3 | 3 | 3 | 3 | 4 | 5 | 4 | 4 | 4 |
| CHINA | 91 | 93 | 83 | 83 | 89 | 79 | 91 | 91 | 96 |