

Organisation of work, time, efficiency,
competition

Dobri Zhelyazkov and the first textile factory
in Bulgaria and
on the Balkan peninsula
(by Aleksander Zoev)

Dobri Zhelyazkov Fotisov - Factory maker
(1800 - 1865) is a Bulgarian entrepreneur who
founded the first textile production in Sliven
and the Balkans in the 1830s.



(Monument to Dobri Zhelyazkov in Borisova gradina, Sofia.)

Born in Sliven, Ottoman Empire (nowadays Bulgaria), Zhelyazkov studied at the Greek school in his native town. Upon finishing, he tried several handcrafts until he discovered his talent in homespun tailoring. In the 1820s Zhelyazkov introduced an improved wool-carding machine in his work, drawing down upon himself the anger of his competitors, who complained to the authorities. However, this did not stop Zhelyazkov.

In 1826, Zhelyazkov co-founded the Secret Brotherhood (Тайно братство, Tayno bratstvo) together with Dr Ivan Seliminski. The organization, initially a social one, would develop into a political society. Following the outbreak of the Russo-Turkish War of 1828–1829, Zhelyazkov took part in the organization of an uprising in the region of Sliven. However, after the signing of the Treaty of Adrianople in 1829, Zhelyazkov was forced to flee to Russia in 1830. He settled in Crimea, marrying another emigrant, Mariyka Yanakieva, and became a wool and cloth merchant, touring the country and observing textile production.

In 1834, Zhelyazkov returned to Sliven with his family and settled in his wife's house. There he constructed a production building (2.20 × 4.80 m, 3.80 m high), where he fitted looms, carding and spinning machines constructed by local smiths to designs brought from Russia. Zhelyazkov hired workers (including two Germans from Moravia) and began to produce homespun, frieze and broad cloth. While this once again angered his competitors, he also earned a number of

admirers among the local citizens. With this remarkable event the industrial revolution on the territory of Bulgaria has started.



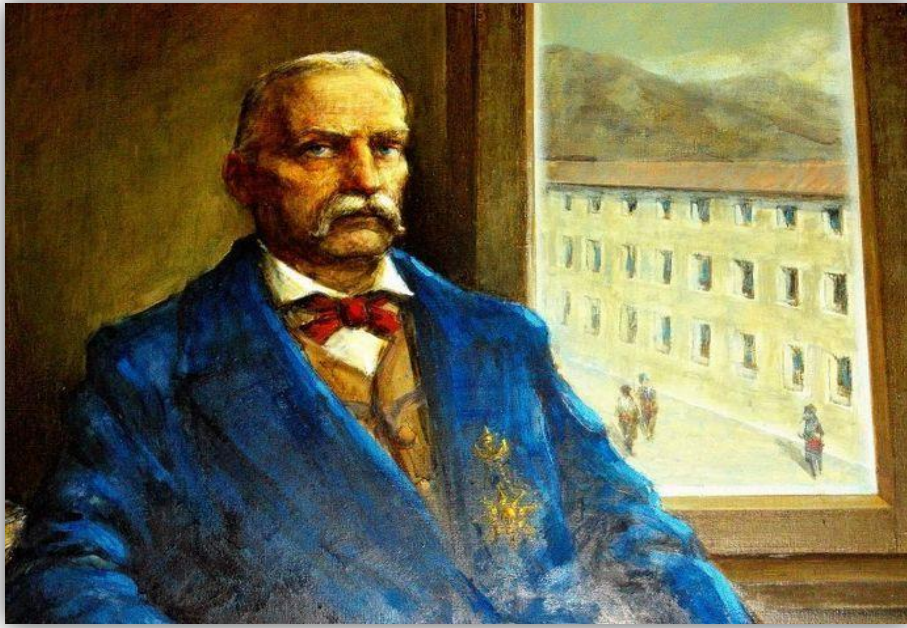
Dobri Zhelyazkov's factory in Sliven as drawn by Felix Philipp Kanitz (ethnographer, archaeologist and author of travel notes)

To look for support for his work, Zhelyazkov went to Istanbul and met the Sultan Mahmud II, a known reformer. Mahmud was impressed by Zhelyazkov's production and, in 1835, signed a contract with him officially establishing the Sliven textile factory. A sultan's firman gave Zhelyazkov a number of rights, including the right to supply cloth for the Ottoman Army and administration. In the same time, the Ottoman government was obliged to provide Zhelyazkov with machines and another building, while Zhelyazkov's obligations included supplying wool, furnishing the factory, hiring and paying to workers and selling the produced cloth for the price of 22 groschen per

arshin. Zhelyazkov's work is regarded as a historical achievement initiating the encouragement of local industry in the empire. At the factory were producing abies, shiatsu and sukna(turkish clothing). At the beginning 80 people from Bulgaria and Moravia worked. Later Zhelyazkov, built two more factories in his hometown.



Dobri Zhelyazkov's factory in Sliven today.



The first to describe Zhelyazkov's factory was Ami Boué in 1837. In 1842, an expansion began, with another production building being constructed: one of the largest in Bulgaria during the period. In 1845, the factory became state property, and in 1853 Zhelyazkov's competitors knocked him and arranged his elimination from its administration. Zhelyazkov was sent to İzmit in Anatolia, where he was supposed to set up another factory. Zhelyazkov returned to Sliven in 1856 and, despite his long legal efforts to regain his rights over the Sliven factory, he died ill and in poverty in 1865.

1878-1945

After the Liberation of Bulgaria the new country settled upon a low tariff regime and as a result local industry suffered from the increased import of cheaper and high-quality goods from more

developed producers in Western Europe. A number of protectionist laws passed by the government in the 1890s and early 20th century led to an increase in industrial output. At this time Bulgaria received an inflow of foreign capital largely from Germany, Belgium and Austria-Hungary which was focused mainly in mining and agricultural processing industries. In the 25 years between 1890 and 1915, industry provided 15% of the GDP.

Despite the upheavals of World War I, the number of manufacturing plants increased between the wars. In 1939 there were 3,345 manufacturing enterprises which employed around 112,000 people. The average size was still fairly small - only around 30 employees per factory. The industry still was concentrated mainly in the large cities and their expanding suburbs. Ruse, Plovdiv, Varna, Sofia, Pleven, Stara Zagora, and Gabrovo saw significant expansion between 1920 and 1940. Large parts of the country remained almost entirely agrarian. At the beginning of World War II only five cities, Sofia, Plovdiv, Ruse, Varna and Burgas, accounted for 46,5% of all industrial output.

Manufacturing was still predominantly light and export focused: textiles, leather, footwear and perishables such as tobacco, sugar, butter and meat were produced in large quantities. Mining

consisted of the extraction of coal (near Pernik) and small quantities of ferrous ores. Aircraft were produced in Lovech, Bozhurishte and Kazanlak. Darjavna Aeroplanna Rabotilnitsa (State Aircraft Workshops) had a plant in Bozhurishte which focused on military aircraft DAR.



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-The Taxi Pius at Alexander I Square opposite the palace around(Sofia) 1930.

The growing capital of Bulgaria (Sofia) in 1920.

Companies for household needs were established in Tsardom of Bulgaria in the early stage of the 20 century. Advertisements were made in the newspapers and on the buildings around the main cities .

жава, въводи „земята им“ тосъ, Елхово, Карнобатъ, По-
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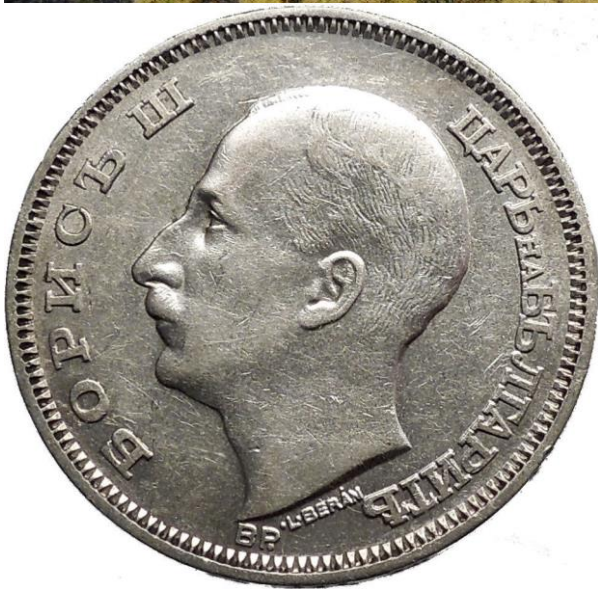
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 Махалата и
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 Паръ Кат
 Въ Юж
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НАЙ-ДОБРАТА
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-This is how coins looked like during the rule of Boris III, who was the last Tsar of Bulgaria.



Kingdom of Bulgaria

Darzhavna Aeroplanna Rabotilnitsa(DAR)
(established 1924)

Darzhavna aeroplanna rabotilnitsa (Държавна аеропланна работилница - State Aircraft Workshops), abbreviated DAR (ДАР), was the first Bulgarian aircraft manufacturer, established in 1924 at Bojourishte.

Initially involved in repairing German aircraft then in use in Bulgaria, DAR soon began producing copies of some of these ("DAR Uzunov-1", "DAR 2"), before moving on to licensed production of the Focke-Wulf Fw 44. The workshops produced a number of original designs, some of these were produced ("DAR 1", "DAR 1A" - 12 pieces, "DAR

3" - 24 pcs., "DAR 4", "DAR 6" - 6 pcs., "DAR 8" - 12 pcs., "DAR 9", "DAR 11" - 12 pcs.), while others never proceeded past prototype stage ("DAR 5", "DAR 7", "DAR 10").



Bundesarchiv, Bild 104-0321
Foto: o. Ang. | 1910/1918

DAR 2



DAR 10



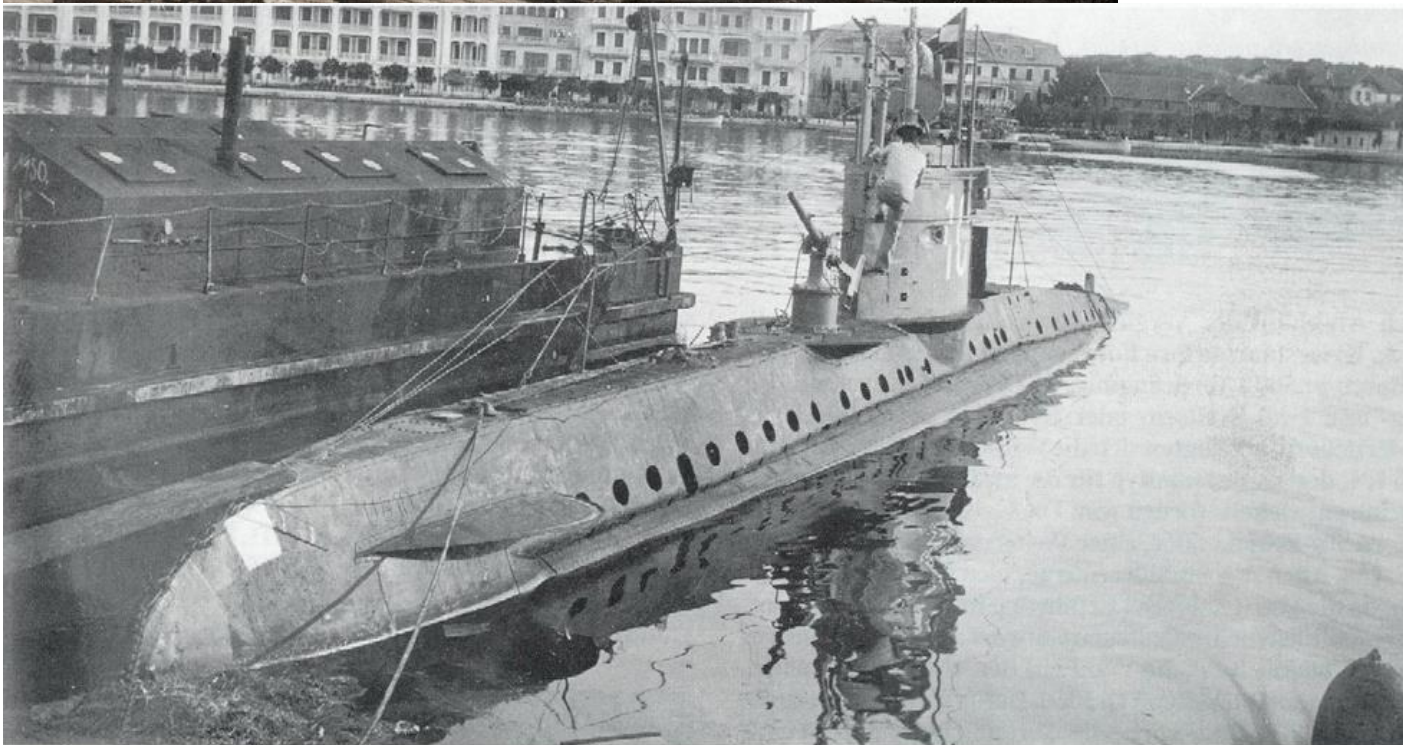
-DAR 1 Peperuda (butterfly)

Podvodnik 18 (Подводник 18)

Upon acceptance of UB-8 by the Bulgarian Navy, she was renamed Podvodnik No. 18 (in Cyrillic: Подводник №18). Although the commissioning ceremony for Podvodnik No. 18 was kept out of newspapers, it was attended by Crown Prince Boris and his brother Prince Kiril, who both boarded the submarine for a ceremonial first voyage to Euxinograd, the Bulgarian summer palace located just north of Varna. In Bulgarian service, the submarine

was armed with a 47-millimeter (1.9 in) deck gun that supplemented its machine gun. Podvodnik No. 18's first patrol under the Bulgarian flag took place on 4 and 5 July 1916 when she sailed to Cape Shabla and Mangalia. The submarine was used for reconnaissance and coastal defense, and patrolled a regular route. This route was a loop that began in Varna and went northward to Kaliakra, Mangalia, and Constanța; then southward to Burgas, and Sozopol; then ended at Varna. On 6 September, she had an encounter with the Russian destroyers Bystry and Gromki, drove off Russian submarines on other occasions, and on 16 December helped turn back a Russian sortie against Balchik. After the Russian withdrawal from World War I in 1917, Podvodnik No. 18's activities were greatly reduced.

After the end of the war, Podvodnik No. 18 was surrendered to the French on 23 February 1919. Towed to Bizerta, she was scrapped after August 1921.



BOT 1 (БОТ 1) 1882

Bot 1 launches the metal shipbuilding in Bulgaria.

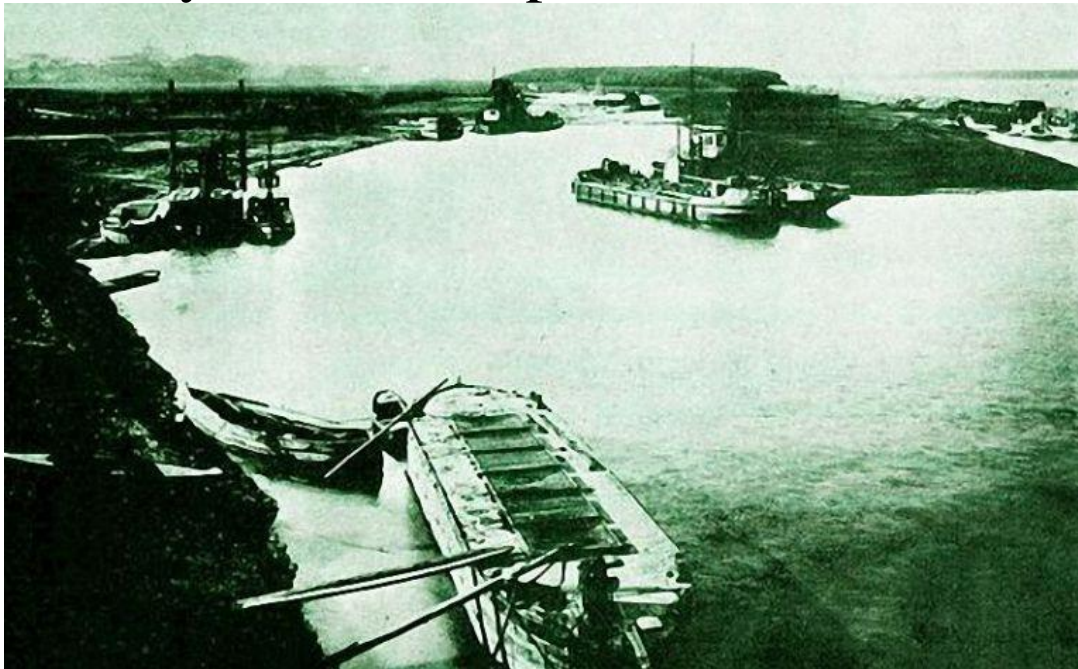
On November 4, 1882, the first Bulgarian metal ship "Bot 1" was launched at the Navy Flight Arsenal in Rousse.

Bot No. 1 is a pioneering work of the Ruse fleet arsenals, ie. of the Bulgarian navy.

Unfortunately, there are too few papers to reproduce his appearance. It is known that it was 16 meters long, 3 meters wide and displacement 60 tonnes. Its launching of water marks the beginning of the Bulgarian metal shipbuilding. Even in one of the most industrialized countries in the world - the United States - about 80 per cent of the ships at that time were still wooden, and the first Russian iron ship on the Black Sea was built only in 1873, just 9 years before Bot No. 1, despite the incomparably richer shipbuilding experience in Russia.

This served as a basis in 1993, although the Navy fleet has nothing to do with the Port Workshop in Rousse (the well-known predecessor of the Rousse Shipyard), the date of November 4 being declared a "Professional

Holiday of Ruse Shipbuilders".



Kingdom of Bulgaria during Balkan wars and World War 1(economic point of view)

Ferdinand I was crowned a Tsar at the Declaration of Independence, mainly because of his military plans and for seeking options for unification of all lands in the Balkan region with an ethnic Bulgarian majority (lands that had been seized from Bulgaria and given to the Ottoman Empire in the Treaty of Berlin). The state was almost constantly at war throughout its existence, leading to its

nickname as "the Balkan Prussia". For several years Bulgaria mobilized an army of more than 1 million people from its population of about 5 million and in the next decade (1910–20) it engaged in three wars – the First and Second Balkan Wars, and the First World War. Following the First World War the Bulgarian army was disbanded and forbidden to exist by the Allied powers, and all plans for national unification of the Bulgarian lands failed. Less than two decades later Bulgaria once again went to war for national unification as part of the Second World War, and once again found itself on the losing side, until it switched sides to the Allies in 1944. In 1946, the monarchy was abolished, its final Tsar was sent into exile and the Kingdom was replaced by the People's Republic of Bulgaria.

Bulgarian participation in the Balkan Wars disrupted the expansion of the Bulgarian economy and proved crippling for public finances, with the financial cost of the war against the Ottoman Empire alone at over 1,3 billion francs.

Agriculture, which was the leading sector of the economy, was badly affected, and overall production was reduced by about 9% compared to 1911. Still, the country avoided a large food crisis. Thousands of peasant workers engaged in agricultural activities became casualties during the wars. The number of available horses, sheep, cattle and livestock was between 20% and 40% lower. The single most damaging event was the loss of Southern Dobrudja: it had accounted for 20% of Bulgarian grain production before the wars and contained the largest and most developed Bulgarian farming communities. This, combined with bad weather, held the harvest of all crops to 79% of the pre-war level in 1914.

Unlike the agriculture sector, Bulgarian industry was less affected, even though problems occurred due to its complete dependence on foreign imports of machinery and spare parts. Production registered a modest decline and was able to maintain a constant level of capital investment that led to recovery of the sector as early as 1914.

External trade fell drastically in 1913, with exports reduced by 40% and imports by 11%. This led to a soaring trade deficit of over 87 million levs by 1914. Before the war, grain had been a leading Bulgarian export commodity with the most productive area being Dobrudja. The state took special care for the development of the region; it built railways to carry grain and other exports to the port of Varna, whose facilities had been developed at great cost. In 1912, it handled more goods than Salonika. Following the Second Balkan War, these advantages were lost because the port was deprived of its hinterland, and the Romanian border now ran only 15 kilometers away. The new lands gained in the south were mountainous and much poorer. They provided an outlet to the Aegean Sea at the port of Dedeagach, but the railway needed to reach it passed through Ottoman territory. Still, Western Thrace in particular was famed for its production of high quality tobacco, which proved to be a valuable asset.

Bulgaria During the 1930's

The Great Depression of the early 1930's was as traumatic economically and politically to Bulgaria as any other country. Market demands collapsed and prices fell. Wages fell too and if the decline in wages and prices had been the only effect then there would have been no real effect on the economy. But with the decline in prices some businesses failed leaving their workers unemployed. The subsequent decrease in demand then led to further declines in demand and financial turmoil.

The Liapchev government lost the 1931 election. A new coalition incorporating the BANU took power. It was called The People's Bloc.

Outside of government there were new political movements forming and growing. The collectivist communists and fascists saw the Depression as evidence of the weakness, instability and downfall of markets; i.e., capitalism. These modern day feudalists were in agreement with the old school feudalists that societies had to be planned and managed.

A political organization called Zveno organized and worked to promote the idea that a society needed to be managed by an elite. Zveno had some ties to Mussolini's Italy and the philosophy of Corporatism.

In 1932 Alexander Tsankov organized a National Socialists Movement modeled the National Socialist Workers' Party of Adolph Hitler.

In 1934 the other countries of the Balkans besides Bulgaria organized an Entente pledged to maintain the existing international borders. This meant there was to be no resolution of the Macedonia problem for Bulgaria.

In 1934 Zveno organized a military coup d'etat. The Zveno-sponsored government that was put in place tried to the international relations of Bulgaria with all other powers.

Internally it was carrying out a draconian program of suppressing all dissident elements. This included the communists and the Macedonian extremists. by the end of 1934 the Zveno-sponsored government had achieved an enforced tranquillity.

The Zveno-sponsored government tried to implement a corporatist structure for Bulgaria. This included changing the representation in the subranie from political party representation to a socio-economic class representation. The Tsar of Bulgaria, Boris III, feared Zveno was usurping the power of the monarchy and he used his power of dismissing and appointing government to oust the Zveno-sponsored government. In 1936 Boris chose a coalition of centrist and leftist parties, called the People's Constitutional Bloc, to organized the government. In 1938 elections were held and the People's Constitutional Bloc continued in

power.



-Soldiers of the Bulgarian army WW2
Boris died in 1943 leaving the prime minister,
Bogdan Filov, as the effective ruler of
Bulgaria.

Despite the relatively minimal role of Bulgaria
in the war, the Allies were bombing Sofia.
German troops were stationed in Bulgaria and
constituted an effective check on independent
actions by the Bulgarian government.

By early 1944 the Bulgarian government under Bogdan Filov was trying desperately to end Bulgarian participation in the war. The impediment to surrender was the German troops occupying the country. The Soviet Union threatened war if Bulgaria did not declare itself neutral.

The Bulgarian communists organized a wartime resistance called The Fatherland Front. This was a popular front in which the communists were nominally only a minority. While the Bulgarian government was trying to comply with the Soviet demand that it declare itself neutral the Soviet Union declared war on Bulgaria and invaded the country.



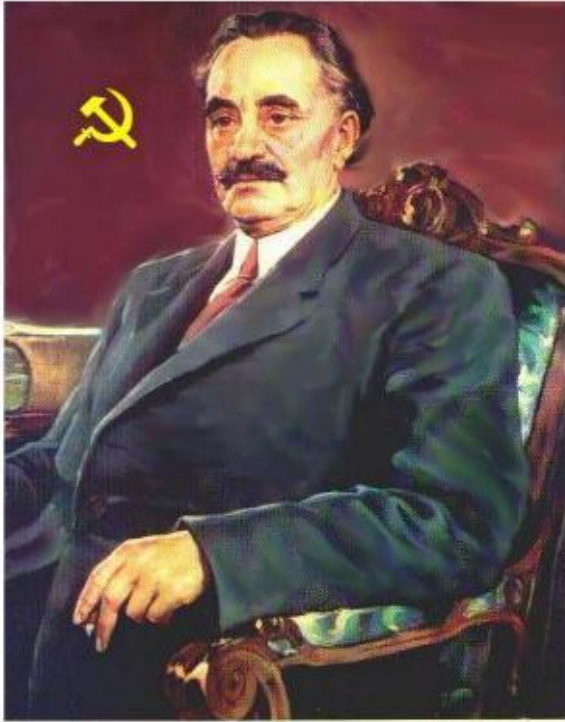


Boris III
Bogdan Filov

Communist Government
Under Georgi Dimitrov

Under Georgi Dimitrov Bulgaria maintained a nominal two-party government with token participation by the BANU. But the head of the BANU, Georgi Traikov, mindful of what happened to his predecessor, Nikola Petkov, disavowed the traditional agrarian programs and principles.

Dimitrov pushed through the adoption in 1947 of a constitution modeled on the one created by Joseph Stalin in the Soviet Union. The economic program consisted of national central planning(planned economy), irrational emphasis on heavy industry and collectivization of agriculture.



-Georgi Dimitrov



People's Republic of Bulgaria

There was a sustained increase in production, and new industries were developed very quickly and, as in other Socialist countries, not always efficiently. New industrial complexes

on a scale not before seen in the Balkans were constructed. New power plants, chemical works, metallurgical smelters, military producers and other industries were inaugurated. The country's scientific and technical base was not neglected; new schools and universities were built which fed directly into the expanding industrial economy. The national economy was integrated in Comecon and Bulgaria specialized in the production of electronics, motor trucks and tinned food.



-Labor

Cooperative Farm(TK3C)

The cooperation of farmers on different profiles of agricultural production and production up to 1944 develops on principles and structure corresponding to those in other countries in Europe. Until then, Bulgaria has

ranked second in the world after the post-Danish co-operative movement with consumer, credit-savings and agricultural cooperatives, mainly created after the First World War. Farmers are members and join in branch cooperatives by participating with share capital or membership fees to achieve the objectives of these voluntary associations - mutual assistance, a unified pricing policy, novelties and a trading structure for the realization of the produced product. The management bodies are elected and responsible for their activities to all members of the cooperative.

The Comecon

The Comecon was founded in 1949 by the Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland, and Romania. The primary factors in Comecon's formation appear to have been Joseph Stalin's desire to cooperate and strengthen the international socialist relationship at an economic level with the lesser states of Central Europe, and which were now, increasingly, cut off from their

traditional markets and suppliers in the rest of Europe. Czechoslovakia, Hungary, and Poland had remained interested in Marshall aid despite the requirements for a convertible currency and market economies. These requirements, which would inevitably have resulted in stronger economic ties to free European markets than to the Soviet Union, were absolutely unacceptable to Stalin, who in July 1947, ordered these communist-dominated governments to pull out of the Paris Conference on the European Recovery Programme. This has been described as "the moment of truth" in the post-World War II division of Europe. According to the Soviet view the "Anglo-American bloc" and "American monopolists ... whose interests had nothing in common with those of the European people" had spurned East-West collaboration within the framework agreed within the United Nations, that is, through the Economic Commission for Europe. However, as always, Stalin's precise motives are inscrutable They may well have been "more negative than positive", with Stalin "more anxious to keep

other powers out of neighbouring buffer states... than to integrate them. Furthermore, GATT's notion of nondiscriminatory treatment of trade partners was incompatible with notions of socialist solidarity. In any event, proposals for a customs union and economic integration of Central and Eastern Europe date back at least to the Revolutions of 1848 (although many earlier proposals had been intended to stave off the Russian and/or communist "menace") and the state-to-state trading inherent in centrally planned economies required some sort of coordination: otherwise, a monopolist seller would face a monopsonist buyer, with no structure to set prices.



The Warsaw pact.
Treaty of Friendship, Cooperation, and Mutual
Assistance.



The logo of Comecon

TZUM-Sofia (ЦУМ)

The Central Department Store, popular in Bulgaria with the abbreviation TZUM, is located in the heart of the capital, next to the Council of Ministers, the Presidency, and close to the National Assembly. Built at the beginning of one of the oldest boulevards of Sofia - "Knyaz Alexander Dondukov" Blvd., today TZUM is a personification of the modern city of Sofia. Designed by the architect Kosta Nikolov in 1956, the TsUM building is part of the monumental architectural center of Sofia, the so-called Largo.

For the Bulgarians, TZUM has always been a symbol of prosperity and has been a pride for the country. As the most modern building of its time, TZUM was a necessary place to visit every time you come to Sofia. People from all over the country have come to TZUM for everyone.



TZUM Sofia-



Verila Lubricants AD

(Верила)

Verila Lubricants AD is a successor of the rich traditions of the "Verila" chemical factory situated near Sofia that was established in 1945. During the period of 1968 -1990 a full reconstruction and modernization had been made and as a result new operation series of new facilities were initiated, which partially formed the company's current appearance. Later, in 1998 Verila was privatized and at the end of 2007 Prista Oil Holding EAD acquired 75% of company shares. Thus a new company Verila Lubricants AD was established with Prista Oil Holding EAD being the major shareholder in it. Verila continues to produce goods today.

Production of high quality greases with conventional and specialized applications
Production of coolants/antifreezes, windscreen washer fluids, detergents for both household and industry, antifoam agents and other non-standard products.

Production of deicers for winter treatment of roads, parks, walkways, alleys, parking areas, etc.



First economic results in Labor Cooperative Farm(TK3C)

Pressed and crushed by such state policy in 1952, 52% of the peasants and 60% of the land are in the public sector of agriculture - the cooperative farms. In the first five year plan, 100 state farms (DZS) were created with land taken away by applying the land ownership law. Not all pledged development forecasts were met during this period. For 1952, the number of cooperative farms grew by only 8%. The policy of low purchase prices of agricultural produce hinders the economic stability and economic condition of the cooperative farms is not good. Because of their low profitability and very low labor remuneration, farmers start to leave cooperatives. The annual amount of work in one of the first cooperative farms in the country in the village of Mihaylovo (Vratsa District) in 1952 was 170 leva (the exchange rate of the Bulgarian Lev after 1962).

At the Plenary Session of the Central Committee of the Bulgarian Communist Party on December 6-7, 1955, it is reported that the cooperative agriculture "can not be an attraction center for those farmers who are outside the cooperative economy" because the salary is 5,5-6 levs. labor (55 - 60 stotinki after the 1962 monetary reform). Through the cooperative farms "the livestock is stagnant and is pulled back". The purchase price of milk is BGN 1 - 1.5 (10-15 cents after the 1962 monetary reform) and the average yield of maize is 140-150 kg per hectare. The villages are abandoned by 100,000 people looking for construction, factories, Gorubso, or as general workers.

By the end of 1955, cooperation was practically stagnant. For the period 1952-1955, the cooperative land increased by only 2.5% to 62.5%. The destruction of the traditions in Bulgarian agriculture, violation of the continuously declared principle of voluntary activity and the policy of looting the labor of peasants', causing a wave of discontent, harvesting farm equipment and animals and

leaving the cooperative farms. Instead of being aware of the problems, party leaders blame for this external interference, internal enemy, and intensify their repression against the population.

Due to the low efficiency in agriculture and reduced production, in 1956, the CCP of the PA was forced to decide to release 50 000 t of wheat from the reserve and to buy and import another 100 000 t to feed the population. In 1959, at a meeting of the Politburo of the Bulgarian Communist Party, it was again decided to import concentrated feed for the needs of livestock breeding at 150,000 tons. The April 1956 CCP's April plenary session called for extraordinary measures to strengthen the process of co-operation. At the end of 1957, the successful "massaging" was reported. Of the cooperative farms, 92% of the agricultural land is covered. This is another mistake, because the small pieces of land in the semi-mountainous and mountainous areas are not subject to mechanized treatment and the population remains without their

traditional livelihood - livestock farming
leaves and depopulates these places.

For the activation of agricultural production
the Government takes several measures:

Private farms are exempt from state supplies;

The cooperative farms are exempt from the
mandatory state deliveries and fees;

The prices of the chemical preparations and
fertilizers used by the cooperative farms are
decreasing;

They are also trained and specialists and
executives are sent to the places where the
principle of association in the cooperative is
finally abolished.

At the end of 1957, it was reported that the
peasant cooperative class reached a figure of 1
500 000 people. The ruling Communist Party's
finding is that the remainder of 8% private
farms can not influence social relations, as
well as exert economic pressure on PA's policy
and government. In the middle of 1958,
Bulgaria was the second country in the world
after the USSR, with a full subordinate and
ruled by the ruling Communist Party, a public
sector in agriculture. After 14 years, the

objectives of liquidation of private property, private initiative and the achievement of so-called socialist agriculture have been achieved as a basis for the strengthening and political development of socialism as a social system. After 1960 there were a number of transformations aimed at intensifying labor, increasing the volume of agricultural production as a basis for accelerated economic development. With the introduction of the administrative reform of 1959 and the creation of new counties, public organizations are being structured with strengthened control and leadership of the PA in all public and production structures, including the cooperative farms. The principle of co-operation and voluntary activity has finally been destroyed. There is no material interest for better work. The peasant is estranged from the land and converted from landowner to a clerk handling land.



Manifestation of employees in the vacation home of the cooperative farms, 1960s



Cooperative Farm(TK3C)

- Labor

During the 1940s the main objective of the Bulgarian Communist Party was to rebuild the damage caused during the Second World War. New roads and railways were built, as well as small factories. During the 1950s massive expansion of the electro-transit network brought electricity to all parts of the country. A number of hydro plants including the Batak Hydro-power System and several coal plants were constructed. The extraction of coal was increased and Bulgaria's first oil field, in Shabla, went into production. During the next decade many military and metallurgical plants were constructed, including the Kremikovtsi and Stomana steelworks. Cooperation on space technologies with the USSR was encouraged and the country supplied the Soviet space program with research devices and computers. Many new factories in the field of micro and precision electronics were inaugurated. In the 1970s the industrial component of the Bulgarian economy continued to increase. In 1974 Bulgaria became the third communist state to have a functioning nuclear power station (see Kozloduy NPP). On 10 April 1979

Bulgaria became the sixth nation in the world to send a man into space using the Soviet Intercosmos program. During the 80s Bulgaria was a mass producer of Pravetz series 8), and in 1990 the computer technology industry produced 35% of FOREX earnings.

Kremikovtzi AD



Kremikovtzi AD (Кремиковци АД) was Bulgaria's largest metalworking company. The construction of its facilities began on 5 November 1960 and the first production capacities were put into operation in 1963 to produce cast iron and coke, with production extending to cover other areas in the 1960s and 1970s. The company was privatised in 1999, 71% of it was acquired by a Bulgarian owned company — Daru Metals (later to change its name to Finmetals Holdings). In 2005 Valentin Zahariev and Kiril Zahariev sold 100% of Finmetals Holdings for US\$110 million to Global Steel Holdings Limited

(GSHL), owned by Pramod Mittal, brother of the highly successful Lakshmi Mittal.

Kremikovtzi is not related to the Arcelor Mittal group.

The new management brought by the Global Steel Holdings Limited has embarked on an investment program aiming to increase the product quality, reduce the production costs and widen the product range. The key focus of this was the finalization of the new Continuous Caster and a new Converter; both of these were finally put in full operation in November 2006, after being under construction for more than 15 years.

Most of Kremikovtzi AD's production was exported to the European Union, Turkey, some of the former Yugoslav countries, the United States and China. The profit was 120 million leva in 2003 and 80 million leva in 2004.

However, bad management and other factors led to the company generating losses of more than BGN 200 million for 2005.

Kremikovtzi AD acquired 70% of the LEMIND-FPL polyester-covered sheet iron factory in Leskovac, Serbia in January 2005,

for €1.4 million. The company also made another acquisition in April 2005, purchasing the Llamkos galvanised sheet iron factory in Vucitrn, Kosovo for €4.15 million. Both plants were disposed of upon Kremikovtzi's takeover by GSHL.

In November 2006, the debt obligations of the company were subject to extreme price volatility as speculation mounted about the depth of commitment to the business by GSHL. Pramod Mittal, the company's owner, issued a statement to reassure investors of his ongoing interest in Kremikovtzi's success; but this was not sufficient to dampen the ongoing volatility of the debt price. At the beginning of December 2006, GSHL issued another statement, this time committing to inject cash into the business on an ongoing, quarterly basis. On May 15, 2009, the coke production plant - one of the most controversial symbols of the company - has been shut down forever. Gas supply (main fuel for the factory's operations) has been cut off, although it can be restored. The fate of the company is unknown, but prospects are gloomy. The factory is now

destroyed and only few of the facilities that can work are renovated and ready to start work again.



Belene Nuclear Power Plant & Kozloduy
Nuclear Power Plant
(АЕЦ БЕЛЕНЕ & АЕЦ КОЗЛОДУЙ)

The Kozloduy Nuclear Power Plant is a nuclear power plant in Bulgaria situated 120 kilometres (75 mi) north of Sofia and 5 kilometres (3.1 mi) east of Kozloduy, a town on the Danube river, near the border with Romania. It is the country's only nuclear power plant and the largest in the region. The construction of the first reactor began on 6 April 1970. (Kozloduy Nuclear Power Plant, the largest power plant in south-eastern Europe)

Kozloduy NPP currently manages 2 pressurized water reactors with a total output of 2000 MWe. Units 5 and 6, constructed in 1987 and 1991 respectively, are VVER-1000 reactors. By 2017 Unit 5 will be upgraded to reach a capacity of 1,100 MWe, as part of a programme to extend the life of the unit by 30 years. A seventh 1,000 MW unit may be installed, using a part manufactured reactor from the terminated Belene project for which Bulgaria has paid €600m.

The older and smaller Units 1 to 4 were all shut down by 2007. Bulgaria's government recently decided to start the construction of a new reactor in Kozloduy after it gave up on the construction of what was supposed to be the country's second nuclear power plant in Belene. Thus, the Bulgarian government decided to install in Kozloduy the 1000 MW reactor that the Russian state company Atomstroyexport already produced for the Belene NPP. The Belene Nuclear Power Plant project was terminated in late March 2012. In October 2013, the Ministry of Environment and Water approved the environmental impact

assessment report on the investment proposal for Unit 7, thereby giving a green light for its construction. A month later it was announced that construction of the reactor could begin in 2019 if full approval is granted by the Council of Ministers in 2014. The Bulgarian Energy Holding (short BEH) propose to construct a Westinghouse AP1000. Negotiations between the BEH and Westinghouse already started. In 2013 the Austrian Environment Agency prepared a report on the Bulgarian Ministry for the Environment's Environmental Impact Assessment (EIA) on the proposed 7th unit of the Kozloduy Nuclear Power Plant. It assesses whether the EIA-Report allows for making reliable conclusions about the potential trans-boundary impacts on Austria. The Austrian report considers the assumption, that the Kozloduy NPP site is flood-proof, to be well-founded and the seismic hazard at the site to be low (but points out that the seismic hazard study needs updating as it was performed 20 years ago). It also highlights a number of unsubstantiated claims and some failings in the Bulgarian EIA report. These include:

shortcomings in the safety analyses of the reactors being considered, including a lack of the consideration of post-Fukushima lessons learned and, as far as applicable, the use of the concept of practical elimination (pgs 60-61); serious gaps in the assessment of the impact of external human induced events such as crashes, leaks etc. (pgs 72-73); contrary to IAEA (2002) analysis requirements, the EIA report does not contain considerations about the formation of pressure shock waves and their possible impact on buildings of the NNU due to explosions outside the perimeter of the NPP (pg 73) no comprehensible technical basis provided for an evaluation of design basis accidents and severe accidents (pg 84) only three (insufficient) “typical” dry case weather conditions were used for the calculations of the trans-boundary impacts on the Austrian territory, not worse case scenarios.

 АЕЦ
КОЗЛОДУЙ ЕАД





The Belene Nuclear Power Plant (Bulgarian: Атомна електроцентрала „Белене“) is a planned nuclear power plant 3 km from Belene and 11 km from Svishtov in Pleven Province, northern Bulgaria, near the Danube River. It was intended to substitute four VVER-440 V230 reactors of the Kozloduy Nuclear Power Plant that were decommissioned as a

prerequisite for Bulgaria to join the European Union.

On June 11, 2010, the Bulgarian government announced that it would freeze indefinitely the planned construction of the Belene nuclear power plant because it was uncertain when the investment would be returned. Five months later, on December 2, a non-binding memorandum of understanding was signed between NEK EAD, Rosatom, Altran and Fortum, setting up a 6.3 bln. euro price on the power station, after months of unsuccessful talks on the cost and redeemability of the project itself. Further disagreement and the persistent demands of the Bulgarian government to lower the cost under 5.0 billion euro led to the termination of the project in March 2012. However, in late 2012 the opposition initiated a referendum petition which was supposedly signed by over 600 thousand people and the first national referendum in the history of modern Bulgaria was held on January 27, 2013. A majority of the people had voted 'Yes' but despite that, the number of voters who attended the voting was

too low for it to pass. The referendum passed the question further to the Parliament, which decided on 27 February 2013 to suspend it. Later on 30 May 2013 the newly elected Cabinet Prime Minister Oresharski announced there is a possible restart for it.



The energy industry

Energy is one of the most important sectors in the Bulgarian economy, as it accounts for 18.2% of total industrial production and employs 10.9% of the workforce in the

secondary sector. Bulgaria is the primary exporter of electricity in south-eastern Europe as well as a major transit country for Russian oil and gas. Bulgaria's role in the transit of fuels will increase after the construction of several pipelines currently in the planning stage.

Coal is the only natural fuel found in the country in any abundance. Most of the coal reserves are of the lignite type. Total known reserves amount to (4.5 billion tons) in 18 basins. The largest deposit is Maritsa Iztok in Stara Zagora Province, which contains 2.9 billion tons. This is followed in size by the Sofia basin in the Sofia valley (840 mln t.), the Elhovo basin (656 mln t.), the Lom basin (277 mln t.) and the Maritsa Zapad basian (170 mln t.). There is a large deposit of anthracite in Dobrich Province; those reserves are estimated to amount to 1,2 bln t. However, due to the large depth and moisture of the deposit, it is still unexploited. The rate of coal extraction is currently 27,000,000 t per annum, ranking 19th in the world and 6th in the EU. There are

small deposits of oil and natural gas, mainly in the north of the country.

Although Bulgaria's fossil fuel deposits are not vast, the country is a major producer of electricity. As of 2007 Bulgaria produces 45.7 billion kWh of electricity

Maritsa Iztok Complex

The Maritsa Iztok Complex is the largest energy complex in South Eastern Europe.[citation needed] It is located in Stara Zagora Province, south-central Bulgaria. It consists of three lignite-fired thermal power stations. The complex is located in a large lignite coal basin, which includes several mines, enrichment plants, a briquette plant and its own railway system. The development of the thermal power and mining complex at Maritsa Iztok began in 1952, but the lignite deposits used to be known well in the mid-19th century. The Maritsa Iztok mines and power plants are interdependent as the only market for coal is the power plants, while the

power plants have no other supplier of coal but the mines.



Metallurgy

Before the beginning of the 1950s the metallurgic industry of Bulgaria did not include the whole production cycle, and as of 1939 the sector accounted for as little of 0,5% of the national GDP. As of 1998 that percentage had risen to 11,2%. [17] In the same year there were 51,600 people employed in the sector, including mining and flotation of metals, which is 1,7% of the total workforce. The first state steel manufacturing factory, "Lenin" (now the private factory "Stomana"), was constructed between 1953 and 1958 in Pernik, a coal-mining city at 20 km to the south-west of Sofia. After the discovery and beginning of exploitation of an iron ore deposit near Kremikovtsi, in 1963 the Kremikovtsi steel complex was built. It was the largest manufacturing factory in the Balkans at the time, and remains one of the largest. Other metalworking factories for production of steel products were constructed

in Ihtiman, Roman, Septemvri, Ruse, Burgas and others.

Historical production of pig iron, steel and rolled iron in Bulgaria:

In the 1980s construction began of the third metallurgic base at Debelt, to the south of Burgas, whose planned capacity was 4,000,000 tons of rolled iron annually. A railway between Burgas and the Maritsa Iztok Complex was planned for the needs of the factory, but after the democratic changes in 1989 the construction works came to a halt.

year	1957	1970	1980	1989	1998
Pig Iron	47,000t	1,251,000t	1,583,000t	1,523,000t	1,654,000t
Steel	159,000t	1,800,000t	2,565,000t	2,900,000t	2,628,000t
Roll ed iron	117,000t	1,420,000t	3,213,000t	3,030,000t	2,242,000t

"ARSENAL" Factory 10

(Завод 10)

"ARSENAL" Ltd. is a modern infrastructural plant specialized in machine-building and the production of small arms and artillery systems, ammunition, powders, primers, pyrotechnic products, hard- alloy tools etc. Its history dates back to the beginning of 1878 when, by Decree of prince Dondukov in Rousse was established a special factory for the needs of the newly created Bulgarian army - Artillery Arsenal of Rousse.

In 1924 by the Decree of tzar Boris the III and by law adopted by the XXI Regular National Assembly, due to strategic reasons the factory was moved to Kazanlak under the name of

State

Military

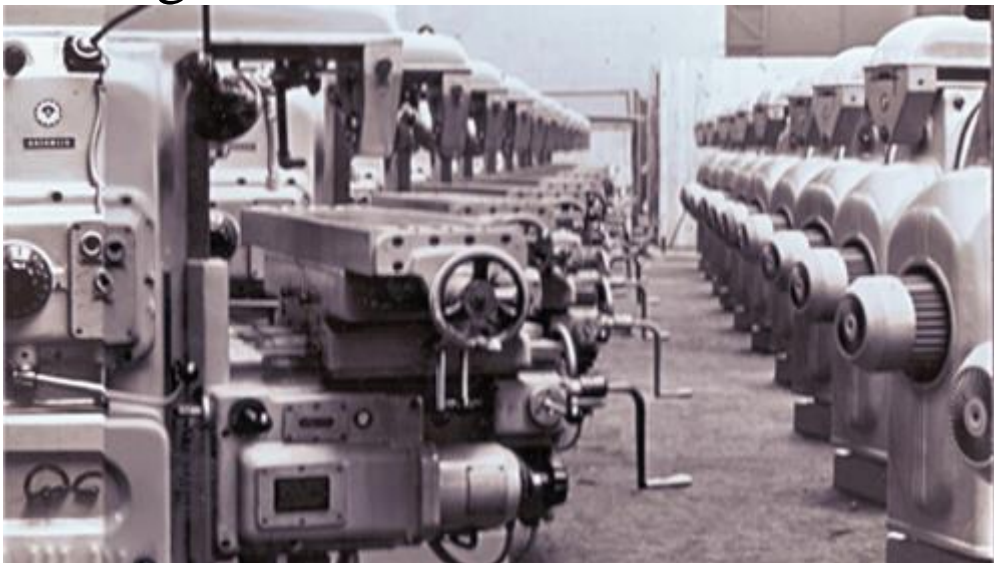
Factory.



The law established its basic function -"to produce and repair all military equipment necessary for the army, the police, the border troops and all state security organs, as well as the testing of new models". Besides the rifles, pistols, cartridges manufactured at the Sofia Artillery Arsenal, for the first time in Kazanlak were produced primers, gas masks (1927-29), double-base and single-base artillery powders (1936-42), brake recoil fluids for the canons and the production of artillery projectiles was modernized.

In the course of the years the factory was enlarging, renovating and developing to become a considerable part of the national economy.

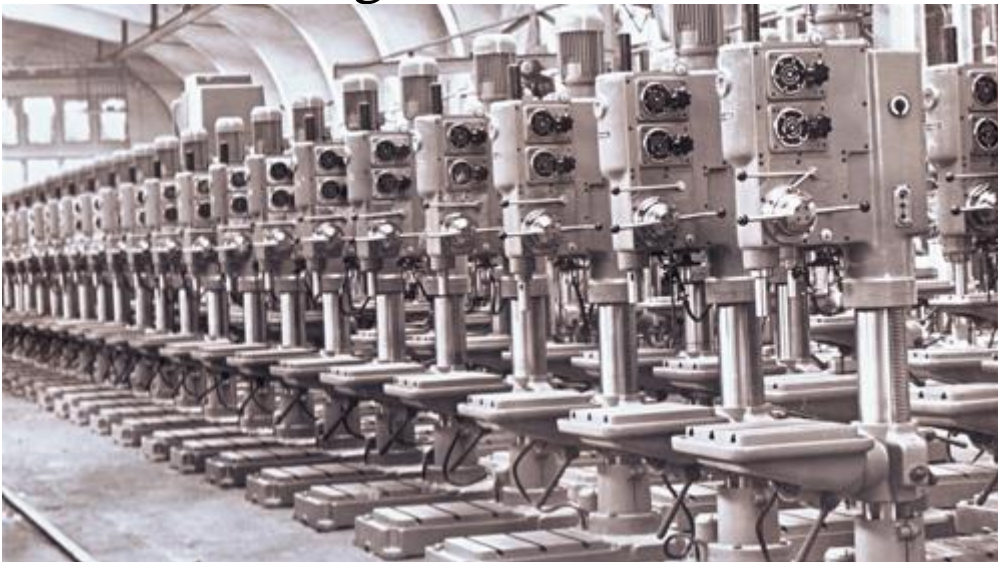
After the World War II started the production of new articles of primary importance for the country - three-furrow ploughs, disk harrows, batteries, diesel engines, electric motors, as well as the repair of optical systems and the production of the first lathes and vertical milling machines.



TSince 01.04.1947 by the Decree of the Council of Ministers the State Military Factory became a self-supported economic unit. By Decree of the Council of Ministers of 30.12.1948 the Military plants in the country merged into a special State holding "Metalchim" and the State Military Factory-Kazanlak passed from the Defence Ministry to

Ministry of Industry and crafts under the name of "Factory-10".

During the years 1956-58 "Factory-10" started the production of a recoilless canon B-10, as well as of assault rifle "Kalashnikov"-AK-47. Its first specimen was manufactured in 1958 and the jubilee-one million-in 1982. In the sixties the factory started the production of machine-tools:Drilling Machines BK-20 and BK-32 and Milling Machines FU-250 and FU-



320.

Later on were created the conditions for designing and serial manufacturing of other machine-tools with high technical and economic parameters-a large range of milling machines, special purpose machines, units etc. On 01.12.1960 started the production of hard-alloy inserts.



By Decree of the Council of Ministers from 10.08.1964 the factory was renamed to United Industrial Plant "Friedrich Engels" and became a powerful centre of the national machine building and the military industry. In this connection the factory adopted a new structure divided into seven independent factories.

In 1966 on the area of IPP "F. Engels" was performed the assembly of cars "reno" and started the production of anti-tank recoilless systems RPG-7 and SPG-9



In 1967 started the Development Centre , which in 1984 grew into an Institute for Machine-tools.

In the course of the following period were introduced new production facilities as follows:

- Factory for springs;
- Factory for special purpose machinery;
- Factory for optional equipment (non-standard);
- Production of powders, primers and pyrotechnic products;
- Workshop for CNC machines;
- Computing center etc.

From 1977 till 1989 the factory was known in Bulgaria and abroad as "F.Engels" Machine

Building Plant. The machinery fleet is continually improved and modernized thus enlarging the possibilities for a wider scale of production. Simultaneously grew the number and the qualification of the specialists.

All that was a premise for perfecting the licenced production, design and serial production of new products:

- 1971-72 - 9x18 mm pistol cartridges;
- 1971-73 - 7,62 mm "Kalashnikov" machine gun PK;
- 1972-74 - 9 mm "Makarov" pistol;
- 1976-78 - - 1983 - 23 mm anti-aircraft system ZU-23-2;
- 1984-86 - 5,45 mm "Kalashnikov" assault rifle AK-74, AKS-74;
- 1985-87 - 5,45x39,5mm cartridges;
- 1986-87 - 122 mm howitzer etc.



On 12.06.1989 the company was registered as Arsenal State-Owned Company, and on 20.12.1991 it was transformed into a Sole Owner Joint Stock Company.

In 1989-90 started the production of new machining centres under the licence of the Japanese company "Yamazaki". A new Factory for the production of hard-alloy mixtures and inserts and a monolith module system "VARILOCK" was established and equipped under the licence of the Swedish company "SANDVIK KOROMANT"

A Factory for syntethic diamond was opened in collaboration with specialists of the Institute for Ultrahard Materials-Kiev.

Our company has demonstrated a rapid adapting to the new market conditions and orientation to the NATO structures and the EU, adopting the armament systems according to NATO standards. Since December 5 the factory has become a limited liability company "Arsenal" Ltd. with the following object:

- Casting, forging, hot and cold stamping, mechanical treatment;

- Production and trading of technological and optional equipment, ultra hard materials and tools, small arms and artillery systems, accessories and ammunition, primers, powders, charges, pyrotechnic products;
- Engineering activities.

From 03.12.1999 Arsenal is already a Joint-Stock Company with broad-scope, versatile activity. The new European and Euro-Atlantic orientation of the Republic of Bulgaria determines the new directions in manufacturing and trade. The company's quick adaptation towards the new market conditions insist for implementation and manufacture of new products. Concordant with products that traditionally had been implemented into production, in the time period of 1989-99 there had been developed and implemented new production technology and articles:

- Sporting and hunting self-loading rifles;
 - New modifications of machine guns, assault rifles and pistols in NATO calibres;
- The "Shipka" submachine-gun;

- 40mm “Avalanche” Multi-shot Grenade Launcher of the revolver type;
- 60mm and 81mm mortars /developed by Arsenal experts under the license of the Austrian company “Hinterberger”/
- 60mm mortar bomb;
 - New primer-detonators and igniter primers;
 - New type of powders and pyrotechnic devices;
 - The GH S&F-1-01 and GH S&F-13 sound and flash hand grenades – means for police and anti-terrorist operations against organized crime;
 - Ammunition in the NATO calibres;
 - New modifications of milling machines, vertical drilling machines, etc.

All developments for manufacture of special purpose products, manufactured by the experts of Arsenal, are protected at the Bulgarian Patent Office as objects of intellectual property. That is why the products bear the trade mark “Arsenal”, which is an internationally protected trade mark.

The product range of new and versatile products is being expanded and enriched constantly. Through the many years of its existence the “Arsenal” company have designed, implemented and manufactured production with various intended uses that in the years that followed have turned into mainline produce for other newly-created enterprises of the national industry /accumulators, diesel engines, electric motors, radiators, springs, synthetic diamond, etc/. Thus, Arsenal, besides being a founding father of the Bulgarian defense industry, also sets the grounds for the development of a number of enterprises in the country that had taken an important place and that still hold their place in the national machine building.

In the present day the "Arsenal" JSCo is a large scale manufacturer of small arms and artillery systems, ammunition, powders, primers, pyrotechnic products, sporting and hunting rifles and the respective ammunition for them, hard-alloy inserts and tools, universal milling machines, CNC metal-cutting machine tools, casts, die formings, etc.

Arsenal – an enterprise with traditions in the product design, manufacturing, engineering and trade with civil and special purpose articles.

PRAVETZ COMPUTERS (Правец)

The beginnings of the development of Bulgarian personal microcomputers began in 1979. The original models (IMCO - IMCO is an abbreviation of Individual MicroComputer) were developed and produced by the Institute of Technical Cybernetics and Robotics at the Bulgarian Academy of Sciences in 1980 in only three. In 1981, about 50 of the IMCO-1s were used in the Scientific Technical Unions. The next personal microcomputer appears under the name IMCO-2 and is a copy of Apple II. It has enough software for it and is well received by users. On the basis of IMCO-2, the production of 8-bit computers from the Pravetz series began in the next year. In 1984

began the production of professional computers from the series Pravetz 16.

The computers from the Pravetz series are named after the town of Todor Zhivkov - Pravets, where the factory was built.

The first international presentation of IMCO-2 is at the International Robotics Symposium in London, with IMCO managing the Bulgarian robot-hand - ROBCO-01.

Managing a robot via a microcomputer was particularly impressive even for US and Japanese specialists who had previously used robot minicomputers, while the solution presented by Bulgaria cost ten times less and was considerably easier to use.



The first model -IMKO 1(1980)

The development of the first Bulgarian personal microcomputer started in 1979 by the

ITCR. The first pieces were produced in Sofia in 1980. The abbreviation IMCO stands for Individual Microcomputer. Approximately 50 pieces were produced from this model. Complete Bulgarian development without analogy. Developed by engineer Ivan Marangozov together with engineer Kancho Dossev. It was created for educational purposes and distributed to the NTS (Scientific Technical Union) Centers in the bigger cities in Bulgaria. He did not have an operating system, only a MONITOR program for programming a machine code. He worked with an eight-bit Intel 8080 processor. The computer had nothing to do with Apple II computers. Due to the lack of software for it, it was decided that the next models would be clones of Apple II.



IMKO-2(1982)

The second microcomputer manufactured in Bulgaria. The model is quite rare, because only a few hundred pieces have been produced. An analog of Apple II Plus.



Pravetz 16(1984)

Originally created as a project with the name IMCO-4. An IBM PC / XT analogue with 16-bit architecture. Released only a year after the release of IBM PC / XT.



Pravetz 82

(1982)

The third microcomputer manufactured in Bulgaria and the first model to start mass production of microcomputers in Bulgaria. An analog of Apple II Plus.



Pravetz 8M(1985)

Interesting work on the Bulgarian side. Improved version of Pravetz-82, including

more memory and 2 microprocessors. The CP / M expansion board is integrated on the motherboard. There is no direct analog to Apple.



Pravetz 8D (1985)

Pravetz 8D is different because it is designed for home use (D = home) and is not based on the architecture of Apple II. The small housing has an integrated power supply and keyboard. Although it is based on the same family of processors as the other 8 Pravetz computers (Processor 6502), Pravetz 8D is software and compatible with the Oric-1 and Oric Atmos computers developed by the English company Tangerine Computer Systems (later Oric International). Pravetz 8E is not compatible with Apple II and Pravetz 82 / M / A / E / C / S computers respectively.



Pravetz 16

E/ES(1988)

Improved version of Pravetz 16 using the NEC V20 processor.



Pravetz 8C (1989)

A newer and more complete version of Pravetz 8A. Probably the most common 8 bit Pravetz. An analog of Apple IIc. Created as the second

Bulgarian home computer replacing the Right 8D, this time the home computer is more powerful and compatible with Apple.



Pravetz



64M(2014)

This is the heir of the legendary Pravetz 8M, created in the 1980s. It has a 64-bit architecture and hence the name of Pravetz

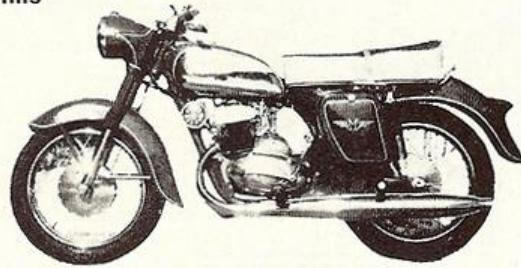
64M, unlike his predecessor, he only had an 8-bit processor.

Balkan (Балкан) (motorcycle)

Balkan was the first motorcycle built in Bulgaria. The first model, the Balkan M1, released in 1957, was built under the open license of DKW, and was identical to the DKW RT250. In 1960 the company started using a design similar to Jawa, and other contemporary motorcycles.

BALKAN 250

New All Around Cycle — Easy Maintenance — Low Cost Plus
High Torque For Hills



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Bitova Electronika Ltd

Bitova Electronika Ltd was a Bulgarian manufacturer of electronics and military radars , established in 1960 in Veliko

Tarnovo, Bulgaria as a manufacturer for the Radiotechnical Equipment. The first factory was located north of Veliko Tarnovo and Dervenya. Later, a new factory was built in the new south industrial zone. In 1961, the factory made the first Bulgarian radio station Komsomolets. Three years later, it built PCBs. In the next years, the radios "Progress", "Echo", "Tenor", "Lyra" and others were made by the company.



-the factory

in 1970

Since 1975, the company has produced Sofia televisions Sofia. The company

produces the white-black television Veliko Tarnovo T3106. In 1984, the company built color TV,

From 1984 were produced more than 2,000,000 units. The electronic products from Veliko Tarnovo take the name Resprom. In 1983, 6,012 people worked in the factory. Next year were launched TV - Veliko Tarnovo 85. In the beginning of the 90s, it was launched TC 5122 and TC 51015 with parts from Philips. In the 90s, the company was renamed to Bitova Electronika Ltd. It went bankrupt in 2014.



TVs manufactured in Veliko Tarnovo

Vidahim JSC

Vidahim JSC, also known as VIDACHIM, is a chemical company in Vidin for the production of polyamide fibers and tires for motor vehicles - automobile tires and others.

It is the largest (in-person and sales) manufacturing company in the city, as well as the only tire producer in the country.

Vidachim was built at the end of the 1960s. The first production was released in 1969. The official coin was opened in 1970.

Gradually, the mix grows by adding new capacities and developing applied research and development. The number of working workers, employees and scientists exceeds 8000 (currently fewer than 600), which occupies the leading position in the district of Vidin. On the basis of the factory in the 1980s a Vidahim State Economic Association was formed, consisting of the following main subdivisions:

- Filadelfia Polyamide Fiber Plant,
- Vida pneumatic tire plant,
- Repair Mechanical Plant,
- Thermal power plant (called TPP Vidin),
- Research Institute.

The production of polyamide fibers (also used for textiles and ropes) has been developed in Vidahim and is based on production of pneumatic tires for cars (light and heavy), buses, tractors, etc. With its capacity, new equipment and technologies "Vidachim" exceeds times the tire production in the old Tire Plant in Sofia, where unpretentious tires for electric and forklift trucks remain. Vidahim enjoys high popularity in the country of its passenger car tires, especially the "Vida Sport" series. Despite unsatisfied domestic demand, the company successfully exports to foreign markets, through the Chimimport branch industry monopoly exporter, car tires and other products.

At the end of the 1980s he began the production of tubeless tubes according to the technology of the Italian producer Pireli, adapted to the development of a research institute in Leningrad. For this modernization, Vidahim takes a million-dollar loan that led to a rapid collapse of the company when the internal and external markets collapsed in a transition to a market economy. Because of the desire to direct trade abroad and in the absence of own experience and cadres export sales drop rapidly; the economic union is disbanded, the research institute is closed. In 1996 the company was included in the list of state-owned companies, which are forbidden to withdraw new loans, which makes it bankrupt.

Despite the actual bankruptcy, the company was included in the mass privatization in the mid-1990s. However, privatization does not lead to a rescue of the enterprise, but only helps the state to

get rid of its financial burden. Production stops, and production, materials, raw materials, machinery and equipment are left to the ruler.

The company was transformed into Vidahim AD (1998) and was later registered as a public company. In November 2004, after the privatization, the production of pneumatic tires was restored. At the end of 2012 Priestsburg - Water Construction AD has a majority share (70% of the shares), other major shareholders are Miss EOOD (16.9%) and Industrialstroy OOD (8%).

Ever since, the main products have been trademarks of "Vidlon" polyamide fiber and "Vida" pneumatic tires.

Today polyamide fibers are not produced. The main sales revenues of Vidahim AD are from:

electricity - from Vidahim TPP

tires for:

-forklifts and forklifts

- agricultural machinery
- light commercial vehicles and trailers
- Construction machines
- earthmoving machines

SC "Vidahim", as the largest company in the city and county, manages to develop the workers' sport in its sports club

"Himik" and create real competition in the city of Bdin sports club. Basketball's Chemik's team, for example, appears better and has long represented the county at the national level.

In order to test the quality of the produced tires, the vehicle started to organize the Rally Vida since the early 1970s. It gains wide popularity in the country and was included in the European Rally Championship in the late 1980s.



The Era of Todor Zhivkov

Zhivkov generally pursued an opening up of relations with other countries. Under Chervenko during Stalin's dispute with Tito, the border between Yugoslavia and Bulgaria was closed. Zhivkov normalized relations with Yugoslavia and Greece. Bulgaria participated in the Soviet campaign to strengthen relations

with the Third World. But the Bulgarian overtures toward improving relations with the West were countered by Bulgarian secret police involvement in international intrigue as a surrogate for the Soviet KGB. These intrigues included assassinations and military coups.

The Prague Spring and the subsequent Soviet invasion of Czechoslovakia led to another Soviet-mandated purge of questionable elements in the Bulgarian Communist Party. The irony is that while Zhivkov was carrying out these mandated purges he was, in addition to eliminating his political rivals, he was moving toward a more nationalistic stance within his own regime.

Zhivkov tried to improve the efficiency of Bulgarian agriculture by creating agricultural-industrial complexes. These involved consolidation of state and collective farms but with some provision for decentralization of decision-making, so-called planning from below.

Zhivkov experimented with structural changes to try to improve efficiency. In 1981 he

formulated what was called the New Economic Model (NEM). Largely the NEM had to do with increasing the supply of consumer goods. It had only marginal effects. In the 1980's Zhivkov tried to develop a rapprochement with organized religion in Bulgaria. There was also a liberalization in art, literature and cultural affairs. This liberalization suffered a severe setback when Liudmila Zhivkova died in 1981, due to a concussion she had suffered years earlier,¹ and Communist Party reactionaries reasserted control. By 1984 the Writers' Union was calling for more Soviet-style social realism in Bulgarian literature.

In the mid-1980's Bulgaria was suffering an energy shortage. Bulgaria had been receiving petroleum and natural gas from the Soviet Union at prices far below the international market prices. This promoted in the past excessive use of energy in production processes. A drought resulted in a shortfall in electricity of from hydroelectric dams. Because of internal problems in the Soviet Union increased supplies of energy from

petroleum and gas were not available. The Soviets built a nuclear power reactor but it too was undependable. To further complicate the situation Bulgaria was finding it hard to service the international debts it had incurred. The only marketable goods in international export were the limited amount of high quality consumer goods which Bulgaria was producing.

Internationally Bulgaria was in disrepute because of Bulgarian security forces serving as surrogates for Soviet espionage and assassinations.

On the positive side, Zhivkov had promoted Bulgarian nationalism and cultural pride. But there was a negative element to this with respect to the significant ethnic Turkish minority who numbered approximately one million. Zhivkov feared that the higher birth rate of the Turkish minority would eventually make them a majority. Initially the Zhivkov regime encouraged the migration of this group. Later, when apparently Bulgaria was experiencing a labor shortage, Zhivkov cut off this migration and implemented a program of

Bulgarianization of the Turkish minority. This included forcing ethnic Turks in Bulgaria to adopt Slavic Bulgarian family names. This added to the reputation of repressiveness of the Zhivkov regime.



-Todor

Zhivkov

Marxism does not make sense,
and I am the first one to say this.

Todor Zhivkov

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**There are some common
problems in the Balkans
in the settlement of which
Bulgaria should also
participate.**

-Todor Zhivkov



The police belongs to the people and the people belong to the police.

(Todor Zhivkov)

izquotes.com

The Fall of the Zhivkov Regime

Like all of the other rulers of the feudalistic communist states, Todor Zhivkov could not believe he was vulnerable. He was in his late seventies in the latter part of the 1980's.

In 1989 the Bulgarian Communist Party deposed Zhivkov.

The other leaders of the Bulgarian Communist Party were more conscious of their vulnerability than Zhivkov was. They changed the name of the party after Zhivkov's fall to the Bulgarian Socialist Party (BSP).

An opposition to the regime had developed around environmental issues. Bulgarian heavy

industries were damaging air and water quality. Opposition to such pollution seemed unrelated to ideology so it was not perceived as political opposition to the regime. At the time of Zhivkov deposing there was formed a Union of Democratic Forces (UDF), a coalition of 16 groups opposing the regime. The UDF refused to cooperate with the Bulgarian Socialist Party. During 1990 the refusal of the UDF to participate in a government of the Bulgarian Socialist Party resulted in a political crisis which turned into an economic crisis. Production in Bulgaria fell about ten percent in 1990. In January the Communist government decided to open negotiation with the UDF and had Zhivkov arrested for crimes against the people.

In June of 1990 an election was held for the legislature and the Bulgarian Socialist Party (the former Communists, won a majority.

In 1991 there were attempts at economic and political reform. In the October election to the national legislature the UDF won the largest share but it needed coalition partners to form a government. The UDF always refused to form

a coalition with the BSP but willing cooperated with the Movement for Rights and Freedom (MRF) which represented the interests of the Turkish minority of Bulgaria. The MRF was usually the third largest bloc in the National Assembly.

1990–2000 The Crisis

Economic performance declined dramatically at the beginning of the 1990s after the disbandment of the Comecon system and the loss of the Soviet and Comecon market, to which the country had been entirely tied. Also, as a result of political unrest with the first attempts to re-establish a democratic political system and free market economy (Bulgaria was a democratic monarchy with free market economy prior to the Socialist era) the standard of living fell by about 40%, and only started to stabilize significantly after 1998 after the fall of Jean Videnov's socialist government. It regained pre-1989 levels by June 2004.

First signs of recovery showed in 1994 when GDP grew by 1.4%. This progress continued

with a 2.5% rise in 1995. Inflation, which surged to 122% in 1994, fell to normal rates of 32.9% in 1995. During 1996, however, the economy collapsed during Jean Videnov's government. That was due to the Bulgarian Socialist Party's inability to introduce vital economic reforms and failure to set legislative standards for banking and financial institutions, thus forcing an unstable banking system. All this led to an inflation rate of 311%, and the collapse of the lev. In the spring 1997, the pro-reform United Democratic Forces coalition came to power with its ambitious economic reform package. The reforms included introduction of a currency board regime, which was agreed to with the International Monetary Fund and the World Bank, allowed the economy to stabilize. The 2000s saw a steady pace of growth and budget surpluses, but shaky inflation.

Successful foreign direct investment and successive governments have demonstrated a commitment to economic reforms and responsible fiscal planning that have contributed greatly to the Bulgarian economy,

with a historical growth rate average of 6% a year. Corruption in the public administration and a weak judiciary have continued to be long-term problems, with presence of organized crime remaining very high.

Although politicians were giving warranties that the late-2000s recession would not hit Bulgaria, the economy suffered a 5.5% GDP decline in that period. Unemployment rose for at least five quarters bringing Bulgaria's worst recession since the early 1980s. Still, economic circumstances were not too severe when compared to the rest of Europe. Future prospects are tied to the country's increasingly important integration with the European Union member states.



Reforms of the 1990s and early 2000s

Members of the government promised to move forward on cash and mass privatization upon taking office in January 1995 but were slow to act. United Nations sanctions against Yugoslavia and Iraq (1990–2003), two of the country's most significant trading partners, took a heavy toll on the Bulgarian economy. The first signs of recovery emerged in 1994 when the GDP grew and inflation fell. The first round of mass privatisation finally began in January 1996, and auctions began toward the end of that year. The second and third rounds were conducted in Spring 1997 under a new government. In July 1998, the UDF-led government and the IMF reached an agreement on a 3-year loan worth about \$800 million, which replaced the 14-month stand-by agreement that expired in June 1998. The loan was used to develop financial markets, improve social safety net programmes, strengthen the tax system, reform agricultural and energy sectors, and further liberalise trade. The European Commission, in its 2002 country report, recognised Bulgaria as a functioning market economy, acknowledging

the progress made by Prime Minister Ivan Kostov's government toward market-oriented reforms.

Rebound from the February 1997 crisis[edit]

In April 1997, the Union of Democratic Forces (SDS) won pre-term parliamentary elections and introduced an IMF currency board system which succeeded in stabilizing the economy. The triple digit inflation of 1996 and 1997 has given way to an official economic growth, but forecasters predicted accelerated growth over the next several years. The government's structural reform program includes:

privatization and, where appropriate, liquidation of state-owned enterprises (SOEs); liberalization of agricultural policies, including creating conditions for the development of a land market;

reform of the country's social insurance programs; and

reforms to strengthen contract enforcement and fight crime and corruption.

Despite reforms, weak control over privatization led many successful state enterprises to bankruptcy. The SDS

government also failed to stop the growing negative account balance, which has since then continued to increase, reaching a negative of \$12.65 billion in 2008. The government elected in 2001 pledged to maintain the fundamental economic policy objectives adopted by its predecessor in 1997, specifically: retaining the Currency Board, implementing sound financial policies, accelerating privatisation, and pursuing structural reforms. Both governments failed to implement sound social policies.

The economy really took off between 2003 and 2008 and growth figures quickly shot up, fluctuating between figures as high as 6.6% (2004) and 5.0% (2003). Even in the last pre-crisis year, 2008, the Bulgarian economy was growing rapidly at 6.0%, despite significantly slowing down in the last quarter. In 2007 the commercial economies of Sofia, Plovdiv, Turnovo and Ruse seem vibrant. The obvious problems in downtown Sofia are the inadequate trash collections and the failure to repair damaged streets; i.e., failures of government services.

Although the contribution of services to gross domestic product (GDP) has more than doubled in the post-communist era, a substantial share of that growth has been in government services, and the qualitative level of services varies greatly. The Bulgarian banking system, which was weak in the first post-communist years, was fully reformed in the late 1990s, including stronger oversight from the National Bank of Bulgaria and gradual privatisation. In 2003 the banking system was fully privatised, and substantial consolidation began making the system more efficient in 2004. Several smaller banks grew substantially between 2004 and 2006. These processes increased public confidence in the banks. Although the system still requires consolidation, loan activity to individuals and businesses increased in the early 2000s. The insurance industry has grown rapidly since a market reform in 1997, with the help of foreign firms. An example is the Bulgarian Insurance Group (BIG), a pension-fund and insurance management company owned by the Dutch-Israeli TBI Holding Company and the

European Bank for Reconstruction and Development (EBRD). The introduction of health and pension insurance plans has expanded the private insurance industry. A series of reform laws in the early 2000s enabled the Bulgarian Stock Exchange to begin regular operation. As of 2005, stock market activity was limited by lack of transparency, although the growth rate increased beginning in 2004.

After a decline in the 1990s, in the 21st century the tourism industry has grown rapidly. In 2016 some 10 million foreigners visited Bulgaria, up from 4 million in 2004 and 2.3 million in 2000. This trend is based on a number of attractive destinations, low costs, and restoration of facilities. Most of the industry had been privatised by 2004. Infrastructure items such as recreation facilities and booking services require improvement. Development of Bulgaria's retail sales sector was slow until the early 2000s, when a large number of Western-style outlets began to appear, and Sofia developed

as a retail center. By 2006, several major European retail chains had opened stores, and others planned to enter the Bulgarian market. Bulgaria has attracted considerable investment from foreigners buying property either for their own use or for investment. In 2006, more than 29% of property deals were signed by foreigners, more than half of whom were UK citizens. Various companies, such as Bulgarian Dreams, actively marketed Bulgarian properties to buyers overseas.



In 2007 Bulgaria was visited by 5,200,000 tourists, ranking 39th in the world. Tourists from Greece, Romania and Germany account for 40% of visitors. Significant numbers of British (+300,000), Russian (+200,000),

Serbian (+150,000), Polish (+130,000) and Danish (+100,000) tourists also visit Bulgaria. Most of them are attracted by the varying and beautiful landscapes, well-preserved historical and cultural heritage, and the tranquility of rural and mountain areas.

Main destinations include the capital Sofia, coastal resorts Sunny Beach, Albena, Sozopol, Sveti Vlas; winter resorts Bansko, Pamporovo, Chepelare and Borovetz. Arbanasi and Bozhentsi are rural tourist destinations with well-preserved ethnographic traditions. Other popular attractions are the 10th century Rila Monastery and the 19th century Euxinograd



château.

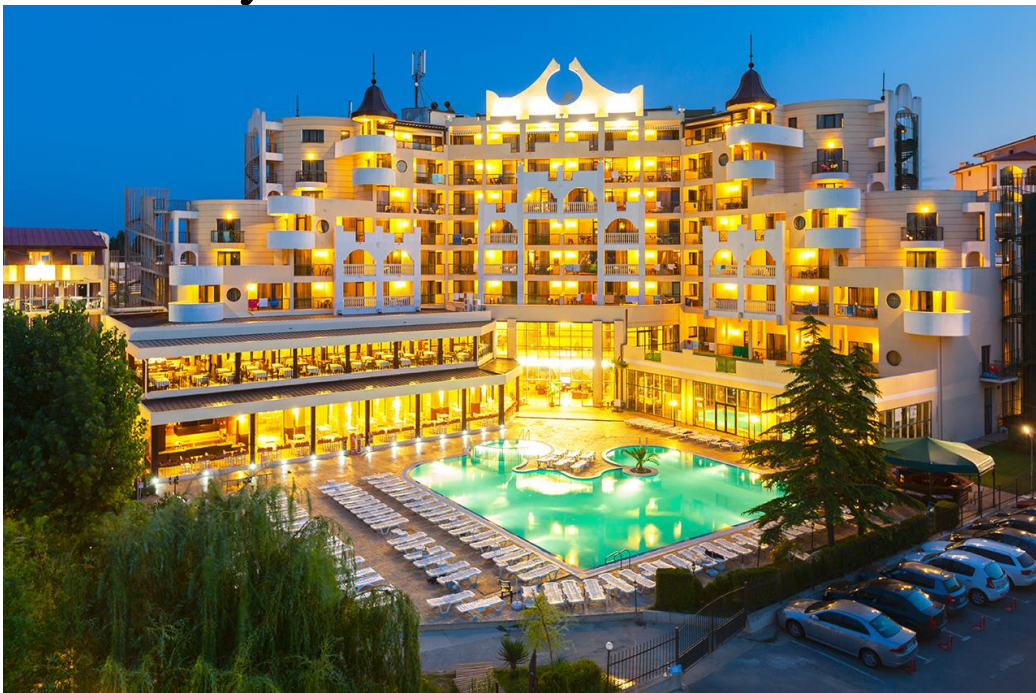
Euxinograd

château



-Rila

monastery



Sunny

beach



Bulgarian seaside



In 2010, Bulgaria spent 0.25% of its GDP on scientific research, which represents one of the lowest scientific budgets in Europe. Chronic underinvestment in the sector since 1990 forced many scientific professionals to leave the country. As a result, Bulgaria's economy scores low in terms of innovation,

competitiveness and high added value exports. Nevertheless, Bulgaria ranked 8th in the world in 2002 by total number of ICT specialists, outperforming countries with far larger populations, and it operates the only supercomputer in the Balkan region, an IBM Blue Gene/P, which entered service in September 2008.

The Bulgarian Academy of Sciences (BAS) is the leading scientific institution in the country and employs most of Bulgaria's researchers in its numerous branches. The principal areas of research and development are energy, nanotechnology, archaeology and medicine. With major-general Georgi Ivanov flying on Soyuz 33 in 1979, Bulgaria became the 6th country in the world to have an astronaut in space. Bulgaria has deployed its own experiments on various missions, such as the RADOM-7dosimeters on the International Space Station and Chandrayaan-1 and the space greenhouse (a Bulgarian invention) on the Mir space station. In 2011 the government announced plans to reboot the space program

by producing a new microsatellite and joining the European Space Agency.

From June 2017, Bulgaria will have its first geostationary communications satellite. BulgariaSat-1 is a geostationary communications satellite operated by Bulgaria Sat and manufactured by SSL, based on the space-proven SSL 1300 satellite platform. BulgariaSat-1 is the first in the history of the country geostationary communications satellite at the Bulgarian orbital position and it is designed to provide Direct-to-Home (DTH) television service and data communications services to the Balkans and other European regions. In this way, Bulgaria will be among other European countries with their satellites, namely Belarus, France, Greece, Italy, Luxembourg, Norway, Russia, Spain, Sweden, Turkey and the United Kingdom.

Due to its large-scale computing technology exports to COMECON states, in the 1980s Bulgaria became known as the Silicon Valley of the Eastern Bloc.

Part of the European Union

On 1 January 2007 Bulgaria entered the European Union. This led to some immediate international trade liberalization, but there was no shock to the economy. The government ran annual surpluses of above 3%. This fact, together with annual GDP growth of above 5%, has brought the government indebtedness to 22.8% of GDP in 2006 from 67.3% five years earlier. This is to be contrasted with enormous current account deficits. Low interest rates guaranteed availability of funds for investment and consumption. For example, a boom in the real estate market started around 2003. At the same time annual inflation in the economy was variable and during the last five years (2003–2007) has seen a low of 2.3% and high of 7.3%. Most importantly, this poses a threat to the country's accession to the Eurozone. The Bulgarian government originally planned to adopt the Euro no sooner than 2015. Although Bulgaria will have to adopt the euro as a condition to membership, plans have since been postponed for better economic times. From a political point of

view, there is a trade-off between Bulgaria's economic growth and the stability required for early accession to the monetary union. Bulgaria's per-capita PPP GDP is still only about a half of the EU27 average, while the country's nominal GDP per capita is about 20% of the EU27 average. However, Bulgaria ranks 38th (2015) in the Ease of Doing Business rank list, higher than most other Eastern European states, and 40th (2012) in the Economic Freedom of the World index, outperforming Belgium, Spain, Poland, Hungary, Portugal. Bulgaria also has the lowest personal and corporate income tax rates in the EU, as well as the second lowest public debt of all European Union member states at 16.2% of GDP in 2010.



The government of Boyko Borisov elected in 2009 undertook steps to restore economic growth, while attempting to maintain a strict financial policy. The fiscal discipline set by Finance Minister Djankov proved successful and together with reduced budget spending it placed Bulgarian economy on the stage of steadily though slowly growing in the midst of

world crisis. On 1 December 2009, Standard & Poor's upgraded Bulgaria's investment outlook from "negative" to "stable," which made Bulgaria the only country in the European Union to receive positive upgrade that year. In January 2010 Moody's followed with an upgrade of its rating perspective from "stable" to "positive."

Bulgaria was expected to join the Eurozone in 2013 but after the rise of some instability in the zone Bulgaria is withholding its positions towards the Euro, combining together positive and realistic attitudes. The Bulgarian lev is anyway bound to the euro. Bulgaria regards becoming a member of the Eurozone at present as too risky. The 2012 Transatlantic Trends poll found that 72 percent of Bulgarians did not approve of the economic policy pursued by the government of the ruling center-right GERB party and Prime Minister Boyko Borisov.

Household income or consumption by percentage share:

-lowest 10%: 2.9%

-highest 10%: 25.4% (25.4)

Distribution of family income - Gini index:
31.6% (2005)

Industrial production growth rate: 11.3%
(Third Quarter)

Electricity:

-production: 45.7 TWh (2006)

-consumption: 37.4 TWh (2006)

-exports: 7.8 TWh (2006)

-imports: 0 TWh (2006)

Electricity - production by source:

-fossil fuel: 47.8%

-hydro: 8.1%

-nuclear: 44.1%

-other: 0% (2001)

Oil:

-production: 3,000 bbl/day (2005 est.)

-consumption: 131,400 bbl/day (2005 est.)

-exports: 51,000 (2005 est.)

-imports: 138,800 (2004 est.)

-proved reserves: 15 million bbl (1 January
2006)

Natural gas:

-production: 407,000 cu m (2005 est.)

-consumption: 5.179 billion cu m (2005 est.)

-exports: 0 cu m (2005 est.)

-imports: 5.8 billion cu m (2005)

GDP	▲\$146,6 billion (PPP) (2018 est)
	▲\$54.291 billion (nominal) ¹ (2018 est)
GDP rank	77th (nominal) / 76th (PPP) (2016)
GDP growth	▲3.9% (2017, est)
GDP per capita	▲\$22,700 (PPP) (2018 est)
	▲\$7,743 (nominal) (2018 est)

-proved reserves:
5.703 billion cu m (1
January 2006 est.)

Agriculture -
products: vegetables,
fruits, tobacco,
livestock, wine,
wheat, barley,
sunflowers, sugar
beets

Current account
balance: \$ -5.01
billion (2006 est.)

Reserves of foreign exchange & gold: \$11.78
billion (2006 est.)

- Trade organisations



















EU, WTO, OSCE and BSEC

GDP by sector *agriculture: 5.1%*
industry: 27.5%

Exports ▲\$26.1 billion (2016 est.)
▼

Export goods ▲ clothing, footwear, iron and steel,
machinery and equipment, fuels
—

Main export partners

-  [Germany](#) 14%
-  [Italy](#) 9.7%
-  [Romania](#) 9.2%
-  [Turkey](#) 8.4%
-  [Greece](#) 7.3%
-  [France](#) 4.7%
-  [Spain](#) 2.9%
-  [Belgium](#) 2.9%
-  [Netherlands](#) 2.8%
-  [United Kingdom](#) 2.6%
-  [Poland](#) 2.6%
-  [Austria](#) 2.0%
-  [Serbia](#) 2.0%
-  [China](#) 1.9%
-  [Czech Republic](#) 1.8%
-  [Macedonia](#) 1.8%
-  [Hungary](#) 1.7%
-  [Russia](#) 1.5% (2016)

Imports ▲\$28.47 billion (2016 est.)

Import goods machinery and equipment, metals and
ores, chemicals and plastics, fuels,
minerals, and raw materials

Main import partners

	Germany	13%
	Russia	9.1%
	Italy	8.0%
	Romania	7.1%
	Turkey	6.3%
	Greece	4.9%
	Poland	4.1%
	China	4.0%
	Spain	4.0%
	Hungary	3.9%
	Netherlands	3.7%
	France	3.2%
	Austria	2.8%
	Belgium	2.4%
	United Kingdom	2.3%
	Czech Republic	2.2%
	Ukraine	1.6%
	Serbia	1.5%
	Slovakia	1.4% (2016) ^[11]

Gross external debt ▼\$33.8 billion (2016 est.)

Public finances

<u>Public debt</u>	▼24.0% of GDP (July 2017) ^[12]
Revenues	BGN 29.43 billion (2014) (\$19.62B)
Expenses	BGN 31.87 billion (2014) (\$21.25B)
Economic aid	\$475 million (2004-06)
<u>Credit rating</u>	—BB+ (Domestic) —BB+ (Foreign)

	<p>—BBB+ (T&C Assessment) (Standard & Poor's)^[13]</p>
Foreign reserves	<p>▲\$22.75 billion (31 December 2015)^[14]</p>
<p>Main data source: CIA World Fact Book <i>All values, unless otherwise stated, are in US dollars</i></p>	

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