



INVEST ⁱⁿ GABROVO

GREEN,
SMART &
INNOVATIVE





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KEY INDICATORS



107 000

POPULATION

District of Gabrovo
/2019/



28%

**WORKING-AGE
POPULATION WITH
UNIVERSITY DEGREE**

District of Gabrovo /2018/



3 669

**STUDENTS IN TECHNI-
CAL UNIVERSITY OF
GABROVO**

Municipality
of Gabrovo /2019/



13 510 BGN

**GDP PER
CAPITA**

District of Gabrovo
/2018/



2,5 bln BGN

**TOTAL
PRODUCTION
VALUE**

District of
Gabrovo /2018/



662 mln BGN

**CUMULATIVE
FOREIGN DIRECT
INVESTMENTS**

District of Gabrovo /2018/



70%

**EMPLOYMENT
SHARE
(15-64 YEARS)**

District of Gabrovo
/2019/



1036 BGN

CAVERAGE WAGE

Municipality
of Gabrovo /2019/



>10%

WAGE GROWTH

Municipality of Gabrovo
/2018/ 2019/

1

GABROVO'S
DYNAMIC
ECONOMY

**PRODUCTION
VALUE
/2018/**

2,5 bln BGN

**Gabrovo
District**

1 bln BGN

**Gabrovo
Municipality**

Gabrovo is among the district centres in Bulgaria with very well-defined industrial profile. Traditionally, the manufacturing has had more than 60% share of the overall production value in the city. Half of the employed in the private sector, as well as more than half of the value added in the local economy are concentrated in the processing industry.

In 2018 the enterprises in the municipality of Gabrovo had a total production value of 1 bln BGN, while the share of the manufacturing reached 630 mln BGN. For the last two years /2016 - 2018/ the growth of production value was above 16%, which is a reflection of the positive dynamics in the local economy. More than 2/3 of the growth in production for the above mentioned period is a consequence of the expansion of the processing industry. The other sector, though still small in size, of the local economy that has been performing well in the past years is Information Technology Services, which has grown 2,6 times in two years.

The region, in terms of geography, is compact, and Gabrovo and Sevlievo comprise more than 90% of the district's economy. The overall production value in the district reached 2,5 bln BGN in 2018, of which 1,6 bln BGN was created by the industry, turning the region in one of the most important economic centres in Bulgaria.



MUNICIPALITY OF GABROVO

INDUSTRIAL PROFILE

MANUFACTURING

**60% of
the economy
/2018/**

MOST DYNAMIC SECTOR

INFORMATION TECHNOLOGY SERVICES

**2,6 times growth
/2016-2018/**

The GDP per capita for 2018 in the district of Gabrovo is 13 510 BGN, which is higher compared to other economic centres in the region, such as Veliko Tarnovo and Ruse. GDP per capita in the district of Gabrovo had been gradually catching up to the national average in the past five years. In terms of local economic development, Gabrovo ranks in country's top 3 and is a local leader in GDP per capita growth.

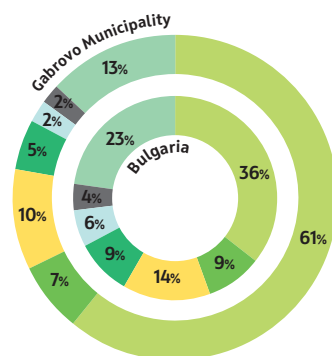
| District | GDP per capita /2018/ | Growth in the past 5 years /2013-2018/ |
|----------------|--------------------------|---|
| Gabrovo | 13 510 BGN | +51% |
| Plovdiv | 13 141 BGN | +41% |
| Ruse | 11 769 BGN | +33% |
| Veliko Tarnovo | 10 434 BGN | +35% |
| Bulgaria | 15 615 BGN | +38% |

Source: NSI data



THE SHIFT TOWARDS HIGHER ADDED VALUE

The share of the processing industry in Municipality of Gabrovo is almost twice as high compared to the country average. On the other hand, one third of manufacturing is concentrated into the production of machinery, equipment and metal products, which are the sectors with the highest added value per one employed person. Even though they are small relative to the economy as a whole, the most dynamic sectors are information technology and services and professional activities. Their total added value in those fields has tripled in the last 5 years and today is comparable with the added value in construction and transport businesses combined.



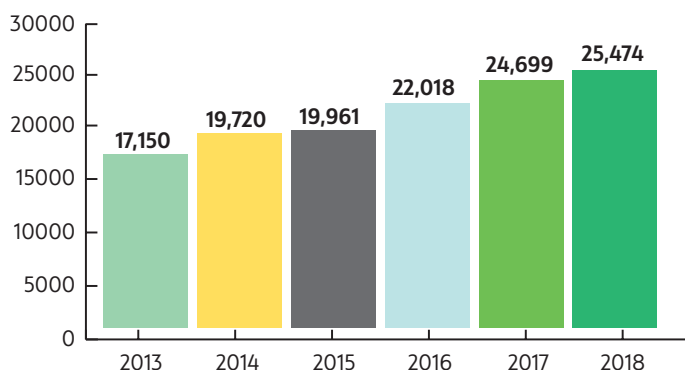
SHARES OF ECONOMIC SECTORS BY OUTPUT /2018/

■ Manufacturing ■ Construction
■ Trade ■ Information Technology
and Services ■ IKT ■ Professional
Activities ■ Other

Source: NSI data

ADDED VALUE PER EMPLOYEE IN MANUFACTURING /BGN/

Source: IME based on NSI data

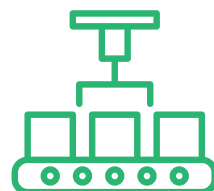


The shift of the local economy towards economic activities with higher added value is clearly visible. For the last five years the added value per employed person has grown by 50%, reaching 25 000 BGN per employee in the local enterprises. This determines the constant increase in wages, which have an average annual growth of 10% for the 2013-2018 period, and this trend has continued in 2019.

LEADING INDUSTRIES IN GABROVO

The processing industry in Gabrovo is concentrated into five large groups. The output of the production of machinery, equipment and metal tools comprises 37% of the total production value and 40% of the employed in industry. A traditionally well – developed branch is the textile production with 31% of the total production value and 29% of the employees.

Two other leading sectors, each with about 12% share in the overall processing industry, are rubber and plastics and food production. The production of wood products and furniture comprises about 6% of the industry.



MACHINERY AND ARTICLES OF METAL

37% share

of the processing industry /2018/

| Municipality of Gabrovo Processing industry breakdown /2018/ | Share of production value /%/ | Number of persons employed | Added value per person employed /BGN/ | Share of exported production /%/ |
|--|-------------------------------|----------------------------|---------------------------------------|----------------------------------|
| Total industry | 100 | 8 582 | 25 174 | ≈55% |
| Machinery and metal products | 37% | 3 471 | 32 095 | ≈65% |
| Metal products | 22% | 2 542 | 29 556 | ≈65% |
| Machinery and equipment | 12% | 650 | 44 000 | ≈65% |
| Electrical equipment | 3% | 279 | 27 487 | ≈60% |
| Textile and clothing | 31% | 2 449 | 20 176 | ≈80% |
| Rubber and plastics | 12% | 899 | 24 773 | ≈20% |
| Food and beverages | 12% | 847 | 20 653 | ≈5% |
| Furniture and wooden products | 6% | 707 | 19 260 | ≈30% |
| Furniture | 4% | 474 | 18 559 | ≈50% |
| Wooden products | 3% | 233 | 20 687 | ≈5% |
| Chemical products | 2% | 209 | 8 842 | ≈50% |

Source: IME based on NSI data



The leading industrial sectors in Gabrovo's local economy are those with higher value added. The average added value per person employed in the production of machinery, equipment and metal products for 2018 was 32 095 BGN. Machinery production was the sector with the highest added value – an average of 44 000 BGN per person employed in 2018, almost double compared to all other industries such as production of textile and clothing, food and beverages, furniture etc.

Gabrovo's industry is highly export oriented – more than 50% of the production is designated to foreign markets. Nearly 2/3 of machinery and equipment production – the sector with highest added value – is exported. As much as 80% of the production of textile and clothing is exported. This is the sector with highly positive export dynamics for the last year. Only the production of food and beverages is entirely focused on the internal market.

**44 000 BGN**

VALUE ADDED PER
EMPLOYEE IN MECHANICAL
ENGINEERING
/2018/

.....

Over 50%
OF THE PRODUCT
IN THE PROCESSING
INDUSTRY IS EXPORTED
/2018/

LOCAL ENTREPRENEURS AND NEW INVESTMENTS

LARGE INDUSTRIAL ENTERPRISES

Enterprises with more than 50 employees in 5 leading sectors

Companies by number of employees

Metals and metal products

Steel casting, Metal processing, Manufacturing of tools, Manufacturing of components for hunting and sports weapons

| 51-100 employed | 101-250 employees | 250+ employees |
|-----------------|-------------------|----------------|
| 2 companies | 3 companies | 3 companies |

Machinery, equipment and facilities

Machinery, equipment and facilities, Manufacturing of lifting and handling equipment, Specialized machinery, Electrical equipment

| 51-100 employed | 101-250 employees | 250+ employees |
|-----------------|-------------------|----------------|
| 4 companies | 2 companies | - |

Rubber and plastic products

Manufacturing of sheets, plates, tubes and profiles, Plastic packaging

| 51-100 employed | 101-250 employees | 250+ employees |
|-----------------|-------------------|----------------|
| 4 companies | 2 companies | - |

Textile and clothing

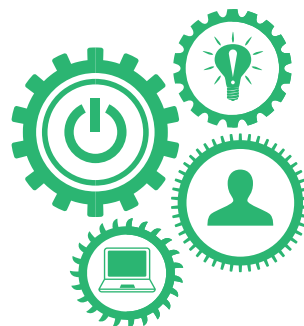
Fabrics production
Manufacturing of underwear and outerwear

| 51-100 employed | 101-250 employees | 250+ employees |
|-----------------|-------------------|----------------|
| - | 3 companies | 1 company |

Food

Manufacturing of spices, milk and dairy products, Manufacturing of bread and confectionery products, Processing of potatoes

| 51-100 employed | 101-250 employees | 250+ employees |
|-----------------|-------------------|----------------|
| 4 companies | 2 companies | - |



A total of 3 568 companies operate in Gabrovo. The municipality is not dominated by large employers, as only 3 companies employ over 500 people, and another 5 are between 250 and 500. Among these is the largest clothing company, 3 companies specialized in metal processing and production of metal products and tools, as well as 1 in the field of information technology.



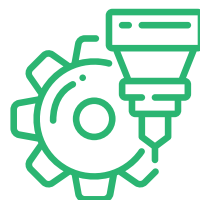
15 enterprises with between 101 and 250 employees and other 29 companies with between 51 and 100 employees form the backbone of the local economy. The vast majority of enterprises between 50 and 250 employees are in the processing industry - including manufacturing of machinery (particularly lifting and handling machinery), rubber and plastic products, metal processing, manufacturing of apparel and food.

In 2018 cumulative foreign direct investment (FDI) in the district of Gabrovo reached 662 mln BGN. Foreign capital is concentrated in two of the municipalities - 153 mln BGN in Gabrovo and 504 mln BGN in Sevlievo. Over 90% of foreign investments in both municipalities are in the processing industry. Foreign capital enters the district as a result of established relationships with local suppliers and manufacturers.



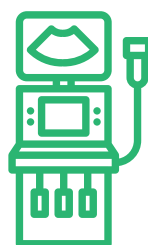
CUMULATIVE FDI IN GABROVO DISTRICT

**662 million
BGN, over 90%
of it in the pro-
cessing industry
/2018/**



FIXED ASSET
EXPENDITURE
IN GABROVO
MUNICIPALITY

**Over 100
million BGN**
/2018/



FOR PURCHASE OF
MACHINERY AND
EQUIPMENT

**40 million
BGN**

In 2018 the expenditures for acquisition of fixed tangible assets (FTA) by the enterprises in the Municipality of Gabrovo exceeded 100 mln BGN, and at least 40 mln BGN were spent on machinery and equipment. The total investment expenditures of the companies in the processing industry amounted to 50 mln BGN. For the last 4-5 years between 10-20% of the investments made are in research and development.

2

HUMAN CAPITAL
IN GABROVO

57 000 people
in Gabrovo municipality

.....

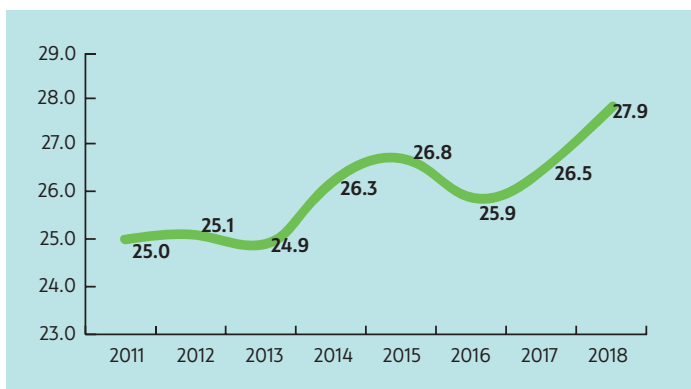
107 000 people
in Gabrovo district

.....

28%
with tertiary
education
/2019/

In 2018 the population of Municipality of Gabrovo was 57 000 people, while in the district as a whole there were 107 000 people. About 60% of the population is in active working age /15-64 years old/. The area is compact - the urban areas, including Sevlievo, Tryavna and Dryanovo are about 30 minutes away from Gabrovo, which means that the available workforce should be estimated at the district level. The data on the daily labour migration show a serious exchange of commuters between Gabrovo and Sevlievo.

In the District of Gabrovo 28% of the people aged 25-64 have higher education and the vast majority of graduates are concentrated in the city of Gabrovo. The good school education - full scope and high quality, as well as the relatively high share of the workforce with higher education determine the good indicators of the labour market in Gabrovo.



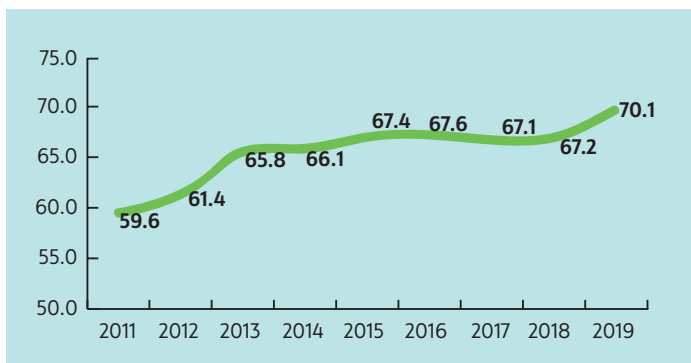
RELATIVE SHARE OF THE POPULATION IN THE DISTRICT OF GABROVO WITH UNIVERSITY EDUCATION /25-64 years, %/

Source: NSI data



28%

OF THE POPULATION IN GABROVO DISTRICT HAS TERTIARY EDUCATION



EMPLOYMENT RATE IN THE DISTRICT OF GABROVO /15-64 years, %/

Source: NSI data

70%

EMPLOYMENT RATE IN GABROVO DISTRICT /15-64 years old, 2019/

In 2019, the employment rate for the economically active population in Gabrovo increased for the eight consecutive year and reached over 70%, which is a record in the recent history of the district. The solid growth of employment in 2019 shows that the positive growth of the economy in the recent years has been maintained. The official unemployment rate is also extremely low - 3.4% in Gabrovo and 3.6% in Sevlievo in 2019. The well- developed processing industry has an impact in the region, with unemployment remaining relatively low even in the worst years.

3.4%

UNEMPLOYMENT RATE IN GABROVO MUNICIPALITY /2019/

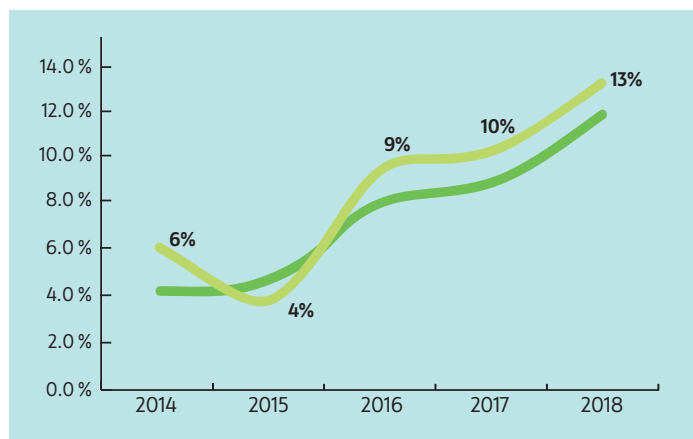
PRODUCTIVITY AND WAGES GROWTH

A total of 8 582 people were employed in the industrial enterprises in Gabrovo in 2018. These are more than half of all employees in the non-financial local economy. In this respect, Gabrovo surpasses other local economic centres and major industrial zones in the southern part of the country. The average wage in the processing industry in Gabrovo exceeded 1 000 BGN in 2019, but remains competitive compared to the major industrial centres in the south such as Plovdiv and Stara Zagora.



| Municipality | Share of employees in the processing industry /2018/ | Average gross salary in the processing industry /2019/ |
|----------------|--|--|
| Gabrovo | 52% | 1 036 BGN |
| Ruse | 46% | 1 076 BGN |
| Stara Zagora | 35% | 1 043 BGN |
| Veliko Tarnovo | 30% | 1 000 BGN |
| Plovdiv | 29% | 1 124 BGN |

Source: IME based on NSI data



■ Average monthly salary growth in Municipality of Gabrovo /%/

■ Average monthly salary growth in processing industry in Municipality of Gabrovo /%/

Source: NSI

Wages in Gabrovo are growing steadily. In 2019, the average salary for Municipality of Gabrovo was over 1 000 BGN per month, and in the recent years it has been increasing by over 10% annually. Wages in the processing industry are growing with an even faster pace and are already above of the average for the municipality, which reflects the orientation of industry towards capital-intensive industries with higher added value. The highest salaries in Gabrovo are in the field of information technology and services, reaching over 1 500 BGN in 2019.

GABROVO – CITY OF TALENTS AND APPLIED SCIENCES



The highest share of enrolled students between the fifth and eighth grade for 2018 in Bulgaria is in the District of Gabrovo – over 95%. The share of school dropouts is also low, which means that children are essentially fully included in the educational system. The excellent coverage of school education leads to higher levels of basic literacy, which is a plus for the local labour market and explains in part the traditionally low unemployment rate in the region.

The number of students in general education schools in the Municipality of Gabrovo is close to 4 500, including about 1 300 in VIII-XII classes and over 1 000 students in the two vocational high schools - technical and tourism. "Dr. Nikola Vasiliadi" Vocational Technical High School has introduced a dual form of education and traditionally teaches future workers for the local industry. In 2019 a total of about 450 students in Gabrovo graduated high school, and more than 150 chose an English language exam and showed very good results.



over 95%

**ENROLLMENT RATE
IN V-VII GRADE**

.....
over 1000

**STUDENTS IN
VOCATIONAL
SCHOOLS**



The average results the state matriculation exam in Bulgarian language and literature (BLL) in Gabrovo is Good (4.32), a result which ranks the municipality in top 10 of the country. The Aprilov National High School - founded as the first secular school in Bulgaria in 1835 – performs best in the district with an average result of Very Good (5.04) in that exam. This high school is one of the iconic institutions in the town of Gabrovo, and in 2011 expanded into a new, modern building.



THE FIRST SECULAR SCHOOL IN BULGARIA

The National Aprilov High School

.....



TOP 10

IN THE COUNTRY IN
BLL MATRICULATION
EXAMS

The "Ivan Gyuzelev" High School of Natural Sciences and Mathematics also performs well at the matriculation exams – the average results in BLL and mathematics are respectively Very Good (4.81) and Very Good (5.05). Young students from the school learning computer science and technologies are golden medal winners at numerous national and international competitions as part of the national informatics team.



| Technical University of Gabrovo /2019/ | Number of students (by specialty) | Income of graduates Average monthly income of graduates for the last 5 years in BGN |
|--|-----------------------------------|--|
| Technical University of Gabrovo | 3 669 | |
| Machine engineering | 968 | 1 584 |
| Electrical engineering, electronics and automation | 833 | 1 579 |
| General engineering | 472 | 1 406 |
| Materials and materials science | 138 | 1 439 |
| Communication and computer equipment | 626 | 1 383 |
| Administration and management | 403 | 1 090 |
| Economics | 99 | 838 |
| Social activities | 130 | 723 |

Source: Bulgarian University Ranking System

Technical University of Gabrovo is the key educational institution in the city. The University attracts young people, teaches technical staff for the local economy and plays a leading role in research and development, creating an environment for smart specialization of industry. In 2020a High-tech Park within the infrastructure of the University will open its doors.

In 2019 a total of 3 669 students received their education at the University. 3 037 of them studied technical science, with mechanical engineering being the leading specialty. The University focuses on those fields that have a long tradition and that are most closely linked to local industry. In the recent years the number of students educated in traditional specialties like mechanical engineering, communication and computer technology is increasing, which corresponds to the dynamics of business service development in Gabrovo.

3

GABROVO SMART SPECIALIZATION

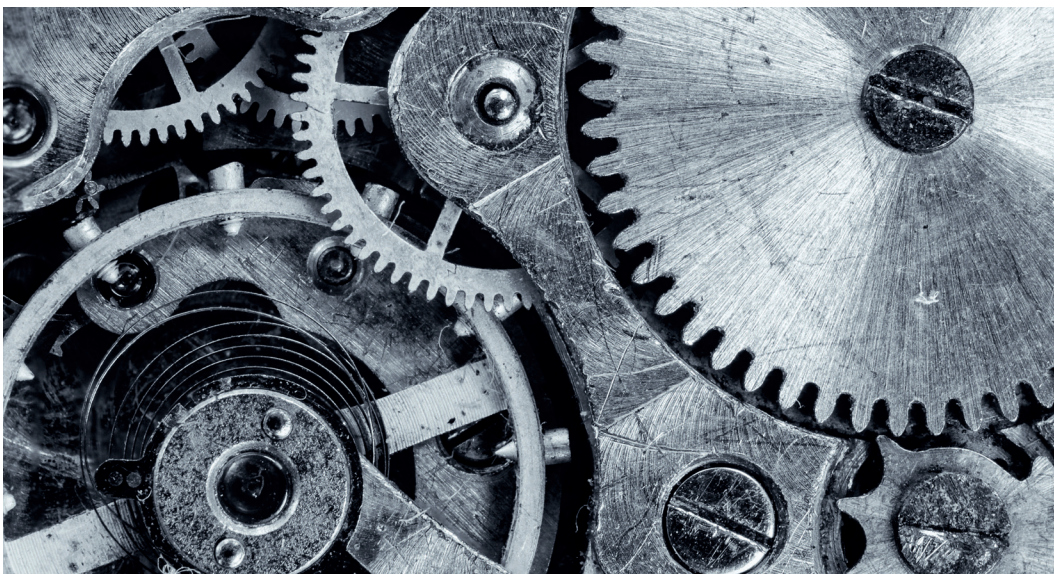


A hub for engineering solution and innovation

The active work of Municipality of Gabrovo, the good coordination between the Technical University and the large manufacturing enterprises, as well as the accumulation of investments in research and development determine the path to smart specialization of Gabrovo's industry and the development of the Tech park in the city.

A study of the innovative potential of Gabrovo in the field of industry /2017/ shows that the city is preferred due to the access to engineering talent and traditional cluster connections in mechanical engineering. Gabrovo has established itself as a hub for engineering solutions, as most of the companies offer a complex approach - from engineering design to a finished product.

In regional terms, the development of Gabrovo goes in several directions. At the district level it deepens its connection with Sevlievo, as the newest Industrial zone of Gabrovo is being built between the two cities. The new zone is an opportunity for expansion and entry of new large industrial companies in the region.



Cooperation of Municipality of Gabrovo with Thrace Economic Zone around Plovdiv, the most dynamically developing industrial zone in Bulgaria, is already present. Gabrovo enters this larger zone as a destination for innovation because of its traditionally well - developed engineering sector and the opportunity for the future development of the high-tech park based around the Technical University.

The third perspective for development of Gabrovo is in the direction of Veliko Tarnovo and Ruse, as major university centres in the North Central region of Bulgaria. These cities share similar challenges of attracting talent and foreign capital in transforming the North into the new most dynamic economic zone in Bulgaria.

The development path of Gabrovo is further supported by the implementation of large infrastructure projects unlocking the potential of Northern Bulgaria. In the next few years the Hemus highway from Sofia to Varna is expected to be finished, and so is the construction of Ruse-Veliko Tarnovo speedway. The connection with Southern Bulgaria will be provided through Gabrovo Ring Road and the future tunnel under Shipka Peak. All these projects will give a huge impetus to the development of the North Central Region.

**NEW INDUSTRIAL
ZONE BETWEEN
GABROVO AND
SEVLIEVO**

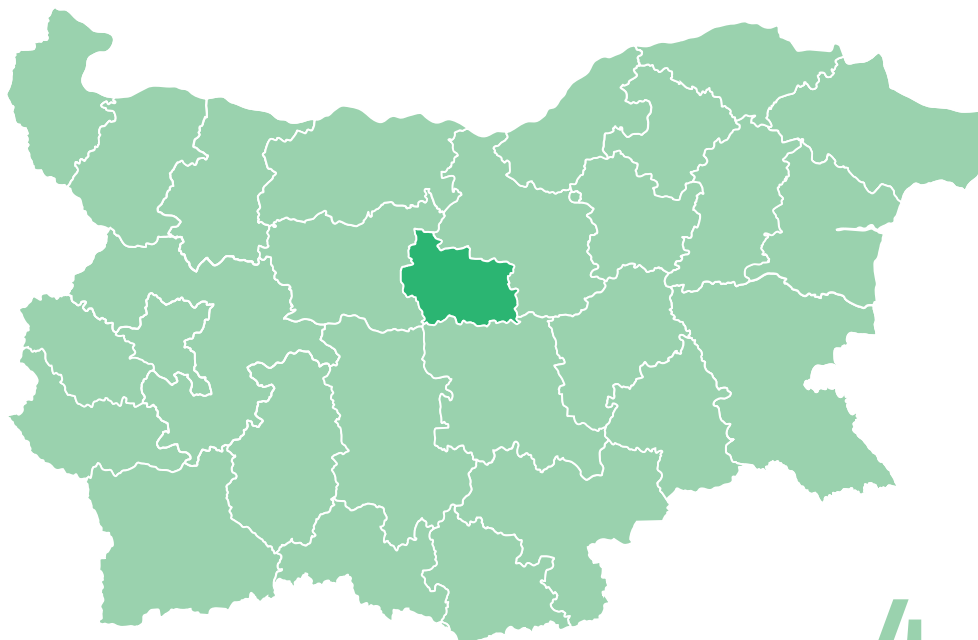
.....

**DESTINATION FOR
INNOVATION AND
PARTNERSHIP
WITH
TRAKIA ECONOMIC
ZONE**

.....

**INVESTMENT IN
INFRASTRUCTURE
AND
DEVELOPMENT OF
THE NORTH
CENTRAL REGION**

INDUSTRIAL FUTURE IN THE HEART OF BULGARIA



4

Investments in transport infrastructure give a serious boost to the industrial potential of Gabrovo. The completion of Gabrovo Ring Road provides full connectivity of the functioning industrial zones on the outskirts of the city. The pass and the future tunnel under Shipka Peak are essential for providing a fast connection between Northern and Southern Bulgaria. The tunnel will provide quick access to the large industrial zones in the south.

Gabrovo has four functioning industrial zones located in immediate proximity to the city (see the interactive map). They are connected with the central parts of the city via public transport. In terms of infrastructure, the zones are well designed and supplied, and a plan for construction of a new one suitable for large investors between Gabrovo and Sevdievo is already under way.

ACTIVE INDUSTRIAL ZONES IN GABROVO

**The western
bypass of
Gabrovo**

**CONNECTS THE
INDUSTRIAL ZONES**

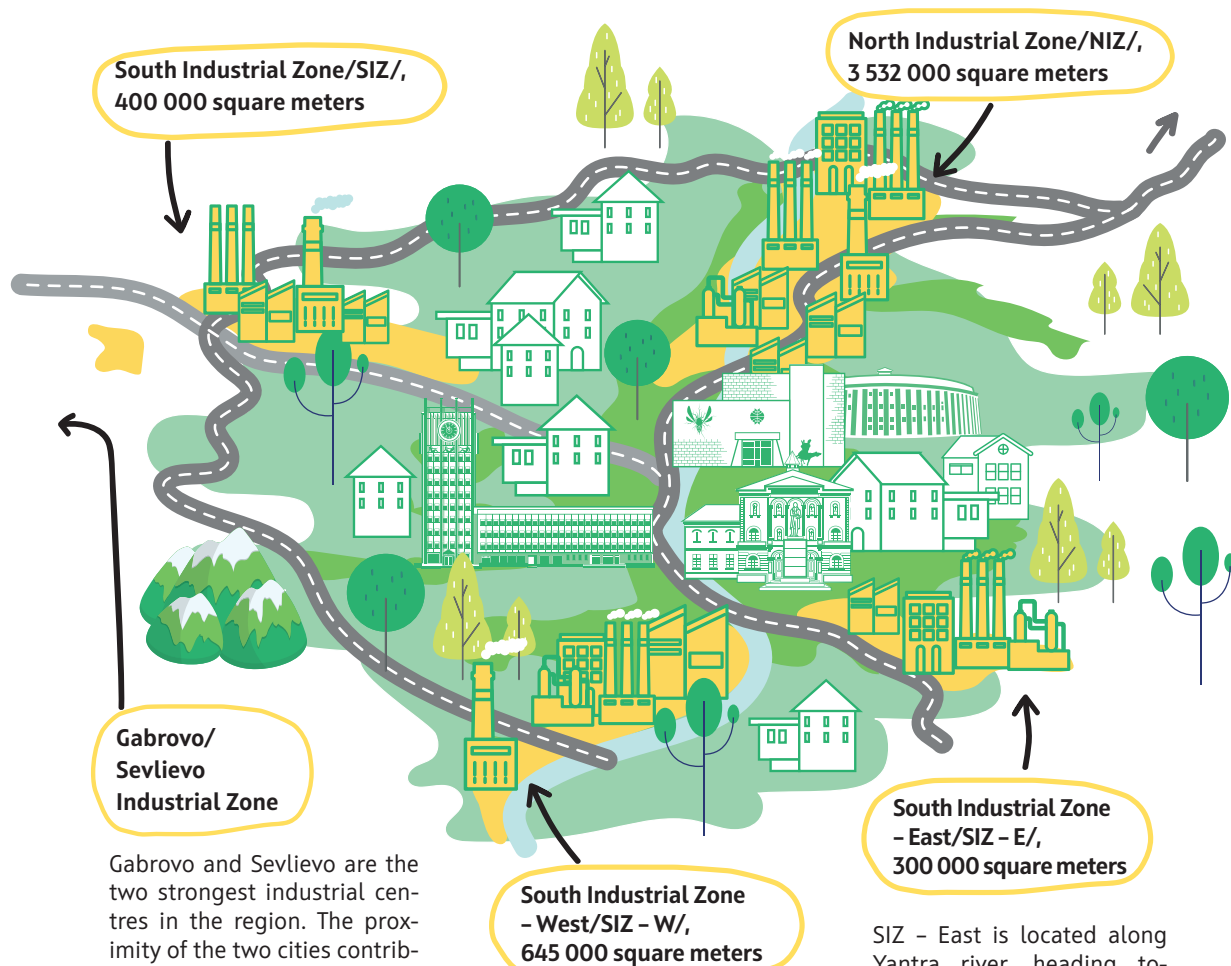
**A tunnel under
Shipka peak**

**PROVIDE ACCESS TO
SOUTH BULGARIA**



SIZ is located along the main road between Gabrovo and Sevlievo, in immediate proximity to the Gabrovo Ring Road. The zone is under development and has potential for greenfield investments, due to availability of vacant land.

NIZ is the biggest industrial zone in Gabrovo located in the northern part of the city. The main road between Gabrovo and Veliko Tarnovo crosses its territory. NIZ is mainly suited for production and warehousing activities. Most of the plots and the buildings within the zone are private.



Gabrovo and Sevlievo are the two strongest industrial centres in the region. The proximity of the two cities contributes to their economic connection, including the daily labor migration between them. The potential for development of the Gabrovo/Sevlievo new industrial zone is further enhanced by investments in road infrastructure between the two cities and the availability of suitable terrain for the development of the zone.

SIZ - West is located along Panicharka river. Gabrovo Ring Road's route crosses the area, thus ensuring a quick access to the big industrial centres in the south. The zone is multifunctional, consisting of a few individual production plots.

SIZ - East is located along Yantra river, heading towards the Shipka pass. This is the oldest industrial zone in the city - established in late 19th century it used to house the first craft workshops and textile factories. Nowadays the area is multifunctional, comprised of separate industrial sites.

TECHNICAL UNIVERSITY OF GABROVO TECH PARK

Based on four contracts signed in 2018 by Technical University of Gabrovo for construction and development of centres of competence and a centre of excellence under Operational Program "Science and Education for Intelligent Growth" the campus of the University will extend its research facilities with anewly built infrastructure of a Technology Park.

The investment for the Park is about 10 mln BGN, for the construction of one centre of competence, one centre of excellence in the field of mechatronics and clean technologies, and two centres of competence in the field of informatics and ICT. The project is being implemented in partnership with academic institutions from all over the country, as well as affiliated institutes from the Bulgarian Academy of Sciences (BAS).

Technical University of Gabrovo Tech Park will perform industrial and experimental scientific and applied research in the field of intelligent mechatronic systems and technologies, energy saving systems and clean technologies, big data processing, quantum communications, cyber security and others.

The investment guarantees the creation of several laboratory complexes within the new technology park, as well as the provision of appropriate infrastructure for research and innovation. The good existing cooperation of Technical University of Gabrovo with the local business gives opportunities for many partnerships and implementation of projects in the technology park.





**LABORATORIES
IN THE CENTRE
FOR COMPETENCE
„INTELLIGENT
MECHATRONICS,
ECO- AND ENERGY
SAVING SYSTEMS AND
TECHNOLOGIES“**

Intelligent mechatronic systems for measurement and control, also for the study of materials structure and properties - 2 laboratories within the Park;

Intelligent energy saving systems and technologies, including those related to mass electromobility, drive and positioning systems, lighting, components and technologies for LED and hydroelectric installations, modern electrical components and systems with application in the industrial sector - 6 laboratories within the Park.

Electronics and sensors, including microelectronic and microprocessor devices /systems and development of sensor elements for humidity, gases and temperature/ - 2 laboratories within the Park;

Energy saving systems and technologies for design and production of high-tech products - 4 laboratories within the Park;

**CENTRE OF
EXCELLENCE
„NATIONAL
CENTRE FOR
MECHATRONICS
AND CLEAN
TECHNOLOGIES“**

**CENTRE OF
COMPETENCE
„QUANTUM
COMMUNICATION,
INTELLIGENT SECURITY
SYSTEMS AND RISK
MANAGEMENT
(QUASAR)“**

**CENTRE OF
COMPETENCE
„DIGITALIZATION
OF THE ECONOMY
IN A BIG DATA
ENVIRONMENT“**

Laboratory section "Accurate measurements of dynamic quantities in mechatronics" at the Laboratory for "Robotic mechatronic technologies"

"Quantum communication" Laboratory

"Digitalization of the economy in a Big Data environment" Laboratory

"Innovative sensor technologies" Laboratory



4

GABROVO
- CAPITAL OF HUMOUR
AND SATIRE

30 000

**VISITORS TO
THE CARNIVAL
PROCESSION IN
GABROVO**

Gabrovo is known as the World Capital of Humour. This unique image created more than a century ago continues to grow today, mostly through culture and art. The city's Carnival, the most spectacular public event in Gabrovo is a culmination of the International Festival of Humour and Satire and brings together different types of arts and types of performance. The carnival parade, which is the most massive and attractive parade on the streets of Gabrovo, attracts an audience of more than 30 000 people, or more than half of the population of Municipality of Gabrovo.

In 2017 Gabrovo was designated by the United Nations Educational, Scientific and Cultural Organization (UNESCO), as a Creative city of crafts and folk arts. The recognition of Gabrovo is in three main directions - 1) a city of crafts and industry, 2) a capital of humour and satire and 3) a city that preserves and promotes local folklore. Gabrovo has an intense cultural life with many diverse and unique museums. It is also the hometown of the world famous artist Hristo Yavashev - Christo.



CITY OF UNIQUE MUSEUMS

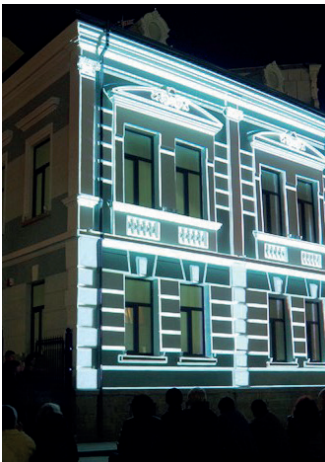


House of Humour and Satire Museum

The House of Humour and Satire is a unique museum of contemporary humorous and satirical art of global importance. This is the only museum in the world dedicated to humour. It has nearly 50 years of history and houses its 10 exhibition halls in a huge reconstructed factory of the famous Gabrovo industrialists, the Kalpazanovi brothers. Every odd year the Museum organizes an International biennial of humour and satire. Over 40 000 people visit the Museum yearly.

Interactive Museum of Industry

The Interactive Museum of Industry is the only one of its kind on the Balkan Peninsula. Modern and contemporary, winner of a special award "Building of the Year", the museum was opened in 2014 to recreate the industrial heritage of Gabrovo. It offers visitors an interactive journey through three historical ages - industrialization, socialism and modernity. 3D mapping light shows on the facade of the museum are especially attractive and are one of the reasons for its growing popularity.





CULTURE AMIDST NATURE



Regional Ethnographic Museum in the Open "Etar"/Etara

Etara is the only open-air ethnographic museum in Bulgaria and is located next to the city of Gabrovo. Opened in 1964 it reveals the way of life and economic past of the region during the Revival era. The Crafts Bazaar /Charshya/ is a main city street from the period of the Bulgarian Revival, where many workshops present the most typical crafts of the region.

There are over 220 thousand visits per year to the museum, which is four times more than the entire population of Municipality of Gabrovo.

Museum of the Architectural Historical Preserve "Bozhentsi"

Bozhentsi is one of the most beautiful architectural spots in Bulgaria. The picturesque village has 600 years of history and has preserved the entire architectural and urban ensemble of the Bulgarian village from the Renaissance. Bozhentsi houses several museum houses, workshops and traditional schools. Nearly 2 000 people per month visit the architectural reserve, especially in the summer.





TRADITIONS IN EDUCATION AND SCIENCE



National Museum of Education

The National Museum of Education is housed in the premises of the first secular school in Bulgaria - Aprilov High School. The museum, with its permanent exhibition which traces the history of Bulgarian education from the ninth century to the present day, is the only one of its kind in Europe. Reconstructions of a church school, a kindergarten from the end of the 19-th century and the first modern Bulgarian school are exhibited. There are over 18 000 visits to the Museum per year.



Astronomical Observatory and Planetarium

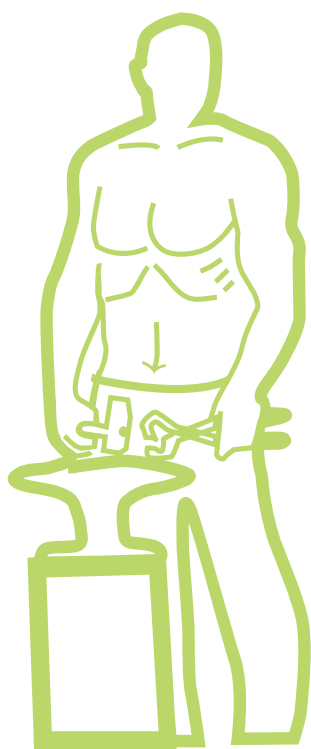
Gabrovo Astronomical Observatory and Planetarium combines educational, research and cultural functions. Its purpose is to spread knowledge of astronomy and to promote the achievements of aeronautics. The astronomical observatory has «Celestron 14» telescope, fixed in the observation pavilion and several smaller telescopes. In clear weather, observations of the sun, moon, planets and their satellites, star clusters, nebulae and other objects and phenomena can be made. The observatory is especially popular in the spring.



5

HISTORY
MEETS
INNOVATIONS

An ancient legend says that one of the first settlers along Yantra River was a young blacksmith named Racho, who shod caravans passing through the mountains. Gradually, other people started to settle near his home, establishing small tailor and leather workshops and inns with delicious meals. A huge hornbeam tree */Gabar in Bulgarian/* rose near the fireplace of the blacksmith's forge, and this is the reason why the city was named Gabrovo.



Over time Gabrovo became famous for its skilled craftsmen. One after the other nearly 30 crafts flourished in the city - braiding, weaving, furriery, silversmith's and fuller's trade, pottery, carpentry, woodcarving and many others. From the existing small-scale manufactures rose large-scale industry. Textile - wool and cotton, leather and iron industries developed. With the development of trade, the drive for education quickly grew and in 1835 the first secular Bulgarian school was established in Gabrovo.

The wide range of crafts allowed to satisfy not only the local needs, but also gave the opportunity to develop trade relations throughout the Ottoman Empire, and from the middle of the 18-th century in other European countries. The city became famous for the thrift and wit of its inhabitants, which is why the only Museum of Humor and Satire in the world is here. The industrialists of Gabrovo are known as the first visionaries and innovators in the country.



Nowadays, industry traditionally continues to be a leading branch of the local economy, thus positioning Gabrovo among the leading economic centres in Bulgaria. Favorable factors for its development are traditions, well-developed infrastructure, the presence of a technical university in the city and a skilled workforce. Today, as more than 200 years ago, Gabrovo is a centre of production and innovation, home of humour and entrepreneurship.



**GABROVO'S
ENTREPRENEURS**

**Visionaries
and
Innovators**



GABROVO INNOVATION CAMP



Gabrovo Innovation Camp is an event that aims to provoke young people to seek solutions for the future of Gabrovo and the region. Between 50 and 100 young people divided in teams and led by inspiring professional mentors focus on group communication in search of new approaches and solutions. The teams work as self-organizing groups and are looking for an idea that is innovative and has potential for realization in Gabrovo. The Innovation Camp is a unique initiative that provokes entrepreneurial thinking among young people in Gabrovo.

Every summer Gabrovo hosts the "Entrepreneur as an Inventor" Camp – an initiative for students with educational and training programs, aimed to stimulate their creative thinking. The Camp provokes young people to develop economic thinking and seek solutions to contemporary challenges and problems. Working with youths and initiatives involving youth activities is a part of the efforts of the Municipality to develop Gabrovo as an innovation hub.



**Active and
entrepreneurial
people**





MACROECONOMIC STABILITY AND FAVORABLE BUSINESS ENVIRONMENT

Access to the EU Single Market

As of 2007, Bulgaria is a member of the EU



Low Public Debt

Between 2016/2018 Bulgaria had budget surpluses
/Government debt data are for 2019/

20% of GDP

Income and Corporate Tax

Flat 10% income tax and 10% corporate tax

10%

Fixed exchange rate of BGN to Euro

Since 1997 Bulgaria has a Currency Board and is in an advanced
phase for ERM II and Eurozone membership

1.95583

BGN for 1 Euro

DYNAMIC ECONOMY AND HIGH GROWTH

Annual GDP Growth

Stable annual growth between 2015/2019

>3%

Record Employment

Record employment achieved in 2019 /15-64 year olds/

70%

Annual Wage Growth

Growth of wages in the country is above 10% in 2018 and 2019

>10%

THE EXPANSION OF GABROVO

Industrial Profile

Stable annual growth between 2015/2019

60%

Globally Oriented

Over 50% of the production in industry is for export

>50%

Growth of Value Added

Added value per 1 employed in industry /2013-2018/

>50%

EDUCATION AND SOCIAL ENVIRONMENT

Talented and Qualified Labor Force

Top 10 in quality of School education and 28% share of University graduates
flowing into the workforce



Unique Culture and Traditions

World Capital of humour and City of museums



BUSINESS ENVIRONMENT

Developed Industrial Zones

4 zones within Gabrovo and construction of Gabrovo/Sevlievo new zone



New Technological Park

Technical University of Gabrovo Tech Park is under construction since 2018



A Municipality – Open for Business

Excellent level of administrative services and low local taxes





GABROVO BUSINESS ENVIRONMENT

INVESTOR'S INFORMATION



ACCESS TO PORTS ALONG THE DANUBE

149 km

Distance to
the Port of
Ruse

125 km

Distance to
the Port of
Svishtov



ACCESS TO PORTS ON THE BLACK SEA

243 km

Distance to
the Port of
Varna

249 km

Distance to
the Port of
Burgas



ACCESS TO INTERNATIONAL AIRPORTS

199 km

Distance to
**Sofia Airport
in Bulgaria**

224 km

Distance to
**Bucharest Airport
in Romania**



0.230%

Enterprise real estate tax

/% of the property
tax assessment/



LOCAL TAXES AND FEES

0.310%

Household waste fee for enterprises

/% of the property
tax assessment/



**Possibility to calculate the
municipal waste fee according
to the amount of waste of the
enterprise**

GABROVO BUSINESS ENVIRONMENT

INVESTOR'S INFORMATION



CONSTRUCTION PERMITS

18 Procedures

For issuing a construction permit

/number of procedures, according to Doing Business 2020/

97 days

Time to issue a construction permit

/number of days according to Doing Business 2020/



3.4%

Cost of issuing a construction permit

/% of the value of the construction according to Doing Business 2020/

530 €

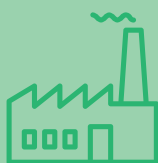
Average salary in manufacturing
/2019/



WAGES IN THE MUNICIPALITY OF GABROVO

643 €

Total labor costs in manufacturing
/gross salary and social security contributions for the employer, 2019/



INDUSTRIAL LAND AND UTILITIES



Price of industrial land

20-40 €/m²

/IME 2020 assessment/

Price of water for industrial enterprises

1.2-1.4 €/m³

(в зависимост от степента на замърсяване, 2020 г.)

Price of electricity for industrial consumers

0.09 €/kWh

/average price on the free market 2019-2020/

Price of electricity for large industrial consumers

0.06 €/kWh

/average price on the free market 2019-2020/





IMPORTANT LINKS AND INTERACTIVE MAPS

Municipality of Gabrovo

www.gabrovo.bg

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Social and Economic Profile

Municipality of Gabrovo [Actual data](#)

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Gabrovo Companies Economic Indicators

(Companies [interactive map](#))

.....

Gabrovo Industrial Zones

(Zones [interactive map](#))

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И.П.И
Институт за пазарна икономика

Gabrovo Municipality © 2020

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INVEST ⁱⁿ GABROVO

GREEN,
SMART &
INNOVATIVE

