AmCham Recommendations to the New Bulgarian Government
4 pm meeting at the Business Park

*to be first is advantage

14 buildings, 10 000 visitors, 4 000 parking spaces
More than 250 Bulgarian and International top companies
The excellent service mix all within walking distance – from banks and courier service through pharmacy, dry-cleaning, health & beauty facilities to supermarkets, coffee shops and restaurants.
If you want to be part of it don’t look any further.

visit: www.businesspark-sofia.com
or call: (+359) 2 489 9864
HEAR IT LIVE from Google™

ABOUT THE FUTURE OF ADVERTISING

Other topics
On successful sales and e-commerce (eBAY); About the future of advertising (AOL);
About the future of e-Commerce (Ciao!); On the social networks (the Guardian);
On internet payments (PayPal); About the interactive experience with the brand (Coca-Cola)

Mobile Marketing Association
(www.mmaglobal.com)

“Maybe the biggest event on e-Marketing and
digital advertising in th region of CEE!”
IAB Europe (www.iab-europe.eu)

The biggest education forum of Southeastern
Europe on e-Commerce and e-Business,
Internet Marketing & Advertising, Mobile Marketing,
Social Networking for marketing, etc.
e-Academy (www.e-acad.eu)

Additional Discount 5%
for AmCham Members with
a discount code: amc1221

www.webit.bg

7-8 October, NDK
AES is one of the world’s largest global power companies, with 2008 revenues of $16 billion and we own and manage more than $35 billion in total assets. With operations in 29 countries on five continents, AES generation, production and distribution facilities have the capacity to serve 100 million people worldwide. We take leadership in the business of providing power in a safe and responsible way. We seek to continually improve the environmental performance of our businesses. In Bulgaria, Stara Zagora region the company constructs a 670 MW "AES-3C Maritza East 1", 1.2 billion euro Project.
Editorial

On behalf of the American Chamber of Commerce Board of Directors and our more than 300 member companies, I would like to congratulate Prime Minister Boyko Borissov and the Government of Bulgaria for their election to office, their formation to government and for the very ambitious and promising start to its mandate.

It is our hope and desire that representatives of the business community will embrace the efforts of the new government to move the country forward on all fronts. Furthermore, we hope that they will also view the new government as a leader in combating corruption at all levels, as a strong proponent of dialogue and coordination between business and the state institutions for the establishment and facilitation of a smooth and transparent investment process. In harmony with our strategic objectives, AmCham Bulgaria has become an active and constructive partner with the Bulgarian government in supporting U.S. and foreign investments in Bulgaria, conducting advocacy for a more conducive business environment and enabling the implementation of state-of-the art business practices.

The government’s stated main principles which will govern its actions – honesty, denouncing corruption and preventing unlawful connections with criminal economic interests – have their roots in Bulgaria and are practiced by the most reputable businesses in Bulgaria, including those within the AmCham community.

It is these principles in which we rely on as our strength, particularly during challenging times, times such as the changing of the political guard and during a financial crisis.

We are here to support the government in its critical work to develop efficient anti-crisis measures. The chamber has been an active participant in consulting the government on budgetary and tax laws, as well as specific legislative initiatives and the development of strategic policy documents. We believe that there will be a productive dialogue between the executive power and the business community, specifically the foreign investors, on the development of the 2010 state budget.

AmCham will be an active and steadfast partner of the government in its efforts toward more efficient national governance. During times of economic recession, we believe that the business community must be involved in the identification of practical solutions for a better business environment. Therefore, we express our hope for effective and efficient cooperation between business and the Government of Bulgaria in tandem with European practice and in the interest of Bulgarian citizens!

Sincerely,

Anthony C. Hassiotis
President
American Chamber of Commerce in Bulgaria
AmCham Bulgaria Magazine is a primary forum for political and economic analyses, news, viewpoints as well as for the presentation of new business opportunities. The articles in the AmCham Bulgaria Magazine express the opinions of the authors and do not necessarily reflect the position of the American Chamber of Commerce in Bulgaria.

Publisher
American Chamber of Commerce in Bulgaria
Business Park Sofia, Mladost 4 Area
Building 2, Floor 6, Sofia 1766, Bulgaria
Tel.: +359 (2) 9742 743
Fax: +359 (2) 9742 741
e-mail: amcham@amcham.bg
www.amcham.bg

Editor-in-Chief
Milen Marchev

Deputy Editor-in-Chief:
Christopher Karadjov

Senior Editor:
Irina Bacheva

ISSN 1312-935X

Writers:
Boyko Vassilev, Marina Tzvetkova,
Mina Georgieva, Panayot Angarev,
Yuliana Boncheva

Advertising
AmCham Bulgaria:
Nadejda Vakareeva, nadia@amcham.bg
AmCham Bulgaria Magazine:
Milen Marchev, milen@milenmarchev.com

The AmCham Bulgaria Magazine reaches a broad audience of AmCham members, leading US, Bulgarian and international companies, US and Bulgarian decision-makers, all AmChams around the world. Subscription is free of charge. If you would like to subscribe to AmCham Bulgaria publications, please contact the AmCham Bulgaria office.
Dear AmCham Members:

I cannot depart Bulgaria without expressing a special word of thanks to all of you. It has been a privilege to work together to advance our common agenda. Our joint efforts have not only improved the investment climate in this country, they have also charted a pathway toward a better future.

Your commitment and creativity will remain indispensible to the success of the relationship between Bulgaria and the United States. I hope that you will continue to seize every opportunity to contribute your expertise and to fight for the best possible outcomes that will benefit all.

I am most grateful for your help and for your friendship. I leave with many fond memories and great hopes for the future. And I am confident that our paths will cross again.

With very best regards,

Sincerely,

Nancy McEldowney
AmCham Recommendations to the New Bulgarian Government

The AmCham Board of Directors would like to take this opportunity to congratulate the new Government of Bulgaria on the occasion of its inauguration.

We are fortunate to have worked with several of the newly elected ministers in their previous capacities. We are especially delighted to congratulate Mr. Rosen Plevneliev, a member of the Board of Directors of AmCham until his appointment as Minister for Regional Development and Public Works. In our view, it is a revealing fact that this key ministry, for which the public has very high expectations, is entrusted to a representative of the business community who has proven his management and leadership capacities.

The first actions taken by the newly elected Council of Ministers give us reason to be hopeful that in the following four years, Bulgaria will have the type of competent, transparent and accountable government as was promised before the elections. Our experience and expertise will contribute to this new reality.

Prior to the elections, the AmCham Board of Directors had the opportunity to discuss with the GERB economic team our vision and proposed measures for overcoming the effects of the economic crisis and sustaining stability. In fact, we shared many common ideas, and identified areas where our experience and expertise can contribute to the work of the public administration. Our general recommendations were outlined in a White Paper, which included suggestions, that the government:

- Sustain the Currency Board arrangement at the original rate of 1 EUR = 1.95583 BGN and initiate negotiations with the European Union for entering the ERMII and, subsequently, the

Proposed Measures to Encourage Foreign Direct Investments

- Reform and support a functioning one-stop-shop service in InvestBulgaria;
- Designate InvestBulgaria as a cabinet level agency reporting directly to the Prime Minister;
- Constitute a Foreign Investors Council with the participation of bilateral chambers of commerce and top private investors;
- Pay special attention to outward-oriented cooperation and promotion of Bulgaria’s achievements abroad;
- Make efforts to urgently resolve all pending issues of current foreign investors;
- Keep the government commitment to the foreign investment projects during their complete implementation;

Proposed Short-Term Measures in cooperation with BNB in the Financial Sector:

- Lift the requirement for 100% coverage of the budget funds in the banking system with government bonds. (Security of funds can be provided through another form of guarantee - i.e. LG issued by highly rated bank);
- Decrease the MRR kept in the BNB by 2% (from 10% to 8%) in parallel with the abolition of the MRR over the externally attracted funds (now at 5% MRR). The released MRR can be restricted as utilization for new lending activities only.
- Transfer a larger portion of the Central Budget funds, kept now in BNB, into the Banking system;
- Bestow the same status on the licensed non-banking credit institutions as banks in regards to the "fast court procedure" in issuance of a writ of execution for Non Performing Loans;
- Require the Bulgarian Deposit Insurance Fund to introduce differentiated deposit insurance premiums for banks on the basis of a risk assessment methodology;
- Work directly with the private sector (Association of Bulgarian Banks and others) to facilitate the establishment of a comprehensive credit bureau according to internationally recognized best practices, using the existing BNB credit register as a basis.
Eurozone.

- Ensure ample funding is available to cover a potential shortfall to cover the balance of payments (IMF/EU/sovereign bonds or else).
- Avoid or minimize fiscal deficits.
- Improve EU dialogue: unlock and maximize utilization of EU funds.
- Encourage and facilitate the flow of Foreign Direct Investments into Bulgaria.
- Sustain low taxation rates.
- Accelerate the construction of infrastructure, particularly road infrastructure.
- Restructure and optimize public administration in terms of structure, as well as human resources.
- Increase timeliness and effectiveness of IPR investigations, prosecutions, and adjudications; provide more resources and IPR training to law enforcement officials, prosecutors, and judges specializing in IPR cases.

The AmCham’s more than 300 member companies would welcome and are prepared to strongly support the establishment of an enhanced rule of law and zero tolerance of corruption, an improved and more transparent public procurement process, and a more efficient judicial system. We would also like to see considerably less bureaucracy and red tape, effective e-governance and one-stop-shops, and a working system for the prompt refund of VAT. Although the VAT issue has been among our advocacy priorities for several years, it has become critical as a result of the economic crisis. It is important to further improve the country’s infrastructure – good infrastructure is a necessary precondition for attracting foreign direct investments. Increasing the share of state capital investments in infrastructure projects could also soften the impact of the economic recession and growing unemployment.

It is the right time to revisit and update some of the strategic commitments and documents of Bulgaria’s public administration, including those relating major energy projects. AmCham has consistently expressed our position regarding the necessity to provide energy security and diversification of energy sources, and a broader utilization of renewable energy sources and alternative energy. We hope that the government will conduct an in-depth analysis of what projects are worthy of state guarantees and provide such state aid, if it is warranted.

American companies have and continue to invest in a broad spectrum of industries in Bulgaria, including energy, telecommunications, ICT, foods and beverages, media, banking and financial services, and real estate. Despite the impact of the economic crisis on most, if not all companies, some of them continue to grow and remain profitable. It is vital that AmCham continue to receive and respond to inquiries from potential investors and remain at the forefront of attracting these companies to Bulgaria. Bulgaria is often included on short-lists with other countries in the region regarding potential investment. Now, more than ever, it is critical that the Bulgarian government be proactive in guiding and facilitating new investors’ first steps and follow-up operations in the country.

AmCham has proven to be a constructive partner of Bulgaria’s public administration. We believe that the cooperation between business and government will deepen and become more efficient, based on the principles of good governance, transparency and accountability, and in the interest of a better business environment.  

**Proposed Short-Term Measures in the Energy and Renewables Sector**

- Establish a central, openly accessible register for public lands so that any interested investor can find and evaluate project sites.
- Implement a uniform procedure on how all types of public land can be awarded/sold/rented along with a uniform set of conditions/terms;
- Fix and index the solar Renewable Energy tariff at the point of project interconnection;
- Perform adequate reviews/studies to determine what is the right renewable energy mix (solar vs wind vs hydro vs biomass) in order to achieve Bulgaria’s RES targets;
- Re-examine and update the National Energy Strategy up to 2020;

**Proposed Short-Term Measures in the Real Estate Sector**

- Improve the Cadastre and Property Register under the Registry Agency in the direction of more comprehensive registration information;
- Establish a central Electronic Register of Special Pledges;
- Enforce strict regulation and oversight of the utility companies activities, namely guaranteeing clear and prompt deadlines for delivering services and financial sanctions if deadlines are not met;
- Introduce tax incentives for purchase of residential properties - for example - tax deduction of interest payments for new buyers of residential properties.

**Proposed Short-Term Measures in the Telecommunications Sector**

- Accelerate the implementation of the EU recommendation by Viviane Reding published on 20th May 2009 regarding the high mobile termination rates (MTR) in Bulgaria. If the prices for telecom services are decreased by 10%, the benefits for consumers could reach Euro 150 mil/year;
AmCham Meets With Minister Plevneliev And His Team

AmCham President Anthony Hassiotis, Executive Director Valentin Georgiev and Government Affairs Director Sevdalina Vojnova took part in a meeting in the Ministry of Regional Development and Public Works on Aug. 12, 2009.

Minister Plevneliev invited business associations to introduce his team and immediate priorities. Opportunities for cooperation between the ministry and the business community were also discussed — in the area of legislative initiatives, relevant rules and procedures, EU funding utilization.

AmCham expressed readiness to assist with all available expertise from its members in implementing the program and the initiatives of the ministry, which will boost the economic activity of the companies the Chamber represents.

Rosen Plevneliev is Founder & Executive of Business Park Sofia, the first business park in south-eastern Europe exerting a decisive impact on the Bulgarian economy. Business Park Sofia EOOD is established in 1999. The complex is executed in the period 2000 - 2007 with quality of works and standards unknown in Bulgaria by this time. At its accomplishment the central part of the complex comprises 14 multifunctional buildings and one parking building. Business Park Sofia develops to the ultimate business address in Sofia and represents the only one truly functioning suburban business center in the city. Business Park Sofia EOOD is awarded with a First Class Investment Certificate from the Government of the Republic of Bulgaria in November 2004. It is the first project to receive this highest recognition by the Government of the Republic of Bulgaria and the Bulgarian Investment Agency.

In 2006 Rosen Plevneliev directs a global tender about the sale of Business Park Sofia looking for a strategic investor specialised in the management of large business developments. Rosen Plevneliev supports the US Gramercy Emerging Market Funds in acquiring the complex and facilitates the establishment of Gramercy’s own structure in Bulgaria.

Visionary Entrepreneur and Investor, in 2001 Rosen Plevneliev merges the companies “Irris International”, “LinBulgaria” and “Lindner IRRIS Immobilien” creating the company “Lindner Bulgaria” OOD. “Lindner Bulgaria” OOD establishes itself as an irrefutable leader in the Bulgarian construction market executing a number of landmark projects such as central office of BNP Paribas in Sofia, Business Park Sofia, Mall of Sofia, reconstruction works of the Sheraton Hotel in Sofia, Residential Park Sofia. Rosen Plevneliev is the Managing Director till 2006.

Since 2006 Rosen Plevneliev is Member of the Management Board of the Confederation of Employers and Industrialists in Bulgaria. In January 2009 Rosen Plevneliev was elected member at the AmCham board of Directors, and served there as board treasurer until he assumed responsibility as minister for regional development and public works.
The Borissov Cabinet: Traps and Opportunities

- The new government clearly talks the talk liked by most Bulgarians, but now must also walk the walk. Some obstacles from the past may hold the incumbents back;
- The GERB party cabinet will focus on two issues - corruption and the consequences of the economic crisis - which are more and more strongly affecting Bulgaria.

By Mina Georgieva

Castles in the sky are easy to build but difficult to demolish, Bismarck is often quoted to have said. It looks like the cabinet headed by Boyko Borissov is well aware of this dictum, as for more than two months it has managed to attract the interest of the public to each and any of its political manoeuvres. The new Bulgarian prime minister is actually applying a very simple approach, befitting local popular psychology - a short joke, some muscle and a few rosy promises.

Bulgaria has been a member of the European Union for two and a half years already, but standards in this country are still far below European levels, GERB leader and Prime Minister Boyko Borissov said when he took the helm of the executive power. He assured that fighting corruption will be the main priority of his cabinet. The government aims to guarantee also the European development of the state. Borissov declared that - in the short term - the plundering of the state must be stopped, and the judiciary system must be improved and reformed.

"I will insist on self-exactingness and discipline from all members of the government," Borissov added.

The main principles, which will govern the actions of the government, are

honesty, denial of corruption and unlawful connections

with criminal economic interests, openness and consistency and responsibility before the institutions of the state. Another priority of the government will be to raise the incomes of the Bulgarian citizens, economic growth and modernization, new jobs, the creation of favorable conditions for the development of Bulgarian businesses and foreign investments. Growing agriculture and tourism sectors, as well as improving the infra-
structure, are also among the main tasks of the Borissov cabinet. Restoring European confidence, the efficient utilization of European funds for economic and social development of the country are also important for the new government. The main tasks include also an active social policy, the stability of the pension system, the improved organization of health insurance, the creation of incentives for the development of sports, the completion of the administrative reform and improving the administrative capacity.

"For the first 100 days in government we shall accomplish 15 steps of the promises made by GERB before the elections," Finance Minister Simeon Dyankov said.

He highlighted the anti-crisis program of the party, which contains promises that GERB will improve the business environment, will create incentives for investments and preservation of jobs, and will give also tax incentives to employers.

Three of the promises have already been fulfilled. The most important step is to reduce social security burden by 2 percent by January 2010. Social security instalments will fall by 1 percentage point over the three years after 2010. The measures will start having effect and the economy will start moving upward by the middle of 2010, the incumbents claim.

"This year we must make ends meet because of the huge amount of liabilities, and at the same time we are drafting our report for the first 100 days in government," Prime Minister Boyko Borissov said.

We have heard ambitious intentions before. That is why it is imperative to ask whether they will be

matched by equally serious actions.

According to analysts, the major challenge for the new incumbents, arising out of the current state of the budget, will be to curb public spending. If the new government fails to reduce its expenses to a level, sufficient to balance the budget, then an unpleasant situation, both for the politicians and for Bulgarians, will emerge. The government will be forced to sign an agreement with the IMF in an exceptionally negative image situation, which will affect the perceptions of the investment climate in Bulgaria during a financial crisis. If the treasury manages to take control of the situation, everybody will continue to believe that the currency board arrangement will stay in place as a working institution until Bulgaria's accession to the Euro zone or until a unilateral decision is made to accept the Euro as the national currency.

The second challenge is related to the reform of the healthcare system. Most of the parties promised before the elections that they will de-monopolize social security. This will be difficult to achieve but it must be imposed on the medical guild and on all other parties supporting the current archaic model.

The third challenge is related to internal affairs and security – the sphere of the Ministry of the Interior. This is an area, which requires the removal of a large portion of the functions of the ministry and transferring them to municipalities and private-sector contractors. The Ministry of the Interior apparatus must be reduced together with the relevant expenses, while pursuing a much higher efficiency.

Education also needs reforming. There will be heavy clashes with trade unions and with people who are against the closure of inefficient schools, etc. Another issue, which remains outside the ongoing political debate, is the incomplete privatization, including deciding the fate of a number of state-owned assets such as highways, water dams and airports.

The Borissov Cabinet found a very difficult financial situation,

Minister of Finance Simeon Dyankov said. There is a 2.5-billion-Leva budget gap, which cannot be compensated by simply cutting expenses, he added.

The current idea is to split the missing amount in two parts – 50 percent of the deficit will be covered by reduced expenses, and other means will be used for the other 50 percent. The cabinet objective is to achieve a neutral budget exposure. The previous government has drafted the macroeconomic framework of the budget based on a 4.5 percent economic growth target. This target however is not applicable anymore.

Bulgaria's economy will shrink by 6.3 percent, Dyankov also said, and added that an analysis on budget performance for the first half of the year indicates that revenues lag by 16 percent behind the budget target.

The Finance Ministry proposal to tighten the belt in the income policy has caused the first sparks within the cabinet. Minister of Social Affairs Totyo Mladenov challenged the freeze of minimum salaries and pensions, planned within the medium-term fiscal framework for 2010-2013. Employer organizations within the tripartite council supported the plans presented by Dyankov, while the trade unions backed the position expressed by the social affairs minister.

The draft stop-gap measures specify that budget incomes in 2010 will remain at the 2009 level, while the funds for salaries will rise over the next several years in proportion to the GPD, which means they will be tied to the economic growth rate. It is planned also to freeze pensions next year, after a 19.7 percent increase in 2009. Pensions are among the few expense items that the Borissov Cabinet promised not to cut despite the growing deficit. The incumbents, however, plan to reduce the unemployment bonuses with a notch above 10 percent, and the new amount will be from 110 Leva to 220 Leva, compared to the current 120 Leva to 256 Leva. According to expert data, the unemployment rate next year will be about 11.4 percent.

Freezing salaries in the budget-financed sphere will result in reduced incomes, which runs contrary to the promises for wage hikes made by GERB in its election platform. Finance Minister Simeon Dyankov said that in real terms incomes will not be reduced due to the deflation recorded over the last several months, which will persist for several more months. According to Dyankov all promises made in the GERB program will be implemented, including the increase of pensions for
widows and bonuses for the elder pensioners.

The macro-framework specifies that by 2013 the social security burden will be split among the state, employers and employees at a ratio of 12:8.9:7.1, compared to the current 12:10:8.

It became clear over the last several days that

Brussels is not convinced that Bulgaria is spending the Euro-funds in a transparent manner

and that – besides the Transport Operative Program – Bulgaria will have to improve its performance in the spheres of Competitiveness, Administrative Capacity and Technical Assistance because the assessment reports on compliance have not been approved.

This means that a total of 6.7 billion Euro in operative programs, which Bulgaria was scheduled to utilize until 2013, are to be withdrawn, according to a warning issued by the unit in charge of controlling the European funds established by the Borissov cabinet. The European Commission approval was necessary in order to release funds for intermediate payments.

No decision about assessment report approval for the compliance in the sphere of Human Resources has been made and there are signs that this program may be given the green light.

Bulgaria will not have to return some 534 million Euro, which have been utilized as advance payments. There is no deadline for approval of the compliance assessment reports. The funds for operative programs however will have to be utilized until 2013. A delay in actual contracting and payments may reduce the overall amount that will be used.

The European Commission is expected to decide by the end of September which member states have failed to comply with their commitments on EU directives. The items, which have a serious chance to survive after what was left by the previous cabinet, are the Regional Development and Environment operative programs. The Human Resources Program is also seen as questionable.

The serious setbacks in the creation of centralized system for payment management and control are seen the reason for a second denial of approval of the compliance assessment reports. The system is designed to monitor all projects, the recipients of funds and the requests for payments by benefici-
There are no details of small importance for the big business.

In Postbank we know that “small” details build successful businesses. We have created a new CORPORATE TRANSACTION BANKING Department, dedicated to the optimization of your daily business rhythm. The products and services we provide are highly personalized and thus they optimize your challenging working day to perfection. In combination with the exclusive promotions for new corporate customers that we offer this summer, CORPORATE TRANSACTION BANKING of Postbank is the logical choice for your successful daily banking.

For more information, please visit the nearest financial center of Postbank.

Eurobank EFG Bulgaria AD is the legal name of Postbank.
The problem is that with the traps in place

**even the money from the European funds will not be enough**

to serve as a life vest for Bulgaria.

The government of the tripartite coalition has left the country on the verge of bankruptcy. It signed various contracts for amounts, which are not listed among the budget items of the various ministries. For instance, the new Minister of Environment Nona Karadjova announced that the company in charge of managing environment preservation has signed contracts for 150 million Leva, although the funds ceiling stood at about 100 million Leva. As a result, the ministry was left penniless. The new Minister of Regional Development Rossen Plevneliev also claims that his ministry is facing bankruptcy as it cannot provide for payments worth a total of 300 million Leva, VAT excluded. The misappropriation list becomes longer and longer with every single day.

By the force of contracts signed by the previous government the new incumbents will continue losing budget funds to waste. At the same time, the new government has not funds to cover payments, and companies may file suits in court against the institutions. The businesses will wind up without money to pay to their subcontractors and for the supply of materials, for wages etc. The objective of these traps laid by the Stanishev Cabinet has likely been to bring about the collapse of the new government and to eliminate Boyko Borissov politically. Now the only viable move for the government is to postpone payments on contracts, wherever possible, and even suspend some of the agreements, whose implementation has not been started. In an environment of a global financial crisis, which analysts claim is still to hit rock bottom,

**the challenges for the Borissov Cabinet will become increasingly more complex.**

The only option, which would allow a quicker reversal of the crisis is the money, which the state has to receive within the framework of the operative programs of the European Union. The chaos with these funds, however, is also tremendous. Instead of having absorbed its first billion Euro, the state is receiving some token millions – and all this again because of the previous rulers. A minister from the Stanishev cabinet used to explain how efficiently the funds were utilized this year. It turned out that the contracts for the use of even small amounts were signed too late, that there is no time to complete waste water treatment plants according to the schedule, and that Bulgaria not only will receive no money from the EU, but might be forced pay back. If this happens, then the state budget will surely go bankrupt.

The reasons for the delays in the operative programs, which could now be the vital life vest, are political indifference and sheer laziness. The claims that there was not a sufficient number of officials to deal with the operative programs turned out to be a flat-out lie. The previous government used to inflate its personnel for years, without any positive effect, which only encouraged cronism. The same principle was applied also to companies, assigned public procurement contracts, for which the GERB government will have to pay now. **

**THE PROMISES**

The GERB government has drafted the so called Anti-crisis Package, which contains 15 measures, but time only will show whether these measures are realistic and whether they will be implemented. The measures are as follows:

- Review of expenses with the objective to close the 2009
Share with us a brand new beginning in the world of communications!

BTC and vivate together in one company
budget on a positive balance, which – according to preliminary estimates – means a reduction of some 2.1 billion Leva in expenses. There are certain reserves available regarding the scope of the expense reductions, and the bottom line may be by at least 500 million Leva less.

- Reducing the number of ministries by two, and of the administrative overhead by at least 15 percent after a functional analysis of the administrative structures and units. A good idea, which is subject to reservations, some of which were described herein.

- The establishment of procedures for an accelerated return of value-added tax (within one month). This measure has been subject to many debates, but in the absence of a financial police, which is an issue that GERB seems to avoid, it is hardly applicable in practical terms.

- The release of another 250 million Leva for the Bulgarian Development Bank (BDB) before the end of this year with the objective to increase credits for the production sector. These funds will be drawn from the fiscal reserve. This seen as a positive measure and extends the policy of the previous government to create incentives for the small and medium businesses through BDB.

- Reduction of the social security burden by 2 percentage points in 2010, and by 1 percentage point for three years after 2010 (a total reduction of 5 percentage points). The GERB team abandoned the idea for a shock reduction of social security instalments by 5 percentage points, which was seen as unfeasible from fiscal and social point of view in times of crisis. It was not a coincidence that the two largest trade union organizations – the Confederation of the Independent Trade Unions in Bulgaria (CITUB) and Podkrepa, reacted sharply against the initial scheme.

- Connecting the information systems operated by the Customs Agency and the National Revenue Agency. This is a rational measure and it is close to completion. Most probably the consolidated information system will be in place before the end of the year, which however will start yielding tangible results next year at the earliest.

- The transformation of the Bulgarian Energy Holding (BEH) into a public company, with 10 percent of the shares listed on the stock exchange. This measure will shed light on the financial performance of the company. Basically, it is seen as a wise step to transform BEH into a publicly listed company, but the existence of minority future shareholders will hardly have a tangible effect on the financial performance of the holding.

- Signing contracts before the end of 2009 for the construction of two sections of the Trakia Highway, and for one more section in 2010. The GERB government plans also to sign contracts for the construction of two stretches of the Maritsa Highway before the middle of next year. The Trakia Highway bids were announced at the end of the mandate of the former cabinet, and the proceedings for bidding on the Maritsa Highway are close to completion. Millions of Bulgarians however remain convinced that no steps are being taken to have at least these two highways completed.

- The creation of a specialized body (with the Ministry of Economy and Energy) for centralized management of concession proceedings, subject to strict control rules. This is also seen as a positive measure. It remains to be seen how this new facility will perform and how it will match methodological and supervisory functions. Currently, the concession proceedings are supervised by the State Financial Inspectorate and the Internal Revenue Service.

- Enactment of new regulations to the Public Procurement Act in order to eliminate the contradictory and non-transparent procedures, to remove the term „small public procurement contracts,“ and to enhance the role and prerogatives of the Public Procurement Agency (PPA). Concessions may also be placed under the authority of the PPA, as in many European Union member states concessions are treated as a form of public procurement.

- Analysis of the feasibility of the Belene Nuclear Power Plant project and of the need to launch new power generation facilities on the Balkans. Basically, GERB urges for a cautious approach to this issue, as it fears that continuing with the implementation of such projects may turn out to be much more costly than anticipated and may require redesign and new tender procedures. The fact that the EC has approved the site for the construction of the Belene nuclear utility and the participation of the German RWE with a 49-percent share in the project should not be disregarded. Besides, the reversal of international contracts is always risky.

- The consolidation of the majority and minority shares of the state in holding structures with a professional and transparent management. The measure is entirely positive and should be implemented as quickly as possible.

- Reducing the number of licensing regimes by 30 percent. This is possible, albeit not immediately applicable within the four-year mandate.

- The reduction of the minimum required capital for the registration of a limited liability company to 1 euro. This measure is positive for small economic units – sole traders and limited liability companies. The measure is inapplicable to joint-stock companies, and especially to financial companies, which require a license by the Bulgarian National Bank and by the Financial Supervision Commission.

- Facilitating foreign investments in Bulgaria by improving the „single-desk“ style of providing services by the Bulgarian Investment Agency (BIA); expanding the prerogatives of BIA in this aspect with the aim to achieve a higher level of cooperation with ministries; lowering the threshold for investors, whose project may be supported by the state. The measure is rational, but is not easily applicable for all units of the central administration. It is not clear whether the measure will be applied to municipal administrations as well. ■
Sofia Airport Center
A Tishman International Development

Bulgaria’s Premiere
International Business Park

CALL: +359 2 492 38 00
+359 2 805 90 90

- 300 meters from the new Sofia International Airport
- Contemporary building designs in a landscaped business park
- 100 000 square meters of Class A offices
- 27 000 square meters of prime logistic space
- 250 room, high quality hotel with the associated dining, recreational and conference facilities
- High ratio underground parking
- Onsite property management services at an international standard
- Environmentally friendly concept
- Phase I to be completed at the beginning of 2009

www.sofiaairportcenter.com
www.tishmaninternational.com

Sofia Airport Center
A joint venture between:

Exclusive agent

Architects:

Project Managers:
If you are a Bulgarian immigrant in the United States, suffering a strong bout of nostalgia, the best option to get rid of it might perhaps be an online store. The unique „healing option” is called Malincho.com. This is the name of the most successful Bulgarian internet trade company, which operates in North America. It allows tens of thousands of Bulgarian immigrants in the United States to buy a piece of the homeland directly from their homes. They may choose a jar of paprika spread called „Hortse” manufactured in the town of Parvomay, or sheep yoghurt, a woollen blanket from the Rhodopes, a tin of white Bulgarian cheese or the cheapest offer for an air ticket to Sofia. The secret of Malincho.com is as effective as it is simple: it has managed to convert nostalgia into revenue.

The initiative was launched eight years ago by four young Bulgarians, who were financially supported by about 30 other friends. At that time, they could hardly imagine that their online business will grow so quickly and will emerge as a connecting line between the large Bulgarian Diaspora in the United States to their homeland. The „Malincho Case” was even included in the curriculum of the MBA courses at the Boston Babson College as an example of a company, which started from the absolute zero by exploiting a simple yet effective business idea. The company model turned to be so successful that as of 2008 it expanded its operations and started delivering Bulgarian food and produce to Germany...

Perhaps 2008 was a crucial year not only for online entrepreneurs abroad but also for their peers in Bulgaria. The reasons for this are rooted in pure statistics and demography – according to Gemius online people-metric company...
data, some three million of the eight million Bulgarians had internet access by the end of 2008, up from 2.6 million in the beginning of the same year. Besides, 79 percent of the people with a monthly income of more than 800 Leva are actively using the Bulgarian internet space, according to Gemius data. It must be noted, however, that only about 60 percent of the respondents in a related survey said that they are shopping online. The National Statistics Institute (NSI) data for 2008 may also be interpreted ambiguously – statisticians claim that companies have increased twice the volume of trade among them via internet, but in practical terms the increase is from just 2 to 4 percent.

Gemius and NSI data indicate the current low level of development of the Bulgarian internet market (in most of the advanced states internet trade accounts for some 30 percent of all purchases). At the same time, however, this means that there exists a virtually unlimited space for expansion on the sphere of internet trade. And there are signs that such an upsurge will come very soon.

On the threshold of growth

"There was a 60-percent growth in payments via our platform to online stores in the first half of 2009, compared to the same period of last year," said Gergana Panayotova, executive director of the ePay.bg electronic payments system. This indicates that Bulgarians gradually overcome their traditional mistrust in online transactions. "It looks like the online payment of utilities bills has started to develop habits for electronic payments in general," Panayotova added.

Still, Bulgarian internet entrepreneurs are forced to operate in a much more conservative environment than the managers of Malincho.com – cash on delivery, paid to the employee of the courier service, remains the most popular method of payment for items purchased via internet. This method of payment is used for more than 90 percent of all sales. Unlike the United States, the holders of bank cards in Bulgaria are still relatively few, and the fears of theft of personal data and of fraud are still deeply rooted in the consumers’ minds. Perhaps this is the reason why only about 22 percent of the Bulgarian internet stores maintain an ePay.bg-based system of electronic payments, according to data from a survey, conducted by the internet trade site www.izgodnobg.com, covering 190 e-trade sites.

There are at least 600 active online stores in Bulgaria, according to unofficial data. This figure may turn out to be much higher, as sources from ePay claim that currently they work with more than 500 internet sites, offering various items. There are no reliable data about the turnover of the Bulgarian internet stores. Unofficial indications point to a market of at least 60 million Leva – three times more than the estimated Bulgarian online advertising market.

Under the sign of the crisis

The economic crisis may paradoxically emerge as the key factor, which will have a positive impact on the development of online trade in Bulgaria. The impact of the crisis on Bulgaria became apparent in late 2008 and consumers reacted by becoming more price conscious. This is actually the main strength of internet and online stores – they provide virtually unlimited opportunities for comparison of products, prices and offers, in just a few clicks.
At the same time manufacturers may bypass the chain of intermediaries or launch their products online at more attractive prices or increase their profit margins. In times when most of the people are pressed financially, these factors may emerge as a source of growth for electronic trade. “Consumers visit internet stores even only with the objective to simply become informed about price trends,” said Yuliana Antonova, commercial manager of ePay.bg.

There is one more factor, which has to be accounted for as favorable for internet trade in this country – the players on the Bulgarian online market, which generate the highest traffic to their sites, are subject to financial pressures because of falling advertising revenues. The crisis is forcing all Bulgarian companies to shrink their marketing budgets, which causes internet companies to search for alternative sources of revenue.

**To cash on clicks**

The development of their own internet trade platforms in this environment is seen as a logical move for most of the large companies in the Bulgarian online environment. Realities confirm this assessment. The most influential Bulgarian web group, Netinfo, for instance, has integrated an internet auction into its search engine www.gbg.bg. The system was developed as a joint solution with the largest online auction platform in Bulgaria - Aukro.bg. It was designed by the Polish online company Allegro and boasts more than 60,000 registered users.

The second largest player on the Bulgarian internet market, Dir.bg company, maintains its own online hypermarket, http://market.dir.bg/. Any user may find there a large variety of products, sorted in categories – from jewellery and erotic lingerie to electronics and office equipment. The online hypermarket model is used also by veterans of the Bulgarian internet trade like www.get.bg and www.911.bg, as well as by relatively younger players like www.bazarbg.com or www.mall.ebg.bg, which was created by the relatively new platform for electronic payments eBg.bg, competing with ePay.bg since 2007.

This option of e-trade, however, has its deficiencies. “Many stores offer way too large varieties of products, which confuses clients,” said Yuliana Antonova of ePay.bg. „The successful stores are much more focused,” she added.

**The niche business model**

This remark is confirmed by the definite growth in niche online stores. Specialized sites offer a variety of services such as delivery of food, presents, flowers, and even subscriptions ... for socks (www.socks-service.com/). Because of the specifics of online consumers and their reluctance to part with their computers, the pages for food delivery are definitely emerging as a quickly developing market. One of the large Bulgarian web companies, Web Media Group, with its www.gladen.bg site, is very active in this niche. Similar services are offered by other Bulgarian internet sites as well, for instance www.amam.bg, www.bgmenu.com or www.hapni.bg. These companies often serve as a logistic intermediary between consumers and various restaurants, which guarantee the timely delivery of food to the client’s door. Currently, the operations of these companies have developed to a level allowing them to operate not only in Sofia, but in other large cities as well. Their services become increasingly diversified and include office subscriptions, corporate clients catering, shopping for various items from different outlets, dress cleaning services, etc.

**From offline to online**

Another tendency, observed in the Bulgarian internet space, is the constant transition of established traders to online sales. It is only logical that the pioneers in this sphere are the sellers of computers, mobile phones and household electronics.
The New Verso
The family’s best friend.
Featuring the new range of TOYOTA OPTIMAL DRIVE engines with increased performance and lower fuel consumption. A genuine 7-seater with improved Easy Flat 7 system for flat-folding of the 2nd and 3rd row seats. Equipped with 11 airbags for all seats, including the 3rd row. What else would you call it?

Conquer the city
Heir to a noble line of four-wheel drive off-road vehicles, with qualities well proven for more than fifty years. This legacy combined with segment-leading fuel economy and dynamics, spacious interior and safety systems, make Urban Cruiser the ultimate survival vehicle for the urban jungle.

Strength of character
A car that fully understands its driver and is ready to give everything one might need. Matchless stability, a wide range of the new engines with TOYOTA OPTIMAL DRIVE system, providing unique comfort guaranteed by the luxurious interior – leather seats, navigation, Bluetooth® and much more*.

*Depending on specification and grade.

Radical thinking by TOYOTA
Small and agile, yet able to comfortably carry four people. Equipped with state-of-the-art engines and technologies for minimum CO₂ emissions and low fuel consumption, without compromising performance. Safe enough to be awarded 5-star Euro NCAP rating.

Built for the city.

It’s time for Toyota

---

Red Devil Catering

E-mail: office@reddevilecatering.com, www.reddevilecatering.com
Of the large sellers of electronics, Technomarket Evropa and Plessio may already boast with their own online outlets. Technopolis, which currently sells its products via other sites (www.kilkshop.bg), owned by the Iconomedia group (which includes Kapital and Dnevnik newspapers), is expected to join this group in the nearest future. The other large seller of electronics - Multirama, currently does not have its own electronic store and offers on its site just a price catalogue.

The 2be and Handy chains of mobile phone store, which already have well developed online outlets, also display a strong presence on the internet (unlike some of their strong competitors like Germanos and Jeff, whose web sites offer only price references and technical data of the various phone models). These two companies, however, have to compete with an array of smaller but more flexible sites and online exchanges trading in mobile equipment, which have found a place in this niche long ago and have skipped the large infrastructure costs encountered by outlet chains (www.1-gsm.com, www.gsmi.bg, www.bestmobile.bg, www.gsm4you.com, www.mobibg.com, among others).

E-services

The services, related to online payment of utility bills, remain the major engines of Bulgaria’s e-business. The statistics of the transactions via ePay.bg in 2008 is indicative: with payments to online stores amounting to 5.4 million Leva, transfers to utility companies (electricity, heating, water, internet and cable TV) stood at 83.7 million Leva last year. Because of the fragile confidence displayed by Bulgarian consumers in internet payments, ePay.bg decided last year to introduce a special insurance in case of an unauthorized transaction from a consumer account. Any client could be indemnified with up to 100,000 Leva in case of unauthorized access to the client’s personal data, followed by shopping on the client’s account. “Fortunately, we have not resorted to the use this insurance,” said Gergana Panayotova of ePay.

Another line of business, which is more or less supplementary to the main operations of the online payments company, is to assist in resolving disputes between clients and utility companies for incorrect bills. „We have to do it, although this is none of our business. Otherwise the consumers would easily decide to refrain by principle from online payments,” Panayotova said. Still, she added: „Electronic payments of utility bills are developing habits for online trade. This is just the beginning”.

Traditionally, at CMS Cameron McKenna, we try to organize different seminars, business meetings, conferences, etc. on legal and business issues that are of interest to our clients. Naturally, with the arrival of the global crisis, our desire to host such events and inform our business partners was hindered by the deteriorating economic situation, which discouraged large marketing expenditures. This was when we discovered the magic of online marketing and web-presentations!

For almost a year now, we have been focusing on hosting business seminars over the internet; we have discovered that they give us an opportunity to get people together from across the continent, even the world. Online marketing tools allow for great flexibility in time, place and venue and they let us get to our clients quickly and efficiently with important news or legislative changes.

This spring, we organized a series of webinars on legal issues, relevant to US investors in CEE – one seminar in each jurisdiction where we have offices; in the fall we are launching another series of such web sessions for the region – this time on “Optimization of employment costs in CEE and the UK” and in late September, our renowned energy team will host a web-seminar on M&A in the energy sector.

Hosting seminars on the internet, instead of material venues has turned out a complete no-brainer and a brilliant marketing tool for a law firm like ours. User-friendly and adaptable, they are easy for us to organize and even easier for you to attend!
Sometimes talking about social media reminds me of the 19th century scientific societies’ meetings, which were tinkering with the laws of nature and cosmology. Sometimes I think of it in the mundane terms of closet organizing. It has a shape, it has a definitive structure, yet it is like a wild horse, evading all those intrepid boot-and-booze social-networking, theorizing cowboys. No wonder no one is making big money out of it. Yet.

Now, I am a mainstream, creative content user/creator who browses with Firefox, googles with Google, fact-checks with Wikipedia, reads news on Yahoo, Dnevnik, e-Vestnik, Sega, New York and Los Angeles Times, The New Yorker and the rest of the mainstream and alternative Bulgarian and English-language media’s online presence. I also drink the Huffington Post’s Kool Aid, tasting it like wine - news, analyses, forum comments, tannins, color and finish.

A lot of social media I try not to do – Twitter, Digg, Scribd, Flickr, StumbleUpon, etc. A conscious choice, and a conscientious one, too, if I want my children to be fed and washed, and to learn how to write and do math. No, no, I would happily wade through noise to finally dig out the silver of writing or music that entertains me and stimulates me intellectually, but the return on my time and patience investment will be so close to zero. I’d lose all motivation to do it again. Because it looks like every social media user at some point becomes a savvy business user. So, I blog to connect to other people, using structured thoughts, eliminating the noise of nonverbal or face-to-face communication. I want to participate in the public discourse of ideas, I want to be heard and to hear other people muse about a variety of things. It makes me feel relevant, and helps me channel some of that creative energy that longs to figure things out on a large, large scale, sifting valuable insights from daily banalities.

I also love Facebook. Now, if blogging is sort of my “work,” my attempt at carving out an intellectually charged and shared space in this world, “facebooking” is pure joy, bringing all my friends and their thoughts and snippets of daily buzz on one scroll-down handy page. I don’t even need to go to Flickr, their pictures are right there, well-organized in albums. No wonder social media sales gurus visualize it as a “party.” If only I could dial all my friends together on the phone some 20 years ago. The most important part of “facebooking” is the word “snippet” – small dose, succinct, random, yet sharing in the most artless way. This is why I hide “friends,” who misuse this great networking platform for shameless self-promotion. Sending two to five messages a day with business information just clogs my Facebook’s arteries. A few months ago, the Facebook fans of National Public Radio, the hugely popular listener-supported U.S. broadcast corporation, rebelled against their five-to-eight feeds of daily news. Multiply that by the fan pages you may have subscribed to in addition to all active spammer “friends,” and Facebook has just lost its allure. Keeping it small and spam-free will be the key to my Facebook obsession.

Once I am back to working full throttle, I plan to iron out my LinkedIn skirt and shirt and take advantage of all the professional and networking opportunities this serious medium offers. LinkedIn is the “high road” of social media, its pro-version, the place where careers and peer-to-peer learning may be forged and maintained. For now, my 3-year-old twins and I will be watching appropriate animated multicultural content on YouTube, after I am done, of course, with my Spanish YouTube lesson and some inspirational Black Eyed Peas music experience. There is only that much social media a busy mom can handle. The Adventures of Baron von Münchhausen in Russian, anyone?

How Businesses in Bulgaria Network

Kenneth Lefkowitz, managing partner of NECA, says he is a fan of LinkedIn for business and Facebook for fun. “LinkedIn is a good source of contacts and makes it easy to keep track of one’s professional network. It can be good for recruiting too. But my business is still very much about personal, face-to-face contact and telephone calls – social networks can’t replace that,” Lefkowitz said.

Yordan Hlebarov, Solutions.bg, uses Facebook and Twitter for business, fun and keeping in touch. In his opinion, the companies’ products and services will be positioned much better in the future in compliance with people’s attitudes toward the social media.

Chavdar Vaklev, general manager of Cheque Dejeuner Bulgaria Ltd., uses Facebook for pleasure once a day from his PC, and maybe another once or twice via Blackberry. He has not posted an advertisement yet, but enjoyed the ways Bulgarian politicians utilized Facebook during the election campaign.

(Continue to page 24)
Not Just for Fun
Social media can be a powerful business tool

By Irina Bacheva

Shortly before 6 p.m., at the end of the working day in August 2009, I was passing by a government institution, when I heard from an open first-floor window: “Everybody was on Facebook today.” A woman in her 30s was talking to someone across the street. The other day I went to the bank, and heard again gossiping in the line about some Facebook “news.”

Has everybody gone crazy about Facebook just to share messages, videos and pictures, or could it also be a useful tool for doing business? Many media market experts say that a lot of businesses expanded thanks to social media channels and have to count in the future on them. Nevertheless, some 80 percent of social network users go on the network to message friends, another 30 percent use it for professional reasons and networking, a study of Universal McCann shows (Figure1). Worldwide, 62.5 percent of active Internet users ages 16 to 54 have a social network profile in 2009. In addition, 71.1 percent have visited a friend’s profile page.

While Facebook is associated mainly with leisure and fun for young and middle-aged Bulgarians, in the Western world the social media are regarded as 21st century tools to collaborate and build relationships with customers. Forty-three percent of the online community now uses social networking sites, including Facebook, MySpace and LinkedIn. This is up from 27 percent a year ago, reports The Conference Board and TNS. The most popular site is Facebook, used by 78 percent of online households, followed by MySpace (42 percent), LinkedIn (17 percent) and Twitter (10 percent). Both men and women use Facebook in equal numbers. However, women are more likely than men (47 percent versus 35 percent) to use MySpace. Conversely, more men than women (21 percent versus 15 percent) use LinkedIn. Across generations, Facebook usage is about equal, but when it comes to MySpace, those under 35 are more likely to have an account than their older counterparts.

Reacting and creating a platform for dialog is typical for these social networks. When Michael Jackson—who made high-profile commercials for Pepsi during the 1980s—died suddenly in July, Pepsi used Twitter right away in its “Thank you, Michael” tribute, engaging with fans.

Twitter is a communications platform that can help businesses and their customers do a number of useful things. As a business, you can use it to quickly share information with people interested in your company, gather real-time market intelligence and feedback, and build relationships with customers, partners and other people who care about your company. Twitter lets you write and read messages of up to 140 characters.

Members of Twitter, the real-time micro-blogging website, say their top reasons for “tweeting” are to connect with friends (42 percent), update their status (29 percent) and look for news (26 percent). They also use Twitter for work-related (22 percent) reasons. Two out of three Twitter users interact with friends. Thirty percent interact with family, another 30 percent connect with co-workers, companies/brands and TV anchors/journalists.

LinkedIn is an interconnected network of experienced professionals from around the world, representing 170 industries and 200 countries. The specialized LinkedIn allows for looking up CVs and professional biographies in the network and this is the perfect way to find people who work for a certain company, or those who work with someone you know. You can find, be introduced to, and collaborate with qualified professionals that you need to work with to accomplish your goals. There are different groups that one can join and be part of useful and very professional discussions on a subject. For example, if you are a member of the group dubbed “Innovative Marketing, PR, etc.,...” you may read and participate in
How Businesses...

(From page 23)

Iliana Zaharieva, Manager Corporate Communications at Eurobank EFG Bulgaria, thinks that social networks have rapidly revolutionized the way in which we live and work becoming as indispensable as an email or phone for many of us. They make us privy to the lives of those we care about, give us insight to the thoughts of opinion makers we admire and provide millions a platform to share their thoughts with the world overcoming barriers such as time, distance and cost – of course I am a fan! Personally I follow a few blogs and use Facebook to keep track of what (and who) I can’t find in the other media. I also have a LinkedIn profile – though I still haven’t taken advantage of its full potential. Different networks cater to different needs, so I try to get the best of both worlds. The line between personal and professional however has been diluted to a certain extent by many of web 2.0’s most popular social sites, giving networking a whole new dimension.

As a Communications Manager I think the greatest challenge is to meet the expectations for speedy feedback without making any compromises on the accuracy and accessibility of the information provided as well as to generate content that is genuinely useful for the users.

Natalia Dimitrova, public relations manager at Microsoft Bulgaria Ltd., uses LinkedIn and Facebook regularly. “I use social networks mainly for one thing - for keeping in touch with other people I am connected to in “real” life. The most useful feature of social networks to me personally is that they facilitate very much the process of “keeping in touch” with people you care about. To keep in touch with different discussions – How to Generate Free PR for Your Company, Top 20 Innovation Groups (with more than 100,000 members worldwide), etc.

On LinkedIn, the skills that you’ve spent your career obtaining, the experience you’ve earned, the trusted relationships you’ve formed – they are all made largely transparent. Your professional reputation and relationships matter – and not just to you. That value extends far beyond your profile itself – it carries over to every interaction, every message, and every piece of contributed content. LinkedIn Recommendations are a great example. Most people who have applied to higher-level educational institutions are familiar with the traditional methods of gathering recommendations: finding an advisor, mentor, or teacher willing to fill out a series of questions and write a sealed letter on your behalf. LinkedIn Recommendations brings liquidity and transparency to the reputation economy. As a result, the way people evaluate and respond to recommendations is changing as well.

While much has been written questioning the value of social media, a landmark study called ENGAGEMENTdb Report prepared by Wetpaint/Altimeter Group has found that the most valuable brands in the world are experiencing a direct correlation between top financial performance and deep social media engagement. The relationship is apparent and significant: socially engaged companies are in fact more financially successful. The report contains case studies highlighting interviews with four unique companies – Starbucks, Toyota, SAP, and Dell – all of which scored in the top quartile of the engagement rankings.

As Starbucks became more comfortable with social technologies, they realized that each channel is different and required developing different facets of the relationship with their audience. For example, when Starbucks started engaging on Facebook in October 2008 at Facebook.com/starbucks, they approached and took over the ownership of user-created communities. At that time, the page had about 200,000 fans, but a combination of Starbucks generating content and customers sharing their enthusiasm for the brand has built that fan base to nearly 3.5 million members – representing one of the largest groups on Facebook. Toyota is relatively new to the social media arena, having started in earnest just two years ago — the company launched its YouTube channel in March 2008 and established a Twitter profile in April 2008. Yet, they do it with a team of just three people.

The ENGAGEMENTdb report shows that engagement is more than just setting up a blog and letting viewers post comments; it is more than just having a Facebook profile and having others write on your wall. Rather, it’s keeping your blog content fresh and replying to comments; it’s building your friends network and updating your profile status. Don’t just check the box; engage with your customer audience.
A mother with a 2-year-old child has been imprisoned, because she denied visiting rights to the father. A minister in a neighboring country proposed to serve the prison term instead of the mother, who is his compatriot. The social services took custody of the child, the neighbors are swearing, and the grandmother is wringing her hands in worry.

Come on now, someone might say, this author is either bending the stick too much, or is obsessed with Turkish TV serials, or has had more Ouzo than he can handle. Alas, the story is all true. The mother’s name is Spaska Mitreva, the prison is in Macedonia, the neighboring state is Bulgaria, and the minister (without portfolio, but this is irrelevant), Bozhidar Dimitrov, is a high-profile addition to the cabinet of Prime Minister Boyko Borissov. The media in both countries have immediately taken up the case, amplifying it to the possible maximum – and thus brought to life one of the hottest news topics of Summer 2009.

Balkan politics have for centuries relied on a simple principle – you have problems with those, with whom you share common borders. The Balkans is not a place where neighbors could ever be perceived as a source of comfort.

I have written about this phenomenon a lot, including here. These problems persist even today, at least to a certain extent. Funny or painful, the stories about Balkan rivalries continue to incite emotions. The European Union, however, is changing the plots of the rivalries in an interesting manner. At the beginning you feel like the problems are becoming more dramatically burdened, but than your realize that the happy ending is actually very close.

Take Bulgaria and Greece, for instance. Bulgaria’s accession to the EU removed the common border, for all practical purposes, and allowed such free movement of people. Issues were quick to emerge. Bulgarian tourists were arrested recently on charges they took pictures of Greek military facilities. These were ridiculous accusations, because both countries are EU and NATO member states (which implies that they should know about their military bases and even use them jointly), and because photos of the “secret” facilities with a much better quality can be downloaded from Google Earth. Such facts did not prevent the scandal to be blown out of proportions, the consular offices had to interfere, and media rushed to resurrect the “neighbourly” stereotypes from 70-80 years ago.

But look at what happened this summer! In the middle of an economic crisis, which has caused losses to all states, the tourist season in Greece has been saved by the freely travelling neighbours.
from up north. Branch experts claim that while the tourist sector in the south of Greece was drained of blood by the cautiousness of German, British and Dutch tourists, the curiosity of the Bulgarians, who were only recently granted the opportunity to travel freely, served as a powerful boost to Northern Greece - Chalkidiki, Thessaloniki, and Yanina. Who cares about military facilities while the generous neighbors are spending crazy money on ice-cold Ouzo with calamari and Greek salad?

And since I mentioned herein the Turkish TV serials, I should remind that they emerged as

the summer hits of Bulgarian broadcasting.

The strangest thing is that it happened after two June-July elections campaigns, which had no precedent in terms of aggressiveness, and in which the main topics were the claim that Turkey should not be admitted into the European Union, and that the Movement for Rights and Freedoms (the party supported by Bulgaria’s ethnic Turks) should not be allowed into the government again.

There was more to come. The parliamentary season started in July with an indicative appeal. Volen Siderov, leader of the radical nationalists from Ataka, proposed the period of the 500-year-long Ottoman rule to be proclaimed genocide (similar to the Armenian genocide) by an act of the National Assembly. The next step should be, Siderov claimed, to ask for modern Turkey to apologize. At the same time a group was spontaneously formed on Facebook, which urged the 10-minute news block in Turkish on the national TV to be immediately discontinued. Prime Minister Boiko Borissov went as far as to ask for a debate on the issue. If you look at the Internet forums, you may come to the conclusion that the confrontation with Turkey is capable of mobilizing huge groups of supporters – who do not discriminate between the Ottoman Empire and Turkey, between history and contemporary times, between politics and culture. It seemed that over the next 1,000 years no regular Bulgarian would come to like anything of Turkish origin.

And – right out of nowhere – things started developing in exactly the oppo-
site direction. The main actors this time were not the fans of the Turkish “ultra-all-inclusive,” who flooded again this year Antalya, Marmaris and Kusadasi. The breakthrough was made through the very heart of the Bulgarian electoral body – the housewives and pensioners. These are the people who were most receptive to political suspicions about Turkey and the Turks, and these were the people who – only days later – stuck to their TV sets to watch Turkish soap operas like “Pearl” and “1001 Nights.” Look at them today – compassionately following every step of their screen favourites, enchanting them with their deep black eyes on the background of historical vistas from the Bosphorus. Is this some kind of Turkish soft power? If so, then it works pretty well in Bulgaria as well.

Let us get back to the case of Spaska Mitreva. Unlike other neighbors,

the relations between Bulgaria and Macedonia

will likely never become clear nor simple. They cannot be fully rational because of history and sentiments. These relations, however, may not be fully emotional as well, as the problem relates to two sovereign states, the older of which was also the first to recognize the younger one. Bulgaria has no other option but to protect its interests in Macedonia, although it may not proceed like Greece – in cold blood, inflexibly, by imposing conditions.

The existence of two Macedonian elites – one, which has hated Bulgaria since Yugoslav times, and the other, which has always loved Bulgaria, even before Yugoslavia came into existence – makes the picture even more complex. Sofia may not abandon the second elite, as it may not ignore the first. Besides, there are people in Bulgaria, who are not interested in Macedonia at all and prefer to wink at the perpetual opponent – Serbia. It is exactly for these reasons that the official Bulgarian policy towards Skopje is doomed to a perpetual balancing between the rational and emotional. And each new scandal will demonstrate how difficult such a balance is, and that this equilibrium requires the skills of a genuine trapeze artist.

It is immediately apparent that the minister without portfolio Bozhidar Dimitrov, a historian and patriot, is far from being such a gymnast. His position regarding Macedonia is clear: he has offered a million Euro as a prize to anyone, who could provide a sound evidence of the existence of a Macedonian nation before the 1940s. His ministerial portfolio...
(Dimitrov is in charge of the Bulgarian Diaspora) directly points to the problem, which is of interest in this case: the influence of Brussels over the relations among neighbors on the Balkans.

The EU accession gave Bulgarians a major trump card – an international passport for visa-free travel. Macedonians and Serbs are pretty well aware of the value of such a document – by a historic irony, they used to play the same trump card against Bulgarians in the happy times before the Yugoslav wars. Now, however, things have been reversed: a Bulgarian passport acquired some unexpected appeal. There is an avalanche of applications for citizenship – from Bulgarian minorities in Moldova, Ukraine, and Serbia. And from many Macedonians, who discovered their Bulgarian roots in the family history. A Macedonian political analyst, Sasho Ordanoski, joked with me back in 2004 that „Brussels would say that we have a secret strategy – to claim we are Bulgarians in order to be admitted to the EU.” Joke or not, but tens of thousands of citizens of the Republic of Macedonia have done exactly this.

There is no need to remind that this surge of “passport patriotism” brought exhilaration to people like Bozhidar Dimitrov, and at the same time made extremely angry those in the Macedonian elite, who have, over the years, transformed the critics and ridicule of everything “Bulgarian” into a profession. There were accusations in indulging in self-interest, there were appeals of the sort „Macedonians, do not yield,” there were large-scale campaigns and petty vengeance,

which is perhaps the case with Spaska Mitreva from the Macedonian town of Gevgeli. All these outbursts were, of course, superfluous. How could you possibly establish whether a person is assessing herself pragmatically or emotionally? How can you understand whether she is being frank? Perhaps using a lie-detector test? After all, the European Union is exactly this – a mixture of pragmatism and dreams, of rationale and emotions.

At the bottom line, it was the logic of the European integration which provided a solution to the problem. Brussels promised recently that it will waive visas for Macedonian citizens as of 2010. Emotions should cool down then – and it will become clear whether patriotism was of the “passport” type or something different. Perhaps this is why Minister Bozhidar Dimitrov launched a radical idea: all applicants for Bulgarian citizenship, some 60,000 in total, to receive Bulgarian citizenship en masse, in a single day, as the former U.S. President Ronald Reagan once did. The idea was immediately criticized by Vice-president Angel Marin, who, by constitution, is in charge of citizenship issues. The very emergence of such an idea, however, indicates that there are major events just beyond the horizon.

The problem is how to prevent individuals like Spaska Mitreva from being harmed in such chaos. I repeat, she was imprisoned for a really petty problem, while the social services took custody of her child. And there will always be the suspicion that the Macedonian authorities did not deal with a simple family law case, but have levied instead a disproportionate sentence because of the Bulgarian passport held by Mrs. Mitreva. The circle of mutual accusations and the well known Bulgarian-Macedonian broken-telephone media game seem like extending into perpetuity.

The brilliant Serb writer Milorad Pavic describes in his novel Landscape Drawn in Tea a funny but nevertheless symptomatic story. The author has comfortably placed the story somewhere along the Greek-Bulgarian border, although it could happen anywhere else in the Balkans. In a nutshell, the story goes like this: A Greek man was born somewhere in the border region. Some time later came the Bulgarians, and the man was made a Bulgarian. He grew up as one, and that is how he raised his own sons. The man was fatally wounded during one of the Greek-Bulgarian wars. He summoned his sons to his deathbed and said, „Now is the time to tell you that I am Greek.” The sons protested: It was their father, who had raised them as Bulgarians. And then the man (actually, Pavic himself) uttered a remarkable phrase: “Calm down, sons. It is better for someone of theirs to die, rather than someone of ours.” There is no other phrase, which could explain more explicitly the syndrome of Balkan “neighbourly” relations.

With the risk of going too far by quoting myself, I will remind one of my old and quite unoriginal forecasts. We have all the reasons to expect that every Balkan state will enter EU and NATO in some 20 years. And then the phrase coined by Pavic will turn into a bit of funny folklore. Even so, I am still somewhat concerned. Who, in this brave new world, will be “theirs,” and who will be “ours?” How could we live without borders, without suspicions, without refreshing enmities and stereotypes? And what will be left of the Balkans then? ■
THE BEST PROPERTY MANAGEMENT SOLUTIONS!

Central Hali Shopping Center, SOFIA
Area: 7000 sqm on 3 levels
National Monument of Culture

9 Moskovska Street, Business Center, SOFIA
Area: 4450 sqm on 9 levels
Embassies’ Offices

Galleria Varna Mall

Galleria STARA ZAGORA Mall

Markovo Tepe Mall, PLOVDIV

Conference and Business Center
MARITZA, PLOVDIV

BENEFIT FROM OUR COST-EFFECTIVE IDEAS!

Contacts
25 Marin Drinov Street, Ap. 1
1504 Sofia, BULGARIA
Phone: (+ 359 2) 806 6030
Fax: (+ 359 2) 843 0207
HQ@acticum.bg
www.acticum.bg
Crisis Challenges
Energy Sector

The growing effects of the global financial and economic crisis have raised more questions about ambitious energy sector projects. The shrinking demand and limited access to financing have increased the risks for large-scale projects such as the project for the construction of nuclear plant in Belene, the two gas transit pipelines Nabucco and South Stream, and the oil transit pipeline to Greece. In the meantime, the general elections in the country were won by the centre-right party GERB, which has begun a comprehensive review of the energy strategy, including these large scale projects and the largest energy companies within the structure of the recently established Bulgarian Energy Holding (BEH).

State puts large-scale energy projects on hold

One of the most controversial projects is the construction of the nuclear power plant in Belene. The newly elected government argues that the need for the construction of this facility in the long-term is questionable while, the cost estimates continue to rise. According to energy minister Traycho Traykov, the state will make a decision by the end of September as to how to proceed with the project, which is currently undergoing a comprehensive economic and financial scrutiny.

Germany’s RWE and the state-owned National Electricity Company (NEC) signed a contract at the end of last year to set up a company which will administer the construction of the plant, RWE, which will hold 49% in the project, is negotiating with Russia’s Inter RAO, Finland’s Fortum and two companies from Sweden. Russia’s AtomStroyExport holds EUR 4bn construction contract but insists for an upward revision of EUR 288mn to nearly EUR 4.3bn. In other estimates the potential cost of the project has already hit EUR 10bn. Russia’s PM Vladimir Putin has reportedly announced that the government has agreed to lend EUR 3.8bn for the construction of the nuclear power plant. The lack of financing for the construction works has made BEH prepare a bond issue in the amount of EUR 100mn. According to the initial plan the first unit of 1,000MW should become operational by the end of 2014 while the second one will be connected one year later. However, the project is already some 12 months behind schedule. The delay is estimated to cost EUR 1bn in missed profits. Construction works are expected to start by the middle of next year after the cleaning and preparation of the site has been completed.

Energy companies report disappointing results in first half of the year

The Bulgarian Energy Holding was set up in September last year succeeding the company registration of Bulgargaz Holding. It holds full stakes in natural gas supplier Bulgargaz, natural gas transmission utility Bulgartransgaz, and telecom arm Bulgartel while the government’s full share capital of BEH. The lack of financing for the construction of the nuclear power plant. The two gas transit pipelines Nabuco and South Stream, and the oil transit pipeline to Greece.

The disappointing results for these companies are primarily attributable to effects arising from the reduced demand on regional export markets as well as decline in domestic demand. BEH reports that electricity exports have fallen by 28.4% to 1.55mn MWh in H1. The value of energy exports has decreased faster by 44.2% to BGN 134.2mn (EUR 68.6mn) as export prices have fallen dramatically due to lower demand. On the domestic market, electricity consumption has fallen 5% y/y in H1 as a result of contraction of the industrial production volumes. At the same time, the regulated prices of electricity generated by renewable sources and cogeneration plants which the electricity company purchases domestically was increased by 40% as of Jan this year.

The state-owned coalmine Maritsa

This article is based on extracts from ISI Emerging Markets
IntelliNews publications: Bulgaria This Week and Bulgaria Country Report. For more detailed information please contact ISI Emerging Markets office in Sofia at +359 2 9160404 or info_bg@securities.com
East also reported a worsening performance in the first half of the year. The mine posted BGN 17.3mn loss in H1 as production contracted and some of the expenditures expanded. The management has blocked contracts valued at more than BGN 32mn for projects which are considered unprofitable. The decision is expected to avoid staff cuts, CEO Todor Todorov informed. The mine has accumulated debt in the tune of BGN 100mn and has claims of total of about BGN 29mn from the three coal-fired power plants in the complex Maritsa East. Maritsa East Mines provides inputs to three thermo-power groups in the region with total production capacity of about 2,500MW that will be raised to more than 3,000MW after the completion of ongoing modernisation and upgrade projects. Maritsa East raised its production by 3.3% to 24.7mn tonnes of coal last year, which is 7% above the corresponding target. The annual production target of the mine stands at 25.3mn tonnes of coal this year and 28mn tons of coal next year.

The companies in the state holding structure operate primarily on a market with regulated prices. Thermo-power plant Maritza East II has turned out a winner from this situation. The company has more than doubled its net profit in the first six months to almost BGN 60mn, as a result of low coal prices, the hike in electricity prices as of July last year, and the efficiency improvements. Maritza East II has spent more than BGN 21mn for repairs in H1, which represents 31.4% of the overall funds to be allocated to repairs this year (BGN 66.8mn). The positive financial result has been supported by the prudent management, which has also allowed for realising BGN 15mn in savings during the repairs. Maritza East II runs 8 power generators with production capacity of 1,556MW at present. It produced 18% of the country’s electricity last year and stands as the largest thermo-power plant on the Balkans. The power plant generated 8bn KWh of electricity last year, up by 5% y/y. In February, it received European certificate for environment management ISO 14001:2004 from TUV Rheinland.

### Financial results of energy companies, BGN mn

<table>
<thead>
<tr>
<th></th>
<th>H1 2008</th>
<th>H1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Electricity Company</td>
<td>21.4</td>
<td>-42.2</td>
</tr>
<tr>
<td>Kozloduy</td>
<td>47.6</td>
<td>54.3</td>
</tr>
<tr>
<td>Coalmine Maritsa East</td>
<td>-2.0</td>
<td>-17.3</td>
</tr>
<tr>
<td>Maritsa East II</td>
<td>25.4</td>
<td>59.6</td>
</tr>
<tr>
<td>Bulgartransgaz</td>
<td>16.1</td>
<td>48.9</td>
</tr>
<tr>
<td>Bulgargaz</td>
<td>8.7</td>
<td>52.8</td>
</tr>
<tr>
<td>Bulgartel</td>
<td>0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>BEH</td>
<td>49.8</td>
<td>70.6</td>
</tr>
<tr>
<td>BEH Group</td>
<td>167.2</td>
<td>226.4</td>
</tr>
</tbody>
</table>

Source: BEH financial statement H1 2009

### Energy indicators

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>H1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity production GWh</td>
<td>24,681</td>
<td>26,302</td>
<td>13,028</td>
</tr>
<tr>
<td>Nuclear GWh</td>
<td>14,643</td>
<td>15,765</td>
<td>7,577</td>
</tr>
<tr>
<td>Thermal GWh</td>
<td>7,618</td>
<td>8,123</td>
<td>3,915</td>
</tr>
<tr>
<td>Hydro GWh</td>
<td>2,420</td>
<td>2,414</td>
<td>1,536</td>
</tr>
<tr>
<td>Total installed capacity MW</td>
<td>6,003</td>
<td>6,119</td>
<td>6,119</td>
</tr>
<tr>
<td>Nuclear MW</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Thermal MW</td>
<td>1,440</td>
<td>1,556</td>
<td>1,556</td>
</tr>
<tr>
<td>Hydro MW</td>
<td>2,563</td>
<td>2,563</td>
<td>2,563</td>
</tr>
<tr>
<td>Natural gas mn m3</td>
<td>3,359</td>
<td>3,400</td>
<td>1,258</td>
</tr>
</tbody>
</table>

Source: Bulgarian Energy Holding
The American Chamber of Commerce jointly with the U.S. Commercial Service organized a business roundtable Environment and Energy Policy at the EU Level on June, 13, 2009, hosted by the U.S. Embassy. The event was part of the activities of AmCham’s working group on renewable and energy efficiency.

The event brought together representatives of over 30 AmCham member companies, covering a broad spectrum of energy producers, suppliers, investors, financing institutions, construction and real estate, law and consultancy, to discuss U.S. and EU Green Technology Cooperation and EU level Green Technology Policies.

Ashley Miller, U.S. Market Access and Compliance attaché, Susana Getman, Market Access and Compliance specialist, and Sylvia Mohr, Standards specialist, all with the U.S. Mission to the European Union, made presentations on recent green developments. They informed the audience of the high-level U.S.-EU cooperation on energy issues, including EU legislation and regulations, green technologies and renewable, as well as of the U.S. Commerce Department of Commerce Green trade promotion activities in Europe.

Company representatives stirred a lively discussion on issues concerning EU standards, directives and legislation, trends and opportunities, regarding green technologies, renewable energy sources and energy efficiency. The discussion was co-chaired by Rosen Plevneliev, AmCham Board member, and Kenneth Lefkowitz, NECA advisory managing partner.

The business discussion provided both new information and exchange of ideas, which served as the basis for AmCham’s working group on renewable and energy efficiency to develop a proposal for legislative amendments to the new government.
Adding years to life and life to years of people around the world drives all of Pfizer’s activities.
Bulgarian GDP will decrease by 6 percent in 2009 and by a further 2 percent in 2010. This is the prognosis given in Eurobank EFG’s August report on the state of the economy in the countries of Central and Eastern Europe. The analysts from the financial institution, which is the majority owner of Bulgaria’s Postbank, note that the rate of Bulgaria’s economic recession is significantly lower than that in the other countries in the region.

Eurobank EFG’s Division of Research and Forecasting, however, expects the bleak economic outlook for Bulgaria’s economy to have a positive effect on the current account deficit and inflation levels. It is expected that the current account deficit will decrease in half reaching 12 percent of the GDP. A significant decrease in inflation has been noted and the report anticipates that this trend will continue and inflation levels will be further improved reaching 2.5 percent on a yearly basis. Reduced inflation could assist Bulgaria in its ambitions for Eurozone entry by helping it meet the relevant Maastricht criteria.

According to Eurobank’s analysts, the comparatively better performance of the Bulgarian economy is a result to a large extent from the countercyclical measures undertaken by the previous government. It must be noted, however, that the potential for an expansive fiscal policy is very limited because of the country’s currency board, which requires a prudent course of action. Since the currency board does not allow the implementation of an active monetary policy, the adjustment of the Bulgarian economy to the changing global conditions can be made only through a decrease in domestic demand. Eurobank’s experts point out that in the case of Bulgaria the severe consequences of the world crisis and the previously accumulated great economic imbalances make a significant adjustment necessary. This leads to the conclusion that a subsequent economic contraction will be more serious than previously anticipated.

The report shows that right now the main problem for Bulgaria is not the state of the world markets, but rather the sustainability of the currency board in the country. According to the Eurobank analysts a possible Lev devaluation would entail significant economic costs for both corporations and households who are heavily leveraged in FX. Due to the prudent policies of the previous governments, right now Bulgaria does not encounter difficulties in meeting the criteria related to the currency board. On the other hand, maintaining the fixed rate is the reason for the great overvaluation of the Bulgarian currency, which might turn out to be a setback for the country’s competitiveness after its entry into the currency mechanism ERM II, which is one of the goals of the new government.

Inflation

A rapid decrease in inflation has been observed compared to the end of the last year. The increase in the index of consumer prices lowered to 3.7 percent in June compared to 7.8 percent last December. The deflation trend is due to the decrease in domestic demand and the lowered prices of fuel and food. Provided there are no unfavorable developments in food prices, Eurobank analysts predict consumer prices to ease further to 2.5-3 percent by the year-end as economic contraction deepens.

Another potential positive result from the inflation decrease is the opportunity for Bulgaria to meet the relevant criteria for membership in the European Monetary Union. So far it was precisely the inability to reach the recommended inflation levels that was a setback for Bulgaria’s Eurozone entry.

The state of the banking sector

Eurobank EFG’s Research and Forecasting Division notes that since the start of the financial crisis commercial banks are constraining credit growth and shifting their focus towards attracting deposits. Both profitability and asset growth in the banking sector have been deteriorating throughout 2009. This trend is expected to continue. NPLs are increasing without reaching worrying levels yet, though. Currently NPLs are at 3.7 percent, still within reasonable levels that do not pose threats for the stability of the Bulgarian banking system.

BNB’s actions during the financial crisis have been evaluated as very adequate. The positive evaluation of the international analysts concerns both the measures aiming at raising the system’s liquidity and the changes in the provisional criteria.

Credit Developments

On the whole Bulgarian banks apply a more balanced credit policy. Total loans have seen a contraction in May compared to the month before, triggered by the decline in loans to credit institutions and the corporate sector. Yet, they still remain a lot higher than a year earlier. The analysts point out that the credit in foreign currency, mostly Euro, accounts for 55 percent of total credits. This trend can be explained with the confidence citizens and companies put into the currency board and the fixed rate of the Euro, which decreases the risk during lending in foreign currency.

Deposit Developments

Restricted access to international finances forced Bulgarian banks to shift their focus to drawing funds from the domestic market. Despite attractive interest rate offers in the last few months, there has not been a great increase in deposits. Once again clients seem to prefer to save money in Euro rather than in Leva.

Given that the credit deceleration is accompanied by a slowdown in deposits, loan to deposit ratio has remained at the same levels throughout 2009. The ratio stood at 120.7 percent in May.
WE PRODUCE COPPER AND GOLD FOR THE WORLD MARKET ECONOMICALLY, EFFICIENTLY, SAFELY AND ENVIRONMENT-CONSCIOUSLY
Golden Pages, Host.bg Offer Websites-to-Go

The leading classified business directory Golden Pages and Host.Bg, the No. 1 hosting company in Bulgaria, signed an agreement, which allows them to offer medium and small businesses in Bulgaria a fast and easy way to set-up and manage their own website.

The idea was born in the process of cooperation between the two companies on another project. Nick Saunders, CEO of Golden Pages, and Anton Titov, CEO of Host.bg, share the view that SMEs need to be found in order to develop and grow. On the other hand, building and maintaining their own websites should not require them to have specific IT skills.

The product of Golden Pages and Host.bg is flexible, very easy to use and allows anyone who can start a computer to have a professional company website very quickly. On the base of template sites with bilingual menus, Golden Pages Web Builder gives the advertisers of Golden Pages the opportunity to build a website, fill it with their company information, track visitors’ statistics, upload photo albums and use personalised email accounts, all for just 200 Leva per year. And for an additional 20 Leva advertisers can choose and register their own domain name.

Aon Bulgaria is a subsidiary of Aon Corporation - the leading provider of risk management services, insurance and reinsurance brokerage and consulting.

Through the years of service we have proved to customers:

Broad view of the insurance industry. With more than 36,000 employees, 500 offices in more than 120 countries, we can anticipate how changes in one sector impact another. Client focus: Because each client group has unique needs, our professionals—coordinated by strategic account managers or relationship managers—specialize by product and client industry. By truly listening to clients and working with them as a partner, we can develop the more suitable solutions for their business. Only in this manner we can help clients uncover risks and discover new opportunities to make business more successful, now and into the future.

Entrea Capital is a leading independent corporate finance advisory firm. Our core expertise is mergers and acquisitions advisory. Transactions in mergers and acquisitions can be complex and face numerous stumbling blocks. We help our clients plan, structure, and execute successful transactions. Entrea Capital’s Mergers & Acquisitions practice in Bulgaria is supported by a dedicated team of professionals as well as a strong global M&A network. This allows us to help companies execute both domestic and cross border M&A transactions.

In addition to M&A advisory, we help our clients with a range of fundraising and corporate finance services. We enable our clients to raise debt and equity financing best suited to their unique businesses and investment plans. Our corporate finance services are tailored to the individual needs of our clients and include business valuation, financial analysis and forecasting, restructuring, and others.

Some fields of our risk management and reinsurance expertise:
- Casually
- D&O’s Liability
- Environmental Liability
- Errors & Omissions
- Kidnap & Ransom
- Mergers & Acquisitions
- Political and Credit Risks
- Terrorism Cover

Contacts:
Hristo Borissov
Executive Director
Tel.: +369 2 933 7800
Fax: +369 2 983 5025
E-mail: fannie.gencheva@aon.bg
Address: 5, Stara Planina Str.
1000 Sofia

Entrea Capital

Contacts:
Rosen Ivanov, Managing Partner
Tel.: +359 2 862 7838
Fax: +359 2 962 0588
Web: http://www.entrea-capital.com
Address: 32 G, Cherni Vrah Blvd.
1407 Sofia
Exclusively for connoisseurs of compelling presentation

„We are dedicated to provide our guests personalized meeting solutions for their first class events.“

Violeta Vassileva
Banqueting and Sales Manager

1 Gurko Str., Sofia, Bulgaria, tel. +359 2 811 0 800, reservations@grandhotelsofia.bg, www.grandhotelsofia.bg
Banqueting Department, tel. +359 2 811 0 900, banqueting@grandhotelsofia.bg
As part of the AmCham Green Project and its July-August topic “Nature Conservation,” the CSR Committee organized on July 25, 2009 a one-day journey to one of Bulgaria’s most magnificent and inspiring mountain areas – the Seven Lakes region of the Rila Mountains, part of one of the largest national parks in Europe.

The aim of the initiative was to offer first-hand outdoor experience why “going green” has become a global theme, to remind the hikers that nature conservation is a responsibility for everyone and that we should counteract and do not close our eyes for any acts that change and may cause the loss of the nature balance. Rila’s Seven Lakes area was chosen as a destination for the trip because it is among the most controversial Natura 2000 protected areas and the resort encroachment there threatens the serenity of this unique land.

More than 40 enthusiasts, employees of member companies and friends of AmCham, joined this green initiative. The group was diverse in hiking experiences and ages and a bit too large, which created at the beginning some difficulties in moving together and following the preliminary agenda. Through the professional support of the Outward Bound Bulgaria guides, all saved their good moods until the end. The hiking day started from Pionerska hut and as the main purpose of the day was promoting the green idea through hiking combined with receiving more information on the environmental problems in Bulgaria, the group did not use the newly built lift, instead choosing to walk to the Rila Lakes hut. After that, the trip offered a delightful stroll around the lakes. The greatest enthusiasts who reached the area’s highest lake, Salzata (The Tear, el. 2,535m), were rewarded with stunning a panorama of the mountain circus.

During the day the Outward Bound guides acquainted participants with the ecology and geology of the region, while Green Project volunteer’s denkstatt Bulgaria and ForTheNature NGO casually discussed the region’s challenges stemming from people’s disrespectful attitude toward nature. Some of the damage became apparent to AmCham
hikers: e.g., the incredible number of cars parked in the area of Pionerska hut because of the new lift; the crowds flocking to the Seven Lakes area, unfortunately a lot of them not true mountainers and thus causing environmental harm; the permanent traffic of SUVs passing by and leaving in their dust the hikers between Pionerska and Rila Lakes huts.

The main reason for the recent public discussions is the new resort construction project in the area. Developers claim to “improve” the area with a well-organized system of ski slopes, which includes the region of Panichishte – Rila Lakes – Kabul Peak. The slopes will be in the location of the Seven Rila Lakes and will include more than 21 ski runs and facilities on a total area of 240 hectares, two-thirds (160 hectares) of which are inside the National Park boundaries. The project is supported by the local authorities.

As a result of a series of civil actions the case of illegal ski resorts in Rila Mountain was investigated on terrain by the EU Parliament. The case still causes pressure and raises discussions in the society and remains unsettled.

AmCham thanks to all hikers supporting our Green Initiative and coming with us! We hope we charged you with positive emotions and made you feel the nature’s beauty, and will be more ‘green’ and caring in your thoughts and relationship with the environment.
How To Be Annoying In Newsgroups

Make up fake acronyms. On-line veterans like to use abbreviations like IMHO (in my humble opinion) and RTFM (read the f...... manual) to show that they’re “hip” to the lingo. Make up your own that don’t stand for anything (SETO, BARL, CP30), use them liberally, and then refuse to explain what they stand for (“You don’t know? RTFM”).

WRITE ALL YOUR MESSAGES IN ALL CAPS AND DON’T USE PERIODS OR RETURNS SO THAT EVERYONE HAS TO SCROLL ACROSS THEIR SCREENS TO READ EVERY LINE ALSO USE A LOT OF !!!!!! AND DDOUUUBBLESS TO SHOW THAT YOU’RE EXCITED ABOUT BEING HERE!!!!!

When replying to your mail, correct everyone’s grammar and spelling and point out their typos, but don’t otherwise respond to the content of their messages. When they respond testily to your “creative criticism,” do it again. Continue until they go away.

Software and files offered on-line are often “compressed” so that it won’t take so long to travel over the phone lines. Buy a compression program and compress everything you send, including one-word E-mail responses like “Thanks.”

Upload text files with Bible passages about sin or guilt and give them names like “SexyHouseWives,” then see how many people download them. Challenge your friends to come up with the most popular come-on. Take bets and calculate odds on the results of each upload’s popularity.

cc: all your E-mail to president@whitehouse.gov so that he can keep track of what’s happening on the information Superhighway Internet.

Join a discussion group, and tie whatever’s being discussed back to an unrelated central theme of your own. For instance, if you’re in a discussion of gun control, respond to every message with the observation that those genetically superior tomatoes seem to have played an important role. Within days, all discussion of gun control will have ceased as people write you threatening messages and instruct all other members to ignore you.

Blue Screen of Death

In a surprise announcement today, Microsoft President Steve Ballmer revealed that the Redmond-based company will allow computer resellers and end-users to customize the appearance of the Blue Screen of Death (BSOD), the screen that displays when the Windows operating system crashes.

The move comes as the result of numerous focus groups and customer surveys done by Microsoft. Thousands of Microsoft customers were asked, “What do you spend the most time doing on your computer?”

A surprising number of respondents said, “Staring at a Blue Screen of Death.” At 54 percent, it was the top answer, beating the second place answer “Downloading XXXScans” by an easy 12 points.

“We immediately recognized this as a great opportunity for ourselves, our channel partners, and especially our customers,” explained the excited Ballmer to a room full of reporters.

Immense video displays were used to show images of the new customizable BSOD screen side-by-side with the older static version. Users can select from a collection of “BSOD Themes,” allowing them to instead have a Mauve Screen of Death or even a Paisley Screen of Death. Graphics and multimedia content can now be incorporated into the screen, making the BSOD the perfect conduit for delivering product information and entertainment to Windows users.

The BSOD is by far the most recognized feature of the Windows operating system, and as a result, Microsoft has historically insisted on total control over its look and feel. This recent departure from that policy reflects Microsoft’s recognition of the Windows desktop itself as the “ultim ate information portal.” By default, the new BSOD will be configured to show a random selection of Microsoft product information whenever the system crashes. Microsoft channel partners can negotiate with Microsoft for the right to customize the BSOD on systems they ship.

Major computer resellers such as Compaq, Gateway, and Dell are already lining up for premier placement on the new and improved BSOD. Ballmer concluded by getting a dig in against the Open Source community. “This just goes to show that Microsoft continues to innovate at a much faster pace than open source. I have yet to see any evidence that Linux even has a BSOD, let alone a customizable one.”