



# BASSCOM Barometer 2014

Annual Report On The State of the  
Software Sector in Bulgaria

November 2014

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# About BASSCOM Barometer

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- BASSCOM
  - Professional association of the software companies in Bulgaria
- BASSCOM Barometer
  - An annual report on the Software sector in Bulgaria
  - Published since 2009

## Sources

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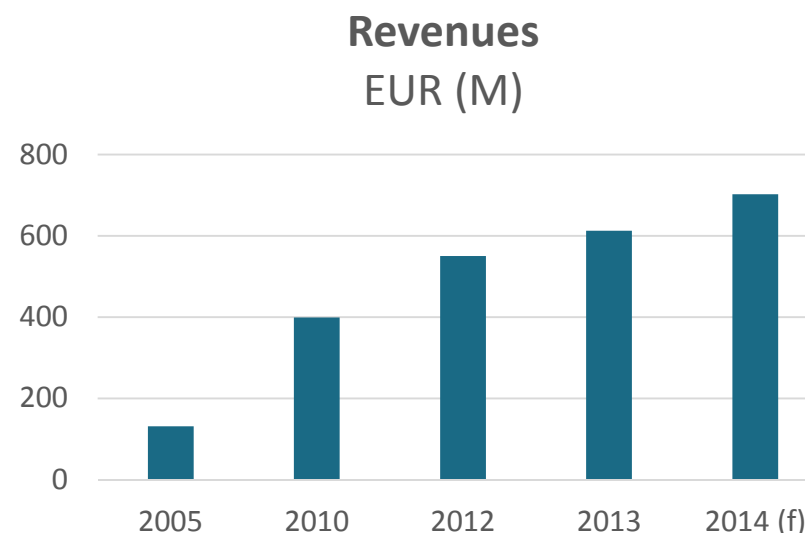
Unless expressly stated otherwise, the data is from a study of the software industry by CBN - Pannoff, Stoytcheff & Co. contracted by BASSCOM.

The study covers 2005, 2010, 2012, 2013 and 2014 – forecast. It is based on data gathered from ~ 2 400 companies whose revenues are generated mostly from software-related activities.

Data from a survey conducted by BASSCOM among its members is also used.

# Revenues

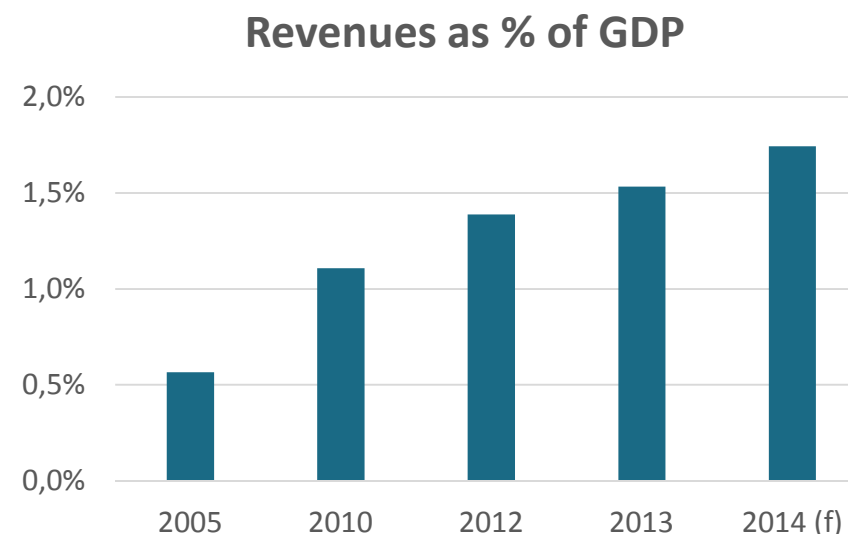
| Year     | Revenues<br>EUR (M) | Increase |
|----------|---------------------|----------|
| 2014 (f) | 702                 | 15%      |
| 2013     | 612                 | 11%      |
| 2012     | 550                 | *        |
| 2010     | 400                 | 203%     |
| 2005     | 132                 | *        |



- More than a five-time growth for the last 10 years
- 1.8 bln. EUR in revenue for the last 3 years
- Approximately 60% of revenues are from export

# Share of GDP

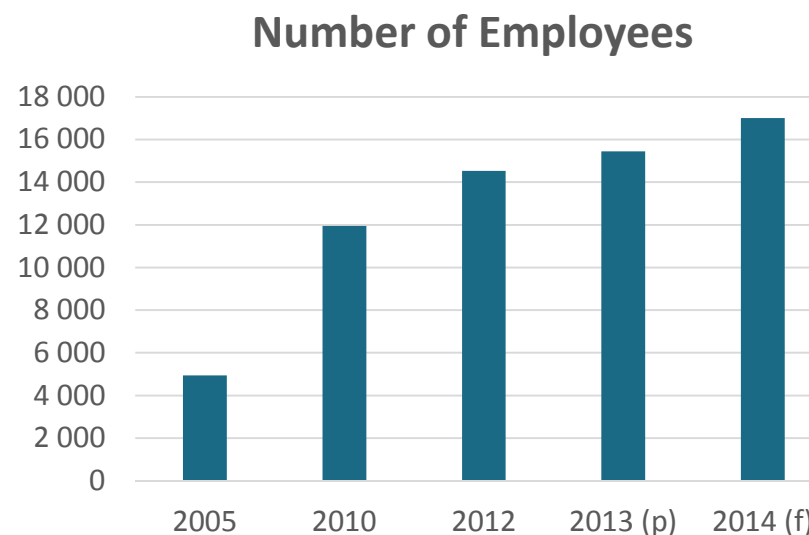
| Year     | Revenues<br>EUR (M) | Revenues<br>% of GDP |
|----------|---------------------|----------------------|
| 2014 (f) | 702                 | 1.74%                |
| 2013     | 612                 | 1.53%                |
| 2012     | 550                 | 1.39%                |
| 2010     | 400                 | 1.11%                |
| 2005     | 132                 | 0.57%                |



- A threefold increase of the share of GDP
- One of the fastest growing sectors of the economy

# Jobs

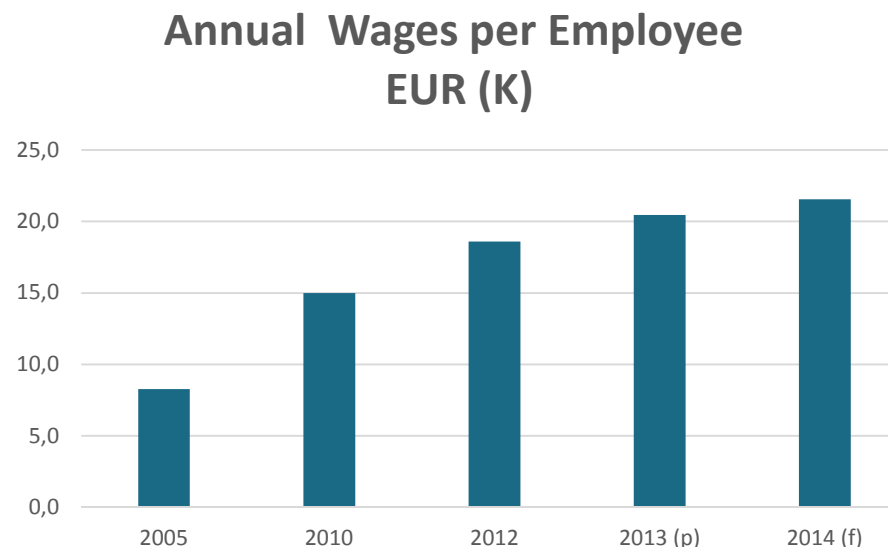
| Year     | Number of Employees | Increase |
|----------|---------------------|----------|
| 2014 (f) | 17,000              | 10%      |
| 2013     | 15,452              | 6%       |
| 2012     | 14,531              | *        |
| 2010     | 11,955              | 142%     |
| 2005     | 4,945               | *        |



- 12 000 new jobs for the period 2005-2014

# Employee Compensation

| Year     | Annual Wages per Employee, EUR (K) | Increase |
|----------|------------------------------------|----------|
| 2014 (f) | 21.6                               | 5%       |
| 2013     | 20.4                               | 10%      |
| 2012     | 18.6                               | *        |
| 2010     | 15.0                               | 81%      |
| 2005     | 8.3                                | *        |



- The software business is the largest technology employer on 2013 in terms of total wages paid, ahead of telecoms and call centers
- Wages are 4 times higher than the average for Bulgaria



# Taxes

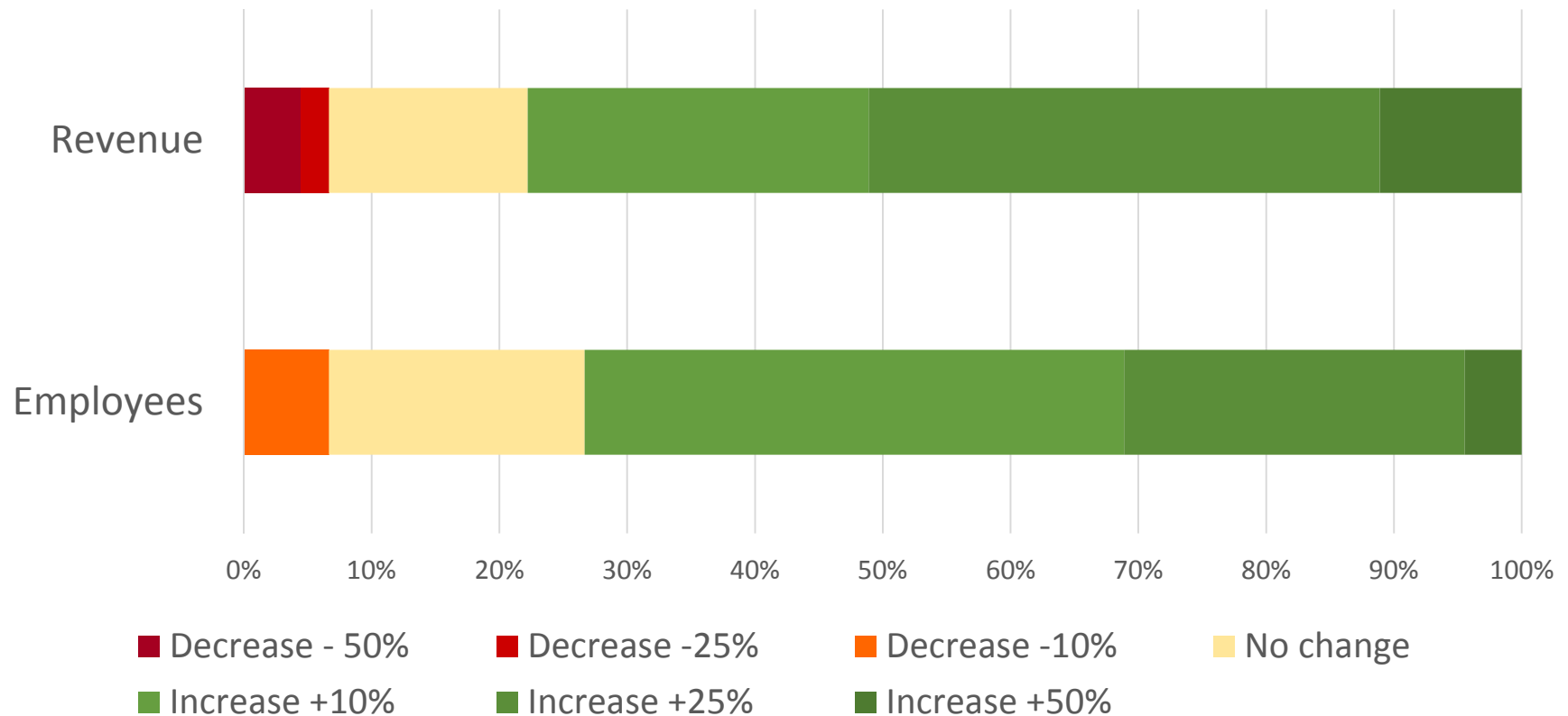
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| Tax             | Paid in 2013<br>EUR (M) |
|-----------------|-------------------------|
| VAT             | 43.9                    |
| Profit tax      | 7.6                     |
| Social Security | 29.2                    |
| Income tax      | 24.2                    |
| <b>Total</b>    | <b>104.9</b>            |

- Due to business specifics there is no “grey” part of the software sector
- The amount of taxes paid has the potential to double within the next five years.

# Forecast

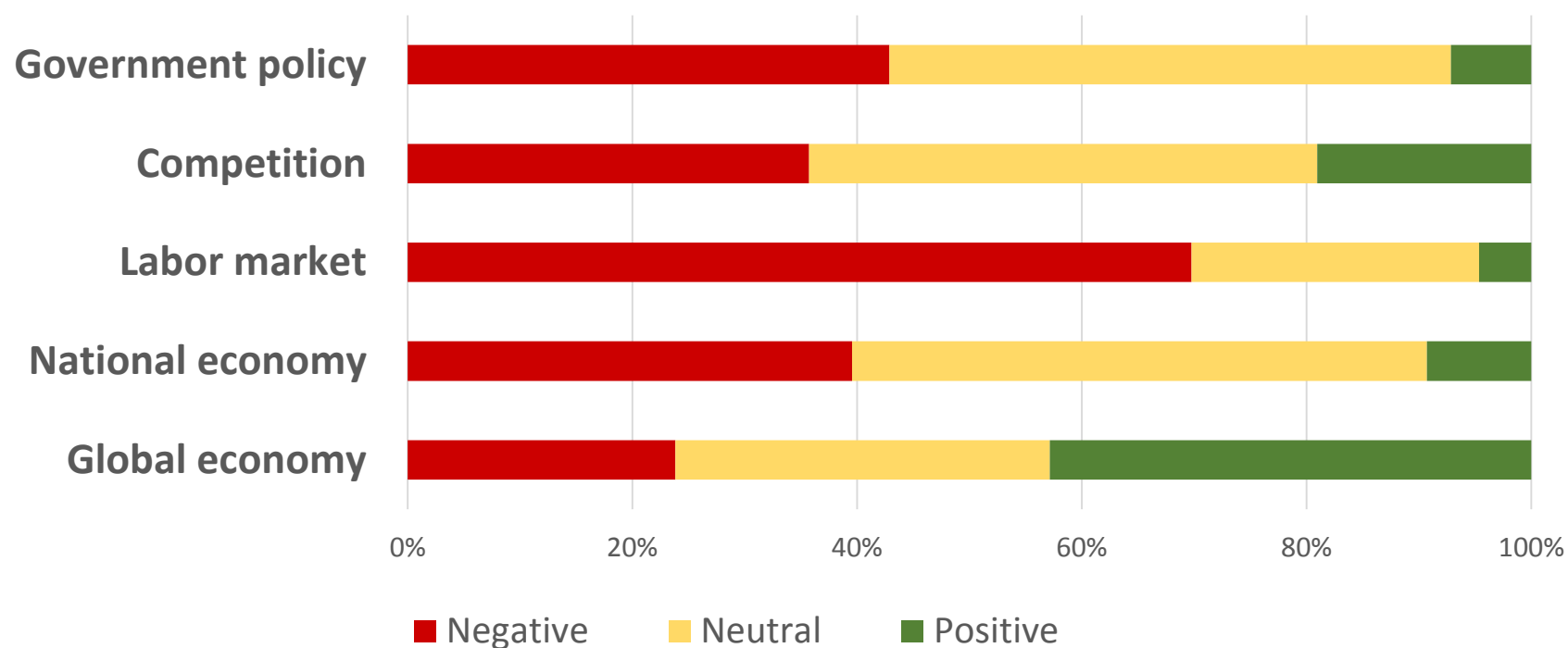
Expectations for next year (% responded\*)



\*Survey among BASSCOM members

# External factors influence

Expected Influence of External Factors  
(% responded\*)



\*Survey among BASSCOM members

# Conclusion

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- The software sector is:
  - A significant part of the economy
  - With high added value
  - Rapidly growing
  - Restrained by the insufficient number of qualified specialists