

BEING A FOREIGNER DOING BUSINESS IN BULGARIA - MISSION POSSIBLE. HOW IS IT IN CALABRIA - THE SOUTHERN ITALIAN REGION?

One of the most important factors for a foreign investor, directing to one country, is what the general conditions are for doing a business in the state to which it is turning.

According to recently published the latest report by the World Bank 'Doing business' 2014 for 189 countries from all continents, two member states of the EU - Bulgaria and Italy, are ranked among the unenviable places in this annual ranking. Bulgaria fell to 58th in the ranking 'Doing business 2014', while Italy is on even more unenviable 65th place for 2014.

Although with a low corporation tax, Bulgaria still remains uncomfortable place for entrepreneurs, according to the new World Bank' report 'Doing business 2014' for 189 countries from all continents. Bulgaria occupies the low rated 58th in this year's ranking, which traditionally helps investors to navigate where they deserve to put their money, taking into account the large is the bureaucracy, is it easy to register a company, how much time and money it takes to obtaining permits for construction, for payment of taxes, etc. For comparison, Estonia's 22nd place, after Germany. Lithuania, Latvia and Macedonia are among the top 25 in the ranking, and Bulgaria and Italy are ranked among countries like Tonga, Botswana and Brunei.

Usually Bulgarian businessmen constantly complain of the red tape procedures and lubberly administration, but among them there are many businessmen with foreign origin who chose Bulgaria for their home - according to unofficial statistics of the Bulgarian Industrial Association, the number is over 50 000 businessmen with foreign origin operate currently their own business in Bulgaria. When preparing this report we turned to few of them – the foreigners, to understand how they see the situation with doing business in Bulgaria.

Adnan Lidiyanov is 59-years-old, born in Lebanon, but lived in Bulgaria for 36 years. He graduated in Economics in Sofia and after their studies decided to settle permanently in Bulgaria. Here he creates a family, and has two children.



Adnan Lidiyanov

In 1992 he registered his private company Dal Siat Ltd., which is one of the leading Bulgarian accounting firms. Employs 16 people and its customers are companies from Sofia and from whole Bulgaria.

"In Bulgaria, I feel comfortable and at home. I am a Bulgarian citizen and I never felt any kind of discrimination for the fact I'm an Arab from Lebanon. I can definitely say that doing business in Bulgaria is not so difficult and it is different from doing business in another European country. It's has own specifics, of course, but as an overall, the things and the legal frame are acceptable for a foreigner and there are good conditions for doing business here', Mr. Lidiyanov added.

The same opinion share 55-year-old **Fatema Hadzhi** – a Manager of the Sofia-based company "Jacques-Mo" Ltd., who is also from Lebanon (from Beirut) and living in Bulgaria since 1994. She liked Bulgaria because of the climate, the hospitable people and the living conditions. Today Fatema Hadzhi owns the most famous Lebanese restaurant in Sofia - "Phoenicia", which runs along with her husband Mohammad Suhail. The businesswoman from Beirut says that initially she came to Bulgaria as a tourist, and then decided to settle permanently in Sofia with his family.



Fatema Hadzhi

Because she had excellent culinary skills decided to starts their own business with the opening of a Lebanese restaurant in Sofia. Restaurant 'Phoenicia' today enjoys of a huge popularity and offers authentic Lebanese cuisine. Mrs Hadzhi says that she never face any serious problems in doing business in Bulgaria, nobody wants from her a bribe, nor put pressure on her as a businesswoman-foreigner. Even most of her friends are Bulgarians from Sofia and she has already a real friendly environment in Bulgaria. Her family business is successful and she currently employs over 20 people, most of which are Bulgarians.

'For one foreign businessman in Bulgaria is not particularly difficult to run own business - just follow the rules and be sure to offer more and better products or services', confess her business philosophy Fatema Hadzhi from Beirut about doing business in Bulgaria.

Mr Radzhinder Kumar from Delhi, India, is a restaurateur who falls accidentally in Bulgaria in 1995, when he comes to work as a chef in an Indian restaurant in Sofia. At that time he met his future wife – the Bulgarian dancer Kapka, for who was married over 17 years. They decided to start their own business, and in 2009 Mr Kumar opened his own restaurant 'Rangeela' in the city centre of Sofia. Radzhinder is a manager of their company, running the restaurant, and a chef as well there, and his wife Kapka is his assistant in the family business. Radzhinder says that he feels very good in Bulgaria, but sometimes wasn't easy to do business in Bulgaria, due to the administrative procedures, bureaucracy and the many documents that need to fill a businessman in the country, no matter whether is alien or Bulgarian.



Radzhinder Kumar

That he is a foreigner never was plus or minus for him – he says that he was always equal to the Bulgarians and never was discriminated. It is believed that Bulgaria is a very tolerant country towards foreigners, and he considers Bulgaria as his second home. Mr Kumar's only objection is against many administrative interventions in the business, which discourages investments.

Beyond this he says that he is a classic example for that one foreigner can do successful business in Bulgaria without difficulty and obstacles.

Dr Hasan Barmawi is 53-year-old Jordanian who is Honorary Consul of the Hashemite Kingdom of Jordan in Bulgaria.

He was born on 15 December 1960 in Amman, Jordan, married to Bulgarian, and they have three children - a girl and two boys. Besides Honorary Consul of Jordan in Bulgaria, Hassan Barmawi is also a Chairman of the Bulgarian-Jordanian Chamber for Economic Cooperation and President of the Association of the Bulgarian-Arabian Economic Chambers. He has PhD in Economics from the University for National and World Economy in Sofia in 1997, after graduating as a Master and Bachelor of International Economic Relations in the University. According to Hassan Barmawi, Bulgaria has created very good conditions for doing business and the fact that in Bulgaria there are thousands of Jordanian citizens, some of whom operate their own businesses, is quite significant in this regard.



Dr Barmawi asserts that so far no one from his countrymen in Bulgaria complained that someone wanted a bribe or was pressed just because a foreigner - just the opposite, even the red tape administration in Bulgaria, they have respect to foreign businessmen because they produce here and create jobs. Locals take foreigners with very positive attitude. Hassan Barmawi also added that more Jordanians increasingly come to invest in Bulgaria because of the improving of the business environment here.

In the abovementioned representative annual World Bank' report 'Doing business 2014', from 189 countries **Italy is ranked on 65th place** – an unenviable position for an European country with a score similar to that of Bulgaria.

Our journalistic team decided to ascertain on the spot, how the things looks for the small business in Italy, and particular in its most southern region of Calabria?

Calabria is the poorest region of Italy. Calabria's economy is hampered by the fact that it is beset by corruption and organized crime which is mainly run by the 'Ndrangheta' (the local Mafia syndicate).

A typical feature is agricultural richness in Calabria. The olive tree represents approximately 70 % of tree crops in Calabria. The Bergamot orange is intensively cultivated, since the 18th century, exclusively in coastal area nearby to Reggio.

Within the industrial sector, manufacturing contributes to a gross value added of 7.2 %. In the manufacturing sector the main branches are foodstuff, beverage and tobacco with a contribution to the sector very close to the national average.

Over the recent decades have emerged some petrochemical, engineering and chemical industries, within the areas of Crotona, Vibo Valentia and Reggio Calabria.

What are current economic difficulties in the poorest part of the Apennine Peninsula, through the eyes of foreigners, decided to take the risk to run their own small business in Calabria?

In the third largest city in the Region of Calabria - Lamezia Terme (with 72 000 population) live and work a large number of foreigners from Europe, Africa and Asia. Some of them are contract labourers, but among them there are enterprising people who have registered their company and successfully cope with difficulties of the business, that in Calabria are seemed to be a little more than in Bulgaria.

50-years-old Khadija Aguejdi is from Northern Morocco. She arrived in Italy in 1990 and over the years has dealt with various activities. In 2002, she registered its own company as a sole trader and

opened a small shop in Lamezia Terme in which she sells various gifts, jewellery, cosmetics and others presents.



Khadija Aguejdi

In her shop 'Belle Oggi' on one of the central squares in Lamezia Terme she talks about her experiences doing business in Italy. "I didn't feel to the moment some special attitude from the society towards me, just because I am a foreigner here. In fact, I feel more Italian than Moroccan. As a problem for small business here I may indicate the higher taxes for businesses in Italy and the lubberly administration here. I have a small sole trader's company and I was asked to pay in advance huge amounts as taxes, before I've made a profit. But the rules are for everyone and I strictly follow them. Whether a foreigner or not, here in Italy is not so important. More important is how you contribute to the common prosperity and what you do, not only for yourself, but for the society. Personally to me I like Calabria's conditions for doing a business, despite the general stagnation currently in the country, add Mrs Aguejdi.

Mr Huang Liyi is 46 years old. Lived and worked for 6 years in Calabria. In 2012, decided to start his own business and opened a large clothing shop at Via Trento - one of the central streets in Lamezia Terme. In the store he sells with the assistance of his wife and two sons. He works 6 days a week 10 hours and does not complain. In his shop you can buy different clothes, suitcases, bags, shoes and more.

"My business is already successful and despite the crisis in Italy at the moment, I am not complaining. I feel good in Calabria and I do not have any particular problems because I am a foreigner, except that I'm still not fluent in Italian language. Local municipality does a lot for the integration of foreigners in the city of Lamezia, but I personally just do not have much time to learn Italian. I always cooperate successfully with the local administration and they support me, because I pay taxes here and open new jobs. And such a thing as 'Ndrangheta' (the local Calabria mafia syndicate), I read for it in the only newspapers' says Huang.



The clothing shop of Mr Huang Liyi in Lamezia Terme, Calabria

I can say that if you are an enterprising person your business will succeed whether foreigner you are or Italian. Here nobody hinder me and the locals not interested in from where I came from, ends his story Huang Liyi.

Salem Shamim is from Dhaka - the capital of Bangladesh, Asia. He came in Italy in Italy 10 years ago and he speaks good Italian. Initially worked in Rome, then he moved to Lamezia Terme, where two years ago he had started his own business with ornaments and jewellery. Today, the jewellery shop of Salem is one of the most visited in Lamezia Terme and he enjoys of regular customers.

Salem says that he is completely integrated into Italian society and not encounters any particular problems in their activities as a businessman here, in Calabria. His brother – Sinan works with him in the shop. 'I don't feel as a second class businessman because our origin, nobody here, in Italy doesn't care about that'. 'Yes, Italy has a slow working administration, huge bureaucracy, the things get slower, but this is the business environment here and we are part of it. So we are with foreign origin, but no one is watching us with a differing look', adds more Salem Shamim.

Two Southern European countries - with the same problems for the small business, with equally phlegmatic administration, but with alive entrepreneurial spirit among businessmen in the both countries, regardless of their origin.

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