



# BASSCOM Barometer 2015

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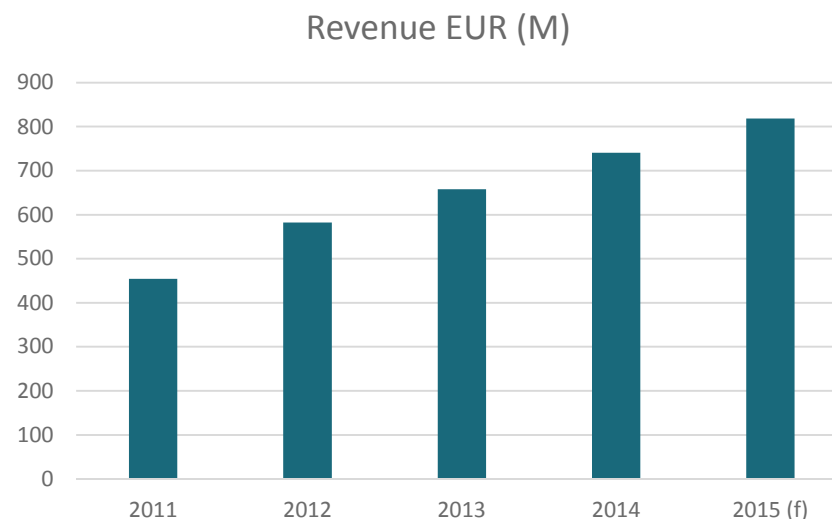
Unless expressly stated otherwise, the data is from a study of the software industry by CBN - Pannoff, Stoytcheff & Co. contracted by BASSCOM.

The study covers 2013, 2014 and 2015 – forecast. It is based on data gathered from ~ 2 300 companies whose revenues are generated mostly from software-related activities.

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

# Revenues

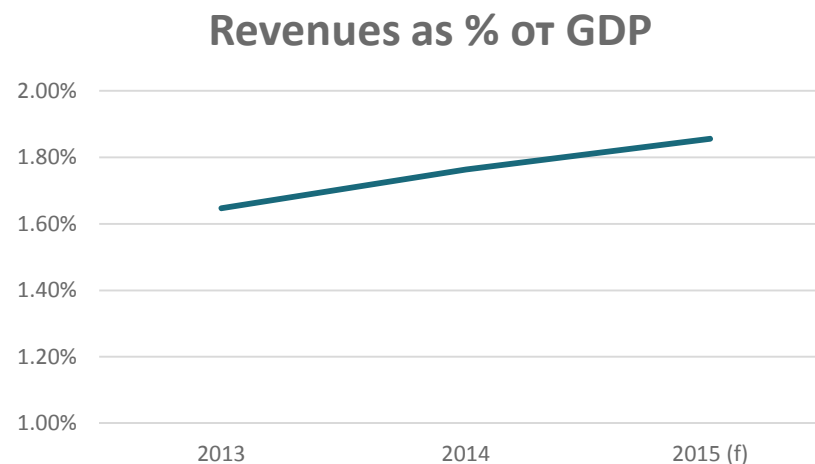
Year	Revenues EUR (M)	Increase
2015 (f)	1,601	11%
2014	1,449	13%
2013	1,287	13%
2012	1,139	28%
2011	889	*



- Double-digit growth for a 4<sup>th</sup> consecutive year
- 65% of revenues are generated by export-oriented software business

# Share of GDP

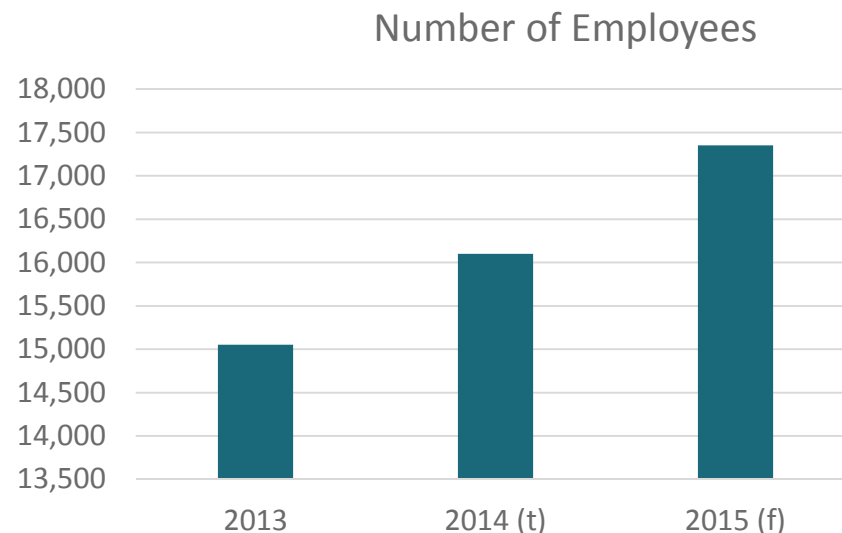
Year	Revenues BGN (M)	Revenues % of GDP
2015 (f)	1,601	1.86%
2014	1,449	1.76%
2013	1,287	1.65%



- Sustainable growth outpacing considerably the growth of GDP

# Jobs

Year	New Employees	% New Jobs
2015 (f)	1,250	7.8%
2014	1,048	7.0%
2013	847	6.0%



- Over 3,000 new jobs for the last 3 years
- Approximately 100 new companies in 2014
- The growth of new jobs is restricted by number of qualified specialists available

# Employee Compensation

Year	Gross Monthly Compensations per Employee, BGN	Increase	Compensation/ Average for the country (times)
2015 (f)	3,358	8%	3.83
2014	3,108	7%	3.80
2013	2,916	16%	3.76

- The increase in compensation is slowing down mainly because of the increase of the minimum social security tax thresholds
- Nevertheless, salaries continue to grow faster than the average for the country, exceeding them by ~ 4 times



# Employee Compensation

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Year	Annual Compensation, Bulgaria	Annual Compensation through PPP* United kingdom
2015 (f)	40,290 BGN	40,524 GBP
2014	37,300 BGN	37,517 GBP
2013	34,990 BGN	35,193 GBP

- In terms of quality of life calculated through PPP, a developer in Bulgaria is approaching that of a developer in the United Kingdom.

\* Calculated through the PPP coefficient of the World Bank in February 2015. Answers the question: How much money do I need in Sofia in order to buy the same things I can buy in London.

\*\* The average annual compensation of a developer in the United Kingdom according to one of the largest job websites there is a little over 40,000 GBP

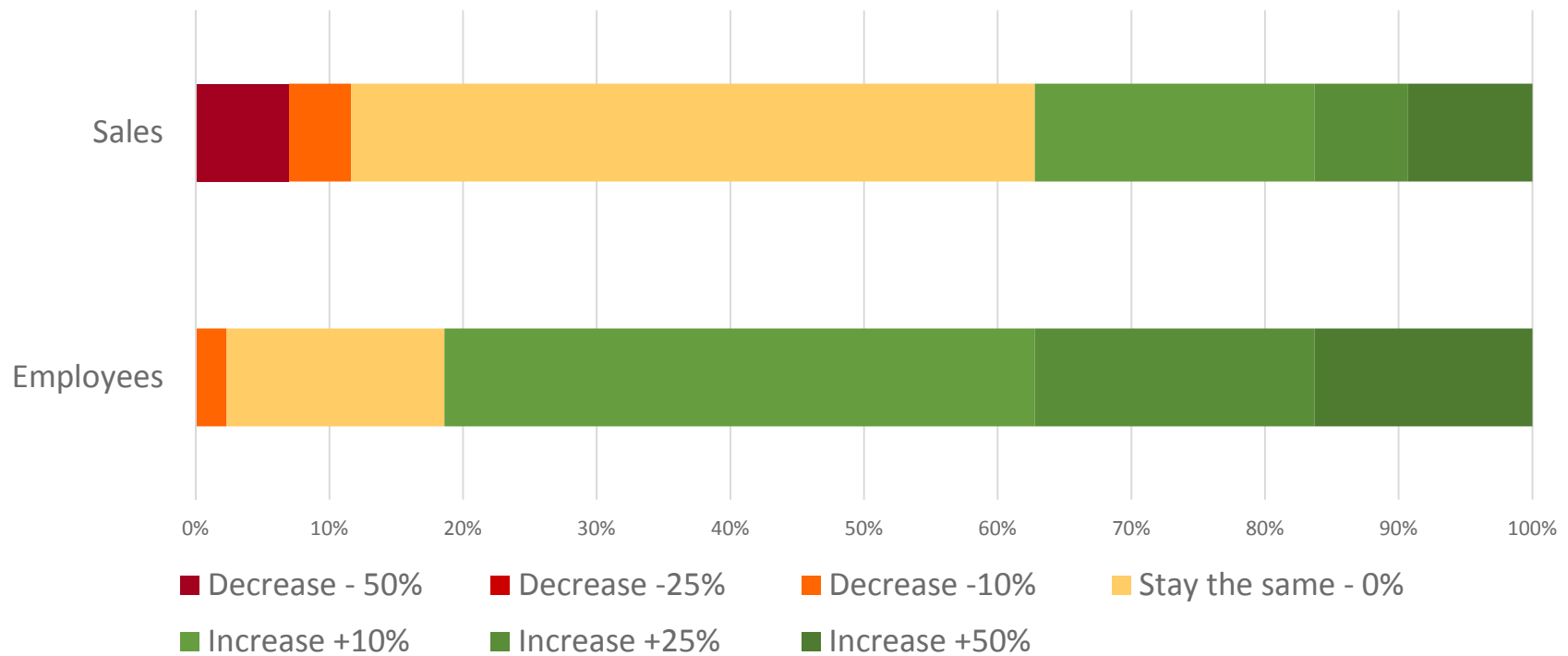
# Taxes

Tax	Paid in 2014 BGN (M)
VAT	89
Profit Tax	21
Social Security	71
Income Tax	58
<b>Total</b>	<b>238</b>

- 25m BGN more taxes paid compared to 2013
- 8-fold difference in the increase of taxes paid by the software industry compared to increase of budget revenues - 12.0 % more taxes compared to 1.5 % increase of budget revenues
- These are predictable and easily collectable taxes

# Forecast

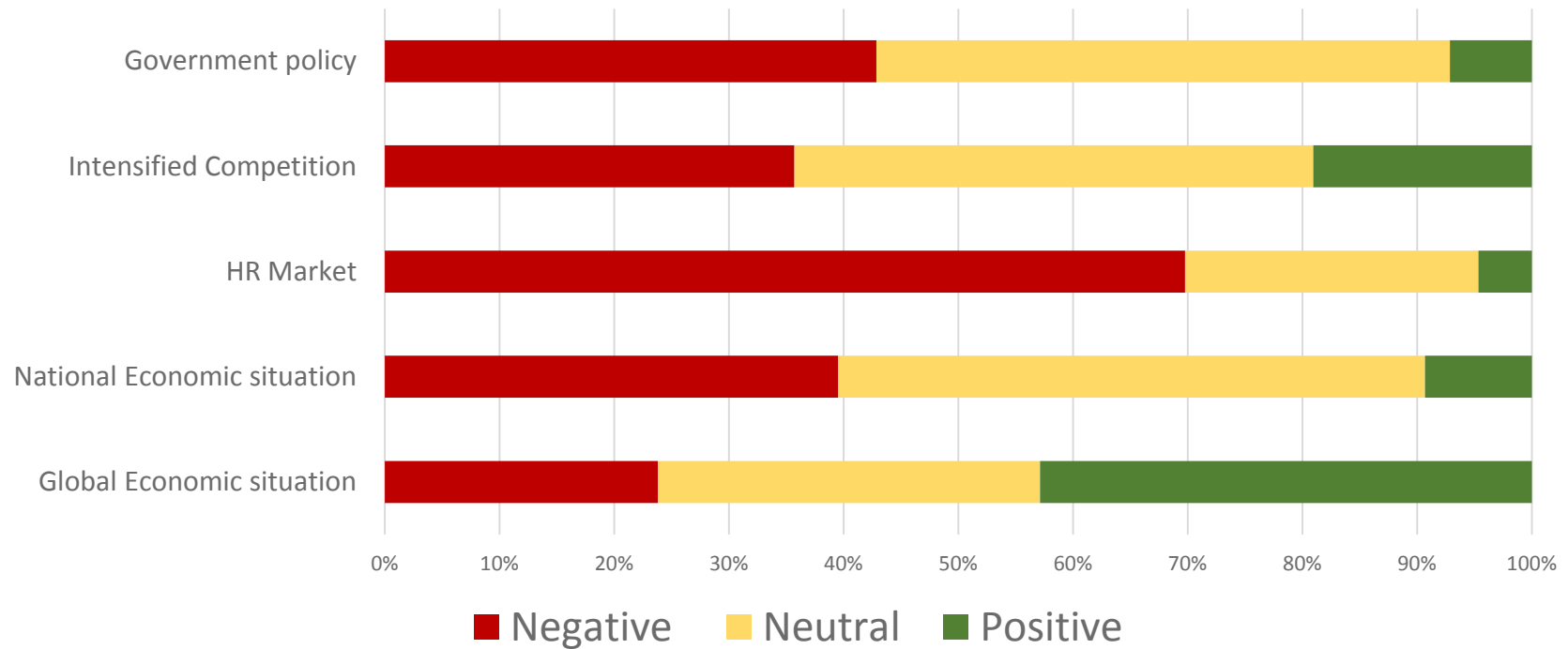
Expectations for next year  
(% responded\*)



\*Survey among BASSCOM members

# External factors influence

Impact of External Factors  
(% responded\*)



\*Survey among BASSCOM members

# Conclusion

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- The software sector is an increasingly important factor in the national economy and is growing significantly faster than the business in the country as a whole
- It is high value added and provides a high quality of life to the people it employs
- Its growth could be higher provided more qualified specialists are available
- Investing in education is beneficial to all parties – business, employees, budget