

Press release – World Competitiveness Yearbook 2014: Bulgaria

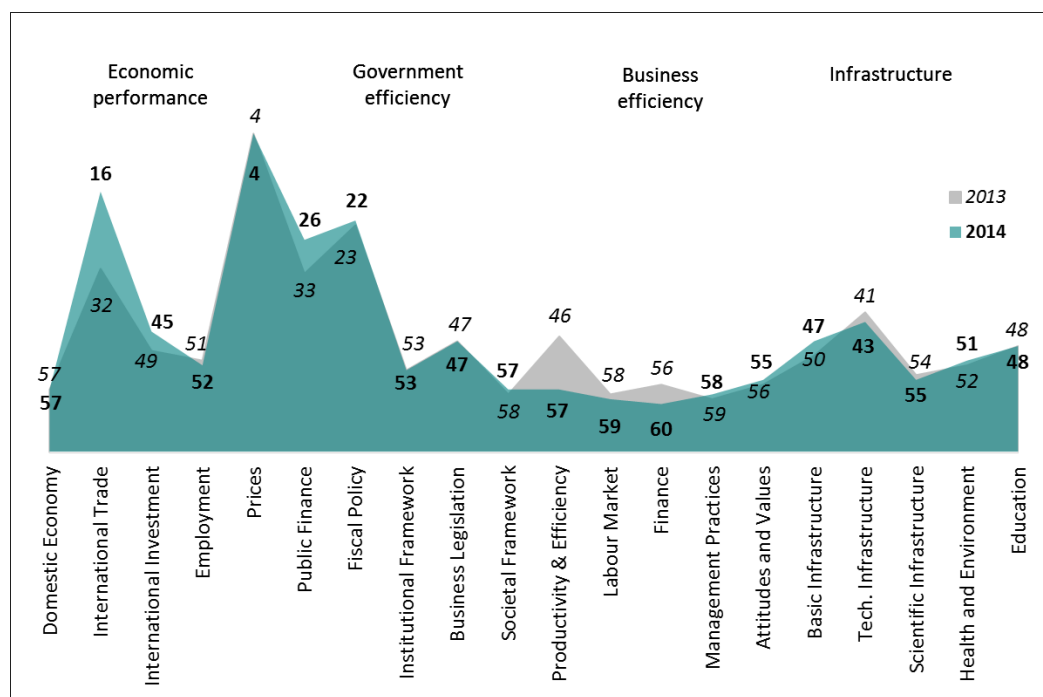
Bulgaria’s economic competitiveness is stagnating

Bulgaria’s competitiveness landscape (figure 1) shows that there have not been any significant changes in the majority of the indicators, not only compared to 2013, but compared to pre-2010 levels. In 2014 **Bulgaria is ranked in 56th place**, up one notch from 2013. This **remains significantly lower compared to its highest achievement in 2009 – 38th place**, indicating that the economy has still **not been able to create long-term competitiveness strengths** and continues to rely on narrow cost competitiveness, which is very sensitive to economic downturns.

Bulgaria’s economy has improved its export position and public finances remain sound on the macroeconomic level. The severe labor market crisis seems to have eased in the beginning of 2014 but the unemployment rate remains high. Long-term competitiveness factors such as environment, infrastructure, health, as well as business efficiency indicators, like management practices, attitudes and values are some of the lowest in the world ranking, showing very serious long-term challenges.

Three particularly worrying factors in 2014 stand out: the **persistently low level of education**; the **lack of fresh financing options for businesses and deflation** on the back of administratively instituted squeeze on energy prices; **low trust in the overall government and institutional environment**, which has slumped profit margins and hold back short-term business development.

Figure 1. Changes in the Competitiveness Landscape of Bulgaria 2013 - 14



Source: IMD WCY 2014

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