

Newsletter



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NEWS FROM OUR MEMBERS

Open Days in Sensata Technologies Bulgaria

More than 500 participants - Sensata Technologies Bulgaria employees and their families had fun in Botevgrad

Sensata Technologies Bulgaria organized for the first time “Open days” for their employees and families. The interesting event started on Saturday, 22 August at 10 am in Sensata plant, Botevgrad and finished in the afternoon. More than 500 visitors - employees with their families and children from Botevgrad and Sofia region had the opportunity to explore the production and enjoy one day full of many surprises and presents.



Sensata employees participated in tours during which they explored for the automotive industry and the of the final product.



the special from close by the production of the sensors many different processes for the production

In spite of the rainy day the mood were constructed outside for all the

was very good. For this purpose a few tents families. The visitors enjoyed the specially



selected catering and the surprises included different team buildings, as well as branded Sensata caps for presents.

There was a special surprise for the children - a puppet show by Gianni Rodari, face painting and many other children activities. The event organizers have dedicated a special area for babies and small children. All children received special present too - a beach tennis racquet branded with the Sensata logo.

Sensata Technologies Bulgaria took part in the annual exhibition “Career in Bulgaria. Why not?” on 10 September 2015 in Inter Expo Center, Sofia

The exhibition was organized for 8th time and more than 70 companies and 1000 candidates took part in it. The companies were looking for employees with education or work experience from abroad.

On their stand number 57 the representatives from Sensata Bulgaria presented the opportunities for a career development in the company. Three engineers consulted the candidates for the different job opportunities.

At the moment Sensata Bulgaria employs more than 2000 people, and the plans for the next few years are the number of employees to reach 3500. At the moment there are open positions in the three locations: the Business Center in Sofia, the plant in Botevgrad, as well as the future plant in Plovdiv.



Festo celebrated 25 years of manufacturing activity in Bulgaria with an investment of 19 mln BGN

On 11 September 2015 Festo celebrated 25 years of manufacturing activity in Bulgaria opening a new production facility in Sofia.



Special guests at the opening ceremony were Rosen Plevneliev, President of the Republic of Bulgaria, the German Ambassador Detlef Lingeman, representatives of the business and administration of both countries, representatives of the Management Board of the Group in Germany, Bulgarian partners and

friends of the company.

The 19,2 mln BGN investment will double the production capacity of the company in Bulgaria, expand its product portfolio and become a basis for opening new jobs over the next three years. The process will ensure greater flexibility and opportunities that are of particular importance for the implementation of short-term orders in a large volume.

The newly built areas of 8,700 sq m at three levels include logistics facilities and a research and development laboratory, thus making a total area of 20,000 sq m. In 2014 Festo Production Bulgaria's output stood at 10 million items which is 27% annual sales growth compared to the previous 2013. Currently Festo Production Bulgaria manufactures sensors, connecting cables, valve modules, automation accessories, etc.

Set up in 2000 Festo Production is one of the most successful daughter companies of the Group with huge growth through the years. At the end of 2014 the company's turnover stood at 86 mln BGN, while the number of the qualified and motivated employees already exceeds 600.



Visteon Bulgaria moves its office in the new building of Capital Fort in Sofia at the beginning of 2016

It plans to open over 100 new jobs

The office of the company will occupy an area of 7,300 sq m, making it one of the largest tenants in the new building.

Over the past twelve months Visteon increased its team in the country with more than 150 employees and opened a training center in the field of automotive electronics. For the upcoming 2016 the company will hire over 100 engineers for new projects in the automotive industry.



AUTOMOTIVE NEWS

German automotive components company enters the Bulgarian market

The plant will be located in Saedinie

RSN Sihh – a German auto parts manufacturer will build a plant in Saedinie.

This became clear from a notice of investment proposal by RSN Bulgaria EOOD - a company with a capital of 130 thousand BGN which sole shareholder is the German company.

The company activities will include design and manufacture of mechanical and fluid (hydrodynamic) fasteners, details on drawings and custom-made parts, etc.

In the recent years Bulgaria has attracted more foreign automotive components companies. Last year the Invest Bulgaria Agency estimated the export of automotive components for the past five years at the amount of 400 mln BGN.

Bulgaria produces everything from upholstery, components for air conditioners and motors, microchips, electronics and other medium and high class automotive components.

Companies from Germany, France, Belgium, the USA and South Africa already operating in Bulgaria are Montpetet and Witte Automotive in Ruse, Melexis, Yazaki in Yambol and Sliven, Visteon Electronics, ALC, Nexans, Behr-Hella Thermocontrol, etc.

Source: *Economic.bg*



The top 13 investment companies in Plovdiv were awarded



13 companies which are among the largest investors in Plovdiv and the region were awarded by the Mayor Ivan Totev on 3rd Septemebr 2015. This happened at the end of the forum organized by the "24 hours" and "Trud" Newspapers.

First among the winners was the company ABB Bulgaria which is a world leader in power and automation technologies and operates in over 100 countries worldwide. The company has already two plants in the Plovdiv region and employs approximately 1,500 people.

A prize was also awarded to Liebherr. The company employs nearly 1,900 people in the region, manufacturing 1 million refrigerators and freezers

annually.

Magna Powertrain Plovdiv was also awarded. The company is part of the group of companies Magna, the second largest supplier of automotive equipment worldwide.

The 7th awarded company was Sensata Technologies which is currently building its second plant in Bulgaria near Tsaratsovo. Initially 1,500 workers will be employed at the plant. It is planned that their number increases subsequently to up to 3,200.

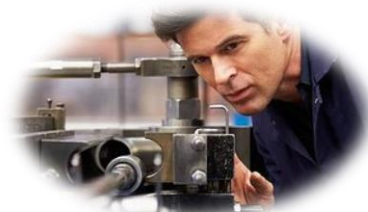
Other awarded companies were Ataro Clima, Biofresh, KCM 2000 Group, Strom EOOD, Programista OOD, Reward Gateway, the Ukranian Speedflow, Telus International Europe and 60K.

Source: *plovdiv24.bg*

The German Bulgarian Chamber of Industry and Commerce arranges business meetings with Bavarian companies from the automotive and mechanical engineering

The German Bulgarian Chamber of Industry and Commerce (GBCIC) together with the Bavarian Society for International Cooperation (Bayern International) will hold business meetings with Bavarian companies on October 12 in Sofia and on October 13 in Plovdiv. Companies in the automotive industry, mechanical engineering and precision engineering, information and communication technologies will take part in these meetings.

The purpose of the business meetings is to allow for bilateral talks and networking among companies from both countries. Bulgarian companies having the specified profiles of will also participate in the meetings.



Participation is free of charge. Additional information can be found on the GBCIC [website](#).

Source: *INDUSTRYINFO.BG*

Visteon ceases its activities in Macedonia next year, the Macedonian media reported

On 1 June Visteon Electronics Macedonia informed its employees that because of the increased capacity of the European manufacturing the plant in Bunardzhik will stop working by the end of 2016 and it is now negotiating with potential buyers.

The company added that the decision to cease activities was independent and was not initiated by the previous owners. Visteon became the owner of the Macedonian plant last year after acquiring the business of Johnson Controls for the manufacture of electronic components and systems for the automotive industry.

The plant of Johnson Controls in Bunardzhik (municipality of Belimbegovo) operates since 2006. The Macedonian media emphasize that in 2007 Johnson Controls has received state aid worth 8,8 mln euros.

Last year the employees of Visteon Electronics Macedonia numbered 321.

Source: *Electronics-Bulgaria.com*



OPEN COMPETITIONS AND EUROPEAN PROGRAMMES

Young scientists can apply for an industrial and technological projects competition



For the sixth consecutive year Young Talents Club organizes a Young and Energetic Scientists (YES) competition.

The competition aims to support and encourage the elaboration of projects related to industrial research and technological development. Eligible to participate are Master's and PhD students aged between 18 and 35 years.

Among the application areas are: automation, electronics and electrical engineering; machine technology; robotics; biotechnology and medical research; food industry; ecology and energy, etc.

Besides cash prizes the winners will get assistance in project participation under the European program Horizon 2020 as well as assistance in finding business partners.

The deadline for [application](#) is 30 October 2015.

Source: *INDUSTRYINFO.BG*

The European Commission has launched a new website for access to business finance

The European Commission has launched a specialized website designed to facilitate companies applying for European funding.

The [website](#) supports finding grants for the 2014-2020 Programming Period from different EU programmes, such as COSME, Horizon 2020, the Structural Funds, etc., totaling over 100 bln euros.

The tool enables business owners to find detailed and updated information on EU funds in all European languages.

Source: *INDUSTRYINFO.BG*



Companies can calculate on their own whether they will get money from the EU with the first digital calculator

This works thanks to the first digital calculator for the business

Companies can now calculate on their own whether they can receive financing from the European Union using a **digital calculator**. The digital calculator was developed by UniCredit Bulbank, the financial institution announced.

The calculator gives an answer to the question what evaluation would a company get in case it applies for the procedure "Improving the Production Capacity of SMEs" under the Operational Programme "Innovations and Competitiveness" 2014 – 2020 (OPIC).

In order for a company to obtain an evaluation, the data from its annual financial statements for the last three years has to be provided. Besides, estimates of net sales revenues, staff costs, export revenues and costs for raw materials for the period 2016 – 2019 have to be entered as well.

The calculator saves time, resources and efforts and gives preliminary information to each company whether it meets the requirements under the Procedure "Improving production capacity of SMEs".

The required minimum score for participation in the ranking is 51 points, whereas the maximum is 85 points.

Within this procedure, for the first time, the project proposals will be evaluated on the basis of financial criteria announced in advance and divided into four groups:

- Economic and financial stability of the candidate prior to the implementation of the project (financial results for the last 3 financial years);
- Capacity of the candidate in investment projects and management (indicators of the investment history for the last 3 financial years);
- Effect from the implementation of the project (financial forecasts for the period 2016 – 2019);
- Prioritization of projects (objective characteristics: thematic field of the project, location, incorporation of new technologies for resource effectiveness and efficiency; experience under the OP "Development of the Competitiveness of the Bulgarian Economy" 2007 – 2013).

The indicative calculator for the evaluation of projects under the OPIC was developed by UniCredit Bulbank on the basis of the criteria and methodology for the assessment of project proposals, published by the Ministry of Economy, under the Procedure "Improving the production capacity of SMEs".

The Procedure for "Improving the production capacity of SMEs" started on 8 May 2015. The application deadline is 9 November.

Companies may apply for grants for purchasing long-term tangible and intangible assets. The condition is that they contribute to the improvement of the production processes and existing products and services, to the diversification of the product range and the implementation of new technologies for better resource effectiveness and efficiency.

The OPIC 2014 - 2020 was officially approved for implementation by the European Commission on 16 March 2015 with a budget of nearly 1,4 bln euros.

The main objective of the Programme is to support the Bulgarian enterprises and to stimulate the growth in catch up phase as well as the sustainable development of the economy in our country.

More than 50% of the budget of the OPIC is aimed at supporting the development of entrepreneurship and ensuring that there is a capacity for growth of the SMEs in the country. Within this priority more than 7,000 enterprises are expected to receive assistance.

Source: *mediapool.bg*

SMEs will be able to draw loans for 200 mln BGN more easily

Credits will be provided by CIBank against lower collateral and interest rates

Nearly 1,000 SMEs will be provided easier and cheaper loans for 200 mln BGN over the next three years. This will happen through a partnership concluded between the European Investment Fund (EIF) and CIBank. It is within the COSME framework, which is part of the Juncker plan to stimulate economic growth in the member states of the European Union. The mechanism provides guarantees which will lower the required collateral of the companies. Thus more

businesses will have access to funding and interest rates will be lower, CIBank announced, without specifying by how much, because their amount will depend on the particular company and project.



What is new

In principle the scheme constitutes issuance of guarantees by which the Fund assumes part of the risk of entrepreneurs. With the resulting financial instrument they apply for credit at CIBank which offers them better conditions than usual. They are expressed in a lower collateral level on the loan and lower interest rates. The guarantees will not entirely eliminate the need to provide collateral but will facilitate the companies that do not have betting assets available. At the same time they will be able to rely on lower cost of credit, while the most effective reduction of interest rate would be for small businesses.

Details on loans

Under the agreement with CIBank loans for a total of 200 mln BGN will be distributed. The maximum term of loans will be up to 10 years and there are several thresholds for individual funding – 150 thousand BGN, 300 thousand BGN and 3 mln BGN. The bank announced it already had projects that are ready to seek funding under COSME.

CIBank refused to announce on how much lower interest rate customers could rely under this line, as each case would be considered individually and it would depend on the customer's credit history, collateral and term of negotiated loans. The BNB statistics shows that recent corporate loans are given at a 5-6% interest rate.

Opportunity for other banks

CIBank is the first and only bank so far in which Bulgarian companies will be able to benefit from the opportunities of the COSME programme. The programme is also open to other financial institutions and continues until 2020. Its budget is 2,3 bln euros for which institutions from all member states can apply. Such a mechanism of providing of guarantees by EU funds was recently available under the Jeremie programme and it had provided 700 mln euros funding for companies.

Source: capital.bg

PROJECTS OF AUTOMOTIVE CLUSTER BULGARIA (ACB)

Project approved by the European Commission on the first stage

ACB was involved in project development under Horizon 2020 call "INNOSUP-1-2015 Cluster facilitated projects for new industrial chains". The Consortium in this project consists of 10 partners from 4 countries: *Spain* – Spanish Natural Stone Cluster and Technology Center, Agrofood Cluster and Technology Center of Region of Murcia, European Center for Enterprises and Innovation of Murcia; *Italy* – Rete Focus SMEs consortium, Logistics and Automation Consulting srl, Technology Transfer and Innovation Agency; *Bulgaria* – ACB and Foundation Cluster of ICT of Bulgaria; *Finland* – Satakunta University of Applied Sciences, Satafood Development Association.

The aim of this project is to contribute to a deep, efficient and consistent synergy between manufacturing, mobile and logistic sectors as a means to build new value chains. Internet of things (IoT), augmented reality (AR), Big Data, etc. are examples of potential fields for growth of new value chains. Another objective is to promote and facilitate the generation of new business and innovative value chains through cooperation between three business sectors from four regions.

The project named COLOM2 (Innovative Supply Chains through the **C**onvergence of **M**anufacturing, **L**ogistics and **M**obile Industries) received 9 out of 10 possible points and was approved on the first stage. On the second stage will be selected up to 10 project and we hope that COLOM2 will be among them.

Second project approved on the first stage

ACB was involved in developing the project "Accelerate innovation and technology cycles in the automotive industry in the Danube region". The project is a result of the partnership between three clusters: Automotive Cluster Serbia (lead partner), Autocluster Croatia, Automotive Cluster Bulgaria and has been submitted to the Project Fund within the Danube Region Strategy.

Main objectives: To improve the cooperation between auto clusters in the Danube region through establishing MoU on innovation and technology development, elaboration of a communication platform – a website and implementation of different meetings; to enhance the institutional capacity of the clusters in their role of catalysts for economic development and growth through a research on the clusters, OEMs, Tier 1 and Tier 2 suppliers in their structures.

The project named Da AUTO InnoTech (Accelerate **innovation** and **technology** cycles in the **automotive** industry in the **Danube** region) was approved on the first stage. The results of the evaluation of the second phase are expected by the end of October 2015.

ACB applied with a project to TELUS International fund

ACB has developed a project entitled STANDoUT (Adaptation of **ST**udents **AND** **Un**employed **To** their first job) to TELUS International Europe, through its public board in Bulgaria, the grant scheme to support local non-profit organizations.

As the title shows the project aims to support the adaptation of students and unemployed to their first job. On the one hand, adapting to work habits in the workplace is a challenge when it happens for the first time. On the other hand, in pursuit of higher business results in terms of performance and productivity, employers are looking for workers with high additivity. With this project, ACB aims to help reduce differences in expectations of both sides by conducting interviews, tests, analyzes, development of manuals and recommendations.

CURRENT GRANT OPPORTUNITIES

“New workplace”

The program aims to ensure the preconditions for the creation of sustainable jobs for the unemployed and inactive people.

Applicants and funding: for micro-, small and medium enterprises – up to 100% grant; for large enterprises – up to 80% grant

Activities funded:

1. Hiring of unemployed people for a period of 12 months. (Mandatory activity);
2. Provision of training on acquisition of 1st or 2nd qualification degree and training of the employed people on specific part from a profession in the 1st, 2nd or 3rd qualification degree;
3. Provision of training for the employed people on key competences according to the European Qualifications Framework by: Key competence 2 – “Communication in foreign languages”, Key competence 4 – “Digital competence”;
4. Purchase of equipment (including cars), furniture, intangible assets and business stocks related to the creation of new jobs;
5. Equipment and adaptation of new workplaces for people with disabilities, including reconstruction activities, if needed. Providing for mentor for people with disabilities.

Grant amount per project: minimum BGN 50,000/maximum BGN 391,166.

Application deadline: two sessions: 19 November 2015 and 5 February 2016

If you need assistance for the development of your project, please do not hesitate to contact the Automotive Cluster Bulgaria.

“Training of employees”

The aim of the program is to enhance the ability of employees to meet the rapidly changing labor market as a result of structural factors such as globalization, technological change, ageing population. In response to these modern challenges the program will provide training for employees declared by the employer and/or social partner.

Applicants and funding: micro- and small enterprises – up to 70%; medium enterprises – up to 60%; large enterprises –

up to 50% grant.

Note: Priority will be given to applicants from the sectors based on knowledge, technology and ICT, green economy, "white" sector and personal services, processing industry with high added value of labor, creative and cultural sector.

Activities funded:

1. Provision of training to acquire or enhance the professional skills of employees;
2. Training for the acquisition of key competencies of employees, according to the European Qualifications Framework by: Key competence 2 – “Communication in foreign languages”, Key Competence 4 – “Digital competence”.

Grant amount per project: minimum BGN 15,000/maximum BGN 391,166

The deadline for applications is expected to open the scheme in October 2015, with a deadline for application in December 2015.

If you need assistance for the development of your project, please do not hesitate to contact the Automotive Cluster Bulgaria.

“Good and safety working conditions”

The program aims to provide safe working conditions in businesses and improving the working environment, work organization and management of human resources, which in turn is expected to improve the quality of jobs and have a positive impact on labor productivity in enterprises.

Applicants and funding: micro-, small medium enterprises – up to 100%; for large enterprises – up to 80% grant

Activities funded:

1. Development and adaptation of systems for human resources development, with emphasis on practices to facilitate the reconciliation of work, family and private life, and extending the working life of older employees. Introduction of innovative models for the organization of labor in enterprises aimed at increasing productivity and environmental protection;
2. Provision of transport organized by the employer to and from the workplace for employees in the company for up to 12 months;
3. Provision of safe and healthy working conditions, improve work and health status of employees:
 - Provision of collective protective equipment, including modernization and/or reconstruction and/or safety of existing facilities, processes, plant and equipment related improving working conditions;
 - Purchase of personal protective equipment and special clothing;
 - Acquisition of standards for safe working conditions;
 - Training employees on specific health risks associated with specific workplace and the methods and means of their reduction and prevention;
 - Training employees to work safely with newly work equipment and technology, if it is not provided by such supplier.
4. Provision of social benefits for employees, including reconstruction and equipment for recreation, dining and holiday businesses, sports facilities and others.

Grant amount per project: minimum BGN 50,000/maximum BGN 391,166

The financing scheme is expected to be open in October 2015, with a **deadline for application** in December 2015.

If you need assistance for the development of your project, please do not hesitate to contact the Automotive Cluster Bulgaria.

HR INITIATIVES

Official start of the school year for students of the pilot classes of ADVANTAGE AUSTRIA Bulgaria

The school year for the pilot classes in Gabrovo and Sofia organized under the Austrian pilot project “Dual training in Bulgaria” of ADVANTAGE AUSTRIA Bulgaria started.

The official opening of the school year in Gabrovo was held on 29 September 2015 in the library of the Technical University. The opening on a date different from 15 September and the selection of venue outside the classroom were aimed to make a memorable event for the children, beyond the euphoria of the first school day for the entire country.

The event was attended by Mr. Nikolay Sirakov, District Governor of Gabrovo; Mr. Genady Tsvetanov, Deputy Dean of the Technical University of Gabrovo; representatives of the Municipality of Gabrovo; Regional Inspectorate of Education – Gabrovo; journalists; representatives of the local partner companies: Ceratizit Bulgaria AD, GWG Thread Cutting Tools Gabrovo EOOD and Gabinvest. At the end of the event the participants received T-shirts with the project logo as a gift and a special cake with the inscription of the “Mechatronics” profession.

In Sofia the official opening of the school year took place on 30 September 2015 in the Earth and Man Museum.

The event was attended by journalists from leading media in Bulgaria and experts from the Ministry of Education and Science. Representatives of all partner companies in Sofia: dm Bulgaria, Billa Bulgaria, Kaufland Bulgaria, Lidl Bulgaria and METRO Bulgaria provided treats from their products to the attendees.



ACB training programme by the end of 2015

After a survey among members of the cluster and conversations with the main training suppliers from FESTO Didactic and SMC Automotive Cluster of Bulgaria is pleased to announce its training portfolio by the end of 2015 as follows:

- Pneumatics and Electropneumatics – 5 days (12-16 October 2015);
- Electric Actuators – 2 days (03-04 November 2015);
- Energy Saving in Compressed Air Systems – 2 days (11-12 November 2015).

Training dates for the trainings below will be announced when a minimum number of participants to make a group is available, so participant can enroll anytime:

- Technical skills: Pneumatics and Electropneumatics, Hydraulics and Electrohydraulics, etc. – 5 days and Electric drives – 2 days;
- Soft skills: Project Management, Time Management, Teamwork, Effective Personal Leadership, etc. – 2 days.

For the REFA training participants can enroll anytime. The training dates will be announced when a minimum group is available.

The new services in the Automotive Cluster Bulgaria portfolio are:

- Specialized customized trainings in Leadership skills for middle management;

- Customized consultations: Measurement, analysis and recommendations on personal skills, competences, etc. (e.g. Leadership and/or other personal competences, stress in the workplace, cultural differences, communication, etc.).

For further information please contact Plamen Stoev, HR Manager, M: +359 877 444 532, email: plamen.stoev@automotive.bg.

The third consecutive meeting of the ACB HR Group took place

On 8 October 2015 was held the third consecutive meeting of the ACB HR Group for 2015. The meeting took place in the Balkan Star office as our kind host.

The meeting started with a short presentation of the idea, target groups and benefits from creation of a video to popularize the automotive industry and the ACB members. Atanas Markov, Editor-in-chief of S Media Team shared his vision on how the video would look like, the steps for creation of the video and requirements of the participants.

The meeting continued with a brainstorming session, so that the video be created in the more suitable and efficient way for all participants. As a result the participants agreed on the idea of the video.

An important topic on the agenda was the distribution channels for the video. A decision was met that the budget of the video would be made after the final update of the distribution channels list.

The final concept will be sent to each of the ACB members and after a research an orientation budget for distributing the video will be proposed.

All companies willing to participate should confirm their participation until 22nd October at the latest.

For further information please contact Plamen Stoev, HR Manager, M: +359 877 444 532, email: plamen.stoev@automotive.bg.