

BULGARIA: ECONOMIC DEVELOPMENT THROUGH QUALITY TOURISM

The level of prosperity in Bulgaria is well below the EU average. But if you take a closer look, you'll be surprised at how positively this country has developed. It has above-average economic growth. There are many examples of successful investments and it has a flourishing tourism industry which is fuelling hopes of long-term growth – with a focus on quality tourism.



Stepping up tourism

»In January 2018 my country will take over the EU Council presidency for the first time. We'll be facing some major challenges: Brexit, the refugee crisis and the EU's relations with its neighbours. Politics aside, my greatest desire is to see Europeans getting to know each other better. I want us to be more curious about each other and to engage more with each other, because contact and dialogue are an important basis for trust and collaboration. Tourism is important in that process, because it paves the way.

In many respects we have TUI to thank for the very positive development of the Bulgarian travel sector. It has put Bulgaria on the map as a destination, especially for German tourists. By extending its flight services to Bulgaria, TUI has allowed more people to encounter each other in both countries.



Radi Naidenov, Republic of Bulgaria's
Ambassador to Germany

And we also benefit from the travel company's hotel management know-how. Entire regions have profited from the professionalization of the tourism industry. The infrastructure is being improved, construction companies are getting new contracts and farmers have additional opportunities to market their products«.

Stable growth plus low debt

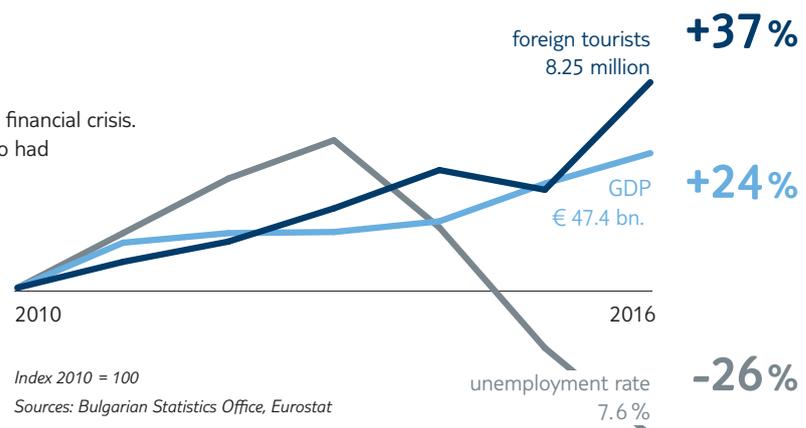
Since the EU accession in 2007, the Bulgarian economy has developed astoundingly positively despite the migration of many skilled workers. Last year, the country's gross domestic product (GDP) rose by 3.4 percent – which is almost double the EU-28 growth rate. A low level of national debt, rising domestic demand and growing investments are all contributing to the economic upswing. Tourism is a particularly significant sector and a growth engine. It achieved 10 percent growth in 2016 alone.

Differentiation of tourism facilities

Bulgarian government politicians are supporting this positive development with an exemplary tourism strategy from the TUI Group's perspective. For many years Bulgarian tourism was geared to budget holidays. Now the government has switched its investment focus to the higher hotel categories and the diversification of the tourism market.

Tourism as a growth driver

The Bulgarian economy has recovered well since the global financial crisis. One reason is the booming tourism industry, which has also had positive effects on the labour market.



 Airports with TUI Airlines flights

 RIU-operated hotels

 World cultural heritage sites

 World natural heritage sites



Cultural diversity and beautiful hinterland landscapes

Bulgaria has an impressive array of UNESCO world heritage sites. One is the 3,000-year-old historical district of Nessebar, where the Thracians, Byzantines and Ottomans left their mark. Others include monuments that are absolutely unique in Europe, such as the Madara Rider, a three-metre-high statue carved into a cliff-side. And the world's oldest conifer, aged 1,300, can be found in Bulgaria's Pirin National Park.

7.15 mill. inhabitants

300 km of Black Sea coastline

7 UNESCO world cultural heritage sites

3 UNESCO world natural heritage sites

3 national parks

Bulgaria is the perfect destination for all kinds of holidays, from beach holidays on the Black Sea coast to hiking in the three national parks, winter sports at the recently developed ski resorts and cultural trips to the ten UNESCO world heritage sites. TUI supports the development of tourism in Bulgaria primarily by focusing on investments in sustainable projects. Regions away from the Black Sea coast are now being developed for tourism. The EU has also made a contribution by naming Plovdiv with its ancient landmarks as European City of Culture 2019.

The entire economy benefits from record numbers of visitors

The country's attractiveness as a tourist destination is reflected in the visitor figures: almost 8.3 million international tourists travelled to Bulgaria in 2016. That's a 16 percent increase over 2015. New record figures are also expected for 2017. Germany is the third most important source market, providing 826,000 tourists. Bulgaria is profiting extensively from tourism and, taking indirect effects into account, the travel industry contributes 13 percent of its GDP. The tourism industry provides over 360,000 jobs and one in nine people are able to earn a living thanks to tourism.

TUI has a close partnership with Bulgaria

TUI intends to continue being an important part of this success story and is focusing on Bulgaria as a holiday destination. Here is a summary of the TUI Group's activities there:

- **Tour operator:** Hundreds of TUI staff cater to guests' needs at the destinations. In summer 2017 almost 300,000 TUI guests holidayed in Bulgaria – 19 percent more than in the previous year, representing above-average growth.
- **Flights:** TUI Airlines fly the tourists to the holiday destinations. There are up to 41 scheduled flights to Bugas and Warna every week.
- **Hotels:** The TUI Group has five of its four-star RIU-brand hotels in Bulgaria and another two hotels are in the pipeline. They offer employment opportunities to young Bulgarians in their homeland – including skilled and professional jobs. For example, all the top positions from hotel director to purchasing manager are held by Bulgarians. Around 1,000 people in total work for RIU.