Interview: Krassimira Chemishanska – President, AmCham Bulgaria



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Krassimira Chemishanska, president of AmCham Bulgaria, highlights the opportunities Bulgaria can offer to foreign companies as well as investors and explains the fundamental role of collaboration in the country in order to establish a dynamic and solid industry.

As President of the American Chamber of Commerce in Bulgaria, could you please present the chamber to our international audience and the economic relations between Bulgaria and the USA?

The American Chamber of Commerce is one of the biggest industry associations in Bulgaria, uniting 35 corporate members that represent both American and Bulgarian companies including 15 of the leading pharmaceutical players based in the USA. We have been present in the country for 22 years and our main activity is to foster the bilateral economic relationship between the USA and Bulgaria.

As an association, we are working towards improving the business climate in Bulgaria thus making the country more attractive to investments, promoting its economic growth and its human capital by sharing international expertise. In this regard, the board represents major industry sectors along with our seven sector committees, which provide the best expertise. We also offer networking opportunities for the members by organizing smaller B-to-B events for companies eager to find partners or share their experiences.

The total bilateral trade between the two countries is now over one billion USD and the indirect trade is reaching the same amount of bilateral involvement. Unfortunately, we do not have the exact data for the healthcare industry.

As a regional benchmark, what strengths does Bulgaria have to attract American companies in comparison to other countries within the CEE region?

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In recent years, we have conducted a thorough analysis on the Bulgarian business environment and its attractiveness for investments. On the economic side, we noted that the country's GDP growing rate is above the European average. We also offer a rather low labour cost and an attractive tax regime of around 10 percent rate with the opportunity for high technology sectors to benefit from various incentives.

Our citizens are also a strength as more than 60 percent of the Bulgarian population is in the working age with a well-educated and multi-language speaking young generation. Unfortunately, we are experiencing Bulgarian human capital outflows so we are working on a way to make them come back to the country.

In terms of communication, Bulgaria is well digitally connected with good IT infrastructure as well as well-geographically located. Now, we are ranked n°1 in Europe in terms of outsourcing destination for a lot of services which has been a great investment opportunity for different sectors.

Finally, all stakeholders and particularly AmCham work in close collaboration with the authorities in order to influence positively the business environment, share know-how and initiate changes.

On the other hand, what are the main challenges that companies can face here?

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AmCham Bulgaria has been instrumental in facilitating the productive dialogue and partnership with various stakeholders – government, business, NGOs and media, aiming to improve the investment climate and the living standards in Bulgaria.

Every two years, AmCham Bulgaria's Board of Directors revisits its White Paper to reflect the collective thinking of our membership about the most relevant and current priority areas. This White Paper incorporates our recommendations aiming to strengthen the country's competitiveness and promote economic growth, investments and employment. Bulgaria, similar to

many other countries, continues to face challenges to rebuild confidence in institutions, ensure policy predictability, adopt measures to address restrictive labor regulations, strengthen quality of education and invest in the creation of well-qualified workforce. We believe that increased involvement of the business community in the overall legislative process will significantly contribute to achieve the ultimate goal – a predictable and sustainable political, economic and regulatory environment.

Given the above, AmCham has identified three priority areas: Sustainable economic and business environment, Human capital development and Rule of law and law enforcement. We are currently working in collaboration with several bilateral chambers to improve the situation by signing a joined position paper on the need to reform the judiciary system.

A major focus of our work is also to regulate digital innovations as they seriously impact all sectors of the economy such as the implementation of e-governance and e-health.

Focusing more on the healthcare industry, what is your assessment of the pharmaceutical market in Bulgaria?

According to official data the pharma market in Bulgaria is growing by between 7-10% YOY which surpasses the growth of most EU countries. The reason behind is that the market is underdeveloped and has much more potential to grow.

However, due to its heritage, the Bulgarian government allocated a very low percentage of GDP – only 4%, far below most of the EU countries.

The main growth drivers are the innovative products. Although Bulgaria is still lagging behind in access to innovation, during the last 5 years Bulgarian patients have received access to 50 new molecules, treating socially important diseases reimbursed by the NHIF.

The healthcare system in Bulgaria is facing a constant underfinancing issue and an increasing gap between the drug budget allocated by the government and the actual spent by the NHIF on pharmaceuticals. Year on year, in this situation the innovative industry maintains a constant dialogue with the healthcare institutions in order to propose different financial risk-sharing opportunities and ensure access of Bulgarian patients to innovative medicines.

Bulgaria has a unique combination of reference pricing methods. Do you feel the current pricing model is satisfactory and truly rewards innovation while ensuring patients’ access to the latest treatments?

The pricing model of our country refers to the lowest price rule of all reference countries for Bulgaria.

In dialogue with the institutions, the innovative industry has worked on different mechanisms for sharing the financial risk like individual discounts negotiations, managed entry agreements and paying for value medical services, on top of the mandatory payback.

As innovative industry, we are very much supporting the further implementation of Health Technology Assessment (HTA) process, which proves the value of new molecules for patients and society. For the longer term, we will continue to work towards replacing the pure financial assessment of new treatments by the outcome-based approach.

Considering the promising dynamism of the Bulgarian market, what steps should the innovative pharmaceutical companies undertake to encompass such promising performance?

The role of the innovative industry is to find a proper collaboration with institutions and medical professionals to ensure that innovation reaches Bulgarian patients. The key word is definitely dialogue because we should share our know-how and expertise acquired in other European countries to build a Bulgarian system with the right mechanisms.

Innovative technologies in healthcare are identified as the main driver for health improvement and well-being of the population. On the other hand, health is the main driver of economic growth and following this line innovation-friendly environment is the critical success factor.

In general, I believe Bulgaria has a bright future and, if the local authorities in cooperation with the business are focused on improving the priorities identified, the country will become more and more attractive destination for investors and homeland for Bulgarians.

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