



Comité National Routier



EUROPEAN STUDIES

The Bulgarian road freight transport

2021 study



Comité national routier (CNR)

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The Bulgarian road freight transport

2021 study

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WARNING

Following on from the study devoted to the Bulgarian RFT sector realised in 2015, this survey, which was conducted in 2021, is intended to provide updated statistics concerning the activity of this sector as well as about the typical operating conditions and costs for a 40-tonne heavy goods vehicle used for international long-distance transport.

In some cases, data may have been updated to reflect figures from 2022 and 2023. The representative profiles given are the same as the ones used in the context of the economic conditions prevailing in 2021.

It is also important to note that this study was conducted during the Covid health crisis. Our analysis was intended to focus on pre-Covid figures, i.e. for 2019. However, during the interviews, Bulgarian hauliers found it difficult to make a distinction between the situation in 2020-2021 and that of the previous year. The Covid crisis has had a definite impact on the data contained in this study. This point thus needs to be taken into account when interpreting the findings.

SUMMARY

Bulgarian road freight transport (RFT) is mainly internationally-focused (i.e., more than 77% of the sector's total activity). International cross-trade alone accounts for more than 44% of its total activity. In the latest CNR European ranking, the Bulgarian sector ranks fourth in this category. However, the Covid crisis in 2020-2021 and the consequences of the Mobility package appear to have had a negative impact on Bulgarian carriers. Bulgarian hauliers tend to focus more on neighbouring countries. The annual mileage of a Bulgarian heavy goods vehicle is lower than in the previous study: 129,500 km/year in 2021 compared to 150,600 km/year in 2015. The same applies to the annual mileage driven by Bulgarian drivers working internationally, down from 140,800 km/year in 2015 to 124,500 km/year in 2021. These drivers are appearing to return home more often: every two weeks on average compared to five to six weeks in 2015. Driver costs increased over the same period, from 15,859€/year in 2015 to 20,061€/year in 2021, an increase of 26.5% in 6 years. This is due to increases in the minimum wage and travel allowances.

Significant increases have also been observed with respect to other costs: e.g. tolls (+40%), maintenance-repairs (+24.5%) or the cost of vehicle ownership (+17%). Conversely, the cost of tyres has fallen sharply since 2015 (down 29.1%), which can be explained by the fact that Bulgarian hauliers are particularly sensitive to this item.

Overall, in 2021, the total cost of a Bulgarian heavy goods vehicle operating on international routes is estimated to be 0.84€/km. Compared to the 2015 CNR study, this represents an increase of more than 25%.

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1. ECONOMIC AND SOCIAL ENVIRONMENT OF THE BULGARIAN SECTOR

1.1. BULGARIA IN BRIEF

Capital	Sofia
Area	110,996 km ²
Population	6,838,937 inhabitants (Eurostat, 2022)
Official EU language(s)	Bulgarian
Political system	Parliamentary Republic
Head of State	Romen Radev
Prime Minister	Nikolai Denkov
Minister of Transport	Julian Popov
Date of EU membership	1 January 2007
Seats in the European Parliament	17 seats
Currency	Bulgarian lev
European Commissioner	Mariya Gabriel, Commissioner for Innovation and Youth
GDP growth (%)	-4.4% (Eurostat, 2020)
Inflation (%)	13% (Eurostat, 2022)
Unemployment rate (% of active population)	5.3% (Eurostat, 2021)
Trade balance	901€ million (Eurostat, 2020)
Gross minimum wage	363.02€/month (Eurostat, S2 2022)
Annual greenhouse gas emissions	8.1 tonnes/inhabitant (Eurostat, 2019)

1.2. ROAD FREIGHT TRANSPORT IN BULGARIA

TRANSPORT POLICY AND TRANSPORT INFRASTRUCTURE

Transport policy

In terms of transport, Bulgarian transport policy has focused in recent years complying with European requirements in a number of areas. To this end, an integrated transport strategy was adopted in 2017, covering the period up to 2030.¹ This strategy focuses on 3 objectives and 9 strategic priorities. Each of these priorities involves the implementation of specific measures.

The strategic objectives of transport policy for the period up to 2030 are as follows:

- Improving the efficiency and competitiveness of transport organisations.
- Improving transport network connectivity and accessibility (internal and external)
- Minimising the negative impacts linked to the development of the transport sector.

¹ <https://www.mtc.government.bg/en/category/42/integrated-transport-strategy-period-until-2030>

The strategic priorities of the transport sector are as follows:

- Effective maintenance, modernisation and development of transport infrastructure.
- Improving transport system management.
- The development of intermodal transport.
- Improving the implementation of transport market liberalisation policies.
- Reducing fuel consumption and increasing transport energy efficiency.
- Improving the connectivity of the Bulgarian transport system with the Single European Transport Area.
- Providing high-quality, easily accessible transport in all regions of the country.
- Minimising the negative impacts of transport on the environment and people's health.
- The safety and security of the transport system.

This strategy encompasses both freight and passenger transport as well as all modes of transport. It applies to domestic, international and transit transport.²

In addition, Bulgaria is part of the European TEN-T transport network. Several stretches of road in Bulgaria thus belong to the TEN-T network:

- The ports of Vidin and Ruse as well as the intermodal terminals of Ruse East/Eastern Mediterranean
- The railway and road links to Vidin-Sofia-Kulata and Sofia-Plovdiv-Burgas/Svilengrad (Turkish border)
- The railway links to Sofi-Gorna-Oryahovitsa-Ruse-Bucharest
- The road network linking to Sofia-Veliko Tarnova-Ruse-Bucharest

In addition to these networks, five new roads have been planned:

- Sofia-Veliko Tarnovo-Sofia-Varna
- Kiustendil-Dupnitsa-Samokov-Bogoroditsa road junction-Traki motorway and Hemus motorway
- I-2 Ruse-Shumen main road, the main road linking Varna, Durankulak and Plovdiv
- The Rudozem road
- Port of Silistra

There is also a plan to develop rail links to Varna.

² https://www.mtc.government.bg/sites/default/files/integrated_transport_strategy_2030_eng.pdf

Modal split of freight transport

2019	Road	Rail	Inland waterways
European Union	77.4%	22.6%	5.6%
Bulgaria	95.2%	4.8%	0.0%

Source : Eurostat

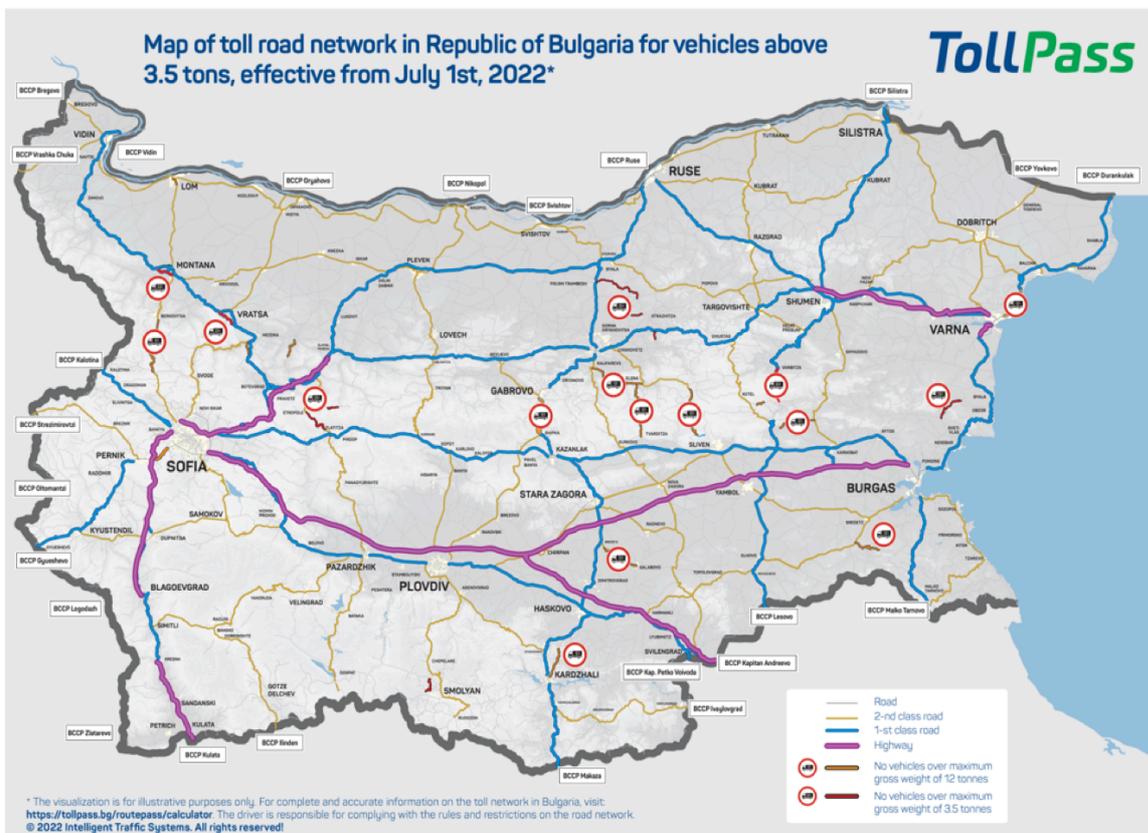
The road network

The Bulgarian national road network totals 20,000 kilometres in length, including:

- 803 km of motorways
- 2,884 kilometres of first-class roads
- 4,019 kilometres of second-class roads
- 12,217 kilometres of third-class roads

The majority of motorways are in the south of the country. The northern part of Bulgaria has very few motorways: only 17 kilometres of motorways in the northwest and 95 kilometres in the northeast of the country.

Levels of road freight transport in Bulgaria are lower than the European average. Less than half of domestic freight transport is carried out by road.

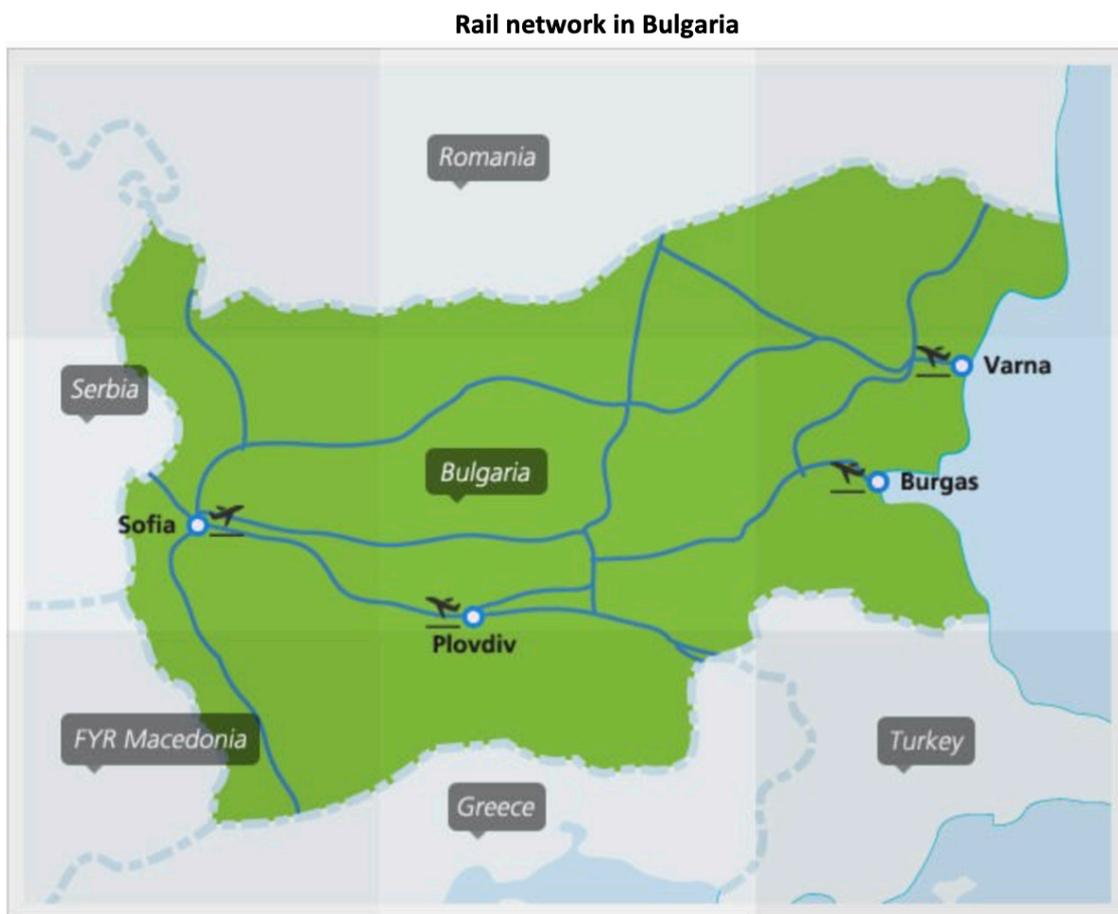


Source : TollPass

The rail network

The Bulgarian railway network is more than 4,000 kilometres in length. Most of it is concentrated around the capital, Sofia, which is linked to Romania, Serbia and Turkey.

The share of freight transport carried by rail in Bulgaria is on a par with the European average. In 2021, 4,658 million tonne-kilometres of freight were transported by rail. Out of this total, domestic freight accounts for 2,780 million tonne-kilometres, while international freight accounts for 1,878 million tonne-kilometres.³



Source : interrail

Navigable waterways

Waterways account for a significant share of freight transport in Bulgaria, i.e. approximately 32%, which is well above the European average of 5.6%.

It should be noted that interest in this means of transport has been growing for several years now, in particular with a view to establishing transport services between the Black Sea and the Danube. To this end, a number of investments have been made to improve signalling and increase logistics capacity in this area.

³ <https://www.nsi.bg/en/content/1731/goods-carried-and-transport-performance>

ROAD FREIGHT TRANSPORT OPERATORS

Professional associations

Bulgarian Freight Forwarding Association (NSBS)

The NSBS was founded in 1992. It comprises several sectors of activity, with members accounting for almost two thirds of international transport service providers in Bulgaria.

The NSBS's objectives are as follows:

- sustainable development of the sector,
- promotion of the sector among young people,
- the intermodal transport development.

AEBTRI

AEBTRI is a member of the IRU. This federation represents both road freight carriers and passenger transporters. Some of its members also work in the road construction and maintenance sector. The federation works to defend the interests of the RFT sector at national and international levels.

At national level, the association works to promote cooperation between the relevant authorities and private representatives from the road haulage and road passenger transport sectors. It takes part in specialised committee meetings.

At international level, the association maintains close relations with FIATA, PRI, expert groups within the UN Transport Committee in Geneva, the DG MOVE in Brussels as well as the ECMT.

Trade union organisations

Federation of Transport Unions in Bulgaria (FTTUB)

The FTTUB was created in 1990. With more than 12,900 members, it brings together 103 trade unions from across all areas of transport and ancillary services, such as port and airport companies, civil aviation, railways, transport infrastructure, urban passenger transport, specialised transport, RFT, road passenger transport and rail companies. It also has offices in all 6 regions of the country.

The FTTUB is a member of the Bulgarian Confederation of Independent Trade Unions (CITUB), the International Transport Workers' Federation and the ETF, its European counterpart.

THE BULGARIAN RFT SECTOR – KEY DATA

Structure of the Bulgarian RFT sector in 2020

Structure of the Bulgarian RFT sector in 2020

2020	Goods transported	Tonne-kilometres achieved		Average distance	Vehicle-kilometres achieved
	Thousand tonnes	million t.km	%	km	million vehicle.km
TOTAL	136,229	32,566	100.0%	239	2,040
Domestic transport	105,661	7,410	22.8%	70	536
International transport	30,568	25,156	77.2%	823	1,505
<i>International transport of goods loaded in Bulgaria</i>	6,248	5,335	16.4%	854	325
<i>International transport of goods unloaded in Bulgaria</i>	5,220	4,007	12.3%	768	236
<i>Cross-trade</i>	14,990	14,428	44.3%	963	849
<i>Cabotage</i>	4,109	1,386	4.3%	337	94

Source : Eurostat

Bulgarian road freight transport is mostly internationally focused. Domestic activity accounts for approximately 23% of overall business. In terms of international activity, it is worth noting the prominence cross-trade, which alone accounts for 44.3% of the Bulgarian RFT sector's activity (i.e. 57.4% of its international activity).

Evolution of the Bulgarian RFT sector

Evolution of the Bulgarian RFT sector in million tonne-kilometre

Million tonne-kilometre	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	AAGR*
TOTAL	15,322	17,742	19,433	21,214	24,372	27,097	27,854	32,297	35,409	35,150	26,950	20,551	32,566	6.48%
Domestic transport	7,122	6,306	6,120	6,518	6,286	7,192	6,826	7,172	7,324	8,328	7,734	5,719	7,410	0.33%
International transport	8,200	11,436	13,313	14,696	18,086	19,905	21,027	25,125	28,085	26,822	19,216	14,832	25,156	9.79%

Source : Eurostat

*Average annual growth rate

Between 2008 and 2020, the total activity of the Bulgarian sector increased sharply, with the exception of 2019, when both international and domestic activity fell. The annual average growth rate for total activity is around 6.5%. Growth was particularly strong in the international segment, where it rose by 9.8% a year over the period in question. Domestic activity remained stable at +0.3%/year. Over the period studied, the share of international activity tends to remain steady at around 75% of total activity.

Cabotage

Cabotage carried out by the Bulgarian sector accounted for more than 4% of international road transport in 2020 and represents an important area of potential development. In the space of 10 years, Bulgarian cabotage activity has increased by 4.8% per year on average. Bulgaria is ranked 6th in the EU

when it comes to cabotage.⁴ Bulgaria carries out 87 times more cabotage than is carried out on its soil by other national sectors.

Cabotage under Bulgarian flag in the 4 main "cabotaged" countries

Million tonne-kilometre	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	AAGR*
Cabotage under Bulgarian flag	867	764	1,016	1,178	1,536	1,502	2,576	2,163	1,018	1,173	1,386	4.80%
<i>in Germany</i>	171	62	338	172	583	368	465	562	299	244	587	13.13%
<i>in Spain</i>	-	-	-	-	93	-	66	284	161	172	141	7.18%
<i>in Italy</i>	224	176	130	244	151	411	110	168	93	86	104	-7.39%
<i>in France</i>	-	281	120	200	129	107	641	327	164	157	146	-7.02%
Share of cabotage in Bulgarian transport %	4.46	3.60	4.17	4.35	5.51	4.65	7.27	6.15	3.78	5.71	4.26	-

Source: Eurostat

AAGR: Average annual growth rate

The four countries where the Bulgarian sector carries out the most cabotage are Germany, France, Spain and Italy. Cabotage carried out in Germany and Spain recorded significant growth, i.e. +13.1%/year and +7.2%/year, respectively.

Cabotage in Bulgaria

Million tonne-kilometre	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	AAGR
Cabotage in Bulgaria	13	5	19	9	23	12	8	9	14	16	2.33%
Penetration rate of cabotage*	0.20%	0.08%	0.26%	0.13%	0.32%	0.16%	0.10%	0.12%	0.24%	0.22%	-
Market share of cabotage**	0.35%	0.14%	0.45%	0.24%	0.53%	0.26%	0.14%	0.19%	0.43%	0.35%	-

Source : Eurostat

AAGR: Average annual growth rate

*cabotage under foreign flag / total domestic transport (total domestic transport = total domestic transport + cabotage under foreign flag)

**cabotage under foreign flag / (domestic transport for hire or reward of the country + cabotage under foreign flag)

Cabotage in Bulgaria remains at a low level in absolute terms. Business volumes remain extremely low, with a penetration rate of 0.22% in 2020.

RFT companies

Evolution of the number of companies, employees and turnover in the Bulgarian RFT sector

Year	Number of RFT companies	Turnover, in million euros	Number of employees
2010	8,912	2,014	37,893
2011	9,364	2,475	41,955
2012	9,743	2,658	44,994
2013	10,36	2,892	48,617
2014	11,004	3,125	51,188
2015	11,764	3,406	55,080
2016	12,759	3,564	59,540
2017	13,245	3,887	62,210
2018	13,553	4,264	63,719
2019	13,509	4,408	63,904

Source: Eurostat

⁴ CNR – 2021 European RFT ranking

The number of RFT companies in Bulgaria grew at an annual rate of 4.7% between 2010 and 2019. Road freight transport revenues also increased over the same period, rising at an average annual rate of 9.1%. The number of people employed in the sector also increased over this period, at an annual rate of 6%.

Number of RFT and removal companies depending on size classes (employees) in Bulgaria

Size classes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
From 0 to 1 employee	3,855	3,955	4,008	4,164	4,297	4,431	4,716	4,790	4,936	4,939
From 2 to 9 employees	4,362	4,623	4,94	5,379	5,856	6,316	6,982	7,350	7,554	7,402
From 10 to 19 employees	565	588	566	595	607	718	756	801	772	864
From 20 to 49 employees	241	294	322	328	350	383	403	419	423	422
From 50 to 249 employees	80	92	96	107	116	123	127	137	139	145
250 employees and more	7	8	11	11	7	8	8	7	8	9
Total	9 110	9 560	9 943	10 575	11 233	11 979	12 992	13 504	13 832	13 781

Source: Eurostat

Approximately 90% of RFT and removals companies are very small (i.e. fewer than 10 employees), which means that the sector is highly fragmented.

Key figures on RFT employment in Bulgaria, 2018

Companies number	13,553
Turnover - million €	4,264
Employees' cost - million €	337
<i>Wages and salaries - million € (a)</i>	273
<i>Social security costs - million € (b)</i>	64
Apparent employer contribution rate (b/a)	23.4%
Number of persons employed	73,314
<i>Unpaid persons employed</i>	9,595
<i>Employees</i>	63,719
<i>Share of employed in total workforce</i>	86.9%
Average number of persons employed per company	5,400
Average cost of employee in €	5,300
Added value per employee in €	14,000
Turnover per person employed	58,200
Investment per person employed in €	6,300
Investment rate (Investment/Turnover)	51.4%

Source : Eurostat

Vehicle fleet

Vehicle fleet in Bulgaria

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Road tractor	29,000	32,000	35,000	39,100	42,686	47,809	51,660	50,396	51,142	50,66
Trailers and semitrailers	50,000	53,000	55,000	58,900	61,113	65,819	69,632	70,648	74,300	76,904

Source: Eurostat

The fleet of vehicles has steadily increased over the period 2010-2019. The number of tractors in Bulgaria has risen (up 6.4% per year on average over this period).

1.3. FISCAL AND LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT IN BULGARIA

ROAD FREIGHT TRANSPORT TAXES

Corporate tax

Bulgarian tax residents are taxed on all their income, regardless of which country it comes from. Non-residents are taxed only on the portion of their income that comes from Bulgarian sources. Corporate income is taxed at a flat rate of 10%.⁵

VAT

The standard VAT rate in Bulgaria is 20%.

A reduced rate of 9% applies to certain tourist services. It should be noted that until 31 December 2021, this rate also applied to restaurants (excluding alcoholic beverages), certain foods for babies and children, certain hygiene products for babies, as well as books and the use of sports facilities.

Some activities are tax-free such as intra-EU deliveries, exports of goods to countries outside the European Union and the international transport of goods (i.e. transport to or from countries outside the European Union).⁶

Tax on motor vehicles - данък върху превозните средства

The tax is calculated based on the type of vehicle, year of manufacture, GVWR, number of seats if applicable and Euro emissions category. It is payable by both individuals and companies.

As regards RFT, road tractors and trailers (GVWR of 12 tonnes or more) are subject to this tax, which is calculated based on GVWR, the number of axles and the type of suspension. Light vehicles are taxed at the same rate as passenger cars. The Municipal Council of each town is free to set the amount of tax to be levied in accordance with a range laid down by the Ministry of Finance.

Below are the Ministry of Finance's tax brackets applicable to road tractors and trailers:

⁵ <https://taxsummaries.pwc.com/bulgaria/corporate/taxes-on-corporate-income>

⁶ <https://taxsummaries.pwc.com/bulgaria/corporate/other-taxes>

Bulgarian axle tax for semitrailer trucks, valid in 2021

Number of axles of the road tractor/ trailer or semi-trailer	Vehicle GVWR		Axle tax amount (in BGN)	
	From (in tonne)	Less than (in tonne)	Air suspensions	Other types of suspensions
2 axles	-	18	From 8 to 24	From 28 to 84
	18	20	From 28 to 84	From 64 to 192
	20	22	From 64 to 192	From 147 to 441
	22	24	From 190 to 570	From 342 to 1,026
	24	26	From 342 to 1,026	From 600 to 1,800
	26	28	From 342 to 1,026	From 600 to 1,800
	28	29	From 331 to 993	From 399 to 1,197
	29	31	From 399 to 1,197	From 655 to 1,965
	31	33	From 655 to 1,965	From 909 to 2,727
	33	38	From 909 to 2,727	From 1,381 to 4,143
3 axles and more	38	-	From 1,007 to 3,021	From 1,369 to 4,107
	36	38	From 604 to 1,920	From 888 to 2,664
	38	40	From 888 to 2,664	From 1,228 to 3,684
	40	-	From 1,228 to 3,684	From 1,817 to 5,451

Source: lex.bg

A maximum amount of 3,684 levs (i.e. 1,884€)⁷ in axle tax is payable for a Bulgarian 40-tonne, 5-axle semi-trailer truck with air suspension.

Tolls

Since 1 March 2020, vehicles exceeding 3.5 tonnes that use the toll road network in Bulgaria have been subject to a fee based on actual distances travelled. This fee has replaced the electronic toll stickers for HGVs and buses.

Tolls depend on a vehicle's GVWR, Euro standard and the category of road used: motorways, first-class or second-class roads.

The total length of the toll road network in Bulgaria is approximately 7,500 kilometres.

Since 1 July 2022, the toll for a 40-tonne, 5-axle Euro VI semi-trailer truck has been 0.118€/km (0.23 BGN/km) on motorways, 0.107€/km (0.21 BGN/km) on first-class roads and 0.077€/km (0.15 BGN/km) on second-class roads.⁸

⁷ Exchange rate on 2 January 2020: 1 BGN = 0.5112918812 EUR

⁸ <https://tollpass.bg/en/toll-rates/tariff>

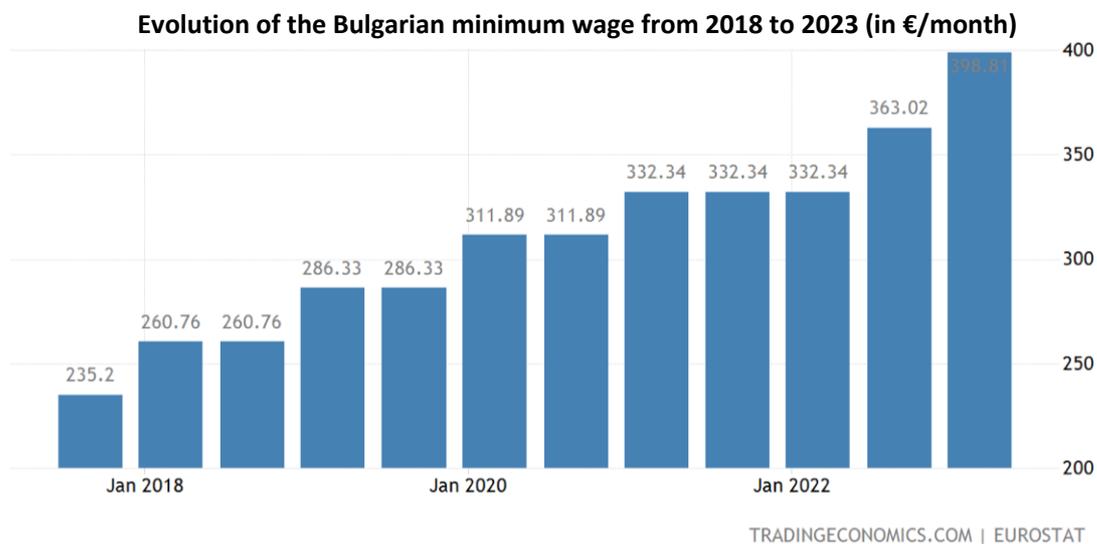
Excise duty on commercial diesel fuel

In accordance with Directive 92/12/EC and 2008/118/EC, Bulgaria has instituted an excise duty system. On 1 April 2023, the excise duty on diesel was 33.03€/hl, i.e. the EU minimum. There is no provision for partial reimbursement of excise duties on commercial diesel in Bulgaria.⁹

LABOUR REGULATIONS APPLICABLE TO ROAD FREIGHT TRANSPORT

Pay rates

In 2021, the minimum wage was 332.34€/month. In 2022, it rose to 363.02€/month; and on 1 January 2023, the Bulgarian minimum wage was further increased to 398.81€/month (780 BGN/year) – a substantial increase of 20.2% over a period of 2 years.



Paid leave

As a reminder, Bulgarian workers are entitled to a minimum of 20 working days of paid leave per year. During their first year working for a company, an employee may use his/her paid leave after completing at least eight months' service. In addition, there are 15 public holidays in Bulgaria.

Travel allowances

Business travel allowances are set out in Appendix 3 to the Decree on Business Travel and International Studies issued by the Ministry of Finance. Since November 2021, they have been fixed at a minimum of 50€ per day of travel. These allowances have been significantly increased since 2015: from 27€ to 50€, in order to comply with the requirements of the Mobility Package. It should be noted that these allowances may be topped up to twice the legal minimum without being subject to social security contributions. Beyond this amount, social security contributions (employer's share and employee's share) apply to the excess portion.

In the case of two-person crews, the legal minimum daily travel allowance is 45€.¹⁰

⁹ CNR – Excise duties, partial reimbursement mechanisms and cyclical measures relating to excise duties in Europe, as at 1 April 2023

¹⁰ [https://www.ciela.net/svobodna-zona-darjaven-vestnik/document/2137215761/issue/6501/postanovlenie-No-390-ot-17-noemvri-2021-g-za-izmenenie-na-naredbata-za-sluzhebnite-komandirovki-i-spetsializatsii-v-chuzhbina-\(dv-br-50-ot-2004-g\)](https://www.ciela.net/svobodna-zona-darjaven-vestnik/document/2137215761/issue/6501/postanovlenie-No-390-ot-17-noemvri-2021-g-za-izmenenie-na-naredbata-za-sluzhebnite-komandirovki-i-spetsializatsii-v-chuzhbina-(dv-br-50-ot-2004-g))

Social security contributions

Social contributions applicable to driving staff in Bulgaria as of January 1st, 2021	Employer	Employee
Health care	4.80%	3.20%
Sickness - maternity	2.10%	1.40%
Oldness, disability, survivors (first mainstay)*	11.22%	6.58%
Compulsary supplementary pension insurance (second mainstay)	14.80%	2.20%
Workplace accident - professional sickness	1.10%	0.00%
Unemployment	0.60%	0.40%
Total	34.62%	13.78%

Source: Cleiss

* Valid rate for an employee born after 1960

* Valid rate for an employee born after 1959 and being part of the first category

Personal income tax

A flat rate of 10% applies to personal income. This applies to all income from economic activities conducted in Bulgaria, as well as the sale of property in Bulgaria.¹¹

¹¹ <https://taxsummaries.pwc.com/bulgaria/individual/taxes-on-personal-income>

2. OPERATING CONDITIONS AND COSTS FOR A 40-TONNE BULGARIAN HGV OPERATING INTERNATIONALLY

This part of the study describes the economic and social conditions prevailing in 2021, at the time this updated study was conducted. In carrying out this study, CNR has drawn on research focused primarily on the fiscal and labour aspects of the RFT sector, as well as on previous CNR studies of the country and feedback from the experts with whom CNR collaborates. These different sources provide an overview of the Bulgarian RFT sector internationally and highlight the main developments observed since the last study. This research and process of dialogue are further backed up by interviews with Bulgarian hauliers and lorry drivers (see below and page 26).

All the figures eventually adopted by the CNR in order to construct the typical profile represent the best expert appraisal of this set of data sources.

2.1. OPERATING CONDITIONS AND COSTS FOR COMPANIES

This section is mainly based on face-to-face interviews with 13 Bulgarian road freight transport companies involved in long-distance transport operations, mainly internationally. The companies included in this study have the following characteristics:

	Number of road tractors	Number of drivers	Principal markets	Turnover
Company 1	19	20	Germany, Poland, Italy, France, Benelux	1,900,000 €
Company 2	3	3	Germany, Poland, Belgium, Italy, Austria, Spain, Netherlands	336,000 €
Company 3	92	123	Germany, France, Italy, Belgium, Netherlands, Lithuania	9,100,000 €
Company 4	59	63	Germany, Netherlands, Belgium, France, Spain, Switzerland, Poland	7,080,000 €
Company 5	6	6	Turkey, Bulgaria, Greece, Montenegro, Romania, Belarus, Russia, Poland	391,810 €
Company 6	15	21	Germany, Netherlands, Belgium, France, Spain	1,660,000 €
Company 7	130	160	Sweden, Norway, Denmark, Russia, Lithuania	20,000,000 €
Company 8	75	88	Germany, Poland, France, Spain, Belgium, Italy, Austria, Netherlands	13,200,000 €
Company 9	90	110	Poland, Germany, France, Belgium, Netherlands, Belarus, Russia	11,250,000 €
Company 10	18	10	Finland, Latvia, Russia	1,200,000 €
Company 11	4	5	Poland, Germany, Netherlands, Belgium, Belarus, Russia, Latvia	450,000 €
Company 12	76	110	Germany, Austria, Switzerland, Belgium, France, Netherlands, Russia	9,750,000 €

The companies visited for this study are extremely diverse in terms of their size and structure. They are all specialised in international RFT.

To enable a comparison with the data from other CNR country studies, only companies whose main activity is international long-distance freight transport have been selected.

The CNR is hereby reporting the results of these interviews, which have no statistical value. However, they do shed light on figures and information obtained elsewhere. Ultimately, the CNR uses figures based on expert opinion to establish the costs and operating conditions that pertain for a “typical” HGV operating internationally.

TRANSPORT EQUIPMENT – Use

Vehicle use depends on the characteristics of the customer and the main markets in which the companies operate. The number of days vehicles are operated varies between 220 and 253 days, with a clustering around 240 days per year, compared to a figure of 262 days in 2015. The average annual distance travelled by the vehicles of the hauliers we met with is between 110,000 and 150,000 km, with a clustering around 129,500 km per year (as compared with 150,600 in 2015). Vehicle mileage as well as the number of days of operation are down compared to the latest CNR study. There are several reasons for this sharp decrease: the Covid crisis and the Mobility package appear to have affected the way Bulgarian hauliers operate, with hauliers tending to focus on markets closer to home.

The length of time tractors used for international operations are kept ranges between 2 and 10 years, with a clustering around 7 years for the vast majority of companies surveyed. Financing arrangements for vehicles vary considerably: self-financing, leasing and financial leasing. Half of the companies surveyed use their own funds to purchase vehicles, the vast majority of which are second-hand. When it comes to new vehicles, the carriers interviewed tended to opt for leasing or financial leasing (with contracts of between 24 and 60 months). Leasing would appear to remain the preferred method for financing the purchase of new vehicles. Vehicles are kept for an additional 3 years after the end of these contracts.

The tractor/semi-trailer ratio reported in the course company surveys 1.13, sharply down from the last CNR study in 2017, when the tractor-trailer ratio was 1.30.

TRANSPORT EQUIPMENT – Financing

The average purchase price of a Euro VI tractor based on interviews with Bulgarian hauliers is approximately 80,000€. The purchase price of a semi-trailer is estimated at 21,500€. Most companies seem to lease over a period of 48 months. In addition, some companies opt for 60-month leasing deals for their tractors, or 24-month financial leasing contracts.

The period for which tractors are kept ranges, depending on the type of contract, from 2 to 10 years; the average figure for semi-trailers is 9 years.

Data on interest rates (estimated at 2.5%) and leasing contract conditions allow the annual cost of owning a 40-tonne semi-trailer truck to be calculated. The figure that emerges is approximately 12,330€, with a ratio of semi-trailer/tractor ownership of 1.13. The cost of owning a semi-trailer truck has increased since the last study in 2015. The figure arrived at in that study was 10,535€ per year per semi-trailer truck, which means that there has been an increase of 17% in 6 years.

FUEL

Bulgarian companies purchase the vast majority of their fuel domestically (approximately 60%). In 2021, they paid an average of 0.89€ (excl. VAT) per litre of fuel in Bulgaria. As for the remaining 40% of their purchases in the European Union, the carriers we interviewed chose to buy in Austria (at average cost of 1.031€/l), and the rest in Slovakia, at an average cost of 1.032€/l.

Based on the fuel shopping basket calculated by the CNR (using information provided by companies), the price of one litre of fuel was 0.9243€ (excl. VAT).

MAINTENANCE & REPAIRS

Virtually all the companies surveyed report that they have a maintenance contract for their vehicles, except for one that has an in-house garage. In the companies we visited, these costs varied between 3,000€ and 8,000€ per year per semi-trailer truck.

The annual cost of maintenance-repairs for a 40-tonne semi-trailer truck is estimated to be 4,730€/year. This figure has risen since the study carried out by CNR in 2015, which amounts to an increase of 24.5% over a 6-year period. As a reminder, the annual estimated amount at the time was 3,800€ per semi-trailer truck.

TYRES

The annual cost of tyres ranges widely, from 1,500€ to 4,000€. This cost item varies greatly depending on the method of purchase of the vehicles (with or without a tyre contract) or on the brand chosen, but also depending on the mileage and the loads transported. All the companies surveyed stated that they did not have a contract for the maintenance and replacement of their tyres.

Based on information provided by Bulgarian hauliers, the annual cost of tyres for a 40-tonne semi-trailer truck is estimated at 3,120€. This cost has fallen since the last CNR study. It was then 4,000€ per year per semi-trailer truck, a significant decrease of around 29.1% over 6 years. Bulgarian hauliers appear to be particularly sensitive to this cost item.

TOLLS

The annual toll costs for a 40-tonne semi-trailer truck operating internationally range widely, between 14,000€ and 24,500€. Costs vary greatly depending on the countries visited and the main markets in which the companies operate. This cost item has increased since the 2015 Bulgarian study. This increase can be explained in particular by the growing number of countries using a mileage-based tax (e.g. Belgium) and by a widespread increase in tariffs, such as the Maut in Germany, which are both important markets for the Bulgarian sector.

This figure includes the Eurovignette, which is used in the Netherlands, Luxembourg, Sweden and Denmark.

The annual cost of tolls for a typical Bulgarian company is estimated at 18,200€ (including toll stickers). This cost item has increased by 40% since 2015, the date of the last CNR study on the Bulgarian sector.

INSURANCE

The amounts reported by hauliers vary widely, ranging from 1,500€ (per year, per semi-trailer truck) to 4,200€ (per year, per semi-trailer truck). The companies visited in the main opted for comprehensive insurance for their tractors. On the other hand, they tend to use third-party insurance for their semi-trailers. Three out of the thirteen companies surveyed stated that they had opted for third-party insurance due to the fact that their equipment was ageing.

The figure estimated by the CNR for a 40-tonne semi-trailer truck with comprehensive insurance is 3,060€ per year. The cost of insurance is almost identical to the figure recorded in the CNR's last study of the Bulgarian sector in 2015. In that earlier study, insurance costs were estimated at 3,000€/year.

AXLE TAX AND OTHER VEHICLE TAXES

The tax on a 40-ton 5-axle, semi-trailer truck with air suspension is 1,884€.

FIXED COSTS

Information on fixed costs is often difficult to collect. The way in which these costs are calculated differs from one company to another. Some take into account the cost of the in-house garage, while others include in their calculations the cost of ancillary activities such as logistics. The professionals we met on-site estimated this cost at between 8% and 10% of the total cost of the vehicle. A percentage of 6% of the cost of the vehicle has been used to calculate this figure.

2.2. EMPLOYMENT CONDITIONS AND DRIVER EMPLOYMENT COSTS

Employment conditions and driver pay in Bulgaria were surveyed during two rounds of interviews: a first phase in companies with Bulgarian employers; and a second phase, involving face-to-face interviews with drivers in car parks and rest stops on the border between Romania and Bulgaria, close to Ruse. During this second phase, around twenty drivers, employees with Bulgarian contracts, volunteered to be interviewed about their working conditions and pay.

Based on an analysis of these sources and a review of the literature, the CNR has produced a typical profile (in terms of employment conditions and pay) of an RFT driver with a Bulgarian contract working internationally.

WORKING CONDITIONS

Permanent contracts are the most common form of employment contract in the sector. The number of working days per year is 231 days, ranging from 217 days to 275 days. The statutory amount of paid leave is 4 weeks, i.e. the European minimum. These days off are often taken in the summer and during the Christmas and New Year period. In other words, drivers' actual working year averages 11 months.

In terms of their schedule, Bulgarian drivers working internationally generally spend approximately 20 nights away from home per month, and the vast majority of them go home at once every two weeks. However, international trips can sometimes be up to 3 weeks longer. One company said its drivers carried out trips lasting 45 days. It is worth noting that many drivers and companies reported that driving personnel returned home every weekend. This can be explained by the Covid crisis and by the organisational changes resulting from the terms of the Mobility Package. Markets where Bulgarian drivers operate are closer to home, which means that they can return home more often. In the end, the figure of 22 nights away from home was chosen for the purposes of defining the typical profile of a driver with a Bulgarian contract working internationally.

Lastly, the average mileage that emerges from company surveys is approximately 123,750 km per year. Meanwhile, drivers report driving approximately 125,130 km annually. The average settled on in this latest study is 115,000 km per year, a substantial decline compared with 2015 (140,800 km/year). Two factors may explain this decline: the Covid crisis in 2020 and the Mobility Package. The driver/tractor ratio was 1.04. This ratio is higher than in 2015, when it was 1.07.

Lastly, the annual number of hours driven (approximately 1,975 hours/year) is close to the maximum permitted. In the course of interviews with drivers with Bulgarian contracts, several reported driving more than 50 hours a week. The number of weeks worked remains the same as in 2015.

NOTE ON DRIVING PERSONNEL COST FORMATION

International driver pay

Drivers with Bulgarian contracts receive a fixed monthly salary over 12 months, supplemented by daily allowances.

In the course of our interviews with them, all of the companies reported that they had adopted payment conditions in line with European regulations. This was not the case for all drivers with Bulgarian contracts that we interviewed. 4 of the 20 drivers interviewed reported that, in addition to their fixed salary, which is the same as the Bulgarian minimum wage, they receive a per-kilometre allowance of between 0.10€/km and 0.20€/km, with a clustering around 0.12€/km.

Thus, a basic salary of 335€ gross per month – in addition to certain bonuses (such as the bonus for driving in an eco-friendly manner or other annual bonuses estimated at 8€ per month in the payslip below (page 28) – makes up the initial component of drivers' compensation, which is subject to income tax. As noted in the 2015 study, the basic salary of drivers with Bulgarian contracts working internationally is similar to the national minimum monthly wage. This fixed amount is supplemented by a variable component consisting of travel allowances. These daily allowances are not subject to social security contributions or income tax. Based on the data collected, a figure of 60€ per day has been arrived at in order to calculate the pay received by a driver with a Bulgarian contract working internationally.

TYPICAL PROFILE OF A DRIVER WITH A BULGARIAN CONTRACT WORKING INTERNATIONALLY AND BREAKDOWN OF THEIR COST

Type profile of an international driver - Bulgaria - 2021					
Characteristics		<ul style="list-style-type: none"> - International medium and long distance driver - Two-week European tours, mainly intra EU. - Annual mileage lower than in 2015 due to Covid crisis and effects of Mobility package. Bulgarian companies seem to favor closer markets. - Annual paid leaves between 20 and 25 days, all taken. - Remuneration made up of fixed base salary, at the level of the national minimum wage, supplemented by a variable part, i.e travel allowances, not subject to social contributions and income tax. 			
Annual mileage achieved		124,500 km			
Number of actual working days per year		231			
Number of working weeks per year		46			
Number of driving hours per year		1,975			
Cost breakdown of a typical Bulgarian international driver in 2021					
Reconstitution of a payslip					
EMPLOYER			EMPLOYEE		
Gross salary	€/month	343.00 €	Gross salary	€/mois 343.00 €	
Fix gross salary	€/month	335.00 €	Fix gross salary	€/month 335.00 €	
Other bonuses (monthly basis)	€/month	8.00 €	Other bonuses (monthly basis)	€/month 8.00 €	
Social contributions	34.62%	118.75 €	Social contributions	13,78% 47.27 €	
Health care	4.80%	16.46 €	Health care	3,20%	10.98 €
Sickness - maternity	2.10%	7.20 €	Sickness - maternity	1,40%	4.80 €
Oldness, disability, survivors (1st mainstay)	11.22%	38.48 €	Oldness, disability, survivors (1st mainstay)	6,58%	22.57 €
Compulsary supplementary pension insurance (2dn mainstay)	14.80%	50.76 €	Compulsary supplementary pension insurance (2dn)	2,20%	7.55 €
Workplace accident - professional sickness	1.10%	3.77 €	Workplace accident - professional sickness	0,00%	0.00 €
Unemployment	0.60%	2.06 €	Unemployment	0,40%	1.37 €
			Salary after social contributions	295.73 €	
			Income tax	29.57 €	
Gross salary subject to employer contributions		461.75 €	Net salary after social contributions and income tax	266.16 €	
Travel allowances for an actual working month (11 months per year)		1,320.00 €	Travel allowances for an actual working month (11 months per year)	1,320.00 €	
Monthly cost of a driver for a month of full activity		1,781.75 €	Net salary of a driver for a month of full activity	1,586.16 €	
Breakdown of the annual cost of a typical Bulgarian international driver in 2021					
Fixed gross salary + bonuses* 12 months		4,116.00 €	Fixed gross salary + bonuses* 12 months	4,116.00 €	
Employer contributions* 12 months		1,424.96 €	Cotisations sociales et impôt * 12 mois	922.07 €	
Fixed gross salary subject to employer's contributions* 12 months		5,540.96 €	Revenu fixe net d'impôt * 12 mois	3,193.93 €	
Indemnités * 11mois		14,520.00 €	Indemnités * 11mois	14,520.00 €	
Total annual cost		20,060.96 €	Revenu net annuel	17,713.93 €	
Cost of an hour of driving €		10.16 €	Revenu net moyen mensuel	1,476.16 €	
Cost per kilometre €		0.16 €			

Source: CNR European studies

Based CNR surveys, driver costs have increased by 26.5% since 2015 (from 15,859€ to 20,060€ in 2021). This increase is mainly due to the increase in the minimum wage and travel allowances. In the space of 6 years, the total annual cost of an international driver increased by 4%/year on average. The number of working days per year driven by a “typical” driver with a Bulgarian contract decreased, as did annual mileage (see page 24). Overall, the cost of an hour of driving rose to 10.16€, an increase of more than 27% compared to 2015. As a reminder, the cost recorded by the CNR in 2015 was 8.02€/hour.

2.3. OVERVIEW OF THE OPERATING CONDITIONS AND COSTS OF A “TYPICAL” INTERNATIONAL HGV

Operating conditions and costs of a 40-tonne HGV operated on long distance international routes, 2021 conditions 		
	Unit	Bulgaria Simulation
Yearly mileage of a vehicle	km	129,500
Number of operating days	days/year	240
Semitrailer/tractor ratio		1.13
Driver cost	€/year	20,061
Driver/tractor ratio		1.04
Yearly cost of vehicle financing and possession	€/year	12,330
Average consumption per 100 km	litres	32.0
Unit fuel price, 2021 average	€/litre	0.9325
Fuel cost	€/year	38,643
Tyres	€/year	3,120
Maintenace-repair	€/year	4,730
Tolls and vignettes	€/year	18,200
Insurance (vehicle)	€/year	3,060
Axle tax and other vehicle tax	€/year	1,884
Synthesis - cost price (excluding overhead cost)		102,830
Cost/mileage ratio per annum	€/km	0.79
Overhead cost	€/year	6,564
Synthesis - full cost price		109,394
Full cost per kilometre	€/km	0.84

Source : CNR European studies

According to CNR calculations, the cost per kilometre of a Bulgarian 40-tonne heavy goods vehicle used for international long-distance transport is 0.79€ (excluding fixed costs) compared with 0.63€ in 2015, an increase of 25% compared with the previous study. Several cost items have increased significantly since 2015: the cost of vehicle ownership (+17%), maintenance-repairs (+24.5%), tolls (+40%) and driver costs (+26.5%). Conversely, the cost of tyres fell by 29.1% over this 6-year period.

Ultimately, when fixed costs (estimated at around 6% of the total cost) are factored in, the cost price in 2021 is estimated at 0.84€ per kilometre. This estimate falls within the same range as the data provided by hauliers, who estimate their cost price at between 0.75€/km and 1€/km, with a clustering around 0.85€/km.

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