

INTERGOVERNMENTAL CONFERENCE
ON THE ACCESSION OF THE REPUBLIC OF BULGARIA TO THE
EUROPEAN UNION

NEGOTIATING POSITION
ON CHAPTER 15
INDUSTRIAL POLICY

OVERALL POSITION

The Republic of Bulgaria accepts and will implement in full the *acquis* in the field of Industrial Policy, including 1999 *acquis*.

As a working hypothesis, the Bulgarian Government considers that Bulgaria will become a member of the EU on 01.01.2007.

No derogations or transitional periods in this area will be requested.

ACQUIS ADOPTION AND IMPLEMENTATION

Community Law in the area of “Industrial Policy” sets up the basic principles and guidelines for further development. The Republic of Bulgaria fully accepts the wording and the spirit of Article 130 of the Treaty on European Union, which is further, developed in *Council Decision 96/413/EC*, implying Action Program to Strengthen the Competitiveness of European Industry.

Strategy for Industrial Development, which is a part of the National Plan for Economic Development for the period 2000 – 2006, entirely complies with Article 130 of the Treaty on European Community and *Council Decision 96/413/EC*.

The Industrial policy of Bulgaria will be fully aligned to the *acquis* in the field of Industrial policy. The Bulgarian side reviews the latest Communications of the European Commission concerning the globalisation of markets and the increasing importance of information technologies.

Bulgaria’s Industrial policy is oriented towards improving the competitiveness of the industrial sector, which will be achieved by the following measures:

- Restructuring of the enterprises;
- Promotion of the industrial co-operation;

- Improvement of quality;
- Promotion of innovations and technological development;
- Creation of favorable investment climate.

The enterprise restructuring implies enhancement of industrial competitiveness through viable enterprises operating in a free market environment, based on the principles of transparency and equality. The measures envisaged to that end are:

- Continuation of the privatisation process;
- Liquidation and insolvency procedures for enterprises, which are not viable in a competitive environment.

State Aids issues should be addressed to the Chapter 6 Competition policy.

The improvement of the **investment climate** and attracting FDI is also of great importance. The Investment Program 1998 - 2000, adopted by the Government includes investment projects, concerning infrastructure. Their realisation shall facilitate the development and modernisation of the industries. The Commercial Act of the Republic of Bulgaria provides for equal treatment of local and foreign entities regarding their establishment, and the Foreign Investment Act guarantees equal rights and equal treatment of their investment activities.

The administrative capacity for implementation of the 'acquis communautaire' involves:

- The Ministry of Economy handles the overall implementation and monitoring of the Industrial policy of the Republic of Bulgaria.
- The NGOs – such as branch chambers, unions and associations – take an active part on permanent basis in the formulation of the sector analysis and policies, as well as in the future monitoring of their implementation.

All necessary institutional infrastructures for the implementation of the EU legislation in the area of Industrial policy are or will be in place by the date of accession of Bulgaria to the EU.

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The Bulgarian government proposes the negotiations on this chapter to be provisionally closed on the basis of the existing *acquis*.

Should new elements of the *acquis* make it necessary, Bulgaria recognizes the possibility of opening supplementary negotiations before the end of the Intergovernmental conference.