



Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

**RESOLUTION**  
**of**  
**the Economic and Social Council**  
**on measures to support the economic recovery**  
**of enterprises and employment**  
(own-initiative resolution)

**Sofia, June 2021**

The Economic and Social Council (ESC) of the Republic of Bulgaria included in its Action Plan for 2021 the elaboration of an opinion on "The economic consequences of the spread of COVID-19 in Bulgaria and measures for overcoming them".

The plenary session, at its meeting of 28 May 2021, decided that the President's Board should prepare a draft resolution of the Economic and Social Council on measures to support the economic recovery of enterprises and employment.

The President's Board at its meeting of 1 June 2021 adopted a draft **Resolution of the Economic and Social Council on measures to support the economic recovery of enterprises and employment**.

At the plenary session of 7 June 2021, the Economic and Social Council adopted the resolution.

1. ESC found that at the end of May 2021 a number of measures introduced by the Law on Measures and Actions during the State of Emergency, announced by a Decision of the National Assembly of 13 March 2020, to overcome the consequences of the pandemic, such as: the so-called measure "60/40" and the measure "Short-term employment support in response to the COVID-19 pandemic" (BGN 290), intended for the hotel and restaurant, transport and tourism sectors, expired. By the end of June 2021, applications under the measure "Keep me on the job" for support of the income of workers from businesses closed by an act of a state body, which is no longer applicable, is also coming to an end.

2. ESC reports that there are some recovery processes, but finds that the country's economy still needs targeted measures to support businesses and employment, in the context of continuing decline in income by at least 20%.

ESC proposes:

2.1. To continue the targeted support for the sectors with objective difficulties and market problems, such as sector I "Hotels and restaurants", economic activities with code 49.39 "Other passenger land transport, not elsewhere classified" and 51 "Air transport" (NACE.BG-2008), introduced a new measure "75/100", which would combine the current support for the final measures "60/40" and "Short-term employment support in response to the pandemic of COVID-19" (BGN 290). The programme aims to maintain more than 35,000 jobs in these key sectors of the economy.

2.2. To finance and implement a measure to provide support to the income of employees in the amount of 75% of the insurance income, proportional to the time during which they did not work due to part-time work, in order to preserve nearly 300,000 jobs.

2.3. To continue the implementation of the project "Employment for you", which upon exhaustion of the allocated funds of 210 million BGN should be supplied with additional financial resources so that it can be implemented at least until the end of 2021.

2.4. Similar to the project "Employment for you", to develop a programme to promote and maintain employment in agriculture and primary processing of agricultural products.

2.5. Develop a "Restart support" programme for the self-employed to provide targeted one-off support of 50% of the 2020 income decline as compared to 2019, but not more than BGN 5,000. A condition for access to support is a decrease of at least 20% of the declared income for 2020 as compared to 2019.

3. To speed up the negotiation and payments to the final beneficiaries under the measures for support of small enterprises with a turnover over BGN 500,000 and medium-sized enterprises to overcome the economic consequences of COVID-19.

4. ESC expresses the following position on the economic measures announced by the government:

4.1. The proposed measure to facilitate and accelerate access to credit for SMEs through the OPEC "Portfolio guarantees" operation is useful, but far from sufficient, especially compared to the measures in force in other European countries.

4.2. ESC supports the announced sectoral support measures, such as providing vouchers of BGN 500 for a holiday in the country for 30,000 students and continuing to support charter flights to and from Bulgaria with 35 euros per seat.

5. The design concept of the measures referred to in 2.1. and 2.2. is described in Appendix № 1 to this Resolution.

Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL

## **APPENDIX № 1**

### **CONCEPT OF MEASURE "75/100" TO SUPPORT THE EMPLOYMENT AND INCOME OF WORKERS AND EMPLOYEES IN ENTERPRISES WITH A DECREASE IN SALES REVENUE AS A RESULT OF THE NEGATIVE IMPACT OF COVID-19**

#### **Purpose of the measure:**

Maintaining employment and supporting the income of employees in enterprises with a decrease in sales revenue (over 20%) as a result of the negative impact of COVID 19.

The measure unites the current so-called "60/40" and "Short-term employment support in response to the COVID-19 pandemic" (BGN 290) in respect of the hotel and restaurant sectors, economic activities with code 49.39 "Other passenger land transport, not elsewhere classified" and 51.10 "Passenger air transport" (NACE.BG-2008).

#### **Conditions for deploying the measure:**

1. Decrease in the net sales revenues for the month for which it is applied by not less than 20 percent compared to the respective month of 2019.
2. Existence of one of the following hypotheses:
  - 2.1. Objective difficulties and market problems for the activity due to the impact of the pandemic situation in sector I - "Hotels and restaurants", economic activities with code 49.39 "Other passenger land transport, not elsewhere classified" and 51.10 "Passenger air transport" of the Classification of Economic Activities (NACE.BG-2008)
  - 2.2. Introduced part-time work on the basis of Art. 138a, para. 2 of the Labour Code during the period from June 1 to the end of the emergency epidemiological situation.

#### **Amount of support:**

1. For employees employed in the sectors "Hotels and restaurants" and economic activities 49.39 "Other passenger land transport, not elsewhere classified" and 51.10 "Passenger air transport" - 75 per cent of the amount of insurance income for April 2021 and from the due insurance contributions at the expense of the employer of each employee.

2. In the cases of introduced part-time work - 75 percent of the insurance income of the workers and employees for April 2021, in proportion to the time during which they did not work, due to the introduction of part-time work, but not more than 4 hours a day, as well as social security contributions at the expense of the employer for the same time.

Example: The employer introduces, from 1 June to 30 June 2021 part-time work for certain workers from 8 to 6 hours. Under this measure, the company will receive support in the amount of 75% of the insurance income of each of these workers and employees in April 2021 for the difference of 2 hours, during which the workers do not actually work due to the introduced part-time work, as well as the part of the insurance contributions at the expense of the employer for these 2 hours. The employer is obliged within 5 working days to pay the funds received in this order to the workers and to pay the respective social security contributions.

**Period of validity of the measure:**

From 1 June 2021 until the end of the emergency epidemiological situation.

The application for the measure for the period is not one-time, but is month for month, with proving a decrease in net sales revenues by not less than 20 percent for each month for which it is applied.