



**REPUBLIC OF BULGARIA**

# **STRATEGY**

**FOR THE DEVELOPMENT OF THE BULGARIAN DEFENCE  
TECHNOLOGICAL AND INDUSTRIAL BASE**

**SOFIA  
2011**

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## ITRODUCTION

The Strategy for the Development of the Bulgarian Defence Technological and Industrial Base has been drafted **pursuant to Art. 27, item 8 of the Defence and Armed Forces Law of the Republic of Bulgaria** and in accordance with the commitments of the Bulgarian government to the development of the national defence and industrial capabilities, to addressing the challenges and threats for the defence and security and to advancing the national interests and the Bulgarian contribution to the political, defence and economic alliances and international relations that our country is an active participant in.

In the past 20 years as a result of the political, social and economic transformations and the changed security environment, as well as the increasing internationalisation and consolidation of capitals and globalization of the economy the leading in military, technical and economic domain powers took steps to restructure their armed forces and defence industries on the basis of concepts and strategies for their operation in the 21<sup>st</sup> century. The challenges facing the security environment, the keen competition in the fields of manufacturing, research and innovation and in the battle for redistribution of the restricted national defence budgets were taken into account in drafting the strategic documents. The defence priorities were outlined and long-term modernisation and transformation programs for the defence assets and capabilities were drafted which were linked to defined projects aimed at achieving the capabilities by making use of the national industrial potential or through cooperated trans-national industrial cooperation. Such an approach was employed by most of the new member-states that joined the North Atlantic Treaty Organization (NATO) and the European Union (EU) after 1997.

- The negative impact of the recent processes in the economic and financial area globally result in shrinking markets for defence goods and speeds up the consolidation of the industrial defence sector. The trend will be reinforced under the influence of the strategic priorities of the European Security and Defence Policy, The Strategy for the European Defence Technological and Industrial Base and the related European documents in the area of security and defence and also as a result of the challenges to the industry related to the ongoing NATO transformation and the need to focus the resources in order to attain the new priority defence capabilities and assets of the Alliance while maintaining or reducing the relative amounts of defence spending.

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***With the accession of the Republic of Bulgaria into NATO and the EU and the completion of the reforms in the areas of economy and the defence and security sector and given the ongoing large-scale modernisation projects in the armed forces the environment in which the Bulgarian defence industry functions became subject to the processes and trends above which entails the existence or development of a clearer vision and adequate action plan.***

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- The program for restructuring, privatization and state participation in the defence industry adopted by the Council of Ministers in March 1998 and implemented for a period of 10 years now created the pre-requisites for employing the private entrepreneurship for improving the production and technological, and financial and economic situation in the enterprises and their gradual stabilization after the initial shock of the political and market changes from the early 90s. An attempt was made to reconsider and regulate the responsibilities of the state in terms of the development of the sector through the drafting of the Defence Industry Law and the secondary legislation related to it. After the adoption of the draft bill was postponed in relation to the implementation of the NATO Membership Action Plan no such document was drafted to regulate the relations between the industry and the government bodies, no common vision was developed regarding the use of the research, technological and production potential in the interest of national security and defence. The efforts made by institutions and companies to ensure that the industry will take part in EU and NATO defence projects and to expand the cooperation with the countries that Bulgaria has had traditionally good relations and has provided products and services for their security and defence were short-lived and not sufficient for the strategic reorientation of the research and production activities. The state support for

defence-related research is not systemic and the military research and innovation sectors in the BAS and the universities mainly realize their products abroad.

•A Strategic Defence Review was carried out in the period 2003 - 2004 which laid down clear guidelines for the involvement of the Bulgarian research potential and defence industry in the transformation and modernisation of the armed forces. The conclusions and constructive recommendations contained in the Strategic Review have not however received the needed support to ensure their practical implementation. Nationally, the Strategy provides the scientific organisations, universities and the research community with a framework in which they can formulate their views and plans for involvement in the Bulgarian defence industry. It also provides the public and the legislators with information regarding the aspirations of the government to more effectively use the public financial resources for scientific research. Some of the planned measures are aimed at introducing program budgeting for research.

Given the above reasons the Bulgarian defence industry continues to be poorly represented in the development and supply of defence products for the national security and defence as compared to the EU and NATO member-states.

•The defence industry enterprises continue to form almost 100% of their revenues from export of military products and products for the civil sector. The Bulgarian military products and services sold in the EU and NATO countries do not exceed 10% of the export of Bulgarian defence products. Should this trend be maintained, that would hinder the full-fledged integration of Bulgaria into the natural environment in which it can achieve its foreign policy and defence and economic priorities and objectives and would have a negative impact on the industry's competitiveness and the establishment of a defence technological and industrial base that is adequate to the priorities, objectives and capabilities of the country.

•In this respect and in response to the processes and trends outlined above, and as a result of the dialogue between the business representatives and the state that started in 2006 an agreement was reached to speed up the preparation and adoption of a strategic document for the development of the Bulgarian defence industry. The adoption and implementation of this Strategy for the Development of the Bulgarian Defence Technological and Industrial Base provides a clear vision and shared responsibility of the state and the business regarding the long-term orientation and development of the national defence and industrial capabilities, addressing the challenges and opportunities relating to the advancement of the national interests and the Bulgarian contribution to the political, defence and economic alliances and bilateral defence and economic relations.

•The Strategy is aligned with the established Liberal model in the defence and industrial production: the predominance of private ownership of assets, distribution of the responsibilities for provision of resources for ongoing or wartime defence capabilities based on contractual relations between the state and organisations which operate in a competitive environment in the national and international markets where projects and supplies of military products are taking place.

•The advantages of this model in reflecting the two main factors that could contribute to the achievement of the objective laid down in the strategy are accounted for. The factors are:

– human resources development – scientific and research personnel, experts with university degree and vocational education;

– providing adequate research and technological services to the industry and the ensuing development of the base of BAS, the universities and enterprises by adopting the necessary amendments to the government innovation policy.

•Based on this model and by dividing and regulating the specific responsibilities of the state and the business conditions are being created to identify the participants, consolidate them and build on this to ensure the consequent development of the **Bulgarian Defence Technological and Industrial Base (BDTIB)**.

•The following were taken into account in the drafting of the strategy:

- the documents of NATO regarding the development of the Trans-Atlantic defence and industrial cooperation, the relations between the industry and the government, the requirements in terms of the long-term defence capabilities and current programs and projects related to involving the industry.

- the documents of the EU and the European Defence Agency (EDA) and mostly the Strategy for the European Defence Technological and Industrial Base, the Code of Conduct on Defence Procurement, The Code of Best Practice in the Supply Chain, offsets (in force as of 01.07.2009) as well as the priorities and guidelines for the development of the European defence capabilities;

- the results and prospects of Bulgaria's participation in programs, projects and initiatives of industrial nature, research activities and investments in security under EDA and NATO;
- the results from the EDA commissioned analysis of the defence industrial capabilities in the 12 new member-states of the EU (contracted to S.I.P.R.I Institute and Price Water House Cooper, 2009);
- The National Security Strategy and the White Paper on the Defence and Armed Forces – 2010;
- the results and prospects for developing bilateral cooperation in the area of production and supply of defence products and systems;
- the main guidelines for the development of export drafted by the Ministry of Economy, Energy and Tourism (MEET) and the Vision for the Exports of the Republic of Bulgaria by 2013 adopted in 2009;
- the national policies implemented by the government aimed at developing the economy of the country, achieving economic growth and employment, development of innovations, competitiveness and cooperation, information and communication technologies, research and development, regulatory, fiscal and tax policies, etc. The development in all these areas is a priority and would contribute to improving the BDTIB status;
- the Analysis of the Necessity of Formulating a Unified, Targeted and Committed Government Policy for Strengthening, Developing and Protecting the Bulgarian Defence Technological and Industrial Base (the experience of the EU and Bulgaria) worked out by the Bulgarian Defence Industry Association (BDIA);
- the Scientific Research Strategy developed by MEYS and the existing national scientific programs "Nano-technologies and New Materials", "Information Society", "Space Research" approved by force of a Decision of the Council of Ministers №15 from 09<sup>th</sup> of January 2003 which provide the framework for creating solutions related to innovative products and technologies for the needs of the defence industry.

## **1. STATUS, SIGNIFICANCE, SCOPE, PRIORITY PRODUCT DEPARTMENTS IN BDTIB AND TYPES OF ENTERPRISES**

### **1.1 STATUS:**

The assessment of the current status of BDTIB is based on an overall analysis of the strengths and weaknesses of the Bulgarian defence industry, the opportunities and threats deriving from the environment in which the industry operates.

- BDTIB possesses the technological capabilities and potential to produce world class products in the areas of light weapons, ammunition and radio-electronic war devices, detection devices and devices for countering threats caused by improvised explosives providing a good value for money. Goods for export with lower added value are also being manufactured.
- There are capabilities in place and some achievements have been made in the research and development field and the prototyping of world class products provided to and used by NATO, EU and EDA which we have established cooperation with. The production and sale of defence products has not registered a decline in the past years;
- The relative share of solved scientific and technological tasks, production and supplies of products/systems and participation in projects related to the modernisation of the Bulgarian armed forces is small. There is certain concentration of production facilities and experience in equipment overhaul/maintenance for the Land, Air and Naval armed forces and a potential to render such services to other armies equipped with armaments manufactured in the former USSR (Russia);
- The participation in co-production and supplies for the NATO and EU countries is limited. The Bulgarian companies with small exceptions are not part of the chain of supply of materials, components and parts for defence products of the leading NATO and EDA manufacturers;
- The industry is heavily reliant on the import of some key and high-tech materials and components. At the same time the European industries as a whole are dependent on importing such items from outside the EU;
- The industry needs technological and product renovation and improvement of its innovation capabilities in order to find solutions to a broader circle of tasks related to the Bulgarian armed forces, NATO and EDA bodies in the fields of research, development and implementation of defence systems;
- The diversification of new products and goods in the defence as well as civilian spheres could reduce the risk of duplication of efforts, of the lack of good and reliable markets and the

unnecessary expenditure of corporate and budget resources;

- There is a need to initiate a process of consolidation of assets and resources at national level, participation in merger procedures with foreign manufacturers and accelerated attraction of investments for the defence industry from the Euro-Atlantic countries;
- The education and qualification of the personnel should be improved, better prepared and re-qualified executive, engineering and technical and management staff for the industry is needed, incentives should be created aimed at increasing the number of people involved in research and technology activities for the security and defence sector;
- The experience accumulated by the institutions and manufacturers as a result of their participation in: the armed forces modernisation programs; NATO initiatives, programs and projects; more active participation in EDA activities and using the existing opportunities serve as a pre-requisite for the development of the industry and strengthening the BDTIB potential in the current decade.

## **1.2 SIGNIFICANCE:**

BDTIB is one of the significant sectors in terms of the economic development and prosperity of the country. The annual production growth rate exceeds the average economic growth rate. The annual production in the defence industry constitutes about 0.5% of the relative share of industry in the GDP with the revenues being more BGN 400 mil. of which BGN 250 mil. from export of Bulgarian defence products. More than 15 000 workers and employees are employed in the sector. More than 90 % of those employed in the defence industry are research and development, and manufacturing personnel which serves as a guarantee for the development and production of cutting-edge, high-tech products and systems some of which are unique in the world. BDTIB forms the basis of the regional economies in a number of regional centres in Central and Northern Bulgaria and is a guarantee for their economic stability and social peace.

## **1.3 SCOPE:**

- The national defence technological and industrial base includes the assets of the Bulgarian industry used to: perform tasks related to the national security and defence; take part in initiatives, projects and programmes aimed at sustaining the collective defence capabilities as per the North Atlantic Treaty; identify the part of the European defence industrial and technological base on the territory of Bulgaria necessary for the implementation of the European Defence and Security Policy (EDSP) as part of the Common Foreign and Security Policy (CFSP) of the EU; perform tasks related to the servicing of defence systems in countries which the Republic of Bulgaria has established partnerships and mutually beneficial cooperation with in accordance with internationally agreed principles, mechanisms and norms.

- The enterprises whose potential forms BDTIB are determined based on unified criteria approved by the government body tasked with carrying out the institutional cooperation relevant to the implementation of this strategy and are based on the EU directives relating to defence and security goods, the priorities in terms of the types of capabilities to be developed for the defence needs of NATO and EDA.

- The research and development support for BDTIB is based on a broad national integration of research institutes, organisations and companies owned by the state or by Bulgarian and/or foreign legal entities and physical persons from the NATO and EU member-states as well as joint ventures on the territory of Bulgaria owned by the above and:

- conducting surveys, feasibility studies and creating prototypes of defence goods used in defence and security operations;

- producing and selling defence goods, materials and components thereof, integrating their own products, subsystems and systems into end products which are complex arms systems based on leading foreign technologies and/or maintaining a capability of performing defence and security tasks.

- BDTIB functions and develops:

- based on the economic interest related to expanding the production and increasing the profits in a situation of free market and fierce competition characteristic for every sector of the national economy;

- under the influence of factors of state, political and military nature, and in compliance with the safe production rules and the controlled trade in defence goods, devices and systems nationally and internationally;

- through meeting a significant part of the needs for new and sustaining the existing defence capabilities, supplies of products and services for the national defence and security and by providing solutions to defence tasks related to the commitments of Bulgaria as a partner and ally.

In order to improve the quality, reduce the costs and increase the flexibility of armed forces maintenance, ongoing or during missions outside the country, BDTIB could be assigned with maintenance tasks in times and regions that are close to military operations. This will extend the scope of activities in terms of the services rendered by BDTIB for the national security and defence.

#### **1.4 PRIORITY PRODUCT DEPARTMENTS IN BDTIB AND TYPES OF ENTERPRISES**

Based on the criteria laid down in the Strategy to determine the defence industry enterprises and their classification in accordance with a study commissioned by EDA there are 6 categories of defence manufacturers and suppliers.

1. End products' manufacturers with competitive advantage in a certain niche ([The Niche Competitor](#)).

This is the largest group and includes:

- Enterprises, institutes and organizations developing, producing and selling to the national armed forces and foreign armies, including those of NATO and EU member-states, traditional goods in product departments such as:

- munitions and small arms, guided and unguided missiles;
- repair and modernization of military equipment for the armed service branches (mostly Russian/USSR made);
- radio-electronic war devices, detection equipment and equipment for countering and protection against improvised explosive devices;
- radio location and identification devices;
- passive and active protection devices for troops and military equipment, etc.

- Enterprises involved in the co-production of

- unmanned aerial vehicles
- certain types of precision-guided munitions

2. Enterprises and organizations with capabilities to be the "main contractor" or contractor in projects/programs in the field of weapons and systems ([The Aspiring Prime](#)).

Some of the above enterprises and institutes have the potential to develop capabilities to implement projects for the supply or modernisation of existing main systems and weapons in the Bulgarian Army on their own or jointly with a foreign contractor.

There are sufficient conditions for the country to contribute to the creation of architectures and the integration of systems for the so called central digital collective defence operations management.

3. Intermediary subcontracted by the main contractor to organise supplies or modernisation projects (systems integrators, modernisation supervisors, etc. that have no or have insignificant production and technical potential and provide organisational engineering).

This category of companies will include firms performing national defence tasks mostly in the areas of infrastructure and communication systems of the Bulgarian Army, and for the preparation of missions abroad. The companies will form active partnerships with leading manufacturers from the Euro-Atlantic countries.

The experience gained in the fields of:

- communication and information systems;
  - surveillance and control systems for Bulgaria's maritime and land borders
- will be further expanded.

4. Flexible high-tech enterprises supplying complex components and services of diversified application in different areas, including non-defence application.

Apart from the manufacturers of optical components and devices, and the providers of installation services for radio-electronic navigation and control devices it is expected that producers of automobiles and armoured vehicle equipment, medical equipment for field hospitals units, etc will develop their capabilities.

The developers of specialised software to be integrated in the control, simulation and training, and tracking and identification systems as defined in the list of defence goods will also play a significant role in the future.

5. **The Logistics Service Providers**, specialized in transport operations, medical treatment, prevention/elimination of the consequences of certain types of dangerous devices. etc

These services for the national and allied armed forces deployed on the territory of Bulgaria as well as for civil structures and organizations will be further developed. Based on the established practice of drawing and submitting catalogues the institutions will refer to the bodies and commands involved in the preparation of both allied missions and operations, and such related to the prevention and elimination of the consequences of disasters and emergencies.

6. Enterprises producing low-cost supplies, materials, including military application systems and equipment (**The Low Cost Company**).

The production of military supplies or general industrial goods to be integrated in the military infrastructure - personal equipment and protection gear, batteries, chemical composites and substances for personal protection. The alternative power generation sources are also a department with potential for development.

The above categories of enterprises will fully or partially ensure the reliable and timely performance of the national defence and security tasks assigned and will be able to satisfy the needs related to the collective defence and increase the competitiveness of BDTIB:

The main direction and trend in the development of BDTIB is the establishment, development and use of both defence and civil capabilities which will lead to improved cost-efficiency.

There are many challenges to be overcome in order to achieve full integration of Bulgaria in the defence supply chain at European level. Such a challenge is the transformation of the scientific and theoretical innovative achievements into market-oriented products. The image of the country abroad is currently associated mostly with traditional activities. The goal is to change this perception and establish Bulgaria as a research, technological and innovative centre.

## **2. MAIN GOALS AND STAGES OF IMPLEMENTATION**

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### ***The main strategic goals are:***

***- creating favourable conditions for the development of high-tech and competitive defence industry and forming a modern, adequate and reliable defence technological and industrial base as part of the European defence technological and industrial base and the defence assets within the framework of the Euro-Atlantic community;***

***- establishing national defence capabilities for performing the tasks relevant to the national security and defence and contributing for the development of the defence capabilities of NATO and the EU through involvement of the Bulgarian industry;***

***- defence technological and industrial cooperation and integration with the EU and NATO countries aimed at achieving high BDTIB return on investment rate, effective use and adequate economic results of the financial resources spent on the production and supply of defence goods.***

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### **2.1 The main goals of the Strategy will be achieved by:**

- creating favourable conditions for the transfer of high technologies into the production and applying innovative approaches and solutions in the establishment and improvement of the defence capabilities, products and systems in areas traditional for Bulgaria;



- maximising the economic benefits from the planned defence spending and financing research and technology activities, as well as the efforts of the business to increase the effectiveness of production and export.

## **2.2 The achievement of the goals will have two implementation stages:**

●in the first stage by the end of 2018 the BDTIB reorientation aimed at achieving increased participation, commitment and project implementation or parts thereof for the national armed forces and within the cooperation framework of NATO and the EU is expected to be completed and the defence and industrial cooperation will be expanded by employing new forms and joint projects with the national armed forces and the developing industries of friendly third countries;

●in the second stage after 2018 based on the synchrony achieved in providing services for the national defence capabilities and satisfying the needs for state-of-the-art products and systems due to acquired "know-how" and a high-tech production start-up BDTIB will be further developed and measures will be taken for meeting Bulgaria's commitments in terms of the national and collective defence in line with the vision, strategies and plans drawn by NATO and the EU until 2030 and a qualitative change will be effected in the products structure, volume and effectiveness of production and export of Bulgarian defence goods.

## **3. INSTITUTIONAL SUPPORT FROM THE GOVERNMENT AUTHORITIES AND PARTNERSHIP WITH THE BUSINESS**

### **3.1. Partnership for structuring and consolidating BDTIB**

●It entails retaining and developing the established liberal model of managing the ownership in the industry and the commercialisation of research. The necessary level of freedom of entrepreneurship will be strengthened so that the enterprises, institutes and organizations engaged in technological research can develop and use science and technology products. The revised balanced role of the state will be to set common (state-business) strategic priorities and operational objectives in the area of defence and security. This will make it possible for the manufacturers to be more flexible and pro-active in establishing long-term and mutually beneficial cooperation with partners from NATO and the EU in the implementation of joint armed forces modernisation projects in the Euro-Atlantic countries or third countries.

●The process management in the BDTIB enterprises combines:

- elements of the corporate management to the extent that economic goals are being set, assets are being managed and economic activity is being carried out as a division of responsibilities between the business and the state;

- expanding and developing partnership with the defence and security business, including to achieve the planned defence capabilities with identified national capacity.

●The partnership between the state and BDTIB in the security and defence sector will be based on:

- understanding of the common goals nationally and within the Alliance;
- voluntary assumption of responsibilities for the development of BDTIB;
- contractual principles in performing ongoing and future (including wartime) tasks;
- shared responsibility.

●The principle underpinning the strategy is that the state and BDTIB on their own are not able to implement the effective policy for the development of the defence industry needed for the attainment of the identified defence capabilities. Putting the joint activities of both on a firm basis would serve as a guarantee for success.

The principles based on which the relationships between the government, the state institutions and the organizations representing the BDTIB interests should develop are as follows:

- **Professionalism and trust** - each side should accept the competences of the other.

The powers of the state authorities relate to the provision of objective information and correct assessment of the processes in the defence and security sector and the economy, the potential and readiness to formulate and implement policies, mechanisms and tools for managing the processes in the sector and the economy of the country.

The BDTIB business associations, enterprises, institutes and organisations have a clear vision for the development of the industry, the opportunities to acquire timely and reliable information regarding the new cutting-edge technologies, in-depth knowledge of the industrial capacity, accurate assessment of their place on the international markets, knowledge of the key business processes.

- **Constructivism** - dynamic interaction aimed at achieving specific attainable and mutually beneficial results;

- **Coordination** - joint consultations and decision-making on all issues related to BDTIB;

- **Ongoing communication** - provision of information about initiatives and projects of mutual interest in Bulgaria and abroad, including cooperation at an early stage with BDTIB in order to define the needs of the armed and security forces in a timely manner;

- **Willingness to cooperate** - the government authorities at all levels in the country and abroad work to establish a mutually beneficial industrial cooperation between the leading foreign manufacturers of defence goods and the BDTIB enterprises, institutes and organisations, taking into account the key capabilities of the defence industry which mostly entails providing the needed information about the partners and promotion of the Bulgarian manufacturers and assistance in maintaining the contacts. Maximum use will be made of the opportunities created in the process of implementation of projects for armed forces modernisation and the state authorities will create favourable conditions for cooperation between the Bulgarian enterprises and the foreign contractors. BDTIB should aim to achieve trans-national industrial cooperation in order to acquire new capabilities, meet the growing needs of the armed forces, open new defence goods markets.

•The following will develop parallel to the institutionalisation of the partnership between the state and BDTIB:

- the research, development, manufacturing and sale **clusters** that are an established practice in the EU.

- the established corporate forms of setting up joint companies with state participation will allow for increased flexibility in acquiring (by the state), funding (by the state and business) and using (by the business) intangible fixed assets for technological and product modernisation and sharing the entrepreneurial risk through large-scale joint programmes for the modernisation of the armed forces of Bulgaria and other NATO and EU member-states.

*\*Cluster: geographic network of similar, interrelated or complementary competitive companies with active channels for business interaction, communication and dialogue which use a common specialised infrastructure, labour and services markets and are faced with the common development opportunities and/or threats. They are usually specific networks of interrelated but still competitive companies, specialised suppliers of services and the relevant administrative authorities and NGOs in the respective area.*

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***The dynamics of the defence and security processes make it necessary to develop and implement a flexible government policy for BDTIB development. The coordination of efforts aimed at formulating such a policy is carried out by the Inter-ministerial Defence Industry and Security of Supplies Council at the Council of Ministers. (IDISSC).***

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In order to provide support for this key role of the Inter-ministerial Defence Industry Council it is necessary to:

•Update and specify the functions of the current council in the area of defence industry, export controls, international military, economic, research and technological cooperation and the defence mobilisation preparedness (DMP) of the country in accordance with the membership in NATO and EU and the collective defence commitments;

•Change and align the legislative documents regulating the work of the council with the changed tasks of the armed forces and the planned capabilities they will need to develop which would make it possible for them to comply with their constitutional obligations and the tasks laid down

in the AFDL, the National Security Strategy as well as the new security of supplies rules of the community.

- Increase the coordinating role of the council in the area of defence, economic and technological cooperation with the European and Euro-Atlantic partners in order to expand the BDTIB participation in international research and development programmes and projects of NATO and the EU;

- Change the approach and seek to establish modern forms of cooperation between the state authorities represented in the Council, the BDTIB organisations and associations, including research and development units.

This can be achieved by setting up a **permanent contact expert group** (CEG) comprised of business representatives (including legitimate industry associations), representatives of scientific institutions and state bodies.

The CEG members may be non-permanent members of the DIC and have the following obligations:

- to support the decision-making process in the DIC regarding the implementation of the Strategy by providing expert positions;

- to coordinate and interact with the Industrial Forum which will draft the White Paper on Defence;

- to provide support in coordinating with the scientific research units and institutions at the MoD, MoI and MES as well as with European and international research centres working in the arms field;

- to support the process of drafting and approving the DIC National Annual or Multi Annual Programmes for research and development of innovation products for the needs of the defence industry.

- Strengthening the **IDISSC** administrative and expert capacity;

The **IDISSC** functions should secure the conditions necessary for the achievement of the following main goals:

- formulation and implementation of BDTIB development policy, including wartime obligations;

- ensuring the unity and the effective participation of both state bodies and the industry in the work of NATO and the EU institutions as well as in the bilateral relations.

- support for the coordination between the Ministry of Defence, Ministry of Interior and Ministry of Education, Youth and Science in the drafting of the annual research and development budget in order to provide joint funding for the best scientific projects and to avoid duplication of efforts;

- development and application of different forms of cooperation between the government bodies and the defence industry enterprises;

- maintaining the existing and developing new key competitive capabilities of the defence industry meeting the national security and defence needs and contributing to strengthening the defence and security in accordance with Bulgaria's commitments as a member of NATO and within EDA;

- creating favourable environment allowing for maximum use of BDTIB in the national and collective defence and increasing the share of the defence industry in the Bulgarian export for third countries.

### **3.2. Ensuring an adequate industrial capacity in support of the national and collective capabilities**

#### **Priority requirements to BDTIB**

Given its existing and constantly improving capacity BDTIB contributes to the performance of the key functions of the state and the tasks of the government agencies related to Bulgaria's defence and security:

- **defence preparedness** – ensured using the scientific, technological and product support for the planned capabilities of the armed forces in response to the current challenges, including capabilities required for the military units taking part in NATO and EU operations;

- **contribution to conflict resolution** – ensured using technological and material support for intensive development of capabilities allowing for a high level of compatibility in NATO and EU missions;

- **adequate threat response** – ensured through developing cutting-edge technologies and providing them to the security services thus achieving maximum defence against dynamically developing and diverse threats, including terrorism.

### **Commitments of the state aimed at meeting the priority requirements to BDTIB**

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*The government policy with regards to BDTIB is based on the significance that is attributed to ensuring adequate support for the armed forces and security services, the NATO agencies and commands and the EU forces by providing them with defence goods and services made in Bulgaria. Every year the government allocates considerable budget resources for defence and security with the predominant share of investments being for supplies of goods and their maintenance. This activity underpins the implementation of the BDTIB government policy.*

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The relations between the government bodies and the defence industry are focused on the implementation of contractual project activities resulting in the timely development, production and supply of the contracted defence goods at a reasonable cost, with the required quality and at the agreed time and place. In this way favourable conditions are created for the effective use of the BDTIB industrial resources in order to provide support for the national missions and tasks of the armed forces and meeting Bulgaria's collective defence commitments as NATO and EU member. The appropriate and effective use of the defence and security budget is based on implementing a responsible government policy for supply of defence goods and services and investments in the defence and security sector. This policy will be carried out based on updated criteria and informed decisions.

The role of the state for the development of defence capabilities will also consist in creating conditions and working mechanisms for motivating the private entrepreneurs to take bigger innovation risks and invest in market-oriented products.

The opportunities for the BDTIB enterprises to take part in projects and programmes aimed at developing the necessary capabilities of the armed forces will be based on the following principles:

- **the most economically advantageous offer** - the price of the defence product including the associated costs throughout the life cycle of the product; the extent to which the product meets the functional requirements; delivery time including to regions where military operations take place (the risk is assessed as well as the ability of the supplier to manage the technological and trade risk);

- **the conditions for achieving the national security priorities by contracting a foreign entity** – decisions on a case-by-case basis will account for the possibility of losing BDTIB strategic industrial capabilities;

- **security of supplies** – for the armed forces and security services, including in conflict areas (regions where military operations are taking place). BDTIB will develop capabilities related to the security of supplies for the armed forces and security services and maintaining the supplied goods and services in the cases when BDTIB is the **main contractor** in modernisation projects and when it is a subcontractor along with a foreign supplier;

- **opportunities to invest in key technologies** – in order to best use the limited national research and development resources mechanisms will be developed for their re-deployment for identified national defence and security priorities and the contribution to the defence capabilities of NATO and the EU. For this purpose BDTIB will be given an opportunity to develop key technological solutions.

- **opportunities for industrial cooperation: – participation of BDTIB enterprises in public procurement of defence goods**, which will stimulate them to invest in expanding the existing or creating new product departments which will in turn have a positive effect for the

economy; joint manufacturing and supplies between a BDTIB entity and a foreign contractor or foreign investments and technological transfer to BDTIB in accordance with the established public procurement rules;

- **opportunities to develop the export potential** – the participation of Bulgarian companies in public procurement procedures for the needs of the armed forces and the successful contract implementation will create conditions for the foreign users to “recognise” the quality of the defence products. The export as a result of the defence spending will contribute to achieving the so called “economy of scale” in certain conditions which comply with the incentives and relief clauses in Bulgaria EU Treaty. Mechanisms will be worked out for export of goods and systems used by the armed forces of the Republic of Bulgaria;

- **the industrial capabilities**, which need to be retained and further developed – these are capabilities that will be identified not only based on the current needs, but also in terms of the future capabilities of both the armed forces, and governments within the framework of the Euro-Atlantic partnership and the bilateral relations. The significance of the industrial capabilities for the economy of the country and its regions will also be taken into consideration.

The main guarantee that the selected approach for the supply of defence goods would be best suited for each individual project is the assessment of the maximum number of factors by all state bodies at the early stage of project development. By setting the framework conditions for the future supplies the state should be able to establish a constructive dialogue with the defence industry and thus avoid problems relating to the lack of sufficient and timely information about the needed technologies and all other factors related to the overall performance.

The policy vision of the state regarding the development of the capabilities of the armed forces will make it possible for the industry to draft its long-term investment programmes for building new technological and production capacity based on sound grounds. For this purpose an **Industrial Forum** will be set up as a venue for direct contact, stable trade relations and active dialogue between the institutions of the state and the industry and the scientific community in the area of defence and security.

### **3.3. Ensuring the security of supplies**

#### **National context**

The government bodies will adopt a package of measures aimed at improving the long-term security of the defence supplies by identifying the key industrial capabilities to be developed and by drafting procedures for their certification, maintenance and modernisation and by involving the defence industry enterprises in the process of ensuring the security of supplies.

#### **International and European context**

The state will further reinforce the cooperation with the Euro-Atlantic partners in terms of ensuring the security of supplies by regularly providing:

- data on the potential of the Bulgarian suppliers of defence goods to the NATO agencies and commands;
- updated information about the national defence technological and industrial base to the EDA bodies tasked with identifying and developing the product departments of the European defence technological and industrial base in addition to the mechanisms applied so far.

The government of the Republic of Bulgaria will strive to receive strict bilateral and multilateral guarantees in the cases when due to operational emergency the supplies need to be accelerated by applying the reimbursement principle.

#### **To achieve these goals the competent government bodies will:**

- study and analyse the international and European best practices in the field of ensuring the security of supplies;
- take pro-active part in the initiatives of the structures of NATO, the European Defence Agency and in the bilateral relation in this area.

### **3.4. Competition and cooperation policy**

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*The need to create favourable conditions ensuring fair competition in the supply of defence goods and in the implementation of modernisation projects for the armed and security forces underpins the concept of effective and expedient spending of the defence and security resources. The benefits from implementing such a policy are unquestionable both in terms of providing support for the armed and security forces, and in terms of developing new technologies in BDTIB to be used along other things for opening new international markets. The competition in the process of contracting and subcontracting project activities stimulates the innovations, contributes to the effective use of the resources and improving the knowledge and skills of the people employed in the sector.*

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•Competition will remain the main policy in the supply of defence goods. The establishment of a competitive environment will be based on the most economically advantageous offer which entails an assessment of: the functional compatibility of the product and delivery time; the risk associated with achieving the required functionality; the equipment maintenance costs as well as a wide variety of factors and criteria listed above. Bulgaria will strictly comply with the requirements related to ensuring a competitive environment based on the experience gained by Bulgarian companies in competitive international NATO procurement procedures and in meeting the requirement laid down in the Strategy for the European Defence Technological and Industrial Base, the Code of Conduct on Defence Procurement, The Code of Best Practice in the Supply Chain of the European Defence Agency, the Common Industry Standards of the European Association of Aerospace and Defence Industries and the regulations of the Directive of the European Parliament and the Council concerning the coordination procedures for the award of certain public works contracts, public supply contracts and public service contracts in the fields of defence and security.

•In order to achieve a more adequate management of technological and trade risks in the cases when this is practically applicable the public procurement procedure for the supply of defence goods will be divided into two separate stages and a contract will be awarded for each stage. The functionality of the product to be supplied will be tested in the first stage and the suppliers that successfully implemented the first stage will be invited to take part in a tender procedure to select the supplier and subcontractors for the full batch of defence products;

•Ensuring a level playing field for private companies and state structures in participating in the development and implementation of national industrial, trade and infrastructure programmes. Forming public-private partnerships (PPP) and implementing practices for optimisation of the use of the public and private funds and maximisation of the benefits;

•Maintaining constant coordination between MoD, MoI and BDTIB. Their representatives will take part in the **contact expert group at IDISSC**. The mutual benefits for MoD and MoI are as follows: access to the expertise of the defence industry and its innovative ideas; identification of problem areas at the early stage of project preparation; flexible relations and possible change of the requirements at any stage as well as creating opportunities for increased benefits in the long-term.

•The competitive selection will be applied in all supply cases taking into account at the same time the objective restrictions imposed by the occurrence of situations requiring of the future supplier to make large-scale long-term investments without guarantees for return and given that there is only one supplier possessing unique intellectual property. In such cases the main requirement to the suppliers will be to apply a competitive approach to the selection of BDTIB subcontractors. The selection of subcontractors should take place at the earliest possible stage of the supply process or project implementation and the main relation with the main foreign contractor should be a long-term industrial cooperation before, during and after the supply and contract execution.

•Conditions will be created based on the cooperation for attracting foreign investments which could exceed the scope and coverage of the specific modernisation project and/or contract for supply of defence goods. The defence industry should acquire access to high technologies established in the international markets to build new industrial capacity and improve its competitiveness .

#### **4. MARKET ORIENTATION AND INTERNATIONAL COOPERATION**

●In order to achieve synergy of the marketing efforts, attain the market aspirations of the BDTIB manufacturers, stimulate export and establish positive defence, economic and military cooperation the government bodies will develop packages of measures as laid down in the Action Plan for the Implementation of the Strategy. The BDTIB enterprises will be provided with information about the possibility to place products abroad, and the activities related to promoting the Bulgarian defence industry in international organisations and Bulgarian missions abroad will be diversified and intensified.

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***The good knowledge of the BDTIB needs, the effective promotion of the key advantages of the defence industry and attracting potential foreign buyers of Bulgarian defence goods and services will be the main means and methods of implementing the BDTIB development policy by providing access to cutting-edge technologies and sale of the products.***

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The Bulgarian government will make active use of the opportunities presented by the foreign and industrial policies in the field of defence and security in order to retain and further develop the advantages of the country's defence industry, including in key technological areas. The policy pursued as part of the common security policy will seek to ensure the preservation of the key defence capabilities, technology and personnel and to solve the issues facing the small and medium enterprises. The formulation of the national position in consultation with our partners in the EU (EDA) and NATO regarding the above aspects of the current situation and future development of BDTIB will be done in conjunction with the industry. The international cooperation and the assistance rendered for the better adaptation of the BDTIB enterprises will result in more investments and increased competitiveness and will have a positive effect on the export potential of the Bulgarian defence industry.

#### **Key development areas and activities**

1) Integration into the common European defence market and increasing the contribution to the NATO defence system.

In order to comply with the requirements for establishing a sound economic basis in the area of defence and security and to meet our commitments to our partners and allies better medium-term integration should be achieved into the common European defence market. This process will entail the following steps:

- Achieving a high level of coordination in the work of the institutions and the involvement of BDTIB entities in order to increase the Bulgarian contribution to the phases in the cycle of "identification of long-term defence priorities (capabilities) – research and technological development combined with feasibility studies for the new capabilities – certification, standardisation and operational compatibility of weapons – acquisition of capabilities; transfer of experience and adapting the mechanisms to the national practice (NATO);
- Active participation of the BDTIB structures and experts in competitive and non-competitive forms of providing industrial expertise to the bodies engaged in weapons development and the structures and bodies of NATO as well as in industrial and economic initiatives;
- Membership of Bulgaria and making use of the opportunities presented to the armed forces and the business to take part in support provision, maintenance and demilitarisation of military equipment under the NATO Maintenance and Supply Agency, such as: General Services Programme (Ammunition Procurement & Demilitarization), Aviation Support Programme (helicopters overhaul/upgrade) etc.; participation in the tendering procedures for supply of arms, equipment, services and products of general use and in the industrial forums for exchange of information and experience between the NATO maintenance, supply, consultation, command and management agencies;
- Participation of the Bulgarian industry in the main NATO collective defence modernisation programmes by 2030 such as NATO Alliance Ground Surveillance, Territorial Missile Defence, etc.
- Adopting the European requirements resulting from the establishment of a common European market and development of national requirements in line with the European ones;
- Identification of key research and production capacities (based on the Plan for Development of Capabilities and the European Defence Research and Technologies Strategy) and

synchronisation of the activities of the administration and business to best promote the national industrial capacity in the process of identification of the European defence technological and industrial base; promotion measures for large industry sectors, and inclusion of the small and medium enterprises in the supply chain (subcontractors);

- Implementing a policy aimed at developing the small and medium enterprises. They are the entities that could be successful in the European market. They are usually flexible and can quickly innovate and the future BDTIB success will depend on the effective use of the human capital and successful introduction of innovations;
- Preparation and participation in the EDA research and technology projects and programmes for weapons development; development, production and supply of defence goods to the NATO and EU member-states ;
- The identification of key research and production capacities and participation in joint projects is an ongoing activity and will be carried out in order to satisfy both the national defence and security needs, and to ensure a sufficient research and industrial contribution to the collective defence of NATO and the defence capabilities of the EU;
- Implementation of a government policy for highly qualified and well-educated specialists in the field of defence and security.

2) Bilateral military and industrial cooperation and access to the defence markets of third countries.

- The bilateral military and defence industrial cooperation with NATO and EU member-states will be aimed at establishing conditions for accelerated performance of the defence and integration obligations of Bulgaria deriving from the objectives of the above alliances and will support the modernisation of the industrial capacity, and the scientific, technological and production cooperation;
- The bilateral military and defence industrial cooperation with countries that Bulgaria has maintained relations with in the field of defence and security will be carried out to retain the positions of the Bulgarian industry as partner to the armed forces and security services in these countries and to the local industry through joint production of defence equipment and arms. The aspirations and the increased potential of these countries to conduct research on their own or in cooperation will make it necessary to modernise the forms of bilateral relations at institutional and business levels;
- Support for the export of goods will be provided through specific initiatives and measures of the competent government bodies which provide for equal treatment and increased competitiveness of the Bulgarian producers on the international markets. The government bodies draft and implement in conjunction with BDTIB programmes designed to stimulate and assist the export of defence good to the European market and third countries' markets

3) Control over the export of defence products is yet another element of the government policy in the sector. The government bodies will continue to exert export controls over such goods in accordance with the existing European and international requirements.

4) Proven and effective forms of resource sharing and regulating the relations in the cases of exporting similar defence products will be employed nationally in order to stimulate the export activities of the enterprises by applying the cluster approach.

The recommended **cluster** formation will be aimed at increasing the export effectiveness through consolidation of the interests and capabilities of the enterprises in the following product departments:

- production and trade in weapons and ammunitions and other passive and active protection gear;
- identification, surveillance, communication and control devices and systems, including IT products.



This will contribute to implementing a targeted and effective market policy and to the cooperation in a situation of NATO and EU integration and for the development of the traditional defence and economic relations with third countries.

## 5. RESEARCH AND TECHNOLOGY IN SUPPORT OF DEFENCE AND SECURITY

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*Investing in research and technologies is a key factor driving the prosperity of the defence industry. Technological innovation forms the basis of all processes for the modernisation of the armed forces and security services throughout the entire life cycle of the products. The use of the national research and defence technological base creates additional pre-requisites for accelerated economic development through commercialisation of scientific research and development. The lack of a targeted and effective policy in this field makes national security dependent on outside sources of technologies and products which produces a number of negative consequences for the country (in terms of its foreign policy, economy and social area, etc.)*

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●The research and technologies outcomes are a source of development and strengthening the national research potential and the activities associated with it (e.g. maintenance, servicing and repairs, etc.). They create conditions for long-term development of the armed forces of the country which development can not only impact the inter-institutional processes, but also other sectors of the national economy. On the other hand, they can be used for both establishing leadership positions nationally and internationally in key segments of the defence and security field as well as in the area of civil use of technologies. A **Defence Research and Technologies Strategy** needs to be developed for the purposes of formulating and implementing the national policy in the field taking into account the significance of research and technology for the national defence and security. This section serves to set the framework requirements to be further elaborated in the above strategy.

●Our country is not capable of conducting research and maintaining the technologies necessary for the development of all defence capabilities outlined. In this respect key technological areas and the research capacity needed to develop the defence capabilities need to be identified and systematised. It is necessary to determine the place and role of technologies in the economic development of the country and to identify those that will sustain their development potential for a period of not less than 10-15 years. Establishing the scope and content of the research and development areas and drafting a list of main technologies in support of the defence and industrial needs would guarantee the timely and efficient implementation of the government policy concerning the development of the industry.

●The entities involved in the process of research and development for the needs of the national defence and security are MoD and MoI, their affiliate military and scientific units, MEYS, the national scientific organisations specialised in such research and the business as a direct beneficiary of the research and development outcomes. The focus of development should be placed on the priority areas while at the same time efforts are made to support other research areas based on the understanding that science has a broader application. The participants will coordinate their efforts on the following:

- Assessing the impact of the technological achievements on the development of the operational capabilities;
- Development of the Bulgarian defence technological and industrial base and research and development centres;
- Making use of the existing opportunities to establish partnerships and cooperation aimed at sharing resources, research infrastructure and equipment, risks and benefits;
- Maximum use of all available financial instruments of NATO and the EU for the implementation of pilot projects and development in the defence and security field, sustainable development, risk management and management of civil processes;
- Practical implementation of the results and promotion of the solutions generated in the partnership

and cooperation under national and European programmes;

- Implementation of the best European practices in terms of public-private partnerships. The parties will be open for full-fledged involvement of EU partners and other partner-countries, and of NGOs, etc.;
- Development of the priority areas as laid down in the European programmes and initiatives in order to gain access to funding. The possible priority areas are: security, monitoring and management, transport, health, civil defence, energy, environment, new materials, cutting-edge technologies, including nano-technologies, sharing and security of spatial data, competitiveness, maritime research, etc.;
- Encouraging and assisting the strengthening of relations between the business sector, universities and research institutions at national level, including based on public-private partnerships;
- Working out special measures and activities for entrepreneurship development, including entrepreneurship coaching at all levels of the educational system and establishment of the so called "Knowledge Factory" - youth technological platform;
- Pilot marketing campaigns aimed at attracting investors to target sectors;
- Making use of the European research and development initiatives such as the establishment of centres of excellence, and resources centres in the medium and long term;
- Investment incentives and lowering the thresholds for the supported projects, financial instruments aimed at stimulating the innovations in the Bulgarian enterprises with special focus on micro, small and medium enterprises, start-ups and technological companies;
- Encouraging the young professionals to work in the defence industry by special school and university fellowships, paid internships, exchange programmes in similar institutes and enterprises in other EU member-states.

- IDISSC** will support the efforts of MoD, MoI, MEET, and MEYS to establish the conditions necessary for the consistent cooperation between the research units and the industry and to facilitate the timely and successful transformation of the developed technologies into high-tech products. The main instrument of this policy is the establishment and maintenance of Centres for Cutting-Edge Technologies based on proven research centres developing and producing defence and security products. The efforts will be focused on maximising the benefits from using civil technologies where applicable. The application of civil technologies for defence and security purposes will stimulate investments both in terms of development time (development periods are shorter compared to the defence technologies) and in terms of the opportunity to quickly penetrate markets which are considerably larger than the defence markets;

- In order to create the best possible conditions for research and development in the field of defence and security the budget allocation should be not less than 2% of the defence budget with 20% of those being earmarked for EDA contributions for joint research and development activities. The participation in joint EU and NATO research and development projects will eliminate the risk of duplication of efforts in this area. MoD, MoI and MEYS should coordinate the annual research and development budgets and avoid duplication in the areas where the research can be used in both the military and civil spheres. This coordination is to be achieved within the framework of IDISSC;

- In order to fully meet the state's commitment to develop a competitive BDTIB long-term measures and initiatives should be carried out on the part of the legislative and executive branches to create a favourable environment for the education and qualification of engineers and mid-level specialists for the needs of the defence industry enterprises, as well as for other industries supplying products and services for strengthening the defence and security of the country. The needs for highly qualified mid-level executives and high-level engineering personnel will be satisfied through:

- improving the capacity of the vocational schools and changing the curricula for executive personnel with vocational school diplomas in certain subjects such as industrial chemistry, mechanics, optical devices, electronics, electric engineering, etc.;

- joint review and update of the curricula and opening of new departments, when needed, for the qualification of the defence industry personnel;

- development and adoption of a national programme for life-long learning for the defence industry personnel to be approved by IDISSC.

The qualification of personnel in leading foreign schools, the specialisation and re-qualification in leading companies and research centres in the field of defence and security is a pressing need that will be addressed by a pro-active exchange of personnel based on inter-government and inter-company agreements.

## 6. THE FUTURE OF BDTIB

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***In accordance with the main goal laid down in the Strategy the future BDTIB should be closely integrated and develop its capacity and competences in an environment where new capabilities will be developed and where the defence and security needs within the EU and NATO will be met. The traditional cooperation with MoD, MoI, MEET, MEYS and the industries of the countries that Bulgaria maintains and develops defence and security relations with should be given a new impetus.***

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•The government bodies and the defence industry will maintain constant and active dialogue in order to produce the best results with the available budget resources for defence and security which are gradually being reduced as a share of the GDP while the absolute amounts remain the same or increase slightly. The defence and security budgets will not grow at the rate they have been growing so far. At strategic level the relations between the government institutions and BDTIB will be supported by **IDISSC** and its task forces in terms of developing individual aspects of the defence industrial policy and finding solutions to specific problems of the stakeholders. The participants will maintain constant dialogue at all levels.

•The successful further development and strengthening of BDTIB will depend on the ability of the industry to respond flexibly by using technological solutions to the dynamically changing needs in the volatile and unstable security environment. Therefore, the products developed and produced by BDTIB in the next years and the technologies applied should be focused on finding unique technological solutions with high added value and on massive use of new materials and components subject to improvement through addition of compatible and updated modifications and solutions.

•Establishing the framework of technological areas which are key and critical for the national defence and security will form the basis for the accelerated and sustainable development of the research potential and defence industrial capacities. Their development and maintenance relies on the flexibility in stimulating new ideas and putting the industrial results into practice to address the risks related to the quickly changing security environment. The national human resources in the area of research and production are the driving force for creating new ideas and generating results. The establishment of a consistent education system for the qualification, and career development of the personnel will contribute to preserving the acquired knowledge and skills, experience and know-how and will attract new researchers, engineers, and executive staff serving as a firm basis for the future of BDTIB.

•In turn the managers and owners of BDTIB enterprises should ensure their successful adaptation to the changes and their accelerated development in a situation of fair competition nationally and internationally. As a result of those activities BDTIB will acquire the following characteristics:

- technological advantage in a small number of key capabilities;
- high level of innovation in project solutions, products, processes and applications;
- best balance of cost, quality and functionality;
- ability to provide timely and adequate solutions in changing circumstances;
- flexibility and adaptability to different environment threats – from natural disasters to military conflicts;
- maximum use of civil technologies and materials for military application and forming a broad base of national suppliers and subcontractors in the so called unconventional defence industry sectors in the supply chain;

- creating pre-requisites for dynamic change, restructuring and effective use of workforce, technological and material resources and achieving sustainable industry development and contribution to the national and regional economy, including diversification of innovation solutions with general (civil) use;

- creating favourable conditions for the development of the export potential of the Republic Bulgaria in different economic areas resulting from the improved reputation of the Bulgarian economic partners in the countries where BDTIB enterprises have supplies' contracts, implement joint defence projects and develop joint production;

Achieving the transformation of the Bulgarian defence industry set out in the Strategy in order to fully satisfy the national defence needs, and retaining and strengthening the internationally established reputation of our manufacturers would not be impossible without the initiative of the state, the shared responsibilities of the government bodies and businesses and the synergy of efforts to attain the common goals.

#### **Grounds for optimism:**

- the attention paid by the institutions and the desire to find solutions for developing research, technologies and production, including for defence goods;

- the results achieved so far by the Bulgarian institutions, enterprises, organisations and experts in their involvement in NATO initiatives, programmes and projects of scientific, economic and industrial nature;

- the evolving cooperation in the research and production activities in the EU;

- active joint work with the EDA structures and participation in strategic initiatives for structuring key production of defence goods and military equipment;

- the commitment of the Bulgarian enterprises to the development and production of defence goods, devices, and components for the needs of the leading manufacturers in the Euro-Atlantic countries;

- the cooperation approach in the administrations and the willingness to form partnerships with the industries of the countries that Bulgaria develops bilateral relations with in the defence and security field;

- the regular positive results not affected by the economic crisis of the BDTIB enterprises, institutes and organisations are a clear indicator that the approach proposed in this strategy for the development of BDTIB is right and would serve as a basis for the further stabilisation of the defence industry.