

## REVIEW

**Reviewer:** Assoc. Prof. Iskra Marinova Panteleeva, PhD,  
D. A. Tsenov Academy of Economics, Svishtov  
Field of higher education: 3. Social, economic and legal sciences  
Professional field 3.8. Economics,  
Scientific specialty: Economics and Management (Industry)

**About:** Dissertation for acquisition of Doctor's Educational and Scientific Degree (Doctor of Philosophy) in the professional field 3.8. Economics, Doctoral Program in Economics and Management (Industry), at the Dimitar A. Tsenov Academy of Economics, Svishtov

**Author of the dissertation:** Karmen Dimitrov Vranchev

**Scientific Leader:** Prof. Lyubcho Minchev Varametzov, PhD

**Topic of the dissertation:** „Influence of German investments on the development of the Bulgarian economy”

**Grounds for submitting the review:** Order No. 627 of 26.06.2023 of the Rector of the D. A. Tsenov Academy of Economics for opening a procedure and determining the composition of the scientific jury for the defense of a dissertation, Decision of the Faculty Council of the Faculty of Industry and Commerce (Protocol No. 11/21.06.2023) and Decision of the Scientific Jury, taken at the First Meeting, held on 03.07.2023 (Protocol No. 1).

### I. Information about the PhD student

Doctoral student Carmen Dimitrov Vranchev was born on September 30, 1980 in Pazardzhik. He graduated from the Bertold Brecht Language High School (1999) in his hometown. In 2004, he obtained a bachelor's degree in International Relations at UNWE – Sofia, and in 2007 he graduated with honours in a master's degree – major European Integration (UNWE, Sofia). His professional path begins as an expert in the European Legal Integration and International Programmes and International Legal Assistance and International Legal Cooperation departments at the Ministry of Justice of the Republic of Bulgaria. Subsequently, he worked as a Project Manager at the Inter Expo and Congress Centre, Sofia, and Deputy Project Manager for Bulgaria under the DIHK-CEFTA partnership project. Since 2017, he has been working at the German-Bulgarian Chamber of Industry and Commerce, Sofia, as DEinternational – marketing

and business contacts, Head of Dual Vocational Training/Startups, Head of Member Companies and Events and Head of the Dusseldorf Fair representation for Bulgaria.

Carmen Vranchev has very good language skills and computer skills. He is fluent in German and English and he has good knowledge of Spanish and Russian. He is active and has a number of participations in conferences, symposiums, seminars and trainings in Germany, Belgium, Austria, Hungary, Poland, Greece, Turkey, Albania, Montenegro, Serbia, Croatia, North Macedonia, etc.

According to the Order No. 620/15.07.2019 of the Rector of the D. A. Tsenov Academy of Economics from 01.09.2019 PhD student Vranchev was enrolled in part-time study in a doctoral program at the Department of Industrial Business and Entrepreneurship of the D. A. Tsenov Academy of Economics Svishtov, scientific specialty Economics and Management (Industry). He was charged with the right of defense, according to Protocol No. 25/19.06.2023 from the Department council of the Department of Industrial Business and Entrepreneurship and Protocol No. 11 of 21.06.2023 from the Faculty council of the Faculty of Industry and Commerce.

## **II. General presentation of the dissertation work**

The dissertation has a total volume of 234 pages. In terms of type, volume and structure, the scientific development is in accordance with the requirements of Art. 27, para. 2 of the Regulations for the Implementation of the Law on the Development of the Academic Staff in the Republic of Bulgaria. It consists of: title page (1 page), table of contents (2 pages), introduction (8 pages), exposition in three chapters (202 pages), conclusion (6 pages) and references (9 pages). A list of figures (3 pages) and a list of tables (2 pages) are presented. 22 items are included in the main text of the dissertation. tables and 42 pcs. figures. The list of used literature consists of 111 items. Cyrillic and Latin sources, of which 29 are in Bulgarian, and 82 are in English and German.

## **III. Assessment of the form and content of the dissertation**

The main methodological aspects of the dissertation work are presented in the **introduction** – topicality, subject, object, goal, thesis, subtheses, research methods, sources of information provision of the dissertation work and limitations regarding the theoretical scope, subject and object of research.

The **topic** of the development is current, well-founded based on arguments related to the significance, the directions of impact and the directions for achieving positives from FDI. The emphasis is placed on the relations between Bulgaria and Germany and their growing intensity, especially in terms of turnover, investments, number and shares of businesses with the country of origin of the capital – Germany.

The **subject of research** is the impact that foreign direct investments have on the Bulgarian economy, and the **subject of research** is foreign direct investments made in the country originating in Germany. The wording of the topic, the subject and the object of research are precise, clearly formulated, framing the researched issues.



The **aim** is to analyse and evaluate the influence of the direct and indirect effects of the import of direct foreign investments originating in Germany and, in particular, the investments in the Metallurgy sector, following the example of the company Aurubis Bulgaria AD. It is well defined, pointing to the essence of the development, the expected results and the pursued contribution moments. 5 tasks have been identified in connection with the achievement of the goal, following the algorithm from theory to practice, all of them have been fulfilled.

The **thesis** sounds good: “The impact of German-origin FDI on the Bulgarian economy can be objectively measured, analysed and evaluated by identifying the direct and indirect effects arising from the activities of foreign-owned enterprises with German-origin capital as well as nationally (macro), as well as at the company (micro) and regional level. In addition to the direct and indirect effects, there are also induced effects, which the employed use through their remuneration to purchase goods and services and thus create additional consumption, which increases the aggregate internal demand in the country and supports the development of other businesses.” The formulation of the thesis provides an opportunity for outline the theoretical basics; researching, collecting, evaluating and analysing the necessary empirical information; achieving measurable results and enriching scientific knowledge through identified reference points in its content. There is a direct connection with the **three subtheses** identified. Pre-defined limitations in terms of thematic and temporal scope bring additional clarity and strengthen the focus on the specific object and subject of research.

The **structure of the exposition** is logically supported, allowing for the consistent development of research ideas and the achievement of contribution moments.

The **first chapter** is *theoretical*. In it, definitional clarity was achieved in the conceptual apparatus used and the classification variations of foreign direct investments were presented. The main emphases in the researchers' theoretical views are clarified through the prism of the evolutionary development of scientific thought. The motives for making foreign direct investments and the factors affecting their attraction are systematized. The chapter concludes with a classification presentation of the effects that foreign direct investment can have on the host country. The content of the first part of the presentation allows a smooth transition to the empirical research and the subsequent development of the author's research logic to clarify the specific issues and form a good basis for researching the practical projections of the topic in Bulgaria, the specific economic sector and geographically localized region.

The **second chapter** has a *practical focus*. It is dedicated to the policy of attracting and promoting foreign direct investment. The main regulatory framework in the field of foreign direct investment in the country is presented and the role of the state, institutions and specific organizations in attracting FDI is discussed. The content of the second chapter provides an opportunity: to gain greater clarity about the environment and its main elements/conditions/factors that provoked and continue to



provoke interest in the destination - Bulgaria; to identify the key institutions/organizations/associations/chambers that have a significant role in accelerating the process of attracting FDI, facilitating the transition, mediating when starting a business, subsequent support for achieving sustainable business in the country and provoking future interest from other investors. There is an opportunity to identify problem areas and points, in relation to which to apply measures to change the values and the way the elements of the environment affect the behaviour of investors; the trends in the values of indicators related to FDI; and the strength/extent of expected multidirectional outcomes/effects.

The **third chapter** has a methodological and empirical-creative character. Its purpose is to establish the influence and measure the effects of German FDI on the economy of Bulgaria using the example of the metallurgical industry and Aurubis Bulgaria AD. The applied approach in assessing the effects of FDI and methodology for calculating the overall economic effect of the activity of Aurubis Bulgaria JSC in the country are presented. The development of the Bulgarian economy in the period 2008 – 2022 is examined. Based on the data on the main economic indicators of Bulgaria and FDI in the country, the role of Germany in the Bulgarian economy and of FDI originating in Germany is outlined. Narrowing the focus of his empirical research, the PhD student has presented the general picture of metallurgy and the Bulgarian manufacturing industry, with emphasis on gross value added (GVA), productivity in the sector, energy consumption and freight turnover. A connection has been made between the metallurgical industry of the EU and Bulgaria. In view of the main company, a base for research and testing of research demands, the role of Aurubis Bulgaria in the country's economy, processing industry and the labour market is outlined. The chapter clearly defines the effects of the activities of Aurubis Bulgaria and their influence on the Bulgarian economy. Empirical detailing and aggregation of the main directions in which individual types of effects can be identified has been made. It is focused on the indirect effects on domestic demand and the expression of regional effects, on the basis of which the general view of the doctoral student on the impact that the company has on Bulgaria is synthesized. The chapter ends with recommendations for improving the policy of promoting foreign direct investment in Bulgaria, a natural result of the theoretical and empirical research carried out.

In the **conclusion**, relevant summaries are formulated regarding the content of the individual chapters and the results achieved, specific conclusions are drawn and the directions for further development and challenges are outlined in the context of the dynamic development of the world, economies and the sector.

The **total volume of the dissertation** corresponds to the requirements for a scientific work of this type. Structurally, the parts of the exposition are balanced (52 p. – 74 p. – 74 p.), which allows the merits of each part of the development to stand out: a precise presentation of the most important points of a theoretical nature, methodological aspects, rich facts based on empirical data, a general picture and a recommendation part.



The **figures** and **tables** contribute to the good illustration of the different author positions, as well as the main research views of the doctoral student. A variety of **scientific research methods** were used, suitable for the theoretical and empirical development of the dissertation's research views.

The issue of dissertation work has been widely researched, there is a **large number of researchers' developments**, which the dissertation student referred to and built his author's statements.

The **style** of the dissertation is scholarly. The terminological apparatus is appropriately used and presupposes the achievement of a wide-ranging and in-depth analysis of the problem in a theoretical and practical aspect.

**Scientific ethics** have been observed. The reference to the literary sources is done correctly.

On the topic of the dissertation work, **10 developments were published** in specialized publications: 2 co-authored studies, 3 independent articles and 5 co-authored reports. Five of the publications are in English, one of which is in an indexed edition in Scopus. Parts of the dissertation have been presented at 5 scientific forums – 2 doctoral sessions and 3 conferences. The doctoral student also participated in one more doctoral session (with attendance). **86.41 points** were reported (at the minimum required 30.00 points). There is **fulfilment of the minimum national requirements** under the Regulations for Application of the Law for the Development of the Academic Staff in the Republic of Bulgaria. In terms of quality and quantity, the publications meet the requirements for obtaining the PhD degree.

The **abstract** of the dissertation is 55 pages long. In terms of structure, content and style, it is well-formed and faithfully reflects in a synthesized form the main points of the dissertation work: object, subject, goal, tasks, thesis, methodological tools, theoretical and empirical research, achieved results, conclusions and proposals. The abstract includes a reference to the scientific and scientific-applied contributions; list of publications related to the dissertation work; certificate of compliance with the national requirements under the Regulations for Application of the Law for the Development of the Academic Staff in the Republic of Bulgaria; a list of participations in national and international scientific conferences and forums and a declaration of originality and credibility.

#### **IV. Scientific and scientific-applied contributions of the dissertation work**

The dissertation is an enriched scientific study. The author declares the achievement of the following scientific and scientific-applied contributions:

- ✓ On the basis of systematization and analytical review of the existing concepts of the essence and features of foreign direct investment, the definition of the concept of "foreign investment" has been enriched.
- ✓ Enriching the overview of foreign direct investment theories from Stephen Heimer's theory of monopolistic advantage to the modern theories of Kiyoshi Kojima and Terutomo Ozawa.

- ✓ Based on the good knowledge of the current regulations, the regulatory framework for foreign direct investments in Bulgaria has been outlined.
- ✓ An analytical study of a theoretical-methodological and practical-applied nature was carried out on the influence of German investments on the Bulgarian economy and, in particular, on the development of the metallurgical industry.
- ✓ Recommendations have been formulated to improve the policy of promoting foreign direct investments in Bulgaria.

I believe that the formulated contributions reflect enriched and further developed moments on the subject of the dissertation work. I consider them to be the personal work of the author.

#### **V. Critical notes, questions and recommendations on the dissertation work**

Regarding the content of the dissertation, some notes and recommendations can be formulated, more specifically: development of a comprehensive model for stimulating FDI in Bulgaria based on the example of the relationship between Bulgaria and Germany, as well as presentation in a more systematized form of the methodological and recommended part of the study.

I would like to ask the doctoral student what his vision is for the future development of German-Bulgarian economic relations and how dynamic changes in the environment would change the trajectory of these relations?

As a proposal for future scientific research - deepening the study of FDI and in relation to other investors in Bulgaria from other sectors of the economy, on the basis of which to implement in-depth studies of numerous economic entities with foreign capital origin and establish the various projections of the impacts and the manifestation of the effects on more sectors of the economy, as well as the sectoral specificity of the impacts and effects.

The indicated notes and the questions asked are of a clarifying nature and relate to separate parts of the dissertation work. They do not detract from its merits and do not question my positive assessment.

#### **VI. Summary conclusion and opinion**


The dissertation on the topic “Impact of German investments on the development of the Bulgarian economy” authored by doctoral student Karmen Vranchev has the necessary qualities for a scientific composition, represents a completed scientific study and shows that the candidate has mastered the basic theoretical knowledge and a practical toolkit for conducting independent scientific studies. The dissertation meets the requirements under the Law for the Development of the Academic Staff in the Republic of Bulgaria (Article 6, Paragraph 3), the Regulations for Application of the Law for the Development of the Academic Staff in the Republic of Bulgaria (Article 27, Paragraphs 1 and 2), as well as the Regulations



for Application of the Law for the Development of the Academic Staff in the D. A. Tsenov Academy of Economics, Svishtov.

I express my **positive assessment** of the submitted dissertation work and I **recommend** to the Scientific Jury, appointed by Order No. 627/26.06.2023 of the Rector of the D. A. Tsenov Academy of Economics, Svishtov, unanimously to award **Karmen Dimitrov Vranchev PhD (Doctor of Philosophy) in the field of higher education 3. Social, economic and legal sciences, professional direction 3.8. Economics, scientific specialty Economics and Management (Industry), doctoral program Economics and Management (Industry).**

31.08.2023  
Svishtov

Reviewer:   
(Assoc. Prof. Iskra Panteleeva, PhD)