

О P I N I O N

by Assoc. Prof. Dr. Ilian Ivanov Minkov from University of Economics - Varna,
professional field 3.8. "Economics",
scientific specialty 05.02.18 "Economics and Management (Industry)",
member of the scientific jury based on the order Nr. 627/26.06.2023 of the Rector of the Academy of Economics "D. A. Tsenov" - Svishtov

on the dissertation "Impact of the German direct investments on the development of the Bulgarian economy"
for acquiring of educational and scientific degree "Doctor",
in doctoral program "Economics and Management (Industry)"
with author PhD candidate Karmen Dimitrov Vranchev

I. General presentation of the dissertation

The dissertation has a total length of 234 pages and is structurally divided into an introduction (8 pages), three chapters (202 pages), a conclusion (6 pages), a list of references used, including a total number of 104 sources and web pages.

The subject of the study is the impact of FDI on the Bulgarian economy. I believe that the topic is actual, as the research carried out, the problems identified and the recommendations made, provide an opportunity to improve the policy of promoting FDI in Bulgaria.

II. Assessment of the form and content of the dissertation

Undoubtedly, FDI in an economy has a significant impact on its development due to the many direct and indirect effects realized at company, regional and national levels. Typically, investment flows are directed from highly developed to developing economies and the investing companies benefit from advantages such as cheap workforce, access to raw materials, proximity to markets, etc. At the same time, they transfer to the host country new technologies, knowledge, know-how, management experience and skills, which helps to increase the competitiveness of local firms. However, the studies carried out so far do not provide a clear answer on the nature, strength and direction of the relationship between the volume of FDI and macroeconomic indicators such as GDP, GVA, employment rate, etc.

These questions are of significant importance for the Bulgarian economy, which, as a developing economy, relies heavily on FDI for economic growth and is making efforts to attract it. Particularly important in this case is to establish the impact of strategic economies for Bulgaria, with the largest share in investment flows. In this regard, I believe that the subject of the study is appropriate, as Germany is a leading investor in the national economy and in sectors where high added value is generated. The aim and tasks of the dissertation are well formulated, and their realization helps to identify the effects of German investment at micro and macro levels. The research methods and tools used are appropriate to the purpose of the research and adequate to support the thesis, and the style of presentation is at the required scientific level. The author has a good knowledge of the literature and the legal framework on the subject under consideration, which allows him to present his scientific positions in an accessible and well-reasoned manner.

The structure of the dissertation follows the classic model, in that the research tasks defined are carried out by PhD candidate within the framework of a logical and well-arranged presentation divided into three chapters.

Chapter 1 is theoretical in nature and discusses in detail the issues of definition and classification of FDI, traces in detail the development of FDI theories, outlines the motives for implementation of FDI and its impact on the host country. What makes a positive impression here is the PhD student's ability to handle the literature, to critically analyse the positions of the authors and to present a reasoned view on the issues discussed.

Chapter 2 reveals the parameters of the macroeconomic framework, institutional and regulatory environment in Bulgaria, which are prerequisites for the interest of foreign investors. It focuses on the role of Germany in the country's economy and traces the dynamics of FDI from Germany for the period 2014-2022. There is a clear trend of increasing the importance of Germany for the Bulgarian economy, which is eloquently demonstrated by the fact that in 2020 5% of the country's employees work for German companies.

The actual research of the dissertation is carried out in the Chapter 3, where the impact and measured effects (direct, indirect and induced) of the FDI implemented by Aurubis Bulgaria AD on the Bulgarian economy at micro, macro and regional levels are identified. The overall economic impact of the company's activities in the country has also been calculated, on the basis of which the main research thesis and the sub-theses defined in the thesis have been proven. On the basis of the revealed weaknesses in the activities of the institutions involved in attracting FDI, some recommendations are made for improving the foreign investment promotion policy in Bulgaria.

I believe that the dissertation is an original scientific research and a personal work of the author. The abstract consists of 55 pages and fully and accurately reflects the contents, results and contributions of the dissertation. The main author's points of view in the dissertation have been published in 9 scientific publications, including 1 study (co-authored), 3 independent articles (one in a Scopus-indexed journal) and 5 scientific reports (co-authored). Thus,

the PhD candidate fulfils the minimum national requirements for obtaining the PhD degree, significantly exceeding the required minimum of 30 points in the indicators of group G.

III. Scientific and scientific-applied contributions of the dissertation

The summary of the contributions presented in the abstract correctly and realistically reflects the main achievements of the PhD candidate in the overall research, which gives me the reason to confirm the mentioned contributions. I believe that they enrich the existing theoretical knowledge and practical-applied formulations in the field of FDI. I have taken the liberty of presenting the contributions in the dissertation in a slightly more summarised form, which can be presented as follows:

First, enriching the theoretical knowledge on FDI, including further development of the concept of foreign investment, systematisation of FDI theories, etc.

Second, outlining the macro framework (economic, legal and institutional) for implementation of FDI in Bulgaria.

Third, studying the impact and effects (direct, indirect and induced) of German FDI on the Bulgarian economy and in particular on the development of the metallurgical industry, using Aurubis Bulgaria AD as an example.

Fourth, formulating recommendations for the improvement of the FDI promotion policy in Bulgaria based on the identified weaknesses and shortcomings in the activities of the institutions involved.

IV. Questions and comments on the dissertation

The dissertation is written at a high scientific level, with a very good style of presentation. I do not have any critical remarks to make about the dissertation, but I can make some points that are open to discussion:

1. The PhD candidate has presented and argued thoroughly the positive effects of the investments in Aurubis Bulgaria AD. My question is: are there negative effects of these investments and what are their specific manifestations at national, regional and sectoral level?

2. The investments in Aurubis Bulgaria AD are of a long-term in nature and have numerous indirect effects on the related companies and the economy of the region. In this context, can any transfer of technology, know-how, best practices and management experience from the company to its supply chain partners be identified?

3. The German national culture and value system is very different from the Bulgarian national psychology. Does this influence the FDI effects of German companies in the Bulgarian economy and in which direction?

V. Summary evaluation of the dissertation and conclusion

The dissertation of the PhD candidate Karmen Dimitrov Vranchev is a complete, independent scientific research, dedicated to a clearly defined, significant and actual scientific and applied problem. The set aim and tasks of the research have been successfully fulfilled, resulting in results of a scientific and applied nature.

The dissertation fully complies with the requirements of the Act on Development of Academic Staff of the Republic of Bulgaria and the Regulations for its implementation, and the internal normative documents of the Academy of Economics "D. A. Tsenov" - Svishtov for the award of the educational and scientific degree "Doctor".

With full conviction, I give a **positive assessment** of the dissertation "Impact of the German Direct Investments on the Development of the Bulgarian Economy" and I recommend to the respected members of the Scientific Jury to award PhD candidate Karmen Dimitrov Vranchev the PhD degree in the professional field 3.8. "Economics", Doctoral Programme "Economics and Management (Industry)".

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Varna

The opinion is prepared by: ...
(Assoc. Prof. Dr. Ilian Minkov)