



Bulgaria

Innovation Ecosystem Snapshot

37th

Global Innovation Index 2025

45.8%

of EU Average (EIS 2025)

22nd

Infrastructure Ranking

10%

Corporate Income Tax

The Landscape

Bulgaria is entering a new phase in the development of its innovation economy: one defined not only by cost competitiveness, but increasingly by knowledge, technology, entrepreneurship, and the ambition to create higher-value products and services. In the European Innovation Scoreboard 2025, Bulgaria is classified as an Emerging Innovator, performing at 45.8% of the EU average and ranking 26th among EU Member States. In the Global Innovation Index 2025, Bulgaria ranks 37th globally and 24th in Europe, pointing to meaningful potential for faster progress in the years ahead.

Strategic Direction

The objective is not to rely on a single champion sector, but to strengthen the full innovation chain across the economy: research, technology transfer, enterprise modernization, entrepreneurship, talent development, and international market integration. Bulgaria's policy direction is increasingly focused on building stronger links between science, technology, and industry, so that innovation can serve as a durable source of productivity, resilience, and long-term growth.

Policy Framework

Bulgaria's innovation policy is guided by the Innovation Strategy for Smart Specialisation 2021–2027, with a focus on strengthening research, enterprise innovation, technological capacity, internationalisation, and talent. Implementation is supported by recent reforms and dedicated funding instruments that promote university-business collaboration, technology transfer, business modernisation, greener production, stronger participation in European innovation programmes, and a more deliberate focus on strategic niche opportunities where Bulgaria can build sustainable competitive advantage.

Strengths

Bulgaria has important strengths on which to build. The country benefits from a strong technical base, solid digital infrastructure, competitive conditions for business, and its innovation outputs outperform its innovation inputs. In the Global Innovation Index 2025, Bulgaria ranks particularly well in Infrastructure (22nd) and Knowledge and technology outputs (28th). Bulgaria also maintains a 10% corporate income tax rate, among the lowest in Europe.

Challenges

At the same time, the constraints are structural and should be addressed with clarity and persistence. Official data show that R&D expenditure reached BGN 1.574 billion (approximately €805 million) in 2024, equal to 0.77% of GDP, which remains low by European standards. Business innovation is still concentrated in a limited share of firms, and the adoption of advanced technologies across the wider economy remains uneven.

Next-Stage Priorities

Taken together, Bulgaria's next-stage priorities are clear: stronger science-business links; faster commercialization and technology transfer; greater innovation capacity within firms; wider diffusion of digital and green technologies; stronger human capital; deeper regional innovation capacity; and closer integration into European and global innovation networks. An equally important priority is to direct greater attention and resources toward niche opportunities and strategic markets in which Bulgarian companies can create high-value products and services, integrate more effectively into global value chains, and strengthen their competitive position in the region.