

## THE INDUSTRIAL ZONES AS AN INSTRUMENT FOR THE PROMOTING THE TRANS-BORDER BUSINESS DYNAMICS – CASE OF A PROJECT SCHEME

A. Prof. Milen Baltov, PhD\*

*Burgas Free University*

**Abstract:** *The industrial zones could be regarded as a part of the measures for the overcoming of the business problems. Through them an integration of all the local, regional and even national initiatives becomes focal point. In many aspects the responsible institutions, already as managing substantial funding from EU act as key in the process of creation and development of such initiatives in Bulgaria. Such is the case with a project started in 2007 as a platform for attracting foreign investors, for establishing the necessary conditions for building industrial zones, in which to provide space for subcontractors a variety of SMEs from the certain regions. The operation in a business network, will allow to increase the productivity and competitiveness of the companies, and on this ground of the national economy and to provide additional advantages out of the cheap labour.*

**Key words:** *Industrial zone, network economy, small and medium-sized enterprises, economy of scale, transborder dynamics*

### Introduction

Various definitions of industrial park have been made, but the definition which was made by United Nations Industrial Development Organization (UNIDO) is considered to be the broadest definition. According to UNIDO's definition "An industrial park can be defined as a tract of land developed and subdivided into plots according to a comprehensive plan with or without built-up (advance) factories, sometimes with common facilities and sometimes without them, for the use of a group of industrialist". (UNIDO, 1997, p.10). UNIDO have described some of the characteristic features of industrial parks as follows: First, a defined geographical area which contains businesses of an industrial nature. The essential element is that the park is administered or managed by a single authority that has defined jurisdiction with respect to tenant companies. Second, industrial parks cover up a relatively large surface area of 40-80 ha. Third, there are some restrictions on companies existing in the park: With respect to the type of construction, concerning the size of individual sites, there is a master plan that guides; overall use of the built environment, e.g. energy or water efficiency. Finally, Industrial parks are developed according to a 'master plan' that guides; the physical planning of the park and the economic and social environment, depending on the role within the regional or urban development plan. (UMEP, 1996).

Industrial parks offer many economic advantages to industrialists, local communities and countries. The economic benefits of industrial parks arise to an important degree from the following: Economies of scale derived from the development of the park; External

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\* *The author was the Key expert for management development in the Contractors team for technical assistance*

economies accrued largely from the aggregation of enterprises; Provision of certain services which become feasible as a result of an aggregation of a sufficient large number of firms.

In general the fact of urbanization is a result of industrialization. The speed and formation of urbanization usually depends on speed of industrialization in every country. Industrial parks contribute to industrial and economic development and in addition they can be used as an important tool for the urban and regional planning policies of the country. According to United Nations industrial parks serve (UNIDO, 1997):

- To promote decentralization by preventing or checking excessive concentration in or growth of single urban areas especially large metropolitan areas;
- To increase the economic, productive and employment base of urban communities;
- To regulate the inflow of industry and guide its orderly location on the most suitable land within the metropolitan area,
- To strengthen the economic base of small and medium-size towns,
- To provide a healthier and more attractive urban environment by separating nonindustrial and industrial areas,
- To minimize distance to work and reduce load on the transport system,
- To maximize efficient land usage and reduce the cost of land and land development,
- To integrate urban marginal population into the productive industrial system,
- To provide sites to relocate industries displaced by urban renewal projects,
- To achieve economies in the provision of urban services and utilities.

The potential contribution of an industrial parks program, adequately supported and coordinated with other development programs, related to regional development strategies two contributions come first. First, industrial parks stimulate the relocation of industries to peri-urban or rural areas, helping to relieve congestion and pollution in metropolitan areas, strengthen the industrial base of small and medium-size towns and arrest rural-urban migration. Second, in order to avoid interregional economic unbalanced, industrial parks aim is to speed and direct industry activities. The aim of practicing this policy for governments is to reduce social costs by obtaining balanced regional development (Unido, 1997).

Looking at the objectives, industrial parks were seen as a means of encouragement and employment in order to speed up industrialization. For this reason industrial parks were become widespread throughout the country and established nearby cities. However in the developed west countries new cities were planned with industrial parks in order to make industry widespread in rural areas, prevent big cities from getting bigger and decentralize industry by putting forward features of industrial parks which are place organizer and creating external economies. So, industrial parks have been quite successful on removing interregional imbalance in Italy and England.

The other considerable comparison is about types and scales of industry. In the west countries specialized industrial parks were established in order to create external, scale and agglomeration economies. However, in Turkey 'mixed industrial parks' are more common. Only two of completed industrial parks are specialized leather industrial parks. Although in development plans it has been proposed to establish specialized industrial parks in developed regions, in practice it did not come true.

Another difference is establishment size that should be present in industrial parks. All industrial parks do not have the features of industrial park. Because some of these industrial parks that were built as an industrial zone applied and got the identity of industrial park in order to benefit from incentives of industrial park. Not only location selection and physical structure of these industrial parks but also scales of the firms are so different than industrial parks built systematically. The common features of these industrial parks are that they were established inside the city or just touching the city.

It appeared that most of completed industrial parks were established in developed regions and practicing of industrial parks up to now has not been effected on obtaining interregional balance, with the usage of industrial parks as a means of planning tool became less. Although there is a certain location selection procedure of industrial park, industrial parks have not been seen as a part of land use of comprehensive plan of the province and its hinterland. In other words, locations of industrial parks are selected individually and present criterions determined location selection does not serve to the objectives of place organization. The economic and social importance of location selection is not still understood. Therefore the present practicing turns into creating a place that every types of industry group together near the centre of city.

#### **Specifics and intensiveness of the industrial zones development in Turkey**

At the same time, in the Bulgaria neighbor countries, there was a process of active investments in industrial zones and parks and for the moment the most advanced and occupied in capacities is the one close to the Thessaloniki (Greece). Besides this case that more integrates inside in itself the investors' interest and from its outreach serve part of the business that provides goods and services in Bulgaria, at the territory of the Republic of Turkey are formed two new huge industrial zones – near the town of Edirne and near the town of Kırklareli. The concept in the cases is (to the contrary of the concentration at Thessaloniki) to deconcentrate the production business from the Istanbul agglomeration toward the less developed neighboring to Bulgaria provinces. Thus especially the zone at Kırklareli indirectly and directly will add to the utilization of more capacities at the Port of Burgas and the whole neighbouring South East Planning Region in Bulgaria.

In the SEPR there were activities towards the industrial zones near Svilengrad, Kabile (close to Yambol), Sliven and especially in Burgas. In 2008 was established the National Company Industrial Zones and for the current period of scarce resources for infrastructure is one of the few only alternatives for active policies in the sector. Thanks to the activities of the Burgas Municipality and the readiness of the National Company to invest cash, the positive Bulgarian answer to the zones development in Turkey is evident.

Industrial activities are spreading to a variety of regions. At the same time is to achieve higher overall growth rates because of unsaturated markets (unleashing the untapped potential), fair income distribution across cities; emergence of a middle class; desire for political stability with strong economic roots; creation of new centers puts less pressure on big cities (old centers of economic activity); key challenge: management of the process; decentralization process; capacity of the state apparatus to act local.

The main motives are:

- Improving the investment climate everywhere is not possible but we can designate certain areas as more equal and special;

- Different types of special economic zones;
- Free Trade Zones - 20 FTZs: 3.620 firms, 50.000 employment;
- Technology Development Zones - 37 TDZs: 1.178 firms, 11.195 employment;
- Organized Industrial Zones - 120OIZs: 37.000 firms, 820.000 employment.

The regulatory oversight are undertaken by Ministry of Industry and Trade. MoIT provides highly subsidized loans for construction of OIZs. The OIZ management structure is of an “entrepreneurs committee” comprising local stakeholders. It is chaired by the governor in most cases and private participation facilitated by local chambers. The investors also have a say in the process, the chambers also act as investment promotion units. It is a highly technocratic Zone management unit. The OIZs are non-profit legal entities, have to reinvest the profits.

Thus an access to high quality land is achieved and at subsidized rates in underdeveloped region. Some features of one-stop-shop features combine with licenses and permits issued by OIZ management and superior infrastructure. The key is the electricity, water, waste treatment at cheaper rates, compliance with environmental regulations, environmental impact assessment jointly conducted. In many cases cluster enhancing activities and vocational training, logistics, business development services, techno-parks are achieved too.

The Technology Development Zones (TDZs) are areas designed to support R&D activities and attract investments in high technology fields. There are 39 TDZs of which 27 are operational and 12 have been approved and are currently under construction. Ankara has six TDZs, Istanbul has five, Kocaeli has three, while the other provinces listed in the pop-up table below have one each. The Advantages of TDZs are:

- Revenues derived from software development and R&D activities are exempt from income and corporate taxes until December 31, 2023;
- Sales of application software produced exclusively in TDZs are exempt from VAT until December 31, 2023. Examples include software for systems management, data management, business applications, different business sectors, the Internet, mobile phones and military command control;
- Salaries of R&D and support personnel employed in the zone are exempt from all taxes until December 31, 2023. The number of the support personnel covered by the exemption shall not exceed 10 percent of the number of the R&D personnel;
- Enterprises may make the investment, required for the production of the technological product obtained as a result of the R&D projects conducted in the zone, in the TDZ, if deemed suitable by the operator company and allowed by the Ministry.

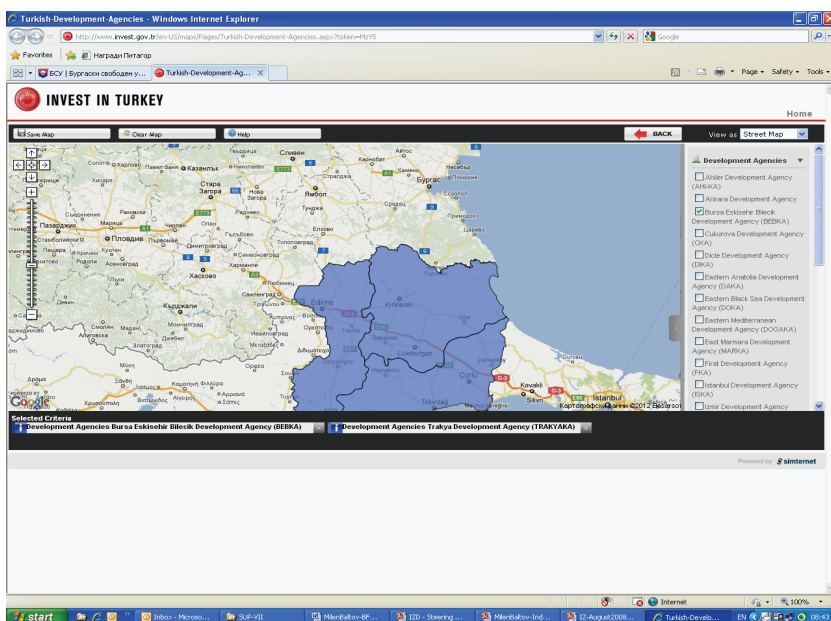
The Organized Industrial Zones (OIZs) are designed to allow companies to operate within an investor-friendly environment with ready-to-use infrastructure and social facilities. The existing infrastructure provided in the zones includes roads, water, natural gas, electricity, communications, waste treatment, and other services. There are 263 OIZs (look at the map below) in 80 provinces, 148 of which are currently operational, while the remaining 115 OIZs are being constructed throughout Turkey.



Important for the Bulgarian business is the Trakya University Edirne Technology DevelopmentZone (Trakya Technopark) was founded in 2007 in order to utilize the R&D studies carried out by the university, industry and other institutions to develop new technologies and transfer them into the industrial productionthat will contribute to the competitive position of Edirne/Turkey in both national and international levels.

Trakya Technopark's mission is to support innovative ideas and technology development in national and international scale to compete in global area and its vision is to be a focus in development by enhancing regional R&D practices. Trakya Technopark Management Inc. is established to operate and manage the technology based companies in Trakya Technopark in 2008. Partners of Trakya Technopark Management Inc. are Trakya University, Edirne Organized Industrial Zone, Edirne Chamber of Commerce & Industry, Edirne Chamber of Commodity Exchange and METUTECH – METU Technopark.

It has 23 tenants within its body with projects about development of new products in electronics, ICT, medical, agriculture, feed & oil, automotive, energy, environmental, financial and design sectors. There are 50 tenants in different sectors at the beginning of the year 2011.



The work in a network will allow to increase the productivity and the competitiveness of the companies themselves and further to the national economy as a whole and to introduce new competitive advantages besides the cheap labour. On the other side, there is no single formula for their management, but a normal practice would be the exploitation and the promotion of the industrial zones to be delegated to an appropriate legal body. The OIZs are highly instrumental tools for regional development:

- Public-private partnership is central to the success of OIZs;
- It has been a learning experience;
- OIZs should be part of an overall industrial strategy;
- Building OIZs alone do not lead to industrial development;
- Human capital and skills, off-site infrastructure/logistics, technology, access to finance.

### The Bulgarian “answer” – InZo development through EU finance schemes

In 2008 a Phare project on Industrial Zones Development in Bulgaria started and had shown that flexibility has to be applied\*. The key beneficiaries include municipalities with very different priorities and views on promoting economic development. At the same time the assignment is to be seen as an integral part of Phare support to the first set of industrial zone projects. These are in turn to form basis for implementing the IZ policies as being outlined in OP for regional development and economic development programmes of the

districts and municipalities. We will continue to adapt to the conditions and needs of the project environment during the course of implementing the assignment. The flexible management is guided by a very direct linkage to the Implementing Agency and the Contracting Authority.

REPUBLIC OF BULGARIA  
MINISTRY OF ECONOMY  
AND ENERGY

# Industrial Zones Portal

INVEST BULGARIA  
AGENCY

Industrial Zones Portal

VIEW MAP OF BULGARIA

Welcome to the Industrial Zones Portal.  
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Announcements

- 28-5-2008 : New website
- 6-6-2008 : New INZO
- 7-6-2008 : New INZO
- 8-6-2008 : New INZO
- 9-6-2008 : New INZO
- 10-6-2008 : New INZO
- 11-6-2008 : New INZO
- 12-6-2008 : New INZO

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The goal is to support proposals for industrial zones of minimum 100 decares land available, close to the cities of minimum 20 000 inhabitants (project constraints). Priority sites will be those with potential investments in the high technology manufacturing and knowledge intensive services as per EUROSTAT and OECD classification. Priority locations are in municipalities of unemployment level over the average for the country for the previous year. The above-mentioned priorities are stipulated in the amendments of the Investment Promotion Act, adopted by the National Assembly on 16.05.2007.

The projects and the methodologies were serving as pilot cases and best practices for implementing Industrial Zone programmes in Bulgaria. The direct economic effects are receiving a high priority. Therefore IZ projects were directed to areas where enterprises and entrepreneurs have indicated and documented an interest and will to locate new activities within the developed sites. The initial duration has been reduced from 36 to 24 calendar months. The start was hampered by the municipal elections and the full establishment of the project organisation. The works contracts have to be committed by the end of November 2008 which in turn imply that design engineers have to be contracted in May for completing their outline and detail design by late August 2008.

The technical assistance contract is organized in two phases. The first phase includes SWOT analysis on the industrial zones development in Bulgaria, defining criteria and selection eligible sites, in which infrastructure improvements are to be undertaken. In addition, the contractor will develop a web-based information database containing useful and detailed information, which could be used by potential investors. Marketing and promotion strategies for the consultant capacitates the selected sites team, including promotional web-sites published and accessible on-line for each industrial site and district location, development and dissemination of information leaflets and other relevant materials for presentation of the new industrial zones. Promotional videos in more than one language will be developed for each of the industrial sites.

The second phase encompasses training for the Management Boards and the Management Teams, which will be responsible for industrial zones management. To achieve this training task the Consultant plans to develop a relevant management tools and comprehensive training program from managers and at least 48 – 63 representatives (at least 3 per selected site) to be trained.

To get broader perspective about the economic and investment policy at regional and municipal level in Bulgaria and particularly the regions where the selected sites are situated, the Consultant needs to have better understanding of the existing practices at the project target municipalities as well as good practices nationwide. To acquire this knowledge the Consultant plans to screen above 88 industrial locations in the 28 districts on territory of Bulgaria and develop strong long-term working relationship with district governors and municipal officials primary responsible for the establishment of the new selected industrial sites. District and municipal authorities has to be closely involved in the project activities especially when the SWOT analysis and Data Base is going to be developed by the Consultant.

To be successful in achieving its tasks and provide high quality technical assistance and support for Industrial Zones Development type of program the consultant identifies and proposes project stakeholders to adopt EU experience from other similar projects and link up with each other, by establishment of partnership relations. This will allow the beneficiaries of the different projects to exchange relevant experience and information.

Finally yet importantly the Consultant supports the capacity building and knowledge transferring process to the new management bodies of the selected industrial sites by organizing two study tours in EU countries to allow them to get practical experience of similar industrial sites or business parks are functioning, providing and promoting their services. Good examples of the already created industrial zones can be used when promoting project implementation to the local authorities, foreign investors and the local community. Considering the already created industrial zones in Bulgaria, the advantages to the investors can be summarized to the changed status of the land of industrial zones, availability of

necessary initial permits for construction work, construction of facilities upon leasing schemes, opportunities for renting and purchasing production facilities, effective usage of natural resources, possible corporate tax exemption in municipalities with high levels of unemployment, low investment and manufacturing costs, etc.

The Consultant was abide to the EU project cycle management and reporting principles and will implement internal monitoring activities in accordance with the log-frame approach. The Contracting Authority (CA) has received applications in accordance with Call for Proposals using the Guidelines of Applicants developed by the PIU and CA. The criteria for selection of sites are elaborated according to the Project Fiche. The PIU and the Contracting Authority has received xx proposals and expects to grant support to xx projects for industrial zones. The activities were closely connected with improvement of the infrastructure in the industrial areas. The proposed activities by the contractor that could be financed in the second stage of the project (BG 2006/ 018-343.10.03) included:

- Water supply and sewage of the industrial areas, including: Rehabilitation and completing of new and existing water supply and/or sewage networks. Construction (new construction) of additional small water sources and local reservoirs;
- Improvement of the road infrastructure, including the activities: Rehabilitation of existing roads to and within the area; Construction of new roads to and within the area;
- Rehabilitation and construction of other elements of the technical infrastructure: Replacement and conducting of new installations for electric supply, as well as for telecommunication networks (High technology IT infrastructure); Heat supply, gasification and other activities necessary for the functioning of the industrial areas;
- Rehabilitation and reconstruction of buildings: Painting of facades, change of plasters and inside painting, repair of roofs, replacement of water piping, electrical installations, communication cables, etc.

The project activities included proposal of remedial actions/interventions (ex: rehabilitation, reconstruction, new building), but within the frame of the selectable activities described above. The remedial action/interventions must give complete results and full functionality of the site. The implementation plan is structured in a series of work packages that are tied to the Terms of Reference for the contract. At this stage we will review each of the packages in order to adjust to the actual needs as emerging from the research and discussions that have taken place during the inception period.

The reduced time span without altering the project outputs from three to two years project duration has a direct bearing on the review of the work packages. Obviously the less calendar time can be allocated to the production outputs. One on the mechanisms is to allow for more work packages to be implemented in parallel than anticipated initially.

There was a need for developing the applications already received by IA (MoRDPW) and MEE for developing industrial zone sites in municipalities across Bulgaria. The applications will be divided in two groups. A group of applications to be financed by the pre-accession Phare programme funding and a residual group of applicants expected to be by the OP RD programmes. The number of applications to be granted were 23 with 7 applications being approved during first stage. The team was focussing on this task, as the grant will form

the starting point for the concrete site development and local management support activities partly to be funded Phare Industrial Zone Phase II.

The focus may to some extent be expanded - from merely concentrating on the selected sites and the strategy for developing industrial activities on these – to a wider approach to industrial and business development policies of the target municipalities and by focussing on investment promotion and physical planning issues. Thereby the linkages to Municipal Development Plans and the Operational Programme for Regional Development are being emphasised.

Type of industrial sites	Main characteristic
Greenfield sites	<ul style="list-style-type: none"> <li>- the basic infrastructure was established in planned manner</li> <li>- industrial sites can be chosen relatively freely</li> <li>- large reserve areas can be put to use</li> <li>- no environmental pollution</li> </ul>
Industrial sites that integrate ventures that had been operating in the area previously with significant Greenfield areas.	<ul style="list-style-type: none"> <li>- the basic infrastructure was established by extending and augmenting existing structures</li> <li>- industrial sites can be chosen relatively freely</li> <li>- large reserve areas can be put to use</li> <li>- the ventures already operating there had a strong effect on the professional image of the sites</li> </ul>
Ex-military areas with significant Greenfield areas	<ul style="list-style-type: none"> <li>- the basic infrastructure usually needs renovation, extension, it was established by augmenting existing facilities</li> <li>- choices of industrial sites are usually constrained</li> <li>- significant building renovation and demolition work was required</li> </ul>
Previously industrial areas with ventures that have moved in and with empty industrial buildings	<ul style="list-style-type: none"> <li>- the basic infrastructure usually needed renovation and extension</li> <li>- choice of industrial sites is constrained</li> <li>- significant building renovation and demolition work was required</li> </ul>
Agriculture industrial sites	<ul style="list-style-type: none"> <li>- the basic infrastructure was constructed in a planned manner</li> <li>- industrial sites can be chosen relatively freely</li> <li>- no environmental pollution</li> <li>- the sites have significant agricultural production background, they can host food industry, processing industry firms</li> </ul>

The investment promotion and site development activities will be undertaken in interaction with a series of stakeholders where the Municipal Councils and the District Governors being key partners. The municipal partners were fully in place after the elections in November 2007. During meetings with the Steering Committee it was stressed that grants to co-finance the site development has to comply with the EC PRAG with the implication that only 'public goods' are eligible. This means that the state or local authorities should own the sites and that a public entity should be partner in the management bodies for the sites. The actual demarcation is to be further specified. At the time of closing the inception period a report on SWOT analysis of proposed IZ sites have been submitted. The applied SWOT criteria have been used for ranking the applications. The 25 applications have been ranked.



Considering the Database, Marketing and Promotion Strategy it was mainly development of a web-based comprehensive database. It included Elaboration of Business Case Analysis; Technology Planning and Solution Blueprint; Setting-up a team of IT specialists and Development of user guides and manuals.

Picture. The WEB PORTAL of InZos – the page with Svilengrad zone

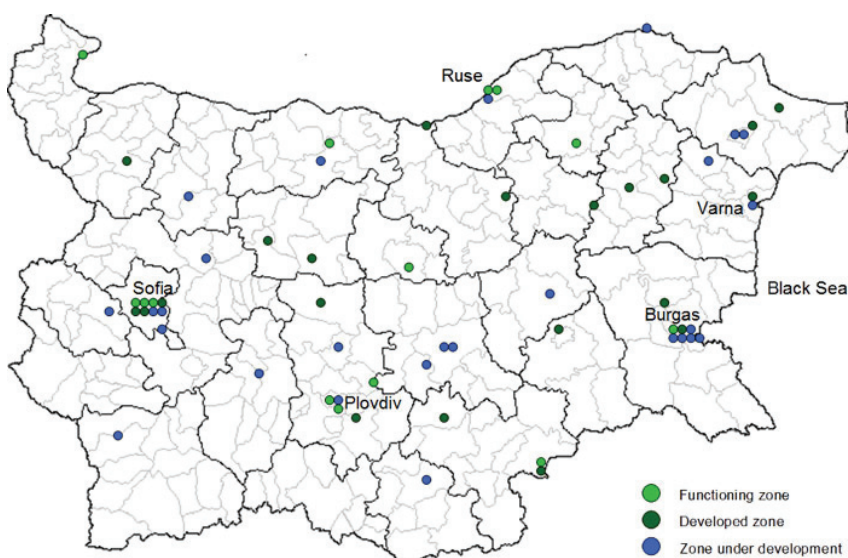


Additional activities were related with assistance in preparation of technical documentation. It was concentrated on elaboration of Feasibility studies for each selected Industrial Site - Input data related to the Feasibility Study development. In parallel was a support in preparation of business plans for Municipal IZ activities. Support in the establishment of IZ Management Units and usage of the legislative framework and development of marketing and promotion plans for the Industrial Zones.

The Site Management Training Programme was designed with three types of trainings developed: Introduction seminar; Multi module trainings; Thematic trainings. The topics were on:

- Business Planning
- Investment Planning for IZ
- Thematic course - Marketing for IZ
- Thematic course - IZ municipal planning and obtaining permits and approvals
- Thematic course - Practices of forming and incorporating IZ units
- Thematic course - Day to day management practices
- Thematic course - Staff management for IZ leaders

Couple of years after the project the industrial zones in Bulgaria offer attractive conditions for establishing production, warehousing, logistics and other activities at a very competitive prices (around 25-40 €/m<sup>2</sup>). Investment projects are supported by the Government, the Municipal Authorities and by the various domestic and foreign Chambers of Industry and Commerce in Bulgaria. Currently, in Bulgaria there are about 14 functioning zones, with active local and foreign investors. Also, there are about 21 zones, either with fully or mostly developed infrastructure and ready to be invested in, and about 27 zones under development. This presentation provides an overview of each zone according to the three groups above. In each group, the industrial zones are sorted in alphabetical order.



The "National Company Industrial Zones" PLC was created to carry out the strategy of the Bulgarian Government for developing the economy and facilitating the inflow of FDI to Bulgaria. The Company operates three zones, runs projects in the area of innovations and is currently developing five additional industrial terrains. The developed industrial zones are situated in the cities of Ruse, Vidin and Svilengrad, while these in early stages of development – in Bozhurishte, Burgas, Karlovo, Telish/ Pleven and Varna.

All zones are located at important trans-European corridors, have easy access to rail-tracks and proximity to sea and river ports, are in areas with educated and skilled population and situated in areas that can qualify for preferential treatment and receipt of investment incentives. In the course of its business, aimed to develop modern industrial and high-tech parks and to attract foreign investors, NCIZ collaborates actively with all relevant state institutions, numerous NGOs and business organizations. National Company Industrial Zones offers: location; infrastructure; services; management; assistance; partnership. Its goals are:

- to encourage investments in new sectors of the economy and those with high added value;
- to create favourable conditions for the investors;
- to assist in the implementation of Bulgarian and foreign investment projects;
- to support the development of different economic regions in Bulgaria;

The industrial zone BURGAS is with a Total area - 270,000 sq. m and Infrastructure: Gasification at a distance of 200 m; Electricity – 500 m; Water and sewage – 500 m; Telecommunication – 500 m. Its location is characterised as: second biggest Black Sea port in Bulgaria; 10 km to Bourgas airport; 4 km to Bourgas port; 2 km to Turkey-bound highway.

The Investment Promotion Act regulates the terms and procedures of investing in Bulgaria. It introduces a system of promotion measures for initial investments in tangible and intangible fixed assets and new employment linked thereto. Depending on their value, investments are divided into three classes – class A, class B and Priority Investment. The threshold amounts for the former two classes are as follows: for Class A – BGN 20 million, and for Class B – BGN 10 million. The threshold amounts of investments within a single establishment in the high technology activities of the industrial sector of the economy are: for Class A – BGN 7 million, and for Class B – BGN 4 million. There are options to reduce these overall thresholds depending of type of services, sectors and location of the investments.

Priority investment projects are projects, which are related to all sectors of the economy and are particularly important for the economic development of the Republic of Bulgaria or for the regions in the country. The threshold amount for a priority investment is BGN 100 million, while it is mandated that the project secure a minimum of 200 jobs per annum. There are flexible options to reduce the threshold amount if certain investment indicators are met.

In Balkan Countries, the number of technoparks and technology Parks is less than the other regions of Europe and all over the world. They became dense in Turkey, Romania, Croatia, and Greece. They have thousands of technology-based companies in their constitution. The other countries in Balkan Region have less than mentioned above and also some of the countries do not have any technology or science parks in their structure and only have incubators.

### **Conclusion**

As it is considered in introduction section, technology is an important concept that deals with human and developed by the human needs then, industrial zones are getting importance in developing world. To improve and benefit scientific, academic, innovation, technology transfer and international relations between Balkan Countries, new collaborations are getting importance with the described information above.

From the cases provided in the paper few problems were identified among them the wait-and-see policy from the Municipalities with establishment of the Industrial Zones Management Bodies. The lack of distinctness for the financial secure of the works in the Industrial zones have direct influence on the Technical Assistance activities - close linkages

should be established with OP “Regional Development”. Still there is a lack of clear vision for the position of the state for short and long term future steps for the development of the Industrial zones.

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