

Bulgaria Will Keep Taxes at EU's Lowest in 2009, Kalfin Says

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Oct. 28 (Bloomberg) -- Bulgaria will refrain from raising corporate and personal income taxes next year as it seeks to attract foreign investment and cushion the impact of the global financial crisis, Foreign Minister Ivailo Kalfin said today.

Bulgaria has a 10 percent flat rate for corporate and personal incomes. The Cabinet yesterday cut next year's growth forecast to 4.7 percent and lowered its foreign investment goal to 5.3 billion euros (\$6.6 billion) as the effects of Europe's looming recession spread to emerging markets.

Western Europe is on the brink of recession, exacerbating problems for neighboring emerging economies, which rely on the region's consumers and companies to buy their exports. Bulgaria, the poorest country in the 27-nation European Union, also relies on foreign investment to drive growth and boost living standards.

``We won't raise taxes next year, even though many countries are raising them to stave off the financial crisis," Kalfin said at a conference in Sofia today. ``We'll keep the lowest taxes in the European Union, regardless of the crisis."