

The Buzz in Bulgaria: Interview with Georgi Tzvetkov of Djingov, Gouginski, Kyutchukov, Velichkov

ANDRIJA DJONOVIC

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“Over the course of the past three months, Bulgaria has been in proper political turmoil,” reports Georgi Tzvetkov, Partner at Djingov, Gouginski, Kyutchukov & Velichkov. “The protests in the streets against the government and the Chief Prosecutor have been going on for almost 90 days – an unprecedented sight in Bulgaria.” According to him, the tensions between the Prime Minister and the President are “like nothing we’ve seen before.”

“The government continues to hold office, so we’ll see how it continues, but at this point in time, it’s really unprecedented,” Tzvetkov says. “Institutions are clashing and protestors are all over the streets.” The protests, he says, are a consequence of “a general feeling among the populace that the ruling party, which has led the government for the better part of the past 12 years, has failed to battle corruption and distance itself from oligarchs – and this overall feeling of anger and being let down has culminated this summer.”

As a result, Tzvetkov says, the government’s recent legislative efforts have focused on “either curbing the effects of the pandemic or on garnering popular support – everything else of substance has been put on hold for the past two or three months.” Whatever its motives, he concedes that the government has been “doing an okay job in managing the crisis,” and that, despite a “sharp increase in numbers in the past few days, it has, overall, been good.” At the time of writing, Bulgaria has had a total of 45,461 cases of the new coronavirus, with 1197 deaths.

“Another effect of the pandemic is that most big-ticket deals are largely gone from the market,” Tzvetkov says, “although some large infrastructure projects have continued.”

According to him, “the Balkan Stream gas pipeline, for example, saw several transactions completed over the past three months, with project financing being secured for some sections, and some procurement contracts have been awarded as well.” He adds that “concessions for the Sofia airport have closed recently” as well, and he describes the recent acquisition of Bulgaria’s telecom operator Vivacom as a “landmark transaction.”

Overall, though, Tzvetkov says that the market has experienced a shift from big-ticket deals to smaller, mid-tier sized deals. “The pandemic and political tensions have not affected the market greatly,” he says. “The volume of work is more or less stable and businesses are on the lookout to seize all the opportunities the current situation might present to them.” Comparing this crisis to the economic crisis of 2007/2008, Tzvetkov says that “it is not as bad as it was back then, but we are yet to see how the pandemic will unfold in the autumn.”