

Bulgarian Presidency begins with €100 million Juncker Plan loan for agri-pharma business Huvepharma

As the College of Commissioners visit Sofia to mark the beginning of the Bulgarian Presidency of the EU, the European Investment Bank (EIB) has signed a €100 million loan with Bulgarian agri-pharma business Biovet to finance a boost in production levels and research and development (R&D) in the area of animal health. The loan is guaranteed by the European Fund for Strategic Investments (EFSI), the central pillar of the Investment Plan for Europe, the Juncker Plan. As a result of this financing, 210 jobs will be created in rural parts of Bulgaria.

Commission President Jean-Claude Juncker and the Prime Minister of Bulgaria Boyko Borissov witnessed the signing of today's deal by Commission Vice-President Jyrki Katainen, Agriculture Minister of Bulgaria Rumen Porodzanov, EIB Vice-President Andrew McDowell and Kiril Domuschiev, Chief Executive Officer of Biovet's parent company Huvepharma.

Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"It is a great pleasure to be here to sign the biggest EFSI transaction in Bulgaria so far: €100 million to Biovet. Thanks to the EU budget guarantee, the EIB was able to offer the company this loan and as a result we will see more R&D activity in rural areas in Bulgaria, leading to growth in the economy and new jobs created. I wish every success to Biovet, and to the Bulgarian Presidency for the next six months."*

Commissioner Phil **Hogan**, responsible for Agriculture and Rural Development, said: *"The agriculture sector in Europe supports 44 million jobs and is a growth sector with enormous potential for growth. Investment is essential if that potential is to be fully realised. The EIB has a crucial role to play and I warmly welcome their support for agri companies such as Biovet as a clear indication of their firm commitment to the agri food sector, which will continue to provide jobs in rural areas and boost the economy."*

Bulgarian Agriculture Minister Rumen Porodzanov said: *"I am delighted that the Bulgarian Presidency of the Council of the European Union starts with such an important message to the Bulgarian agricultural sector. The financing of this project embodies the European Investment Bank's credibility towards the Bulgarian government and the Bulgarian business. The possibility of implementing such an extremely important and effective project in the field of veterinary medicine and animal health care is indicative of the perspectives of Bulgarian agriculture. We are proud that BIOVET project is part of the Juncker Plan."*

EIB Vice-President Andrew McDowell said: *"This operation supported by the EIB and the Investment Plan for Europe will strengthen the competitiveness of a leading company in the veterinary sector in Bulgaria, reinforcing Europe's*

leading position in the animal health market. This is important as animal health is a key element of the EU farming industry and an area of concern for all European citizens."

Huvepharma CEO Kiril Domuschiev said: "Huvepharma is determined to continue its growth strategy as an EU-based animal health company operating on global markets. Support of the EIB allows us to accelerate our investments in Bulgarian production and R&D facilities, thereby reinforcing our strategy to build a fully-integrated animal health company with production facilities in the EU and selling on global markets."

The project includes the design, construction and management of two new facilities: a fermentation facility in Peshtera in southern Bulgaria which will manufacture active substances, nutritional supplements, enzymes, probiotics and ready medicinal formulations for animal and human health; as well as a new plant in Razgrad in north-east Bulgaria for the manufacturing of animal vaccines. The project will also enable the

company to carry out R&D in the fields of microbiology and new product development, such as vaccines, enzymes, as well as process improvement and formulation.

Background

The European Investment Bank (EIB) is the European Union's bank. It is the long-term lending institution of the EU and is the only bank owned by and representing the interests of the European Union Member States. It makes long-term finance available for sound investments in order to contribute towards EU policy goals. The EIB works closely with other EU institutions to implement EU policy.

As the largest multilateral borrower and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects which contribute to furthering EU policy objectives. More than 90% of EIB activity is focused on Europe but it also supports the EU's external and development policies.

The Investment Plan for Europe, the Juncker Plan, is one of the European Commission's top priorities. It focuses on boosting investments to create jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment and providing visibility and technical assistance to investment projects.

The European Fund for Strategic Investments (EFSI) is the central pillar of the Juncker Plan. It provides a first loss guarantee, allowing the EIB to invest in more, often riskier, projects. The EFSI is already showing concrete results. The projects and agreements approved for financing under the EFSI so far are expected to mobilise some EUR 256bn in investments and support up to 540 000 SMEs across all 28 Member States. The European Parliament and Member States [agreed in December 2017](#) to extend EFSI's duration and increase its financial capacity.

Huvepharma is a privately-owned, global animal health company with headquarters in Sofia, Bulgaria, that brands a broad portfolio of products used in swine, poultry and cattle production. The company is committed to develop and produce world-class products with an emphasis on providing value-enhanced solutions for animal-producing customers. Huvepharma is selling in more than 90 countries with subsidiaries in all major farm animal-producing regions globally, including manufacturing sites in Europe and the USA.

More information

[Investment Plan website](#): latest news and results from the EFSI

[Memo](#): Extension of the European Fund for Strategic Investments (EFSI) – Frequently Asked Questions

[EIB EFSI website](#): full list of EFSI projects and how to apply for financing

[Advisory Hub](#): technical assistance for project promoters and small businesses

[Project Portal](#): free service, matching investment opportunities with investors