

Knowledge and business



# Economics and computer science

A scientific journal

Volume: 2024, Issue: 2



**Publishing house „Knowledge and business“ Varna**

# ECONOMICS AND COMPUTER SCIENCE

A scientific journal

Volume: 2024, Issue: 2

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Volume: 2024, Issue: 2

ISSN 2367-7791, Varna, Bulgaria

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*Sincerely: Prof. Dr. Sc. Petko Iliev*

# Assessing Sustainability of Higher Education Institutions: the University Sustainability Assessment Framework

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**Abstract.** In recent decades, there has been a notable increase in the discourse surrounding the conceptualisation of sustainable development and the methodologies by which it can be measured and achieved. The United Nations 2030 Agenda for Sustainable Development has been adopted, and 17 corresponding Sustainable Development Goals have been established. Nevertheless, the global community remains a considerable distance from attaining sustainable development. Universities have the potential to play a pivotal role in addressing this challenge, given their position as institutions responsible for preparing future leaders and decision-makers. However, a significant challenge lies in the design and implementation of effective instruments for evaluating the extent to which academic institutions advance sustainable development. Accordingly, the aim of this article is to examine the assessment tools employed for evaluating universities' contributions to sustainable development, with a particular focus on the University Sustainability Assessment Framework (UniSAF) indicators.

**Key words:** sustainability, UN sustainable development goals, education, higher education institutions, University Sustainability Assessment Framework.

*Received:* 01.11.2024

*Revised:* 30.11.2024

*Accepted:* 07.12.2024

*Published:* 31.12.2024

## 1. Introduction

In recent decades, there has been a growing discourse on the concept of sustainable development and the means of achieving it. To advance the cause of sustainable development, the United Nations General Assembly adopted a resolution in 2015, entitled Transforming our world: the 2030 Agenda for Sustainable Development. As stated in its preamble, "*this Agenda is a plan of action for people, planet and prosperity*" (Transforming our world: the 2030 Agenda for Sustainable Development, 2015). In order to facilitate the implementation of Agenda 2030, the United Nations defined seventeen global Sustainable Development Goals (SDGs), pertaining to economic growth, social inclusion and environmental protection, which must be achieved by the year 2030. These goals are as follows: No poverty (SDG 1), Zero hunger (SDG 2), Good health and well-being (SDG 3), Quality education (SDG 4), Gender equality (SDG 5), Clean water and sanitation (SDG 6), Affordable and clean energy (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Life below water (SDG 14), Life on land (SDG 15), Peace, justice, and strong institutions (SDG 16), and Partnerships for the goals (SDG 17).

In the pursuit of sustainable development, academic institutions assume an indispensable role. According to SDG 4, "*education liberates the intellect, unlocks the imagination and is fundamental for self-respect. It is the key to prosperity and opens a world of opportunities, making it possible for each of us to contribute to a progressive, healthy society*" (The 17 goals, n.d.). To address this challenge, in 2020 ministers from the European Higher Education Area (EHEA) signed the Rome Communiqué, which emphasised the pivotal role of higher education in achieving the United Nations' SDGs. The communiqué states that "*higher education institutions have the potential to drive major change – improving the knowledge, skills and competences of students and society to contribute to sustainability, environmental protection and other crucial objectives. They must prepare learners to become active, critical and responsible citizens and offer lifelong learning opportunities to support them in their societal role. Higher education will be a key actor in meeting the United*

*Nations' Sustainable Development Goals by 2030. We commit to supporting our higher education institutions in bringing their educational, research and innovation capacities to bear on these fundamental global objectives and to deploying resources to ensure that our higher education systems contribute to the achievement of the SDGs.*" (Rome Ministerial Communiqué, 2020).

In light of the pivotal role played by higher education institutions in steering societies towards sustainable development, it becomes crucial to determine the extent to which a university is making progress in this regard. A significant challenge lies in the design and implementation of effective instruments for evaluating the extent to which academic institutions advance sustainable development. Accordingly, the aim of this article is to examine the assessment tools employed for evaluating universities' contributions to sustainable development, with a particular focus on the University Sustainability Assessment Framework (UniSAF) indicators.

## 2. Literature review

Universities occupy a pivotal position in the preparation of future leaders, decision-makers and educators. They possess the requisite authority and resources to exert a transformative influence on societal development in the pursuit of sustainability. Higher education institutions have the potential to play a key role in the realisation of the 2030 Agenda, particularly in three main areas: (i) expanding human capital with an SDG perspective, (ii) research, and (iii) implementing the agenda for sustainable development (United Nations, n.d.). To achieve this, universities can take a variety of actions, including educating students to understand the environmental, social and economic impacts of their future professional activities, introducing open online courses on sustainable development and making them accessible to the general public, initiating action-oriented research involving different stakeholders (policy makers, private sector, civil society), establishing close collaboration between universities, creating multi-stakeholder partnerships for the SDGs and thus contributing to knowledge transfer. In more detail, Dankova (2023) presents recommendations for universities to support sustainable development in the following areas: (i) educating students, (ii) conducting research, (iii) disseminating knowledge and ideas, (iv) engaging the public, (v) building peer networks, (vi) innovation and entrepreneurship, (vii) influencing state and local policy formulation, (viii) managing university buildings, and (ix) international cooperation.

Despite the incorporation of select sustainable development goals into certain university courses (Leahy and Sovacool, 2022), a notable discrepancy persists between the theoretical promotion of sustainability and its practical integration into higher education curricula, particularly within pivotal academic domains such as engineering and business (Al Kez et al., 2024). Soubhari et al. (2024) present an inclusive model for integrating climate education into the education system. This model engages a range of stakeholders, including educational institutions, industries, government bodies, and non-governmental organisations, with the goal of fostering collective action in addressing climate change.

As posited by Štrukelj et al. (2023), universities progress through seven consecutive stages on their journey towards sustainability. To describe this journey, the authors developed a cybernetic model of the university's transition to sustainability. In the initial (pre-awareness) stage, the actions of the university in relation to sustainability are largely driven by external pressure. In contrast, in the final seventh (continuous improvement) stage, the university regularly evaluates its achievements in this area and takes ongoing steps to enhance its sustainability performance (Štrukelj et al., 2023).

In order to assess the sustainability of higher education institutions, a number of methodologies and indicators have been developed to evaluate the environmental impact of university buildings and campuses. Adenle et al. (2021) address the topic of designing smart and sustainable educational institution campuses. The energy use assessment of educational buildings is also explored by Agdas et al. (2015), with the aim of formulating strategies to achieve sustainable energy policies for university campus buildings. Hiltunen et al. (2022) discuss the transition towards university campus carbon neutrality. By focusing on the most significant factors influencing buildings' and activities' greenhouse gas emissions and social performance, Jiang and Kurnitski (2023) devised a six-category framework comprising key performance indicators to assess the carbon footprint of university campuses. Furthermore, Mao et al. (2024) adopt an intriguing standpoint on the sustainability of university campuses, identifying a favourable influence on students' physical activity and mental and physical wellbeing.

Nevertheless, the assessment of the environmental impact of university buildings and campuses represents merely one aspect of an institution's sustainable development. It is of particular importance to implement a comprehensive system of indicators to measure the sustainable development of the university in all necessary areas, and to design said system in accordance with the latest standards and best practices.

### 3. The University Sustainability Assessment Framework

In essence, there are two principal approaches to identifying sustainable development indicators: top-down and bottom-up (Reed et al., 2006). A key benefit of a top-down approach is that it generates indicators with greater consistency and scientific rigour. In comparison, a bottom-up approach allows for a more inclusive and community-centric process by incorporating a wider range of perspectives. A university is a distinctive community of highly proficient individuals with scientific expertise. It is therefore essential that academics are involved in the development of indicators in order to guarantee their maximum practical utility. As Frazer et al. observe, *"the process of engaging people to select indicators also provides an opportunity for community empowerment that conventional development approaches have failed to provide"* (Frazer et al., 2005).

To measure the level of sustainability of higher education institutions, the Green Office Movement has developed a tool called the University Sustainability Assessment Framework (UniSAF). The Green Office Movement was launched in the Netherlands in 2010 by students and academic staff at Maastricht University, with the aim of encouraging higher education institutions to become catalysts for sustainability. It quickly gained international recognition after winning the Student Leadership Award in 2012 and the Dutch SustainaBul Award in 2014. Since then, the Green Office Movement has grown into an international network with more than 40 Green Offices and more than 65 initiatives. To date, it has implemented around 500 projects that address the SDGs through awareness raising, student and staff engagement, and embedding sustainability in curriculum, research, governance and operations.

The University Sustainability Assessment Framework (UniSAF) comprises a comprehensive set of indicators designed to facilitate the collection, analysis, and communication of sustainability performance data for universities (Green Office Movement, 2017). The sustainability indicators within UniSAF are organised into five categories, namely education, research, community, operations and government (table 1).

**Table 1.**

University Sustainability Assessment Framework (UniSAF) Indicators

EDUCATION		
Section	Name	Indicators
Educational offering	Courses focused on sustainability	A comprehensive list and total number of all sustainability focused courses.
	Percentage of courses	Percentage of all courses focused on sustainability, relative to the total number of all courses reviewed.
	Availability of courses to students	Ability of students to take sustainability focused courses from other faculties or study programmes.
	Educational offerings for general public	A comprehensive list and description of the availability of educational opportunities directly aimed at the general public.
	Sustainability specialization	A comprehensive list and total number of all accredited sustainability specializations and minors.
	Sustainability focused service learning	A comprehensive list and total number of courses in which students analyse and provide solutions to real-life sustainability problems of the institution or other actors.
Students	Student enrolment	Total number of students, and percentage of all students, who were enrolled in at least one course on sustainability.
	Student involvement	Extent that students feel they are actively involved in shaping their learning experiences.
	Alumni destinations	Extent of sustainability focused careers pursued by alumni after their study.
Course quality	Educational outcomes	Extent of acquired sustainability competencies by students enrolled in sustainability courses.
	Professional development of sustainability educators	All professional training opportunities that the institution provides to educators to improve their ability to teach in the area of sustainability.
	Links between sustainability research and education	Extent to which the insights from sustainability research conducted at the institution are systematically employed to inform the teaching content and practice of courses.
	Partnerships	Extent to which external partners are involved in designing and delivering courses whose involvement could enhance or limit the sustainability focus of these courses.

<b>RESEARCH</b>		
<b>Research activities</b>	Researchers focused on sustainability	A comprehensive list and total number of all researchers employed by the institution focused on sustainability.
	Percentage of researchers focused on sustainability	Percentage of all researchers focused on sustainability, relative to the total number of all researchers reviewed.
	Research institutes focused on sustainability	A comprehensive list and total number of all research institutes within the institution focused on sustainability.
	Percentage of research institutes focused on sustainability	Percentage of all research institutes focused on sustainability, relative to the total number of all research institutes within the institution.
	Research projects	A comprehensive list and total number of all research projects focused on sustainability.
<b>Outputs and outcomes</b>	Scientific publications	A comprehensive list and total number of all publications focused around sustainability questions and published in peer-reviewed journals.
	Number of start-ups founded	Number and type of start-ups created from sustainability research.
	Number of patents filed	Number and type of patents field from sustainability research.
	Application of sustainability research within the institution	Individual examples or systematic efforts through which the sustainability research of researchers is applied to inform the sustainability transition of the institution.
	Societal outcomes in terms of learning	Individual examples or systematic efforts through which sustainability research is communicated to and enabled the learning of non-scientific actors.
	Resource intensive research activities	List of particularly resource intensive research activities of the institution.
<b>Quality</b>	Interdisciplinary research	Extent to which research concerning sustainability is conducted in an interdisciplinary way.
	Transdisciplinary research	Extent to which sustainability research is conducted in a transdisciplinary way.
	Professional development for sustainability researchers	Professional training opportunities that the institution provides to sustainability researchers.
	Financial support and third party funding	Total sum of financial budgets available for sustainability research, as provided by the institution and third party funding.
	(Inter)national sustainability research partnerships	Extent of partnerships that research institutes from the institution maintain with research institutes at other institutions within the same country and internationally.
<b>COMMUNITY</b>		
<b>Initiatives</b>	Sustainability initiatives	A comprehensive list of the institution's sustainability initiatives.
	Membership in sustainability initiatives	Total number of all members who are active within the sustainability initiatives, as well as their percentage relative to all students and staff
	Activities organized in partnerships	A comprehensive list and total number of activities organized by sustainability initiatives with each other or in collaboration with external actors.
<b>Engagement</b>	Participation in activities	Total number and relative percentage of students who participated in activities organized by sustainability initiatives.
	Satisfaction	Percentage of students and staff satisfied with the sustainability activities they participated in that were organised by sustainability initiatives.
	Following communications	Total number and relative percentage of students and staff who are following the communications of sustainability initiatives.
<b>Awareness and behaviours</b>	Awareness of sustainability issues	Level of awareness of sustainability issues and relative importance that students and staff attach to them.
	Awareness of efforts	Level of awareness that students and staff have of sustainability efforts executed by sustainability initiatives and



		the institution.
	Responsible behaviours	Level that students or staff engage in socially responsible and environmentally friendly behaviours during their time at the institution.
<b>OPERATIONS</b>		
<b>Energy</b>	Energy mix	Energy mix, incl. at least a split in the sources of electricity and gas, as well as self-generated energy.
	Electricity usage	Total and per capita electricity usage by the institution in kWh.
	Natural gas usage	Total and per capita natural gas usage by institution in cubic meters.
	Heating energy	Total and per capita value of heating energy divided by heating degree days.
<b>Water</b>	Water usage	Total and per capita water consumption of the institution in cubic meters or liters.
	Virtual water footprint	Total virtual water footprint for the institution.
	Recycled or reused water	Share of recycled or reused water of the whole institution.
<b>Waste</b>	Waste disposal	Total and per capita kilograms of waste disposed at the institution.
	Recycled waste	Total amount and relative percentage of waste that is being recycled in kg.
	Hazardous waste	Total and per capita kilograms of hazardous waste disposed by the institution.
	E-Waste	Total and per capita e-waste disposed by the institution in kg, incl. how the E-Waste is disposed of and to what extent cradle-to-grave reporting is done.
	Radioactive waste footprint	Radioactive waste produced in the electricity supply chain of the institution in grams.
<b>Climate footprint</b>	Greenhouse gas emissions	Scope 1, 2 and 3 greenhouse gas emissions of the institution in kg of CO <sub>2</sub> equivalents as a sum, separately and per capita.
	Compensations	Value of emissions prevented through purchases of certificates of origin or similar compensation schemes.
<b>Procurement</b>	Tenders with sustainability criteria	Share of tenders to which sustainability criteria by recognized entities were applied.
	Share of organic and sustainable catering	Total monetary value and relative percentage of foodstuff sold at the institution that is organic and/ or sustainable.
	Self-produced catering products	Where the institution produces foodstuff itself, provide a description of the processes in terms of sustainability and an evaluation of the level of sustainability of such production compared to purchasing equivalent products.
<b>Mobility</b>	Split of transportation mode	Shares of usage of different modes of transportation by students and staff members.
<b>Eco-Systems</b>	Land use	Percentage of land used for different purposes.
	Ecological footprint	Total and per capita ecological footprint of the institution in hectares.
	Biodiversity	Type and scope of biodiversity on campus.
<b>GOVERNANCE</b>		
<b>Strategic integration</b>	Definition	Definition of how the institution understands sustainability in its strategic documents.
	Long-term planning	Integration of sustainability into the institution's long-term planning.
	Accountability	Integration of responsibility for sustainability into job positions of employees, teams, departments and committees.
	Monitoring and reporting	Description of how the institution monitors the implementation of its sustainability efforts and communicates the results.
	Financing	Financial support that is allocated to sustainability efforts in education, research, community and operations.

<b>Socio-economic indicators for staff</b>	Number of employees	Number of academic and non-academic staff stated as a sum, separately and by type.
	Training	Possibilities for staff to receive training enabling them to thrive within the institution, but also in their further career elsewhere.
	Management composition	Composition of the management in terms of gender.
	Types of contracts	Number of academic and non-academic staff with permanent and with temporary contracts.
	Wages	Average wage paid by the institution in comparison to the national average.
	Equal pay ratio	Pay ratio between men and women.
	Social benefits	Financial social benefits above the legal minimum given to different groups of employees.
	Safety and health	Measures taken to ensure the health and safety of staff members.
	Non-financial social assistance	Non-financial social assistance available to staff members.
	Union rights	Union rights given to staff and any violations that occurred of these union rights.
<b>Socio-economic indicators for students</b>	Number of students	Number of students in total and by type.
	Programmes with higher tuition fees	For public institutions: Study programmes whose tuition fees exceed the standard tuition fees of public universities. For private institutions: Standard tuition fee of the institution.
	Enrollment in programmes with higher tuition fees	Total number and percentage of all students enrolled in programmes with higher tuition fees.
	Funds allocated to scholarships	Total monetary value of funds made available for scholarships by or through the institution.
	Scholarships	Total number and overall percentage of all students receiving scholarships
	Integration of foreign migrant students	Extent to which foreign or migrant students are integrated in the local and national community.
	Social assistance	Non-financial social assistance available to students.
	Support of student groups	Total monetary value of funds to support student groups.
<b>Democracy and participation</b>	Rights of councils	Rights given to elected councils, such as faculty and university councils, that go beyond the minimum legal requirements.
	Further participation	Democratic participation given to students and staff members outside of the councils.
	Accessibility of information	Level of accessibility of information concerning the governance of the institution.
<b>Financial Governance</b>	Investment decisions	Evaluation related to if and how sustainability considerations are integrated into financial investment decisions.
	Indebtedness	Indebtedness of the institution.

Source: Green Office Movement, 2017

In order to ensure the reliability of the data collected, indicators applied to assess the sustainability of universities must be transparent and clearly defined. Thoroughly designed indicators offer valuable information for strategic decision-making. By bringing together approaches from multiple paradigms, Reed et al. (2006) propose a learning process that provides a holistic approach to measuring progress towards sustainable development, highlighting the importance of participatory approaches that set the context for sustainability assessment at the local level. They further discuss how this learning process can be used to develop easily collected and interpreted quantitative and qualitative sustainable development indicators. Based on the analyses of 13 different campus sustainability appraisal frameworks, Adenle et al. (2021) identify a set of spatial-based and environmental-dimension indicators.

In order to encourage higher education institutions to make efforts towards sustainable development, one of the most esteemed global providers of insight into the higher education sector, QS Quacquarelli Symonds, introduced in 2022 the QS World University Rankings: Sustainability (QS International, 2024). It assesses an institution of higher education's capacity to address the most pressing environmental, social, and governance (ESG) challenges. The QS Sustainability Rankings comprise eight indicators, which are distributed into two

sections. The first section pertains to the university's environmental impact and encompasses the following indicators: (i) sustainable institution, (ii) sustainable education, and (iii) sustainable research. The second section is related to the university's social impact and comprises the following indicators: (iv) equality, (v) knowledge exchange, (vi) impact of education, (vii) employability and opportunities, and (viii) quality of life (Lightfinch, 2023). The third element of the ranking is concerned with the issue of governance. While it does not include specific indicators, it encompasses the provision of web links to the minutes of meetings held by the institution's governing body, evidence that students are represented on the aforementioned body, and confirmation that an ethical standards committee has been constituted at the institution.

#### 4. Conclusion

The incorporation of sustainable development issues into the educational system will facilitate the empowerment of the next generation, equipping them with the requisite knowledge and expertise to become informed policy-makers and leaders. In order to achieve this, it is necessary to adopt a holistic approach that encompasses the integration of knowledge, behavioural change, technological advancement, community involvement and policy advocacy. Nevertheless, the majority of higher education institutions globally have yet to address this challenge. It is therefore imperative that universities are encouraged to make the relevant efforts in this regard, as well as to design and apply appropriate tools for assessing their level of sustainable development and their contribution towards achieving the Sustainable Development Goals (SDGs).

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# Application of IAS 12 Income Taxes by leading companies in Bulgaria in the context of the international tax reform

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**Abstract.** The purpose of this article is to identify trends in the application of the new provisions of International Accounting Standard (IAS) 12 Income Taxes regarding the global reform to establish a minimum effective tax rate of 15% in Bulgaria for multinational companies with annual revenues exceeding 750 million euros. Specialized rankings were used to establish the sample. The study is based on the annual financial statements and their annexes for 2023, which provide a basis for assessing companies' readiness to adapt their practices by applying the new approaches to evaluation and disclosure. This article can serve as guidance for companies adapting to the new requirements, help raise awareness on the subject among stakeholders, and provide a foundation for identifying the challenges faced by enterprises in Bulgaria. Additionally, it offers a basis for further research on the impact of global tax reforms and contributes to the literature on international taxation and accounting standards.

**Key words:** Global minimum tax, IAS 12, OECD.

*Received:* 15.11.2024

*Revised:* 01.12.2024

*Accepted:* 09.12.2024

*Published:* 31.12.2024

## 1. Introduction

The introduction of the global minimum tax under the framework of the OECD's Base Erosion and Profit Shifting (BEPS) initiative represents one of the most significant transformations in international tax regulation in recent decades. As part of the two-pillar approach, Pillar Two aims to ensure that multinational enterprises (MNEs) with annual revenues exceeding EUR 750 million are subject to a minimum effective tax rate of 15%, irrespective of the jurisdiction in which they operate. This reform seeks to counteract aggressive tax planning and restore fairness in global taxation by reducing the incentives for profit shifting to low-tax jurisdictions.

Following global changes, the International Accounting Standards Board introduces significant amendments to the reporting and application of International Accounting Standard (IAS) 12 Income Taxes, aimed at achieving greater transparency, flexibility, and clarity. In the context of the global minimum tax, the standard plays a key role in ensuring transparency and consistency in the accounting of tax liabilities. IAS 12 Income Taxes provides a framework for the recognition and disclosure of current and deferred taxes. In response to the adoption of the global minimum tax, amendments to IAS 12 have introduced specific disclosure requirements aimed at enhancing transparency and comparability in financial reporting.

In Bulgaria, the global minimum tax has been incorporated into the national legislation, effective January 1, 2024. This reform presents new challenges and opportunities for Bulgarian companies, particularly for those included in global supply chains and operating across multiple jurisdictions. The analysis of annual financial statements for 2023 offers a unique opportunity to assess the level of readiness of Bulgarian enterprises in to implement the new regulations and also provides valuable insights into their ability to adapt accounting practices to the international standards.

This article aims to analyse the application of IAS 12 in connection with the global minimum tax by examining the practices of leading companies in Bulgaria. The study will highlight the challenges faced by enterprises, identify best practices, and assess the extent to which the new requirements are reflected in the financial disclosures. Additionally, this research will provide insights into the impact of global tax reforms on Bulgarian enterprises and contribute to the academic and professional discourse on international taxation and financial reporting.

## 2. Introduction to the global minimum tax

The global minimum tax is part of an international tax reform developed by the OECD and supported by the G-20 member countries to address the growing issues of base erosion and profit shifting (BEPS)—strategies through which multinational companies shift profits to jurisdictions with low or zero taxes, thereby reducing their tax liabilities in the countries where they actually conduct business (OECD, 2021). On October 8, 2021, Bulgaria signed the agreement on the global minimum tax, also known as the Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy. The initiative's structure, where each "pillar" addresses different aspects of taxation, gives rise to its general designation as "Pillar Two."

Pillar One focuses on the redistribution of taxing rights among countries. It includes Amount A and Amount B. Amount A requires large multinational companies, particularly digital platforms and technology giants, to pay taxes where they generate their revenues, rather than solely in the countries where they have a physical presence. Amount B relates to the recognition of expenses for advertising and other consumer-targeted services in jurisdictions where multinational companies do not have a physical presence but generate revenues through digital services and advertising (Tax Foundation, 2024).

Pillar Two is aimed at introducing a global minimum tax of 15% on the profits of multinational companies. Its objective is to curb aggressive tax planning and profit shifting to jurisdictions with low or zero tax rates by implementing the following three mechanisms:

1. **Qualified Domestic Minimum Top-up Tax (QDMTT):** At their discretion, countries can introduce a domestic top-up tax on the profits of multinational companies that are part of a group with annual consolidated revenues exceeding 750 million euros, to ensure that they are taxed at the minimum rate of 15%. This means that the local jurisdiction has the right to collect the tax and retain these revenues domestically, instead of allowing another country to do so through one of the following mechanisms.

2. **Income Inclusion Rule (IIR):** This mechanism allows the country where the parent company operates to collect an additional tax when a subsidiary in another jurisdiction is taxed at a rate lower than 15%. This ensures that companies cannot benefit from low-tax jurisdictions to reduce their overall tax liabilities.

3. **Undertaxed Profits Rule (UTPR):** If the first two mechanisms are not applied, the UTPR allows other jurisdictions to collect additional taxes on the undertaxed profits of the multinational group. This adds another layer of protection against profit shifting to tax havens. As a last resort, other countries where the group operates can also impose additional taxes to reach the effective tax rate of 15%.

Pillar Two also includes specific exemptions aimed at real economic activity to alleviate the burden on companies that do not aim to achieve more favourable tax treatment by relocating their operations to another jurisdiction—namely, the substance-based income exclusion and the "de minimis" exemption.

The substance-based income exclusion allows companies to avoid additional taxes if they can demonstrate that their economic activities in low-tax jurisdictions are substantial and not established for the purpose of reducing their tax burden. This means that companies must prove that they operate in a given country due to genuine business needs and not merely to benefit from lower tax rates. To qualify for this exemption, companies must meet specific criteria based on costs related to employees and the value of tangible assets in the jurisdiction. The substantial economic activity exemption protects firms that genuinely conduct significant activities in a low-tax jurisdiction by allowing them to reduce their profit by a percentage of eligible expenses.

The "de minimis" exemption aims to exempt companies with minimal presence or very small profits in low-tax jurisdictions from additional taxation. It applies if the average eligible revenues of all entities within that jurisdiction are less than EUR 10 million, and the average eligible profits or losses of all constituent entities in that jurisdiction are either a loss or less than EUR 1 million.

Bulgaria is a member of the European Union and supports OECD initiatives. On October 8, 2021, Bulgaria signed the agreement on the global minimum tax, which is part of the OECD initiative to address base erosion and profit shifting (BEPS). Bulgaria's accession to this agreement resulted from extensive negotiations across European member states aimed at harmonizing tax rules within the EU. The directive to implement the global minimum tax in the European Union was officially adopted by the EU Council on December 15, 2022. It requires all member states to implement a tax rate of 15% on multinational companies with annual turnover exceeding EUR 750 million. The directive is part of the implementation of Pillar Two of the global tax reform agreed upon at the OECD/G20 level to prevent profit shifting to low-tax jurisdictions. According to the directive, member states must transpose the rules into their national legislation by December 31, 2023. The directive essentially follows the OECD rules to ensure that EU member states adhere as closely as possible to the model rules of the organization.

Bulgaria officially adopted the rules for the global minimum tax at the end of 2023, with these rules taking effect as of the beginning of 2024, according to legislative changes approved by the National Assembly. These amendments introduced a primary top-up tax in accordance with the Income Inclusion Rule, a secondary top-up tax in line with the Undertaxed Profits Rule, and a national top-up tax. Of these, only the secondary top-

up tax will come into effect on January 1, 2025, while the other two will be effective as of January 1, 2024 (PwCBulgaria, 2023).

Pillar Two is structured in a way that not only imposes a minimum global tax rate but also establishes safeguard mechanisms to ensure that the profits of multinational companies are subject to fair taxation regardless of their location. The Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR), along with the possibility for national top-up taxes, are key elements that ensure the effectiveness of this global initiative to address tax base erosion and avoidance. Pillar Two represents significant progress in international tax policy and aims to create a fairer global economic environment. The primary objective of the reform is to prevent tax competition among countries by introducing a minimum global rate, leading to a level playing field in taxation, and increasing state revenues. According to OECD estimates, the reform could generate additional global revenues of between \$100 billion and \$240 billion annually.

### **3. IAS 12 Income Taxes and the amendments related to the global minimum tax**

IAS 12 Income Taxes is a fundamental standard for tax reporting applied in all jurisdictions following international accounting standards. The main challenge in accounting for income taxes lies in addressing how to recognize the tax effects—both current and future—arising from the eventual recovery or settlement of the carrying amounts of assets and liabilities recorded in the statement of financial position, as well as from the transactions and events of the current period reflected in the financial statements (IASB, 2023).

To achieve the primary objective of the standard, the mechanisms of current tax accounting and deferred tax accounting are used. Current taxes represent the income taxes for the current period, based on the tax rate and the company's profits. Deferred taxes refer to future tax consequences arising from timing differences between when a transaction is recognized in accounting and when it is recognized for tax purposes. Deferred taxes are classified into deferred tax assets and deferred tax liabilities. Deferred tax assets are amounts of expected tax reductions in future periods arising from temporary differences or the carry forward of losses. This means that the entity has paid more taxes in the current period but can expect a reduction in its tax liability in the future. Deferred tax liabilities represent anticipated tax obligations in future periods, resulting from temporary differences between the book values and tax bases of assets and liabilities (IASB, 2023). This implies that the entity may have recorded a lower tax liability in the current period but will owe taxes in the future.

The accounting for deferred taxes "normalizes" the accounting financial result by adjusting the tax expense to align with the actual financial result. In this way, the effective tax rate is also "normalized." The idea is to fully reflect the current and expected future tax effects of all economic events occurring in the current or previous reporting period. The ultimate goal is for the tax expense for a given reporting period to correspond to the accounting financial result, adjusted only for permanent tax differences (Nikolov, 2019).

The accurate recognition and disclosure of current and deferred tax assets and liabilities provide a clearer view of the financial position of enterprises, thereby reflecting the future tax effects of current transactions and events. This information is useful not only for company management in terms of better planning of tax obligations but also for other stakeholders such as investors and owners, who can form a more accurate assessment of the financial position and tax efficiency.

The amendments to IAS 12 related to the global minimum tax reflect the need to adapt accounting practices to the new global tax rules. As of today, under paragraph 4A of IAS 12, entities are required to apply the standard for income taxes from its adoption in May 2023. However, as an exception, they are not required to recognize or disclose information regarding deferred tax assets and liabilities related to taxes under Pillar Two. The main reason for this exception is the complexity and uncertainty surrounding the application of the new tax rules across different jurisdictions (PwC, 2023).

The amendments to IAS 12, outlined in paragraphs 88A–88D, are specifically focused on the disclosures required from companies affected by Pillar Two. Their objective is to provide users of financial statements with information that enables them to understand the potential impact of the global minimum tax on the entity's financial position and performance. Paragraph 88A builds on paragraph 4A of the standard by requiring entities to state whether they have utilized the exception for recognising and disclosing deferred tax assets and liabilities associated with Pillar Two. Paragraph 88B mandates the separate disclosure of any current top-up taxes arising from the global reform. Paragraph 88C emphasizes the need for entities to provide known or reasonably estimable details to enable financial statement users to understand the entity's exposure to income taxes under Pillar Two. This disclosure obligation applies both to jurisdictions where the law has been enacted and to those where it has been substantively enacted, as is the case in Bulgaria. Disclosure is mandatory even when the legislation has been enacted but has not yet come into force, ensuring that users of financial statements are informed about potential impacts. Paragraph 88D provides guidance on how entities should structure their disclosures in relation to the previous paragraph and includes examples.

These newly introduced paragraphs adequately reflect the need for transparency and the provision of relevant information to users of companies' annual and interim reports. Entities are required to disclose more details about their tax strategies and how they are adapting to the evolving global tax environment. This enhances transparency for stakeholders by providing a better understanding of future tax obligations.

It is important to note that, for now, the disclosed information does not need to meet all specific Pillar Two requirements and can be presented in an indicative manner. For information that is not known or cannot be reasonably estimated, entities must provide disclosures explaining the impact and the progress made in assessing their position. This creates a potential risk that entities may avoid detailed disclosures, citing that the information is unknown or cannot be accurately assessed. Auditors have an additional responsibility to ensure that companies make objective efforts to evaluate the information and comply with disclosure requirements, even in cases of uncertainty or complexity. It should be emphasized that it is in the best interest of entities to approach such evaluations in good faith, considering that mandatory application in the future is highly likely. Allowing disclosures to be presented with less precision introduces flexibility, which can be beneficial in complex or unclear situations like the current one. This enables entities to adapt more smoothly and effectively.

As explained above in this study, entities are not permitted under IAS 12 to recognize or disclose the effects of applying Pillar Two. This temporary exemption allows companies to avoid the complex calculations of the new taxes until there is greater clarity and detailed guidance on the full implementation of the new rules. We consider that it is possible for the exemption to be removed once the new reform proves itself over time. Questions may arise regarding how long this provision is expected to remain in place and even about the reform itself. In our opinion, the likelihood of the reform being rejected is minimal, given the years of effort, resources, analyses, and discussions invested, leading to the point where 130 countries, including the European Union, the United Kingdom, Japan, and South Korea, have already enacted legislation for implementing Pillar Two. However, once its presence and application are established, changes can be expected to "normalize" the accounting and disclosures.

Although the amendments do not require adjustments to prior reporting periods, they provide the necessary transparency and awareness of the future effects of the global minimum tax on financial statements. The new requirements related to the global minimum tax and IAS 12 have several key impacts on corporate reporting. The application of Pillar Two rules is expected to be highly complex, which in turn is likely to lead to a range of practical challenges (PwC, 2023).

#### **4. IAS 12 Analysis of the disclosures by leading companies in Bulgaria regarding the application of the new regulations**

This section focuses on analysing the disclosures made by the leading companies in Bulgaria regarding the application of the new regulations. It evaluates the extent to which these companies have adhered to the requirements of IAS 12, with particular attention to the application of paragraphs 88A, 88C and 88D and the qualitative and quantitative information provided in their financial statements. By examining these disclosures, this analysis aims to highlight best practices, identify gaps, and provide insights into the challenges faced by Bulgarian companies in implementing the new provisions. An analysis was conducted on the leading 13 companies in Bulgaria based on their revenue from sales for 2023. The companies were identified after reviewing specialized rankings such as SEE TOP 100 by SeeNews, Coface CEE Top 500, and the ranking of the largest companies in Bulgaria for 2024 by the newspaper "Capital." The top ten companies from each ranking were extracted. These companies possess sufficient capital to employ highly qualified personnel, are subject to regular audits, and can serve as benchmarks for identifying best practices in Bulgaria when analysing the results.

The SEE TOP 100 ranking, published annually by the economic news agency SeeNews, presents the largest companies, banks, and insurers in Southeast Europe. It includes enterprises registered in Albania, Bosnia and Herzegovina, Bulgaria, Moldova, Romania, North Macedonia, Slovenia, Serbia, Croatia, and Montenegro. Based on the 2024 ranking, which lists companies according to their sales revenue for 2023 in millions of euros, the ten companies identified by SEE TOP 100 as the largest in Bulgaria for 2023 were extracted (table 1).



**Table 1.**

The ten largest companies in Bulgaria based on the SEE TOP 100 ranking by SeeNews

Number	Company
1	Lukoil Neftochim Burgas AD
2	Aurubis Bulgaria AD
3	Lukoil-Bulgaria EOOD
4	Astra Bioplant EOOD
5	Natsionalna Elektricheska Kompania EAD
6	BA Glass Bulgaria EAD
7	Bulgargaz EAD
8	AETs Kozloduy EAD
9	Kaufland Bulgaria EOOD & Co KD
10	Lidl Bulgaria EOOD and Co. KD

Source: Own calculations

The Coface CEE Top 500 is an annual study that ranks the 500 largest companies in Central and Eastern Europe (CEE) by turnover. It is prepared by Coface, an international company specializing in trade credit insurance and business risk management. The ranking provides an in-depth analysis of economic trends and market dynamics in the region, including additional indicators such as the number of employees, sector affiliation, and credit ratings of the companies. Coface collects financial data through its online platform iCON and provides individual credit ratings for the companies. The ranking includes non-financial enterprises with a turnover exceeding 300 million euros, with data converted into euros based on the exchange rate at the end of the respective year. The Coface CEE Top 500 serves as a valuable resource for businesses, investors, and analysts, offering insights into the economic state and market trends in Central and Eastern Europe. It reflects the resilience and adaptability of the region's leading companies, particularly in the context of challenging economic conditions. Based on the 2024 ranking, which lists companies according to their sales revenue for 2023 in millions of euros, the ten companies identified by Coface as the largest in Bulgaria for 2023 were extracted (table 2).

**Table 2.**

The ten largest companies in Bulgaria based on the Coface CEE Top 500 ranking by Coface

Number	Company
1	BULGARIAN ENERGY HOLDING JSC
2	LUKOIL NEFTOHIM BURGAS JSC
3	AURUBIS BULGARIA JSC
4	LUKOIL-BULGARIA LTD
5	ASTRA BIOPLANT LTD
6	NATSIONALNA ELEKTRICHESKA KOMPANIA JSC
7	BA GLASS BULGARIA JSC
8	EVROHOLD BULGARIA JSC
9	BULGARGAZ JSC
10	AEC KOZLODUI JSC

Source: Own calculations

The K100: Largest Companies in Bulgaria ranking is an annual publication by the newspaper Capital, which ranks the leading Bulgarian companies based on revenue. It provides an in-depth analysis of the corporate sector in the country, including financial indicators, sectoral analyses, and trends in business development. The K100 ranking serves as a valuable resource for businesses, investors, and analysts, offering insights into the economic state and market trends in Bulgaria. It reflects the resilience and adaptability of the country's leading

companies, especially in the context of challenging economic conditions. Based on the 2024 ranking, which lists companies according to their sales revenue for 2023 in thousands of BGN, the ten companies identified by Capital as the largest in Bulgaria for 2023 were extracted (table 3).

**Table 3.**

The ten largest companies in Bulgaria based on the K100: Largest Companies in Bulgaria ranking by the newspaper Capital

Number	Company
1	Lukoil Neftochim Burgas AD
2	Aurubis Bulgaria AD
3	Lukoil-Bulgaria EOOD
4	Astra Bioplant EOOD
5	Natsionalna Elektricheska Kompania EAD
6	BA Glass Bulgaria EAD
7	Bulgargaz EAD
8	AETs Kozloduy EAD
9	Akspo Bulgaria
10	Kaufland Bulgaria EOOD & Co KD

Source: Own calculations

As seen in the tables above, variations exist in some of the positions among the leading companies in Bulgaria regarding the determination of the study sample. These differences arise from the methodologies used in the rankings. All companies individually generated revenues exceeding 750 million euros and are therefore subject to the new regulations. For the purposes of the analysis, all extracted companies were reviewed to ensure the proper application of IAS 12 Income Taxes in relation to the global minimum tax, specifically the disclosures in their annual financial statements for 2023.

The key points monitored include the correct and clear explanation of the new rules, compliance with the requirements of paragraph 88A of IAS 12 regarding specific disclosures related to the application of the exception in paragraph 4A, and the inclusion of quantitative or qualitative information about the future effects of the global reform.

1. Lukoil Neftochim Burgas AD – The amendments to IAS 12 Income Taxes in connection with the global minimum tax are properly outlined and clearly explained. The company states that it falls within the scope of the new top-up tax, but since the tax legislation enacted the amendments effective January 1, 2024, there is no current tax impact. In compliance with the requirements of paragraph 88A of the standard, the entity has correctly disclosed that it is applying the exemption from recognising and disclosure for periods prior to the implementation of the new regulations. As of December 31, 2023, the entity is still in the process of assessing its potential exposure to income taxes under the Pillar Two model. The potential exposure as of the date of preparation and publication of the financial statements is unknown and cannot be reasonably estimated.

2. Aurubis Bulgaria AD – The amendments to IAS 12 Income Taxes in connection with the global minimum tax are properly outlined and clearly explained. The company states that it expects to be affected by the new changes in the Corporate Income Tax Act related to determining additional corporate tax under the new rules in accordance with the Pillar Two model. As of the date of preparation of the annual financial statements, the entity is in the process of analysing and assessing the impacts. There is no explicit statement indicating that the entity is applying the exemption from accounting and disclosure provided in paragraph 4A, as required by paragraph 88A.

3. Lukoil-Bulgaria EOOD - The amendments to IAS 12 Income Taxes in relation to the global minimum tax are accurately outlined and clearly explained. The company has stated that it expects to fall within the scope of the new top-up tax. In compliance with paragraph 88A of the standard, the entity has correctly disclosed that it is applying the exemption from recognising and disclosure for periods prior to the implementation of the new rules. The company is still in the process of assessing its potential exposure to income taxes under the Pillar Two framework. At the time of preparing and publishing the financial statements, the potential exposure remains unknown and cannot be reasonably estimated. It is stated in addition that there is no current tax impact for the reporting period.

4. Astra Bioplant EOOD – Although it is expected that the entity falls within the scope of the new regulations, there are no disclosures related to the global minimum tax, and consequently, the requirements of IAS 12 Income Taxes have not been met.

5. Natsionalna Elektrieska Kompania EAD – Significant disclosures have been provided regarding the amendments to IAS 12 Income Taxes and the reasons behind them to inform stakeholders. The company states that it expects to be subject to additional corporate tax and is in the process of analysing and assessing the impacts and quantitative effects of the amendments. The company has applied the exception for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two, based on paragraph 4A of IAS 12. Additional information is disclosed regarding the application of the exception.

6. BA Glass Bulgaria EAD – The disclosures include substantial explanations regarding the amendments to IAS 12 Income Taxes and the reasons behind them to inform stakeholders. It has been stated that, to comply with the requirements of the standard, the company is obligated to disclose qualitative or quantitative information about its exposure to income taxes under Pillar Two in the annual financial statements starting on or after January 1, 2023. The company has applied the exception for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two, based on paragraph 4A of IAS 12. Similar to other companies, it has only stated that it will be affected by the changes in the Corporate Income Tax Act concerning the introduction of income taxes and is in the process of assessing the effects of the new legislation, without having available or reasonably estimable quantitative information to disclose in this regard.

7. Bulgargaz EAD – The disclosures include substantial explanations regarding the amendments to IAS 12 Income Taxes and the reasons behind them to inform stakeholders on the topic. The company states that it expects to be subject to additional corporate tax and is in the process of analysing and assessing the impacts and quantitative effects of the amendments. The company has applied the exception for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two, based on paragraph 4A of IAS 12 and has included reporting regarding this matter in the annual financial statements for 2023.

8. AETs Kozloduy EAD – The disclosures provide detailed explanations about the amendments to IAS 12 Income Taxes and their rationale to keep stakeholders informed. The company indicates that it anticipates being subject to additional corporate tax and is currently analysing and evaluating the impacts and quantitative effects of the amendments. It has also applied the exception outlined in paragraph 4A of IAS 12 for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two and has included reporting regarding this matter in its 2023 annual financial statements.

9. Akspo Bulgaria EAD – Although we consider that Akspo Bulgaria EAD should not be included in the list of the ten largest companies in Bulgaria, its presence in the Capital newspaper ranking and its revenues exceeding 750 million euros led to its inclusion in this analysis of the application of the amendments to IAS 12 related to the global minimum tax. Sufficient disclosure is observed regarding the main clarifications on the provisions. The entity states that it expects to be subject to additional corporate tax and is in the process of assessing its potential exposure to income taxes under the Pillar Two model. The company has applied the exception for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two based on paragraph 4A of IAS 12. It also noted that as of December 31, 2022, no legislative changes for the application of the top-up tax had been adopted, and according to the company, the retrospective application for 2023 does not impact its financial statements.

10. Kaufland Bulgaria EOOD & Co KD – Sufficient disclosure is observed regarding the main clarifications on the provisions. The company states that it is in the process of assessing the effect of the amendments related to the global minimum tax but did not specify whether it applies the exception based on paragraph 4A of IAS 12.

11. Lidl Bulgaria EOOD and Co. KD – Sufficient disclosure is observed regarding the main clarifications on the provisions. The company states that it is in the process of assessing the effect of the amendments related to the global minimum tax and does not have available or reasonably estimable quantitative information to disclose in this regard. There is no indication of disclosure concerning the application of the exception in paragraph 4A of IAS 12.

12. Bulgarian Energy Holding JSC – Significant disclosures are observed regarding the amendments to IAS 12 and the reasons behind them to inform stakeholders. The entity stated that it expects to be subject to additional corporate tax and is in the process of analysing and assessing the impact and quantitative effects of the amendments. The company has applied the exception for recognizing deferred tax assets and liabilities related to income taxes under Pillar Two based on paragraph 4A of IAS 12 and has included reporting regarding this matter in its annual financial statements for 2023.

13. Evrohold Bulgaria JSC – Sufficient disclosure is observed regarding the main clarifications on the provisions. The company expects to be subject to additional corporate tax and is analysing the new requirements. The entity has applied the exception for recognizing deferred tax assets and liabilities related to income taxes

under Pillar Two based on paragraph 4A of IAS 12 and has included reporting regarding this matter in its 2023 annual financial statements.

The study revealed the key difficulties associated with the new IAS 12 provisions concerning the global minimum tax. Paragraph 88B will not be considered as it does not impact the annual financial statements of companies in Bulgaria for 2023. The results of the study indicate that all entities applied the recognition and disclosure exemption under paragraph 4A of IAS 12. All entities, except one, included disclosures related to the global minimum tax. However, the quality of disclosures on additional disclosures is notably low. The requirement from paragraph 88A to disclose the application of exemptions under paragraph 4A was met by 69.23% of the entities, while for the remaining ones, it is evident that the exemption was applied, but no specific disclosures were made on the topic. The application of paragraphs 88C-88D appears to be the most challenging, as none of the entities, in our opinion, sufficiently met the requirements of IAS 12. While 92% of the entities provided disclosures, the information lacks clarity and merely indicates that they are in the process of analysing the effects of the new provisions. Regarding the fact that one entity did not make any disclosures related to the new provisions, 8% of the sample can be categorized as having no disclosures.

Based on the conducted study, it was determined that most leading companies in Bulgaria, subject to additional taxation under the global minimum tax, have taken steps to disclose information in accordance with the amendments to IAS 12. The level of detail and completeness of these disclosures varies, with 31% of companies failing to meet the requirements of paragraph 88A and no disclosure regarding the applying of the retrospective exception for recognition and disclosure under paragraph 4A of the standard is identified. Furthermore, consistent with expectations outlined in the previous section, all companies except one have complied with the disclosure requirements under paragraphs 88C-88D. However, the information provided is qualitative and does not guide users of financial information regarding the exposure and effects of the new regulations. The opportunity to reduce administrative burdens is likely being used strategically to omit disclosures on the topic.

The new regulations bring significant changes to the way companies assess and disclose their tax liabilities. They lay the foundation for more transparent and consistent financial reporting, which is in the interest of investors and other stakeholders. The amendments to IAS 12 related to the global minimum tax require companies to adapt their practices by implementing new approaches to evaluation and disclosure. This is a key step toward harmonizing reporting at an international level and ensuring fairer tax rules.

## 5. Conclusion

The analysis of the application of IAS 12 in relation to the global minimum tax by leading companies in Bulgaria revealed several key findings. The changes to the standard and the introduction of paragraphs 4A and 88A-88D play a significant role in ensuring transparency and compliance with international tax requirements. Most companies have taken steps to disclose qualitative information, but there is a lack of specifics and quantitative assessments of the potential impact, which limits the usefulness for stakeholders. While the completeness and detail of disclosures vary, there is a general trend toward compliance with the standard's requirements. Companies that have not provided full disclosures face risks related to reduced transparency and trust from investors.

The new requirements represent an important step toward harmonizing accounting practices at an international level and addressing the challenges associated with globalization and the digitalization of the economy. However, enterprises need to make additional efforts to improve the quality of their disclosures and to better prepare for future tax obligations arising from the global minimum tax.

In conclusion, the amendments to IAS 12 provide a framework for accounting for the new requirements, but their implementation highlights the need for greater transparency, awareness, and comparability among companies' reports. This will ensure a better understanding of the financial position and tax strategies of companies and contribute to building a more sustainable global economic environment.

A focus for future research could be the analysis of the application of the provisions based on annual financial statements and their annexes for periods after January 1, 2024, when the rules of the global reform are adopted into Bulgarian legislation.

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# Health and Wellness Tourism: Current Trends and Strategies in the Bulgarian Tourism industry

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**Abstract.** Health and wellness tourism has become a rapidly expanding segment of the global travel industry, fuelled by increasing interest in well-being and sustainable practices. Bulgaria, with its abundant natural resources, including mineral springs, SPA facilities, and scenic landscapes, offers immense potential in this sector. This study investigates the development and prospects of health and wellness tourism in Bulgaria. It focuses on key offerings, such as wellness retreats, corporate wellness programs, digital detox, and the integration of physical activities like hiking and cycling and others. Using qualitative methods, the research evaluates market trends, consumer preferences, and the economic and cultural impact of wellness tourism. Findings highlight the growing demand for holistic travel experiences and the role of Bulgaria's natural and cultural assets in shaping its appeal. Recommendations for enhancing infrastructure, marketing strategies, and sustainable practices are provided to strengthen Bulgaria's position in this thriving market.

**Key words:** hotel industry, health, wellness, Bulgaria, trends.

*Received:* 01.12.2024

*Revised:* 23.12.2024

*Accepted:* 30.12.2024

*Published:* 31.12.2024

## 1. Introduction

Health and wellness tourism represents a growing trend worldwide as tourists prioritize physical and mental well-being when they plan their trips. Bulgaria's unique geographical and cultural features position it as an attractive destination for wellness-focused tourism. The country's rich traditions of SPA and mineral spring therapies, combined with its natural settings, offer a strong foundation for developing this niche sector of the tourism industry. As global travellers increasingly seek restorative and transformative experiences, Bulgaria has an opportunity to leverage its potential in this part of the industry. By integrating activities like yoga retreats, meditation, digital detox and sports tourism with its established SPA and thermal spring services, the country can be a well-rounded wellness destination. This paper explores the prospects of health and wellness tourism in Bulgaria, emphasizing the need for innovation, infrastructure, and sustainable practices to capitalize on this lucrative market.

Health and wellness tourism is a dynamic and fast-evolving segment of the global travel industry. Driven by increasing consumer awareness of physical and mental well-being, advancements in technology, and shifts in lifestyle priorities, this sector has grown significantly. For example, health tourism comprises around 5% of general tourism in the EU28 and contributes approximately 0.3% to the EU economy (Katsarova, 2021). Moreover, it has a much higher domestic share than general tourism. It has been considered that increasing the share of health tourism may reduce tourism seasonality, improve sustainability and labour quality, and may help to reduce health costs through prevention measures and decreased pharmaceutical consumption (research for TRAN Committee—Health Tourism in the EU. General Investigation, 2017). As noted by Ustymenko (2020) at the present stage of development of society, wellness culture is an important and necessary phenomenon that provides the implementation of cognitive, recreational, economic, educational and entertainment functions of tourism. Wellness culture influences significantly on the formation of value orientations of a modern person regarding recreation, forms his recreational needs and, accordingly, ensures the development of wellness tourism and the necessary transformations of the wellness industry.

Holistic wellness experiences are at the forefront of the this sector of the tourism industry, offering comprehensive programs that nurture the mind, body, and soul. According to Miller and Foster (2017) using a

holistic approach, promoting wellbeing essentially serves to improve health and wellness and as such, needs to be considered carefully within any wellness model. Tourists are seeking more and more comprehensive wellness experiences that focus not just on physical health, but also on mental, emotional, and spiritual well-being. These experiences often integrate practices like yoga, meditation, mindfulness, and personalized nutrition into immersive retreats, creating a balanced approach to well-being. Wellness resorts and destination SPAs are expanding their offerings to include stress-relief therapies, detox programs, and activities that promote emotional resilience. By addressing physical health alongside mental and emotional needs, holistic wellness experiences provide travellers with a transformative journey, fostering long-term lifestyle changes and a renewed sense of vitality.

Another trend is the integration of fitness and adventure into the tourism experience. Peric (2010) points out that tourists are increasingly more experienced and demanding and seek a wide range of experiences. They wish to broaden their horizon or feel enriched by engaging in new and specific sports activities. Therefore, sport in the modern tourism has not only a perceptual role, but it is also important contents of stay, and frequently the main motive for traveling to a certain tourist destination. This trend is redefining health and wellness tourism by merging physical activity with thrilling outdoor experiences. More and more often people are seeking destinations that offer opportunities for active exploration, such as hiking scenic trails, cycling through picturesque landscapes, or engaging in water sports like kayaking or paddleboarding. These activities not only enhance physical fitness but also connect participants with nature, promoting mental health and stress relief. Adventure wellness programs often combine fitness with elements of mindfulness, such as guided nature walks or yoga sessions in the open, creating a holistic approach to well-being. This trend reflects the growing desire for travel experiences that challenge the body, inspire the spirit, and leave lasting memories.

The rise of medical wellness tourism is transforming the global health and travel industries, as more people try to combine their desire for improved health with travel experiences. This type of travel is focusing on preventive care, therapeutic treatments, and wellness-oriented medical services such as detox programs, hormone therapies, and regenerative treatments. Destinations that offer specialized clinics, skilled practitioners, and state-of-the-art facilities are attracting customers that search for tailored solutions to improve their physical and mental health. This trend is driven by factors such as rising healthcare costs in some countries, increased awareness of alternative and complementary medicine, as well as the desire for holistic health services. The popular destinations usually integrate luxurious accommodations and wellness facilities. They also offer a seamless combination of relax and medical care. As a result, medical wellness tourism continues to grow, catering to an audience seeking personalized and transformative health experiences.

As part of the broader global trend in holistic tourism, there is an increasing demand for destinations that offer natural healing experiences. Bulgaria's thermal and mineral spring resorts are capitalizing on this trend, offering a combination of traditional treatments such as balneotherapy (the treatment of disease using therapeutic baths) alongside modern wellness services like SPA treatments, yoga, and detox programs. The thermal and mineral springs trend in the Bulgarian tourism industry is gaining significant attention, as the country is home to a wealth of natural thermal springs that have been used for therapeutic and recreational purposes for centuries. Bulgaria's rich history of spa culture, combined with its growing appeal as a wellness destination, makes thermal and mineral springs a key driver of the wellness part of tourism. As Trendafilov and Chipeva (2023) point out Bulgaria has diverse in content and healing properties mineral springs, peloids (mud therapy or mud treatment with clay or sedimentary mud from mineral springs), which are natural and ecological source of health from nature. The country's mineral springs are found in popular wellness destinations like Velingrad, Sandanski, Hisarya, Kyustendil, and Banya. The use of mineral springs in Bulgaria dates back to Roman times, and many of the thermal SPAs have a rich historical and cultural significance. Travelers often seek not only therapeutic benefits but also a cultural immersion in the SPA towns' local traditions and healing practices. Many of these towns, like Hisarya and Sandanski, also feature ancient ruins, adding a historical dimension to wellness travel.

The post-pandemic era has witnessed a significant boom in holistic tourism as individuals prioritize physical, mental, and emotional well-being. As noted by Smith (2023) the pandemic caused anxiety with regards to catching the disease and not recovering, not to mention the economic losses suffered by businesses, the lack of social contact and the curtailment of cultural, leisure and tourism opportunities. Although it could be argued that the latter activities are marginal compared to the greater concerns about physical health and lack of income, previous studies are a testament to the fact that wellbeing is greatly enhanced by leisure and travel. The global health crisis highlighted the importance of self-care, prompting travellers to look for experiences that rejuvenate the body and the mind. This trend has been also present in Bulgaria, where wellness destinations have adapted to meet the increased demand. For example, resorts in Sandanski, a town famous for its healing climate and mineral springs, have introduced new packages focused on respiratory health and immune-boosting therapies. Similarly, coastal retreats along the Black Sea have incorporated outdoor wellness activities, such as beach yoga and open-air SPA treatments, allowing guests to reconnect with nature in a safe and relaxing environment. The post-

pandemic wellness boom has also sparked the interest in holistic approaches. In this case, Bulgarian wellness retreats are offering detox programs, nutritional services, and mindfulness practices to help customers recover from pandemic-induced stress and prioritize long-term health.

Mental health has become a focal point in wellness tourism, driven by the growing global awareness of psychological well-being. Research by Buckley and Cooper (2022) shows that this type of tourism would combine outdoor nature, parks and adventure tourism enterprises and tour guides, with national parks destinations, visitor infrastructure, and interpretation centres and programs. The role of nature tourism in mental healthcare has thus become especially important and significant. Many tourists increasingly seek retreats and programs designed to address stress, anxiety, and burnout, offering services such as mindfulness workshops, meditation sessions, and therapeutic services. Destinations often incorporate calming settings like forests, mountains, or beachfronts, which naturally promote relaxation. Specialized activities, such as journaling, art therapy, and guided mental health exercises, cater to people who are seeking emotional healing and resilience. The integration of mental health into holistic tourism reflects a broader shift toward holistic well-being, emphasizing the interconnection of mind, body, and spirit. This focus not only meets the rising demand for mental health support but also promotes seeking help, encouraging more people to prioritize it.

In addition, personalized wellness programs are redefining the health and wellness tourism industry by offering tailored experiences that cater to individual needs and preferences. These programs often begin with detailed assessments, including health diagnostics, genetic testing or lifestyle consultations that help to design customized plans that address specific goals. These goals can be directed towards stress management, weight loss or improved sleep. Guests can enjoy a combination of therapies, from tailored fitness programs and personalized meal plans to special SPA services and mental wellness practices like mindfulness and coaching. The focus on personalization not only enhances the effectiveness of wellness journeys but also fosters a deeper connection between customers and their experiences. Moreover, as discussed by Nasiche (2024) the integration of wellness services led to improved operational efficiency and marketing differentiation. By providing holistic and well-rounded solutions, wellness destinations empower individuals to achieve long-lasting results and establish sustainable habits, making their offerings more relevant and impactful in a world increasingly seeking individualized care.

With a growing interest in eco-friendly and sustainable tourism, Bulgaria's thermal and mineral springs are well-positioned to address the increasing demand for natural, environmentally conscious experiences. Many SPA resorts are adopting sustainable practices such as using local, organic products, integrating eco-friendly SPA treatments and implementing conservation efforts when they source natural springs. In addition to traditional treatments like mineral baths, many Bulgarian thermal spring resorts are expanding their services to include well-rounded wellness experiences. These can include a combination of massage therapy, mud therapy, aromatherapy, acupuncture and nutrition consultations. Many resorts now offer personalized wellness programs, which attract tourists looking for a holistic health experience.

One more current trend of wellness-oriented tourism is the so-called digital detox. Those types of retreats and services are gaining popularity as people increasingly seek refuge from being constantly connected. These retreats offer an opportunity to disconnect from digital devices and social media. Their idea is to foster mindfulness, relaxation and a deeper connection with the surrounding environment. Typically set in peaceful locations such as mountain lodges, coastal resorts, or secluded forests, digital detox programs combine activities like yoga, meditation and walks. The goal is to promote mental clarity and stress relief. The absence of digital distractions encourages participants to engage in meaningful interactions, focus on self-reflection, and develop healthier relationships with technology. As awareness grows about the adverse effects of screen time and digital overload, these retreats provide a much-needed reset for individuals that strive to achieve balance and mental well-being in the increasingly connected and stressful world.

Sustainability and eco-conscious travel have become integral to the holistic tourism industry as consumers increasingly prioritize environmental responsibility. Baydeniz, Çilgınoğlu, & Sandıkcı, (2024) define ecotourism as emphasizing environmental conservation, cultural preservation, and local well-being appeals to travellers' conscious of their ecological footprint and social responsibilities. Ecotourism not only provides economic benefits to local communities but also ensures the sustainable use of natural resources, drives local economic growth, and preserves sociocultural values for future generations. Green resorts, eco-friendly SPAs, and wellness retreats that emphasize sustainable practices—such as organic farming, eco-luxury accommodations, and low-impact travel—are becoming more popular. Destinations and wellness resorts are implementing green practices, such as using renewable energy, sourcing organic and local food, and minimizing waste, to align with this demand. Many tourist accommodations now focus on immersive experiences that connect tourists with nature. These can include eco-friendly places like treehouses and solar-powered lodges. Guests are also encouraged to participate in conservation efforts, such as tree planting or beach clean-ups, fostering a sense of purpose and contribution to the environment. Using sustainable practices, the holistic



tourism sector not only reduces its ecological footprint but also can improve the overall experience. This includes promoting harmony with nature, aligning physical well-being with sustainability. This shift demonstrates a growing understanding of the interdependence of personal wellness and environmental stewardship.

Another trend is the development of immersive cultural wellness. It can be viewed as a combination of travel and deep cultural engagement, offering tourists a unique way to holiday while connecting with local traditions. According to Wellness tourism strategy industry Toolkit (2024), integrating local culture and traditional practices into wellness tourism offerings promotes cultural exchange whilst preserving local customs. In Bulgaria, this could include participating in rose-picking rituals during the Rose Festival in the Valley of Roses, where travellers learn about the ancient art of rose oil production and its wellness benefits. Another example is experiencing the traditional Nestinari fire-dancing ritual, which combines spiritual and cultural elements in the Strandzha region. Visitors can also explore therapeutic workshops using organic Bulgarian yogurt and honey, that are famous for their health benefits or engage in pottery-making in Troyan, a town known for its traditional ceramics. These types of programs celebrate traditions and can help guests to get a sense of belonging and appreciation for Bulgaria's rich culture. By blending wellness with cultural exploration, this trend appeals to those seeking meaningful, transformative travel experiences while supporting local communities and preserving the country's cultural heritage.

Corporate wellness retreats are also getting more popular as companies focus on employee well-being, teamwork, and productivity. These types of retreats promote a healthy work-life balance while improving collaboration and reducing stress. Hamed (2015) suggests embracing wellness tourism vacations by business employers can be an essential component of the wellness strategy that companies apply with their employees. In Bulgaria, corporate wellness retreats can take advantage of the country's natural landscapes and wellness infrastructure. For example, companies can host retreats in the Rila Mountains, combining team-building activities like hiking or skiing with wellness sessions such as yoga and mental health workshops. Destinations like Velingrad, known as the "SPA capital of the Balkans," offer mineral-rich thermal baths and luxurious SPA services that are a great fit for corporate events. Additionally, venues like the Thracian Cliffs along the Black Sea coast can provide scenic locations for relax and brainstorming sessions that combine physical activities like golf or paddleboarding. By incorporating Bulgaria's cultural elements, such as traditional Bulgarian cuisine and folklore evenings, these retreats not only improve employee wellness but also create memorable experiences that boost morale and productivity.

In conclusion, the health and wellness tourism industry is evolving as it meets the growing demand for transformative and meaningful travel experiences. The explored in this study trends are reshaping how tourists approach their well-being. Additionally, they emphasise the industry's commitment to addressing diverse health and lifestyle needs. In Bulgaria, these trends are can be seen in the implementation of innovative services in the mineral SPA resorts and eco-conscious retreats as well as cultural experiences that blend traditional practices with modern wellness approaches. As tourists continue to prioritize their well-being, the wellness sector of tourism is expected to see further growth, offering opportunities for destinations to adapt and thrive in this dynamic market. The health and wellness part of the tourism industry is driven by both domestic and international interest. As the demand for natural healing, relaxation, and rejuvenation experiences continues to grow, Bulgaria's tourism sector provides a unique and valuable asset to the country's tourism sector. With continued investment in infrastructure, sustainable practices, and an emphasis on blending traditional treatments with modern wellness services, Bulgaria is well-positioned to strengthen its role as a leading destination for thermal and mineral spring tourism in Eastern Europe.

## 2. Methods

This study employs a comprehensive methodological approach to analyse the current trends and strategies in health and wellness tourism in Bulgaria. The methods used qualitative techniques to ensure a holistic understanding of the subject matter.

The qualitative analysis focuses on an in-depth understanding of Bulgaria's wellness tourism landscape through:

- Review of Existing Literature: A comprehensive review of global trends, government policies, and industry reports was conducted to establish a contextual framework.
- Infrastructure Analysis and Case Studies: Bulgaria's SPA and wellness infrastructure was examined, with a focus on key destinations such as Velingrad, Bansko, and Sapareva Banya. These case studies provided detailed insights into the facilities, services, and unique offerings of each destination.
- Analysing domestic and international tourists' trends to gauge interest in wellness travel in Bulgaria.

- Examination of statistical data on tourist arrivals, spending patterns, and the economic contribution of wellness tourism to gauge the industry's performance and identify growth opportunities.

The study includes a benchmarking component to measure Bulgaria's wellness tourism offerings against leading global destinations such as Hungary, Austria, and Slovenia. This analysis identifies:

- Bulgaria's strengths, such as its abundance of natural mineral springs and affordability.
- Areas for improvement, including branding, infrastructure modernization, and enhanced marketing strategies.

This methodological framework ensures a holistic understanding of the current state and potential of Bulgaria's health and wellness tourism sector, combining evidence-based findings with actionable insights for future development.

### 3. Results

The health and wellness tourism industry in Bulgaria is witnessing significant growth which is driven by global trends and a rising interest in holistic and wellness travel experiences. With its rich natural resources, including mineral springs, scenic mountains and eco-friendly landscapes, Bulgaria has positioned itself as a competitive wellness destination.

According to the National Statistical Institute, the number of tourists who spent the night in accommodation facilities in February 2023 increased by 48.7% compared to the same period in 2022. Bulgarians chose to vacation in our country, staying an average of 2.2 nights, and foreigners - 140.7 thousand with an average of 3.2 nights. 76 percent of them chose 4- or 5-star hotels. Among the most preferred destinations in February 2023 are ski resorts, SPA resorts and large cities, where tourists practice cultural, business and urban tourism. Trips to municipalities with large ski resorts (Bansko, Samokov, Smolyan and Chepelare) were over 122 thousand in February 2023, or about 26% of all trips in the country. Serious growth in February 2023 Bansko municipality notes - just over 20% compared to February 2022, but there is also interest in other ski resorts. In Borovets, bed occupancy reached 85% in February 2023, and in Pamporovo 72%. Interest in SPA tourism is also high. In just one month - February 2023 - the municipalities of Velingrad, Hisarya, Sandanski, Pavel Banya, Razlog, Sapareva Banya, Garmen attracted over 90 thousand tourists, i.e. about 19% of the total tourist flow in February. Urban cultural and business tourism also reported increased interest. In February 2023, Sofia, Plovdiv, Varna, Burgas, Ruse, Stara Zagora, Veliko Tarnovo registered a total of 147 thousand tourist visits with overnight stays, or about 31% of all tourist visits were in these municipalities. The highest growth in tourists for February was reported by the capital, about 63%. According to NSI data, the trend continues in 2024 and Bulgaria is a leading tourism destination among Bulgarians in the second quarter of 2024. Already at the end of 2023, the Ministry of Tourism announced its forecast that the direct contribution of the sector would increase to 8.3% of GDP in 2024, to 9.1% in 2025 and 9.4% in 2026. For the time being, the NSI does not provide data on consumption only in the wellness sector. This type of data can underscore the growing interest and economic significance of wellness tourism in Bulgaria. By leveraging data-driven insights, stakeholders can better align their strategies to meet tourist demands, optimize resource allocation, and further enhance Bulgaria's competitive edge in the global wellness market.

In addition, based on 2022 research by Muller et al., Romania is in first place in the ranking of sending countries with more than 800,000 tourist arrivals, Turkey is in second place with more than 400,000 people, and Germany in third place with more than 288,000 people. Poland is in sixth place (222,407), the Czech Republic is in 10th place (116,717 people) and Hungary is in 20th place (30,597 people). They outline three types of tourists that can be targeted with adventure and sports, mountain attractions, culture, relaxing and passive recreation, beach tourism, festivals and the community experience provided by events.

It is important to point out the after effects of the global pandemic on current consumer behaviour. For example, GWI (2023) predicts that the wellness economy will continue its robust growth and expand its share of consumer spending and the global economy over the next several years. In spite of the temporary setbacks from the COVID-19 pandemic, the underlying forces that propel the growth of wellness remain as compelling as ever, including: population aging, the rise of chronic disease, the unsustainable costs of the sick-care model, widespread mental unwellness, and expanding awareness of healthy lifestyles and wellness modalities. The global demand for wellness retreats has seen a sharp increase, driven by a growing desire for holistic well-being and stress relief. In Bulgaria, this trend has been embraced with the rise of specialized wellness facilities that offer tailored experiences such as yoga, meditation, and detox programs. Destinations like Velingrad, known as the "SPA capital of the Balkans" are witnessing an influx of visitors seeking to rejuvenate both their body and mind amidst picturesque settings. These retreats often combine traditional therapies with modern amenities, providing a comprehensive wellness journey for domestic and international tourists. A significant factor affecting this demand is the emphasis on personalized wellness journeys. Bulgarian wellness retreats are

increasingly offering bespoke packages that cater to individual needs, such as stress management, fitness enhancement, or mental health improvement. For example, some retreats incorporate nutritionists, fitness trainers, and holistic therapists to craft unique programs. This customization not only improves the guest experience but also sets Bulgaria apart as a destination that prioritizes individuality in wellness travel. Moreover, the country's affordability compared to other European wellness destinations has made it an attractive option for tourists seeking high-quality experiences without breaking the bank. Retreats in the Rhodope Mountains or along the Black Sea coast provide a peaceful environment ideal for disconnecting from everyday stress. The integration of natural elements, such as thermal waters and forest therapy, further enhances the appeal of these retreats, aligning with the broader global trend of nature-centric wellness tourism.

As WTTC notes, Travel & Tourism are intrinsically linked to biodiversity and nature. Over half of Travel & Tourism demand is driven by the desire to explore nature, whether it is an international safari of a lifetime or a day trip exploring the countryside. The integration of nature and physical activity is a cornerstone of wellness tourism, blending outdoor adventures with opportunities for physical and mental revitalisation. In Bulgaria, the country's diverse landscapes serve as the perfect backdrop for wellness experiences that combine activity and relaxation. The Rila, Pirin, and Rhodope Mountain ranges offer extensive hiking trails, providing visitors with opportunities to connect with nature while improving their physical fitness. These trails often lead to serene lakes, waterfalls, or panoramic vistas, creating a meditative experience that complements the physical exertion. Cycling enthusiasts can also explore Bulgaria's growing network of bike paths, which can be found through picturesque villages, vineyards and coastal areas. For instance, the trails around the Seven Rila Lakes or the Thracian Valley combine physical activity with cultural and natural immersion. Many wellness-focused accommodations in these regions now offer guided outdoor excursions, such as yoga sessions by mountain lakes or forest bathing experiences, which allow travellers to fully embrace nature's healing power. Additionally, the concept of "active relaxation" is gaining traction in Bulgaria's holistic tourism. Resorts and retreats are increasingly incorporating structured physical activities such as walking, rock climbing or paddleboarding into their wellness packages. These activities not only promote physical health but also awareness, as participants are encouraged to be in touch with their natural surroundings.

According to Bozhinova and Shopova (2023) the idea of sustainable development of tourism is among the most significant trends in this sector globally. In Bulgaria, it is included in the National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria. The current economic, health and social environment in the country has promoted the interest in the sustainable development. It has also created conditions that stimulate the sector to update and improve the product portfolio, focusing efforts on using the possibilities of alternative forms of tourism, which find their interpretation in the tourist regionalization of the country and the formation of tourist routes with specialized destinations. Sustainability has become a critical focus in the health and wellness tourism industry and Bulgaria can be a key player by leveraging its natural resources and adopting eco-conscious practices. More and more health and wellness providers are focusing on environmental stewardship by developing green infrastructure, reducing carbon footprints, as well as preserving the landscapes that attract visitors. For example, many SPA resorts and wellness retreats are implementing renewable energy sources, such as solar panels and geothermal heating, which align with global sustainability goals while enhancing the visitor experience. According to Katsarova (2021) the Bulgarian government and tourism industry stakeholders are actively promoting eco-friendly practices to enhance the country's appeal as a sustainable health tourism destination. This commitment is evident in the development of year-round health tourism products, such as medical, SPA and wellness services, that aim to minimize environmental impact while meeting the health and wellness needs of visitors. Furthermore, Bulgaria's commitment to sustainable tourism was highlighted at the European Forum in 2024, where the country emphasized its efforts to achieve high environmental standards in tourism. Bulgarian companies strive to produce ecologically clean and sustainable tourism products, reinforcing the nation's dedication to environmental stewardship within the industry. The Strategy for Sustainable Tourism Development, Horizon 2030 also considers elements that are important for the development of sustainability, health and wellness tourism. Some of them are:

- Develop a program and an action plan for the development of health tourism - balneotourism, SPA and Wellness tourism in Bulgaria;
- Creating opportunities for multi-year use of resort areas with complex inclusion of their resources;
- Development of balneo and SPA centers in the major seaside resorts.
- Renewing the supply of medical and preventive programs that combine summer vacation with treatments;
- Modernization of national and regional resorts with new facilities and equipment, apparatus and improving existing ones;
- Protection and preservation of natural resources, conducting environmental policy for "healthy living environment" as a guarantee for healing functions of resort and tourist areas;

- Ensuring rational use of mineral therapeutic waters to improve and restore the health of citizens and enhance public welfare;
- Etc.

More and more accommodations in Bulgaria are adopting sustainable tourism practices, though the degree of implementation varies based on factors like property category, location, and size. Research by Ivanov et al. (2014) indicates that mountain establishments, for instance, are beginning to embrace practices such as waste separation, composting, and energy or water conservation. However, there is still significant room for improvement, particularly in achieving sustainability certifications and fully integrating environmental, social, and economic dimensions of sustainability. Bulgarian wellness destinations like the Rhodope Mountains and Strandzha Nature Park offer accommodations built with sustainable materials, often blending harmoniously into their natural surroundings. Many resorts now promote locally sourced, organic food, reducing the environmental impact while supporting regional agriculture. These practices resonate strongly with travellers who value authentic, eco-friendly experiences, creating a competitive edge for Bulgarian destinations.

The private sector is also contributing to this shift towards sustainable tourism. Eco-friendly resorts, such as the Vaya Beach Resort along the Black Sea coast, exemplify environmentally conscious development. Opened in late 2019, this resort features bungalows with private gardens and swimming pools that directly overlook the beach, integrating sustainable design elements that harmonize with the natural landscape. The incorporation of conservation efforts into wellness programs further underscores Bulgaria's commitment to sustainability. Some retreats and resorts are encouraging visitors to participate in activities like tree planting, nature restoration projects, or wildlife observation tours. These initiatives not only enhance the traveller's connection to nature but also contribute to the preservation of biodiversity in areas like Vitosha Mountain and Belasitsa Nature Park. By actively involving guests in conservation, wellness providers foster a sense of responsibility and community among their clientele.

Sustainability in Bulgarian wellness tourism extends beyond environmental efforts to include cultural preservation. Many wellness packages incorporate local traditions, crafts, and folklore, ensuring that cultural heritage is celebrated rather than overshadowed. For example, some SPAs integrate Thracian-inspired rituals or Bulgarian rose oil therapies into their treatments, offering a unique and meaningful experience. By focusing on sustainability in all its dimensions—environmental, economic, and cultural—Bulgaria is positioning itself as a forward-thinking destination for holistic travel that meets the demands of a conscientious global audience.

Bulgarian resorts are embracing the global trend of corporate wellness by offering tailored retreat packages for team building, stress management, and productivity enhancement. Corporate wellness programs are gaining traction as businesses recognize the importance of employee health and its direct impact on productivity and morale. In Bulgaria, this trend is reflected in the emergence of tailored retreats and activities designed for organizations aiming to foster well-being among their teams. These programs often combine wellness-focused activities such as yoga, mindfulness training, and nutritional workshops with team-building exercises to create a holistic approach to workplace health.

For example, research by Staneva and Marinov (2022), the corporate social responsibility and workplace health promotion is a self-regulating business model that helps a company to be socially significant. Well-being tourism has the ability to assist in healthcare cost control efforts. It promotes the development of a wellness and health culture and motivates the personal responsibility of the employee. This specialized tourism has a particularly important role in creating a family wellness culture and an adequate attitude to quality of life.

The availability of wellness-focused facilities in Bulgaria, such as SPAs and resorts in regions like Bansko and Velingrad, makes the country an attractive destination for corporate retreats. These locations provide businesses with the opportunity to combine work with relaxation and rejuvenation. Programs typically include seminars on stress management, guided outdoor activities like hiking or skiing, and personalized wellness plans aimed at improving physical and mental health. Another dimension of corporate wellness programs is their role in enhancing organizational culture. Companies in Bulgaria are increasingly using these initiatives to build team cohesion, reduce burnout, and encourage healthier lifestyle choices among employees. Such retreats are particularly popular in industries with high stress levels, providing employees with a space to recharge and refocus. Moreover, the adoption of corporate wellness programs in Bulgaria aligns with the global shift toward prioritizing employee well-being as a core component of corporate social responsibility. These programs also offer companies a competitive edge by improving employee retention and attracting top talent. Bulgaria's natural landscapes and growing reputation as a wellness destination further position the country as a key player in the corporate wellness market.

Cultural and Holistic Wellness Experiences are becoming increasingly popular in wellness tourism as customers seek to combine physical health, mental well-being, and spiritual growth. This type of tourism goes beyond traditional SPA treatments to include elements of cultural immersion, personalized wellness practices, and deepening self-awareness. One of the defining features of cultural and holistic wellness experiences is the

integration of local healing traditions. Many wellness retreats offer experiences that are deeply rooted in the cultural heritage of the destination, often involving traditional practices passed down through generations.

As Dimtrova (2021) indicates, Bulgaria is a beautiful country with a huge potential for heritage – and culture-based experiential tourism (HCBET) due to its rich cultural heritage, natural resources, and unique sites. The country has established traditions in tourism and hospitality and the travel industry has been recognized as a priority sector of the economy. These offerings cater to tourists seeking not just relaxation but a deeper connection to traditions, spirituality, and the surrounding environment. From ancient rituals to modern interpretations of holistic health practices, Bulgaria has positioned itself as an emerging destination in this niche.

One example is the incorporation of traditional Bulgarian practices into wellness retreats. Activities like folk dance workshops, traditional crafts, and cuisine-focused sessions allow visitors to immerse themselves in local culture while promoting mental and emotional well-being. These programs often take place in picturesque settings such as the Rhodope Mountains or the Rose Valley, where guests can enjoy tranquil surroundings and engage with local traditions. Holistic wellness experiences in Bulgaria often combine physical and spiritual practices. Yoga and meditation sessions in serene natural environments, such as near mineral springs or in lush forests, are common. Locations like Devin and Sapareva Banya are particularly known for blending natural therapeutic resources with structured wellness activities, including aromatherapy using Bulgaria's famous rose oil or herbal remedies inspired by local traditions.

Additionally, cultural wellness experiences promote sustainable tourism by emphasizing the preservation of local traditions and supporting small communities. Visitors are encouraged to engage authentically, contributing to the revitalization of local crafts and customs. This alignment with global sustainability trends makes Bulgaria's offerings appealing to eco-conscious tourists, further strengthening its position as a holistic wellness destination. Bulgarian wellness providers are integrating traditional cultural practices, such as rose oil therapies and folk healing rituals, into their offerings. These unique experiences cater to customers seeking both physical rejuvenation and cultural immersion.

In response to the pandemic, businesses in Bulgaria, particularly in the tourism industry, prioritized customer safety by implementing strict health protocols. Hotels, restaurants, and attractions adopted sanitation standards, contactless technology, and social distancing measures to attract health-conscious tourists. These strategies resonate well with the post-pandemic preference for safe and hygienic travel environments. To attract tourists during the pandemic when international travel was uncertain, Bulgaria's tourism sector focused on domestic and regional customers. The government and tourism organizations launched campaigns to promote local destinations and attractions, particularly in rural and nature-based locations. This aligns with the post-pandemic trend where people are more inclined to travel locally or within their regions. Bulgaria has a rich variety of natural attractions, such as its national parks, mountains, and Black Sea coast. Marketing these outdoor experiences to travellers, emphasizing safety and open spaces, became key in attracting visitors in the period after the pandemic. Nature-based tourism has been growing as tourists seek less crowded, open-air destinations. Bulgaria's tourism businesses increasingly used digital marketing strategies, including social media campaigns, virtual tours, and user-generated content, to attract new customers. Online platforms became the primary source for booking and planning travel, and businesses in Bulgaria adapted quickly to the digital shift, offering contactless booking and virtual experiences. Post-pandemic, there was a surge in interest in wellness tourism, which Bulgaria embraced through the promotion of its SPA resorts, health tourism, and cultural heritage sites. Bulgaria has a long tradition of health and wellness facilities, particularly in areas like Velingrad, Banya, and Sandanski. These offerings align with the post-pandemic traveller preference for wellness, relaxation, and rejuvenation. In line with post-pandemic customers preferences, Bulgarian tourism businesses have increasingly integrated wellness and mindfulness initiatives into their offerings. This not only attracts new customers but helps retain them by offering experiences that promote mental health and well-being. The shift in traveller preferences has different aspects and according to Goncu and Kamasak (2024) the main can be defined as:

- **Health and Hygiene Concerns:** Tourists are now more aware of hygiene and safety when choosing accommodations, airlines, and destinations. Post-pandemic, destinations like Bulgaria that have a strong emphasis on health measures, including regular cleaning, sanitation, and healthcare access, appeal to these new preferences.

- **Interest in Less Crowded, Nature-Based Experiences:** Post-pandemic, people have shown a strong preference for nature and outdoor activities. The pandemic shifted people's attitudes towards traveling in open, less crowded spaces. Bulgaria's diverse nature, including mountain hiking, Black Sea resorts, and rural tourism, is well-positioned to meet this demand.

- **Increased Demand for Sustainability:** Sustainability has become a top priority for tourists in the post-pandemic era. Bulgaria has increasingly positioned itself as a destination for eco-tourism, promoting its natural parks, wildlife sanctuaries, and green certifications for hotels and services. Travelers are attracted to destinations that focus on sustainability and responsible travel.

- **Remote Work and the Digital Nomads Movement:** The rise of remote work has led to a growing trend of "workations" or extended stays in desirable locations. Bulgaria, with its affordable cost of living and high-speed internet, has attracted digital nomads and remote workers seeking work-life balance. The country's rural areas and smaller towns offer quiet and peaceful settings conducive to remote work.

- **Flexibility and Digital Integration:** Travelers now demand flexible booking systems and seamless digital experiences. Bulgaria's tourism sector has embraced digital tools for booking, contactless check-ins, and virtual tours. The need for flexibility in travel plans—such as the ability to change dates or cancel without significant penalties—has also shaped customer retention strategies.

To summarise, Bulgaria's tourism strategies are closely aligned with post-pandemic shifts in traveller preferences. The country's emphasis on health and safety, personalized experiences, nature-based tourism, sustainability, and digital integration has helped it respond effectively to the evolving needs of the customers. As the travel landscape continues to adapt to the new realities, Bulgaria's strategies will need to remain flexible and innovative to retain their competitive edge and appeal to the changing desires of global tourists.

Another option for diversification could be digital detox tourism. It is defined by Can and Iflazoglu (2021) as a tourism against post-modernism that attracts attention as a type of tourism preferred by individuals who seek diversity and have different expectations, especially those who want to stay out of intensive technology-based tourism activities. This makes it an ideal way to expand Bulgaria's portfolio in the wellness sector. In an age dominated by constant connectivity and digital overload, Bulgaria has emerged as an ideal destination for digital detox retreats. The country's pristine natural landscapes, remote villages, and serene mountain hideaways offer the perfect setting for travellers looking to unplug, reconnect with themselves, and embrace a slower pace of life. Bulgaria's Rila and Pirin Mountains are home to numerous retreats that encourage guests to surrender their devices and immerse themselves in nature. Activities such as guided forest walks, stargazing, and mindfulness sessions help visitors detach from their screens and focus on personal well-being. Properties like eco-lodges and family-run guesthouses provide simple, technology-free accommodations, fostering a sense of calm and presence.

For those seeking structured programs, wellness centers near Bulgaria's famous mineral springs often include digital detox elements. In places like Velingrad and Hisarya, participants are encouraged to replace screen time with SPA treatments, yoga and meditative practices. These retreats highlight the benefits of mindful living while leveraging the therapeutic properties of Bulgaria's natural resources. Digital detox experiences in Bulgaria also integrate cultural engagement, offering workshops on traditional crafts, culinary lessons, and storytelling evenings. By disconnecting from technology, visitors not only improve their mental clarity but also form meaningful connections with local communities, creating memorable and rejuvenating experiences.

Benchmarking against global leaders in the sector is crucial for future planning and positioning of the country in the highly competitive landscape. For example, Iceland is renowned for its geothermal SPAs like the Blue Lagoon, offering world-class facilities integrated with stunning natural surroundings. Bulgaria's mineral springs, such as those in Velingrad and Sandanski, share similarities in therapeutic value but lack the globally recognized branding and luxury amenities that draw high-spending tourists to Iceland. Enhancing Bulgaria's branding and improving the infrastructure of its mineral springs could elevate its competitive position. Thailand's wellness tourism excels in combining traditional practices like Thai massage, meditation, and herbal medicine with luxurious settings. Bulgaria can draw inspiration from this model by incorporating its rich cultural heritage, such as rose oil treatments, herbal remedies, and folklore-inspired retreats, to create an authentic wellness identity that resonates with global audiences. Switzerland's wellness sector focuses on high-end services, including medical wellness programs and exclusive SPA resorts set in the Alps. While Bulgaria offers affordability, it lacks comparable luxury facilities and precision wellness services. Investments in upscale resorts and partnerships with medical tourism providers could help Bulgaria tap into the lucrative high-end wellness market. Hungary is a recognized leader in holistic tourism, especially for its extensive network of thermal baths, such as the iconic Széchenyi and Gellért baths in Budapest. These facilities successfully blend historical charm, cultural heritage, and therapeutic benefits, attracting millions of tourists annually. Bulgaria shares a similar abundance of mineral springs, particularly in destinations like Hisarya and Devin, but it lacks the international recognition and centralized urban appeal that Hungary has achieved. Hungary's ability to integrate wellness facilities with its rich historical and architectural sites is a notable strength. Bulgaria can draw from this model by promoting its mineral springs alongside its cultural landmarks, such as Thracian tombs and monasteries, creating a combined wellness and heritage tourism package.

By benchmarking against these leaders, Bulgaria can identify specific strategies to refine its wellness travel offerings, ensuring it appeals to both budget-conscious tourists and high-end clientele while leveraging its natural and cultural assets. It can develop urban wellness hubs in major cities like Sofia or Plovdiv, offering easy access to thermal SPAs complemented by rich cultural experiences. It is also important to leverage Bulgaria's history and traditions, branding its wellness offerings as both culturally enriching and therapeutic. Another focus

should be fostering partnerships with airlines, travel agencies, and regional tourism boards to position Bulgaria as a leading wellness destination in Europe, similar to Hungary's effective collaborations.

The findings suggest that Bulgaria's health and wellness tourism sector is well-positioned to capitalize on these global trends, enhancing its appeal as a prime destination for diverse wellness experiences. It is rapidly evolving to align with global trends in health and wellness, leveraging the country's abundant natural resources, rich cultural heritage, and emerging demand for personalized experiences. The rising popularity of wellness retreats and digital detox programs underscores a growing focus on mental health and holistic rejuvenation, while corporate wellness initiatives cater to a burgeoning interest in work-life balance.

Bulgaria's unique integration of nature and physical activities, such as mountain treks and thermal SPA experiences, appeals to eco-conscious consumers and adventure enthusiasts. Simultaneously, the industry's increasing emphasis on sustainability highlights a commitment to preserving the environment while providing immersive, eco-friendly experiences. Local businesses are embracing green practices, ensuring long-term viability and enhancing the appeal to international markets. Cultural wellness experiences, blending tradition with holistic healing, and the incorporation of personalized wellness programs further position Bulgaria as a competitive destination in the global wellness travel market. These strategies reflect the industry's adaptability and innovation, ensuring that Bulgaria meets diverse customers' needs while contributing to the broader goals of sustainable and meaningful tourism.

#### **4. Discussion**

The results demonstrate that Bulgaria has a strong foundation for developing a competitive health and wellness sector of tourism. The country's natural and cultural assets align well with global wellness trends, but further investment in infrastructure and marketing is essential. Establishing partnerships with international wellness organizations and integrating sustainable services into tourism strategies will enhance Bulgaria's appeal to discerning travellers.

By focusing on innovation and diversification, such as promoting wellness retreats that include yoga, meditation and detox programs alongside sports activities like hiking and cycling, Bulgaria can differentiate itself in the global market. The findings underscore the importance of addressing existing challenges, such as improving accessibility and training professionals in the wellness sector, to ensure long-term success. While Bulgaria's health and wellness tourism sector shows great promise, it faces several challenges that must be addressed to ensure sustainable growth. It faces notable challenges due to insufficient infrastructure, particularly in rural and emerging wellness destinations. Many areas lack well-developed transportation networks, making it difficult for tourists, especially international tourists, to access remote wellness retreats or SPA towns efficiently. Poor road conditions and limited public transport options further compound this issue, potentially deterring visitors from exploring the country's full range of wellness offerings. The Economic and Social Council (2021) considers that crucial for tourism are the problems related with the extremely low quality, or even entire lack of infrastructure countrywide. It is one of the basic reasons for impeding the development of not only the sea and the winter tourism but also of the other varieties of tourism. The national, regional, and local infrastructures, and more concretely the roads for the development of the settlements and the regions of cultural and historical, rural and ecological tourism, do not meet the modern demands of the tourists. This is an area that should be a main focus of the country's development in the tourism sector but also in its economy as a whole. As pointed out by Challoumis (2024) infrastructure investments reduce operational costs, streamline logistics, and facilitate smoother interactions and transactions, thus significantly boosting productivity.

Accommodation facilities in some wellness regions also struggle to meet the standards expected by high-end wellness tourists. While certain destinations boast luxurious SPA hotels, others offer only basic amenities, failing to attract and retain a more discerning clientele. The uneven quality of infrastructure limits Bulgaria's ability to compete with leading wellness tourism destinations in Europe, where travellers expect consistent quality across all service points.

Another significant limitation is the lack of state-of-the-art wellness and recreational facilities in smaller towns. Many wellness centers lack modern equipment, innovative treatments, or unique experiences that align with current global trends in health and wellness. For instance, facilities for holistic therapies, advanced fitness programs, or medical wellness are not widely available, which narrows the appeal for customers seeking extensive wellness experiences.

An analysis of Bulgaria's SPA and wellness infrastructure reveals a diverse range of offerings that capitalize on the country's natural resources, such as its abundant mineral springs and scenic landscapes. Key destinations such as Velingrad, known as the "SPA Capital of the Balkans," and Sandanski, famed for its climate and therapeutic waters, serve as flagship examples of the country's potential in wellness tourism. These towns

combine traditional SPA treatments with modern wellness facilities, attracting both domestic and international visitors.

Case studies highlight successful integration of natural assets and infrastructure. For instance, Velingrad boasts over 80 mineral springs and multiple high-end SPA resorts, providing comprehensive wellness programs that cater to a variety of health needs, from musculoskeletal treatments to stress relief therapies. Similarly, Sandanski leverages its mild climate and mineral-rich waters, offering rehabilitation and wellness services for respiratory conditions, making it a year-round destination.

Despite these successes, the analysis also points to disparities in infrastructure quality across regions. While some destinations have world-class facilities, others suffer from outdated infrastructure and lack of investment. For example, smaller SPA towns struggle with modernizing their amenities and improving accessibility, which limits their appeal to international tourists.

The findings underline the importance of strategic investments to elevate Bulgaria's SPA and wellness infrastructure uniformly. By modernizing facilities, enhancing regional connectivity, and integrating eco-friendly practices, the country can unlock the full potential of its wellness tourism sector and strengthen its position in the global market. To overcome these infrastructure limitations, coordinated investment is needed to improve accessibility, upgrade accommodations, and modernize wellness facilities. These enhancements would not only attract more visitors but also elevate Bulgaria's reputation as a competitive holistic travel destination.

The success of Bulgaria's wellness tourism industry depends heavily on the availability of a skilled and knowledgeable workforce. However, a significant challenge lies in the shortage of trained professionals who can deliver high-quality wellness experiences. This includes SPA therapists, fitness trainers, holistic health practitioners, and hospitality staff specializing in therapeutic services. The limited availability of specialized training programs within the country exacerbates this issue, making it difficult to cultivate a workforce capable of meeting international standards.

A Pantour country skills profile report on Bulgaria (2024) shows that the growing demand for labour in tourism may not face a significant increase in the supply of labour due to the low birth rates and emigration that lead to a shrinking population and labour shortages in the country. It may turn out that in 10 years, immigrants will constitute a significant share of tourism employees in the country. The recent events like the war between Ukraine and Russia, or the continuous flow of immigrants from Middle East, Asia and Africa generate a certain potential of available labour force. However, besides the administrative issues (e.g. visas, permissions to work, legal residence, etc.) those people definitely would need training, in order to work in the tourism sector.

Another challenge is the high turnover rate within the tourism and hospitality sector. Many skilled professionals seek opportunities abroad due to better pay and career advancement prospects, leaving domestic businesses struggling to retain talent. This "brain drain" undermines the growth potential of the wellness tourism industry, as businesses face difficulty maintaining consistent service quality and building long-term client relationships.

Moreover, there is often a gap between workforce skills and the evolving demands of wellness tourists. For example, tourists increasingly seek personalized and culturally immersive wellness experiences, requiring staff with a deep understanding of local traditions, advanced communication skills, and proficiency in multiple languages. The absence of targeted training programs to develop such skills further limits the industry's ability to adapt to changing market trends.

Tackling these workforce development challenges requires a multi-faceted approach, including government and private sector initiatives to create specialized education and certification programs. Partnerships with international wellness institutions and trainers could help elevate the skill level of local professionals. Competitive wages and career growth opportunities will also be essential in retaining talent and establishing Bulgaria as a leading destination for wellness tourism.

The Bulgarian tourism industry, including the wellness sector, faces challenges related to seasonality. Many wellness retreats and activities are heavily dependent on favourable weather conditions, particularly those that integrate outdoor components like hiking, cycling, and nature immersion. As a result, there is a significant drop in tourist numbers during the colder months, leading to uneven revenue streams for businesses and making it difficult to sustain operations year-round. Velikova and Tzvetova (2018) stipulate that the Bulgarian tourist product will be improved significantly through the development of effective mechanisms for extending the tourist season for the most competitive and perspective for development types of tourism in Bulgaria – summer sea and winter skiing.

Regional differences in development also present a notable challenge. While certain areas, such as Velingrad (often referred to as the "SPA Capital of the Balkans") and Sandanski, are well-known for their wellness offerings due to their abundant natural mineral springs and established infrastructure, other regions lack the resources or branding to attract wellness tourists. Coastal and mountainous areas experience peaks in seasonal demand, whereas less prominent locations often remain underutilized despite having potential.



Additionally, the concentration of investments and marketing efforts in already popular destinations exacerbates the regional imbalance. Underdeveloped regions may have untapped natural resources, such as mineral springs or scenic landscapes, but often lack the necessary infrastructure, professional workforce, and promotional strategies to draw tourists. This disparity limits the overall growth and diversity of the wellness tourism sector in Bulgaria.

These seasonality and regional disparities need strategic measures such as diversifying offerings to include indoor wellness activities, promoting winter holistic travel, and investing in lesser-known regions. Encouraging collaboration between local governments, businesses, and tourism boards can help create balanced development and attract visitors to a wider range of destinations across the country.

Kazandzhieva (2021) indicates that a characteristic feature of the global tourist market today is the clearly expressed competition between particular destinations in their aspiration to attract even more visitors and increase their market share and revenues from tourism all the time. Countries compete intensely not only in respect to the volume of tourist flows, but also with respect to the national economic prosperity and welfare of local people. Besides, globalisation and liberalisation of international trade sharpen competition on various levels even more: branch, national, regional and world. This indicates that competition is a very important topic of research. Analysing it through the lens of macroeconomics can help practitioners, scientists and industry players to develop strategies for development.

The Bulgarian holistic tourism faces significant challenges from global competition, as customers increasingly have access to a wide array of destinations offering similar or even more diverse wellness experiences. Countries like Hungary, Slovenia, and Iceland, which are renowned for their thermal springs, or Thailand and Bali, famous for their holistic retreats, have established themselves as leading wellness destinations with strong branding, robust infrastructure, and superior service standards.

The country's unique offerings, such as its mineral springs, balneotherapy, and cultural heritage, are not always marketed as effectively as those of its competitors. The lack of a unified, internationally recognized brand for health and wellness tourism hinders the country's ability to attract a global audience. This is compounded by the perception that neighbouring countries in the Balkans offer comparable experiences, making differentiation critical for standing out in a crowded marketplace. Moreover, global wellness trends like personalized retreats, luxury SPA experiences, and eco-conscious travel often require high investments in innovation and infrastructure, areas where the country is still catching up. Competing with destinations that have already mastered these trends demands not only improved facilities and services but also comprehensive marketing campaigns that highlight Bulgaria's distinctive qualities, such as its affordability, authentic cultural experiences, and lesser-explored natural landscapes.

Bulgaria must focus on enhancing its wellness offerings, aligning them with international standards, and creating a strong national wellness brand. Collaboration with international travel agencies, participation in global tourism expos, and leveraging digital marketing strategies can help position Bulgaria as a competitive player in the global wellness tourism market.

Vodenska (2018) specifies that sustainable tourism development should be such a development where the economic and social changes related to it led to a decrease in the need for environmental protection. And if we can accept that the main points of sustainable development and its indispensability are quite clear, the implementation of this concept in practice turned out to be a difficult task which could not find its solution in many destinations including Bulgaria. As the demand for wellness retreats and natural therapies grows, there is a risk of overusing the country's natural resources, such as mineral springs, forests, and protected areas. Without proper management and regulations, these resources may face degradation, threatening the very foundation of the wellness tourism sector. The lack of sustainable infrastructure and practices in some wellness destinations exacerbates the problem. For instance, many smaller wellness facilities and rural retreats may not prioritize eco-friendly practices, such as waste management, energy efficiency, or water conservation. This can lead to environmental strain, particularly in regions with high tourist influx during peak seasons.

Furthermore, sustainability concerns are not limited to environmental factors. Social and cultural sustainability is equally important, as an influx of tourism can sometimes disrupt local communities and dilute cultural authenticity. Ensuring that holistic tourism benefits local populations, through fair wages, job creation, and the promotion of local traditions, is essential for long-term success. Therefore, Bulgaria must implement stricter environmental regulations and encourage wellness travel operators to adopt green certifications and practices. Public-private partnerships can play a crucial role in funding sustainable tourism initiatives, such as renewable energy projects for resorts or eco-friendly transportation options. Promoting education about sustainability among both tourists and industry stakeholders will further help preserve Bulgaria's natural and cultural treasures while ensuring the continued growth of its wellness tourism sector.

Ivanov and Dimitriva (2010) note that tourism is a key sector for the Bulgarian economy contributing to the balance of payment, economic growth and employment rate and its efficiency is closely related to the

structure of its management and planning. However, one of the significant challenges facing Bulgaria's wellness travel industry is the limited promotion and lack of collaboration between key stakeholders. Despite the country's rich natural resources, including mineral springs, mountain retreats, and cultural heritage, there is insufficient global awareness of Bulgaria as a premier wellness destination. Marketing efforts are often fragmented, with individual resorts or small businesses promoting themselves independently rather than as part of a cohesive national strategy. This lack of coordinated promotion diminishes Bulgaria's ability to compete with well-established wellness destinations such as Hungary, Austria, or Slovenia. Additionally, the absence of a unified branding strategy for this part of the tourism sector means that the diverse offerings of Bulgaria, from SPA centers to cultural retreats, fail to form a recognizable identity in international markets.

Collaboration between public institutions, private enterprises, and local communities is also limited. Stakeholders often operate in silos, missing opportunities to pool resources and share expertise. For instance, partnerships between wellness centers, travel agencies, and cultural organizations could create more comprehensive packages for tourists, enhancing their experience and boosting the overall appeal of Bulgarian as a wellness destination.

The country requires a national strategy for this part of the industry that prioritizes collaborative marketing campaigns and joint efforts between the public and private sectors. Initiatives such as participation in international wellness and travel expos, influencer partnerships, and digital advertising campaigns targeting specific demographics can help improve Bulgaria's visibility. When the country stimulates collaboration between businesses, municipalities, and tourism boards, it will encourage innovation and create a unified approach to attracting wellness tourists.

The health and wellness travel sector in Bulgaria faces a series of challenges, including fierce competition from other established European destinations, the need for modernizing infrastructure, and the ongoing pressures from economic fluctuations and global health concerns. Additionally, the market must address the challenge of balancing traditional offerings with the growing demand for cutting-edge wellness experiences, driven by rising consumer expectations for personalized and sustainable travel experiences. However, the future outlook for holistic tourism in Bulgaria remains optimistic.

The future of wellbeing focused tourism in Bulgaria is promising, driven by a global shift towards health-conscious travel and eco-friendly practices. With the increasing emphasis on sustainability, Bulgaria has the opportunity to become a leader in green tourism by incorporating eco-conscious practices across its wellness offerings. Investments in renewable energy for SPA facilities, sustainable construction for wellness retreats, and responsible tourism practices can position the country as a pioneer in eco-wellness tourism.

Technological advancements, such as virtual wellness consultations and integrated wellness apps, present opportunities for Bulgaria to cater to tech-savvy tourists while expanding its reach. Further, collaborations between local businesses, government agencies, and international wellness organizations could foster innovation and provide the resources needed to overcome existing challenges.

By addressing its current challenges and leveraging its unique strengths, Bulgaria has the potential to become a leading destination for health and wellness tourism. With the right strategies in place, the industry can contribute significantly to the nation's economy while offering travellers unparalleled experiences in holistic health, sustainability, and cultural enrichment. The country's rich natural resources, including mineral springs, SPAs, and therapeutic landscapes, provide a solid foundation for growth in this sector. Current trends, such as the increasing global focus on mental health, eco-tourism, and wellness retreats, present significant opportunities for Bulgaria to position itself as a leading wellness destination in Eastern Europe. By investing in infrastructure, leveraging its unique cultural and natural heritage, and adopting innovative marketing strategies, Bulgaria can expand its market share and meet the evolving demands of health-conscious consumers.

In summary, while the Bulgarian holistic tourism sector must navigate various challenges, its potential for growth is clear. With strategic investment, collaboration, and a commitment to sustainability, Bulgaria has the opportunity to establish itself as a premier destination, attracting both regional and international visitors in the years to come.

## **5. Conclusion**

Bulgaria's health and wellness tourism sector is experiencing a pivotal moment, marked by rising global interest in sustainable and restorative travel experiences. The nation's rich natural resources, including thermal springs, scenic landscapes, and cultural heritage, position it uniquely to attract wellness-focused tourists. Trends such as digital detox retreats, immersive cultural wellness experiences, and corporate wellness programs highlight the potential for Bulgaria to capitalize on growing global demand. However, leveraging these opportunities requires a strategic, well-coordinated approach that aligns with current traveller expectations.

Despite its advantages, Bulgaria faces notable challenges that hinder the full realization of its wellbeing-oriented tourism potential. Issues such as infrastructure limitations, workforce shortages, and seasonality impact the sector's ability to deliver consistent and high-quality experiences. Additionally, competition from neighbouring countries with more established wellness industries further emphasizes the need for Bulgaria to distinguish itself. Addressing these barriers is critical for creating a resilient and thriving wellness tourism ecosystem.

Sustainability remains a cornerstone for future growth. Emphasizing eco-conscious practices and ensuring minimal environmental impact can elevate Bulgaria's appeal among customers who prioritize green tourism. Investments in sustainable infrastructure and efforts to protect natural resources will not only preserve Bulgaria's wellness offerings but also enhance the nation's reputation as a responsible travel destination. Collaborative strategies that engage local communities, governments, and businesses will play a vital role in achieving this vision.

Ultimately, the future of Bulgaria's holistic travel industry hinges on its ability to innovate and adapt to global trends. By addressing existing challenges, fostering collaboration, and creating a compelling brand identity, Bulgaria has the potential to emerge as a leading wellness destination in Europe. With thoughtful planning and investment, the country can attract more international visitors while ensuring sustainable growth that benefits local economies and preserves its cultural and natural assets for generations to come.

To ensure long-term success, Bulgaria must focus on diversifying its wellness tourism offerings to cater to a broader range of consumers. Personalization will be a key driver, with tailored wellness programs that address specific needs such as stress management, fitness, or chronic health conditions. By integrating traditional Bulgarian remedies and practices into these programs, the industry can create a unique and authentic appeal that sets it apart from competitors. Such initiatives can also enhance cultural preservation while providing tourists with a more immersive and meaningful experience.

Furthermore, effective promotion and strategic partnerships are crucial for Bulgaria to strengthen its global presence in the health and wellness tourism market. A collaborative approach involving government agencies, private enterprises, and international organizations can help streamline efforts, increase visibility, and attract investments. Marketing campaigns highlighting Bulgaria's distinctive wellness assets—such as its mineral springs, pristine nature, and cultural heritage—should target key markets like Western Europe, Asia, and North America. By leveraging digital platforms and creating engaging content, Bulgaria can better communicate its value proposition and solidify its reputation as a world-class wellness destination. As a result of this research several conclusion may be made.

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