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Exporter Guide Bulgaria

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Exporter Guide

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Report Highlights:
Bulgaria, a developing market economy, is easily affected by world market fluctuations. Political changes in Bulgaria in 2014 and 2015 led to more stable relations with EU member partners. Trade is expected to slowly move upwards as a result. Bulgaria is broadly recognized as an excellent gateway into the wider EU market for agricultural products. The Bulgarian market is not yet well explored by U.S. agricultural suppliers. U.S. agricultural exports to Bulgaria in 2015 totaled more than U.S. $57 million, according to Intrastat statistical data provided by the Bulgarian National Statistical Institute. Over the last five years such U.S. exports have ranged from U.S. $18 million to U.S. $74 million.

General Information:

I. Market Overview

Bulgarian National Bank's exchange rate of U.S. $1 = BGN 1.79 for 2015 was used in this report.

General Economy

Bulgaria is a new and developing market economy, with gradually decreasing government involvement in foreign investment and trade. For comparison, at the beginning of the transition to a market economy in 1989, the share of private sector employees was essentially zero percent, and at the end of 2015 nearly 75% of the workforce is in the private sector. Foreign direct investments increased from 2.7% of GDP in 2014 to 3.8% in 2015 (source: Bulgarian National Bank). Exports generate about 49% of the GDP and are the main engine for the country's economic development. The biggest shares of exports are in industrial supplies, consumer goods, fuels, and lubricants. However, this dependence on exports and foreign investments also makes the domestic economy vulnerable to global demand fluctuations.

The International Monetary Fund (IMF) increased its economic growth forecast for Bulgaria for 2016 and 2017. According to IMF's World Economic Outlook report, Bulgaria's GDP will grow by up to 3% in 2016 and 2.8% in 2017. The previous IMF forecasts were for a growth of 2.3% in both years. According to the same report, in 2015 real GDP growth was 3% as compared to 1.5% in 2014.

In 2014 the unemployment rate decreased slightly to reach 11.4% and in 2015 there was a notable decrease to 9.1% (source: National Statistical Institute - NSI).

The Bulgarian economy is going through a fundamental restructuring during the transition to a full market-oriented economy. In 1989 Bulgaria's leading trade partner was the Soviet Union. About 65% of Bulgarian exports were directed to the USSR and 53% of Bulgarian imports from the USSR. Today the major trade partner of Bulgaria is the EU. With the size of the export flows for trade in goods, there was also a wide variation between Member States in the balance of these two flows. In 2015 Bulgaria had a negative trade in goods balance of about BGN 6.6 billion (U.S. $3.7 billion), which was BGN 1.26 less than the balance in 2014.

The table below illustrates Bulgaria's economic situation in the past three years

National Economy	2013	2014	2015
GDP (billion BGN)	81,971	83,612	88,571
GDP (billion USD)	57.726	51.932	49.481
GDP per capita (BGN)	11,283	11,574	12,001
GDP per capita (USD)	7,946	7,189	6,704
USD à BGN Exchange Rate	$1=BGN 1.42	$1=BGN 1.61	$1=BGN 1.79

Source: Bulgarian National Bank

The leading Bulgarian agricultural trade partners today are EU Member States, neighboring countries, and Russia. Over 70% of Bulgaria's total ag trade is with other EU countries. Top EU ag trade partners are Greece (20.5% of total ag trade), Romania (18.8 %), Spain (9.31%), and Germany (8.7 %). The top ag trade partners outside of the EU are Turkey, the United States, China, Macedonia, and Serbia. The ag trade with the so called Commonwealth of Independent States (some of the former Soviet Republics, including Russia) decreased by 6.6% on an annual basis in 2015 and the ag trade with Russia alone decreased by 12.5% . The main factors for the decrease are the crisis in Ukraine and the ban on import of agricultural products imposed by Russia. (*Source: Ministry of Agriculture's Agrarian Report*).

The total agriculture, fish, and forestry products two-way trade between the U.S. and Bulgaria in 2015 amounts to U.S. $167 million, of which U.S. $57 million was U.S. exports and U.S. $110 million in U.S. imports (*source: Intrastat report from the Bulgarian National Statistical Institute for the U.S. exports and U.S. Customs –BICO for the imports*). Such data indicates that trade relations between Bulgaria and the U.S. are a little bit lower than last year, but there are good opportunities for development in the future. The strong appreciation of the U.S. Dollar against the Euro affected the U.S. exports to all Euro-tied countries, including Bulgaria, in 2016.

Imports of agricultural goods from the U.S. in Bulgaria were increasing in 2012 and 2013 at U.S. $43 million and U.S. $74 million respectively. The appreciated U.S. Dollar had negative influence over the imports of goods from the U.S. and slight decrease was noted in 2014 and 2015 at U.S. $70 million and U.S. $57 million respectively (*Intrastat statistics from the Bulgarian National Statistical Institute*).

Advantages
Increase of consumption of food and edible fishery products is creating demand for more imports.
Migration of people from rural to urban areas continues at a rapid pace.
Bulgarian market is accessible by sea.
Growing food processing industry is looking for new imported food ingredients.
Efficient domestic distribution network.
Marketing costs to increase consumer awareness are low.
Challenges
Bulgarian membership in the European Union puts U.S. exporters in a less favorable position than EU member states because of duties.
Bulgarian domestic producers are receiving European funding to upgrade production efficiency and product quality.
Bulgarian farmers increase agricultural production, reducing demand for imports in the country.
Fluctuations in the exchange rate and current appreciation of the U.S. dollar puts U.S. exporters at a disadvantage compared with exporters of the EU. Bulgarian Lev (BGN) has a fixed exchange rate against the Euro (EURO 1 = BGN 1.95583)

The chart below demonstrates Bulgaria's **agricultural** export and import statistics in recent years in billion EURO

International Transactions	2013	2014	2015
Exports (FOB)	4.07	3.7	3.75
Imports (CIF)	2.45	2.47	2.71
Balance	1.62	1.23	1.04
Commodity Circulation	6.52	6.17	6.46

Source: *Ministry of Agriculture and Food – Agrarian Report 2016*

Geography and Demographics

Bulgaria is strategically located in Southeast Europe, on the commercial route between Europe and Asia. As of December 2015 Bulgaria, has a population of 7.15 million people, representing 1.4% of the total EU population, and a total area of about 111,002 square kilometers. It is densely populated with roughly 63 persons per square kilometer. 63,765 square kilometers of Bulgarian territory is agricultural land; 37,158 sq.km. are forestry; 4,603 sq. km. are settlements and other urbanized areas; 2,390 sq. km are water flow and water areas; 2,711 sq/km. are territory for mining and quarrying raw materials.

The total length of the country's road network is approximately 19,500 km. Railways cover 4,152 km. Bulgaria has well-developed and constantly improving infrastructure: 7 highways (610 km.), 230 railway stations, 4 international airports, 2 seaports on the Black Sea, and numerous ports on the Danube river. Priority road infrastructure projects in Bulgaria until 2020 include construction of 635 km and construction/rehabilitation of more than 900 km of speedways, two new bridges over the Danube river and the construction of the Shipka Tunnel. Five Pan-European corridors cross the country, linking Northern Europe with the Middle East and North Africa.

Both sea and river routes – the Black Sea and the Danube River – offer reliable shipping transportation to and from the country. The largest Bulgarian seaports are Burgas and Varna on the Black Sea coast. The Danube River is navigable during most of the year and supports inland water transport. With the Rhine-Main-Danube canal in use since 1992, Bulgaria has access to large European ports on the North Sea. The main Bulgarian ports on the Danube River are Ruse, Lom and Vidin.

Sofia is Bulgaria's capital with a population of over 1.26 million people. Sofia is situated in Southwestern Bulgaria. The second and third largest cities in Bulgaria are Plovdiv in Central South Bulgaria, with a population of about 504,000 people, and Varna on the west coast of the Black Sea, with a population of approximately 395,000 people (2015 year – source: NSI).

As of December 31, 2015, 5.23 million (73.1%) of total population resided in urban areas and 1.93 million (26.9%) in rural ones. The Bulgarian population has been decreasing recently. At the end of 2015 senior citizens above working age (65 years and over) made up over 24% of the Bulgarian population. Health care and medicine are currently in high demand with the senior population in Bulgaria. The number of population of working age as of December 31, 2015 was 4.35 million persons (60.8%) of the total population. The traditional model of nuclear family (married with two children) is gradually being replaced by a model of cohabitation with one child. Birth rate in 2015 has decreased a little to 0.92%, from 0.94% in 2014.

In Bulgaria there is a significant difference in the consumer behavior of young working people and elderly retirees. Young workers earn higher incomes and have greater consumption. Young people are buying better quality products, visiting restaurants, going on holidays and engaging on other activities. In contrast, older pensioners receive lower pensions and limit themselves to the most pressing needs of the day. The average annual salary in Bulgaria is about U.S. $ 5,993 (BGN 10,128 - *source Bulgarian National Bank*), while the average annual pension is about U.S. $2,157 (BGN 3,861 - *source Bulgarian National Social Security Institute*). This shows that young people have almost three times the purchasing power of pensioners. There are significant differences between big cities and small towns and villages. In major cities employment is high, incomes too, and young people are aiming for them.

The chart below illustrates the average demographics in recent years

Bulgarian Demographics	2013	2014	2015
Birth Rate (%)	0.92	0.94	0.92
Death Rate (%)	1.44	1.51	1.53
Age Structure 0 – 15 yrs (%)	14.6	14.8	14.9
Age Structure 15–65 yrs (%)	61.7	61.1	60.8
Age Structure 65+ yrs (%)	23.7	24.1	24.3

Source: Bulgarian National Statistical Institute

II. Exporter Business Tips

Import Agents

Except for major importers with their own offices in Bulgaria, the appointment of an effective import agent is an important decision. Invaluable background information can be provided by representatives from the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) office in Sofia, the U.S. Embassy, or representatives of commodity or trade associations such as the American Chamber of Commerce in Bulgaria.

Although factors will vary from case to case, key issues to be considered include:

- What is the extent of the agent's network of distributors, owned or leased storage capacity, and owned or leased transportation arrangements? In particular, does the agent have strong contacts with the responsible purchasing officers in the target sales channels?
- Does the agent have a high proportion of direct-to-market channels or are they heavily dependent on multiple distribution levels?
- Is the agent developing value-added communications and promotions or are they dependent on

price discounts as major sales tool?

- Does the agent have complementary product lines? Although cases vary, exclusivity can provide better incentives to the agent and can help the exporter to maintain improved supervision over price and product integrity.
- Does the agent have connections to and networks on the other Balkan markets for future sales expansion opportunities?

Entry Strategy

Bulgarian convenience store, supermarket, and hypermarket chains generally purchase from local importers, wholesalers, and producers. However, the recent tendency is to increase the volume of direct imports to avoid the higher cost of products purchased from importers or to eliminate the middleman. The best method to reach Bulgarian retail buyers and prospective importers initially is to contact them directly via e-mail or fax. Product catalogues and price lists are essential, and samples are very helpful. The bigger retail players in Bulgaria are Kaufland, Metro, Lidl, Billa, Picadilly, CBA, and Fantastico. For more useful and up-to-date information about the retail market in Bulgaria, please refer to FAS/Sofia's GAIN Retail Market report.

The chart below illustrates the modern trade profile in Bulgaria

A visit to Bulgaria is imperative in establishing meaningful relationships with Bulgarian buyers. Personal relationships and face-to-face meetings are important. While visiting Bulgaria, it is advisable to bring along product samples to meetings with potential buyers, as many importers and retailers rely heavily on subjective factors when deciding on new products to represent. **It is recommended that the companies contact the FAS office in Sofia for assistance in arranging a trade visit to Bulgaria**.

The typical Bulgarian businessman usually has several interests rather than a single product line. As the incomes of Bulgarian consumers increase, so does their desire for a variety of new products. In order to meet the increasing demand and need for differentiation, importers constantly keep searching for new products, including new-to-market products and new brands of certain products.

On the other hand, many importers follow the customary Bulgarian pattern of collecting basic information (samples, catalogues, prices, supply schedules, etc.) initially for consideration. A trial order to test the market response might then be placed after further contact. Importers generally specialize in a certain product category, and often join with other importers to consolidate shipments for lower overall risks and costs.

Sales and Marketing

Although sales and marketing techniques in Bulgaria are in a process of evolution and development, there remains a high reliance on price discounts in promotional strategies. To minimize reliance on discounting strategies, U.S. food and beverage suppliers, particularly those in the higher value added categories, may benefit by focusing on market education and sales training to develop brand recognition and consumer preference.

Consumer concerns for personal and family health means that foods and beverages believed to provide specific health or nutritional benefits can and often do earn a retail premium above what the market normally bears. Bulgarian consumers tend to be less concerned about cost when shopping for products believed to provide health benefits and may alter purchasing habits in order to include these foods and beverages in their diets. Bakery products, confectioneries, soups, oils and fats, and a wide range of nutritional supplements are just a few examples of product categories for which marketing strategies based on nutritional and health messages have proven to be highly successful.

Bulgarian Business Customs

Bulgarian businessmen are often refreshingly direct and informal in their business approach and do not have strict business rituals found in other countries. However, there are some local customs that are well worth observing. Greetings and gifts to mark major feasts such as Christmas, New Year’s Day, and Orthodox Easter are common. These holidays are key sales periods, similar to Thanksgiving and Christmas in the United States. American companies should consider advanced timing of introducing new products to coincide with these busy holiday gift giving seasons. For example, baking companies will purchase ingredients as early as February or March for Easter cake sales during the Easter holiday period, which falls around April or May, depending on the Orthodox calendar.

Although agents and purchasing managers are always searching for new products, they are also very thorough in their evaluations of products. They prefer to see product samples whenever possible and will often place small trial shipments to test the market response.

One of the most popular leisure time activities in Bulgaria involves eating and drinking. Even first meetings may often be over lunch or dinner. In Bulgaria, food and drink entertainment is not only a basic tool to influence business relationships, but also considered essential to building friendships that can enhance mutual understanding. Eating and drinking are important parts of Bulgarian culture and every type of local cuisine is available on the market. More and more different ethnic foods are becoming popular every day as well. Local businessmen are always very gracious and will invite trade contacts to dinner and drinking toasts can usually be expected, although the high alcohol “rakia” (grape brandy) is reserved for special occasions. However, it is more and more common to drink red wine with meals and a light amount of toasting each other is important in developing trust and long-term relationships.

Language Barrier

Speaking Bulgarian is not essential in order to do business in the country, but U.S. companies are advised to verify the level of English fluency of their potential business partners. Some people speak English (especially younger generation) and translators are not hard to find. However, written materials such as company presentations, product brochures etc. will be far more helpful if translated into Bulgarian.

Many Bulgarians strive to send their children to the finest universities in the United States and Western Europe. Therefore, a high percentage of Bulgarian residents speak good English, mostly the youth, who attend English lessons and obtain different language certificates. The American University in Bulgaria (AUBG) provides very good scientific knowledge and practical skills to its students, who often progress successfully through their careers. Many foreign investors prefer AUBG graduates for business contacts.

Food Standards and Regulations

Bulgarian food standards and regulations are harmonized with those of the EU. Phytosanitary and vet control is applied to imported and exported goods with plant and animal origin. Legislation is harmonized with the EU concerning the food safety and marketing standards. For each stage of the food chain from the plant and animal products to the final customer there are EU harmonized requirements for working conditions and hygiene. The local food industry has introduced the HACCP system as well in a number of facilities.

U.S. companies are advised to observe strict product labeling requirements, which require that any health or nutritional claim be first assessed and approved by the Bulgarian Food Safety Agency and Ministry of Agriculture and Food and then added to the prescriptions on product package. The label must also be translated into Bulgarian. It should contain the type of product, its name, the names of the manufacturer and importer, the full content of the product, shelf life, and others. The country introduced some specific requirements for labeling of certain products. For example, if a dairy product contains vegetable oil its label may not contain the word "dairy product" and must be labeled indicating "Imitation Product Containing Milk". Additionally, cheese containing vegetable oils cannot be offered as cheese, but should be indicated as product containing vegetable oil. In shops, mandatory coloring of the labels was introduced – labels of dairy products containing vegetable oils must be white.

For more information on labeling requirements and food regulations and standards, especially for recently imposed requirements for organic food products, please see FAS/Sofia's latest Food and Agricultural Import Regulations and Standards (FAIRS) GAIN report or refer to the FAS office in Sofia.

Additional information can be found on the web pages of the European Food Safety Agency (EFSA) or the Bulgarian Food Safety Agency (BFSA).

III. Market Sector Structure and Trends

Food Imports

Agriculture makes up 5.1% of Bulgaria's GDP. Land in Bulgaria is most commonly measured by the unit Decare (daa), as 10 daa = 1 Hectare. Domestically, Bulgaria produces wheat, barley, corn, sunflower, tobacco, rapeseed, fresh vegetables, fruits, and grapes. Bulgaria exports cereals, tobacco and oil seeds and imports meat, vegetables, fruits, sugar, fish and coffee. Bulgaria is a relatively small market for U.S. agricultural exports. The agricultural trade balance with the world in 2015 is EURO 1.04 billion, as compared to EURO 1.23 billion in 2014.

Imports from the United States: According to the Intrastat data from the Bulgarian National Statistical Institute, the U.S. exports volumes to Bulgaria topped nearly U.S. $57 million in 2015.

Bulgaria's admission to the EU reflected negatively on fruit product imports from the U.S.A. Import duties are levied on the U.S. products, unlike the duty-free EU products, meaning that the U.S. exporters are at a cost disadvantage in comparison with the EU companies. However, imports of some products are duty-free for EU non-member states which allows the U.S. to export them successfully to Bulgaria. Since 1997 U.S. poultry meat effectively has been prohibited from entering the European Union (and Bulgaria) due to the U.S. use of pathogen reduction treatments (PRTs), which are approved by the U.S. federal government and are routinely applied in U.S. poultry plants for added hygienic insurance.

Food Processing Sector

The food industry in Bulgaria accounts for about 20% of the country's industrial production. The sector provides employment to about 100,000 people (19% of all employees in manufacturing). In 2015 the Bulgarian food industry was valued at about U.S. $5 billion.
The following products have good sales potential on the Bulgarian market: distilled spirits, tree nuts, peanuts, dried fruits, snack/cereal foods, pulses, beef, prepared food, wine, seafood products, and soft drinks/juices.

Prior to CY 2015 there was a visible shift in trade and consumption trends within certain product groups toward more expensive, higher-quality products, including distilled spirits, snack foods, tree nuts, seafood, and soft drinks. The trend has remained stable despite Europe's economic and financial turmoil. U.S. agricultural exports to Bulgaria in several product categories, such as distilled spirits, tree nuts and dried fruits, pulses, and peanuts, reached record high levels after stable increases the past few years. It is expected that the volume of the exports of these and other products will remain stable in 2016 despite the appreciation of the U.S. Dollar against the Euro in the last months.

The competition in foodservice is expected to intensify over the coming years. Both local and imported brands and products will compete for sales and shares. Competition is likely to focus on the quality of products and services (regular daily supplies, variety in pack sizes, frequent price promotions and the renewal of portfolios). It is anticipated that foreign companies will concentrate on higher added-value product types, such as dairy-based and ice cream desserts, soup, ready meals and sauces, while domestic companies will compete effectively in dairy, bakery, processed meat and oils and fats.

For more comprehensive information about the Bulgarian food processing sector, please refer to FAS Sofia's latest **Food Processing Ingredients** report.

Food Retail Sector

Currently the number of modern grocery outlets in Bulgaria stands at 4,225, which represents 10.6% of total grocery retail outlets. According to Euromonitor data and local sources, in 2015 the retail market was estimated at close to 10 billion leva (U.S. $5.7 billion). The sales in modern grocery retail reached almost BGN 5.4 billion (U.S. $3.05 billion) and held a combined market share of 55%, which is likely to slightly increase to 56% in 2016, and 57% in 2017. The remaining 45% or almost BGN 4.4 billion (U.S. $2.5 billion) was held by almost 35,900 traditional grocery outlets throughout the country. Although the traditional retail is losing positions, in 2015 independent small grocers remained the largest grocery channel in terms of value sales with BGN 2.8 billion (U.S. $1.42 billion) compared to modern trade channel sales of BGN 1.9 billion (U.S. $1.08 billion) in supermarkets and BGN 1.56 billion (U.S. $890 million) in hypermarkets. This is a result of a good combination of convenience and budget focus offered by small grocers. According to CEOs of the biggest retail chains operating in Bulgaria, they will continue to open new outlets, to optimize their networks, and close loss-making outlets. They expect that discounters will see the most dynamic market growth.

Top 10 Retailers and Number of Outlets

Retailer	Owner	Nationality	Opened	Outlets (2010)	Outlets (2014)	Outlets (2015)
Kaufland Bulgaria	Schwarz Group	Germany	2003	35	47	55
Lidl Bulgaria	Schwarz Group	Germany	2010	25	72	79
Billa Bulgaria	REWE	Germany	1999	84	91	100

	Group					
CBA	CBA	Bulgaria	2003	156	197	204
Fantastico	Valeri Nikolov	Bulgaria	1991	33	36	38
Carrefour	CMB	France	2008	5	22	13
Penny Market	REWE Group	Germany	2009	47	49	0
Piccadilly	AP Mart	Bulgaria	1994	31	54	21
Metro Cash & Carry	Metro	Germany	1999	13	15	15
T-Market	Maxima Group	Lithuania	2005	33	44	47

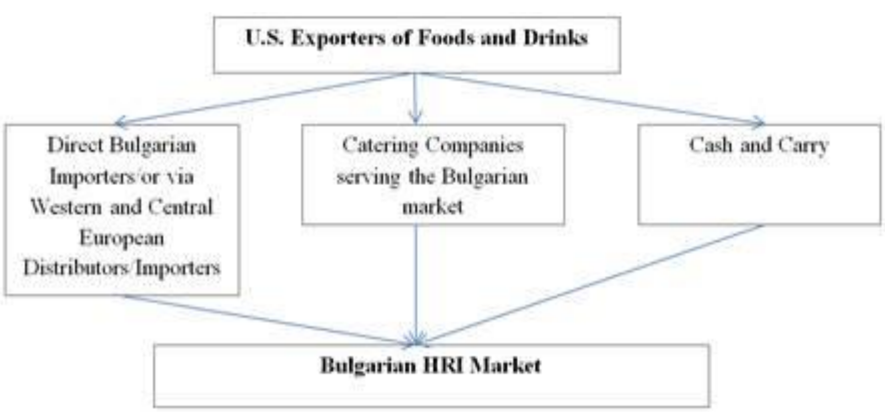
For more comprehensive information about the Bulgarian retail market, please refer to FAS Sofia's latest **Retail Market Update** report.

HRI Food Service Sector

The Hospitality, Restaurant, and Institutional food (HRI) sector in Bulgaria is still a young industry with no long professional traditions, especially in the area of high value services. The sector developed dynamically in the past several years with development of tourism and shopping malls being a main driver of the growth.

Bulgaria has 35,330 consumer service outlets. The industry employs about 140,000 people with a turnover of close to 3.7 billion leva (U.S. $2.07 billion) in 2015 (source: Euromonitor). Since 2000, the number of outlets grew by 20% starting from 29,700. The number of outlets is the highest in the South West part of the country, followed by the South East and South Central regions.

The diagram below indicates product flow in the HRI sector for the U.S. exporters.



For more comprehensive information about the Bulgarian Hospitality, Restaurant, and Institutional food service industry, please refer to FAS Sofia's latest HRI report **here**.

Organic Foods Sector

Since Bulgaria's accession to the EU in 2007, the interest in organic farming has grown considerably. The driver behind this interest is improved export demand, mainly to the EU market, as well as good production subsidies, and favorable governmental policy. Over 90% of local organic products are exported while over 80% of organic products on the market come from imports. Despite the numerous challenges, the prospects for organic farming are good, especially if the local market for organic foods develops and stimulates sustainable consumer demand.

More information about the organic food sector in Bulgaria can be found in the **Organic Food Market** GAIN report issued by FAS Sofia.

IV. Best Consumer Oriented Product Prospects

Product	2014>2015 Imports (U.S. $ in millions)	Import Tariff Rate	Constraints over Market Development	Market Attractiveness for U.S.
Grape Wines	17 > 20.5	13.10 Euro/HL for still, and 32.00 Euro/HL for sparkling. Excise Tax= 0% VAT = 20%	Bulgarian wines still dominate the market. Imported wines account for about 19% of total wine volume.	Bulgarian wine industry traditionally produces high quality wine. Due to the lack of wine imports during the socialist period consumers prefer mainly local brands. During the last few years, the Bulgarian market witnessed wine imports, mainly from Italy, France, Spain, Germany, Chile, South Africa, New Zealand, and USA. Imported brands are not yet popular enough, due to the low purchasing power of the Bulgarian consumer and the strong local

				competition. Most consumers of mass-production wine live in the major cities, due to home-made wine production in smaller cities and villages. The import of U.S. wines is increasing for the last years and the Bulgarian consumers are becoming more aware about its high quality and diversified taste. For more information about the Bulgarian vine and wine sectors, please see FAS Sofia's latest GAIN report here.
Tree Nuts (HS 0802 and 2008)	30.8 > 22	From 0 to 12.8% depending on the type of the nuts. More information pertaining to other dried fruits and nuts is available in the EU official Journal pages 94 through 100, 157, and 165.	African countries, China and Middle East countries are the main competitors to U.S. exporters in Bulgaria. The Chinese and African nuts are considered of lower quality due to lower quality standards.	American nuts are dominant in the Bulgarian market. For more information, see FAS/Sofia's Tree Nuts Annual report here, Dried Fruits and Nuts Product Brief here and the Peanuts Market Brief here.
Distilled Spirits (HS 2208)	91.7 > 92.3	See the unified tariff schedule, where the actual tariff rates for different products can be found. For more detailed information, the TARIC database	Scotch and Irish whiskeys are still dominant on the Bulgarian market. U.S. whiskey's market share is estimated at almost 20%.	For more information see FAS Sofia's Distilled Spirits Market brief report here.

		is accessible from here. For more detailed information about the excise tax rates for alcoholic beverages applicable in the European Union as of July 1st 2013 please refer to the official web page of the General Taxation and Customs Union Directorate at the European Commission here.		
Food Preparations (HS 2106)	98.7 > 91.8	Varies by type. Detailed information on food preparations tariffs can be found in the official EU Journal in pages 173-174.	Strong competition from other exporters (mainly from the EU).	U.S. food preparations can successfully increase their market share through marketing campaigns, due to the high quality of the products.
Beef	41.3 > 34.2	For more information see FAS Warsaw's General Guidance on Exporting High-Quality Beef to EU report here.	Strong competition from Latin American and European producers/exporters; The price level of U.S. beef is higher compared to other imported beef; Limited purchasing power of the average Bulgarian consumer.	Awareness of high quality of the U.S. beef on the Bulgarian market remains moderate among commercial and private sector customers; Positive perception and good image for U.S. beef should be created by educating the main buyers (restaurants and hotels) about its high quality and diversified tastes. For more information see

				FAS Warsaw's General Guidance on Exporting High-Quality Beef to EU report here.
Fish and Seafood	87.4 > 89.2	Tariffs for seafood products exported to the EU range from zero to 22% depending on species, level of processing, and the time of year. Detailed information on seafood tariffs can be found in the official EU Journal in pages 47-69 and 134-139.	The Bulgarian market is supplied with various types of fresh saltwater and freshwater fish, as well as frozen sea and ocean fish. Frozen fish is well accepted by the consumers. Recently the consumption of other types of sea food is also increasing.	The increasing consumption of seafood in Bulgaria offers good opportunities for U.S. exporters. U.S. suppliers can use this trend of increasing sea food consumption in the country. For achieving this goal, U.S. exporters must overcome the competition from other EU exporters (Greece, Spain, Netherlands, etc.), as well as, Argentina, Chile, China. For more information see FAS Sofia's Fish and Seafood Market Brief report here.

Source: *Global Trade Atlas; FAS Sofia researches; National Statistical Institute*.

V. Key Contacts and Further Information

American Institutions in Bulgaria

Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA)
U.S. Embassy
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United States Department of Agriculture, Foreign Agricultural Services
U.S. Department of Agriculture, Washington, D.C. 20250
E-mail: info@fas.usda.gov Website: http://www.fas.usda.gov

Bulgarian Central Authority Agencies

Ministry of Agriculture and Food
Blvd. Hristo Botev 55 Sofia 1040 Bulgaria
Tel: (359) 2-985-11858; Fax: (359) 2-981-7955
Website: http://www.mzh.government.bg

Ministry of Health
Sqr. Sveta Nedelya 5, Sofia 1000, Bulgaria
Tel: (359) 2-981-0111
E-mail: press@mh.government.bg Website: http://mh.government.bg

Bulgarian Food Safety Agency
Bul. Pencho Slaveikov 15A, Sofia 1606, Bulgaria
Tel: (359) 2-915-98-20 Fax: (359) 2-954-9593
E-mail: bfsa@bfsa.bg
Website: http://www.babh.government.bg/en/

Bulgaria Customs Agency, Ministry of Finance
Str. Rakovski 47, Sofia 1202, Bulgaria
Tel: (359) 2-9594-210 Fax: (359) 2-9859-4528
E-mail : pr@customs.bg Website : http://customs.bg

Ministry of Economy, Energy and tourism
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Major Bulgarian Trade Associations

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E-mail: office@bia-bg.com Website: http://www.bia-bg.bg

Association of Producers, Importers and Traders of Spirits
NDK Prono fl. 15 offices 8&9, Sofia 1414 Bulgaria
Tel: (359) 2-963-1254 Fax: (359) 2-963-1254
E-mail: apitsd@mail.bg Website: http://www.apitsd.bg

Bulgarian Association of Dairy Processors
Zh.K. Lagera bl. 44 vh. A Sofia 1612 Bulgaria
Tel: (359) 2-953-2723 Fax: (359) 2-952-3265
E-mail: bam@mb.bia-bg.com Website: http://www.milkbg.org

Association of Meat Processors in Bulgaria
Shipchenski Prohod Blvd. 240 ent. A floor 3, Sofia Bulgaria
Address for correspondence Post Box 61 AMB Sofia 1111 Bulgaria
Tel: (359) 2-971-2671 Fax: (359) 2-973-3069
E-mail: office@amb-bg.com Website: http://www.amb.amb99.com

Branch Chamber of Industrial Bread Producers and Confectioners in Bulgaria
Srebyrna Str. 22q Sofia 1407 Bulgaria
Tel: (359) 2-969-8059 Fax: (359) 2-969-8061
E-mail: bread_industrial@abv.bg Website: http://www.bread-indusrial.org

Association of Fish Products Producers BG Fish
Vitosha Blvd. 31-33, Sofia 1000, Bulgaria
Tel: (359) 2-981-7589 Fax: (359) 2-981-7589
E-mail: bgfish@bgfish.com Website: http://www.bgfish.com

Union of Bulgarian Millers
Pavlina Unufrieva Str. 4, Sofia 1510 Bulgaria
Tel: (359) 2-936-7925 Fax: (359) 2-813-2600
E-mail: sbm@ins.bg Website: http://www.ubm-bg.org

Appendix - Statistics

A. **2014-2015 Bulgaria Demographic Information**

	2014	**2015**
Total Population (thousands)	7,202	7,154
Population Increase Rate (%)	-0.6	-0.7
Population Density (persons/km^2)	64.9	63
Birth Rate (‰)	9.4	9.2
Death Rate (‰)	15.1	15.3
Labor Force (thousands)	4,403	4,349
Unemployment Rate (%)	11.4	9.1

Source: *National Statistical Institute Bulgaria*

B. **2014-2015 Bulgaria Trade Information**

	2014	**2015**
GDP (million BGN)	83,612	88,571
GDP per capita (BGN)	11,574	12,001
Economic Growth Rate (%)	+ 1.6	+ 3.6
Ag Exports FOB (Thousand Euro)	4,695,105	3,747,251
Ag Imports CIF (Thousand Euro)	2,467,754	2,705,181
Foreign Exchange Rate (USD = BGN)	1 USD = 1.61 BGN	1 USD = 1.79 BGN

Source: *Bulgarian National Bank; Ministry of Agriculture's Agrarian Report*

C. 2013-2015 Top 15 Suppliers of Consumer Foods to Bulgaria

Bulgaria Import Statistics Commodity: Consumer Oriented Agric. Total, Group 32 (2012) Calendar Year: 2013 - 2015							
Partner Country	**United States Dollars**			**% Share**			**% Change 2015/2014**
	2013	**2014**	**2015**	**2013**	**2014**	**2015**	
World	1,831,347,718	1,878,531,134	1,651,209,445	100.00	100.00	100.00	- 12.10
Germany	274,465,167	303,776,675	246,345,971	14.99	16.17	14.92	- 18.91
Poland	265,072,077	242,218,668	207,671,999	14.47	12.89	12.58	- 14.26
Romania	158,948,622	172,575,591	168,741,688	8.68	9.19	10.22	- 2.22
Greece	209,458,671	184,929,155	149,573,426	11.44	9.84	9.06	- 19.12
Netherlands	117,218,452	124,152,886	113,290,812	6.40	6.61	6.86	- 8.75
Spain				5.56	5.66	6.15	- 4.61

	101,829,054	106,382,297	101,482,479				
Turkey	94,350,253	102,607,558	101,270,080	5.15	5.46	6.13	- 1.30
France	96,529,036	108,701,329	82,961,491	5.27	5.79	5.02	- 23.68
Italy	86,078,403	93,028,600	82,359,769	4.70	4.95	4.99	- 11.47
Hungary	83,918,611	80,229,831	66,198,221	4.58	4.27	4.01	- 17.49
Czech Republic	45,922,998	40,569,480	39,474,197	2.51	2.16	2.39	- 2.70
Austria	41,092,004	42,705,171	37,708,256	2.24	2.27	2.28	- 11.70
Belgium	46,805,561	41,913,674	31,248,702	2.56	2.23	1.89	- 25.45
Serbia	15,088,933	15,885,451	19,599,717	0.82	0.85	1.19	23.38

D. 2012-2014 Top 15 Suppliers of Fish & Seafood Products to Bulgaria

Bulgaria Import Statistics Commodity: Fish & Seafood Products, Group 9 (2012)							
Calendar Year: 2013 - 2015							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2013	**2014**	**2015**	**2013**	**2014**	**2015**	**2015/2014**
World	82,024,682	87,374,385	89,212,727	100.00	100.00	100.00	2.10
Greece	11,364,522	9,156,346	9,922,374	13.86	10.48	11.12	8.37
Spain	8,534,516	8,902,170	9,058,278	10.40	10.19	10.15	1.75
Czech Republic	7,954,691	8,557,208	8,168,351	9.70	9.79	9.16	- 4.54
Netherlands	5,608,532	5,219,394	7,247,962	6.84	5.97	8.12	38.87
Sweden	1,122,200	3,209,104	6,860,424	1.37	3.67	7.69	113.78
Romania	2,926,436	5,129,330	5,237,662	3.57	5.87	5.87	2.11
Germany	4,283,871	5,095,439	4,861,114	5.22	5.83	5.45	- 4.60
Denmark	3,083,825	5,096,281	4,464,904	3.76	5.83	5.00	- 12.39
Canada	542,370	1,677,006	4,257,692	0.66	1.92	4.77	153.89
Lithuania				5.55	6.19	4.02	- 33.70

	4,550,744	5,407,050	3,585,139				
Poland	3,956,657	2,724,801	2,733,513	4.82	3.12	3.06	0.32
Vietnam	3,861,887	2,670,048	2,160,012	4.71	3.06	2.42	- 19.10
Norway	2,107,711	1,651,710	1,921,941	2.57	1.89	2.15	16.36
United Kingdom	2,429,323	5,026,990	1,899,923	2.96	5.75	2.13	- 62.21

Source: *Global Trade Atlas*

The public reports published by FAS Sofia in 2015 and 2016 can be reached by following the links from the below tables

2015
Wine Report Bulgaria
Fish and Seafood Market Brief - Bulgaria
Oilseeds Update
Grain and Feed Update
Wine Sector Update
Fresh Deciduous Fruit Sector Update
Retail Market Update
Food Safety Agency Change
Dairy Generics Market Update
Tree Nuts Market Update
Sunflower Market Diversification
Popcorn Market Update
Biotechnology Annual
Food Processing Ingredients Bulgaria
Stone Fruit Annual
Biofuels
Poultry Sector Update
Red Meat Sector Update
Spirits of America Promotion
Grain and Feed Update
Oilseeds and products Update
Looming Public Health Tax Threatens Food Trade
New Regulation about Food destined for

2016
Grain and Feed Market Update
Distilled Spirits Market Brief
Oilseeds and Products Market Update
Grain and Feed Update
Oilseeds Update
Retail Market Update
FAS Sofia Promotes U.S. Agricultural Products at a Big Culinary Festival in Bulgaria
Food Processing Ingredients Bulgaria
Bulgarian Stone Fruit Annual
Poultry and Products Annual
Livestock and Red Meat Annual
Wine Annual
Dairy Annual
Tree Nuts
Grain and Feed Update
Fresh Deciduous Fruits Annual
Wheat Planting Seeds Imports Success Story
"Beyond Discovery" - U.S. Wine Promotion in Bulgaria
Biotechnology Annual
FAS Sofia Assists to Promote U.S. Whiskey

Children Institutions
FAS Sofia Assists to Promote U.S. Whiskey
Hotel, Restaurant, and Institutional Food Service (HRI)
Exporter Guide Bulgaria Update

End of Report.