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Report Highlights:

Bulgaria is a small but growing market for U.S. food and agricultural products. In 2023, total Bulgarian food and agricultural imports were valued at \$7.57 billion, down 12 percent from 2022, of which 1.3 percent, or \$101.3 million, were sourced from the United States. During the first eight months of 2024, total food and agricultural imports decreased by 2.4 percent compared to the same period in 2023. However, imports of U.S. food and agricultural products grew by 19.4 percent during the same period. U.S. products are increasingly popular in Bulgarian hotels, restaurants, retail outlets, and among food processors. Consumer-oriented products with strong market potential include distilled spirits, food preparations, tree nuts, groundnuts, dried fruit, wine, beef, seafood products, craft beer, bio and organic products, and innovative food processing ingredients.

Market Fact Sheet: Bulgaria

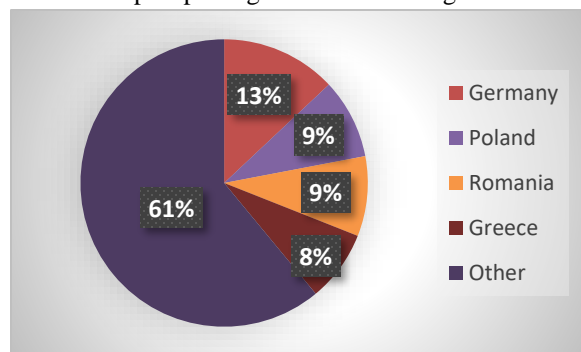
Executive Summary

Bulgaria's GDP growth has been around 3% on average since 2018. In 2023 Bulgaria's GDP grew by 1.9% compared to 2022. Exports (FOB) account for 47% of Bulgaria's GDP and are a pillar of the economy. EU Member States are Bulgaria's primary trading partners. In 2023, Bulgaria ran a €5.2 (\$5.5) billion trade deficit in goods (Exports FOB – Imports CIF). In 2023, agriculture made up 2.9% of Bulgaria's GDP.

Imports of Consumer-Oriented Products

U.S. goods exported to Bulgaria must meet EU sanitary and phytosanitary requirements. For more specific information, see FAS Sofia's Food and Agricultural Import Regulations and Standards [Report](#). In 2023, consumer-oriented food imports were \$4.3 billion, a 20% increase compared to 2022. Imports of consumer-oriented products from the United States to Bulgaria grew by 32%.

Chart 1: Top Exporting Countries to Bulgaria



Food Processing Industry

Bulgarian food processing enjoys steady development. Leading food processing sectors include dairy, bakery, sugar, chocolate and confectionery, sunflower oil, red and poultry meat, eggs, soft drinks, horticultural processing, and wine production. U.S. products and/or associated ingredients with good sales potential in Bulgaria include distilled spirits, tree nuts, peanuts, dried fruits, snack/cereal foods, pulses, beef, wine, soft drinks/juices, and seafood products.

Food Retail Industry

Bulgarian grocery retail sales reached BGN 14.5 billion (\$8.19 billion) in 2023. Modern retail sales accounted for BGN 9.38 billion (\$5.3 billion) or 65% and BGN 5.15 billion (\$3.9 billion) in traditional channel. Total grocery outlets numbered 38,877. The largest retailer, Kaufland, accounted for 17% of the grocery retail sales. Grocery e-commerce expanded significantly due to COVID-19, and the upward trend continued in the following years, but has further development potential. Urban consumers are increasingly demanding higher quality products and those perceived as healthy.

SWOT Analysis	
Strengths	Weaknesses
Bulgaria is accessible by sea and has an efficient distribution network. Growing food processing industry is looking for new imported ingredients. Marketing costs are low.	Some U.S. exports are disadvantaged because of EU non-tariff barriers and import duties.
Opportunities	Threats
U.S. high-value products could enjoy increasing demand due to growing incomes, a fast developing food retail network, and consumption habits changing towards high-quality products.	Domestic producers receive EU funds to upgrade production efficiency and product quality, which can lower demand for imports.

Quick Facts CY 2023

Imports of Consumer-Oriented Products

(\$4.3 billion)

Top 10 Growth Products Imported in Bulgaria

- | | |
|-------------------------|-----------------------|
| 1) Sunflower Seeds | 2) Food Preparations |
| 3) Oils | 4) Meat of Swine |
| 5) Bread, Pastry, Cakes | 6) Cane or Beet Sugar |
| 7) Cocoa Preparations | 8) Waters |
| 9) Whiskeys | 10) Cocoa Beans |

Food Industry by Channels (\$ billion) 2023

Food Exports – Agricultural and Related Products	9.7
Food Imports – Agricultural and Related Products	7.57
Retail Food Industry	8.19
Food Service - HRI	3.44

Top 10 Retailers in Bulgaria

- | | |
|---------------|--------------|
| 1) Kaufland | 2) Lidl |
| 3) Billa | 4) Metro |
| 5) Fantastico | 6) T-Market |
| 7) CBA | 8) Lagardere |
| 9) Avanti | 10) CBS |

GDP/Population

Population (*millions*): 6.45

GDP (\$ *billion*): 104.7

GDP per capita (\$): 16,233

Bulgarian National Bank Exchange Rate: \$1=BGN 1.77

Sources: Euromonitor, Eurostat, Bulgarian National Bank, Bulgarian National Statistical Institute, Local sources.

Contact: AgSofia@usda.gov

I. Market Overview

The Bulgarian National Bank's 2023 average exchange rate of \$1.00 = Bulgarian Lev (BGN) 1.77 was used in this report.

The last couple of years brought challenges to the food and beverage industry in Bulgaria such as the Russian invasion of Ukraine, supply chain disturbances, and growing inflation. As a result, there were significant price increases for energy and grocery products and diminished consumer purchasing power. This required the grocery retail, food service, and food processing industries to adapt quickly, which they did successfully. According to the Bulgarian National Statistical Institute's (NSI) preliminary data, GDP grew by 1.9, 2.1, and 2.2 percent in the first, second, and third quarters of 2024, compared to the same periods of 2023. Considering this data, the European Commission (EC) [projects](#) GDP growth to be 2.4 percent in 2024 (up from 1.9 percent in 2023). Unemployment is very low at 4.3 percent, and inflation is down to 2.5 percent (as of November 2024).

According to the EC, GDP growth is projected to accelerate to 2.9 percent in 2025 and to three percent in 2026. Inflation is expected to slow down in 2025 to an annual average of 2.3 percent, but to slowly grow to an average of 2.9 percent in 2026. Bulgaria's imports are [projected](#) to grow stronger than exports, leading to a trade deficit of 6.4 percent of GDP in 2025 and 7.2 percent in 2026. Growth in domestic demand in 2025 is expected to persist. The expansion in income is set to support strong private consumption growth.

General Economy

Bulgaria is a market economy and government intervention in international trade and among foreign investors has decreased considerably since 1989. In 2023, exports (FOB) generated 47 percent of GDP and are a pillar of the country's economy. Bulgaria's biggest exports are industrial supplies, consumer goods, and fuels.

Table 1

National Economy	2021	2022	2023
GDP (billion BGN)	139.602	168.360	185.233
GDP (billion USD)	80.83	91.8	104.7
GDP per capita (BGN)	20,298	26,041	28,733
GDP per capita (USD)	11,753	14,199	16,233
Exchange Rate	\$1=BGN 1.727	\$1=BGN 1.834	\$1=BGN 1.77

Source: Bulgarian National Bank

According to Intrastat data from the NSI, total 2023 imports of U.S. agricultural products into Bulgaria reached \$101.3 million, up 9.9 percent from 2022. According to Trade Data Monitor (TDM), which reflects reported Eurostat data, in 2023 the United States imported \$219 million of agricultural and related products from Bulgaria, mainly sunflower seeds, animal feed preparations, essential oils, cheese, bakery products, and other.

Geography and Demographics

Bulgaria is located in southeastern Europe and is an important commercial hub between Europe and Asia. According to the latest NSI data, Bulgaria's population totaled 6.45 million, accounting for 1.5

percent of the EU’s population. Although Bulgaria had been experiencing more rapid population decline due to out-migration and low birthrates, the decline was only 0.03 percent in 2022. Bulgaria’s total area is about 111,002 square kilometers, of which about 64,000 square kilometers is agricultural land.

Bulgaria has relatively well-developed and improving infrastructure, including six highways with a total length of about 880 km., more than 4,000 km. railway network, four international airports, two seaports on the Black Sea, and numerous ports on the Danube River. Five pan-European corridors cross the country and link northern and western Europe with the Middle East and North Africa. There are four commercial airports - in Sofia, Varna, Burgas, and Plovdiv. The largest airport is in Sofia. The number of passengers via Bulgarian airports doubled from 5.3 million in 2021 to 10.8 million in 2023.

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

Bulgaria’s capital, Sofia, has about 1.3 million residents and is situated in the country’s southwestern region. The second and third largest districts are Plovdiv in southcentral Bulgaria, with a population of nearly 634,000 people, and Varna district on the west coast of the Black Sea, with a population of close to 434,000 people. As in many other EU countries, Bulgaria’s population is aging, and 26 percent of the total population is over working age.

Younger Bulgarian consumers tend to have higher incomes, bigger purchasing power, purchase higher-quality products, visit restaurants, and travel more than older generations. Many older consumers and retirees often receive less pay (pensions) and limit themselves to the staple products and basic needs. In 2023, the average annual salary in Bulgaria was about BGN 24,147 (\$13,642). As of September 2023, the average annual pension is about BGN 10,300 (\$5,844). The data demonstrates that young people have more than twice the purchasing power of pensioners. There are also significant consumption differences between urban and rural consumers. Bigger cities tend to have lower levels of unemployment and higher incomes (therefore more young people).

Table 2. Advantages and Challenges

Advantages
Higher consumption of food and edible fishery products are creating demand for more imports.
Migration of people from rural to urban areas continues at a rapid pace.
The Bulgarian market is accessible by sea, allowing for some direct exports.
The growing food processing industry is looking for new imported food ingredients.
There is an efficient domestic distribution network.
Marketing and advertising costs are relatively low.
Challenges
U.S. products are disadvantaged because of duties versus products from EU Member States and countries with EU free trade agreements (FTAs).

Bulgarian domestic producers are receiving European funding to upgrade production efficiency and product quality.
Bulgarian farmers are increasing agricultural production, reducing demand for imports in the country.
Exchange rate fluctuations and the strong dollar impact U.S. shippers. The Bulgarian Lev has a fixed exchange rate against the Euro (€1.00 = BGN 1.95583)

II. Exporter Business Tips

Entry Strategy

Bulgarian convenience stores, supermarkets, and hypermarkets generally purchase from local importers, wholesalers, and producers. There has been a recent shift toward direct imports to avoid higher cost associated with purchasing from importers or middlemen, but this remains limited. The best method to reach Bulgarian retail buyers and prospective importers is to reach out to [FAS Sofia](#) for assistance and guidance. Product catalogues and price lists are essential, and samples are helpful. The bigger retailers in Bulgaria include [Kaufland](#), [Lidl](#), [Billa](#), [Metro](#), [Fantastico](#), [T-Market](#), and [CBA](#). For more information, please see FAS Sofia's [Retail Market](#) report.

A visit to Bulgaria is strongly recommended to establish meaningful relationships with Bulgarian buyers. While visiting Bulgaria, it is advisable to bring product samples to show to potential buyers, as many importers and retailers rely heavily on subjective factors when deciding on new products to represent. Bulgarian businesses are usually interested in several products instead of single product lines. Trial orders to test the market may be considered. Many importers specialize in certain product categories and often join to consolidate shipments to lower associated risk and costs. It is recommended that companies contact [FAS Sofia](#) for guidance when arranging outreach to Bulgarian companies.

Sales and Marketing

Although sales and marketing strategies in Bulgaria are still evolving, it remains a price-sensitive market, and discounts are commonly used and expected. U.S. food and beverage suppliers, particularly those in higher-value categories, may seek to mitigate demands for discounts by focusing on market education, sales training, and brand development. U.S. suppliers are strongly advised to consider providing marketing support to importers for new-to-market products. More Bulgarian consumers are willing to pay premium prices for foods and beverages perceived as “healthy”. Nuts and dry fruits, fish and seafood, bakery products, confectionery products, soups, oils and fats, and a wide range of nutritional supplements are some examples of product categories for which marketing strategies based on nutritional and health messages have proven to be successful.

Bulgarian Business Customs

Bulgarian business contacts tend to be direct and informal in their approach and do not observe the strict business protocols found in some markets. Although procurement and purchasing managers are always searching for new products, they tend to be thorough in product evaluations. They like to see product samples and will often place small trial orders to test the market's response. Some local customs are worth observing. Offering holiday greetings and giving small gifts during major holidays (Christmas and Orthodox Easter) are common and appreciated. These holidays are also busy sales periods and U.S. companies may consider introducing new products to coincide with the holiday seasons. For example,

many bakery product companies purchase baking ingredients as early as February or March for Easter cake sales, depending on the Orthodox calendar.

Language Barrier

Speaking Bulgarian is not essential to do business in the country, but U.S. companies are advised to verify the level of English fluency of their potential business partners. Many Bulgarian residents speak English well, especially those under 40 in urban areas. Translation services are relatively easy to find. Written materials such as company information, product brochures, etc., will resonate much more if translated into Bulgarian.

III. Import Food Standards, Regulations, and Import Procedures

U.S. companies should observe product-labeling requirements vis-à-vis health or nutritional claims, which require approval by the [Bulgarian Food Safety Agency](#) and [Ministry of Agriculture, Food, and Forestry](#). Supplementary labels (e.g., stickers) must also be translated into Bulgarian and should include the product type, product name, names of the manufacturer and importer, a full list of ingredients, and shelf life. Bulgaria also introduced country-specific labeling requirements for certain products. For example, dairy-based product containing vegetable oil, cannot state it is a "dairy product" and must be labeled as "Imitation Product Containing Milk". Additionally, cheese containing vegetable oils cannot be classified as cheese, but should be labeled as “containing vegetable oil”. For more information on labeling requirements, food regulations, and standards, including new requirements for organic food products, please see FAS Sofia’s [Food and Agricultural Import Regulations and Standards](#) Report or refer to [FAS Sofia](#). Additional information can also be found on the [FAS Europe](#)’s website, the [European Food Safety Agency](#), and [Bulgarian Food Safety Agency](#) websites.

IV. Market Sector Structure and Trends

Food Imports

Up until 1989, Bulgaria’s leading trading partner was the Soviet Union, which accounted for more than half of Bulgarian agricultural trade. Today, other EU markets are Bulgaria’s primary trading partners. In 2023, over 80 percent of the consumer-oriented products are imported to Bulgaria from other EU countries.

Bulgaria’s top EU food and agricultural trading partners are Romania, Germany, Netherlands, Greece, Poland, Spain, and Italy. Main non-EU food and agricultural trading partners are Ukraine, Turkey, China, Serbia, Algeria, and the United States.

Table 3. Bulgaria’s Agricultural Export and Import Statistics 2021-2023

International Transactions <i>Billion EURO</i>	2021	2022	2023	Percent Change 2022/2023
Exports (FOB)	6.04	8.27	7.91	- 4.4
Imports (CIF)	4.42	6.67	6.20	- 7.0
Commodity Circulation	10.46	14.94	14.11	- 5.5

Source: Ministry of Agriculture and Food – [Agrarian Trade Report 2023](#)

According to TDM data, Bulgarian agricultural and related products exports during the period January - August 2024 decreased by 18.4 percent, and imports declined by 2.4 percent compared to the same period of 2023. FAS Sofia expects these trends to slightly reverse for the remainder of 2024 as a result of intensified trade in the last four months.

Imports from the United States: According to Intrastat data from the Bulgarian NSI, imports from the United States in 2023 topped \$101.3 million, up 9.9 percent from 2022. Bilateral trade relations are friendly and demand for U.S. agricultural exports is growing. According to TDM statistics, despite the ongoing challenges such as a strong U.S. dollar, supply chain disturbances, and the war in Ukraine and its impact on domestic energy prices, U.S. food and agricultural trade to Bulgaria from January to August 2024 still increased by 19.4 percent.

Bulgaria's EU accession in 2007 negatively affected U.S. fruit product imports, as EU horticultural products gained duty-free and facilitated access. EU FTAs also threaten U.S. exports, as some third-country products enter Bulgaria and other EU member states with low tariffs or duty-free. EU trade barriers also effectively ban U.S. poultry meat (since 1997) due to U.S.-approved pathogen reduction treatments, despite the added hygiene and product safety.

Food Processing Sector

The Bulgarian food processing industry has developed rapidly in recent years. U.S. food ingredient products compete with similar imports from other EU member states and from growing local production. Related U.S. products and/or associated ingredients with good sales potential in Bulgaria's food processing sector include food preparations, tree nuts, peanuts, dried fruits, beef, and seafood products. For more information about the Bulgarian food processing sector, please refer to FAS Sofia's [Food Processing Ingredients](#) report.

Food Retail Sector

The total 2023 number of grocery retail outlets in Bulgaria was 38,877, up 0.6 percent from 2022, of which 3,433 were modern trade grocery outlets¹. According to Euromonitor, modern-retail sales in 2023 reached BGN 9.38 billion (\$5.3 billion) and accounted for nearly 65 percent of market share. The remaining 35 percent, or BGN 5.15 billion (\$2.9 billion), was held by 35,444 small traditional grocery outlets throughout the country.

The Bulgarian retail industry has been resilient despite a number of factors in the past four years including COVID-19, rapidly rising inflation, and the war in Ukraine. In 2023, inflation slowed down significantly but continued to impact the grocery retail prices, though more moderately. Despite the lowered consumers' purchasing power and retailers' profit margins, the revenues of all the largest grocery retail chains in Bulgaria increased by as much as 16 percent compared to 2022. The top five grocery retail chains generated about 55 percent of the total grocery retail channel sales.

FAS Sofia expects that in the next few years the food retail industry will continue to adapt to changes in demand and will slightly expand its presence in the market, particularly in the modern trade segment.

¹ Modern retailing is characterized by large stores, centralized buying, and sophisticated supply chain management. Traditional retail refers to the conventional method of retailing where small shops or stores are operated independently by individual owners.

For more information about the retail market, please see FAS Sofia’s [Retail Market](#) report.

HRI Sectors

Although well-performing, HRI in Bulgaria is still maturing and does not have long professional traditions, especially in the high-value segment. Prior to the COVID-19 outbreak, these sectors had developed dynamically with tourism and shopping malls being the main drivers. The industry was severely hit by the COVID-19 pandemic with a nearly 45 percent drop in food service sales at restaurants and hotels as the outlets closed, tourism halted, and public outings were reduced.

The Government of Bulgaria (GOB) introduced a tax relief measure to help the food service industry. Bulgaria’s value added tax (VAT) was reduced from 20 percent to nine percent for restaurant and catering services (alcoholic beverages were excluded from this measure). The measure is set to expire on December 31, 2024.

Despite the war in Ukraine and the lack of tourists from Russia, Ukraine, and Belarus, according to the [Bulgarian Ministry of Tourism](#), in 2023 Bulgaria’s tourism industry fully recovered from the pandemic by exceeding by nearly five percent the pre-pandemic 2019 summer season. The winter tourism season in 2023 also kept the upward trend and registered almost 26 percent growth over 2019 and a slight increase of 1.4 percent compared to the winter of 2022. Data for the 2024 summer season shows a three percent increase over the summer of 2023. The 2024 winter season has not started yet, but is expected to be strong, depending on weather conditions. The major problems that Bulgaria’s HRI industry faced in 2023 and 2024 were the war in Ukraine, increased prices due to the high inflation in 2022, decreasing consumers’ purchasing power, and supply chain disturbances. FAS Sofia expects that the industry will sustain the upward trend, although with a moderate pace. For more information about the Bulgarian HRI food sectors, please see FAS Sofia’s latest [HRI Report](#).

V. Agricultural and Food Imports

Despite the Russian invasion of Ukraine and supply chain disturbances Bulgaria’s imports of consumer-oriented products kept growing in 2023. Their imports for the first eight months of 2024 also increased by nearly eight percent. The Russian invasion strongly impacted the energy and food markets in Bulgaria and EU. The energy prices have been volatile since mid-2021 and the price of fuels in the EU increased dramatically. With high market prices and inflationary trends resulting from the war in Ukraine, the main concern in the EU remains affordability, particularly with regard to low-income and vulnerable groups, which are affected most.

Table 4. Best Consumer Oriented Product Prospects

Product	2023 Imports	Import Tariff Rate	Constraints Over Market Development	Market Attractiveness for United States
	(\$ millions)			
Grape Wines	49.59	Up to 32.00 Euro/HL depending on type. Exact information is available in the EU Official Journal	Bulgarian wines still dominate the market. Imported wines account for about 20 percent of total wine volume.	While many Bulgarians prefer local wines, imports are growing. Local wine importers are increasingly aware of U.S. wines. Information

		(Chapter 22) Excise Tax = 0 VAT = 20 percent		about the Bulgarian wine sector can be found here .
Tree Nuts (HS 0802) and Ground Nuts (HS 200811 - 200819 and HS 1202)	99.96	From zero to 12.8 percent depending on type. Exact information is available in the EU Official Journal . (Chapter 8 for HS 0802; Chapter 20 for HS 2008; Chapter 12 for HS 1202)	The main competitors to U.S. exporters in Bulgaria are Turkey, Poland, Greece, Germany, and Ukraine for tree nuts and Turkey, Germany, Argentina, Nicaragua, and China for ground nuts.	U.S. almonds and pistachios dominate the Bulgarian market and their imports almost doubled in 2024. Bulgaria's imports of U.S. peanuts also increased by more than 50 percent in 2024.
Distilled Spirits (HS 2208)	183.54	See the TARIC database here . See the website of the General Taxation and Customs Union Directorate here .	Scotch and Irish whiskies have the largest market share in Bulgaria. The U.S. whiskey market share is about 10 percent.	U.S. craft whiskeys could find good acceptance in Bulgaria.
Food Preparations (HS 2106)	220.28	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 and Beef Products	56.65	For more information see USDA EU-27's Food and Agricultural Import Regulations and Standards Report (page 56).	Strong competition from Latin America and Europe. U.S. beef costs more than imported beef from other markets. Limited purchasing power of the average Bulgarian consumer.	Awareness of U.S. beef in Bulgaria is growing. FAS Sofia works on creating positive perceptions about U.S. beef by educating the main buyers (HRI and retailers) about its quality and diversified tastes.
Seafood Products	169.47	EU seafood tariffs range from zero to 23 percent. More detailed information on seafood tariffs can be found in the official EU Journal	The Bulgarian market is supplied with various types of fresh and frozen fish. Frozen fish is well accepted by the consumers. The consumption of other	Growing demand for fish offers opportunities for U.S. exporters. U.S. products compete with fish and seafood from within the EU, Norway, Canada (FTA with EU), Turkey, and China. For

		in Chapter 3 (pages 47-69) and Chapter 16 (pages 137-139).	types of seafood is also increasing.	more information see FAS Sofia's Fish and Seafood Market brief report here .
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Source: FAS Sofia and Trade Data Monitor (TDM) based on Eurostat

VI. Key Contacts and Further Information

If you have questions or comments regarding this report, need assistance exporting to Bulgaria, need a list of Bulgarian wholesalers and distributors, or are looking for the Foreign Buyers Lists (FBL) of various consumer-oriented and seafood products, please contact the U.S. Office of Agricultural Affairs (FAS Sofia).

Office of Agricultural Affairs (FAS Sofia).

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Attachments:

No Attachments