

BULGARIA

Major Business Sectors

Compiled by:

Bulgarian – Swiss Chamber of Commerce

Sofia, May 2015

OVERVIEW AND TRENDS

In January – November 2014 the decline in international commodity prices dampened the changes in nominal exports and imports, with nominal exports decreasing on the corresponding period of 2013 and nominal imports remaining unchanged. This led to a trade deficit rise and its combination with the drop in the government's net current transfers surplus contributed to the decrease of the overall current and capital account surplus. In the first half of 2015 improvement of terms of trade for the Bulgarian economy and deceleration in the growth of domestic demand are expected. As a result, on an annual basis the nominal growth of exports of goods is expected to outpace that of imports. These developments will cause a decline in the trade balance deficit and an increase in the surplus of the overall current and capital account balance.

Over the second half of 2014 the downward dynamics in Bulgarian interest rates intensified. These dynamics were driven by the high liquidity of the banking system, the relatively low demand for bank loans and the ECB monetary policy. In the first half of 2015 these factors are expected to continue to be influential and the interest rates on term deposits to keep their downward trend and hence lending interest rates to continue slightly declining.

The negative impact that political uncertainty, frozen EU funds in 2014 and June's bank crisis had on the pace of the economic recovery was compensated by the long-anticipated jobs recovery in external demand-oriented sectors and a shift towards a more growth supportive fiscal policy, which both helped real GDP growth to strengthen to 1.7% last year, from 1.1% in 2013 and 0.5% in 2012.

Perhaps even more importantly, growth became more broadly based, with household consumption and, to a lesser extent, investments joining industry and exports, as drivers of the recovery.

The economy started 2015 in a more optimistic mood. The improvement was led by services and industry, where sentiment is at its highest level in more than six years, but the slow pace of improvement in the household and especially construction sector reinforces the view that GDP growth will continue to pick up only gradually. January's high frequency indicators brought further evidence that growth is on course to accelerate at the start of 2015. Industrial production added 2% mom, with export-oriented manufacturing and investment goods production in particular being the strongest contributors.

Source: Bulgarian National Bank, UniCredit

DOMESTIC

Period: 2014

Currency rate: fixed 1 EUR = 1.95583 Levs (BGN)

GROSS DOMESTIC PRODUCT				
Economic sectors and economic activity groupings (NACE Rev.2)	Contribution to the Gross Value Added	A10	Gross Value Added	
			million Levs (current prices)	Volume index (previous year=100)
Agriculture, forestry and fishing	5,30%	A	3 722	105.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	23,70%	B_E	16 640	102.1
Construction	4,80%	F	3 395	101.4
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	21,30%	G_I	15 057	101.2
Information and communication	5,50%	J	3 939	101.8
Financial and insurance activities	7,70%	K	5 459	100.9
Real estate activities	10,60%	L	7 504	101.2
Professional, scientific and technical activities; administrative and support service activities	5,40%	M_N	3 851	101.8
Public administration and defence; compulsory social security; education; human health and social work activities	13,20%	O_Q	9 297	101.1
Arts, entertainment and recreation, repair of household goods and other services	2,50%	R_U	1 800	100.3
Total Economic	100%	A+...+U	70 666	101.6
Adjustments (taxes less subsidies on products)			11 498	102.1
Gross Domestic Product			82 164	101.7

Source: National Statistical Institute, EUROSTAT

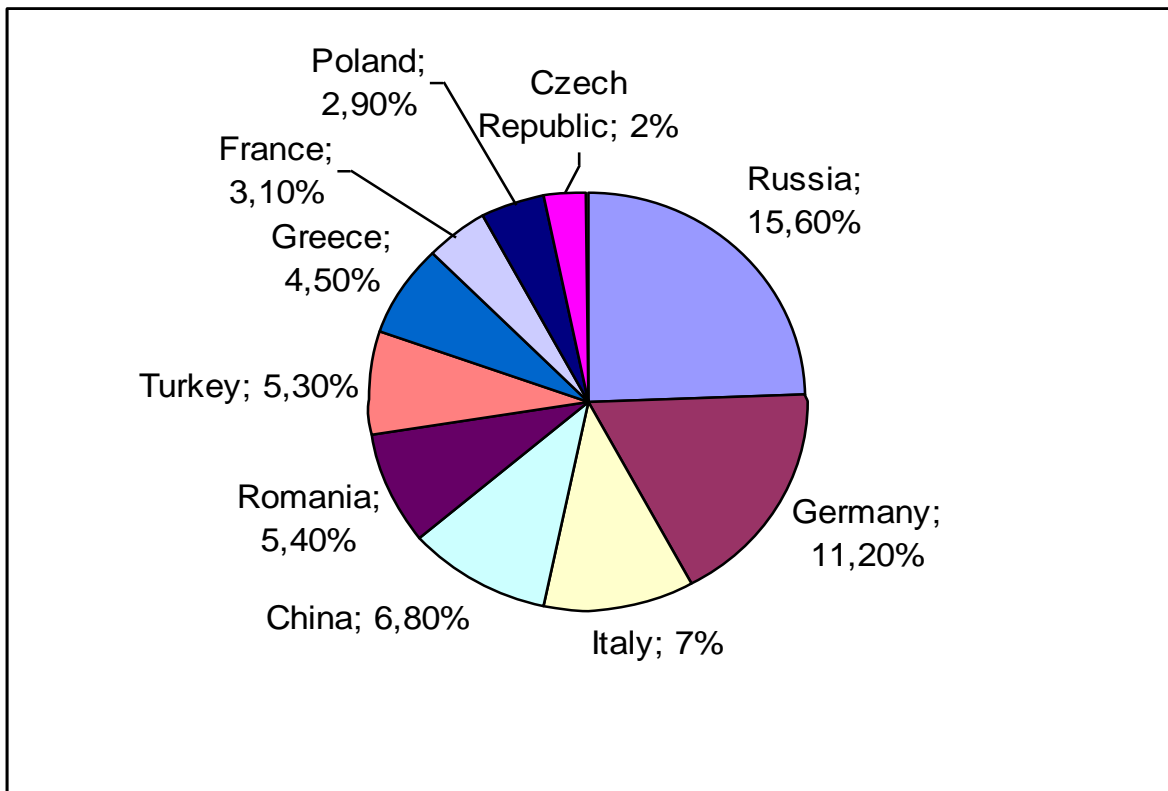
IMPORTS

Period: 2014

BUSINESS SECTOR	% OF IMPORTS	VALUE IN EUR M
Crude oil and natural gas	13.8%	3 604,4
Machines and equipment	8.2%	2 158,7
Other raw materials	7.3%	1 913,3
Food, drinks and tobacco	7.3%	1 600,0
Oils	6.1%	1 402,4
Plastics and rubber	6.6%	1 380,6
Ores	5.3%	1 374,3
Other investment goods	5.2%	1 363,4
Textiles	4.5%	1 176,3
Vehicles	4.4%	1 145,0
TOTAL IMPORTS /CIF/	100%	26 189.3

Source: Bulgarian National Bank

Bulgaria's main import partners 2014



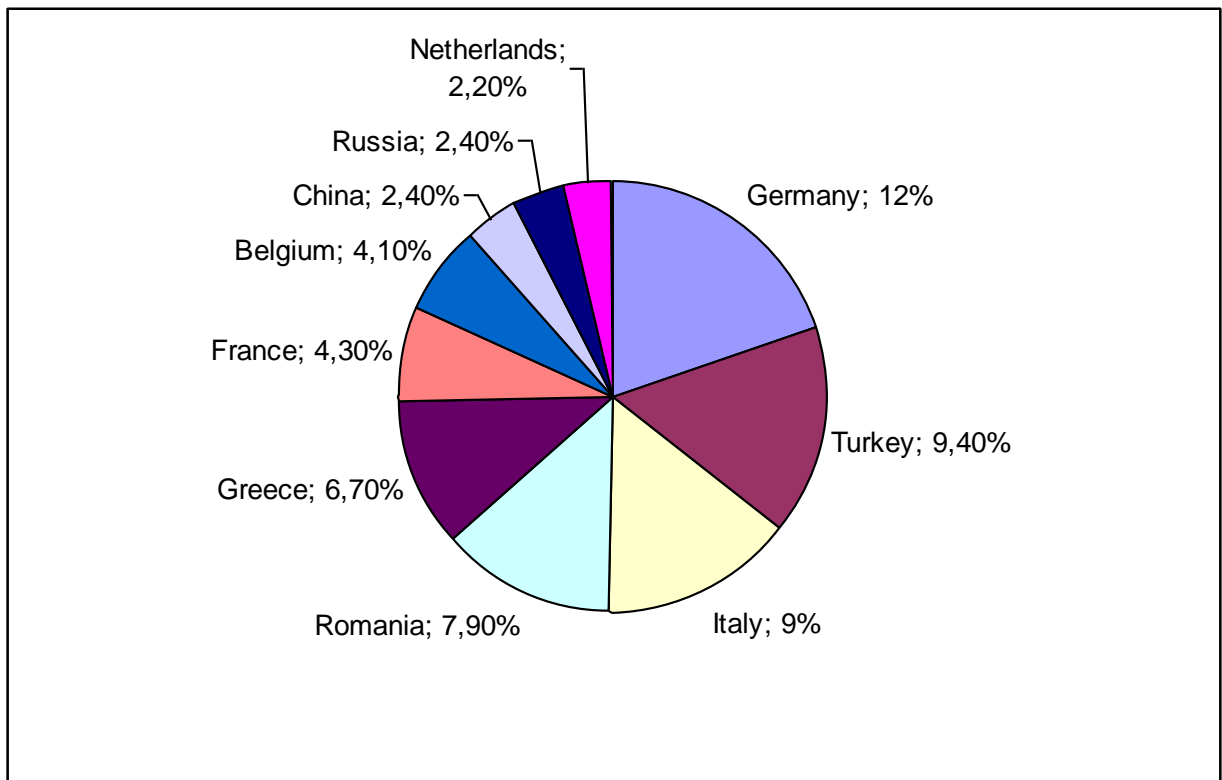
EXPORTS

Period: 2014

BUSINESS SECTOR	% OF IMPORTS	VALUE IN EUR M
Petroleum products	10.7%	2 368,7
Other metals	10.2%	2 246,0
Other raw materials	10%	2 211,0
Raw materials for the food	8.4%	1 848,6
Clothing and footwear	7.3%	1 610,0
Machines and equipment	5.5%	1 207,0
Food	5.4%	1 196,9
Spare parts and equipment	5.2%	1 149,4
Other investment goods	4.7%	1 031,0
Medicines and cosmetics	4.2%	927,7
TOTAL EXPORTS /FOB/	100%	22 115.8

Source: Bulgarian National Bank

Bulgaria's main export partners 2014



PROMOTION OPPORTUNITIES

International Fairs in Bulgaria

HOLIDAY & SPA EXPO

International Tourist Fair

primexpo@primdesign.com

www.holidayfair-sofia.com

WATER SOFIA

international B2B exhibition on water treatment and management

msimova@iec.bg

<http://bulcontrola.com/en/water-sofia>

AGRA

International Agricultural Exhibition

BioAgra - Trade Exhibition of Organic Farming

e.dushilova@fair.bg

<http://www.fair.bg/NR/exeres/4B97F45C-C48C-4257-A5A9-880CB3C07FAF.htm>

MACHTECH & INNOTECH

International specialised exhibition on machines, technologies and industrial equipment

iec@iec.bg

<http://machtech.bg/en>

'ENERGY EFFICIENCY & RENEWABLES' (EE & RE) AND 'SMART CITIES'

Exhibitions and Eco Forum for South-East Europe

office@viaexpo.com

www.viaexpo.com

SECURITY EXPO

International specialized exhibition

fairs@bccci.bg

www.securityexpo.bg

BULMEDICA / BULDENTAL

The international exhibition shows the best and latest novelties in medicine

bulmedica-buldental@iec.bg

<http://bulmedica.bg/en>

INTERFOOD & DRINK

International specialized exhibition

food-exhibitions@iec.bg

<http://food-exhibitions.bg/en>

INTERNATIONAL TECHNICAL FAIR, PLOVDIV

fairinfo@fair.bg

www.fair.bg

COPI'S - COMMUNICATION ART, PRINT, IMAGE, SIGN

Largest specialized exhibition for advertising and communications technologies in Southeastern Europe

info@reklamaexpo.com

<http://copi-s.com/en>

EASTERN EUROPEAN GAMING SUMMIT (EEGS) & BEGE EXPO EXHIBITION

The leading event in the Balkans and Eastern Europe for leisure, gaming and entertainment

info@balkangamingexpo.com

www.balkangamingexpo.com/en

INTERNATIONAL FAIR ARENA PROFESSIONAL

Specialized international B2B exhibition for professional cosmetics, services and equipment for beauty salons and SPA centers.

exhibition@arenaofbeauty.com; arena@ask.bg

www.arenaofbeauty.bg

www.arenainfo.eu

SIHRE

A specialized exhibition for hotel, restaurant, catering and SPA equipment

sihre@iec.bg

<http://sihre.bg/en>

FURTHER INFORMATION AND LINKS**INVESTBULGARIA AGENCY**

www.investbg.government.bg/en

SWISS EMBASSY IN SOFIA, BULGARIA

www.eda.admin.ch/sofia

BULGARIAN - SWISS CHAMBER OF COMMERCE

www.bscc.bg

BULGARIAN CHAMBER OF COMMERCE AND INDUSTRY

www.bcci.bg

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