

# Bulgaria

## January 2024

This country fact sheet provides key trade and investment-related statistics for Bulgaria. Specifically, it shows Bulgaria's trade and investment flows in relation to both South Africa and the Western Cape, including an analysis of top markets and products. The report highlights the largest and fastest-growing products, and their sub-sectors. It also looks at tourism trends between Bulgaria and South Africa.

### Trade

In 2022, South Africa's exports to Bulgaria were valued at ZAR975.46m, representing an increase of 87.78% y-o-y from the ZAR519.48m recorded in 2021. In turn, the country's imports from Bulgaria totalled ZAR4,196.26m in 2022, amounting to an increase of 135.30% y-o-y from a cost of ZAR1,783.39m incurred in 2021.

South Africa's dominant export category to Bulgaria in 2022 was cane or beet sugar. At a value of ZAR279.06m, this was equivalent to 28.61% of total exports to Bulgaria. The country's main import from Bulgaria was sunflower seed, costing ZAR2,709.48m which was equivalent to 64.57% of South Africa's total imports from the country in 2022.

The Western Cape's export receipts from trade with Bulgaria totalled ZAR42.29m in 2022, representing an increase of 17.84% y-o-y from the ZAR35.89m earned in 2021. In turn, the value of the Western Cape's imports from Bulgaria increased by 68.08% y-o-y to ZAR789.55m in 2022, up from ZAR469.74m in 2021.

The province's leading export product to Bulgaria in 2022 was wine of fresh grapes which, at a value of ZAR10.43m, amounted to 24.65% of the province's exports to Bulgaria in 2022.

### Investments

Between January 2011 and November 2023, ONDO Smart Farming Solutions, a company that develops management systems for open fields, greenhouses, orchards and vineyards, was the only Bulgarian company that invested in South Africa. The company's single foreign direct investment (FDI) project in KwaZulu-Natal's industrial equipment sector was worth ZAR42.95m in capex and generated 12 employment opportunities.

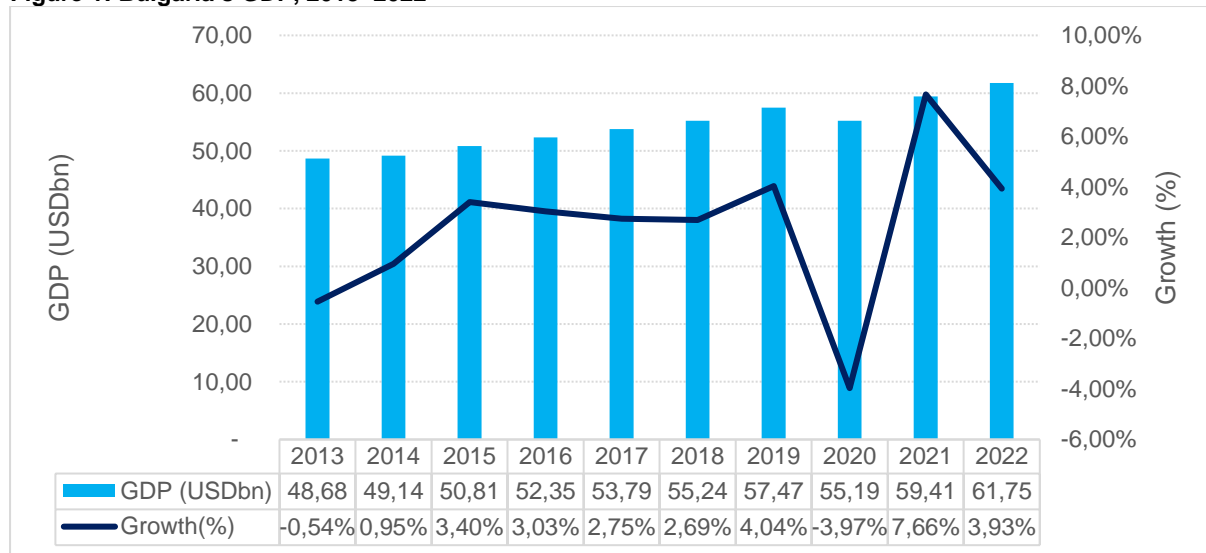
### Tourism

In 2022, South Africa welcomed 1,302 tourists from Bulgaria, reflecting a growth of 141.56% year-on-year when compared to 2021 and a recovery of 55.22% in relation to 2019.

## 1 Economic Overview

Despite the challenges of the Covid-19 pandemic, Bulgaria's economy has shown resilience, underpinned in part by its rapid policy response. The country's gross domestic product (GDP) declined by 3.97% in 2020 but rebounded strongly in 2021, growing at a rate of 7.66% to USD59.41bn. Despite global stagflation and efforts to address the debt crisis, the economy grew by 3.93% to USD61.75bn in 2022. Looking ahead, the services sector will likely be a key driver of economic growth as businesses continue to reshore in response to the push for domestic supply of essential goods. Bulgaria's promotion of domestic production, combined with a favourable business environment and a skilled workforce, bode well for the economic growth of the country.

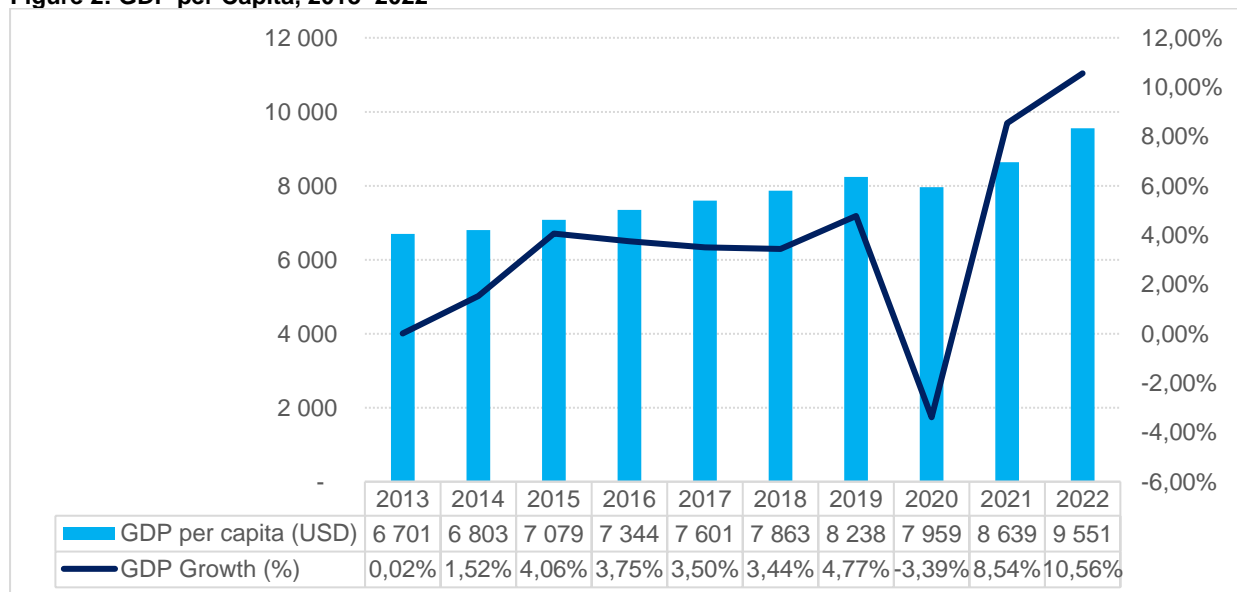
Figure 1: Bulgaria's GDP, 2013–2022



Source: World Development Indicators, 2024

GDP per capita eased to USD7,959 in 2020 – a decline of 3.39% in relation to USD8,238 recorded in 2019 – as the impact of Covid-19 was increasingly felt by the national economy. The downturn was short-lived, however, with GDP per capita rebounding to USD8,639 in 2021. This was underpinned by an economic expansion fuelled by increased consumer spending.

Figure 2: GDP per Capita, 2013–2022

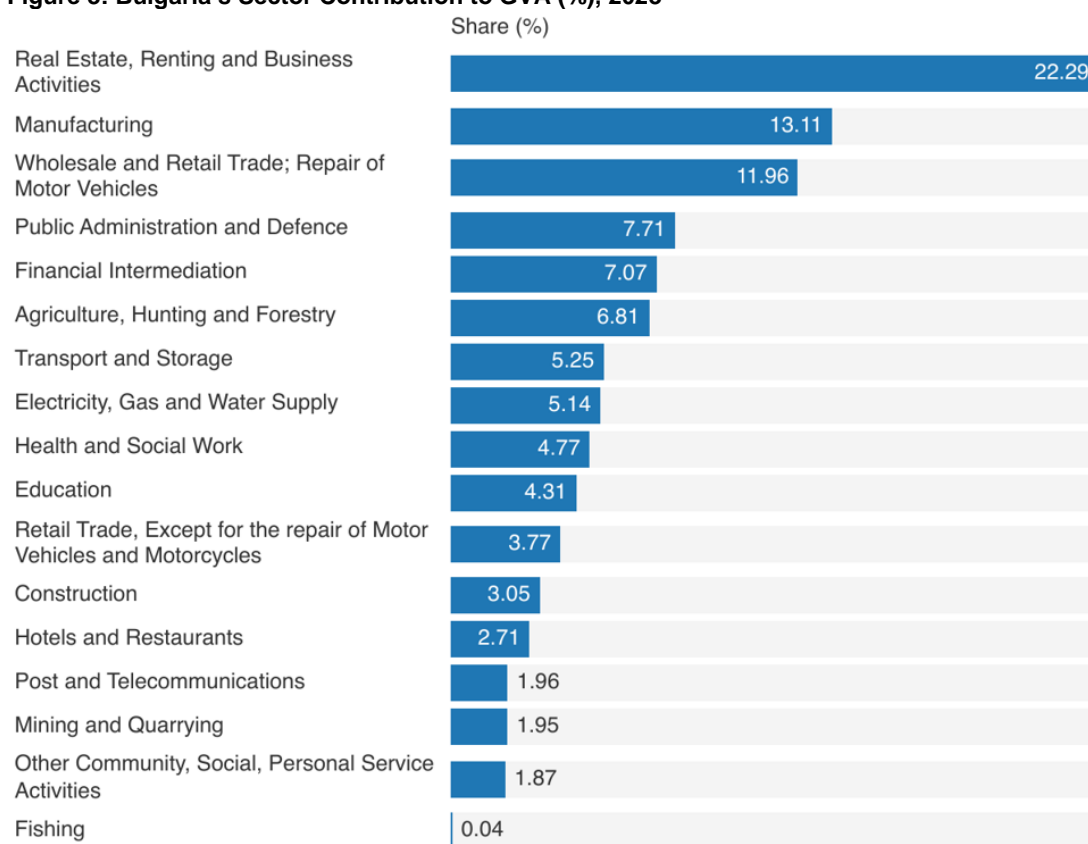


Source: World Development Indicators, 2024

Figure 3 presents the sectoral contributions to Bulgaria's gross value added (GVA) in 2022. The top three sectors contributing to the GVA were real estate, renting and business activities at 22.29%; manufacturing at 13.11%; and wholesale and retail trade, repair of motor vehicles at 11.96%. The services sector is expected to remain a key

driver of economic growth, with authorities having outlined a development strategy that focuses on fostering innovation through skills development, technological advancements, and improvements in information, communications, and technology (ICT) infrastructure.

**Figure 3: Bulgaria's Sector Contribution to GVA (%), 2023**



Source: Euromonitor 2024

## 2 Trade

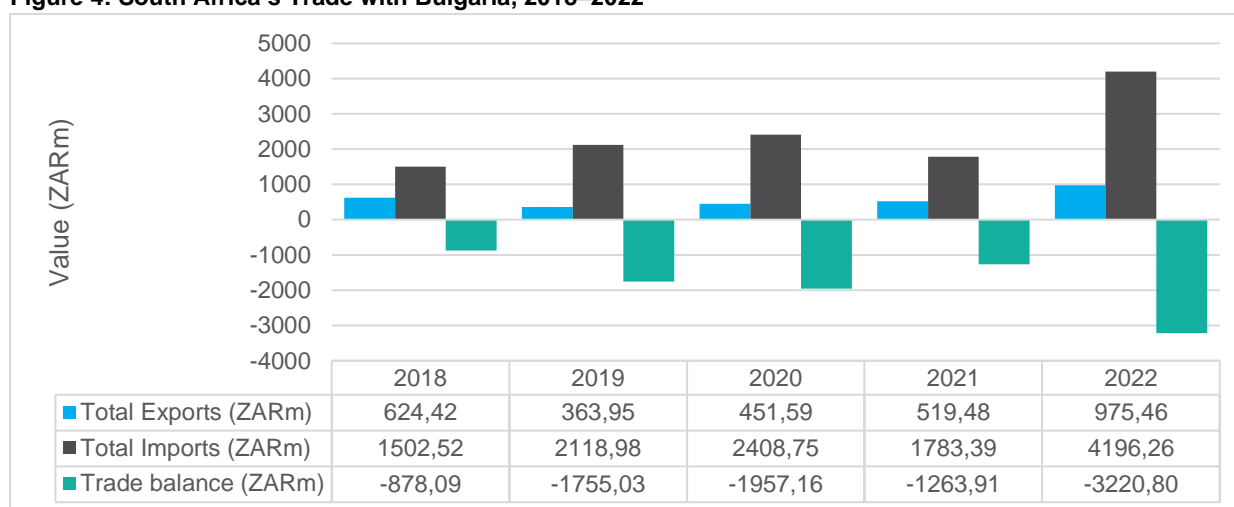
This section examines Bulgaria's trade flows with South Africa and the Western Cape between 2018 and 2022.

### 2.1 South Africa's Trade with Bulgaria

South Africa's exports to Bulgaria increased substantially between 2018 and 2022, rising from ZAR624.42m in 2018 to reach a high point of ZAR975.46m in 2022. The country's exports to Bulgaria increased by 87.78% y-o-y to a value of ZAR975.46m in 2022, up from ZAR519.48m in 2021. This was underpinned by significant increases in several export categories including cane or beet sugar, and coal and briquettes among others.

The value of South Africa's imports from Bulgaria increased by 135.30% y-o-y to a cost of ZAR4,196.26m in 2022, up from ZAR1,783.39m in 2021. South Africa's trade balance with Bulgaria remained in a deficit during the period under review.

**Figure 4: South Africa's Trade with Bulgaria, 2018–2022**



Source: Quantec, 2023

Cane or beet sugar was South Africa's largest export to Bulgaria in 2022, as shown in Table 1. At a value of ZAR279.06m, this accounted for 28.61% of total export earnings. Coal and briquettes was the second largest export product at a value of ZAR231.88m (23.77% of total exports), while exports of wool, not carded or combed, placed third, at a value of ZAR208.65 (21.39%). The fastest-growing export product was electric accumulators, with a five-year average growth rate of 334,204.01% between 2018 and 2022. Unwrought lead followed with a five-year average growth rate of 262.64%.

South Africa's top imported product from Bulgaria in 2022 was sunflower seed, which at a value of ZAR2,709.48m accounted for 64.57% of total imports from Bulgaria in that year. This was followed by the imports of uncoated kraft paper; and original equipment components<sup>1</sup>, valued at ZAR224.40m and ZAR149.98m respectively.

**Table 1: South Africa's Top 10 Exports and Imports to and from Bulgaria, 2022**

Exports				Imports			
Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022	Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022
1	Cane or beet sugar	279.06	43.58%	1	Sunflower seed	2,709.48	64.14%
2	Coal and briquettes	231.88	67.97%	2	Uncoated kraft paper	224.40	49.22%
3	Wool, not carded or combed	208.65	57.57%	3	Original equipment components	149.98	52.95%

<sup>1</sup> Original equipment components comprise all items of machinery including primemovers, instruments, apparatus and appliances, control gear and transmission equipment, auxiliary equipment (including those required for research and development purposes, testing and quality control).

Exports				Imports			
Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022	Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022
4	Wool, carded or combed	117.01	35.18%	4	Carbonates; peroxocarbonates (percarbonates)	82.02	163.65%
5	Unwrought lead	42.99	262.64%	5	Electric accumulators	72.35	60.28%
6	Electronic integrated circuits	13.67	72.17%	6	Automatic data processing machines	47.54	35.71%
7	Wine of fresh grapes	10.84	120.97%	7	Preparations of a kind used in animal feeding	40.00	20.09%
8	Other clays	6.37	76.76%	8	Ball or roller bearings	35.58	128.14%
9	Electric accumulators	6.23	334,204.49%	9	Other plates, sheets, film, foil, and strip, of plastics	34.33	55.31%
10	Animal or vegetable fertilisers	5.89	60.09%	10	Stoves, ranges, grates & cookers	34.16	53.09%
	<b>Total exports</b>	<b>975.46</b>	<b>13.15%</b>		<b>Total imports</b>	<b>4 196.26</b>	<b>6.51%</b>

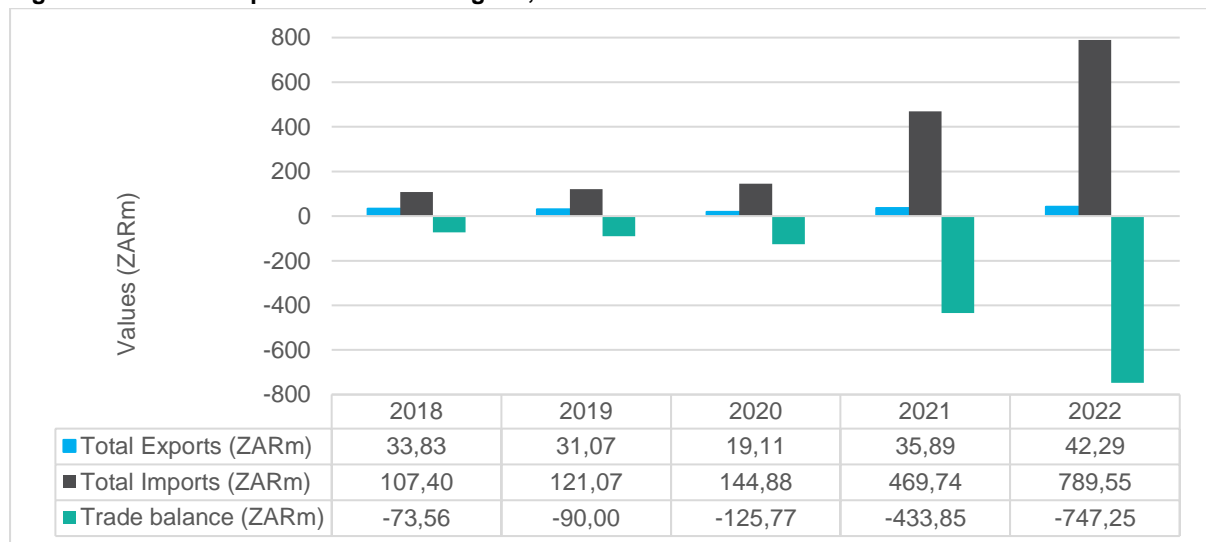
Source: Quantec, 2023

## 2.2 Western Cape's Trade with Bulgaria

The Western Cape's export receipts from trade with Bulgaria totalled ZAR42.29m in 2022, representing an increase of 17.84% y-o-y from a value of ZAR35.89m earned in 2021. This can be observed in Figure 2. On the other hand, the province's imports from Bulgaria totalled ZAR789.55m in 2022, representing a 68.08% growth compared to the cost of ZAR469.74m recorded in 2021. The province's trade balance with Bulgaria remained in a deficit throughout the period under consideration.

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Figure 5: Western Cape's Trade with Bulgaria, 2018–2022



Source: Quantec, 2023

The Western Cape's leading export product to Bulgaria in 2022 was wine. Valued at ZAR10.43m, this was equivalent to 24.65% of the province's total exports to the European country in that year. Electric accumulators place second, with exports valued at ZAR6.23m while the export of animal or vegetable fertilisers was third at a value of ZAR5.89m. This can be seen in Table 2. Exports of articles for the conveyance or packing of goods was the fastest-growing export category, having recorded a five-year average growth rate of 892.18% from 2018 to 2022.

**Table 2: Western Cape's Top 10 Exports and Imports to and from Bulgaria, 2022**

Exports				Imports			
Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022	Rank	Product	Value, 2022 (ZARm)	Ave growth %, 2018-2022
1	Wine of fresh grapes	10.43	133.85%	1	Sunflower seed	496.38	118,070.44%
2	Electric accumulators	6.23	93.24%	2	Uncoated kraft paper	87.14	34.05%
3	Animal or vegetable fertilisers	5.89	60.09%	3	Stoves, ranges, grates, and cookers	33.13	50.82%
4	Agricultural, horticultural or forestry machinery	3.32	20.00%	4	Cigarette paper	22.02	193.00%
5	Electronic integrated circuits	3.04	48.30%	5	Video game consoles and machines	21.54	102.09%
6	Apples, pears, and quinces	2.47	0.79%	6	Hydrometers and similar floating instruments	19.78	908.77%
7	Articles for the conveyance or packing of goods	2.38	892.18%	7	Aluminium bars	14.74	57.89%
8	Beauty or make-up preparations	1.63	13.05%	8	Pumps for liquids	7.24	135.94%
9	Citrus fruit	0.97	-12.08%	9	Medicaments	6.40	87.17%
10	Surveying	0.91	20.00%	10	Taps, cocks, valves, and similar appliances for pipes	5.83	989.21%
	<b>Total exports</b>	<b>42.29</b>	<b>24.91%</b>		<b>Total imports</b>	<b>789.55</b>	<b>55.02%</b>

Source: Quantec, 2023

The Western Cape's top import product from Bulgaria in 2022 was sunflower seed. At a value of ZAR496.38m, this was equivalent to 62.87% of the province's total imports from the European country in that year. Uncoated kraft paper was the second largest import at a value of ZAR87.14m, while stoves, ranges, grates and cookers place third at a value of ZAR33.13m. Sunflower-seed oil was the fastest-growing import category during the period 2018–2022, with an average growth rate of 118,070.44% per annum.

### 3. Foreign Direct Investment

This section examines FDI flows between Bulgaria and South Africa, and between Bulgaria and the Western Cape.

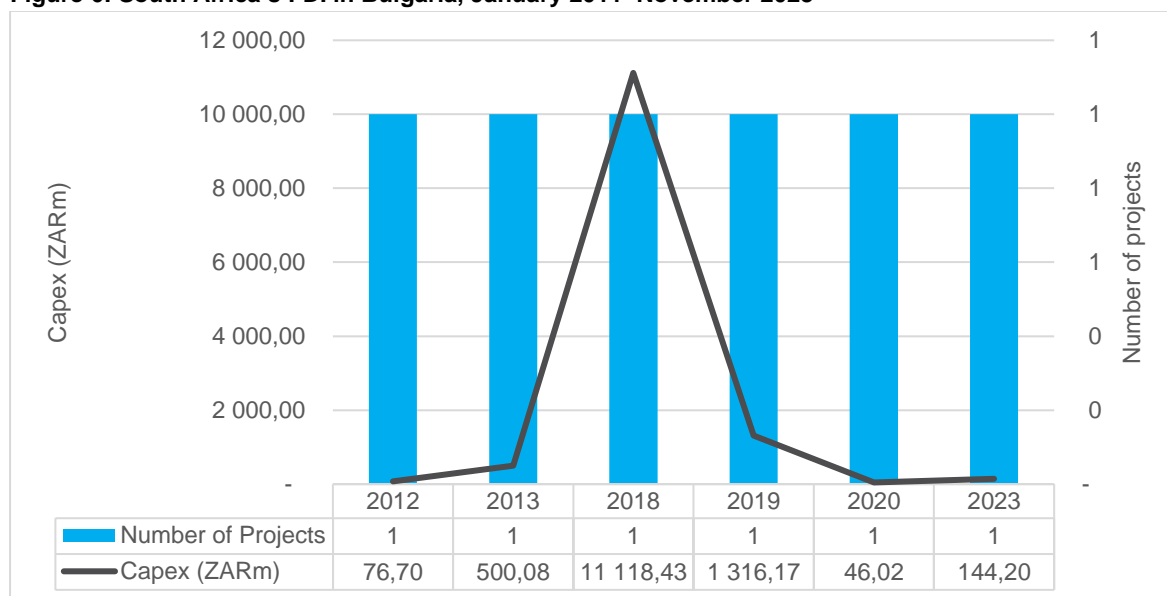
#### 3.1 Bilateral FDI: Bulgaria’s FDI in South Africa

Between January 2011 and November 2023, ONDO Smart Farming Solutions, a company that develops management system for open fields, greenhouses, orchards and vineyards, was the only Bulgarian company that invested in South Africa. The company’s single FDI project in KwaZulu-Natal’s industrial equipment sector was worth ZAR42.95m in capex and generated 12 jobs.

#### 3.2 Bilateral FDI: South Africa’s FDI in Bulgaria

South African companies invested in six FDI projects in Bulgaria between January 2011 and November 2023, with a cumulative capex value of ZAR13.20bn. This equated to an average investment of ZAR2,199.76m per project. An estimated 4,320 jobs were created from these projects. South African investments (measured by capex) in Bulgaria peaked in 2018 at a capex value of ZAR11.12bn, which was invested in a single project. These figures can be seen in Figure 6.

**Figure 6: South Africa’s FDI in Bulgaria, January 2011–November 2023**



Source: FDI Markets, 2023

Between January 2011 and November 2023, South Africa’s FDI in Bulgaria was mainly concentrated in the paper, printing and packaging sector, as seen in Figure 7. This sector attracted FDI valued at ZAR11,118.41m in capex, accounting for 84.22% of the total capex. The real estate and the automotive components sectors followed in second and third places, benefiting from South African investments worth ZAR1,316.21m (9.97%) and ZAR500.11m (3.79%) respectively.

**Figure 7: FDI from South Africa in Bulgaria by Sector, measured in Capex, 2011–November 2023**

	Capex (ZARm)	Share%
Paper, printing & packaging	11,118.41	84.22
Real estate	1,316.21	9.97
Automotive components	500.11	3.79
Electronic components	144.21	1.09
Textiles	76.72	0.58
Consumer electronics	46.01	0.35

Source: FDI Markets, 2023

In terms of the number of projects, the six sectors shown in Figure 8 each benefited from a single project, from January 2011 to November 2023.

**Figure 8: FDI from South Africa in Bulgaria by Sector, measured in Projects, 2011–November 2023**

	Number of projects	Share%
Automotive components	1	16.67
Consumer electronics	1	16.67
Electronic components	1	16.67
Paper, printing & packaging	1	16.67
Real estate	1	16.67
Textiles	1	16.67

Source: FDI Markets, 2023

### 3.3 Bilateral FDI: Bulgaria’s FDI in the Western Cape

No FDI was recorded from Bulgaria in the Western Cape between January 2011 and November 2023.

### 3.4 Bilateral FDI: Western Cape’s FDI in Bulgaria

Between January 2011 and November 2023, two companies from the Western Cape – Solar MD (in the electronic components sector) and eMag (in the consumer electronics sector) – invested in Bulgaria. Each company invested in a single FDI project, resulting in a combined capital investment of ZAR190.22m. These projects generated 533 jobs.

**Table 3: Companies from the Western Cape investing in Bulgaria, January 2011–November 2023**

Project date	Investing company	Source state	Destination country	Sector	Activity	Jobs created	Capex (R m)
Apr 2023	Solar MD	Western Cape	Bulgaria	Electronic components	Manufacturing	325	144.20
Sep 2020	eMag	Western Cape	Bulgaria	Consumer electronics	Retail	208	46.02
<b>Total</b>						<b>533</b>	<b>190.22</b>

Source: FDI Markets, 2023

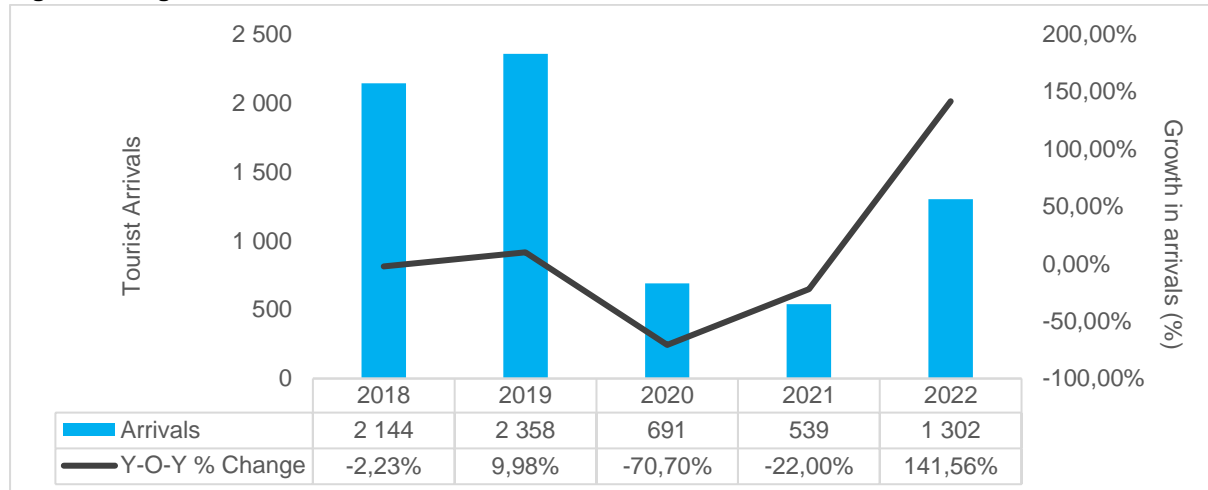


## 4 Tourism

### 4.1 Bulgaria's Tourist Arrivals in South Africa, 2018–2022

In 2022, South Africa welcomed 1,302 tourists from Bulgaria, reflecting a growth of 141.56% year-on-year when compared to 2021 and a recovery of 55.22% in relation to 2019. This is evident in Figure 9.

**Figure 9: Bulgaria's Tourist Arrivals in South Africa, 2019–2022**



Source: SA Tourism, 2024

Note: There was no data for tourism flows from either Bulgaria to the Western Cape or passenger movement through the Cape Town International Airport over the period analysed.

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