

EXTERNAL TRADE OF BULGARIA¹

January 2015

Exports

In January 2015 exports (*FOB*) amounted to EUR 1738.2 million compared with EUR 1584.2 million in the same period of 2014, increasing by EUR 154 million (9.7%) year-on-year.

With the implementation of the *Sixth Edition of the Balance of Payments and International Investment Position Manual* (IMF, 2008)² significant methodological changes in the reporting of trade in goods and trade in services were introduced. Based on their economic nature, certain items were reclassified from *Goods* (exports and imports) to *Services* (exports and imports), and vice versa.

The main methodological changes concerning exports and imports of goods are related to goods for processing, repair of capital goods, and goods for own use or to give away acquired by travelers that are in excess of customs thresholds. According to the *Fifth Edition of the Balance of Payments Manual* (IMF, 1993) and the external trade statistics the first two subitems were reported under *Goods* (exports and imports) but goods for own use or to give away acquired by travelers that are in excess of customs thresholds were reported under *Services*. In accordance with the new methodological changes subitems goods for processing and repair of capital goods are included in *Services* and goods for own use or to give away acquired by travelers that are in excess of customs thresholds is included in *Goods*.

Thus, the exports, imports and trade balance data compiled by the NSI do not equate to the exports, imports and trade balance data compiled by the BNB for the purposes of balance of payments statistics.

Taking into consideration the analytical importance of the data on *goods* (exports and imports) in the external trade statistics, the BNB shall continue its practice of preparing a short text on the external trade dynamics, and maintaining the relevant data series. These materials are included in the Balance of Payments publication, and are published on the BNB website.

More detailed information on these methodological changes is available in the material *Compilation of the balance of payments in accordance with the methodology of the sixth edition of the Balance of Payments and International Investment Position Manual*³.

End Use

The increase in exports on a year-on-year basis could be attributed mostly to *non-ferrous metals* (up by EUR 45.8 million, 28%), *raw materials for the food industry* (by EUR 38.6 million, 41.4%), and *other raw materials* (by EUR 30.8 million, 19.3%), whereas the decrease was reported in the exports of *petroleum products* (by EUR 13.2 million, 8.5%), and *iron and steel* (by EUR 11.8 million, 26.9%).

Commodity Groups⁴

On year-on-year basis, an increase in exports by commodity groups in January 2015 was due mostly to *copper and articles thereof* (Division 74) – up by EUR 29.5 million (18.7%),

¹ The part *External Trade of Bulgaria* of the issue *Balance of Payments of Bulgaria* covers a reporting period one month shorter than that of the balance of payments. According to Regulation (EC) No 638/2004 of the European Parliament and the Council NSI provides the EUROSTAT with detailed data on dispatches and arrivals of goods within the EU (INTRASTAT) within 70 days after the end of the reporting month (see methodological notes).

² <http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm>

³ These papers are available on the BNB www.bnb.bg, section *Statistics/ Methodological notes* (left-hand menu).

⁴ Commodity groups include divisions of the *Combined Nomenclature* (Eurostat).

electrical machines, equipment parts thereof (Division 85) – by EUR 28.4 million (19.5%), *cereals* (Division 10) – by EUR 17.9 million (45%), and *oil seed oleaginous fruits; miscellaneous grain, seed, fruit etc.* (Division 12) – by EUR 16.2 million (51.6%). The decrease was reported on a year-on-year basis in the exports of *iron and steel* (Division 72) by EUR 11.8 million (26.9%) and of *Articles of apparel & clothing accessories* (Division 61) – by EUR 8.8 million (15%).

Main Trade Partners and Regions

▪ European Union

- Exports to the European Union increased by EUR 168.4 million (16.7%) on a year-on-year basis, their share in total exports growing from 63.6% in January 2014 to 67.7% in the same period of 2015.

- The largest increase on a year-on-year basis was that in the exports to *Italy* (by EUR 37 million, 23.9%), to *Cyprus* (by EUR 30.7 million, over 3 times), and *Germany* (by EUR 20.5 million, 8.7%), to *Greece* (by EUR 19.7 million, 19.9%), and to *Romania* (by EUR 18.2 million, 19.6%). A decline was reported in the exports to *Austria* (by EUR 3.5 million, 10.8%), and to *Spain* (by EUR 3.2 million, 11.5%).

▪ Non-European Union Countries

- Exports to non-EU countries decreased by EUR 14.3 million (2.5%) year-on-year, its share in total exports dropping from 36.4% in January 2014 to 32.3% in the same period of 2015.

- The decrease in exports was contributed mostly by *other regions* (down by EUR 37.4 million, 34.7%), to *United Arab Emirates* (by EUR 12 million, 31.5%), and to *Russia* (by EUR 10.7 million, 34.6%). Exports to *Gibraltar* increased by EUR 12 million year-on-year.

▪ Countries with Highest Shares in Total Exports

- The exports to *Germany* had the highest share in total exports (14.7% of total exports, EUR 256 million), followed by *Italy* (11.1%, EUR 192.2 million), *Turkey* (9.3%, EUR 161.6 million), and *Greece* (6.8%, EUR 118.9 million).

Impact of Physical Volumes and Prices on Exports and Imports of Selected Groups of Goods¹

(EUR million)

	Change against January 2014		
	Total	due to the factor:	
		quantity	price
Exports			
<i>Petroleum Products</i>	-13.2	72.6	-85.7
<i>Non-Ferrous Metals</i>	45.8	48.1	-2.4
Imports			
<i>Crude Oil and Natural Gas</i>	-118.1	-9.7	-108.4
<i>Non-Ferrous Ores</i>	76.8	62.1	14.7

¹ By End Use.

A minus sign denotes a decrease in exports receipts/imports payments.

Imports (CIF)

Imports (*CIF*) amounted to EUR 1941.6 million in January 2015, compared with EUR 2023.6 million in the same period of 2014, decreasing by EUR 82 million (4.1%).

End Use

The decrease in imports (*CIF*) on a year-on-year basis can be attributed mostly to *crude oil and natural gas* (down by EUR 118.1 million, 38.8%), and *other mineral fuels* (by EUR 99.9 million, 61.3%). An increase was reported in the imports of *ores* (by EUR 76.4 million, 61.6%), and *other investment goods* (by EUR 54.6 million, 90.9%).

Commodity Groups

The largest decline in imports (*CIF*) on a year-on-year basis was that in *mineral fuels, oils & products of their distillation; etc.* (Division 27) – down by EUR 214.8 million (44.4%). An increase was reported in the imports of *ores, slag and ash* (Division 26) – up by EUR 76.4 million (61.6%), and of *articles of iron and steel* (Division 73) – by EUR 57.7 million (187.5%).

Main Trade Partners and Regions⁵

▪ **European Union**

- The imports from the EU decreased by EUR 35.8 million (3.7%) year-on-year, its share in total imports growing from 47.6% in January 2014 to 47.7% in the same period of 2015.

- The highest decrease in imports on a year-on-year basis was that from *Italy* (by EUR 43 million, 27.7%), from *Romania* (by EUR 12.4 million, 11.2%), from *Poland* (by EUR 9.6 million, 17.3%), and from *Greece* (by EUR 9.4 million, 11.5%). An increase was reported in the imports from *Germany* (by EUR 33.4 million, 16.7%).

⁵ By country of origin.

- Non-European Union Countries

- Imports from non-EU countries decreased on a year-on-year basis by EUR 46.2 million (4.4%), their share in total imports dropping from 52.4% in January 2014 to 52.3% in the same period of 2015.

- The decrease in imports was contributed mostly by *Russia* – down by EUR 63.4 million (21.3%), from *Turkey* – by EUR 16.6 million (14.8%), and from *Ukraine* – by EUR 16.1 million (37.7%). Imports from *other regions* grew by EUR 46.9 million (124.8%), from *China* – by EUR 32.9 million (24.4%), and from *Chile* – by EUR 28.9 million (86.1%).

- Countries with Largest Shares in Total Imports (CIF)

- The largest share in total imports (*CIF*) was held by *Russia* (12.1% of total imports, EUR 234.9 million), followed by *Germany* (12%, EUR 233.8 million), *China* (8.6%, EUR 167.4 million), and *Italy* (5.8%, EUR 112.3 million).