

# EXTERNAL TRADE OF BULGARIA<sup>1</sup>

January - February 2015

## Exports

In January - February 2015 exports (*FOB*) amounted to EUR 3482.8 million compared with EUR 3234 million in the same period of 2014, increasing by EUR 248.8 million (7.7%) year-on-year.

With the implementation of the *Sixth Edition* of the *Balance of Payments and International Investment Position Manual* (IMF, 2008)<sup>2</sup> 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 maintaining the relevant data series, and preparing a short text on the external trade dynamics.

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*<sup>3</sup>.

## End Use

The increase in exports on a year-on-year basis could be attributed mostly to *raw materials for the food industry* (up by EUR 92.4 million, 53%), *other raw materials* (by EUR 72.1 million, 22.4%), and *non-ferrous metals* (by EUR 60.4 million, 16.9%), whereas the decrease was reported in the exports of *petroleum products* (by EUR 113.3 million, 35.6%), and *iron and steel* (by EUR 20.6 million, 22.3%).

## Commodity Groups<sup>4</sup>

On year-on-year basis, an increase in exports by commodity groups in January - February 2015 was due mostly to *electrical machines, equipment parts thereof* (Division 85) – up by EUR

<sup>1</sup> 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).

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

<sup>3</sup> These papers are available on the BNB [www.bnb.bg](http://www.bnb.bg), section *Statistics/ Methodological notes* (left-hand menu).

<sup>4</sup> Commodity groups include divisions of the *Combined Nomenclature* (Eurostat).

55 million (18.6%), *cereals* (Division 10) – by EUR 49.1 million (64.6%), *copper and articles thereof* (Division 74) – by EUR 37.6 million (11.1%), and *oil seed oleaginous fruits; miscellaneous grain, seed, fruit etc.* (Division 12) – by EUR 35.8 million (66.3%). The decrease was reported on a year-on-year basis in the exports of *mineral fuels, oils & products of their distillation; etc.* (Division 27) by EUR 78.7 million (20.5%).

#### Main Trade Partners and Regions

##### ▪ European Union

- Exports to the European Union increased by EUR 247.3 million (12.2%) on a year-on-year basis, their share in total exports growing from 62.8% in January - February 2014 to 65.4% in the same period of 2015.

- The largest increase on a year-on-year basis was that in the exports to *Belgium* (by EUR 52.5 million, 52.9%), to *Cyprus* (by EUR 31.6 million, 199.9%), to *Greece* (by EUR 28.8 million, 14.3%), and to *Romania* (by EUR 19.3 million, 8.9%). A decline was reported in the exports to the *Netherlands* by EUR 1.4 million, 1.8%.

##### ▪ Non-European Union Countries

- Exports to non-EU countries increased by EUR 1.5 million (0.1%) year-on-year, its share in total exports dropping from 37.2% in January - February 2014 to 34.6% in the same period of 2015.

- The increase in exports was contributed mostly to *Turkey* (up by EUR 31.1 million, 10.8%), and *China* (by EUR 18.4 million, 21.1%). Exports decreased to *Singapore* (by EUR 62.7 million, 59.9%), to *United Arab Emirates* (by EUR 33.6 million, 43.6%), and to *Russia* (by EUR 27.3 million, 35.4%) year-on-year.

##### ▪ Countries with Highest Shares in Total Exports

- The exports to *Germany* had the highest share in total exports (13.6% of total exports, EUR 472.3 million), followed by *Italy* (9.9%, EUR 343.2 million), *Turkey* (9.2%, EUR 320.2 million), and *Romania* (6.8%, EUR 235.8 million).

**Impact of Physical Volumes and Prices on Exports and Imports  
of Selected Groups of Goods<sup>1</sup>**

(EUR million)

	Change against January - February 2014		
	Total	due to the factor:	
		quantity	price
<b>Exports</b>			
<i>Petroleum Products</i>	-113.3	10.2	-123.5
<i>Non-Ferrous Metals</i>	60.4	57.5	3.0
<b>Imports</b>			
<i>Crude Oil and Natural Gas</i>	-87.4	-104.8	-192.2
<i>Non-Ferrous Ores</i>	63.1	40.0	23.2

<sup>1</sup> By End Use.

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

**Imports (CIF)**

Imports (*CIF*) amounted to EUR 4044.7 million in January - February 2015, compared with EUR 3967.7 million in the same period of 2014, increasing by EUR 76.9 million (1.9%).

**End Use**

The increase in imports (*CIF*) on a year-on-year basis can be attributed mostly to *other investment goods* (up by EUR 94.2 million, 77.1%), *ores* (by EUR 62.7 million, 22.8%), *other raw materials* (by EUR 39 million, 13.5%), and *electrical machines* (by EUR 20.6 million, 15.3%). The decrease was reported in the imports of *other mineral fuels* (by EUR 160.9 million, 57%), and *crude oil and natural gas* (by EUR 87.4 million, 17.1%).

**Commodity Groups**

The largest increase in imports (*CIF*) on a year-on-year basis was that in *articles of iron and steel* (Division 73) – up by EUR 92.2 million (140.5%), *ores, slag and ash* (Division 26) – by EUR 62.7 million (22.8%), and *electrical machines, equipment parts thereof* (Division 85) – by EUR 51.8 million (15.9%). The decline was reported in the imports of *mineral fuels, oils & products of their distillation; etc.* (Division 27) – down by EUR 249.1 million (29.9%).

**Main Trade Partners and Regions<sup>5</sup>**

▪ **European Union**

• The imports from the EU increased by EUR 66.2 million (3.4%) year-on-year, its share in total imports growing from 49.3% in January - February 2014 to 50% in the same period of 2015.

<sup>5</sup> By country of origin.

- The highest increase in imports on a year-on-year basis was that from *Germany* by EUR 98.8 million (24.5%). The decline was reported in the imports from *Italy* (by EUR 34 million, 11.7%), from *Romania* (by EUR 13.6 million, 6.1%), and from *Greece* (by EUR 10.9 million, 6.7%).

- *Non-European Union Countries*

- Imports from non-EU countries increased on a year-on-year basis by EUR 10.7 million (0.5%), their share in total imports dropping from 50.7% in January - February 2014 to 50% in the same period of 2015.

- The increase in imports was contributed mostly to *China* – up by EUR 78.4 million (30.3%), and *Peru* – by EUR 22.4 million (72.8%). Imports from *Russia* decreased by EUR 48.3 million (9%), and from *Ukraine* – by EUR 20.3 million (27.1%).

- *Countries with Largest Shares in Total Imports (CIF)*

- The largest share in total imports (*CIF*) was held by *Germany* (12.4% of total imports, EUR 501.8 million), followed by *Russia* (12.1%, EUR 489.2 million), *China* (8.3%, EUR 337 million), and *Italy* (6.3%, EUR 255.2 million).