BULGARIA’S TRADE RELATIONS WITH ITS MAIN PARTNERS IN SUBSAHaran AFRICA – TRENDS AND PROSPECTS

Chief Assist. Prof. Eduard MARINov, Ph.D.
Economic Research Institute at BAS
Email: eddie.marinov@gmail.com

Abstract: This article aims at presenting the prospects for trade between Bulgaria and Sub-Saharan Africa by analysing the geographical structure of international trade relations with the region. To achieve this firstly it presents Bulgarian trade with Sub-Saharan countries summarizing the trade flow dynamics for the 2003-2015 period, the share of Sub-Saharan Africa in Bulgarian international trade, as well as the commodity structure of the trade flows. The main section of the article thoroughly discusses firstly the major trade products for the leading trade partners, then the dynamics of trade with these countries and finally it analyses the significant cases of trade fluctuations. The conclusion summarizes the main findings which show the increasing importance of Sub-Saharan Africa for Bulgaria’s international trade relations.

Keywords: Sub-Saharan Africa, international trade, export diversification.

JEL: F14, F50.

Introduction

In recent years, there has been a trend for Bulgaria to expand its export to higher-share partners while reducing exports to lower-share countries. Under the conditions of the deepening liberalization and globalization processes, promoting foreign trade relations is a key pillar of countries in their strategies for economic development (Byanova, N., 2010, p. 266). The concentration of foreign trade with a country or economic community, as is the case with the EU, determines the dependence of the Bulgarian economy on the economic situation of the partner countries, which poses a high risk of rapid spread of global economic trends in our country. (ERI, 2016, p. 41) Coping with the changes in the external environment is related to the planning of ‘buffers’, i.e. creating stability in trade and economy, so that they are not affected by these changes (Nikolova, I., 2015, p. 70). The stagnation in the EU can be expected to continue and the domestic demand in Bulgaria will be low, which will impede the growth in the Bulgarian economy. Therefore,
growth will be determined by export opportunities, especially outside the EU, and in this sense, any policy to promote exports is fundamental to economic growth and stability in the medium term. In this context, a recent study shows that “the majority of Bulgarian companies engaged in foreign transactions have the opportunity to expand their exports without increasing their production capacity” (Nestorov, 2015, p. 24).

Sub-Saharan African countries\(^1\) are becoming vital to Bulgaria’s foreign trade relations due to their growing role in world politics and economy, the great economic potential and natural resources, as well as the large number of unexploited opportunities. Cultivating trade relations with them has considerable potential in terms of the opportunities these markets provide for Bulgarian companies. The new institutional framework of the EU’s trade relations with Sub-Saharan Africa contributes to increasing the prospects for trade. According to it, along with the trade preferences given to Sub-Saharan countries for access to Member States’ markets, they must provide reciprocal access to their own markets for companies and products from the Union, thus increasing the adequacy of the legal framework of the countries and expanding the scope of the various instruments for promoting trade and investment (Stefanova J. et al., 2017).

Despite the rapid growth of trade flows between Bulgaria and Sub-Saharan Africa, the abundance of natural resources in the region, the good economic relations in the past and the possibilities for developing the foreign trade relations, not only public authorities but also businesses in Bulgaria seem to underestimate the countries in Africa as potential trading partners. Therefore, it is important to analyse Bulgaria’s foreign trade relations with these countries in detail.

The research problem of the study is the foreign trade relations of Bulgaria with Sub-Saharan Africa. The research area of the study is the geographical structure of these relations. The period from 2003 (when the new framework for trade relations between the EU and the African countries entered into force) to 2015 is analysed. While examining the commodity structure of the trade relations with the region as a whole as well as with the leading trade partners of Bulgaria, the situation over the last year for which data is available (2015) is analysed, and the main trends for the entire period studied are summarized.

The main purpose of the study is by studying the geographical structure of trade relations between Bulgaria and Sub-Saharan Africa to identify and present the prospects for trade in the region. To achieve this goal, a number of research tasks are set, which determine the structure of the article, i.e. the institutional framework of Bulgaria’s trade relations with Sub-Saharan Africa is briefly presented and the state and dynamics of the trade relations for the 2003-2015 period are analysed. Then their commodity structure for 2015 is presented along with the main changes to it for the 2003-2015 period. The main part of the study focuses on identifying Bulgaria’s key trade partners in the region as well as the main imported and exported products for each of the partners for 2015. To obtain a complete picture of the trade relations with the leading trade partners in Sub-Saharan Africa, the dynamics of the permanent trade relations is studied, and finally the most significant cases of trade fluctuations for the 2003-2015 period are analysed.

\(^1\) A list and a map of Sub-Saharan African countries, as well as a summary of the main economic and foreign trade characteristics of the region are given in the Appendix.
All data is based on author’s own calculations, made on the basis of data on imports and exports given by the International Trade Centre under the UNO and IMF, and Eurostat.

1. General trends in Bulgaria’s trade relations with Sub-Saharan Africa

1.1. Institutional framework of the foreign trade relations between Bulgaria and Sub-Saharan Africa

Bulgaria’s policy towards African countries is based, on the one hand, on the traditionally good relations with a number of countries in the region, and on the other hand – on their preferential political and economic relations with the European Union.

In recent years, Sub-Saharan Africa has not been a priority in Bulgaria’s foreign policy, which resulted in not taking advantage of the positive past experience of the bilateral relations with the countries in those parts of the world – Bulgaria has embassies in only three of the countries in the region (Ethiopia, Nigeria and South Africa) and not a single commercial representation. In turn, only two countries have embassies in Bulgaria (The Republic of South Africa and Sudan). However, the relations with the African countries to the south of the Sahara Desert are gradually improving, and the decline, typical for the last 20-25 years, in bilateral cooperation is being overcome. According to data given by the Ministry of Foreign Affairs, measures are currently being taken to restore the functions of the embassy in Kenya, and to open a diplomatic mission in Francophone Central Africa. Moreover, in recent years, together with the European Union, Bulgaria has been taking steps to establish contacts with the countries and regional communities in Africa.

Bulgaria’s foreign trade relations with the region are part of the common commercial policy and development cooperation policy, which the EU implements towards Sub-Saharan Africa. The preferential trade arrangements applied by the EU towards developing countries rely on two main pillars. One of the pillars is the Generalized System of Trade Preferences – a commercial arrangement through which the EU provides preferential access to its market for certain foreign goods without requiring reciprocity in the form of reduced or zero rates of customs duties, and the Everything But Arms scheme, which provides duty-free access to the EU market to imports of all products, except for arms and ammunition, from least developed countries without quantitative restrictions.

The second pillar is the Economic Partnership Agreements with African, Caribbean and Pacific regions – i.e. agreements on trade and cooperation to establish a new trade arrangement between the EU and the developing countries. They are created to establish regulations compatible with the WTO trade regulations, oriented to the economic development of reciprocal trade agreements between Europe and its traditional trading partners among developing countries. At the same time, they encourage the improvement of trade capacities and include measures to support
partners in the developing regions. The agreements are intended to cover not only the trade in goods but also services and other areas related to trade.

The EU negotiates economic partnership agreements with five regions in Africa – West Africa, Central Africa, Eastern and Southern Africa, East African Community (EAC), and Southern African Development Community (SADC). Although currently none of the five agreements have yet entered into force, in three of them the final version is in the process of ratification (West Africa, EAC and SADC regions) and in a great number of countries interim agreements have already been operating, namely Ivory Coast and Ghana in the West African region, Botswana, Lesotho, Mozambique and Swaziland in the region of SADC, Cameroon, Mauritius, the Seychelles, Zimbabwe and Madagascar in the region of Central Africa, Zambia and the Comoros in Eastern and Southern Africa region, and in the region of EAC as a whole.

In terms of the trade in goods between Bulgaria and Sub-Saharan Africa, the Economic Partnership Agreements expand and deepen the potential for developing the trade relations by establishing reciprocal liberalization of trade in goods and services, which reveals significant prospects for occupying competitive niches by both Bulgarian exporters and importers from Sub-Saharan countries.

On the other hand, tariff liberalization schedules laid down in the Economic Partnership Agreements, the clear regulations on origin and geographical indications, and the intended reduction of customs, technical, sanitary and phytosanitary restrictions in combination with the growth of trade flows and the extension of the commodity structure of the country’s trade with the region, provide opportunities for Bulgaria to become a gateway to the EU for Sub-Saharan exporters.

1.2. State and dynamics of Bulgaria’s trade with Sub-Saharan Africa

In 2015, the total value of trade flows between Bulgaria and Sub-Saharan Africa amounted to €409.8 m. Trade with the region represented only 0.8% of the total and 2.3% of the extra-Community trade flows of the country (see Figure 1). Throughout the 2003-2015 period exports prevailed – in 2015 they were valued at €233.2 m while trade with non-EU countries had a share of 2.8%. Imports were considerably less – €177.6 m, respectively 1.9% of Bulgaria’s extra-Community trade.

Prior to Bulgaria’s entry into the EU (until 2007 incl.), the volume of trade with Sub-Saharan Africa was relatively low – less than €50 m in 2003 and 2004 and about €100 m in 2005-2007. By 2007, imports and exports had similar values, then a significant rise in exports was observed – nearly four-fold only by 2008 and almost six-fold by 2013.

While studying the dynamics of Bulgaria’s foreign trade with Sub-Saharan Africa, it should be noted that the global financial crisis had almost no negative impact on it – in 2009, exports decreased by €31.6 m, while imports increased by €16.7 m. In other words, the general decrease in trade flows was by €14.8 m, which represented only about 5% of their value in 2008. In the following 2010, conversely, imports decreased (by €25.5 m) at the expense of exports, which increased by 10.3 m, i.e. the decrease in trade flows was once again by about €15 m. In 2011, both indicators grew –
a minimum growth in imports (by €0.8 m) while exports grew by over 50% (108 m), thus reaching a value of trade flows of €370.5 m.

Figure 1. Bulgaria’s foreign trade with Sub-Saharan Africa (m Euros)
Source: Trade Map, ITC calculations based on UN COMTRADE statistics.

For the entire period studied, the highest was the value of trade in 2013 – €507.8 m. The value of exports reached its highest peak in 2012 (€392.8 m) and imports – in 2014 (227.5 m). Over the last three years of the period, there was a decline in trade flows – in 2014 exports decreased almost twice as much as compared to the previous year (by €184.5 m). Then in 2015 they increased by €59.8 m, while imports decreased in 2015 as compared to 2014 (by €39 m). Thus in 2014 the total value of trade flows was €401.9 m so as to reach 409.8 m in 2015.

During the studied period (except for two years – 2006 and 2014) Bulgaria’s balance of trade with Sub-Saharan Africa was positive; the overall growth for the period was over three-fold. In 2003, the positive trade balance amounted to €16.1 m; it rose to 70.8 m in 2005, but became negative in 2006 (-5 m Euros). Then, as already mentioned, there was a strong growth in exports and the trade balance for 2008-2010 was valued at about €180-190 m, reaching 286.2 m in 2011 and 339.4 m in 2012. In subsequent years, there was a decrease – €209.9 m in 2013 and a negative balance of 53.2 m in 2014. Then in 2015 it again reached positive values – €56.6 m. After the years of transition to a market economy, Bulgaria’s foreign economic relations with the African countries marked a significant decline. While in 1984 the share of Bulgaria’s trade with Sub-Saharan countries represented 4.3% of the total trade flows, at the beginning of the studied period (2003) it was only 0.3%. In 2003-2015, the share of trade increased almost three-fold, and in 2013 it reached about 1.1% as compared to the last two years when it was 0.83%. With the relative values, greater was the increase in imports – from 0.17% in 2003 to 0.67% in 2015, as the most significant was the share in 2014 – 0.87%. Exports grew by 0.51 percentage points – its share in 2003 was 0.49% and in 2015 – 1.00%, and the highest values were recorded in 2012 – 1.62%.

Over the last decades, Bulgaria’s trade has been mainly oriented towards the countries of Western Europe – after 2000 its trade with the current 28 EU Member States has consistently been over 55% of the total trade flows, reaching 64% in 2015.
Trade with Sub-Saharan African countries as a share of Bulgaria’s trade with countries outside the EU (other than the remaining 27 Member States) has also marked a significant growth – from 0.76% in 2003 to 2.29% in 2015, and the share of both imports and exports increased by 1.4 percentage points. However, the increase was greater in imports, mainly due to the lower base value – from 0.41% in 2003 to 1.86% in 2015, while exports increased from 1.34% in 2003 to 2.77% in 2015.

Despite the still low share of Sub-Saharan Africa in Bulgaria’s foreign trade relations, the volume of trade flows is growing much faster than the overall ratios for the country, and the crises – the global one and the crisis in the Eurozone had a slighter impact on the trade with the region. The increase for the studied period was more pronounced in exports, which reflected in an increase in the positive balance of the trade with the region, although in recent years there has been a significant growth in imports.

2. Commodity structure of Bulgaria’s trade with Sub-Saharan Africa

The analysis of the commodity structure of trade helps to determine supply and demand patterns, and to identify potential EU competitive niches for Bulgarian products in Sub-Saharan Africa’s markets. To make the best use of the potential – not only in Sub-Saharan Africa, but also regarding Bulgaria’s foreign trade as a whole, the government needs to implement and support measures which can help to diversify production and to increase added value (Byanov, I., 2010). In this part of the study, firstly the commodity structure of Bulgaria’s trade with Sub-Saharan Africa in 2015 is analysed, then the main changes for the 2003-2015 period are summarized.

2.1. Main commodities traded in 2015

In 2015, unprocessed (raw) materials, unsuitable for consumption (37%, €152 m), food and live animals (27%, €112 m), and goods classified mainly by material (13%, 54 m) dominated in the commodity structure of Bulgaria’s trade with Sub-Saharan African countries (see Figure 2). Unprocessed (raw) materials, unsuitable for consumption (39%), followed by food and live animals (17%), fats, oils and wax of animal and plant origin (13%), machinery, equipment and vehicles (12%), as well as goods classified mainly by material (10%) were also among the leading exports. Imports, on the other hand, were almost entirely concentrated in food and live animals (41%), unprocessed (raw) materials, unsuitable for consumption (34%), and goods classified mainly by material (18%). In 2015, Bulgaria’s balance was positive in all commodity groups except for food (-33 m Euros), other processed products (-9 m Euros), and beverages and tobacco (-2 m Euros). A decrease in liabilities and an increase in the positive dimensions for all other commodity groups was observed as compared to the previous year.

When studying the trade flows within the more detailed combined system of Bulgaria’s trade with Sub-Saharan Africa, it can be noted that there are 33 product groups where the value of trade in 2015 exceeded €1 m. Over 3/4 of the trade flows
were concentrated in the first seven groups, the other 8 had a share from 1 to 2.5%, while the remaining groups had a share of less than 1% (with a value below €3.7 m).

The ‘Ores; slag and ash’ (€134.6 m) group had the most significant share, followed by ‘Cocoa and cocoa products’ (€53.8 m), ‘Cereals’ (€34.9 m), ‘Fats and oils of animal or plant origin ...’ (€28.8 m), ‘Aluminium and aluminium articles’ (€23 m), ‘Copper and copper products’ (€16.7 m) and ‘Nuclear reactors, boilers, machinery, and mechanisms; spare parts for machinery or mechanisms’ (€16.4 m). The other product groups representing a significant share in trade flows (€1-2.5%, 5-10 m) were as follows: ‘Electrical machinery and equipment, electrical fittings and spare parts for them ...’, ‘Sugar and sugar confectionery’, ‘Paper and paperboard; articles of paper pulp, paper and/ or paperboard’, ‘Tobacco and manufactured tobacco substitutes’, ‘Other made-up textile articles ...’, ‘Coffee, tea, yerba mate and spices’, ‘Salt; sulphur; earth and stones; gypsum, lime and cement’, and ‘Motor vehicles, tractors, motorcycles and bicycles, and other land vehicles ...’.

In 2015, four product groups accounted for over 70% of Bulgaria’s total exports to countries in Sub-Saharan Africa (SSA) – ‘Ores; slag and ash’ (€85 m), followed by ‘Cereals’ (€34.9 m), ‘Fats and oils of animal or plant origin ...’ (€29.7 m), and ‘Nuclear reactors, boilers, machinery, and mechanisms; spare parts for machinery or mechanisms’ (€16.4 m). The other major export groups (representing 1-4% of the total exports to the region) were ‘Electrical machinery and equipment and spare parts for them ...’ (€9.7 m), ‘Paper and paperboard; articles of paper pulp, paper and paperboard’ (€8.9 m), ‘Other made-up textile articles ...’ (€5.9 m), ‘Salt; sulphur; earth and stones; gypsum, lime and cement’ (€5.3 m), ‘Plastics and plastic products; rubber and rubber products’ (€3.6 m), ‘Tobacco and manufactured tobacco substitutes’ (€3.3 m), and ‘Pharmaceutical products’ (€2.9 m).

In 2015 Bulgaria exported 644 products to Sub-Saharan Africa. The first three represented almost 2/3, while the top 10 – more than 3/4 of the total exports. The largest was the export of ‘Copper ores and concentrates’ (36%, €84.7 m), followed by ‘Wheat
and a mixture of wheat and rye (excl. durum wheat and spelt)’ (15%, €34.9 m), and ‘Sunflower oil or safflower oil, crude’ (11.9%, €27.8 m). The other goods among the top 10 exported were as follows: ‘Craft paper for bags, unbleached’ (€8.9 m), ‘Articles and clothing, second-hand’ (€5.7 m), ‘Cement clinker’ (€5.3 m), ‘Automatic cash registers’ (€4.4 m), ‘Lead-acid batteries’ (€4.1 m), ‘Cigarettes containing tobacco’ (€3 m), and ‘Other automatic data processing machines’ (€2.6 m). With 11 of the products the export value exceeded €1 million, while with other 14 it was between €0.5 and 1 million.

Almost 4/5 of Bulgaria’s imports from Sub-Saharan countries in 2015 were concentrated in four crude product groups: ‘Cocoa and cocoa products’ (€53.8 m), ‘Ores, slag and ash’ (€49.6 m), ‘Aluminium and aluminium products’ (€20.9 m), and ‘Copper and copper products’ (€15.3 m). The other commodity groups with a significant share in Bulgaria’s imports (€2-5% 3-9 m) were as follows: ‘Sugar and sugar confectionery’, ‘Tobacco and manufactured tobacco substitutes’, ‘Coffee, tea and spices’, ‘Motor vehicles, tractors, motorcycles and bicycles and other land vehicles’, ‘Wool, fine or coarse animal hair …’, and ‘Edible vegetables, roots and tubers’.

In 2015 Bulgaria imported 156 products from Sub-Saharan Africa. Similar to exports, imports were concentrated in several key products – the top five accounted for over 2/3, and the first 10 – for nearly 90% of the total imports of the country from the region. The most imported products were as follows: ‘Copper ores and concentrates’ (€37.2 m), ‘Cocoa mass, non-defatted’ (€29.4 m), ‘Unalloyed aluminium’ (€20.8 m), ‘Cocoa butter, fat and oil’ (€20.1 m) and ‘Precious metal ores and concentrates (excl. silver)’ (€12.4 m). The other imported products worth between €2.5 and 9 m (1-5%) were as follows: ‘Cathodes and sections of cathodes of refined copper’, ‘Cane sugar, without additives’, ‘Copper waste and scrap’, ‘Coffee, unroasted, non-decaffeinated’, ‘Tobacco, stemmed or stripped’, ‘Cocoa mass, defatted’, ‘Motor vehicles for the transport of goods, with diesel engines and with gross vehicle weight not exceeding 5 tons’, ‘Kidney beans’, ‘Fine animal hair, carded or combed’.

2.2. Changes in the commodity structure for the 2003-2015 period

In 2003-2015, significant changes occurred in the commodity structure of trade (see Figure 3). The two product groups with a significant share in trade flows during the entire period were as follows ‘Raw materials, unsuitable for consumption (excl. fuels)’ and ‘Goods mainly classified by material’. During the studied period, the groups of ‘Machinery, equipment and vehicles’ and ‘Miscellaneous finished products N/A’ maintained a relatively constant trade share – respectively 7-10% and 1-2%, while drastic changes were observed in the share of trade flows of product groups ‘Food and live animals’ and ‘Mineral fuels, lubricants and related products’.

The following groups marked the most significant growth for the entire period: ‘Unprocessed materials, unsuitable for consumption (excl. fuels)’ (€148 m more in 2015 as compared to 2003) and ‘Food and live animals’ (€105 m), followed by ‘Goods classified mainly by material’ (€36 m), ‘Fats, oils, and wax of animal or vegetable origin’ (€30 m) and ‘Machinery, equipment and vehicles’ (€28 m). With ‘Miscellaneous finished products N/A’, ‘Chemical substances and products’, ‘Non-alcoholic and alcoholic
beverages and tobacco', and ‘Mineral fuels, lubricants and related products’ almost no change was observed (an increase by €1-5 m), while with ‘Goods and business transactions N/A’ a minimum decrease was observed (€1 m).

Figure 3. Bulgaria’s trade with Sub-Saharan Africa by individual product groups for the 2003-2015 period (m Euros)

More significant fluctuations in the ‘Food and live animals’ group were recorded in 2005, 2008, 2014 and 2015, when the trade value increased (by €12 m, 50 m, 17 m, and 72), and in 2011, when there was a decrease by €22 m. The most significant change with ‘Alcoholic and non-alcoholic beverages and tobacco’ was the decrease by €11 m in 2015. Significant changes in all years after 2008 were observed in the ‘Goods classified mainly by material’ product group, namely an increase by €24 m, 33 m, 44 m, and 14 m, respectively in 2008, 2011, 2013 and 2014, and a decrease by €16 m in 2009, 2010 and 2012 and by €33 m in 2015). With ‘Unprocessed materials, unsuitable for consumption’ there was a significant increase in 2006, 2007, 2008, 2009, 2011, 2012 and 2015 (respectively by €10 m, 15 m, 12 m, 55 m, 51 m, and 20 m), while in 2014 there was a decrease by €79 m. With ‘Machinery, equipment and vehicles’ two significant increases by €12 m were observed at the beginning of the period – in 2004 and 2006, while the ‘Oils, fats and wax of animal or vegetable origin’ group has begun to be traded more actively in recent years – with an increase by €14 m for 2014 and 2015. The largest number and the most serious fluctuations were observed in the ‘Mineral fuels, lubricants and related products’ group – an increase by 25 m in 2005, 88 m in 2008, 16 m in 2010, 13 m in 2011, and 44 m in 2012, when the trade value reached €126 m, and decreases by €13 m in 2006 and 2007, by 37 m in 2009, and by 85 m and 41 m in the last two years of the studied period.

In terms of commodity structure, Bulgaria’s trade with Sub-Saharan Africa was poorly diversified and was concentrated mainly in a few major commodity groups – mostly raw materials and products with low added value. Moreover, in all basically
traded commodity groups, trade was concentrated almost entirely in one or more specific products.

3. Geographical structure of Bulgaria’s trade with Sub-Saharan Africa

Bulgaria’s trade relations with Sub-Saharan Africa are concentrated in a few countries that have not always been among the leading economies in the region. Therefore, when examining foreign trade relations, in this part of the study special attention will be paid to the countries Bulgaria trades most actively with, as well as those with which, for one reason or another, trade flows have dramatically decreased. First, the major traded products for Bulgaria’s leading trading partners will be presented. Due to the serious imbalance of trade with individual countries, exports and imports for 2015 will be discussed separately. Then the dynamics of trade with major trading partners will be examined, and finally, the most serious cases of trade fluctuations will be analysed.

In 2015, Namibia (€86 m), South Africa (€72 m), Ghana (€50 m), Eritrea (€35 m), Ethiopia (€35 m), Tanzania (€24 m) and Mozambique (€21 m) were Bulgaria’s major trading partners in Sub-Saharan Africa (see Figure 4). These seven countries generally had a share of about 4/5 of the trade flows in the region.

![Figure 4. Major trading partners in Sub-Saharan Africa (2015, m Euros)](source)

Source: Trade Map, ITC calculations based on UN COMTRADE statistics.

Among the other countries with a strong presence (with a share of 2-4% of the trade with Sub-Saharan countries) in Bulgaria’s foreign trade for 2015 were Djibouti, Ivory Coast, Sudan, Congo, Nigeria, Kenya, Seychelles, Zimbabwe and Uganda. Totally, these countries covered 17% of Bulgaria’s trade with the region.

The other Sub-Saharan countries had a significantly low share – totally, a little under 5%.
The Republic of South Africa, the country trading most in the region, was among Bulgaria’s main trade partners – (almost ¼ of all Sub-Saharan Africa’s trade flows). Three other countries were among the top 10 in the region by value of trade flows – Ethiopia (ranked fourth, with nearly 5%), Ghana (ranked fifth, just under 4%), and Mozambique (ranked eighth with a little over 3%). The leading partner of Bulgaria – Namibia ranked 16th by trade volumes in Sub-Saharan Africa (1.6%), while Tanzania and Eritrea ranked 29th and 43rd respectively. Each of the seven countries Bulgaria trades most actively with, represented a relatively low share of the country’s trade (0.5-2 ppm), while Bulgaria had a significant share as a trading partner of Eritrea (nearly 5% of the trade in that country), a lower share in South Africa and Tanzania (respectively 1% and 0.7%), and a very low share (0.5 - 2 ppm) in the other countries (Table 1).

Table 1
Trade with the major trading partners (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Country’s trade – total (m Euros)</th>
<th>Bulgaria’s share of the country’s total trade (%)</th>
<th>Trade with Bulgaria (m Euros)</th>
<th>Country’s share of Bulgaria’s total trade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia</td>
<td>8985</td>
<td>0.95</td>
<td>85,39</td>
<td>0.17</td>
</tr>
<tr>
<td>South Africa</td>
<td>134435</td>
<td>0.05</td>
<td>71,45</td>
<td>0.14</td>
</tr>
<tr>
<td>Ghana</td>
<td>22423</td>
<td>0.22</td>
<td>49,67</td>
<td>0.10</td>
</tr>
<tr>
<td>Eritrea</td>
<td>720</td>
<td>4.82</td>
<td>34,76</td>
<td>0.07</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>27786</td>
<td>0.12</td>
<td>34,42</td>
<td>0.07</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3344</td>
<td>0.71</td>
<td>23,70</td>
<td>0.05</td>
</tr>
<tr>
<td>Mozambique</td>
<td>18523</td>
<td>0.11</td>
<td>21,29</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Source: Trade Map, ITC calculations based on UN COMTRADE statistics.

3.1. Exports

The main export destinations in 2015 (see Table 2) were Namibia (€85 m), South Africa (€59 m), Ethiopia (€27 m), Djibouti (€16 m), Ghana (€9 m), Nigeria (€4 m), Kenya (€4 m), Seychelles (€3 m), and Tanzania (€3 m), 90% of the exports to the region were concentrated in these countries. Exports were poorly diversified, dominated by raw materials.

Bulgaria exported almost exclusively copper ores and concentrates (€85 m) to Namibia. It should be noted that, although it ranked 14th among the importers in Sub-Saharan Africa, it was the only country in the region having a significant share of Bulgaria’s total imports (over 1%) and which regarded Bulgaria as a serious source of imports – 1.5% of Namibia’s imports were from Bulgaria. With copper ores and concentrates, trade with Namibia represented nearly 50% of the total exports of this commodity group, which makes the country a leading export destination. It can be said that raw materials had a dominant role in the foreign trade relations with this African country (Galabova, Nestorov, 2016, p. 117).

Exports to South Africa were much more diversified – sunflower or safflower oil (€30 m), craft paper for bags, uncoated, in rolls or sheets (€5 m), electric batteries (€2.5 m),
Table 2
Exports to the major trading partners (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Country’s imports – total (m Euros)</th>
<th>Bulgaria’s share of the country’s total imports (%)</th>
<th>Bulgaria’s exports (m Euros)</th>
<th>Country’s share of the total exports of Bulgaria (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia</td>
<td>5743</td>
<td>1.49</td>
<td>85,33</td>
<td>0.32</td>
</tr>
<tr>
<td>South Africa</td>
<td>71704</td>
<td>0.08</td>
<td>58,99</td>
<td>0.22</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>23257</td>
<td>0.12</td>
<td>26,98</td>
<td>0.10</td>
</tr>
<tr>
<td>Djibouti</td>
<td>3604</td>
<td>0.45</td>
<td>16,21</td>
<td>0.06</td>
</tr>
<tr>
<td>Ghana</td>
<td>12495</td>
<td>0.07</td>
<td>8,98</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Source: Trade Map, ITC calculations based on UN COMTRADE statistics.

monofilaments (€1.4 m), preparations used in animal feeding (€1.3 m.), machines and apparatus for resistance welding (€1.3 m.), sheet iron of refined copper (€1.2 m.), drugs (€1 m).

The main export products to Ethiopia were other wheat (incl. spelt) and a mixture of wheat and rye, unmilled (€19 m), craft paper for bags, uncoated, in rolls or sheets (€4m), and automatic cash registers (€2m).

The main exports to Mozambique were aluminium, unalloyed, unprocessed (raw) (€21 m).

Bulgaria’s exports to Djibouti were concentrated in non-durum wheat (incl. spelt) and a mixture of wheat and rye, unmilled (16m).

Exports to Ghana were dominated by unground cement ‘clinker’ (€5 m), doors, windows and their frames and thresholds, made from aluminium (€1.2 m), and other structures and parts of structures made from aluminium (€0.6 m).

Exports to Nigeria were quite diversified and were concentrated almost entirely in machinery and equipment and other processed products – over 25 different products were exported, most of all lead acid batteries (0.5m), truck cranes (0.3 m), electric conductors (0.2 m), liquid dielectric transformers (0.2 m), input or output units of automatic data processing machines (0.2 m), spare parts for dishwashers (0.2 m), protective helmets (0.2 m), armoured safes (0.2 m), and others.

Major export products to Kenya were automatic cash registers (1m), craft paper for bags, uncoated, in rolls or sheets (0.5 m), milk processing equipment and apparatus (0.4 m), vodka (0.3 m), and articles of iron or steel wire (0.3 m).

Exports to Seychelles included almost entirely cigarettes containing tobacco (3m).

Exports to Tanzania consisted of cash registers (€0.9 m), gaming machines, operated by the insertion of any means of payment (0.3 m), prefabricated constructions (0.3 m), and printers, copiers and fax machines (0.2 m).

3.2. Imports

The main sources of imports in 2015 (see Table 3) were Ghana (€41 m), followed by Eritrea (€35 m), Tanzania (€ 21 m), Ivory Coast (€14 m), South Africa
(€12 m), Sudan (€8 m), Ethiopia (€7 m), and Congo (€7 m), constituting up to almost 95% of total imports from Sub-Saharan Africa. With most of these countries imports were poorly diversified and consisted mainly of raw materials.

Table 3
Imports from the major trading partners (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total exports of the country – (m. Euros)</th>
<th>Bulgaria’s share of the country’s total exports (%)</th>
<th>Bulgaria’s imports (m Euros)</th>
<th>Country’s share of Bulgaria’s total imports (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>9928</td>
<td>0.41</td>
<td>40,69</td>
<td>0.18</td>
</tr>
<tr>
<td>Eritrea</td>
<td>405</td>
<td>8.59</td>
<td>34,74</td>
<td>0.15</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1418</td>
<td>0.40</td>
<td>20,86</td>
<td>0.09</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>10671</td>
<td>0.13</td>
<td>14,33</td>
<td>0.06</td>
</tr>
<tr>
<td>South Africa</td>
<td>62731</td>
<td>0.02</td>
<td>12,46</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Source: Trade Map, ITC calculations based on UN COMTRADE statistics.

In 2015, Bulgaria imported butter, cocoa fat and oil (€20 m), cocoa mass, non-defatted (16m), and cocoa mass, fully or partially defatted (4 m) from Ghana.

Exports from Eritrea included copper ores and concentrates (€35 m), as Bulgaria was among the main export destinations of this country – more than 8.5% of Eritrea’s exports were to Bulgaria.

The main import goods from Tanzania were other ores of precious metals and concentrates (€12 m), refined copper unalloyed, unprocessed (3 m.), copper ores and concentrates (2.5 m), copper waste and scrap (2 m), and cigarettes containing tobacco (1.3 m).

Imports from Ivory Coast included cocoa mass, non-defatted (13m) and copper waste and scrap (€1 m).

Imports from the Republic of South Africa were more diversified and consisted mainly of electric signalling apparatus (€3.5 m), fine or coarse animal hair, carded or combed (2.5 m), combed wool ribbons and other combed wool (1m), fruit, fresh or dried (1m), and anthracite and black coal (1 m).

Imports from Sudan included unrefined raw cane sugar (8 m).

Imports from Ethiopia consisted of unroasted coffee, even decaffeinated (4 m) and dry shelled beans (€3 m). Cathodes and sections of cathodes of refined copper (7m) were the main products imported from Congo.

With all major trading partners, the trade was unbalanced as either imports or exports prevailed. In some countries (Namibia, Eritrea, Mozambique, Djibouti, Congo, Seychelles) one of the two indicators represented over 99% of the total trade flows. Therefore, the balance of trade with individual countries was either strongly positive (Namibia, South Africa, Ethiopia, Djibouti, Nigeria, Kenya, Seychelles, Uganda) or strongly negative (Ghana, Eritrea, Tanzania, Ivory Coast, Sudan Congo, Zimbabwe). This was mostly due to the fact that in most countries, trade was concentrated in one or a very small number of traded products.
3.3. Dynamics

During the studied period, 9 countries in the region had a relatively constant (at least in four years of the period) and significant share in Bulgaria’s trade with Sub-Saharan Africa (total trade worth over €25 m, imports or exports over €15 m or a trade share of over 15% for a single year) – Namibia, South Africa, Ghana, Tanzania, Mozambique, Djibouti, Congo, Nigeria and Zimbabwe (see Figure 5). The dynamics of trade with these countries is presented according to the position they held as a trading partner for 2015.

**Namibia.** Bulgaria’s trade with Namibia rose sharply after 2006. For the 2009-2013 period, exports to this country represented 1/3 of the total exports to Sub-Saharan countries, reaching 51% in 2012. For the entire period, the value of imports remained consistently low – it was the highest in 2013 (€222 thousand), while the value of exports grew steadily from 2008 to 2012 (respectively €17, 36, 69, 88, 154 and 202 m) so as to decline to €136 m in 2013 and to €85 m in 2015. Growth was entirely due to the exports of copper ores and concentrates in 2008, which made Namibia Bulgaria’s largest trade partner among African countries for each of the years 2009-2012 and 2014-2015.

![Figure 5. Share of selected partners in Sub-Saharan Africa in Bulgaria’s trade with the region (2003-2015)](source: Trade Map, ITC calculations based on UN COMTRADE statistics.)

**Republic of South Africa.** Over the years, the exchange of goods in Bulgaria’s trade with South Africa has been characterized by volatile trends. However, throughout the period studied, the country remained one of Bulgaria’s main trade partners among Sub-Saharan countries. Except for the two drops – in 2007 and 2010 (by €14 and €26 m respectively), imports from South Africa increased by 2013 when the total growth was nearly 8-fold (from €5 to €39.2 m). A dramatic rise was reported in 2006 – (€15 m), 2009 – (€24 m), 2011 – (9 m), and 2012 – (€13 m). In the last two years of the period a significant drop was observed – to 22 m in 2014 and 12 m in 2015. Throughout the entire period there was weak trade in oils and finished products and unclassified goods. With fuels and minerals certain instability was recorded – almost no imports, except for
2006, 2008, 2012 and 2013 (respectively €2.4, 3.6, 0.4 and 0.1 m) when anthracite coal was imported. The imports of beverages and tobacco were low except for 2009, 2011 and 2012, the only years when Bulgaria imported stripped tobacco (respectively €1, 1.1 and 0.7 m). Imports of food were permanent, the main imported products were a variety of fresh, dried and canned fruit (oranges, tangerines, grapefruits, apples, apricots, peaches, pineapples, etc.), imported during the entire period (€0.5-1.1 m). Bulgaria imported a variety of products from the group of other raw materials from South Africa, as many differences were observed in different years. Imports of combed wool ranged from €0.6 m for 2003 to €7-8 m in 2006-2007, €2-3 m in 2012-2013, after which zero levels were recorded. Copper ores were imported only in certain years – 2006, 2009, 2010 and 2013, but with significant values – respectively €4.4, 23.7, 2.2 and 13.7 m. After 2010, Bulgaria began importing raw skins of sheep with values of respectively €1.0, 5.5, 7.7 and 2.8 m for the years up to 2013. Then the product disappeared from the trade flows. Imports of other processed products also included products from all subgroups. At the beginning of the period (2003-2006), the highest were the values of ferro-manganese and flat-rolled products of non-alloy steel (€0.9-1.7 m), then after 2009 – of composition leather and other articles of leather, as the value rose to 15.6 and 14.7 m for 2012 and 2013, and fell to €9 m in 2014 and to only 0.3 m in 2015. Unlike other product groups, with machines the main products remained the same throughout the entire period by only changing their value. However, after 2009, imports in this group declined steadily – from €8.6 m to €3.4 m in 2013. Positive was the fact that imports were extremely varied – all subgroups were represented, although throughout the period more than half of the import value was held by lorries and cars, having the highest share in 2013 as well. Among the other products traded, mining and construction equipment, textile and leather machinery, pumps and elevators for liquids, computer equipment, printed circuit boards and electrical resistors (except heating resistors), and parts for batteries can be outlined.

With exports both the share and the value of trade varied a lot over the years – at the beginning of the period it valued at €2-3 m, then after 2011 significant growth was recorded and during 2013 it reached €147.5 m, to drop to €59 m in 2015. The value of exports varied in different years of the studied period. This also affected the dynamics in the commodity structure of trade. The most significant change during the studied period (2012 and 2013) was due to the exports of light oils and preparations, containing 70% or more petroleum oils and oils obtained from bituminous minerals – respectively amounting to €103 and 127 m. Plant oils were practically not exported until 2014, when Bulgaria exported sunflower oil or safflower oil, crude to South Africa worth €14 m, reaching nearly €28 m in 2015. Low levels of exports of other raw materials, finished products and unclassified products were observed throughout the period. The situation with beverages and tobacco was similar, with the exception of 2005, when Bulgaria exported unprocessed tobacco to South Africa worth €1 m. Export products from the food group were diverse during the period with exports varying between €1 and 4 m – grain, sugar, dairy products, fodder, fruit and vegetables, spices. The value of fodder was greater in 2009 and 2010 – respectively €1 m and 670 thousand. Bulgaria exported canned fruit for about €1 m during all years of the period except for the first one, namely
2003. Exports of spices (seeds of anise, star anise, fennel, coriander, cumin, caraway; juniper berries) valued at €100-400 thsd during the period, in 2008 alone, they were greater – €2.5 m. Higher levels of sales of chemical products were recorded in 2005, 2006, 2012 and 2013 (respectively €0.8, 0.9, 1.5 and 1.6 m). Bulgaria exported a variety of products from this group as for the last two years, perfumery, cosmetic and toilet preparations, and plastic films were dominant. In the other commodities group, the export value increased to €2.1 m in 2007, up to 4 m in 2010, and to €8.7 m in 2013. Similar to food products, Bulgaria exported articles from almost all subgroups, with rods and sheet metal of refined copper having the most significant share (a total amount of around €1.5-2.5 m each). In 2013 the exports of craft paper for bags sharply increased (from €0.7 to €4.5 m). With machines, there was a constant increase in exports (except for 2009-2010) from €0.5 to €6.8 m. Bulgaria exported products from all subgroups and after 2009, the leading products were electric batteries, followed by other articles from the groups of the general-purpose machinery and other electrical equipment. In the 2005-2008 period, the main products were various goods (mostly spare parts) from the group of the special purpose machinery, reaching 1.5 m in 2008. At the beginning of the period, the machines for the production and use of energy were the leading products. Their exports maintained approximately the same values throughout the period. Only in 2014 Bulgaria exported breathalysers to South Africa worth €6 m.

**Ghana.** Ghana had a relatively modest share among Sub-Saharan countries with regard to Bulgaria’s imports until 2013, when the value of imports started to increase – €6 m in 2013, €17 m in 2014 and nearly €41 m in 2015. Almost all imports during these years were related to three products – non-defatted cocoa mass and cocoa butter, fat, and oil.

Exports to Ghana fluctuated in each of the years from 2007 to 2013. Their value increased dramatically in 2008 (€24 m) and fell by €12 m in each of the following two years. In 2008, Bulgaria exported hot-rolled steel bars worth €22 m, and €15 m in 2009. Then it stopped exporting these and started exporting non-alloy steel bars (€2 m in 2010 and €6 m in 2011), but that export was also discontinued later. In 2013, Bulgaria exported unground cement ‘clinker’ to Ghana for the first time worth about €5 m. It had the same value in 2015 after a break in 2014. Another product, which Bulgaria began exporting in 2007 and 2008 (worth €3 and €4 m respectively) were electrical transformers with liquid dielectric. After that they disappeared from the trade flows to reappear again in 2013 and 2014 (respectively €1 and €2 m).

**Tanzania.** For the 2003-2007 period, the values of imports and exports were fairly equal – €0.2-0.5 m, as imports stood at those levels until 2012. Tanzania ranked among Bulgaria’s trade partners more seriously after 2013 due mainly to imports of copper ores and concentrates in 2013, 2014 and 2015 (worth respectively €47, 49 and 3 m), and ores of precious metals and concentrates in 2015 (€12 m).

After 2008 exports to Tanzania increased to €9 m (2008, 2010, and 2011) and €13 m in 2009. Thus, the country became one of the top five export destinations for Bulgarian exports. In 2008 and 2009 hot-rolled steel bars had the largest share of exports (respectively €8.9 and €7.8 m), which Bulgaria subsequently stopped exporting to Tanzania. In 2009, Bulgaria started exporting petroleum oils and oils obtained from bituminous minerals (€5.4 m), but in the next years the value of their exports decreased.
significantly (€20-30 thsd). In 2010 and 2011, Bulgaria exported non-alloy steel rods (respectively €6.1 and €5.3 m). After 2010 Bulgaria started to export cash registers – respectively €1.9, €1.1, €0.2 and €2.6 m for the years up to 2013. Only in 2011 Bulgaria exported light aircraft to Tanzania worth €1.9 m.

Mozambique. Imports from Mozambique consisted almost entirely of other processed products (99.5%). The main imported product was raw aluminium (€24.9 m). In 2013 Bulgaria started to export aluminium, unalloyed, unprocessed (raw) to Mozambique – respectively worth €24, €33 and €21 m for the years from 2013 to 2015. Since then the country has had a substantial share of Bulgaria’s trade flows. Export volumes were low only in 2010, when Mozambique held 12% of Bulgaria’s exports to Sub-Saharan Africa (crude petroleum oils and oils obtained from bituminous minerals worth €27 m).

Djibouti. In 2008 exports to Djibouti increased by 32 m, but over the next four years it decreased (respectively by €11 m, €14 m, €6 m, and €1 m), reaching the modest €200 thousand in 2013 and 2014 in order to increase again to €16 m in 2015. These were the years when Bulgaria exported wheat and mixture of wheat and rye (excluding durum wheat and spelt) to Djibouti.

Congo. During most of the years studied, Bulgaria’s trade with Congo had a share less than 2% of the total trade with Sub-Saharan countries, respectively less than €2 m except for 2008, 2010 and 2015, when trade flows with the country amounted to €5.1, €3.6 and €6.7 m, and especially 2006, 2007 and 2014, when they valued at respectively €19, €14.7 and €29.8 m. All these changes were due to the increase in the value of Bulgaria’s imports. The products, which accounted for more serious changes observed in imports were cathodes and sections of cathodes of refined copper (5.6 m in 2007, 1 m in 2008, 3 m in 2010, 28 m in 2014, and 6.7 m in 2015), and copper ores and concentrates (€17 m for 2006, €9 m in 2007, and 4 m in 2008). At the same time, exports had the highest value (€1.7 m) in 2006, 2011 and 2014, while during the rest of the years of the studied period (2003-2015) they were at a low level.

Nigeria. During the studied period, imports from Nigeria were significantly less than exports except for three years when they had slightly higher values (2006 – €2.7 m, 2007 – €6.3 m, 2012 – €1.3 m, 2014 – €13 m), due to imports of specific products during the respective years, namely in 2006 Bulgaria imported pyrite ash worth €2.5 m, in 2007 – products obtained by reduction of iron ore worth €6.1 m, in 2012 – unprocessed aluminium €1.2 m, and in 2014 – crude oil and oils obtained from bituminous minerals for €12 m.

Strong fluctuations were observed in the value of exports – from €2 m in 2006, through €6-8 m in 2004, 2005, 2007 and 2012, €26-29 in the 2009-2011 period to the impressive €83 m in 2008. In the last two years of the period, the value of imports was relatively low – about €4 m. There were major changes in the commodity structure over the years – during the entire period there were no exports of vegetable fats, while exports of beverages and tobacco, other raw materials, chemical products and other processed products had relatively constant, low values. Food and animals recorded a peak and had larger values in 2003, 2004 and 2013. In 2003, the major export product was cocoa powder (€1.1 m), in 2004 – wheat (€2.5 m), and in 2013 – maize (€4.4 m). The years when the value of exports was the highest (2008-2010), were the years when
Bulgaria exported to Nigeria petroleum oils and oils obtained from bituminous minerals worth €78, 24 and 18 m. With other processed products, the dynamics was due to exports of different products over the years: in 2003 and 2004 – Portland cement, respectively €5.6 and €1.5 m, and products of non-alloy steel, respectively €3.4 and €4.5 m; 2007 – ferro-manganese, ferro-silicon and ferro-silico manganese worth about €1.3; in 2011-2015, – non-alloy steel bars, respectively €26.3, 3.1 and €7.5 m. In the last two years of the period, Bulgaria stopped the export of steel rods, wheat and a large number of products from the group of the machines and in 2014 seriously reduced the export of batteries, which led to a decrease in exports to €4 m in 2015.

Zimbabwe. Throughout the period studied, Zimbabwe was Bulgaria’s major source of imports. During the first two years, it even had a leading role among the African countries and over the rest of the years (except for 2007, 2010, 2013-2015), it was among the top three countries. For the entire period without any exception, over 95% of the value of imports was formed by raw tobacco – most of it was from stripped tobacco and 1-5% from tobacco refuse. The value of imports varied over the years – from €1-2 m in 2007 and 2010, €4-5 m in 2005, 2006, 2008 and 2009, €7 m in 2003-2004 to over €9 m in 2011 and 2013. Exports to Zimbabwe during the period were insignificant – less than 0.5% of the total exports to Sub-Saharan countries.

3.4. Other more significant fluctuations

During the 2003-2015 period, other nine countries in Sub-Saharan Africa had a more significant share of Bulgaria’s trade with the region, but only for a year or two, usually due to the appearance or disappearance of a particular product traded during the respective years with a particular country. Fluctuations exceeding €10 m during the studied period will be presented and the countries will be ranked according to their position as a trading partner in 2015.

Eritrea. Eritrea began trading with Bulgaria in 2014 (€6 m). The value of trade rose to €35 m in 2015. The entire trade was concentrated in imports of copper ores and concentrates.

Ethiopia. A sharp increase in exports to Ethiopia (by €23 m) was observed in 2010, followed by a decline that lasted until 2012 (by 10 m for both 2011 and 2012), a new minimum increase (up to €5 m in 2014) and a dramatic rise to €27 m in 2015. In 2010 exports of cash registers increased by about €5 m, then they decreased to €1 m in 2012 in order to reach €2 m in 2015. A more significant change was observed in other wheat (incl. spelt) and a mixture of wheat and rye, whole plant, whose exports grew by almost €18 m in 2010, in 2013 reaching almost zero values, to rise again to €19 m in 2015. In 2015, Bulgaria exported to Ethiopia craft paper for bags, uncoated, in rolls or sheets as well, worth €4 m.

Ivory Coast. Exports to Ivory Coast had relatively constant values of about €1 m over the entire period, while imports were slightly higher – €1-3 m by 2013. Then they increased to €11 m in 2014 and €14 m in 2015. The significant growth was due to increased imports of cocoa mass, non-defatted.

Sudan. Trade with Sudan valued at 1-4 m over the 2003-2015 period.
Fluctuations in this value were observed in 2005 (€13 m), 2008 (€13 m.), 2009 (€8 m), and 2015 (€10 m). The first three cases of fluctuations were due to increased exports of unmilled wheat. While in 2008 and 2009 the growth was only due to exports of this product, 2005 was the only year in which Bulgaria also exported to Sudan medium density fibreboards (MDF) and reservoirs, tanks, vats and similar containers for any material of cast iron, iron or steel, of a capacity exceeding 300 l worth €3 m. In 2015, Bulgaria started to import cane sugar, with no additives from Sudan worth €8 m.

**Kenya.** Significant fluctuations in the value of exports to Kenya were due to sales of specific product groups only in certain years – in 2005 €13 m from motor fuels, in 2006 – €3 m from unmilled wheat, and in 2009 – €15 m from petroleum oils and oils obtained from bituminous minerals. After 2009, exports maintained constant levels of €2-4 m and consisted mainly of cash registers and craft paper for bags, uncoated, in rolls or sheets.

**Liberia.** Trade with Liberia valued at €1-3 m annually, apart from 2005, when an increase in the values of imports (€5 m) and exports (€7 m) was observed. In imports this was due to agglomerated iron ores and concentrates, while in exports it was due to ships intended for transporting goods and other vessels for transporting both people and goods.

**Benin.** A positive change with a value of €15 m was registered in the exports of Bulgaria to Benin in 2010. In the following year, exports grew to €23 m, but in 2012 they again went down to almost a zero level. The reason for the sudden changes was the fact that 2010 and 2011 were the only years during the studied period when exports to that country consisted of petroleum oils and oils obtained from bituminous minerals.

**Angola.** The only year when Angola recorded a more serious presence in Bulgaria’s trade with Sub-Saharan Africa was 2005, when exports valued at nearly €23 m, concentrated in products not mentioned so far.

**Togo.** In exports to Togo, an increase of €23 m was recorded in 2012, offset in 2013. The majority of this amount (€20 m) was due to exports of petroleum oils and oils obtained from bituminous minerals, while the remaining amount of about €3 m from the sale of unground cement ‘clinker’. A new growth was observed in 2014 – €16 m, entirely concentrated in petroleum oils and oils obtained from bituminous minerals, followed by a decline to almost a zero level of exports.

**Equatorial Guinea.** With Equatorial Guinea, a single increase in imports by €19 m was observed in 2014 (entirely concentrated in crude petroleum oils and oils obtained from bituminous minerals), while in all other years imports stood at practically zero levels.

The large number of trade fluctuations, some of which caused by a sudden start, often followed by a sudden cessation during the next year of the import or export of a product to a particular country, is indicative of the volatile trade policy of Bulgarian enterprises to African countries. With some exceptions, it can be concluded that the major fluctuations in Bulgaria’s exports to Sub-Saharan countries were due to fluctuating exports of several products – copper and copper ores, wheat, ‘clinker’ cement, and petroleum oils and oils obtained from bituminous minerals while in imports, the largest fluctuations were observed in copper ores, crude petroleum oils and oils obtained from bituminous minerals, cocoa mass and cane sugar.
Conclusion

The increase in exports and ‘opening up’ to new markets is a possible alternative that would lead to stabilization of the best positions in foreign trade exchange, especially under conditions of globalized markets and increased international competition. Meanwhile, the deepening and widening of foreign trade relations can be a key factor in determining different prospects for the Bulgarian economy and a catalyst for its development. In this context, Bulgaria should seek opportunities to realize production not only in the European but also in other major markets (Galabova et al., 2016, p. 119). Such markets could potentially be the countries in Sub-Saharan Africa.

Sub-Saharan countries are playing an increasingly key role in Bulgaria’s foreign trade relations – the value of trade with these countries is increasing more than 4 times faster compared to Bulgaria’s total trade flows outside the EU. Bulgaria’s trade with Sub-Saharan Africa has even greater potential in terms of the growing and strongly positive balance of trade. Moreover, an increase in the share of Bulgaria’s trade with the region is observed, although it still has an insignificant share of the country’s total trade flows.

Bulgaria’s trade with the countries in Sub-Saharan Africa, with a few exceptions, is inconsistent. The conclusion imposed by the detailed study of Bulgaria’s trade with its major partners in Sub-Saharan Africa is that unfortunately, with a few exceptions it is poorly diversified. A limited quantity of products is imported, almost only raw materials, with metals having the highest value (especially copper, processed or not), cocoa, coffee, and tobacco. Exports also consist mainly of raw materials (fuels, metals and minerals), but notable is the fact that in some countries, though small in value, there is some diversity, especially in the exports of machinery and equipment.

The instability in the structure of trade with Sub-Saharan Africa is due to the lack of durable and stable foreign trade relations with these countries, due to the lack of government policy to support Bulgarian companies in these markets. This is the reason for concentrating the export structure in a limited number of goods, and occasional cases of exportation of other goods.

Demand for processed goods in the region and the success of some Bulgarian companies in their exports, provides opportunities for Bulgarian manufacturers. On the other hand, Bulgarian companies do not benefit sufficiently from the wealth of resources in Sub-Saharan countries – insufficient quantity of products is imported, especially food and metals, as import sources are very limited. The strong tendency to large-scale fluctuations and the unexpected availability or unavailability of certain goods in the trade flows with Sub-Saharan Africa also affect imports negatively.

The growing potential of Sub-Saharan Africa and the good legal and institutional framework established by the EU agreements are everything Bulgaria needs to implement an effective foreign trade policy. This policy must find expression mainly in providing information services to exporters, and ambitious and permanent measures to make Bulgarian goods gain grounds in these markets.

Acknowledgement

The article was written under the supervision of Assoc. Prof. Daniela Bobeva,
Ph.D. within the project ‘Opportunities and prospects facing Bulgaria’s trade relations with Sub-Saharan Africa’. The author is grateful to the ‘Programme for supporting young scientists at the Bulgarian Academy of Sciences’.

References


Appendix

Key economic and foreign trade characteristics of Sub-Saharan Africa

Sub-Saharan Africa consists of 48 countries fully or partially geographically located to the south of the Sahara (Map 1).

Map 1. Countries in Sub-Saharan Africa
Source: made up by the author.
Table 1
**General economic indicators of Sub-Saharan Africa (2015)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (m km²)</td>
<td>24.29</td>
</tr>
<tr>
<td>Population (m)</td>
<td>1001.0</td>
</tr>
<tr>
<td>Countries</td>
<td>48</td>
</tr>
<tr>
<td>Least developed countries</td>
<td>34</td>
</tr>
<tr>
<td>Population density (people per km²)</td>
<td>42.4</td>
</tr>
<tr>
<td>Poverty rate (% of the population with income below 1.9 USD per day)</td>
<td>41.0</td>
</tr>
<tr>
<td>Poverty rate (% of the population with income below 3.4 USD per day)</td>
<td>65.0</td>
</tr>
<tr>
<td>GDP (m USD)</td>
<td>1572873</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>1571.3</td>
</tr>
<tr>
<td>GNI (m USD)</td>
<td>1513828</td>
</tr>
<tr>
<td>GDP growth (% annually)</td>
<td>2.98</td>
</tr>
<tr>
<td>GDP growth per capita (% annually)</td>
<td>0.24</td>
</tr>
<tr>
<td>Trade in goods (% of the GDP)</td>
<td>41.1</td>
</tr>
<tr>
<td>Imports of goods and services (% of the GDP)</td>
<td>35.3</td>
</tr>
<tr>
<td>Exports of goods and services (% of the GDP)</td>
<td>29.1</td>
</tr>
</tbody>
</table>

Source: World Development Indicators, UNCDP.

Table 2
**Key foreign trade indicators of Sub-Saharan Africa (2015)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports of goods and services (m USD)</td>
<td>521400</td>
</tr>
<tr>
<td>Exports of goods and services (m USD)</td>
<td>467246</td>
</tr>
<tr>
<td>Trade in goods (m USD)</td>
<td>665132</td>
</tr>
<tr>
<td>Imports of goods (m USD)</td>
<td>374895</td>
</tr>
<tr>
<td>Imports of food (% of the imports of goods)</td>
<td>11.7</td>
</tr>
<tr>
<td>Imports of fuels (% of the imports of goods)</td>
<td>20.5</td>
</tr>
<tr>
<td>Imports of ores and metals (% of the imports of goods)</td>
<td>2.1</td>
</tr>
<tr>
<td>Imports of processed products (% of the imports of goods)</td>
<td>61.8</td>
</tr>
<tr>
<td>Exports of goods (m USD)</td>
<td>290237</td>
</tr>
<tr>
<td>Exports of food (% of the exports of goods)</td>
<td>12.8</td>
</tr>
<tr>
<td>Exports of fuels (% of the exports of goods)</td>
<td>40.2</td>
</tr>
<tr>
<td>Exports of ores and metals (% of the exports of goods)</td>
<td>15.4</td>
</tr>
<tr>
<td>Exports of processed products (% of the exports of goods)</td>
<td>28.5</td>
</tr>
</tbody>
</table>

Source: World Development Indicators.
Table 3
Sub-Saharan Africa’s major trading partners (2015)

<table>
<thead>
<tr>
<th>Importers</th>
<th>Exporters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EU, incl.</td>
<td>EU, incl.</td>
<td>26.3%</td>
</tr>
<tr>
<td>France</td>
<td>The Netherlands</td>
<td>4.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>Spain</td>
<td>4.1%</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>France</td>
<td>3.8%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>Germany</td>
<td>3.2%</td>
</tr>
<tr>
<td>Belgium</td>
<td>Great Britain</td>
<td>3.1%</td>
</tr>
<tr>
<td>Italy</td>
<td>Belgium</td>
<td>2.6%</td>
</tr>
<tr>
<td>Spain</td>
<td>Italy</td>
<td>2.4%</td>
</tr>
<tr>
<td>China</td>
<td>China</td>
<td>14.2%</td>
</tr>
<tr>
<td>South Africa</td>
<td>India</td>
<td>9.4%</td>
</tr>
<tr>
<td>India</td>
<td>USA</td>
<td>5.9%</td>
</tr>
<tr>
<td>USA</td>
<td>South Africa</td>
<td>4.8%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Switzerland</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Source: Trade Map, ITC calculations based on UN COMTRADE statistics.
CONTENTS

ARTICLES

Prof. Dimitar Kanev, D.Sc. (Econ.) – N. Vaptsarov Naval Academy, Varna
Commitment as a constraint to the pursuit of self-interest ........................................ 3

Assoc. Prof. Stefan Simeonov, Ph.D – D. A. Tsenov Academy of Economics, Svishtov
A methodology for trend analysis of stock exchange activities, based on indicator signals and frequency volatility ......................................................... 21

Assoc. Prof. Hristina Nikolova, Ph.D. – University of World and National Economy, Sofia
Instruments for encouraging public-private partnerships in transport infrastructure projects ............................................................................................. 40

Prof. Hrabrin Bashev. Ph.D. – Institute of Agricultural Economics, Sofia
The sustainability of management structures in Bulgarian agriculture – level, factors and prospects ................................................................. 61

Chief Assist. Prof. Eduard Marinov, Ph.D. – Economic Research Institute at BAS
Bulgaria’s trade relations with the main partners in Sub-Saharan Africa – trends and prospects ................................................................. 87
Commitment as a constraint to the pursuit of self-interest

A methodology for trend analysis of stock exchange activities, based on indicator signals and frequency volatility

Instruments for encouraging public-private partnerships in transport infrastructure projects
TO THE READERS AND AUTHORS OF ECONOMICS 21

Economics 21 publishes research studies, articles and methodological papers.

1. Volume
   Studies: min. - 26 pages; max. - 40 pages;
   Articles: min. - 12 pages; max. - 25 pages;
   Methodological papers - up to 40 pages.

2. Submission of materials
   - On paper and electronically (on CD and/or by e-mail).

3. Technical characteristics
   - Written in Word 2003 (at least);
   - Page size - A4, 29-31 lines / 60-65 characters per line;
   - Line spacing - Single;
   - Font - Times New Roman 12 pt;
   - Margins - Top - 2.54 cm; Bottom - 2.54 cm; Left - 3.17 cm; Right - 3.17 cm;
   - Page numbers - bottom right;
   - Footnotes - size 10 pt;
   - Charts and graphs - Word 2003 or Power Point.

4. Layout
   - Name of article, name of author, scientific degree, scientific title - font Times New Roman, 12 pt, capital letters Bold - justified;
   - Employer and address of the place of employment; contact telephones and E-mail;
   - Abstract in Bulgarian - up to 15 lines; keywords - from 3 to 5;
   - JEL classification code for research papers in economics (http://ideas.repec.org/j/index.html);
   - The main body of the paper;
   - Tables, charts and graphs must be embedded in the text (allowing for language correction and translation);
   - Formulae must be created with Equation Editor;
   - References in alphabetical order – in Cyrillic and Latin script;
   - Technical characteristics and layout:
     Template: https://www.uni-svishtov.bg/samagazine/upload/Economics-21-Template_bg.doc

5. Citation guidelines
   When citing sources authors should observe the requirements of APA Style at:
   http://www.apastyle.org/ or at http://owl.english.purdue.edu/owl/resource/560/01/ or at
   Each author bears responsibility for the ideas presented, the content and layout of his/her text.

6. Contacts
   Editor-in-chief: tel.: (++359)631-66-338
   Stylistic editor: tel.: (++359)631-66-335
   E-mail: i.varbanov@uni-svishtov.bg, economics21@uni-svishtov.bg
   Address: D. A. Tsenov Academy of Economics, 2 Em. Chakarov str., Svishtov, Bulgaria