Project “Promoting the advantages of investing in Bulgaria” BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.
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INTRODUCTION
Bulgaria provides an end-to-end solution to developing the Food & Agri sector...

- Unique natural conditions for the cultivation of a wide variety of crops, fruits, and vegetables
- 50% of the country’s territory is farming land
- Ecologically clean and fertile soils
- Very high quality of organic products (ban on GMOs)
- Established local producers and a strong tradition in the sector
- Long-standing distribution channels in the former Eastern Bloc
- The EU acquis on food has been transposed into Bulgarian legislation
- Very high health and environmental protection standards make Bulgarian food products fully prepared to meet even the highest and most complex consumer requirements
- Major foreign investments by multinational companies account for a large - even dominant - market share in several key sectors such as confectionery, dairy products, and food & beverage
- The growing demand for new and local food and beverages in Western Europe and beyond will boost the demand for traditional Bulgarian products

Bulgaria was the first among former Communist countries where Coca-Cola established a production plant back in 1965. Coca-Cola companies officially set foot in Bulgaria in 1992.
Introduction

... thanks to its well-established infrastructure....

- Direct access to the fastest-growing and largest market in Europe: over 122 million people
- Strategically located to provide routes to Europe, Russia, CIS, the Middle East, and North Africa
- 5 Pan-European corridors cross the country, linking Northern Europe with the Middle East and North Africa
- More than 50 industrial zones and logistics centres
- Bulgaria has a well developed and constantly improving infrastructure: 6 highways, 230 railway stations, 4 international airports, 4 ports on the Danube, and 2 seaports on the Black Sea
- The logistics network is better developed than most Balkan countries
- 68 bilateral agreements on avoidance of double taxation

Bulgaria was the world’s largest producer and exporter of lavender oil in 2011.
...highly qualified and affordable human resources ...

- A well-developed educational network of colleges, universities, and high schools
- A number of public and private research & analysis centres, more than 10,000 researchers
- Workforce available throughout the country at some of the most competitive prices in Europe
- Bulgarian research institutes and universities work together with companies in the sector to create a skilled workforce

...and specialized government incentives and EU funding...

- The Rural Development Operational Programme has the largest budget in Bulgaria: €3,279 billion. (EU: €2,642 billion; national co-financing: €637 million)
- The Programme has the highest level of fund absorption in the country: around 20%
- By 2013 the Bulgarian agricultural sector has utilized about 1.5 billion euros under the operational programs
- At present there are 15 active financing schemes covering various industry sub-sectors which are at farmers’ disposal

The Greeks inherited the art of wine-making from ancient Thracian tribes inhabiting the lands of what is today’s Bulgaria.
Bulgaria is strategically located and offers political stability and low cost of doing business.

- South-East Europe – a 122 million inhabitant, high growth market
- European Union - Bulgaria offers the lowest cost access to a market of 500 million consumers
- Russia/CIS, Middle East and North Africa

Bulgaria offers a combination of political and macroeconomic stability and incentives for doing business:
- Stable parliamentary democracy, EU, NATO and WTO member
- Bulgaria’s currency is fixed to the Euro under a currency board arrangement
- Lowest tax rate and one of the lowest labour costs in the EU coupled with special incentives for investors
- EU funding – more than €10 bln in EU funds
### Bulgaria: Summary Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population:</td>
<td>7.4 million</td>
</tr>
<tr>
<td>Labour force:</td>
<td>3.4 million</td>
</tr>
<tr>
<td>Urban Population:</td>
<td>73%</td>
</tr>
<tr>
<td>Capital:</td>
<td>Sofia</td>
</tr>
<tr>
<td>Time zone:</td>
<td>EET (UTC+2)</td>
</tr>
<tr>
<td>Summer (DST):</td>
<td>EEST (UTC+3)</td>
</tr>
<tr>
<td>Total area:</td>
<td>110 879 sq. km</td>
</tr>
<tr>
<td>Land area:</td>
<td>108 489 sq. km</td>
</tr>
<tr>
<td>Water area:</td>
<td>2 390 sq. km</td>
</tr>
<tr>
<td>Climate:</td>
<td>temperate</td>
</tr>
<tr>
<td>Languages:</td>
<td></td>
</tr>
<tr>
<td>Bulgarian (official):</td>
<td>85.2%</td>
</tr>
<tr>
<td>Turkish</td>
<td>9.1%</td>
</tr>
<tr>
<td>Roma</td>
<td>4.2%</td>
</tr>
<tr>
<td>English, German, Russian, French:</td>
<td>widely spoken</td>
</tr>
<tr>
<td>Religions:</td>
<td></td>
</tr>
<tr>
<td>Christian Orthodox:</td>
<td>76%</td>
</tr>
<tr>
<td>Muslim</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
<tr>
<td>Currency:</td>
<td>Lev (BGN)</td>
</tr>
<tr>
<td>Fixed exchange rate:</td>
<td>€1 = BGN 1.95583</td>
</tr>
<tr>
<td>Corporate income tax:</td>
<td>10%</td>
</tr>
<tr>
<td>Personal income tax:</td>
<td>10%</td>
</tr>
<tr>
<td>VAT (standard):</td>
<td>20%</td>
</tr>
<tr>
<td>Government type:</td>
<td>Parliamentary Democracy</td>
</tr>
<tr>
<td>Supreme legislative power:</td>
<td>Unicameral 240-seat National Assembly</td>
</tr>
<tr>
<td>Executive state body:</td>
<td>Council of Ministers, head: Prime Minister</td>
</tr>
</tbody>
</table>

**EU member** since 2007  
**NATO member** since 2004  
**WTO member** since 1996

Source: Bulgarian National Bank, National Statistical Institute
Bulgaria enjoys exemplary macroeconomic indicators

<table>
<thead>
<tr>
<th>2012 Economic Snapshot:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (€ bn):</td>
<td>39.7</td>
</tr>
<tr>
<td>Exports (€ bn):</td>
<td>26.5</td>
</tr>
<tr>
<td>Net FDI* (% of GDP):</td>
<td>3.7</td>
</tr>
<tr>
<td>GDP growth (%):</td>
<td>0.8</td>
</tr>
<tr>
<td>Unemployment (%):</td>
<td>11.4</td>
</tr>
<tr>
<td>Inflation rate (annual change, %):</td>
<td>3.0</td>
</tr>
<tr>
<td>Government deficit (% of GDP):</td>
<td>-0.5e</td>
</tr>
<tr>
<td>Government debt (% of GDP):</td>
<td>18.9</td>
</tr>
<tr>
<td>Current account balance (% of GDP):</td>
<td>-1.3</td>
</tr>
<tr>
<td>Long-term credit ratings:</td>
<td></td>
</tr>
<tr>
<td>Moody’s:</td>
<td>Baa2 stable</td>
</tr>
<tr>
<td>S&amp;P:</td>
<td>BBB stable</td>
</tr>
<tr>
<td>Fitch:</td>
<td>BBB stable</td>
</tr>
</tbody>
</table>

Source: Bulgarian National Bank, National Statistics Institute, Ministry of Finance Bulgaria

The Bulgarian economy reported sustained growth of over 6% for the period 2000-2008

The economy stabilized in 2011, with real GDP growth of 1.8% and 0.8% in 2012

The budget deficit in Bulgaria is one of the lowest in Europe 2012: -0.5e%

Currency stability resulting from the currency board introduced in 1997 - the Bulgarian Lev is pegged to the Euro at 1.95583

Bulgaria has the lowest government debt of GDP in the EU27 in 2012

Bulgaria is the only European country with an increased credit rating by Moody’s since the beginning of 2010.
Overview of Bulgaria

GDP Breakdown 2012

- Services 63.2%
- Industry 31.2%
- Agriculture 5.6%

Exports Breakdown

- Consumer goods 25%
- Other raw materials 20%
- Machines and equipment 17%
- Oil products and electricity 14%
- Food 8%
- Metals 16%

Source: National Statistical Institute - preliminary data 2012
Bulgaria offers a unique lifestyle experience within easy reach of Sofia…

...vibrant cities with many art galleries, festivals, concerts, museums
...emerging world-class golf courses
...beautiful coastline with white and golden sand beaches
...numerous spa resorts
...ski resorts including the 2012 World Cup host town of Bansko
...hiking and adventure sports in the beautiful Rila, Pirin, Rhodopes and Balkan mountains
...fine cuisine and boutique wineries

...and boasts some of Europe’s greatest historical treasures

...Thracian and Roman ruins and artifacts,
...Medieval fortresses and historical artifacts
...monasteries and temples dating back as far as 4th century AD
...picturesque villages from the period of the Bulgarian National Revival

Sofia is among the oldest capital cities in Europe and the only city besides Jerusalem with an Orthodox church, a Catholic cathedral, a mosque and a synagogue within a square kilometer.
Given her small size, Bulgaria has a surprisingly diverse climate

- Temperate climate (2,000 to 2,400 hours of sunshine per year) with four defined seasons
- The average annual temperature is 10.5 °C
- Annual average temperature in the lowlands of Northern Bulgaria: 11-12 °C, and in the South - up to 14 °C
- Average annual values of precipitation in the plains: 500-800 mm, and the mountains - 1,000 mm - 1,400 mm
- Dense river network of 540 rivers and 400 lakes
- Bulgaria ranks second in Europe in terms of existing, developed and certified mineral water springs
- Large diversity of soils: over 15 types of soil, with 42 sub-types
**Agrarian University of Plovdiv**
- 2,700 students
- Faculties of Agronomy, Viticulture and Horticulture, Plant Protection and Agroecology, Economics and Languages
- Departments of Farming and Herbology, Animal Science, Crop Science, Plant Genetics and Breeding, Botany and Agrometeorology, Agrochemistry and Soil Science, Plant Physiology and Biochemistry, Fruit Growing, Agricultural Machinery, Melioration with Geodesy, Phytopathology etc.

**Trakia University - Stara Zagora**
- 5,000 students
- Faculties in Agriculture and Veterinary Medicine
- Majors in Agronomy, Agrarian Engineering, Zoo engineering, Ecology, Fisheries and Agriculture

**University of Forestry - Sofia**
- 2,900 students
- Faculties of Agricultural Sciences and Veterinary Medicine
- Degrees in Forestry, Plant Protection, Breeding and Seed Production of Agricultural Crops, Veterinary Medicine
University of Food Technology - Plovdiv
- 2,000 students
- Faculties of Technology, Engineering, Economics, Language Studies, Physical Education and Sports
- Departments of Chemistry and Physical Chemistry, Organic Chemistry and Microbiology, Biochemistry and Molecular Biology, Wine and Beer Technology, Grain and Feed Technology; Bakery and Confectionery Production; Technology of milk and dairy products; Conservation and Chilling; Economy of the Food Industry, Biotechnology and others

Agricultural College - Plovdiv
- 6,000 students
- Subjects in Agricultural Technology (farming), technology in Horticulture and Wine Production, Economics of Tourism, Alternative Tourism, Agrarian Economics

Technical University - Sofia
- 18,000 students
- There are three faculties where subjects are taught in a foreign language training - Faculty of German Engineering Education and Industrial Management, English Language Faculty of Engineering, and French Language Faculty of Electrical Engineering

www.uft-plovdiv.bg
www.uard.bg
www.tu-sofia.bg
Labour costs in the sector and the economy as a whole are extremely competitive

- The country provides sufficient workforce both for the Agri sector and for the Food & Beverage industry
- There are skilled engineers, technicians and biotechnologists at very acceptable levels of labour costs
- Very good overall quality/cost ratio of the workforce

### Annual country average wage in 2012, (€)

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture</th>
<th>Manufacture of food</th>
<th>Manufacture of beverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>4 650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>6 422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serbia</td>
<td>7 017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>9 179</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>9 384</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>10 109</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>11 599</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>12 332</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>18 467</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Monthly wages, (€)

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Manufacture of food</th>
<th>Manufacture of beverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>194</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>257</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The level of wages in the Agriculture sector is among the lowest in the country. The average monthly wage is estimated at about BGN 450
- The level of wages in the Food & Beverage sector is close to the country’s average wage. The average monthly wages vary between BGN 500 and BGN 600
- The level of wages not only in the industry but also the economy as a whole is among the most competitive in the EU
- In the near future, wages are expected to remain low

Source: Eurostat, Manpower, National Statistical Institute
OVERVIEW OF THE FOOD INDUSTRY IN BULGARIA
Bulgaria has strong traditions in the food sector

Thracians were one of three major tribes responsible for the genetic beginnings of today’s Bulgarians. They discovered a new method of milk fermentation with lactobacilli isolated from green plants.

Franz Milde, helped by a group of enterprising residents of Shumen, started one of the oldest breweries in Bulgaria: Shumensko Pivo.

During Ottoman rule, farming was the primary livelihood for the predominantly rural population of Bulgaria.

Ernest Solvay, the famous founder of the Belgian industrial conglomerate Solvay, established the first Bulgarian sugar factory in Sofia.

The Kamenitza brewery, established by three Swiss entrepreneurs in 1881, won a gold medal at the prestigious Exposition internationale de boissons fermentes hygiéniques in Brussels.
Overview of the Food industry in Bulgaria

- **1965**: Bulgaria became the first country in the former Communist bloc to produce Coca-Cola.

- **70s – 80s**: Bulgaria ranked among the first tomato exporting countries in Europe, reaching 220,000 tonnes per year.

- **80s**: Bulgaria became the world’s second largest exporter of bottled wines.

- **1990**: In 1990, Bulgaria was the world’s largest exporter of rose oil used for the perfume industry.
Bulgaria has long-standing traditions in the food sector

90% of organic food grown in Bulgaria is exported to industrialised countries.


The Razgrad factory Tsarevitchni Produkti Ltd. was acquired by the Belgian group Amylum.

The largest international food producers entered the Bulgarian market: Kraft Foods and Nestle S.A. Since then, both companies have invested heavily in the country’s economy.

Danone entered the Bulgarian market through the acquisition of the state-owned company Serdica. Since then, Danone has invested more than € 50 million in the country.
The exports of milk, yoghurt, and cheese, including Feta cheese, from Bulgaria has increased by 30% compared with the previous year. Bulgarian milk and dairy products are known around the world for their health-promoting qualities.

Unilever acquired the Bulgarian ice-cream company Darko, which is the second largest after Nestle.

The international company Carlsberg entered the Bulgarian brewery market by acquiring Shumensko Pivo.

The equity investment company Advent International acquired a significant share in Devin, a leading Bulgarian bottled mineral water company.
The food & beverage industry is boosted by the rapidly developing farming sector

- In 2010, the total value added for agriculture was 5.2% of Bulgarian GDP and 6% (€ 1,876 million in 2010) of the total value added in the national economy. Value added for the sector (10.9%) is the fastest growing in the country’s entire economy.

Value of gross output in agriculture, (€ mln)

- In 2011, the gross output of the agricultural sector amounted to € 4,434 million.
- In 2010, the Agri sector was the only one to register growth in each quarter.
- In 2010, Bulgaria’s agricultural trade balance was positive: $ 994 million, compared with $ 385 million in 2009. The sector accounted for 17% of Bulgaria’s total exports and 10% of the country’s total imports.
- The export of Bulgarian agricultural produce reached $ 3,468 billion, which, compared with the $ 2,795 billion for the preceding year, meant a 24% growth.
- About 72% of Bulgarian exports of agricultural produce went to the EU, while Russia, Ukraine, Turkey, and the Arab countries recovered their former position as major export markets.

Bulgaria is among the first eight EU Member States in terms of average growth of profitability in agriculture. In 2010, the average profitability from agriculture in Bulgaria increased by 23% compared to 12.3% for EU-27.

Source: Agricultural Report 2012
Excellent natural conditions for a wide variety of crops

- The largest share in total revenues for 2010 belongs to the following crop-growing sectors:
  - Grain: 19.6% (€ 755 million)
  - Technical crops: 15.8% (€ 593 million)
  - Fodder crops: 5.9% (€ 228 million)
  - Vegetables: 5% (€ 191 million)
- Livestock breeding accounts for 16.7% (€ 640 million) of the total revenue from farming produce, while animal products manufactured account for 14.2% (€ 544 million) of the total revenue

### Structure of gross output valued in agriculture (2010)

- Agricultural services 5.9%
- Non-agricultural services 7.2%
- Horticulture 58.8%
- Live-stock breeding 28.1%

### Key crops cultivated in Bulgaria (2011)

<table>
<thead>
<tr>
<th>Arable area</th>
<th>Ha (2011)</th>
<th>% of arable land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>1 152 999</td>
<td>35.7</td>
</tr>
<tr>
<td>Sunflower</td>
<td>795 319</td>
<td>24.6</td>
</tr>
<tr>
<td>Maize</td>
<td>430 914</td>
<td>13.4</td>
</tr>
<tr>
<td>Barley</td>
<td>174 010</td>
<td>5.4</td>
</tr>
<tr>
<td>Fallow</td>
<td>174 110</td>
<td>5.4</td>
</tr>
<tr>
<td>Technical and oil-bearing crops</td>
<td>233 934</td>
<td>7.2</td>
</tr>
<tr>
<td>Areas under pulses</td>
<td>83 503</td>
<td>2.6</td>
</tr>
<tr>
<td>Other technical crops</td>
<td>60 629</td>
<td>1.9</td>
</tr>
<tr>
<td>Oats</td>
<td>17 163</td>
<td>0.5</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>27 227</td>
<td>0.8</td>
</tr>
<tr>
<td>Tobacco</td>
<td>21 710</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Between 2003 and 2010, Bulgaria reported the largest growth in the use of agricultural land EU-wide.

Source: Agricultural Report 2012
Bulgaria: a world-class food producer

- In 2011, agriculture represented 5.6% of Bulgarian GDP. Value added for the sector, reported at 10.9% over the previous year, was the highest in the whole economy.
- Production was carried out by about 5 500 companies, with almost half of them located in the South-Central and South-West region.
- The beverage manufacturing sector covers about 4% of industrial production in the country and creates approximately 4% of the added value in industry.
- These products are the result of the activity of 1 700 companies distributed relatively evenly in the six planning regions.

State of the food&beverage industry in 2010

- Manufacturing of food products: 4.6% employees, 73.8% employees
- Manufacturing of beverages: 21.6% employees, 76.1% employees
- Manufacturing of tobacco products: 0.4% employees, 76.1% employees

The sector is highly fragmented and dominated by small and medium-sized enterprises.

The Food&Agri sector in Bulgaria attracted some of the biggest international companies such as Danone, Coca-Cola, Kraft Foods and others.

Source: A.T. Kearney, Amadeus
Bulgaria: a country naturally open to the world

The contribution of the sector to the country’s external trade is quite significant: 8.5% of total exports and 9.1% of total imports for the national economy

Exports of major agricultural products and foodstuffs (2011)

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Quantity (tonnes)</th>
<th>Value (US $)</th>
<th>Share of total agricultural exports in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat and meslin</td>
<td>2 137 202</td>
<td>579 379 057</td>
<td>12.7</td>
</tr>
<tr>
<td>Sunflower seeds, whether or not broken</td>
<td>1 040 706</td>
<td>671 400 651</td>
<td>14.7</td>
</tr>
<tr>
<td>Rape or colza seeds, whether or not broken</td>
<td>475 837</td>
<td>303 242 834</td>
<td>6.6</td>
</tr>
<tr>
<td>Unmanufactured tobacco</td>
<td>37 752</td>
<td>187 678 918</td>
<td>4.1</td>
</tr>
<tr>
<td>Cigars, cigarillos and cigarettes</td>
<td>16 206</td>
<td>211 458 024</td>
<td>4.6</td>
</tr>
<tr>
<td>Bread and bakery products</td>
<td>61 649</td>
<td>176 169 399</td>
<td>3.9</td>
</tr>
<tr>
<td>Maize</td>
<td>932 336</td>
<td>261 214 967</td>
<td>5.7</td>
</tr>
<tr>
<td>Sugar</td>
<td>113 489</td>
<td>129 979 066</td>
<td>2.8</td>
</tr>
<tr>
<td>Meat and offal</td>
<td>47 426</td>
<td>183 862 911</td>
<td>4</td>
</tr>
<tr>
<td>Sunflower-seed, safflower or cottonseed oil</td>
<td>121 278</td>
<td>152 402 293</td>
<td>3.3</td>
</tr>
<tr>
<td>Barley</td>
<td>343 115</td>
<td>92 989 351</td>
<td>2</td>
</tr>
<tr>
<td>Cheese and curd</td>
<td>22 901</td>
<td>88 770 980</td>
<td>1.9</td>
</tr>
<tr>
<td>Fruit incl.preserved</td>
<td>31 693</td>
<td>97 255 317</td>
<td>1.34</td>
</tr>
<tr>
<td>Wine from fresh grapes</td>
<td>50 588</td>
<td>63 328 831</td>
<td>1.83</td>
</tr>
<tr>
<td>Chocolate and other cocoa products</td>
<td>14 936</td>
<td>63 104 680</td>
<td>1.82</td>
</tr>
</tbody>
</table>

Key Bulgarian Export Partners

Source: Agricultural Report 2012, Ministry of Economy, Energy and Tourism, NSI
High-quality farming land

Although farming land use in Bulgaria covers only 5,486,572 hectares, it provides farmers with more opportunities than other countries in Central and Northern Europe.

The high quality of farmland, in combination with the favourable climatic conditions in the country, allows for the cultivation of a wide variety of crops.

In 2011, the share of agricultural land was 45.8% of the country’s territory.

Arable land includes areas used for rotation crops, included in rotation of temporary grass with wheat and pulses. In 2011, these areas occupied 3,227,237 hectares and accounted for 62.1% of arable farmland.

Source: Agricultural Report 2012; Elana Agricultural Land Fund
The prices of farming land in Bulgaria are among the lowest in Europe.

In 2010, the average selling price of land was between € 1,530 and € 1,590 per hectare, according to the Bulgarian Association of Agricultural Land Owners.

In 2010, land lease prices were in the range of € 112-138 per hectare, depending on the region. One exception is the Dobrudja region, where prices for land lease are traditionally higher: € 205 - 307 per hectare.

Land lease prices are tied to the amount of subsidies received by farmers, the average lease price being approximately equal to the subsidies received by farmers for declared arable land.

Concentration of sub-sectors

**North-West Region:**
- Persons employed in the sector: 7,202
- 3.5% of all persons employed for the region
- 9.9% of people employed in the sector
- Number of companies: 483

**North-Central region:**
- Persons employed in the sector: 11,383
- 4.4% of all persons employed for the region
- 14.1% of people employed in the sector
- Number of companies: 589

**South-West region:**
- Persons employed in the sector: 23,724
- 2.3% of all persons employed for the region
- 29.5% of people employed in the sector
- Number of companies: 1,091

**South-Central Region:**
- Persons employed in the sector: 16,649
- 3.8% of all persons employed for the region
- 20.7% of people employed in the sector
- Number of companies: 969

Overview of the Food industry in Bulgaria
Overview of the Food industry in Bulgaria

North-East region:
- Persons employed in the sector: 10 229
- 3.3% of all persons employed for the region
- 12.7% of people employed in the sector
- Number of companies: 549

South-East region:
- Persons employed in the sector: 11 360
- 3.4% of all persons employed for the region
- 14.1% of people employed in the sector
- Number of companies: 695

Explanation:
- Production of bread and bakery products
- Production of milk and dairy products
- Production of chocolate and sugar confectionery
- Canned and processed fruit and vegetables
- Meat processing & production
- Production of vegetable and animal oils
- Other
OVERVIEW OF THE SUBSECCTORS OF THE FOOD INDUSTRY AND SUCCESS STORIES
Overview of the subsectors of the Food Industry

Excellent quality of raw materials

- The canning industry is one of the oldest, most important and promising sectors of the food & beverage industry in Bulgaria. The sector generates about 6% of the total production and provides employment to approximately 9% of the workforce in this sector.
- The Bulgarian canning industry is traditionally export-oriented.
- Over the past several years, Bulgaria exported a total of between 58 and 67 thousand tonnes of canned food.
- In 2009, the value of exported processed foodstuffs was $1.36 billion, which is 7% of the total national exports.

### Processed fruit and vegetables in 2010, (tonne ‘000)

<table>
<thead>
<tr>
<th></th>
<th>Fruits</th>
<th>Vegetables</th>
<th>Mixed</th>
<th>Mushrooms</th>
<th>Potatoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged</td>
<td>n/a</td>
<td>0.59</td>
<td>n/a</td>
<td>0.35</td>
<td>0.05</td>
</tr>
<tr>
<td>Frozen</td>
<td>9.89</td>
<td>12.03</td>
<td>n/a</td>
<td>0.15</td>
<td>0.14</td>
</tr>
<tr>
<td>Dried</td>
<td>0.49</td>
<td>0.38</td>
<td>n/a</td>
<td>0.07</td>
<td>n/a</td>
</tr>
<tr>
<td>Pickles</td>
<td>n/a</td>
<td>1.34</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Preserved</td>
<td>11.35</td>
<td>40.33</td>
<td>0.05</td>
<td>0.98</td>
<td>n/a</td>
</tr>
<tr>
<td>Juices</td>
<td>12.56</td>
<td>13.78</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Other</td>
<td>12.88</td>
<td>0.75</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>47.17</td>
<td>69.2</td>
<td>0.05</td>
<td>1.55</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Under communism, Bulgaria was the main exporter of fresh and processed fruits and vegetables for the Eastern Bloc.

Source: Ministry of Agriculture and Food
Overview of the subsectors of the Food Industry

### Processed Fruit and Vegetables. The Natural Choice

#### Processed fruit (tonne '000)

<table>
<thead>
<tr>
<th>Product</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apples</td>
<td>11.0</td>
<td>14.1</td>
<td>18.2</td>
</tr>
<tr>
<td>Cherries</td>
<td>10.0</td>
<td>10.2</td>
<td>15.9</td>
</tr>
<tr>
<td>Peaches</td>
<td>3.6</td>
<td>3.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Pears</td>
<td>7.1</td>
<td>6.8</td>
<td></td>
</tr>
<tr>
<td>Sour cherries</td>
<td>2.3</td>
<td>2.3</td>
<td>2</td>
</tr>
</tbody>
</table>

#### Processed vegetables (tonne '000)

<table>
<thead>
<tr>
<th>Product</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peppers</td>
<td>32.9</td>
<td>18.5</td>
<td>25.8</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>15.4</td>
<td>21.9</td>
<td></td>
</tr>
<tr>
<td>Potatoes</td>
<td>0.2</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>Aubergine</td>
<td>5.6</td>
<td>4.4</td>
<td>4.7</td>
</tr>
<tr>
<td>Green peas</td>
<td>6.7</td>
<td>6.7</td>
<td>5.9</td>
</tr>
</tbody>
</table>

- In 2010, the number of companies processing fruits and vegetables was 139, with 92 of them processing fruit, and 96 companies involved in processing vegetables.
- During the same period, 56.3 thousand tons of fruit were processed, with 49% purchased directly from local producers.
- Fruits with the largest share in the processing sector are apples (32%), cherries (28%), plums (10%), and peaches (7%).

- In 2010, 62.4 thousand tonnes of vegetables were processed, of which 77% were purchased directly from local producers.
- Vegetables with the largest share in processing are peppers (30%), tomatoes (25%), green peas (9%) and aubergine (8%).

Bulgarian canned fruits and vegetables are still popular in ex-communist countries because of their high quality.

Source: Ministry of Agriculture and Food
Konex-Tiva Ltd

Established: 1995
Location: Village of Orizovo, Stara Zagora District
Employees: 215
Products: canned vegetables and fruit

- The company’s range includes more than 100 products with various taste and packaging
- Konex-Tiva was the first Bulgarian company in the canning industry to be certified under ISO 9002 in 1999. Today the company is approved under the new ISO 22000 standards by TUV Rheinland and has introduced a system of control of food safety under IFS requirements
- Konex-Tiva brands: Sofra, Sofra Gourmet, Aurora, Aurora Dietar
- Konex-Tiva invested in establishing and maintaining long-standing business relationships with constant clients from around the world
- Main markets: U.S.A., Canada, Europe, Israel, Bulgaria

3rd Place in 2010 for Konex-Tiva as the employer hiring the largest number of unemployed persons from underprivileged groups.
Established: 1991  
Location: Haskovo  
Employees: 102  
Products: food producer

The company manufactures over 500 products  
It manages its own full production cycle  
The Deroni Company owns four factories equipped with the best and state-of-the-art plant and equipment  
Deroni relies on skilled teams of specialists and technical staff with 30 years of experience, as well as young experts following the newest European trends  
The company exports its products to over 15 countries all over the world (Belgium, Great Britain, Germany, Greece, Israel, Spain, Macedonia, Cyprus, Romania, Russia, the U.S.A., Croatia etc.)  
It also makes Private label products for leading international retail chains and foreign companies  
It has representative offices in 12 countries

Deroni holds certificates for:
ISO 9001: 2008 – a system of quality management;  
ISO 22 000: 2005 - management system for quality and food safety;  
IFS certificate – an international standard for food

The Deroni brands received the prestigious Superbrand award for Bulgaria in 2009 and 2010, and many other awards.
Philicon-97 Ltd

Established: 1974  
Location: Plovdiv  
Employees: 270  
Products: tomato sauce, tomato concentrates, marinated vegetables and salad, compote or preserves

The Company Philicon 97 Ltd has its own registered brands: PHILICON and FRESH.

The company has established market positions in countries such as the USA, Great Britain, France, Poland, Romania, Sweden, China, Japan, and West Africa.

Philicon-97 covers all EU and international standards, with constant control and monitoring of the entire manufacturing process.

Awards: Gold Star for Quality from the World Quality Support Committee in Madrid.

Gold medals from the Plovdiv International Fair.

Philicon 97 produces unique rose juice and rose jam.

In 2011, started a joint venture with Devin Ltd to develop the Fresh brand and market it in Bulgaria and Romania.

Philicon-97 Ltd also produces the Milky Fresh drink using UHT (Ultra High Temperature technology which is considered most effective for to preserve the taste, texture and nutritional qualities of milk. Its products are now well known and familiar in the markets of North and West Africa.
Case Studies

Bee Honey

- Much of the country’s topography is favourable to bee-keeping
- In 2009, bee farms numbered 29,244. The sector is characterised by a large number of small producers, while the number of professional beekeepers, looking after more than 150 swarms of bees, is relatively low: 336 in 2009
- In 2010, the number of bee swarms in Bulgaria was about 560,000, and the quantity of honey extracted was 9,529 tonnes
- Bulgaria exported a record-high quantity of honey: between: 7,200 and 7,700 tonnes, or about 70% of the entire volume produced

Essential oils

- For centuries, Bulgaria has been growing the most valuable oil-bearing rose from the Rosa Damascena variety
- Bulgaria is the second biggest producer of rose oil in the world
- Bulgaria is also the world’s largest producer of lavender oil

Bulgaria was the biggest producer of lavender oil for 2011 and one of the top three producers of rose oil.

- For millennia, yoghurt has been Bulgarians’ staple food. This unique product was first discovered by Thracian tribes living on the land of today’s Bulgaria.
- The beginning of industrial production was back in 1960, at the dairy plant Serdica - Sofia, where the machine pasteurization of milk was first introduced.

The recent economic recovery and Bulgaria’s EU accession opened new investment opportunities for the Bulgarian dairy sector - both in traditional dairy segments and in currently developing modern segments.

The large increase in sales for new milk products provides major opportunities for investment in the dairy segment.

Bulgaria is among the top 15 producers of buffalo and sheep milk in the world.

Source: Annual Agrarian Report, 2012
Bulgaria holds a unique secret to anti-ageing...

- More than 13 centuries ago, the tribes arriving to settle on these lands discovered a “miracle cure” to hold back ageing. The recipe for health and longevity has been handed down from generation to generation: the preparation of yoghurt.

- For decades now, historians have been finding proof that this unique product was part of traditional healing methods.

- It started with the Russian microbiologist and Nobel laureate Ilya Mechnikov who carried out a thorough study of the influence of Bulgarian yoghurt on the human body at the Louis Pasteur Institute in Paris.

- He found that ageing starts as a result of harmful bacteria in human intestines which produce toxic substances and cause atherosclerosis.

- He went on to establish that one of the lactobacilli bacteria in Bulgarian yoghurt targeted and neutralized the harmful substances. Mechnikov used his findings to explain the longevity of Bulgarians whose daily diet included yoghurt.

- Meanwhile in 1905 Bulgarian scientist Stamen Grigorov discovered that the acidification of Bulgarian yoghurt is due to one rod-shaped and one coccus bacterium.

- One year later, the German scientist Lafar confirmed the discovery, and in 1908 Loersen and Coen discovered Lacto bacterium Bulgaricum - the Bulgarian lactic bacteria.
Danone Serdika

Established: 1995
Location: Sofia
Employees: 500
Products production of fresh dairy products

Danone is the world’s largest yoghurt producer
Danone Sredika is an undisputed leader in the Bulgarian market of fresh dairy products
The company’s portfolio includes five brands with over 50 high-quality products
Investments made over the years exceed BGN 100 million

The company has won numerous awards, including Gold Star for Quality by the World Quality Support Committee in Madrid and gold medals from the International Plovdiv Fair.

A new machine was commissioned in 2010, introducing the next-generation Tetra technology. Danone Serdika is the only company in Bulgaria to manufactures products in Tetra Top format.

Danone Serdika was the first company in Bulgaria to hold an accredited International Certificate of Food Safety.
LB Bulgaricum is a technology leader in the dairy industry in Bulgaria. The company is a leader in the export of know-how, technology and starter cultures for Bulgarian yoghurt and dairy products. LB Bulgaricum holds top positions in the export of Feta cheese and kashkaval.

The company operates two production plants: in Sofia and Vidin, and a modern Research and Development Centre which developed a new generation of starter cultures and healthy food formulas over the past 10 years. The R&D Centre maintains a unique collection of over 900 lactic acid bacteria and more than 100 different combinations of starter cultures.

LB Bulgaricum holds:
- 11 patents for Bulgarian dairy products
- 45 trademarks registered in Bulgaria
- A corporate trademark registered in 26 countries
- 6 designations of origin

For 30 years, the company’s starter cultures and technologies have been used to produce yoghurt under Bulgarian license in Japan, Germany, Switzerland, the Netherlands, Cyprus, Finland, the Philippines, France, and Austria.
High-quality raw material for the meat-processing industry

Production of red and white meats 2008-2011, (tonne)

Poultry breeding has a major share in livestock breeding in Bulgaria. In 2010, about 49% of total meat production came from the poultry sector.

Number of farms and types of animals in agricultural farms (2010)

<table>
<thead>
<tr>
<th>Types of animals</th>
<th>Livestock farms</th>
<th>Number of animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bovine cattle</td>
<td>95 570</td>
<td>557 641</td>
</tr>
<tr>
<td>Buffalo</td>
<td>1 030</td>
<td>9 887</td>
</tr>
<tr>
<td>Equine</td>
<td>92 940</td>
<td>135 846</td>
</tr>
<tr>
<td>Goats</td>
<td>84 640</td>
<td>341 362</td>
</tr>
<tr>
<td>Sheep</td>
<td>91 860</td>
<td>1 454 617</td>
</tr>
<tr>
<td>Pigs</td>
<td>82 400</td>
<td>608 266</td>
</tr>
<tr>
<td>Poultry</td>
<td>185 650</td>
<td>14 656 000</td>
</tr>
<tr>
<td>Rabbits</td>
<td>24 970</td>
<td>297 200</td>
</tr>
<tr>
<td>Bee swarms</td>
<td>23 970</td>
<td>135 846</td>
</tr>
</tbody>
</table>

Bulgaria is among the world’s top 10 producers of goose, donkey, and rabbit meat.

Source: Annual Agrarian Report, 2012
Meat industry in Bulgaria

Bulgaria has a long tradition in livestock breeding and meat processing.

Local producers use some unique recipes for salami, flat sausage (soudjuk) and other meat products. At present, the country holds the protected geographical indication for an authentic product: the flat sausage from Gorna Oryahovitsa (Gornooryahovski sudjuk), and is in the process of receiving the EU protected geographical indication for 7 more meat products.

Modern processing plants enable local producers to comply with the strictest international and national sanitary requirements.

The meat processing industry features 65 plants processing red meat, 30 white-meat slaughterhouses, 283 meat processing plants and meat factories for automated meat cutting, or a total of 378 companies in the industry.

In 2010, meat production in Bulgaria was as follows:

- The total production of bovine meat was 19,610 tonnes
- The production of sheep meat was 13,320 tonnes
- The production of goat meat amounted to 3,699 tonnes
- Pork meat production was 70,471 tonnes
- The total production of poultry meat in the country was 106,915 tonnes

Bulgaria is one of the largest producers of foie gras (goose liver) in Europe.
Bella Bulgaria

Established: 1992
Location: Plovdiv
Employees: 4,000
Products: Meat processing company

- Bella Bulgaria is the biggest food producer in the country, and occupies a leading position in the meat processing market
- The company owns 5 meat processing factories
- Since November 2004, the entire production cycle is certified under the HACCP system
- Direct deliveries are made to 10,000 points
- Bella Bulgaria successfully operates in the Romanian market, too; the company has established its own marketing units
- The company exports its products to over 20 countries on four continents: Turkey, Slovenia, Moldova, Belgium, the Netherlands, Malta, Italy, Spain, Switzerland, Dubai, Lebanon, the USA, Australia, Great Britain, Greece, and others

Bella Bulgaria: Investor of the year 2011...

...In 2011, the holding invested BGN 1.2 million. Investments since 2000 amount to over BGN 10 million.

Bella exports its products to markets with a population of 500,000,000.
Ameta is the largest supplier of chilled chicken meat in Bulgaria

The company is one of the largest companies in the Food & Beverage sector and a leader in the production of chicken meat

Its share amounts to approximately 30% of the industrial production of broiler chickens in Bulgaria

Ameta is a first-class poultry complex and has all the physical resources needed to ensure its economic growth

Ameta sells its key products under the trade mark “Ludogorsko Pile”

The company is a regular supplier to customers in Greece and Romania, and also exports its products to the Netherlands, France, Germany, and Britain.

Ameta exercises complete control over all separate processes: from purchasing fresh grain to turning it into fresh, nutritious and tasty chicken products.
Gradus

Established: 1992
Location: Sofia
Employees: 1 100
Products: processing of poultry meat

➢ The largest producer of poultry meat in the Bulgarian market
➢ The company has its own feed mill, hatchery, breeding flock farm, a broiler fattening farm, and a poultry meat processing plant, thus closing the complete production cycle
➢ Gradus has all the necessary quality certification: HACCP, QS, ISO

➢ The Gradus feed mill produces over 80 000 tons of feed each year
➢ The annual production of parent flock farms in Yambol and Rousse is 42 000 000 hatching eggs
➢ Over 20 million broilers leave the Gradus broiler fattening farms in Rousse, Chirpan, Yambol, Nova Zagora, and Haskovo
➢ The company’s portfolio contains 150 products, including chilled, frozen and ready-for-use products

➢ Gradus operates the largest hatchery in the country: over 36 000 000 day-old chicks per year
➢ The Gradus processing plant has the capacity to process 8 000 birds per hour /40 000 tonnes of chicken meat/ per year
Overview of the subsectors of the Food Industry

Sugar and Confectionery Sector

- Sales of confectionery products have increased significantly in recent years
- The confectionery sector is characterized by long traditions and excellent quality of products
- In recent years, the sector attracted significant foreign investment from companies such as Nestle and Kraft Foods which established their own production capacity in the country
- In 2010, confectionery sales were estimated at 41 million tonnes, or € 421 mln
- Sugar is one of the country’s main export products. Bulgaria exports about 140 000 tonnes per year
- The sector is expected to achieve significant growth in the future of about 45 % by 2015

Sales of sugar and confectionery products, 2007 - 2010

Kit Kat chocolate bars for all of South-Eastern Europe are produced in Bulgaria.

Source: Datamonitor, 2011
Zaharni Zavodi

**Established:** 1912  
**Location:** Gorna Oryahovitsa  
**Employees:** 800  
**Products:** production of sugar, confectionery and ethyl alcohol

- Zaharni Zavodi is the largest food-manufacturing complex in Bulgaria
- The Zaharni Zavodi group includes: sugar & confectionery producing plants, ethyl alcohol production facilities, a print house, a TPP, and a repair plant
- Sladeya Sugar won the Gold Medal for Quality from the International Plovdiv Fair in 2003 and 2004
- In 2006, the sugar factory was separated as an independent company under the name Zahar EAD
- To meet the increased demand for industrial steam and electric energy, in 1960 the company built its own thermal power plant
- 1970 saw the opening of a plant specialising in the production of packaging from paper, cardboard, polyethylene, polypropylene, aluminium foil and other materials

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Sladeya Sugar won the Gold Medal for Quality from the International Plovdiv Fair in 2003 and 2004.

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- Zaharni Zavodi is a market leader in the sales of hard candy and Turkish delight in the Bulgarian market

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The consolidated annual turnover of Zaharni Zavodi AD and its subsidiary companies in 2010 was €54.4 million.
Nestle Bulgaria AD

Established: 1939
Location: Sofia
Employees: 1 100
Products: Chocolate and confectionery products

- In 1994, NESTLÉ purchased the biggest manufacturer of chocolate and confectionery SHZI Sofia
- Nestle Bulgaria is one of the largest strategic investors in the Bulgarian food industry
- The product range of Nestle Bulgaria includes: baby food, culinary products, chocolate, desserts, chocolate and pastry biscuits, dairy products, cereals, pet food etc.

Nestle is the first food producer to partner with the Fair Labor Association - FLA.

The company’s sales in 2010 increased by 2%, reaching BGN 260 million.

Between 1994 and now, the company has invested over BGN 80 million fixed assets and training programmes for its employees.

Some varieties of the Kit Kat chocolate bar products are made entirely in Bulgaria and exported to various countries around the world.
Kraft Foods Bulgaria

Established: 1924  
Location: Svoge  
Employees: 600  
Product: chocolate products and packaged coffee

- In 1993, Kraft Foods entered the Bulgarian market after buying the chocolate factory in the town Svoge.
- Kraft Foods Bulgaria is a subsidiary of Kraft Foods Inc., the second largest company worldwide in the food industry.
- The company is a leader in the production of coffee and chocolate in Bulgaria.

Nova Brazilia is the undisputed leader in the Bulgarian market for packaged coffee. Every second packet of coffee sold in Bulgaria is Nova Brazilia.

The company owns well-known and favourite brands such as Nova Brazilia, Jacobs, Milka, Tobleron Suchard, Svoge.

Approximately 25% of Kraft Foods Svoge products are intended for export, the main destinations being Romania, the former Yugoslav republics, Turkey, and North America.

The annual production capacity in the mix of products manufactured by the Svoge factory is about 12,000 tonnes.
Bread and Farinaceous Products

- The market for farinaceous products in Bulgaria is quite fragmented
- 60% of the products for this sector comes out of small and medium-sized companies
- The sector is expected to consolidate in the near future
- The sector has a strong export orientation

**Bakery products 2008 - 2010**

<table>
<thead>
<tr>
<th>Farinaceous products (tonnes)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacture of rusks and other preserved pastry goods and cakes</td>
<td>10 918</td>
<td>10 263</td>
<td>10 354</td>
</tr>
<tr>
<td>Export of rusks and other preserved pastry goods and cakes</td>
<td>8 478</td>
<td>9 513</td>
<td>11 276</td>
</tr>
<tr>
<td>Manufacture of biscuits</td>
<td>73 236</td>
<td>79 473</td>
<td>80 636</td>
</tr>
<tr>
<td>Export of biscuits</td>
<td>22 208</td>
<td>25 363</td>
<td>30 914</td>
</tr>
<tr>
<td>Manufacture of bread products</td>
<td>485 766</td>
<td>473 959</td>
<td>475 597</td>
</tr>
<tr>
<td>Export of bread products</td>
<td>20 338</td>
<td>18 295</td>
<td>21 272</td>
</tr>
</tbody>
</table>

- In 2010 wheat areas occupied 62.4% of total land under cereals

**Production of cereals, 2010 - 2011**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Arable area (ha)</th>
<th>Average yield (tonnes/ha)</th>
<th>Production (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Wheat</td>
<td>1 131 565</td>
<td>1 137 462</td>
<td>3.62</td>
</tr>
<tr>
<td>Rye</td>
<td>10 795</td>
<td>10 298</td>
<td>1.62</td>
</tr>
<tr>
<td>Triticale</td>
<td>11 010</td>
<td>8 590</td>
<td>2.67</td>
</tr>
<tr>
<td>Barley</td>
<td>245 328</td>
<td>178 993</td>
<td>3.4</td>
</tr>
<tr>
<td>Oats</td>
<td>24 353</td>
<td>14 793</td>
<td>1.73</td>
</tr>
<tr>
<td>Maize for grain</td>
<td>327 525</td>
<td>399 421</td>
<td>6.25</td>
</tr>
<tr>
<td>Rice</td>
<td>11 977</td>
<td>11 791</td>
<td>4.8</td>
</tr>
</tbody>
</table>

The region of Dobrudja (Northeastern Bulgaria) is known as the “Granary of the Balkans”.

Source: Annual Agrarian Report, 2012, Business Monitor
Chipita Bulgaria SA

Established: 1995
Location: Sofia
Employees: 700
Products: production and sales of croissants

- Chipita Bulgaria is part of Chipita S.A. - a Greek company with strong presence in 35 countries
- The company has invested €45 million in our country for the past 10 years
- Chipita Bulgaria holds 75% of the market in croissants and packaged snack food in Bulgaria
- Brands: croissants, rolls and pastry 7DAYS, Bake Rolls and others

Chipita Bulgaria conquered the market with the new croissant it recently started producing. The “Double” croissants are part of the newest flavours which captivated croissant lovers, and Chipita’s the trademark.

New Millennium Award for 2001.

Chipita Bulgaria factories hold certificates from the American Institute of Baking and other certificates required by European partners.
Wine making has long traditions in Bulgaria

- In 2011, vineyards in Bulgaria occupied 78,468 hectares, with an average yield of 4,944 kg/ha (5,240 kg/ha for red grapes, 4,424 kg/ha for white varieties, and 5,315 kg/ha for table grapes).
- Bulgaria has more than 220 industrial wineries with a total capacity of 710 million litres.
- In 2009, the country produced 281,302 tonnes of grapes (93.6% wine grapes and 6.4% table grapes).

Approximately 245,425 tonnes of grapes harvested in 2009 were processed into wine and other derivatives of grapes, while 35,877 tonnes were intended for direct consumption.

In 2009, 1,397,396 hectolitres of wine were produced.

Bulgarians inherited their wine-making skills from the ancient Thracians, who, along with the god of wine Dionysus, also worshiped the growing of grapes and the making - and drinking - of wine.

Source: Agricultural Report 2012
... and Bulgaria is one of the largest exporters of wine in the world

- Bulgaria traditionally exports about 80-90% of the wine produced
- More than 80% of exported wine is bottled
- Wine exports increased by 50% in the first quarter of 2010 over the same period of 2009

Bulgaria now ranks among the 20 largest wine exporters in the world

Major foreign trade partners to which Bulgaria exports wine are the countries of Central and Eastern Europe such as Russia, Poland, Slovakia, and Belarus. In recent years, Bulgarian wines also entered new markets such as Germany, UK, the USA and others.

In the 70s and 80s of the last century, Bulgaria was the second biggest exporter of bottled wine in the world, bettered only by France.

Source: Agricultural Report 2012
Almost the whole territory of Bulgaria is suitable for the production of wine, with five distinct wine-growing regions established in the country.

Bulgaria produces a variety of wines, including some which are unique to the country.

<table>
<thead>
<tr>
<th>Location</th>
<th>Aroma</th>
<th>Color</th>
<th>Sugar levels</th>
<th>Acidity level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pamid East and South-East region</td>
<td>Fruity, light, rustic</td>
<td>black, for production of red light table wines</td>
<td>18 – 24%</td>
<td>4-5g/dm3</td>
</tr>
<tr>
<td>Mavrud South region</td>
<td>Pleasant aroma of wild berries and spice</td>
<td>Red, for the production of dark ruby full-bodied red wines</td>
<td>17 – 23%</td>
<td>6.1 to 10.7 g/dm3</td>
</tr>
<tr>
<td>Rubin North region</td>
<td>The full-bodied taste of Nebbiolo and the spicy peppery aroma of Syrah</td>
<td>“Bluish-black colour, for production of high-quality dessert and table wines”</td>
<td>23 - 34%</td>
<td></td>
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<td>Broad Leaved Vine of Melnik South-West region</td>
<td>“Intensive aroma dominated by the fruity taste of cherry, with sufficient body and typical spicy tang”</td>
<td>Purple, for production of strong red wines with cherry colour</td>
<td>20 - 24%</td>
<td>6-8 g/dm3</td>
</tr>
<tr>
<td>Gamza North region</td>
<td>“Earthy, light red wines with strong tanin and fruity flavour”</td>
<td>Dark bluish-black, for production of light ruby-coloured wines</td>
<td>19 - 22%</td>
<td></td>
</tr>
<tr>
<td>Dimyat South region</td>
<td>These grapes are juicy, tasty and fresh, with vanilla after-taste</td>
<td>Green, for production of white table wines and a high-quality component for brandy/rakiya</td>
<td></td>
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<tr>
<td>Misket South region</td>
<td>“Harmonious taste and pleasant Misket aroma, dry, with trace of apricot, wild strawberries and honey”</td>
<td>“Pinkish-red to violet, for the production of table wines със straw yellow colour”</td>
<td>18 - 21%</td>
<td>5.4-6g/dm3</td>
</tr>
</tbody>
</table>

Source: Interviews with Company management
Domaine Boyar

Established: 1991
Location: Sofia
Employees: 290
Products: manufacturers and exporters of Bulgarian wine

Many years of experience, generations of talented oenologists, precise laboratory work combined with the use of most modern production techniques

In the period of economic transition, Domaine Boyar became one of the largest and most prestigious manufacturers and exporters of Bulgarian wines in Europe, North America, Africa, and Asia

The company’s diverse portfolio includes over 120 products of various types and styles of assortments

In 2010, the Santa Anna Ventures investment company purchased 100% of the company’s stock

Domaine Boyar and Sinite Skali are the only Bulgarian wines to make it to the prestigious British ranking “Top 50” of AC Nielsen.

Domaine Boyar cellars:
- Sinite Skali Winery, Sliven
- Korten Cellar
- Shumen Winery

Every year, Domaine Boyar wines win prestigious awards from national and international competitions.

Domaine Boyar is one of the largest exporters of Bulgarian wine in the world, with 80% of its produce exported to world markets. The company’s main markets are the UK, Benelux, Russia, Canada, the USA, and Scandinavian countries.
Success Stories

Edoardo Miroglio Winery

Established: 2002
Location: Elenovo, Nova Zagora
Employees: 130
Products: manufacturing of high-quality red wines in boutique series and limited quantities

- The winery released its first production in October 2005
- At present, over 220 hectares of vineyards of elite French and Bulgarian grape varieties have been planted
- Some of the varieties cultivated by Edoardo Miroglio wine cellar are: Cabernet Sauvignon, Merlot, Syrah, Cabernet Franc, Pinot Noir, Chardonnay, Muscat Ottonel, Gewurztraminer, Sauvignon Blanc, Mavrud, Rubin, and Melnik 55
- The annual production capacity of Edoardo Miroglio Wine Cellar is approximately 1 million litres of wine

So far, almost euro € 22 mln have been invested in Edoardo Miroglio Wine Cellar.

The three major brands sold in the Bulgarian and export markets are:
- Edoardo Miroglio
- Sant’ilia
- Saint Ilia Estate

At the 8th edition of Mondial du Rose® in France EDOARDO MIROGLIO wine cellar was awarded Silver Medal for: Spiral Rose 2010.
Water and non-alcoholic drinks...

The production of bottled water and soft drinks is well developed in Bulgaria; the country boasts many high-quality manufacturers in this sector.

The consumption of soft drinks per capita is still relatively low compared with other countries in Western and even Central Europe.

The largest industry representatives are local companies with established brands and available in major retail chains and small grocery stores.

More than 250 deposits of mineral water (France - 64, Spain - 89)

The capacity of the deposits is between 0.5 and 63 l/sec. The total capacity exceeds 3 100 litres/sec.

Depth - 400-1 500 m

Temperature- 13°C to 102°C

44 brands of water are currently marketed.

The share of mineral water is 27.5% of the soft drinks market.

Source: Agricultural Report 2012
Beer…

» Long tradition: the first brewery opened in Bulgaria in 1882
» Three of the leading international manufacturers from the industry are present in the Bulgarian market
» The sector employs about 10 000 people
» In 2010, investments in the sector amounted to € 23 million
» In 2010, 5.7 million hectolitres were produced
» 51 000 hectolitres were exported in 2009

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<tr>
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<th>Barley</th>
<th>Hops</th>
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<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Areas harvested (ha)</td>
<td>258 499</td>
<td>245 328</td>
</tr>
<tr>
<td>Average yield (tonnes/ha)</td>
<td>3.32</td>
<td>3.40</td>
</tr>
<tr>
<td>Production (tonnes)</td>
<td>858 679</td>
<td>833 271</td>
</tr>
</tbody>
</table>

Sales of beer, 2007 – 2010

Source: Agricultural Report 2010
Coca-Cola Hellenic Bottling Company Bulgaria

Established: 1965  
Location: Sofia  
Employees: 1,300  
Products: Production and bottling of non-alcoholic drinks

- Coca-Cola entered the Bulgarian market in 1965 and it became the first country in the former Socialist Bloc to manufacture this soft drink in a joint venture with the local company Texim.
- In 1992, Coca-Cola Hellenic Bottling Company Bulgaria acquired the factory.
- The company is the largest soft drink producer in the country.
- The company’s portfolio includes: Coca-Cola, Coca-Cola Light, Fanta, Sprite, Cappy, Schweppes, Bankya, Nestea.
- In Bulgaria, Coca-Cola operates three bottling plants: Kostinbrod, Targovishte, and Bankya.

In the autumn of 2011, Sofia was chosen from among 14 European cities, including some capitals, for a major investment of group Coca-Cola Hellenic – the opening of the United Center for Human Resource and Financial Services.
Devon AD

Established: 1992
Location: Devin
Employees: 500
Products: bottling and trade in mineral water, spring water and carbonated & non-carbonated soft drinks

- The largest bottled water company in Bulgaria
- Devon AD holds a concession contract to use the water from springs “3” and “5” in the region of Devin, in the Rhodope Mountains, from which the mineral water Devin is extracted and bottled
- DEVIN water is bottled under very stringent quality requirements which are monitored and reported daily by the company’s laboratory and comply with international standards and procedures

The DEVIN mineral water springs from a depth of 700 metres at a temperature of 44°C in an ecologically clean region in the Rhodope Mountains.

- In 2008, Devin overhauled its bottling plant and increased its capacity to reach 45 thousand bottles per hour
- In 2010, Advent Water, part of the investor company Advent International, acquired 97.9% of the company

Devin and Philicon entered into a long-term contract, effective since March 2011, according to which Devin AD will be responsible for the development of the brand Fresh and its marketing in Bulgaria and Romania.

- In August 2007, Devin AD increased its capital and became a public company with shares freely traded on the Bulgarian Stock Exchange

In 2010, Devin AD won the award for Innovation in the Non-Alcoholic Industry.
Carlsberg Bulgaria is the successor of one of the oldest breweries in Bulgaria - Shumensko Pivo, which it acquired in 2002. The company is the fastest-growing beer company in the country. In September 2004, Shumensko Pivo and Pirinsko Pivo pooled their resources and assets under the name of Carlsberg Bulgaria. Carlsberg Bulgaria is the only beer company in the country which continued its growth in 2010 and the first two months of 2011. It’s a leader in the Bulgarian beer market.

Carlsberg Group sells in more than 150 markets, and manufactures in 75 breweries, including two breweries in Shumen and Blagoevgrad. The company owns breweries in 25 countries around the world.

The Carlsberg brands sold in Bulgaria include Shumensko, Pirinsko, Tuborg, Carlsberg, Holsten, Budweiser Budvar, Battery, Somersby...

Carlsberg Groups is:
- №1 in Western Europe
- №1 in Eastern Europe
- №5 worldwide
Kamenitza AD/InBev

Established: 1881
Location: Plovdiv
Employees: 780
Products: production of beer

- Kamenitza entered the brewing industry in Bulgaria in 1881
- Kamenitza holds more than 16 prestigious awards

Kamenitza regained its leading position in the Bulgarian beer market, its market share reaching 31.3% in September 2011, according to AC Nielsen.

Own brands:
- Kamenitza - Astika – Burgasko

Brands under license:
- Beck’s - Staropramen - Stella Artois

Kamenitza made substantial investments in the breweries in Plovdiv and Haskovo. The total value of investment in 2011 amounted to BGN 18 million, part of the BGN 68 million invested over the past four years. In 2012, the company plans to invest nearly BGN 14 million.

In 2004, Kamenitza AD started production of the only Bulgarian non-alcoholic beer, which to this day remains unmatched in the beer market in Bulgaria. This is Kamenitza 0%.
Zagorka AD is the successor of an old brewery tradition with over 100 years of history which began with the first brewery established in Stara Zagora in 1902.

The company has established itself as a leader in the industry, an attractive employer and a collective image of Bulgarians’ favourite beer.

In recent years, the production and sales of Zagorka AD have been constantly increasing, and the company climbed several times to top position in the beer market.


In 1998, Zagorka AD became the first company in the food and beverage industry and the first brewery in Central and Eastern Europe to be certified under the international standard ISO 9002.

Since the privatisation of the brewery in 1994, Zagorka AD has invested over € 110 million in the modernization and expansion of production facilities, making Zagorka the most modern brewery in Bulgaria.

Zagorka brand products are exported to the USA, Greece, Britain, Spain, Portugal and others.

The first beer museum: The World of Zagorka is the first beer museum certified by the Bulgaria Ministry of Culture.
Organic farming. In harmony with nature.

- About 90% of the land in Bulgaria is suitable for organic farming
- Bulgaria banned the production of GMO products
- In recent years, there has been a trend of significant growth both in the supply and the demand for organic food and organic products in Bulgaria
- The range of organic products in the domestic market has increased from 1,400 to over 2,600 products during the past year

The combination of suitable agro-ecological conditions, adequate legal framework, technical skills and commitment to sustainable development makes Bulgaria a reliable manufacturer of various products suitable for even the most demanding markets.

- Organic products produced in Bulgaria include dairy products, honey, herbs and tea, fresh and canned vegetables, spices, nuts
- More than 90% of domestic production is exported to Germany, Switzerland, France, and the Netherlands
- Bulgaria needs to ensure that by 2013 not less than 3% of food sold in the country will be organically grown
- According to the organization Organic Europe, in 2004 certified organic production in Bulgaria uses only about 12,000 hectares. According to restrictions imposed in early 2007 by the Common Agricultural Policy of the European Union, this figure should increase significantly

In 2010, the number of organic farms in Bulgaria increased by 75%.
Project “Promoting the advantages of investing in Bulgaria”
BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.