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Report Highlights:

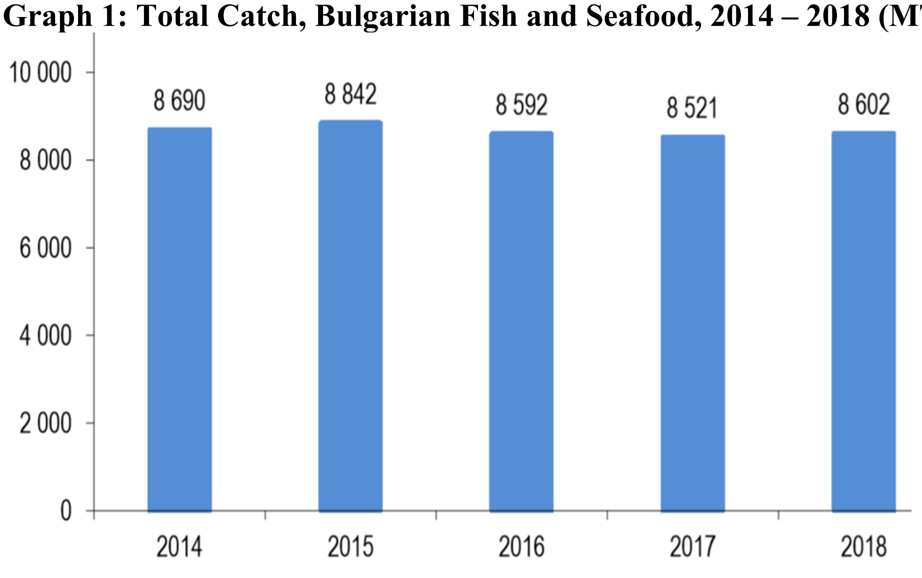
Bulgarian fish and seafood importers are seeking to expand the variety of fish available locally, particularly among the mid- and high-value categories. According to U.S. Census Bureau bulk, intermediate, and consumer-oriented (BICO) trade data, 2019 U.S. fish exports to Bulgaria reached $322,000, a 22-percent decline from 2018. However, according to the Bulgarian National Statistical Institute (NSI), which measures trade data based on country of origin, and therefore captures U.S. trade routed through other European ports of entry, Bulgaria imported $554,656 of U.S. fish and seafood in 2019. This trade consisted mainly of frozen Chinook salmon, frozen mackerel, lobster, and chum salmon. Despite COVID-19's negative affect on Bulgaria's restaurant sector, restaurants are reemerging and will continue to be an important end user of fish and seafood in Bulgaria. Bulgaria's per capita fish and seafood consumption is still below the EU average.

General Information:
Although Bulgarian consumers do not typically eat much fish and seafood in their homes, with annual at-home consumption at just 5.3 kilograms per capita (not including restaurants), opportunities for U.S. suppliers in the hotel, restaurant, and institutional (HRI) sectors remain. Bulgaria's restaurant industry has historically been a major end user of seafood. The COVID-19 outbreak in mid-March forced widespread restaurant closures and decreased demand for fish and seafood products, as restaurants account for nearly half of the consumption. Although Bulgaria's HRI sectors are slowly rebounding, food service fish and seafood consumption is likely to contrast through 2020. Despite the ongoing COVID-19 situation, Bulgarian importers will look to expand their fish and seafood portfolios as the novel coronavirus situation improves and more restaurants come back online, especially for mid- and high-value categories. Immediately following the COVID-19 outbreak, most consumers stocked up on staple products, notably bread, pulses, meat, and dairy. As a result, retail demand for fish products among home chefs also decreased, but not as notably as in HRI.

Bulgarian consumers currently tend to prefer species like European sprat, carp, rainbow trout, Prussian carp, silver carp, and zander, although there is also increasing demand for mid- and high-end products like salmon, lobster, hake, mackerel, squid, shrimp and prawn, trout, tuna, and catfish. Opportunities also exist to supply the Bulgarian fish and seafood-processing sector, which adds value and sells products goods throughout the EU.

According to official statistics, the total 2018 domestic catch increased slightly by nearly one percent to 8,602 metric tons (MT) from 2017. 8,546 MT was harvested from the Black Sea and 56 MT from the Danube River. Importers are seeking new suppliers and products to bridge the demand gap between growing consumer demand and lower local supplies. Bulgaria's 2012 Law on Fisheries and Aquaculture banned commercial fishing within in-land water basins.

Graph 1: Total Catch, Bulgarian Fish and Seafood, 2014 – 2018 (MT)



Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2019)

Table 1. Bulgarian Fish and Seafood Production 2018 (MT)

Description	Quantity
Fish fillets and other fish meat (whether or not minced), fresh or chilled	588,7
Fish, frozen	3,973
Fish fillets, frozen	362
Fish, dried, whether or not salted, or in brine	386,4
Fish, including fillets, smoked	132,4
Fish, otherwise prepared or preserved, except prepared fish dishes	5,405
Molluscs, frozen, dried, salted or in brine	102,3
Other aquatic invertebrates and seaweed, frozen, dried, salted or in brine	399,9
Crustaceans, molluscs and other aquatic invertebrates and seaweed, otherwise prepared or preserved	3,252
Other inedible products of fish, crustaceans, molluscs or other aquatic invertebrates or seaweed	391
Total:	**14,993**

Source: Bulgarian National Statistical Institute

Black Sea Fisheries

Bulgaria's fishing industry is fragmented along its 240 miles of coastline. In 2018, the Black Sea catch increased by 9.9 percent. It consisted of European sprat, red mullet, blue fish, Black Sea horse mackerel, and turbot. Conch accounts for the highest percentage of the Black Sea catch at about 41 percent. In 2018, the conch catch reached 3,515 MT, a 2.8 percent decrease over 2017. The soft-shell clam catch reached 600.5 MT, a 27 percent decrease. The blue mussel catch slightly increased by 11 percent, reaching 12.5 MT. Traditionally, the European sprat catch accounts for big percent of Bulgaria's total Black Sea catch. In 2018 it reached 3,188 MT, a 3.2 MT increase over 2017. Bulgaria's 2018 red mullet catch increased by 59 percent to 595 MT. The other Black Sea species caught by Bulgarian anglers included bluefish (261 MT), Black Sea horse mackerel (197 MT), turbot (56 MT), and other species. The Bulgarian fishing fleet is small, with about 2,000 vessels.

Table 2. Black Sea Catch by Species 2018 (metric MT)

Specie	Quantity
Shellfish (Conch, Mussel, Shrimp)	4,128
European Sprat	3,188
Red Mullet	595
Bluefish	261
Atlantic bonito	22,9
Spiny Dogfish	10,1
Black Sea Horse Mackerel	197
Goby	25,1
Turbot	56
Thornback Ray	13,1
Atherina	15,7
Other species	34

Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2019)

Freshwater Fish
Bulgaria has over 200,000 HA of lakes, reservoirs, and rivers, which account for 1.8 percent of its total territory. The longest rivers are the Danube (470 km), followed by the Iskar (368 km), Maritsa (321 km.), and the Kamchia (245 km.). Over 400 lakes cover more than 10,000 HA in total area.

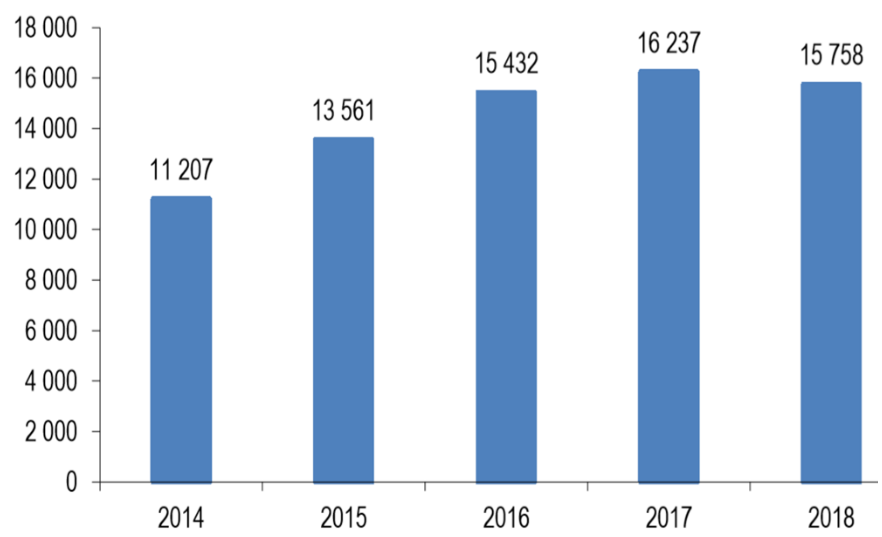
The commercial catch from the Danube River in 2018 reached 55.7 MT, a four percent increase from 2017. The main Danube species with notable increase in catch included zander (61 percent), common barbel (46 percent), and Wels catfish (23 percent). The catch of Danube herring increased notably by 50 percent. The biggest drop in the Danube catch was for bighead carp (20 percent).

In January 2012, the Ministry of Agriculture and Food banned fishing, transporting, and selling of the sturgeon and product derived from sturgeon. The ban was imposed for four years and aims to conserve the Danube sturgeon. In 2016 the ban was extended for another five years.

Aquaculture
Total 2018 aquaculture production (breeding material, fish and seafood) decreased by three percent over the previous year at 15,758 MT. Total 2018 production of breeding material decreased by 7.3 percent, at 1,986 MT. This decrease was mainly due to lower production of the three main species, chiefly rainbow trout (845.7 MT) and common carp (4,6 MT).

In 2018, the total capture of fish 13,772 MT were mostly carp (3,897 MT), rainbow trout (3,828 MT), and bighead carp (1,708 MT). There was notable increase in Russian sturgeon (91 percent), rainbow trout (73 percent), and beluga (52 percent) production, while zander production decreased by 32 percent from 2017.

Graph 2: Total Capture Fisheries Production, 2014 – 2018 (MT)



Source: Bulgarian Executive Agency for Fisheries and Aquaculture (Agrarian Report 2019)

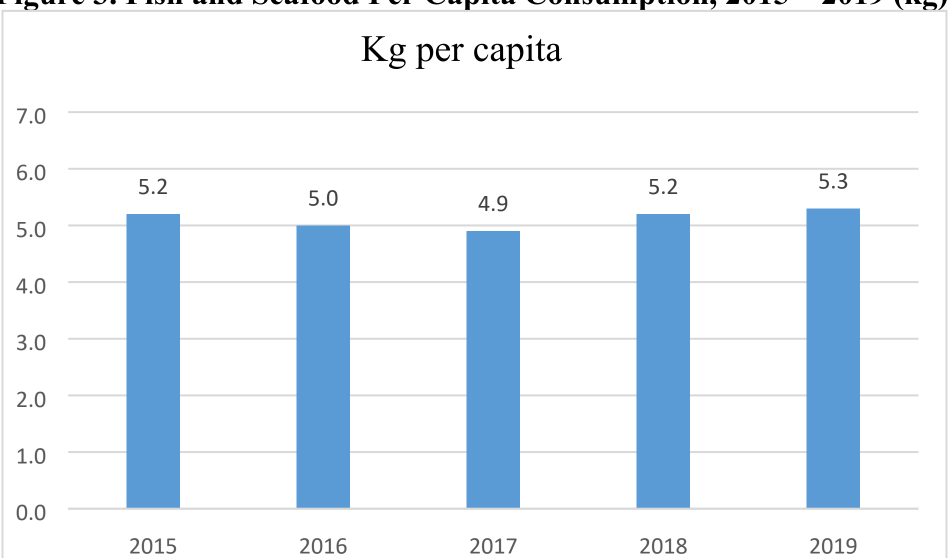
Production of other local species is insignificant and is mainly Prussian carp, grass carp, and Wels catfish. Recently, diversification of the produced species has included sturgeon species. The main marine aquaculture species is black mussel. 2018 black mussel production decreased by 19.9 percent as compared to the previous year to 2,531 MT.

According to the Ministry of Agriculture and Food and the Bulgarian Executive Agency for Fisheries and Aquaculture (BEAFA), the number of aquaculture businesses is likely to increase in the future, as new and modern production facilities are established under the EU Fishery Program, as well as existing businesses are expanding and modernizing.

Consumption

Per capita fish consumption in Bulgaria is below the EU average. According to NSI data, per capita household fish consumption in 2019 was 5.3 kg. However, this number does not include restaurant consumption. Cumulative consumption per capita, including consumption in restaurants, is estimated at almost double. Although the consumption level has remained stable for the last three years, industry forecasts indicate that it will keep growing slightly, despite increasing wholesale and retail prices of fish and fishery products, due to rising consumer incomes and the growing demand for healthier food.

Figure 3. Fish and Seafood Per Capita Consumption, 2015 – 2019 (kg)



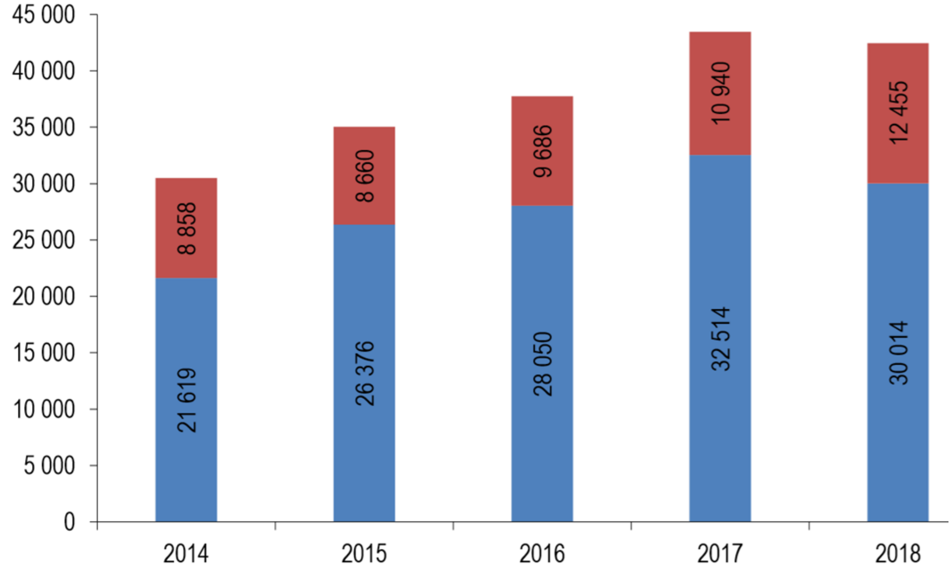
Source: Bulgarian NSI, (NOTE: excludes restaurant consumption)

Import of Fish and Seafood Products

According to NSI data, total imports of fish and fishery products in Bulgaria in 2018 was 42,469 MT, a 2.3 percent decrease over 2017 due to shrinking supplies of aquatic invertebrates, frozen fish and fillets. Imports of fresh, chilled, and dried fish, crustaceans, mollusks as well as processed fish products and other aquatic organisms slightly increased.

Although 71 percent (30,014 MT) of imported fish in 2018 came from other EU countries, it marketed an eight-percent decrease from 2017. 2018 imports mainly came from Romania (5,800 MT), Spain (4,300 MT), the Netherlands (3,200 MT), Poland (3,000 MT), Greece (2,800 MT), Denmark (2,800 MT) and Sweden (1,100 MT). Non-EU imports grew in 2018 by 14 percent compared to 2017 to reach 12,455 MT. Main trading partners were Canada (3,000 MT), Iceland (1,400 MT), Morocco (1,400 MT), Turkey (1,300 MT), and China (1,200 MT).

Graph 4: EU and Non-EU Fish and Seafood Imports, 2014-2018 (MT)



Source: Bulgarian NSI

Frozen fish, excluding fillets, accounted for 43 percent of total fish and seafood imports in 2018 at 18,406 MT, down 3.7 percent from 2017. As in previous years, imports by species were dominated by frozen mackerel at 10,765 MT, down two percent from 2017. Due to a lack of mackerel in Bulgaria, frozen mackerel imports satisfy market demand for direct consumption and for the processing industry.

2018 imports of the following species were relatively large: sardines (887 MT), herring (925 MT), European hake (1,191 MT), salmon (131 MT), shark (284 MT), scad (188 MT), and trout (172 MT). According to U.S. Customs data, 2019 Bulgarian imports of fish and seafood from the United States decreased by 17 percent and mainly consisted of frozen chinook salmon, lobsters (fresh or chilled), frozen mackerel, and frozen chum salmon.

The total import of water invertebrate, other than crustaceans and mollusks in 2018 decreased by 45.9 percent compared to 2017. The import of filet also decreased by 16.5 percent.

Table 3: Fish and Product Imports by Type, 2017 – 2018 (MT)

Product	2017	2018	Change 2018/2017
Live fish - fresh water and marine	115	241	109.6%
Fish - fresh and chilled, excluding fillet	4,298	4,818	12.1%
Fish - frozen, excluding fillet	19,104	18,406	-3.7%
Fillet and other fish meat - fresh, chilled, or frozen	3,293	2,751	-16.5%
Fish - dried, salted, smoked	451	770	70.6%
Crustaceans	4,159	4,658	12%

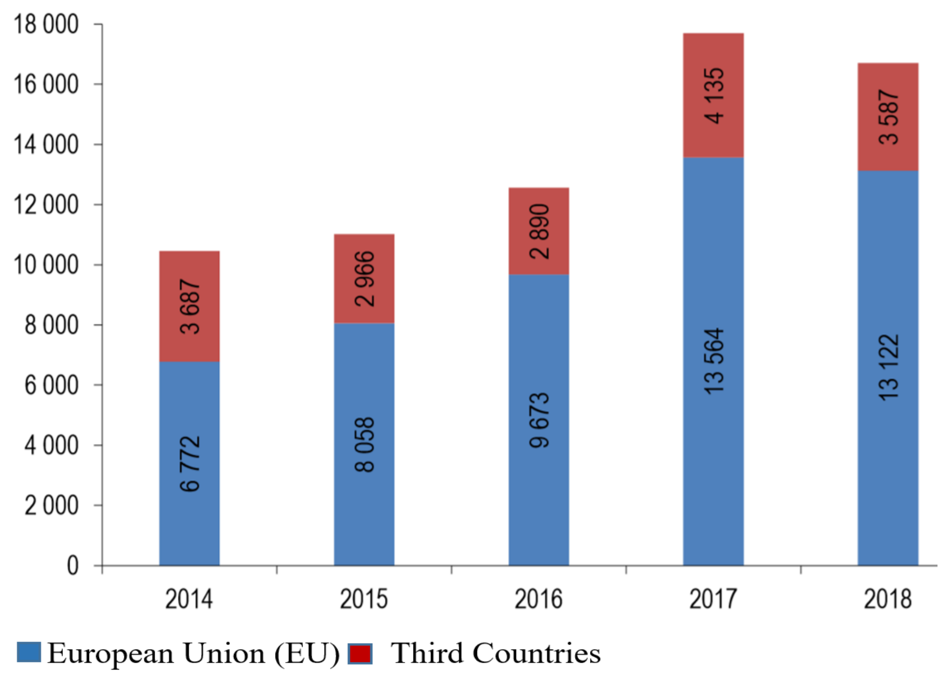
Mollusks	2,809	3,429	22.1%
Water invertebrate, other than crustaceans and mollusks	5,393	2,917	-45.9%
Ready food, caviar, fish cans	2,831	3,473	22.7%
Canned crustaceans and mollusks	1,000	1,006	0.5%
Total fish and other water organisms and fishery products	**43,454**	**42,469**	**-2.3%**

Source: Bulgarian NSI Data, Through Ministry of Agriculture and Food's Agrarian Report 2019

Exports of Fish and Seafood Products

According to Bulgarian NSI data, total 2018 Bulgarian exports of fish and seafood products was 16,709 MT, a decrease of 5.6 percent over 2017. This decrease was due mainly to reduced export of mollusks, water invertebrate, other than crustaceans and mollusks, and live fish. 2018 exports within the EU decreased by 3.3 percent to reach 13,122 MT, 79 percent of total exports. Primary markets were Romania (5,900 MT), Sweden (2,300 MT), Greece (1,200 MT), Italy (900 MT), Belgium (500 MT), and Spain (500 MT). 2018 exports to non-EU markets decreased by 13 percent to 3,587 MT and were mainly to the Republic of Korea (877 MT), Serbia (832 MT), Bosnia and Herzegovina (658 MT), Japan (633 MT), and China (214 MT).

Graph 5: EU and Non-EU Fish and Products Exports (MT)



Source: Bulgarian NSI

In 2018, exports of dried, salted, and smoked fish increased notably by almost 128 percent. Exports of mollusks represent the most significant share of more than 21 percent of total exports of fish and other aquatic organisms to 3,545 MT, down 30 percent over 2017. Exports of ready food, caviar, and fish cans increased by 25.4 percent to 2,653 MT. The main destinations were Sweden (2,100 MT), Romania

(1,400 MT), Republic of Korea (500 MT), Belgium (500 MT), Japan (400 MT), Serbia (400 MT), and Greece (300 MT).

Exports of fresh and chilled fish increased by 25.8 percent and exports of frozen fish, excluding fillets (mainly sprat and European sprat), is up 22 percent over 2017. Traditionally, frozen fish exports to Romania were the highest (1,168 MT).

Table 4: Fish and Product Exports by Type, 2017 –2018 (MT)

Product	2017	2018	Change 2018/2017
Live fish - fresh water and marine	2,147	1,414	-34.1%
Fish - fresh and chilled, excluding fillet	1,866	2,347	25.8%
Fish - frozen, excluding fillet	1,630	1,980	21.5%
Fillet and other fish meat - fresh, chilled, or frozen	222	360	62%
Fish - dried, salted, smoked	327	745	127.7%
Crustaceans	130	120	-8.1%
Mollusks	5,061	3,545	-30%
Water invertebrate, other than crustaceans and mollusks	373	240	-35.8%
Ready food, caviar, fish cans	2,116	2,653	25.4%
Canned crustaceans and mollusks	3,826	3,306	-13.6%
Total fish and other water organisms and fishery products	**17,698**	**16,709**	**-5.6%**

Source: Bulgarian NSI Data, Through Ministry of Agriculture and Food's Agrarian Report 2019

EU Common Fisheries Policy

Bulgaria's fish and seafood industry follows the EU Common Fisheries Policy (CFP). The CFP is a set of rules for managing European fishing fleets and for conserving fish stocks. Designed to manage a common resource, it gives all European fishing fleets equal access to EU waters and fishing grounds and allows anglers to compete fairly.

Stocks may be renewable, but they are finite. Some of the EU's fishing stocks, however, are being overfished. As a result, EU countries seek to ensure the European fishing industry is sustainable and does not threaten the fish population and productivity over the long term.

The CFP was first introduced in the 1970s and went through successive updates, the most recent of which took effect on January 01, 2014. The CFP aims to ensure that fishing and aquaculture are environmentally, economically and socially sustainable, and that they provide a source of healthy food for EU citizens. Its goal is to foster a dynamic fishing industry and ensure a fair standard of living for fishing communities. The CFP has four main policy areas:

- Fisheries management

- International policy
- Market and trade policy
- Funding of the policy

The CFP also includes rules on aquaculture and stakeholder involvement. For further information on the CFP please see the EU website here.

Labeling
EU legislation requires that all products, including seafood, offered for retail sale in the EU be properly labeled. The EU's Publications Office issued a pocket guide to the new fish and aquaculture consumer labels. It explains what must appear on the labels and what additional information can be displayed. The pocket guide can be accessed through this link.

Import Tariffs
All EU Member States apply the same tariff on goods imported from outside the EU. The import duty rate is determined by the classification of a good in the EU Tariff Schedule (last update published in Official Journal L 312 – October 31, 2014) and by the customs value. For the customs classification of goods, the EU uses the Combined Nomenclature established by Council Regulation 2658/87. This eight-digit coding system is based on the Harmonized System, which is also the basis for the import and export codes used by the United States. The full list of fish and seafood products duties can be found in Chapter 3 (page 52-73) here.

Bulgarian Fish and Seafood Importers
Contact the FAS Sofia for an updated list of fish and seafood importers.

European Commission and Bulgarian Government's Response to Coronavirus
Fishing and aquaculture are among the hardest hit sectors, as demand has seen a sudden decline. The European Commission has proposed a range of temporary and targeted measures to address the challenges faced by the seafood industry. More information about the adopted measures can be found here.

The Government of Bulgaria allocated BGN 16 million ($9 million) for fisheries and aquaculture sectors as compensation for damage caused by the coronavirus. The funds will be part of the budget of the Maritime Affairs and Fisheries Program and will be allocated to compensate for the temporary cessation of fishing vessels and the temporary reduction of aquaculture farming and processing. According to the Ministry of Agriculture, since the beginning of the state of emergency on March 13, 2020, there has been a 37 percent decrease in the number of vessels going fishing and a 70 percent decrease in the amount of fish caught and landed.

Forecast
Despite COVID-19 and this year's downturn, Post expects that fish and seafood consumption and imports will rebound and continue to grow, albeit more slowly, over the next few years. The HRI sectors are expected to gradually resume operations and to improve their fish menus by adding new species and dishes. HRI and retail will both continue to influence and educate consumers on fish varieties, positive characteristics, and health benefits. Bulgarian prices are determined mainly by international markets. For traditional species in Bulgaria, prices depend on the catch size and domestic

aquaculture production, while imported species are determined by market prices. Shelf-stable seafood, especially premium types, is forecast to continue its positive upward trend as well.

Home consumption traditionally is higher in the summer, which is expected to slightly compensate the HRI demand drop. Overall, the 2020 consumption is expected to be 30-40 percent lower than in 2019.

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Attachments:

No Attachments.