GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACCESSION OF BULGARIA

Communication from Bulgaria

The following communication has been received from the Permanent Representative of Bulgaria in Geneva.

On behalf of my Government, in accordance with the process of accession of the Republic of Bulgaria to the General Agreement on Tariffs and Trade, I enclose the information on Bulgaria's foreign trade régime.

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REPUBLIC OF BULGARIA

ACCESSION OF BULGARIA TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Information on Bulgaria's Foreign Trade Régime
(June 1993)

INFORMATION ON THE CURRENT STATUS OF BULGARIA'S FOREIGN TRADE REGIME

PART I

INTRODUCTION

The Bulgarian Economy and Foreign Trade Since 1991

1. Recent economic developments

1. Until 1990 Bulgaria's economy was based on a centrally-planned system and administrative direction of foreign trade. Practically all sectors of economic activity in Bulgaria were controlled by the state.

2. Since the establishment of parliamentary democracy, in the early 90s, fundamental political and economic changes have taken place in Bulgaria. The country has embarked upon a radical economic reform programme aimed at transformation into a market economy.

3. The starting position of Bulgaria for the transition to a market economy was characterized by deep overall imbalances, disruption of the internal market, increasing internal and external debt, severe deterioration in terms of trade, breakdown of traditional trading relations, uncertainty about future oil supplies.

4. In 1990 alone the GDP declined by 9.1 per cent in real terms and the budget deficit increased sharply to about 8.5 per cent of GDP on a cash basis, with industry and agriculture declining by 12.5 per cent and 3.7 per cent respectively, the inflation reaching 64 per cent by the end of the year, with the large monetary overhang further increasing, with a huge decline in export earnings, bunching of debt payments, depletion of foreign exchange reserves, current account deficit exceeding US$2 billion, foreign debt reaching US$10.3 billion (US$3.22 billion in 1985), huge direct losses from the Gulf crisis amounting to US$1.4 billion.

5. In the situation of further rapidly deteriorating performance of the economy, the Bulgarian Government launched in February 1991 a radical and comprehensive economic reform programme supported by the IMF and other international financial institutions.

6. The closest objectives of the short-term anti-inflationary programme started in February 1991 were to shrink all final demand components, to introduce a unified exchange rate and to provide the external financing needed to fill the gaps in the balance of payments. The objectives had to be achieved through the combined effect of fiscal and monetary policies supported by an appropriate incomes policy. The programme fixed two nominal "anchors" - incomes and credit. Their growth was strictly monitored as they served as important performance criteria under the IMF "stand by" arrangement. Due to the complete lack of foreign exchange reserves and the severe shortfall of external financing, the exchange rate could not be

fixed as a third nominal anchor to allow for more gradual and predictable adjustment of incomes and prices.

7. Important structural reforms were undertaken, including broad price liberalization, the restitution of the urban properties and agricultural land, demonopolization and restructuring of enterprises, the establishment of a legal and institutional framework for privatization, financial sector reforms, restructuring of the banking system, agrarian reform, reforms in the energy sector, especially in pricing and use of energy and strengthening of the social safety net.

8. The Bulgarian foreign trade régime was substantially liberalized, the national currency (the lev) became internally convertible. Private activity expanded.

9. As a result of both external shocks and internal factors, GDP declined in 1991 by 11.7 per cent in real terms. Due to the shock of the price liberalization inflation reached an average of 338.54 per cent. Nevertheless substantial progress was also made. Restrictive macroeconomic policy eliminated the monetary overhang and led to a substantial decline to about 4 per cent in monthly inflation rate by year end.

10. Bulgaria entered 1992 having made progress on macroeconomic stabilization but the economy continued to contract, with GDP failing by 7.7 per cent in real terms, led by an 11 per cent decline in industrial output (the figures point to better performance as compared to 1991). The rate of capacity utilization in industry amounted to 55-60 per cent. Agricultural production plunged by 7.7 per cent, while services were down 3.3 per cent.

11. Initial 1993 data seem to indicate a further deceleration in the output decline with an estimated 5 per cent drop as compared to the first quarter of 1992. Inflation remained under control despite the energy and fuel price increases in January and May.

12. Based on the progress achieved in the first years of reform, the policy objectives for 1993 include acceleration of structural reform with macroeconomic stabilization, revival of foreign trade, diversification of export markets, further reduction of the inflation, limitation of the decline in output. Progress towards, a balanced deal on the external debt is also envisaged.

13. It is assumed that a certain increase in the budget deficit is practically unavoidable under present economic circumstances given the limited foreign financing, and the costs of the structural reform - the land reform, the expenditures related to the privatization process.

14. In 1993 the external economic environment remains unfavourable to the country. The unresolved foreign debt issue (in relation to the London Club) still dominates. In observing the embargo of the UN Security Council towards Serbia and Montenegro, Bulgaria suffers drastic indirect and direct losses. European trade flows (excluding trade with CIS countries) are

considerably affected due to infrastructural problems that have arisen as a result of the embargo. At present these trade flows are reoriented via the territory of Romania and are dependent on the operation of one bridge and one ferry on the Danube river.

2. Privatization

15. Substantial progress has been achieved in establishing legal and institutional framework for privatization, as well as in commercializing and demonopolizing large State enterprises (splitting them into a number of independent smaller economic units).

16. The privatization process in Bulgaria started with a series of restitution laws, adopted in 1992. The process of land restitution was initiated with the Law on property and Use of Agricultural Lands. To this date full property rights have been restored to about 300,000 applicants for 460,000 hectares (around 15 per cent of land), mostly in areas where old field boundaries still exist. It is expected that about 60-70 per cent of the land win be returned by the end of the year. Other restitution laws deal with urban property. About 70 per cent of the urban property has been restituted.

17. After an initial start of the privatization in 1991, the Law on Transformation and Privatization of State-Owned and Municipal Enterprises was passed by the Parliament in 1992. The Law allows for a flexible, multi-track approach to privatization.

18. The institutional framework for the privatization has been completed with the staffing and appointment of the management of the Privatization Agency in 1992 which has to regulate and supervise the privatization process. Under the provisions of the Law, the Privatization Agency is responsible for the privatization of enterprises with assets above lev 10 million. The privatization of enterprises worth below lev 10 million is in the responsibility of the respective ministries.

19. From the legal point of view the State enterprises are prepared for privatization. Privatization will mainly be carried out by sale of shares of State enterprises (or parts thereof), transformed into joint-stock or of limited liability companies, or by the direct sale of non-transformed enterprises under the Law of Commerce.

20. The Agency has developed and adopted, in conjunction with the appropriate line ministries, annual privatization programmes, as required under the Law. The programme for 1993 involves 318 enterprises. Among them eighty-six are offered by the Privatization Agency and 232 - by the ministries. The privatization procedures for 101 enterprises are already underway. Two large-scale privatization deals (in electronics and food processing) with predominant foreign direct investments contribution, have been completed.

21. In 1992 the private sector turned into a statistically significant factor, being the most dynamic and buoyant segment in the Bulgarian

economy. This was largely due to the speedy restitution and the widespread emergence of private firms. By October 1992 the value of actually restituted "urban" assets amounted to US$166 million (at the average annual dollar rate). The major part of them represented land and garden plots (47.5 per cent), housing (21.9 per cent) and shops (16 per cent).

22. In 1992 the share of the private sector accounted for at least 16 per cent of GDP. The private sector accounted for over 50 per cent of retail trade and 30 per cent of foreign trade. The private sector output in agriculture grew by 13 per cent against a 27.3 per cent fall of the farm's output in the State sector. The private sector accounted for 23 per cent of household incomes (in the last quarter of 1992). Some estimates suggest that a number of private sector activities are still not recorded and put private sector contribution to 25 per cent of GDP.

3. Foreign trade

23. The Bulgarian economy is heavily dependant on foreign trade. In the past three years, Bulgarian foreign trade declined, mainly due to the collapse of trade with its partners from Central and Eastern Europe and to the embargo towards Iraq, Serbia and Montenegro in accordance with UN Security Council Resolutions.

24. In the context of the economic reform a radical trade reform was undertaken based on the elimination of the State monopoly on foreign trade (1989), free access to foreign exchange for current account transactions (1991) and drastic removal of quantitative restrictions on imports. Price based measures and tariffs became the main trade policy instruments.

25. Trade liberalization resulted in opening the Bulgarian economy to international competition and placed the foreign trade sector among the key factors contributing to the overall liberalization of the economy.

26. New trade possibilities were opened and closer links with the world economy were established through the conclusion in 1991 of the Trade Agreement with the United States, providing for m.f.n. treatment, the Europe (Association) Agreement with the EC signed on 8 March 1993 and the Free Trade Agreement with the EFTA States, signed on 29 March 1993.

27. The disruption of trade flows with former CMEA countries resulted in a total drop in exports by 56 per cent in 1991 (exports to the former Soviet Union fell by nearly 60 per cent and to the other CMEA countries by almost 70 per cent) as Bulgarian trade was mainly oriented (80 per cent) to these countries.

28. The import flows in 1991 contracted even more with total imports falling by 70 per cent reflecting the lack of financing in convertible currencies

29. Trade performance improved in 1992 as compared to 1991 as a result of increase of trade flows with OECD countries.

30. The initiated trade liberalization resulted in significant reorientation of trade flows. The share of OECD countries increased from 12 per cent of total exports in 1990 to 43 per cent in 1992, while the share of imports from OECD countries doubled for the same period reaching 47 per cent share of the total imports in 1992. The reverse development occurred in trade with former CMEA countries. In 1992 their share in total exports and imports decreased from 80 per cent in 1990 to about 40 per cent in 1992.

31. Substantial changes occurred in Bulgaria's trade commodity pattern. The share of machinery and equipment decreased especially in exports and the growth of the share of consumer goods was recorded.

32. Trade liberalization resulted also in a marked increase of the private sector in foreign trade. Starting from a system where all exports and imports were conducted by State-owned foreign trade enterprises in 1992 at least 30 per cent of total foreign trade was effected by private companies.

33. Merchandise trade was almost balanced in 1991. A certain improvement was witnessed in 1992 with a positive trade balance. In the first quarter of 1993 a reverse trend was observed.

34. Capital inflows consisted more or less entirely of IMF drawings, disbursements under the World Bank structural adjustment loan and G-24 support. In 1992 the registered direct foreign investment remained at the level of 1991, amounting to US$42 million.

35. By the end of 1992 Bulgaria's external debt amounted to US$13 billion (152 per cent of GDP). In resolving the external debt situation some progress was also made. An agreement was reached with the official creditors. Bilateral agreements with official creditors were signed and Bulgaria is current on its obligations arising from these agreements.

36. Bulgaria intensified discussions with foreign private creditors aiming to achieve a lasting solution to the debt problem. In late 1992 and early 1993 Bulgaria began partial interest payments to commercial banks as a good faith gesture to private creditors. Progress has been made in defining the broad parameters for a debt and debt service reductions deal though details have not been agreed yet.

37. Bulgaria is committed to continue its trade liberalization efforts as means of promoting efficient use of domestic resources. Trade is expected to play a major rôle in the process of economic restructuring.

38. The accession to the GATT is a trade policy priority. Bulgaria will expect credit for its unilateral liberalization measures.

4. Legal developments

39. The political changes have been reflected in the new Bulgarian Constitution, adapted by the Bulgarian Parliament in 1991. The

Constitution, inter alia, protects private property as inviolable and stipulates that the economy of the Republic of Bulgaria shall be based on free economic initiative. The new Bulgarian Constitution was the first step in removing legal barriers to new private business activity.

40. Since early 1990, the reform process has involved major changes in economic legislation. Parliament is responsible for adopting legislation. Economic and trade policy is formulated by the Government.

41. The implementation of trade policy is the responsibility of the Government. The foreign trade régime is set by the Council of Ministers.

42. The Bulgarian Parliament has made substantial progress towards establishment of an appropriate legal framework for the systemic changes in the economy. New laws and other legislative acts were passed and those not in line with the transition to a new market environment, are being repealed.

43. The reform process has determined changes in the Decree No. 56 on Economic Activities, passed in 1989. There are some parts of it which are still in force, however the following are replaced by the regulations of the new laws: Chapter I, Chapter II, Art. 65(4), Art. 4(2)(3), Art. 99-106, 119, 120, 121, 123, 124, 125, 126, and paragraph 11 of the final provisions.

44. The fundamental new economic laws are:

- Law on Commerce, adopted in 1991;
- Law on Property and Use of Agricultural Lands, adopted in 1991, amended in 1991, 1992 and 1993;
- Law on Accountancy, adopted in 1991;
- Law on Turnover Tax and Excises, adopted in 1951, with recent amendments in 1989, 1991 and 1992;
- Law on the Protection of Competition, adopted in 1991;
- Law on the Bulgarian National Bank, adopted in 1991;
- Law on the Economic Activity of Foreign Persons and on the Protection of Foreign Investments, adopted in 1992;
- A number of laws on restitution of urban property, adopted during 1992;
- Law on Transformation and Privatization of State-owned and Municipal Enterprises, adopted in 1992;
- Law on Banks and Credit Activity, adopted in 1992;
- Patent Law, adopted in 1993;
- Copyright Law, adopted in 1993.

45. A number of important reform-related laws still to be adopted in 1993 include: Law on VAT, Bankruptcy Law, Law on Commercial Contracts, Law on Securities and Stock Market. A new Customs Code in line with the EC legislation will soon be presented to Parliament. With the adoption of the new laws on taxation, bankruptcy and commercial contracts Decree 56 shall be repealed.

46. Under the Association Agreement concluded with the European Communities, Bulgaria will benefit from technical assistance to harmonize its laws with EC legislation in the following areas in particular: customs law, company law, banking law, company accounts and taxes, intellectual property, protection of workers at the work place, financial services, rules of competition, protection of health and life of humans, animal and plants, consumer protection, indirect taxation, technical rules and standards, nuclear law and regulation, transport and environment.

PART II

Macroeconomic and Trade Policy Instruments

1. Price policy

47. Significant progress has been made towards price liberalization. According to official estimates fully liberalized prices apply to 84 per cent of retail sales turnover.

48. The price liberalization gradually led to the reduction of the share of controlled prices so that their impact on the overall price level grew weaker. Their share in the retail turnover dropped from 22-24 per cent in 1991, when the programme was launched, to 16 per cent in 1992.

49. The Government fixes the prices of some energy products: electricity, heating and coal for home heating. After the initial price liberalization the petroleum products were added to the list. Their removal in June 1991 resulted in a decrease of the share of fixed prices in retail turnover from 9 per cent to 2.5 per cent. The fixed prices have been raised several times since the initial increase in 1991 (in June 1991, May 1992, January, May 1993). In respect of fixed prices, the Government is considering the adjustment process to be implemented within two years for electricity, and within three years for heating.

50. Ceiling prices for petroleum products and propane-butane gas have been set by the Government since June 1991. Ceiling prices hare calculated on the basis of the average of the prices on the international market and of the exchange rate of the lev. The ceiling prices are determined on a fortnightly basis, and thus reflect changes that may occur. After the initial steep rise of these prices in 1991, in 1992 due to the international price development and the stability of the exchange rate of the lev, these prices remained virtually unchanged. The February 1993 raise of the excise duty from 35 per cent to 50 per cent for gasoline and diesel fuel, resulted in a 36 per cent cumulative increase of their prices for the February-March period. The intention of the Government is to further gradually provide for the increase in petroleum prices with the view to liberalize them later this year or early next year.

51. Government monitoring has been reduced in scope (fourteen goods in 1991) and at present covers the following goods: two types of flour, two types of bread, meat with bone, milk with 3 per cent fat content, poultry meat, yoghurt, white cheese in brine from cow's milk and medicines. Since February 1991 the prices of these essential products have increased substantially - several times above their administrative levels maintained prior to the liberalization (in June and August 1991, May 1992, March 1993).

52. The rate of inflation, as measured by the consumer price index, dropped significantly from an average of 338.54 per cent in 1991 to 91.3 per cent in 1992.

53. Inflation in the first quarter of 1993 remained under control despite the price increases. Consumer prices increased by 18.19 per cent with the average monthly growth rate of 5.73 per cent. The major inflationary sources during the first quarter were energy prices (17.25 per cent) and fuel prices (up to 36.35 per cent). The rise of the essential food prices which are under government monitoring also exceeded the overall inflation level (33.84 per cent).

54. Price control is regarded by the Government as a temporary measure in the transition process applied to cushion social problems. Bulgaria will continue its efforts to further increase the scope of the price liberalization.

2. Fiscal policy

55. Fiscal policy is playing a crucial rôle in the stabilization and restructuring effort. Its principal objectives are:

- to contain and reduce the budget deficit in relation to GDP;
- effect a significant reduction in the redistributive role of the State budget through a sharp decrease of both revenues and expenditures in relation to the GDP;
- to contribute to keeping inflationary processes under control.

The attainment of these objectives will help restore and maintain macroeconomic balance and raise overall efficiency.

Taxes

56. Important steps have been taken in the context of a comprehensive fiscal reform which shall be to a large extent completed till the end of 1993. These steps were guided by the objectives of establishing a broad-based tax system in line with the principles of a market economy and moving towards the introduction of a value-added tax. The tax rate shall be the same for local and imported products and services.

57. The percentage of revenues from taxes and other duties in relation to GDP has fallen from 42.9 per cent in 1990 to 29.8 in 1992 and is projected at 32.3 for 1993.

58. At present two turnover tax rates are applied - 10 per cent for a small number of foodstuffs and commodities and 22 per cent for the remaining goods and services.

Turnover tax is paid for consumer goods and services for final consumption as a fixed percentage of the sale price. The same rates of turnover tax are applied both to domestic and to imported goods. Exemptions from turnover tax are applied for exports and when the respective goods are sold for production purposes in the country.

Excise taxes are levied on hazardous products and luxury goods representing a total of twenty-three product headings, the rates varying between 10 and 70 per cent. The same rates apply to local and imported goods. Exports and products sold for domestic production purposes are exempted from excise taxes.

59. The Law on VAT and the new laws on tax administration and procedures, are expected to be approved shortly by Parliament.

Subsidies

60. As a result of the price liberalization, subsidies have been drastically curtailed - from 16-17 per cent of GDP in 1990 to less than 2 per cent of GDP in 1992 and are projected at 1.69 per cent for 1993.

61. Since 1991 no export subsidies, including on agricultural exports are being applied in Bulgaria.

62. Production subsidies are applied primarily for:

(i) compensating higher production costs in some vital sectors (energy and transportation) with considerable social implication;

(ii) social considerations (including support for producers in mountainous regions and for disadvantaged regions of the country).

63. The Bulgarian Government will continue its policy of a further scaling down of subsidies.

3. Foreign exchange and banking policy

64. Foreign exchange and banking policies have also undergone changes under the reform. The objectives from the outset being:

- to sustain a system of a unified exchange rate and to establish a market-based exchange rate system;
- to stabilize the national currency and achieve realistic exchange rates to foreign currencies;
- to liberalize most current account transactions;
- to enhance competition in the national economy and to ensure balance-of-payments adjustment;
- to strengthen the banking system and to promote the most efficient use of financial resources;
- to eventually reach convertibility consistently with Article VIII of the Articles of Agreement of the IMF.

Foreign exchange policy

65. Bulgaria has chosen to freely float the exchange rate of its national currency - the lev - vis-à-vis convertible currencies. Following the establishment in February 1991 of a flexible interbank market the rate of the lev against the US dollar is quoted daily by the Bulgarian National Bank and reflects the average weighted rate of sales and purchases of foreign currencies on the interbank market. For the remaining convertible currencies, the rates are determined on the basis of the cross rate of "Reuters" of the day.

66. The exchange rate of the lev against foreign currencies, quoted by BNB, is applied for the purposes of statistics, accountancy and customs valuation. It is not obligatory for transactions and serves only as a reference to the licensed banks and exchange bureaux.

67. Sales and purchases of foreign exchange against Bulgarian lev are effected by the Bulgarian National Bank (BNB), commercial banks and individuals who have obtained license for carrying out such operations. License holders freely negotiate with their customers the exchange rates. They have the right to sell or purchase foreign exchange without any restrictions.

68. As of 31 May 1993, seventeen banks are licensed to effect all kinds of currency operations both in the country and abroad.

The remaining forty-one commercial banks may carry out foreign exchange operations only on the territory of the country.

69. Since 1 January 1991, the Transferable Rouble (TR) is no more applicable in Bulgarian foreign trade. Hence there is no need to fix coefficient rate of the Lev against the TR, neither rates for non-commercial payments, nor for settlements under specific bilateral payment agreements.

As of 1 April 1991, all payments on the territory of the country are effected in Bulgarian lev. Sales of goods and services in the country against foreign exchange have been discontinued.

70. Companies can freely buy from the interbank market the foreign exchange needed for payments in connection with imports and trade foreign currencies among themselves. Companies are free to decide whether to keep their export earnings in foreign currency at their disposal or to sell it to the banks at market rate.

71. Local persons may freely trade foreign currencies on the interbank currency market for current account transactions. Permission for payments to foreign persons is required in the case of capital account transactions.

72. No restrictions exist for nationals and foreign persons to open accounts in foreign exchange with commercial banks. Nationals may freely dispose with the balances on their accounts.

73. There is no requirement for companies to surrender to the State the foreign currency earned.

Local natural and legal persons are obliged to transfer to Bulgaria the foreign exchange earned by them within a period of 30 (thirty) days.

74. The comparatively stable exchange rate during 1991 and 1992 was one of the most important price stabilization factors.

Banking and financing

75. Bulgaria has a two-tier banking sector with a central bank - the Bulgarian National Bank, and fifty-eight commercial banks with 396 branches in the country as of 31 May 1993 (by the end of March 1991 there were seventy-three commercial banks in Bulgaria).

76. The Law on the Bulgarian National Bank and the Law on Banks and Credit Activity, adopted by Parliament in 1991 and 1992 respectively form the legal basis for the financial sector reform. These two laws established the legal framework for a modern two-tier banking system with an independent central bank - the Bulgarian National Bank.

77. The Bulgarian National Bank pursues its general monetary policy and emission activities, carries out operations with securities on the open market, sets forth the overall rules and regulations for the banking activities in the country, monitors the activity of commercial banks, determines the minimum level of reserves.

The Bulgarian National Bank pursues an independent interest rate policy and fixes the basic interest rate.

78. Commercial banks are established as joint stock companies.

79. All companies, including these with foreign participation, may operate with commercial banks of their own choice without any restrictions.

80. Interest rates on credits extended to companies are negotiated between the crediting bank and the respective recipient.

81. In order to facilitate further restructuring of the banking sector, a Bank Consolidation Company was established in late 1991. As a result, the first merger of twenty-two banks into a United Bulgarian Bank was completed and it started operations on 1 January 1993. Five other mergers of State-owned banks are in an advanced stage of preparation. Further consolidation in the sector is envisaged with a possible completion of the process by the end of 1993.

82. Two stock exchanges were set up in late 1991 and early 1992 and began regular operations in early 1992. While the volumes are still small, they have continued to rise over time, reaching about lev 1 million per week in early 1993.

83. There were two cases of liquidation of banks in 1992: the Yambol and the Bobovdol banks.

84. A number of financial instruments have been introduced e.g. short-term treasury bills, long-term government bonds, short-term interbank deposits, lombard credits.

PART III

Trade Policy and Organization of the Foreign Trade System

1. Reform in the foreign trade system

Trade policy

85. The changed political structure paved the way for a return to market-based principles and institutions. Trade policy reform started in 1991 as a basic component of the economic reform in Bulgaria. Bulgaria moved from a system of tight administrative controls on foreign trade to a trade régime where price based measures become the main trade policy instruments.

86. Under the reform of Bulgaria's trading system, the State monopoly and administrative management of foreign trade was abolished and the system was liberalized. All economic units, including private ones, acquired the right to carry out foreign trade activities.

87. The trade policy reform is a central component of the systemic reform programme, as it encourages restructuring of domestic production away from the highly protective market, towards activities where the country has an actual or potential comparative advantage.

88. Primary objective of the Government in undertaking the trade reform is to ensure that trade reflects the efficient use of domestic resources. The trade reform is expected to encourage an increase in productivity and a higher rate of export growth. The trade policy objectives include: integration into the multilateral trading system, ensuring better market access for Bulgarian exports and diversification of markets.

Regional trade agreements

89. In March 1993 Bulgaria signed Europe Agreement with the European Community providing for the establishment of a free-trade area in a ten-year period. Elimination of trade barriers for industrial goods and improvement in market access for agricultural products is envisaged under the Agreement. The provisions related to trade are to become effective in 1993 with the entry into force of the Interim Agreement on Trade and Trade Related Matters. These provisions aim at a greater liberalization of mutual trade based on principles, instruments and objectives of the multilateral trading system. The process of trade liberalization is asymmetrical thus recognizing the economic disparities between Bulgaria and the EC Member States.

90. In March 1993 Bulgaria signed a Free Trade Agreement with EFTA States covering trade in industrial products, fish and processed agricultural goods. The Agreement is parallel in many ways with the Europe Agreement with the EC. There is also an asymmetry in the implementation schedule of trade liberalization in favour of Bulgaria. Bilateral Agreements on trade

in agricultural goods with each individual EFTA State were signed on the same date.

91. Bulgaria's Free Trade Agreement with Finland from 1974 shall remain in force until the benefits under that Agreement will be fully overtaken by the Agreement between Bulgaria and EFTA States.

Bilateral trade agreements

92. An Agreement for Trade Relations between the Republic of Bulgaria and the US was signed an 22 April 1991, by virtue of which the two countries extend to each other m.f.n. treatment.

93. Mutual trade between Bulgaria and the former CMEA countries was based on bilaterally negotiated product lists and denominated in non-convertible currency. These trade arrangements expired in December 1990.

94. As from 1 January 1991 trade with the former CMEA countries is conducted in convertible currencies and at world prices. The new trade agreements with the former CMEA countries are consistent with the requirements of GATT and contain m.f.n. clause. Identical trade agreements are signed with some of the successor States of the ex Soviet Union - Russia, Ukraine, Belarus and Lithuania.

95. Traditionally the Soviet Union used to be the most important trading partner of Bulgaria. During the period 1991-1992 transitional trade arrangements concluded to soften the adverse impact on Bulgarian economy resulting from drastic disruption of established trade patterns were applied in bilateral trade. These trade protocols providing for world market prices and payments in clearing US dollars expired on 31 December 1992. Since the beginning of 1993 clearing trade arrangements with CIS countries are no longer applied. Imports from these markets are subject to the import régime of Bulgaria applied to all third countries.

Conditions for business for foreign natural and legal persons

96. The foreign investment régime has been set forth in the new Law on the Economic Activity of Foreign Persons and on the Protection of Foreign Investments, adapted by the Parliament in 1992. According to the provisions of the Law, foreign natural and legal persons in the country are accorded national treatment, unless otherwise provided for by law. In terms of taxation foreign investors enjoy some fiscal advantages.

97. Foreign natural and legal persons have the right to carry out economic and foreign trade activities in the country directly, through a subsidiary or through a joint venture. For this purpose foreign natural and legal persons need to register at a district court.

98. The profits resulting from the direct economic activities of foreign natural and legal persons are taxed at the rate of 40 per cent, which is the uniform tax rate applied to Bulgarian companies since the end of 1990. Profits of subsidiaries and joint ventures with foreign

participation exceeding 49 per cent and US$100 000 or its equivalent in other currency are levied with profit tax at the rate of 30 per cent.

99. A foreign natural and legal person who has invested in the Republic of Bulgaria may freely repatriate the currency earning, interest, dividends and other incomes from their investment. Foreign natural and legal persons can also freely transfer obtained profits, remuneration and liquidation quota in lev through buying foreign currency from any licensed commercial bank at the market rate of exchange.

100. The free trade zones have been established through Decree No. 2242 of 1987. The Decree defines a Duty-Free-Zone as an area in which foreign economic entities or joint ventures may conduct economic activities without the obligation to pay customs duties on their imports and with certain tax advantages.

101. There are seven free trade zones in the regions of the cities of Rousse, Vidin, Bourgas, Plovdiv, Dragoman, Haskovo and Svilengrad. Activities that are most common in the free trade zones include: handling, storage and warehousing.

2. Institutional framework of the foreign trade system

Governmental institutions

102. The Ministry of Foreign Affairs and the Ministry of Trade are the governmental bodies responsible for the implementation of the trade policy. The Ministry of Trade implements the foreign trade regime of the country.

103. Other Ministries, governmental institutions and central bodies also having trade-related competences are the Ministry of Finance, Customs Authorities within the Ministry of Finance, Ministry of Agriculture, Ministry of Industry and the Bulgarian National Bank.

The trade-related laws and other legislative acts are published in the State Gazette.

104. The administration of the Law on the Protection of Competition is entrusted to the Commission for Protection of Competition which is independent from the Government. The Commission has broad powers to deal with anti-competitive practices.

105. In Bulgaria, there are no specialized independent bodies which review trade and industrial policy. However the Bulgarian Chamber of Commerce and Industry and various unions of private economic operators and academic institutions regularly survey economic developments.

Natural and legal persons

106. As of 1 July 1991, the Commercial Law (Company Act) is in force. It is drawn up along the lines of the respective legislation of West European countries.

107. Economic activity in the country may be carried out on the basis of various forms of ownership including private, municipal, State and joint one with foreign participation.

108. All natural and legal persons, whether Bulgarian or with foreign participation, registered at the Court have the right to carry out economic activity, including foreign trade activity.

109. No companies in Bulgaria have exclusive or privileged import rights. The importation of all goods may be effected by any economic entity, irrespective of its ownership.

110. State-owned trading companies perform foreign trade activities solely on the basis of commercial considerations, competing with each other and with the private companies.

3. <u>Tariff policy</u>

111. Tariffs have become the main trade policy instrument in an economy where prices are substantially liberalized as a result of the price reform. This has become also possible through the removal of the import restrictions and the drastic changes in import licensing.

<u>Customs tariff</u>

112. A new import tariff is in force in Bulgaria as of 1 July 1992. The tariff has been composed on the basis of the Harmonized Commodity Description and Coding System. In adjusting the customs tariff of 1981 to the Harmonized System the requirements for use of all items and sub-items were observed. The work has been done in collaboration with the Customs Cooperation Council. The new customs tariff contains ninety-six chapters, 1,241 four-digit headings, 5,018 six-digit headings and 812 eight-digit headings. Imported goods are levied with duties according to the customs tariff.

113. The new Tariff contains two columns. The first column specifies rates under Bulgaria's Generalized System of Preferences scheme. The second column specifies most-favoured-nation rates (m.f.n.).

114. Imports from least-developed countries are subject to zero tariff rates. Imports from countries which do not apply m.f.n. treatment to Bulgaria are subject to 200 per cent of the m.f.n. rate.

115. Imports of goods covered by the Free Trade Agreement with Finland signed in 1974 are free of customs duties.

116. Under the Europe Agreement, signed on 8 March 1933 Bulgaria and the EC are to establish a free trade area within ten years. The Interim Agreement on Trade and Trade Related Matters is expected to enter into force soon.

117. Under the Agreement, signed on 29 March 1993 Bulgaria and the EFTA States are to establish free-trade area between them within ten years, starting from mid-1993.

Import duties

118. The average nominal m.f.n. tariff rate is 17.96 per cent. The 1992 trade weighted average for m.f.n. imports is 13.72 per cent. For industrial products the average nominal rate is 16.69 per cent and the 1992 trade weighted is 12.50 per cent. For agricultural products the levels are 25.97 per cent and 30.91 per cent respectively.

119. Bulgaria's tariff has five basic m.f.n. rates ranging from 5 to 40 per cent. The most common rate is 25 per cent representing almost 31 per cent of all tariff lines. Only 8 per cent of tariff lines fall under the rate of 40 per cent accounting for less than 5 per cent of total 1992 imports. The greatest share of imports (34 per cent) falls under the lowest rate of 5 per cent.

120. The preferential margin under Bulgaria's Generalized System of Preferences scheme varies from 20 to 40 per cent of the most-favoured-nation (m.f.n.) rates.

Import taxes

121. The 15 per cent import tax applied in 1991 in addition to the import duty was abolished with the introduction of the new import tariff. However, as of 1 July 1992 an import tax in addition to the import duty was introduced for a limited number of agricultural products. The list has been reduced in 1993 and at present import taxes are applied for: frozen beef, veal, pork and poultry meat, yoghurt, butter, fresh grapes (from 1 July to 31 October), fresh apples (from 1 August to 31 December), fresh tomatoes, cucumbers, peppers, processed fruit, fruit juices. Import tax is applied also on imports of some perfumery and cosmetics items.

The import tax varies from 5 per cent (juices, perfumes) to 25 per cent (frozen pork, veal, beet and poultry meat). A proposal is under consideration for the elimination of the import taxes. However some of them will be included into the customs tariff.

Duty exemptions

122. Some goods are temporarily exempted from import duty for social and ecological considerations. The list of exemptions is being gradually reduced. At present exempted from duty are the imports of: baby food, raw materials and substances for the production of medicines, animal feed, farming equipment and spares, plant protection chemicals and some fertilizers, ambulance cars; equipment for environmental protection as well as measurement and control devices for environmental analysis, molasses, non-processed timber, medical appliances and equipment. A proposal is now being discussed for further reduction of scope of these temporary exemptions.

123. All tariff exemptions are implemented on an erga omnes basis without any differentiation as to the origin and/or conditions of importation.

Export taxes

124. Export taxes are applied in cases of severe shortages on the domestic market as a result of major imbalances in the real economy during the transition period. These are regarded as a temporary measure replacing the prohibitions and quantitative restrictions on exports for some essential products.

125. The list of products subject to export taxes is being progressively reduced with a view of total elimination. In 1991 in order to relieve critical shortages on domestic market for foodstuffs and raw materials export taxes for six product groups and twenty-seven commodities were applied. As of 6 April 1993 export tax is applied for eight groups of products, notably raw materials: sunflower seeds, sunflower seeds oil, non-processed and processed timber, firewood, raw hides and skins, wool, paper and cardboard waste and residue.

126. The export taxes are determined in US$ and paid in domestic currency at the exchange rate of the date of exportation.

Customs fees

127. The initial rate of 1 per cent customs clearance fee, was subsequently reduced to 0.5 per cent, effective since November 1991. The fee is applied on exportation and importation of goods.

Customs valuation

128. Since 1982, the Bulgarian legislation on customs valuation is based on the Agreement on Implementation of Article VII of the GATT.

129. The customs value of imported goods is the transaction value, that is the price actually paid or payable for the goods when sold for export to Bulgaria to which external transport charges, loading, unloading and handling costs, insurance and other costs are added. If this method for determining the customs value is not possible the other methods envisaged in the Customs Valuation Code are used in consecutive order.

130. The exchange rate for calculating the customs value is the rate of the respective currency according to the daily quotation of the Bulgarian National Bank (the Central Bank).

131. Bulgaria is interested in joining the Customs Valuation Code after its accession to the GATT.

Rules of origin

132. A product is considered originating in the country where it has been wholly obtained or has undergone substantial processing. The criterion for substantial processing is a share over 50 per cent in the value of the product.

133. As regards imports from the European Community, the EFTA States and Finland, their origin is determined under the rules of origin annexed to the respective Agreements.

134. Certificate of origin is required for imports under Bulgaria's GSP scheme.

135. Under the Europe Agreement with the EC, the Free Trade Agreement with EFTA States and the Agreement with Finland certificate of origin as described in the respective agreements is required.

4. Licensing

136. In the context of the reform the system of tight administrative controls has been abolished. Before 1991 all imports were subject to import licensing and the licensing system was one of the major instrument s for regulating imports, involving a great degree of discretion. In February 1991 the Bulgarian government has drastically changed the system whereby imports are free from licensing unless explicity provided for otherwise. As a result the scope of import licensing was substantially reduced.

137. The Council of Ministers is the body authorized to determine the range of goods subject to licensing.

138. Licensing is applied in a fair and equitable manner. Automatic licences are applied for monitoring purposes and are issued within one day. Non-automatic licences are granted within five working days from the date of application. No fees are charged for issuing of licences. Licences are issued by the Ministry of Trade.

139. The new application form has been drawn up in conformity with the UN specimen, allowing subsequent EDIFACT data processing and exchange.

140. Bulgaria is interested in acceding to the Agreement on Import Licensing Procedures after its accession to the GATT.

Import licensing

1[illegible]. Currently imports of the following items require non-automatic licensing:

- military equipment;
- pharmaceutical products, raw materials and substances for their production;
- psychotropic substances;
- radioactive materials;
- materials and waste dangerous for the environment;
- explosives;
- guns for hunting;
- gold and sliver; precious stones;
- plant protection preparations;
- endangered and rare flora and animals.

142. Automatic licensing is applied for monitoring purposes on imports of the following items: coal, crude oil and liquid fuels, alcoholic beverages, tobacco products.

Import quotas

143. With the beginning of the reform all quantitative import restrictions for industrial products were abolished. Import quotas an some agricultural products are maintained and the list of products subject to quantitative limits is being gradually reduced. In 1992 Bulgaria applied quantitative limits on imports of five agricultural products and seasonal limits on two agricultural products. In 1993 the list was reduced to three items - tobacco, oranges and ice cream and the quantities of the first two products were increased as compared to the limits in 1992.

Export licensing

144. Trade liberalization on exports passed through the following stages: retaininq prohibitions and quantitative restrictions for some time and gradually either eliminating or replacing them by export taxes the scope of which is subject to progressive reduction and gradual elimination.

145. In 1991 essential export products were under prohibitions or non-automatic licensing. With the successive changes in the foreign trade régime in July 1992 and in April 1993 most of the products under such régimes were liberalized. At present under non-automatic licensing remain wood in the rough and grain seeds for sowing and products related to protection of animal and plant life, products of historic and archaeological value, gold and silver, military equipment, psychotropic substances; radioactive materials. For monitoring purposes automatic licensing is applied for export products such as live animals and meat thereof, dairy products, wines, fuels, ferrous and non-ferrous metals, tobacco and tobacco products (these were previously under prohibition or non-automatic licensing).

146. Export licensing is used also to administer export restraints imposed by other countries in textiles and clothing, ferrous metals, sheep and goat meat sector.

Export quotas

147. The export bans applied in 1991 on exportation of some products (hides and skins, grain, sunflower seeds, wine grapes, wheat flour, female animals for breeding) were replaced in 1992 by export quotas most of which were eliminated at the end of 1992. At present quantitative limits are applied only on exportation of female bovine and ovine live animals.

Export bans

148. Prohibition on exports may be introduced in case of serious shortages on the domestic market. In any case such measures are of limited duration. In 1991 prohibitions on exports of thirteen product groups were applied.

These were gradually liberalized in 1992 and 1993. In 1993 a temporary ban was introduced on exportation of grain expiring by the end of September 1993. Exportation of waste and scrap of ferrous and non-ferrous metals is also temporarily prohibited.

149. Under the current legislation export prohibitions remain only for:

- goods received as humanitarian aid to Bulgaria;
- blood globulin, human blood, sera and hemoglobin;
- natural mud for medical purposes.

5. Standards and veterinary and phytosanitary regulation

150. The national system of standardization is developing in line with the internationally accepted principles and practices, while taking into account internationally accepted standards. Bulgaria participates in international standardization activities. It is a member of ISO, IEC and takes part in activities related to standardization of ECE and OIML and some other specialized organizations.

151. Imported goods have to conform at least to the requirements of the Bulgarian standards regarding safety, health and environment protection. When no Bulgarian standard for certain products exists, importation is effected according to the terms of the specific contract.

152. In relation to test methods and administrative procedures, issuance of certificates or marks of conformity, the imported goods are accorded treatment no less favourable than that accorded to domestic products.

153. Test results, certificates or marks of conformity, issued by the relevant authorities of countries signatories to international and bilateral agreements to which Bulgaria is a party, are accepted in accordance with the provisions of such agreements.

154. All exports and imports of goods of plant or animal origin are subject to veterinary and phytosanitary control. Such goods, when exported or imported, should be accompanied by veterinary or phytosanitary certificates.

155. At present Bulgaria is a party to bilateral agreements and protocols on veterinary and on phytosanitary control with a number of countries. Bulgaria is a signatory to the Codex Alimentarius and a member of the International Office of Epizootics and of the European and Mediterranean Plant Protection Organization.

STATISTICAL ANNEX

TABLE 1

Bulgaria's Selected Economic and Monetary Indicators, 1991-1993

		1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993 Q1
GDP	Value (MLN BGL, current prices)	131,058	195,000	N/A	N/A	N/A	N/A	N/A
	Growth rate (%)	-11.7	-7.7	N/A	N/A	N/A	N/A	N/A
Consumer price index	Period average (%)	339.4	91.3	15.6	18.7	12.6	15.7	18.2
Unemployment[1]	Number (thousand)	419.1	576.9	452.6	475.8	538.7	576.9	604.5
	Rate[2]	11.1	15.2	12.0	12.6	14.3	15.2	16.0
Consolidated State Budget[1]	Cash deficit (-) Billion BGL	-5.0	-10.4	-1.7	-0.9	-6.5	-3.5	-8.3
	% of GDP	-3.8	-5.3	N/A	N/A	N/A	N/A	N/A
Foreign trade payments[1,3]	Exports (MLN USD)	3,737.0	5,093.0	1,060.1	1,230.3	1,052.4	1,750.2	861.5
	Imports (MLN USD)	3,769.0	4,608.5	914.4	941.5	1,013.6	1,739.0	801.6
	Balance (MLN USD)	-32.0	484.5	145.7	288.8	38.8	11.2	59.9
Current account[1,3]	Balance in convertible Currencies (MLN USD)	-77.0	451.6	101.6	245.8	33.3	51.4	-174.3
Gross official reserves[3]	Bulgarian National Bank (MLD USD)	358.1	964.5	644.6	822.4	1,080.7	964.5	914.3
Gross official reserves (months of convertible currencies imports)[4]		0.7	2.1	N/A	N/A	N/A	N/A	N/A
Gross external debt[1]	(Billion USD)	11.4	13.0	N/A	N/A	N/A	N/A	N/A
Gross external debt / GDP	(in %)	N/A	152	N/A	N/A	N/A	N/A	N/A
Gross external debt / Exports	in convertible currency (in %)	N/A	296	N/A	N/A	N/A	N/A	N/A
Exchange rate period average	BGL per USD	16.68	23.34	23.36	23.07	23.56	24.08	26.07
	BGL per DEM	9.96	15.49	14.64	14.30	15.42	15.59	15.94

[1] End of period
[2] Percentage of labour force
[3] Q1 1993 data are preliminary
[4] Period average

Source: Bulgarian National Bank.

TABLE 2

Bulgaria's Indices of Industrial Output, 1990-1992

Industry	1990	1991	1992**
Total industrial output	83.2	77.8	83.9
Production of electricity and steamheat power	90.6	93.1	90.5
Coal production	92.1	91.7	84.8
Oil and gas industry	82.8	89.4	91.2
Ferrous metallurgy (including ore - mining)	61.1	54.7	88.3
Non-ferrous metallurgy (including ore - mining)	74.8	72.6	91.7
Engineering, electrotechnical and electronic industry:	77.7	73.7	70.0
Machine - building and metal - processing	82.4	81.0	75.8
Electrotechnical and electronic industry	72.0	63.5	62.9

TABLE 2 (Cont'd)

Industry	1990	1991	1992**
Chemical and oil-processing (including rubber) industry	74.9	81.9	82.7
Building materials	80.5	60.4	87.8
Logging and woodprocessing	88.9	83.1	88.7
Cellulose and paper	81.4	71.2	99.6
Glassware, china and earthenware	100.2	81.4	80.2
Textiles and knitware	98.6	69.4	92.8
Sewing	111.4	86.6	91.3
Leather, furriery and footware	85.5	79.0	96.7
Printing	102.7	109.0	103.8
Food - processing	90.0	79.0	89.1
Other industrial branches	95.3	95.5	97.8

**Preliminary data

Source: National Statistical Institute

TABLE 3

Number of Economic Entities in Bulgaria, 1990-1992

Industry sector	1990*	1991**	1992***
Total	28,028	78,538	202,250
Public sector	3,491	30,660	37,318#
Private sector	24,537	47,878	164,932
of which :			
Industry	6,198	9,641	18,089
Construction	1,666	2,844	6,483
Agriculture	1,226	4,126	8,680
Transport	6,576	9,344	16,997
Trade	5,294	15,283	95,290
Other sectors of the economy	3,577	6,640	19,393

* Data as of 31 December 1990
** Data as of 28 January 1992
*** Data as of 12 February 1993

The increase of the number of enterprises in the public sector is a result of the demonopolization process

Source: National Statistical Institute.

TABLE 4

Bulgarian Exports and Imports in 1992 by Country Groups
(Percentage of total)

Group of countries	Exports			Imports		
	1990	1991	1992	1990	1991	1992
Total	100.0	100.0	100.0	100.0	100.0	100.0
OECD	11.9	26.4	42.5	21.6	32.8	46.6
EEC	7.9	15.7	30.9	16.3	20.7	32.6
EFTA	1.5	3.4	3.5	3.2	7.8	6.8
Other OECD	2.5	7.3	8.1	2.1	4.3	7.2
Other developed countries	0.0	0.5	0.7	0.0	0.4	0.3
Countries in transition	79.9	59.4	43.4	71.6	51.6	38.8
Central and Eastern Europe	77.3	57.8	41.9	69.2	51.0	37.2
Other	2.6	1.6	1.5	2.4	0.6	1.6
Developing countries	8.2	13.7	13.4	6.8	15.2	14.3
Arab	6.6	8.0	7.8	4.9	4.5	7.9
Asian	1.0	4.1	4.0	1.2	2.5	4.8
American	0.0	0.4	0.9	0.7	2.9	1.5
African	0.6	1.2	0.7	0.0	5.3	0.1

Source: Ministry of Trade.

TABLE 5

Bulgarian Exports and Imports by Countries, 1990-1992
(current prices)

Countries and territories	Exports 1990	Exports 1991	Exports 1992	Imports 1990	Imports 1991	Imports 1992
	million leva			million leva		
Total	10,559.5	57,368.3	81,644.8	10,314.9	45,132.4	80,595.7
Europe						
Albania	21.4	23.8	1,000.6	22.5	52.2	75.6
Austria	44.7	563.3	963.2	164.9	2,114.5	2,594.6
Belgium	25.7	545.2	2,580.0	35.6	395.0	913.3
Luxembourg	1.5	17.6	3.8	0.3	1.1	13.7
Former CSFR	466.7	491.7	569.7	478.6	534.7	1,523.6
Cyprus	3.9	241.2	299.3	3.5	49.5	52.9
Denmark	5.7	100.9	362.9	18.1	123.7	377.0
Finland	9.5	181.5	321.9	11.1	218.1	374.9
France	54.8	827.4	1,950.4	75.3	958.7	2,287.5
Germany	447.2	2,728.7	8,143.3	1,071.9	3,146.3	10,297.3
Greece	84.4	1,248.8	3,478.4	33.5	401.9	4,749.8
Hungary	129.6	232.2	561.0	69.9	193.3	512.9
Iceland	0.0	0.2	7.3	n/a	0.3	1.1
Ireland	1.9	2.5	6.3	4.2	0.3	105.8
Italy	82.5	1,549.2	4,321.6	197.3	1,882.5	4,251.2
Malta	n/a	2.6	71.4	n/a	12.9	2.8
Netherlands	39.1	519.4	1,344.0	52.5	475.2	1,381.7
Norway	21.0	10.5	29.0	2.9	17.7	33.3
Poland	269.5	1,183.1	1,884.8	516.5	1,657.1	640.1
Portugal	2.9	31.8	117.7	3.0	81.9	57.8
Romania	407.4	1,050.3	2,090.1	136.3	195.1	2,138.6
Spain	25.8	297.1	456.2	17.7	225.1	314.4
Sweden	7.6	274.0	338.7	17.5	239.2	585.5

TABLE 5 (Cont'd)

Countries and territories	Exports 1990	Exports 1991	Exports 1992	Imports 1990	Imports 1991	Imports 1992
	million leva			million leva		
Switzerland	79.3	890.3	1,030.7	132.6	933.0	1,806.8
Liechtenstein	0.9	16.4	0.5	4.4	1.0	14.1
United Kingdom	59.3	1,112.7	2,416.1	170.5	1,630.9	1,504.5
Former USSR	6,762.9	28,552.4	20,585.9	2,826.7	19,508.5	23,081.3
Former Yugoslavia	104.3	1,585.3	7,481.8	87.8	880.3	1,993.3
Asia						
Afghanistan	6.6	132.2	42.2	0.1	4.7	8.6
Bangladesh	13.6	7.6	3.0	15.6	20.0	6.8
Cambodia	1.0	n/a	0.0	0.1	19.5	0.6
China	68.8	717.4	1,092.9	54.9	167.1	814.4
Hong Kong	n/a	16.7	44.1	n/a	6.8	118.3
India	6.7	567.0	177.8	6.7	25.3	99.0
Indonesia	n/a	22.3	22.6	n/a	4.4	82.6
Iran	30.4	444.4	965.9	55.7	1,241.5	2,447.5
Iraq	24.5	0.2	42.2	209.1	0.0	n/a
Israel	n/a	63.5	391.3	n/a	57.6	150.1
Japan	31.6	398.4	323.2	106.7	244.4	1,859.8
Jordan	11.0	217.8	687.1	2.4	1.2	66.0
Korea, DPR	73.9	27.7	25.8	13.6	9.1	31.0
Kuwait	2.3	4.4	19.9	0.7	0.0	0.1
Lebanon	52.9	414.9	1,223.6	2.1	25.6	98.5
Malaysia	n/a	2.8	343.1	n/a	82.1	120.3
Mongolia	14.7	9.5	12.2	6.7	12.0	n/a
Pakistan	53.4	642.4	128.3	50.5	789.7	5.8

TABLE 5 (Cont'd)

Countries and territories	Exports 1990	Exports 1991 million leva	Exports 1992	Imports 1990	Imports 1991 million leva	Imports 1992
Philippines	1.3	30.4	220.8	0.6	n/a	1.5
Saudi Arabia	15.7	240.5	584.9	n/a	0.0	453.8
Singapore	12.0	64.9	113.0	17.1	117.7	269.3
South Korea	4.2	99.0	227.3	6.9	75.4	484.2
Syria	36.5	1,186.1	1,908.6	10.6	172.1	1,226.8
Thailand	8.7	290.0	638.6	7.7	2.2	30.1
Turkey	37.5	1717.8	4659.2	28.4	391.2	1419.0
Vietnam	12.3	70.8	12.2	23.5	42.1	24.3
Yemen	1.7	15.2	28.9	0.0	0.0	0.0
<u>Africa</u>						
Algeria	24.6	363.8	210.9	24.0	218.1	913.4
Angola	4.4	13.0	17.3	n/a	n/a	n/a
Egypt	28.3	663.6	774.0	4.4	95.5	2057.1
Ethiopia	11.9	5.3	0.0	n/a	n/a	n/a
Ghana	2.2	11.8	2.7	n/a	n/a	3.6
Liberia	n/a	10.6	259.4	n/a	n/a	0.9
Libya	421.4	1200.1	383.7	175.9	1122.2	356.5
Morocco	11.1	100.3	101.0	3.2	21.4	27.3
Mozambique	6.4	65.7	54.1	5.8	5.9	9.6
Nigeria	40.5	554.4	245.4	0.0	2.2	4.9
South Africa	n/a	0.0	70.2	n/a	121.7	53.7
Sudan	0.1	1.9	79.0	n/a	0.1	n/a
Tanzania	0.1	0.8	0.1	n/a	10.2	1.9
Tunisia	8.1	122.2	299.9	0.2	379.6	962.8
Zimbabwe	n/a	4.2	1.5	n/a	n/a	22.8

TABLE 5 (Cont'd)

Countries and territories	Exports 1990	Exports 1991 (million leva)	Exports 1992	Imports 1990	Imports 1991 (million leva)	Imports 1992
America						
Argentina	1.5	63.7	174.8	44.5	327.1	442.5
Bolivia	n/a	0.1	223.9	n/a	n/a	3.8
Brazil	0.0	1.2	75.9	14.7	57.8	320.0
Canada	4.9	87.7	224.1	9.0	29.4	109.4
Cuba	106.2	23.3	26.6	111.6	81.8	440.6
Mexico	n/a	27.2	11.8	n/a	842.2	11.8
Nicaragua	1.4	0.0	36.0	1.6	n/a	0.0
Panama	n/a	n/a	58.6	n/a	0.9	18.2
Peru	1.1	2.7	122.9	7.0	82.3	212.9
United States	183.7	1924.8	1366.2	57.2	1295.2	2384.3
Venezuela	n/a	4.3	31.6	n/a	0.0	0.9
Australia and Oceania						
Australia	2.1	29.7	59.0	10.6	5.4	49.6
New Zealand	0.2	3.0	0.6	5.0	n/a	5.4

Source: National Statistical Institute.

TABLE 6

Bulgarian Exports and Imports by Commodity Groups, 1992

(Current prices, per cent)

HS sections	Description	Exports		Imports	
		million leva	percentage of total exports	million leva	percentage of total imports
	Total	81,644.8	100.0	80,595.7	100.0
1.	Live animals; animal products	4,942.8	6.1	232.9	0.2
2.	Vegetable products	3,629.7	4.6	723.6	0.9
3.	Animal or vegetable fats and oils and their cleavage products; etc.	303.9	0.4	185.1	0.2
4.	Prepared foodstuffs; beverages, spirits and vinegar; tobacco; etc.	9,338.7	11.4	4,445.5	5.5
5.	Mineral products	4,361.8	5.3	29,823.8	37.0
6.	Products of the chemical or allied industries	7,948.2	9.7	6,242.1	7.8
7.	Plastics and articles thereof; rubber and articles thereof	9,962.3	12.2	2,277.3	2.9
8.	Raw hides and skins, leather, furskins and articles thereof; etc.	380.5	0.5	286.5	0.4
9.	Wood and articles of wood; wood charcoal; etc.	1,168.0	1.4	160.5	0.2
10.	Pulp of wood or of other fibrous cellulosic material; etc.	929.5	1.1	1,632.2	2.0
11.	Textiles and textile articles	5,062.6	6.1	4,693.6	5.8
12.	Footwear, headgear, umbrellas; etc.	1,452.2	1.8	1,043.5	1.3
13.	Articles of stone, plaster, cement, asbestos; etc.	1,311.3	1.6	561.9	0.6
14.	Natural or cultured pearls, precious or semi-precious stones; etc.	389.3	0.47	49	0.06
15.	Base metals and articles of base metals	12,124.1	14.8	4,385.4	5.4
16.	Machinery and mechanical appliances; etc.	9,928.6	12.1	12,729.3	15.8
17.	Vehicles, aircraft, vessels; etc.	2,800.7	3.5	5,824.6	7.2
18.	Optical, photographic, cinematographic apparatus; etc.	228.6	0.3	1,488.3	1.8
19.	Arms and ammunition; parts and accessories thereof	n/a	n/a	n/a	n/a
20.	Miscellaneous manufactured articles	986.4	1.2	253.2	0.3
21.	Works of art, collectors' pieces and antiques	11.5	0.01	9.4	0.01

Source: Ministry of Trade.