



**BUSINESS FOR DEVELOPMENT:  
IMPLICATIONS FOR EXPORT STRATEGY-MAKERS**

**BULGARIA**

EXPORT STRATEGY DEVELOPMENT IN BULGARIA  
BETWEEN MONTREUX – 2002 AND CANCUN - 2003

## 1. Basic information

Republic of Bulgaria is a country with open economy, member of WTO since December 1996, associated member of the EU since February 1995, negotiating for the EU membership since 2000, planning to become a EU member in 2007.

Bulgaria has free trade agreements with EU, EFTA, CEFTA and other countries and is a party of the Pan – European accumulation protocol of origin of goods.

Bulgarian foreign trade turnover for 1995 – 2002 varies within USD 9,2 and 13,3 billions. The foreign trade balances are negative reaching more than USD 2,1 billions in 2002. Export of goods varies between USD billions 3,9 and 5,6 for 2002.

Different competitiveness exercise started in Bulgaria in 1998. There are some studies on competitiveness of the Bulgarian economy ( in terms of Prof. Michael Porter's understanding of the competitiveness). Most of the information is available on the Bulgarian Competitiveness Exercise (BCE) website, created in 2001 - <http://www.competitiveness.bg/>

## 2. Recent 2002 – 2003 developments

There is national understanding and consensus for the importance of the development and promotion of the Bulgarian economy, Bulgarian industry, and Bulgarian export. Some of major sectors, like electrical engineering, wood processing and furniture, vine and wine, information and communications technologies, tourism, represented by their branch chambers have moved from the change in language stage to stage of practicing new learning. Part of this process is actively assisted by the German Center for Technical Cooperation – GTZ. Some examples:

- Sector Development Strategy for Bulgarian electrical engineering – February 2003, developed by the Bulgarian Chamber of electrical engineering (Tel: (359-2)-963-3437, email:[bbktdep@mb.bia-bg.com](mailto:bbktdep@mb.bia-bg.com), <http://bbcee.eltechno.com>) , financed by GTZ-Germany and assisted by BIA. The strategy is available from the web site - <http://bbcee.eltechno.com>;
- Action 2005 – A joint initiative of business and politics for the development of the Bulgarian woodworking and furniture industry – May 2003, developed by the Bulgarian Chamber of Woodworking and Furniture Industry (Tel: (359-2)- 963-4299, email: [timberchamber@sinetbg.com](mailto:timberchamber@sinetbg.com), [www.bkdmp-bg.com](http://www.bkdmp-bg.com)), financed by GTZ- Germany and assisted by BIA.
- Strategy for the development of the Bulgarian vine and wine sector – February 2003, developed by the Bulgarian National Vine and Wine Chamber (Tel: (359-2)- 981-1674, email:[lilwine@mb.bia-bg.com](mailto:lilwine@mb.bia-bg.com), [www.bulgarianwines.org](http://www.bulgarianwines.org), financed by GTZ- Germany and assisted by BIA.
- Action Plan for a Competitive ICT Industry in Bulgaria – 2003, under development by the Bulgarian Association of Software Companies (BASSCOM, Tel: (359-2) – 962-4156, email:[office@basscom.org](mailto:office@basscom.org), [www.basscom.org](http://www.basscom.org)) and Bulgarian International Business Association (BIBA, Tel: (359-2)- 981-9169, Email:[office@biba.bg](mailto:office@biba.bg), [www.biba.bg](http://www.biba.bg) ).
- State of the Tourism in Bulgaria and major tasks for its development till 2005 - under development by the Ministry of Economy ([www.mi.government.bg](http://www.mi.government.bg));

The development of Bulgarian National Export Strategy is becoming a major objective in the development of the economy. It will make a difference from change in language describing development to a change in practical implementation and to generative stage of increasing competitiveness. The listed strategies will also add significant value in the efficiency and

effectiveness of the Public Private Partnership in Bulgaria, within the framework of the Bulgarian Council for Economic Growth, where the business – government dialogue is taking place.

BIA actively supports and participates in the process. We are very thankful the ITC/UNCTAD/WTO for all forms of assistance, e.g. Trade & Product Map information, The Secrets of Strategy Template tool, World Trade Net Program. It is very important for business in transition from centrally planned to market and global economy to have a reliable source and sound guidance.

### **3. Bulgarian business proposals:**

- The social capital (both managers and employees) has to have major priority. Every measure to preserve and develop human resources as a key competitiveness factor has to be taken on each and every level - company, sector or national level.
- Simplification, facilitation and acceleration of the negotiations of Doha Development Round could increase the effectiveness and efficiency of the WTO and Doha Development Agenda (DDA). Simplification for business means avoiding introduction of new terms, modalities, and procedures and reducing the existing ones. Facilitation for us means not only legal obligations but also efficient and transparent daily implementation. Acceleration of the process is an obvious need. Business measures time in terms of hours, days and sometimes in months. The time for reaching WTO agreements runs in years. Matching the clock of the business and the clock of the government could be very beneficial for both parties.