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Bulgaria And Romania Trade with Sub-Saharan Africa: A Comparison

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Economic Research Institute at BAS

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Bulgarian Academy of Sciences
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BULGARIA AND ROMANIA: COUNTRY MEMBERS OF THE EU, PART OF THE GLOBAL ECONOMY

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TABLE OF CONTENTS

Foreword	5
CHAPTER 1: THE 10 YEARS OF EU MEMBERSHIP OF BULGARIA AND ROMANIA – IMPACT OF EU POLICIES	7
Andrei Rădulescu , <i>Transylvania Bank, IWE, RA</i> – “Romania And Bulgaria – Lessons of First Decade In EU And Mid-run Challenges”	9
Rositsa Rangelova, Grigor Sariiski , <i>ERI-BAS</i> – “Bulgaria and Romania in the EU: Economic Progress in Comparative Perspective”	19
Dobrinka Stoyanova, Stefan Raychev , <i>University of Plovdiv</i> – EU Integration Effects on Bulgarian and Romanian Economy	31
Simona Moagăr-Poladian, George-Cornel Dumitrescu, Alexandru Tănase , <i>IWE-RA</i> – “The Roadmap to Eurozone, evolutions, and perspectives”	41
Tatiana Houbenova-Delisivkova , <i>ERI-BAS</i> – “The Impact of the Reform of the EU Common Agricultural Policy on the European Integration: Problems and Prospects”	53
Aglika Kaneva , <i>UNWE</i> – “Comparative Analysis Of The Absorption Of The Resources From The European Structural And Investment Funds In Bulgaria And Romania During Programming Period 2014 – 2020”	71
Milan Vemic, Julia Stefanova , <i>ERI-BAS</i> – “The European Union Capital Markets Union: Reflection on Main Policy Aspects and Methodological Challenges for SME Financing”	81
Miroslav Nedelchev , <i>ERI-BAS</i> – “Banking Supervision in the European Union: National Policies”	99
CHAPTER 2: THE ECONOMIC DEVELOPMENT OF BULGARIA AND ROMANIA AS EU MEMBER COUNTRIES	87
Iskra Christova-Balkanska , <i>ERI-BAS</i> – “Structural Reforms in EU Industries: Special Focus on Bulgaria and Romania”	107
Juliana Hadjitchoneva, Angel Georgiev , <i>New Bulgarian University</i> – “Business Environment in Bulgaria And Romania: A Comparative Analysis”	121
Mariya Stankova, Ivanka Vasenska , <i>South-West University Neofit Rilski</i> – “Tourist Destination Bulgaria Attractiveness Analysis”	135
Mariya Ivanova , <i>New Bulgarian University</i> – “Status of the Wine Industry in Bulgaria And Romania - Common Problems, Joint Initiatives and Perspectives For Development”	149

CHAPTER 3: BULGARIA AND ROMANIA IN THE GLOBAL WORLD	161
Eduard Marinov , <i>ERI-BAS</i> – “Bulgaria And Romania Trade with Sub-Saharan Africa: A Comparison”	163
Desislava Baeva, Svilena Marinova , <i>University of Ruse „Angel Kanchev“</i> – Application Of Communication Tools for Virtual Marketing Among Buyers of Furniture from Bulgaria And Romania	175
Ventsislava Ivanova , <i>South-West University Neofit Risli</i> – The Impact of Globalization on Tourism and the Developpment of the Bulgarian Tour Operators	187
Daniel Bulin, Ion Alexandru Tănase , <i>IWE-RA</i> – China's 16+1 Cooperation In The Tourism Industry – An Analysis of the Current Status for CEE Countries. Opportunities for Romania And Bulgaria	197
Iustin Alexandu, P. Ciprian Bradu, Alexandru Taşnadi , <i>Bucharest University of Economic Studies</i> –“Ecomenics - the Inculturation of European Economy in the Balcanic Countries”	205
CHAPTER 4: MODERN ADVANCES IN INTERNATIONAL ECONOMICS	213
Galya Taseva-Petkova , <i>UNWE, ERI-BAS</i> – Factoring and Market Power	215
Edith Mihaela Dobrescu , <i>IWE-RA</i> – “Negative Interest Rate Policy – the Concept, State of Affair and Effects”	229
Emilian M.Dobrescu , <i>INE-RA</i> – “Bitcoin Virtual Currency”	241
Mariya Paskaleva , <i>South-West University Neofit Risli</i> – “How Good Is Credit Default Swap Market as A Predictor of Financial Crisis at Capital Markets?”	249
Maksym Dimitrov , <i>South-West University Neofit Risli</i> – “Cruis Industry in the Focus of Total Quality Management”	261
CHAPTER 5: POSTER CONTRIBUTIONS	273
Alina Ligia Dumitrescu , <i>IWE-RA</i> – EU Policies on Migration	275
Manuela-Cristina Unguru , <i>IWE-RA</i> – Competitiveness prospects for Romania and Bulgaria. The Impact of Digitalization on Labour Market	279
Andreea – Emanuela Drăgoi , <i>IWE-RA</i> – Main Challenges for Sustainable Rural Development in Romania	283
Dorina Clichici , <i>IWE-RA</i> – Dealing with Non-performing Loans Burden in the European Union	287
Sarmiza Pencea, Ana-Cristina Bălgăr , <i>IWE-RA</i> – The New Era of Chinese Capital – China’s Repositioning in the Global Investment Landscape	291

BULGARIA AND ROMANIA TRADE WITH SUB-SAHARAN AFRICA: A COMPARISON

Eduard MARINOV, PhD¹

Abstract

The diversification of international markets and the direction towards regions which were neglected and evaded as risky could be a powerful factor in the search for growth acceleration and overcoming recession. The paper aims at summarizing the potential of trade with one such region – Sub-Saharan Africa, by providing an EU comparison of Bulgarian and Romanian trade relations with it. The studies the dynamics of both countries trade with the region for the 2003-2015 period, the place of Sub-Saharan Africa in Bulgarian and Romanian extra-EU trade, the commodity structure and the direction of trade.

Keywords: Sub-Saharan Africa, SSA, Bulgarian International Trade, Romanian International Trade, EU comparison

JEL Classification: F14, F50

Introduction

In recent years a trend is observed for Bulgarian and Romanian exports to expand their value to partners with higher share at the expense of the reduction of exports to countries with a more insignificant presence in the country's international trade relations. Under the current state of deepening liberalization and globalization processes, intensification of trade relations is a main pillar in their strategies for economic development (Nevena Byanova, 2010, p. 266). The concentration of foreign trade with one country or economic community, as is the case with the European Union (EU), determines the dependence of the economy on the economic situation of those main partner countries, which poses a high risk of rapid transmission of (negative) global economic trends in our country (Economic Research Institute, 2016, p. 41). Economic growth will be determined by export opportunities – especially outside the EU, hence any policy to promote exports is fundamental to the growth and stability of the economy in the medium term. In this context a recent study showed that a major part of Bulgarian enterprises which conduct international transactions have the capacity to expand their export without

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extending their production facilities (Nedyalko Nestorov, 2015, p. 24).

Although neglected by both Bulgarian and Romanian researchers and policy makers in the past several decades, Sub-Saharan Africa (SSA) becomes more and more significant to the countries trade relations while the development of trade with the countries in the region has a serious potential in terms of the opportunities which their markets present to Bulgarian and Romanian companies. The importance of Sub-Saharan countries is determined by their increasing role in global politics and economy, as well as by the vast economic potential and natural resources available to these countries.

Bulgarian and Romanian policy towards African countries in general is based on the one hand on the traditionally good relations with some of them, while on the other – on their preferential political and economic relations with the European Union. Important conditions for these countries to overcome their problems are the existence of an established legal and institutional framework, the political stability and inclusive social environment (Julia Stefanova and Zachary Wenner, 2017). The African direction of Bulgarian foreign and economic policy is a part of the country's priorities for its integration into the European structures. Thus both countries are part of the development of trade relations with African countries under the EU Economic Partnership Agreements (EPAs).

Aiming to analyses and summaries the potential trade prospects, the article discusses Bulgarian and Romanian trade with Sub-Saharan Africa in a comparative perspective to the EU. Section 1 analyses the dynamics of trade for the 2003-2015 period and the place of SSA in the international trade relations of the EU and Bulgaria. Section 2 provides a comparison of the commodity structure of trade with SSA. Section 3 defines both countries' place within the EU and among the comparable as size of the economy and as historical links with the region countries of Central and Eastern Europe (CEE). Finally, the conclusion summarizes the main findings and trends and provides some recommendations on the possible policy measures for the utilization of the trade potential of Sub-Saharan markets.

The article analyses the period since 2003, when the new framework for trade relations between the EU and African countries entered into force, up to 2015. All presented data are based on the author's own calculations based on import and export data from the International Trade Center and Eurostat.

Dynamics of trade with Sub-Saharan African countries

Increase of trade and especially in exports and opening-up towards new markets is a possible alternative for supporting economic growth which could lead to stabilization of the positions in international trade in the current state of globalizing markets and increased international competition. In this perspective Bulgaria should search for opportunities to diversify international trade – not only at the European, but also at other markets (Borislava Galabova and Nedyalko Nestorov, 2016, p. 119). Such potential markets are those in Sub-Saharan Africa. This section analyses the dynamics of trade flows for the 2003-2015 period and the place of SSA in international trade relations - firstly of Bulgaria, then of Romania.

Bulgaria

The total value of trade between Bulgaria and Sub-Saharan Africa in 2015 amounted to 409.8 Million Euro (Figure 1), occupying just 0.8% of the Bulgaria's total and 2.3% of the country's extra-EU trade flows. Throughout the period 2003-2015 exports had a more significant place – in 2015 their value is 233.2 Million and the share of exports to non-EU countries is 2.8%. Imports are considerably less – 177.6 Million in 2015 which is 1.9% of the extra-EU imports of Bulgaria. Until Bulgaria's accession to the EU (up to 2007) trade with Sub-Saharan Africa had a relatively low value – less than 50 Million Euro in 2003 and 2004 and about 100 Million in 2005-2007. Before 2007 both imports and exports had similar values, while later there was a significant increase in exports – nearly 4 times till 2008 and almost 6 times till 2013.

Figure 1

Bulgarian trade with SSA (Million Euro)



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

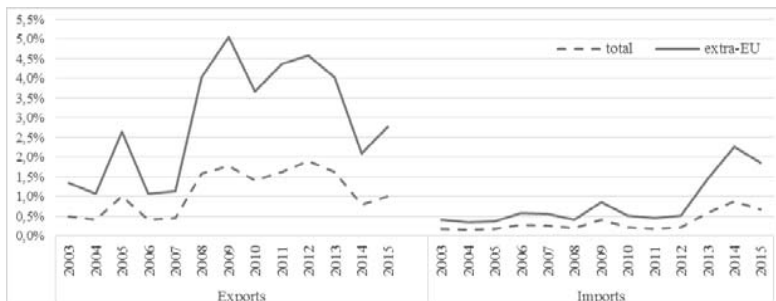
Exploring the dynamics of trade between Bulgaria and the region of Sub-Saharan Africa shows that the global financial crisis has almost no negative impact on it – in 2009 exports decreased by 31.6 Million Euro, but imports increased by 16.7 Million, so that the general decline in trade flows was only 14.8 Million, which is only about 5% of their value in 2008. In 2010, conversely, imports decreased (by 25.5 Million Euro) at the expense of exports, which increased by 10.3 Million, i.e. the decline in trade flows again was about 15 Million. In 2011, both indicators grew – imports minimally (by 0.8 Million Euro), while exports – by 50% (by 108 Million), thus the value of trade flows reached 370.5 Million. A certain decrease in the value of exports is observed in the last two years, while imports are increasing.

In recent decades, Bulgarian trade is mainly directed towards the countries of Western Europe – since 2000, the share of the current 27 other EU members in Bulgaria's trade is always over 55%, reaching 64% in 2015. Trade with SSA as a share of Bulgarian trade with non-EU countries (other than the remaining 27 EU member states) has also seen significant growth – from 0.76% in 2003 to 2.29% in 2015. The increase is greater in

imports, mainly due to the lower base value – from 0.41% in 2003 to 1.86% in 2015, while exports increased from 1.34% in 2003 to 2.77 % in 2015 (Figure 2).

Figure 2

Share of SSA in Bulgarian International Trade (%)



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

After the years of transition towards a market economy the economic relations of Bulgaria with the countries of Africa marked a significant decline. While in 1984 Sub-Saharan countries occupied 4.3% of the total trade flows, at the beginning of the period under review (2003) this share was only 0.3%. In 2003-2015, it has increased almost threefold, and in 2013 it reached almost 1.1%, while in the last two years under review it is 0.83%. In relative values greater increase is observed in imports – from 0.17% in 2003 to 0.67% in 2015, the most significant share being in 2014 – 0.87%. Export growth is by 0.51 percentage points – its share in 2003 was 0.49% and in 2015 – 1.00%, its highest share being observed in 2012 – 1.62%.

Romania

The total value of trade between Romania and Sub-Saharan Africa in 2015 amounted to 650 Million Euro (Figure 3), occupying just 0.5% of the Romania's total and 2.3% of the country's extra-EU trade flows. Throughout the period 2003-2015 exports had a more significant place – in 2015 their value is 408.5 Million and the share of exports to non-EU countries is 2.8%. Imports are considerably less – 241.5 Million in 2015 which is 1.7% of the extra-EU imports of Bulgaria. Until Romania's accession to the EU (up to 2007) trade with Sub-Saharan Africa had a relatively low value – less than 250 Million Euro. In 2003 both imports and exports had similar values, while later there was a significant increase in exports – nearly two times till 2005, 4 times till 2008 and almost 5 times till 2013.

Exploring the dynamics of trade between Romania and the region of Sub-Saharan Africa shows that the global financial crisis has a significant negative impact on it – in 2009 exports decreased by twice, but imports increased by 50%, so that the general decline in trade flows was nearly 148 Million, which is about 1/3 of their value in 2008. In 2010 both

imports and exports increased (by respectively 42 Million and 207 Million Euro), i.e. the increase in trade flows was about double – with 249 Million Euro. In 2011 and 2012, both indicators grew, thus trade flows reached their highest value within the period under review – 701 Million Euro. In 2015 a certain decrease in the value of exports is observed, while imports are increasing.

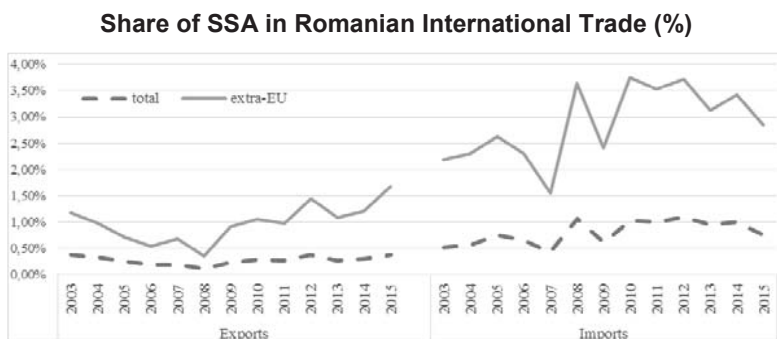
Figure 3



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

In recent decades, Romanian trade is mainly directed towards the countries of Western Europe – since 2000, the share of the current 27 other EU members in Romania’s trade is always over 65%, reaching 75% in 2015. Trade with SSA as a share of Romanian trade with non-EU countries (other than the remaining 27 EU member states) has grown for the period 2003-2015 – up to 2009 it was below 1.5%, and after that it grew to 2.2 – 2.3%. The increase is almost equal both in exports – from 2.19% in 2003 to 2.85% in 2015, and in imports – from 1.19% in 2003 to 1.68% in 2015 (Figure 4).

Figure 2



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

In 2003-2015, the share of Sub-Saharan countries in total Romanian trade occupied has slightly increased – from 0.44% in 2003 through 0.7% in 2012 to 0.55% in 2015. In relative values there is no change observed in imports – their share is the same in 2003 and 2015 – 0.38% of Romanian exports, while throughout the period the share was slightly lower (0.25-0.3%). Export growth is by 0.23 percentage points – its share in 2003 was 0.52% and in 2015 – 0.75%, its highest share being observed in 2012 – 1.09%.

Commodity structure of trade

The analysis of the commodity structure of trade helps to define the patterns of supply and demand as well as to identify the potential competitive niches for Bulgarian and Romanian products at Sub-Saharan markets. To utilize the trade potential – not only in Sub-Saharan Africa, but for Bulgarian trade in general, the Bulgarian government has to conduct and support additional measures which could help diversifying the production and producing added value (Ivan Byanov, 2014). This section studies the commodity structure of EU and Bulgarian trade for 2015 as well as the major changes for the 2003-2015 period.

Bulgaria

In 2015 there are 33 product groups (HS, level 2) in which the value of Bulgarian trade with SSA exceeds 1 Million Euro. Over 3/4 of total trade flows are concentrated in the first 7 commodity groups, another 8 have a share of 1-2.5%, while in all the rest the share is under 1% (with a value of under 3.7 Million Euro).

The leading commodity group in Bulgarian trade with Sub-Saharan Africa is „ores, slag and ash“ (134.6 Million Euro), followed by „cocoa and cocoa preparations“ (53.8 Million Euro), „cereals“ (34.9 Million Euro), „animal or vegetable fats and oils and their cleavage products“ (29.7 Million Euro), „aluminum and articles thereof“ (23 Million Euro), „copper and articles thereof“ (16.7 Million Euro) и „nuclear reactors, boilers, machinery and mechanical appliances, parts thereof“ (16.4 Million Euro). Among other commodity groups with a more distinct place in trade flows (1-2.5%, 5-10 Million Euro) are „electrical machinery and equipment and parts thereof“, „sugars and sugar confectionery“, „paper and paperboard; articles of paper pulp, of paper or of paperboard“, „tobacco and manufactured tobacco substitutes“, „other made-up textile articles; sets; worn clothing and worn textile articles; rags“, „coffee, tea, maté and spices“, „salt; sulphur; earths and stone; plastering materials, lime and cement“ and „vehicles other than railway or tramway rolling stock, and parts and accessories thereof“.

In 2015 four commodity groups occupy over 70% of all Bulgarian exports to Sub-Saharan Africa (SSA) – „ores, slag and ash“ (85 Million Euro), followed by „cereals“ (34.9 Million Euro), „animal or vegetable fats and oils and their cleavage products“ (29.7 Million Euro) and „nuclear reactors, boilers, machinery and mechanical appliances, parts thereof“ (16.4 Million Euro). Other major export

groups (with a share of 1-4% of Bulgarian exports to the region) are „electrical machinery and equipment and parts thereof“ (9.7 Million Euro), „paper and paperboard; articles of paper pulp, of paper or of paperboard“ (8.9 Million Euro), other made-up textile articles; sets; worn clothing and worn textile articles; rags“ (5.9 Million Euro), „salt; sulphur; earths and stone; plastering materials, lime and cement“ (5.3 Million Euro), „plastics and articles thereof“ (3.6 Million Euro), „tobacco and manufactured tobacco substitutes“ (3.3 Million Euro) and „pharmaceutical products“ (2.9 Million Euro).

Almost 4/5 of Bulgarian imports from Sub-Saharan countries are concentrated in just four commodity groups of primary products: „cocoa and cocoa preparations“ (53.8 Million Euro), „ores, slag and ash“ (49.6 Million Euro), „aluminum and articles thereof“ (20.9 Million Euro) and „copper and articles thereof“ (15.3 Million Euro). The other commodity groups with a more distinct presence in Bulgarian imports (2-5%, 3-9 Million Euro) are: „sugars and sugar confectionery“, „tobacco and manufactured tobacco substitutes“, „coffee, tea, maté and spices“, „vehicles other than railway or tramway rolling stock, and parts and accessories thereof“, „wool, fine or coarse animal hair“ and „edible vegetables and certain roots and tubers“.

Romania

In 2015 there are 33 product groups (HS, level 2) in which the value of Romanian trade with SSA exceeds 1 Million Euro. Over 3/4 of total trade flows are concentrated in the first 9 commodity groups, another 10 have a share of 1-2.5%, while in all the rest the share is under 1% (with a value of under 3.7 Million Euro).

The leading commodity group in Romanian trade with Sub-Saharan Africa is „vehicles and parts and accessories thereof“ (116 Million Euro), followed by „mineral fuels, mineral oils and products of their distillation“ (58 Million Euro), „sugars“ (56 Million Euro), „ores, slag and ash“ (55 Million Euro), „nuclear reactors, boilers, machinery and mechanical appliances, parts thereof“ (54 Million Euro), „ships and boats“ (53 Million Euro) and „cereals“ (43 Million Euro). Among other commodity groups with a more distinct place in trade flows (1-2.5%, 5-10 Million Euro) are „electrical machinery and equipment and parts thereof“, „tobacco“, „animal and vegetable fats and oils“, „articles of iron and steel“, „rubber“, „soap“, „furniture“, „oil seeds“ and „wood and articles of wood“.

In 2015 four commodity groups occupy near 2/3 of all Romanian exports to Sub-Saharan Africa (SSA) – „vehicles and parts and accessories thereof“ (110 Million Euro), followed by „ships and boats“ (53 Million Euro), „nuclear reactors, boilers, machinery and mechanical appliances, parts thereof“ (51 Million Euro) and „cereals“ (43 Million Euro). Other major export groups (with a share of 2-6% of Romanian exports to the region) are „electrical machinery and equipment and parts thereof“ (24 Million Euro), „animal and vegetable fats and oils“ (18 Million Euro), „articles of iron and steel“ (16 Million Euro), „mineral fuels, mineral oils and products of their distillation“ (14 Million Euro), „soap“ (13 Million Euro), „rubber“ (12

Million Euro) and “oil seeds” (10 Million Euro).

Almost 4/5 of Romanian imports from Sub-Saharan countries are concentrated in just five commodity groups of primary products: „sugars“ (56 Million Euro), „ores, slag and ash“ (55 Million Euro), „mineral fuels, mineral oils and products of their distillation“ (44 Million Euro), „tobacco“ (22 Million Euro) and “furniture” (11 Million Euro). The other commodity groups with a more distinct presence in Romanian imports (2-3%, 4-8 Million Euro) are: „coffee, tea, maté and spices“, “wood and articles of wood”, „vehicles and parts and accessories thereof“ and „fish and crustaceans, mollusks and other aquatic invertebrates “.

Dynamics

Unlike Romanian trade which is quite stable in terms of its commodity structure, in the 2003-2015 period there are significant changes in the commodity structure of trade, most of them due to the emergence or disappearance of a specific product in Bulgarian trade (imports or exports). With a few exceptions export of the main export commodities is instable – they appear and disappear in Bulgarian exports to individual Sub-Saharan countries in certain years, sometimes with a significant value. The trend for significant fluctuations and sudden appearance and disappearance of certain products in both countries’ trade with Sub-Saharan countries is even more obvious.

Bulgaria’s and Romania’s place in the EU

This section discusses how Bulgaria and Romania rank within the EU regarding trade with Sub-Saharan Africa. For a more complete picture of the country’s place in the EU to be achieved, the second part of the section compares some features of Bulgarian and Romanian international trade with SSA to those of the other EU member states from Central and Eastern Europe.

Rank within the EU

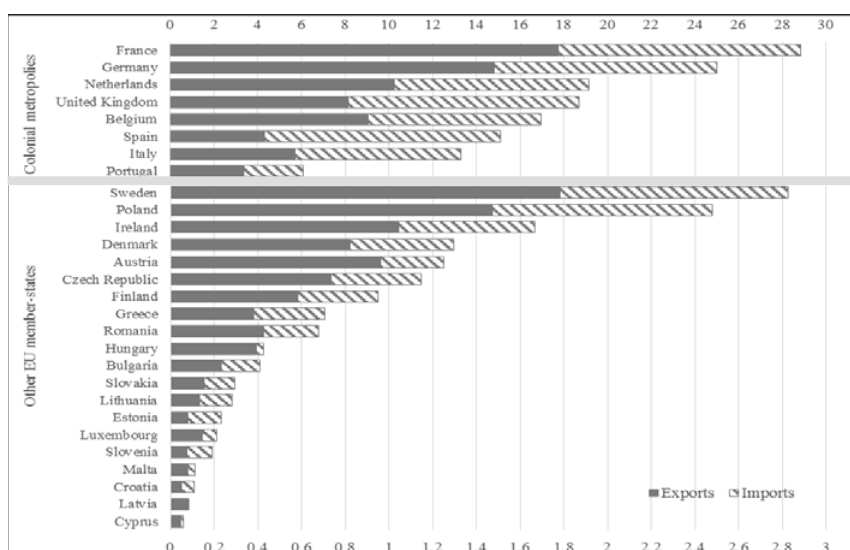
Bulgaria occupies the 19th place among the 28 EU member states in terms of the value of total trade flows with SSA, while Romania is 17th (Figure 7).

Close to the two countries both as value and as a share of EU trade with the region in 2015 are Greece (0.4% of EU 705 Million Euro), Hungary (0.3%, 427 Million), Slovakia (0.2%, 296 Million), Lithuania (0.2%, 280 Million) and Estonia (0.2%, 232 Million). Leaders are the former colonial metropolises – the 8 countries which had colonies in this region account for more than 90% of EU trade with SSA. The greatest value of trade have France (28.8 Billion Euro) and Germany (25 Billion), followed by the Netherlands (19.1 Billion), the UK (18.7 Billion), Belgium (17 Billion), Spain (15.1 Billion), Italy (13.3 Billion) and Portugal (6.1 Billion). If these countries are excluded from the ranking due to their historical ties with the region, Bulgaria is 11th among the remaining 20 EU members, the leaders here being Sweden (2.8 Billion Euro) and Poland (2.5 Billion).

In the 2003-2015 period, trade between Bulgaria and SSA grew nearly 7 times faster than EU trade with the region. For the same period Romania’s trade with SSA grew 3 times as fast as EU trade with the region. In the same period Bulgaria is second among all member states regarding the growth rate of trade with SSA countries. First in this respect is Latvia, where, however, the value of trade is very low – just 85 Million Euro in 2015. Bulgaria is followed by the Czech Republic, Lithuania, Slovakia and Poland, but their growth rates are almost twice slower than that of Bulgaria. Romania is 8th in the EU in terms of growth of trade.

Figure 7

EU Member-States trade with SSA (2015)



Note. Since the trade value of the former metropolises is much higher, it is presented above the line in tens of Billions Euro, while the one of other member states is presented under the line in Billions Euro.

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

Place among other CEE member states

In 2015 the total volume of trade of CEE countries with those from Sub-Saharan Africa amounts to 6.33 Billion Euro, with exports significantly exceeding imports – respectively 3.83 and 2.49 Billion. The share of CEE countries trade with SSA in EU extra-Community trade is relatively low – 4%, but it is much higher in exports than in imports – respectively 4.6 and 3.3% of the value of the corresponding indicator for the

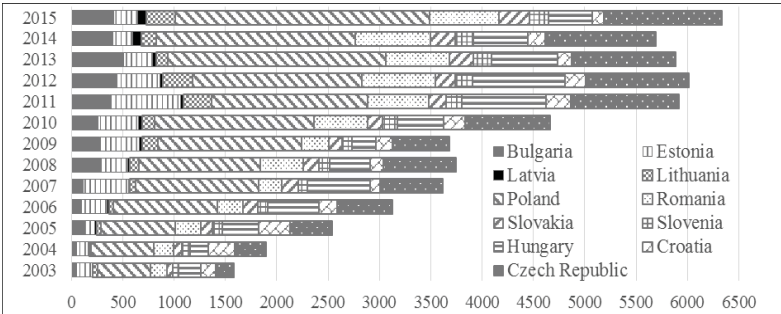
EU-28. It should be noted that the share of SSA in the total trade with Africa is much lower among CEE countries than the EU average – respectively 38 and 53%.

In 2015 the leader among the countries of Central and Eastern Europe in value of trade with Sub-Saharan Africa is Poland (2479 Million Euro), followed by the Czech Republic (1146 Million), Romania (676 Million), Hungary (386 Million), Bulgaria (fifth place, 410 Million), Lithuania (280 Million), Estonia (232 Million), Slovenia (109 Million), Croatia (110 Million) and Latvia (85 Million Euro) (Figure 8).

Poland is the only country that has a relatively significant share of EU-28 trade with SSA – 1.57% in 2015. Poland is the also the leader in exports (1473 Million Euro), followed by the Czech Republic (737 Million), Romania (425 Million), Hungary (394 Million). Bulgaria is fifth with 233 Million, while in other countries the exports have a value of just 50-150 Million Euro. In imports the domination of Poland is even more pronounced (40%). Other countries with a significant share in imports are Romania (14%) and the Czech Republic (10%). Bulgaria is fourth (7%), followed by Estonia, Lithuania and Slovakia (5% each), while last here are Hungary (32 Million Euro) and Latvia (only 7 Million).

Figure 8

CEE countries trade with SSA (Million Euro)



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

The increase in trade with SSA in the CEE countries is much greater than the EU-28 average (3.8 times for the period 2003-2015). Leader here is Latvia with average annual growth of 22%, followed by Bulgaria (19%), Lithuania (16%), the Czech Republic (14%) and Romania (13%). The leading position in the value of growth is occupied by Poland (1723 Million Euro), followed by the Czech Republic (738 Million), Romania (520 Million) and Bulgaria (361 Million). It is important to note that the enormous growth that was seen in Bulgaria and in some other CEE countries is due largely to the very low base trade value in 2003 (Figure 8).

The impact of the global crisis on CEE countries' trade with Sub-Saharan Africa is weak – in 2009 the value of trade flows decreased by just 68 Million Euro. In some

countries the decline was substantial – Hungary (157 Million), the Czech Republic (154 Million) and Romania (148 Million), while in others there is even an increase – Poland (214 Million), Estonia (123 Million). The decline in the value of trade flows is compensated as early as in the next 2010 when it increased by nearly 1 Billion Euro.

Conclusions

Exploring the dynamics of trade between Bulgaria and Romania on one hand and the region of Sub-Saharan Africa on the other shows that the global financial crisis has almost no (negative) impact on it, unlike the countries' accession to the EU in 2007, after which a significant increase in exports is observed. However, there is a certain decline in trade flows in the last years of the period under review for both Bulgaria and Romania.

Sub-Saharan Africa countries have a growing importance in Bulgarian and Romanian trade relations. The growth of trade in Bulgaria is faster – the value of trade with the region increased more than 4 times faster than Bulgaria's overall extra-EU trade flows, while in Romania it increased with 50% faster than the overall trade of the country. The potential of trade with these countries is even greater considering the increasing strongly positive balance of trade both in Bulgaria and Romania. Moreover, an increase in the share of trade with the region is observed, albeit it still occupies an insignificant part of Bulgaria's and Romania's total trade flows.

Both in Bulgaria and in Romania exports to Sub-Saharan Africa are growing faster than imports within the 2003-2015 period. However, while in Romania the region is occupying a growing but relatively unchanged share both in exports and in imports, in Bulgaria exports to SSA are taking a more serious place, while imports are growing faster in relative terms.

Bulgarian exports differ significantly of Romanian – the former are dominated by manufactures while the in the latter prevailing are crude materials. In terms of its commodity structure both Bulgarian and Romanian trade with Sub-Saharan Africa is poorly diversified and is concentrated mainly in a few major groups of goods – for Bulgaria these are mostly raw materials and products with low value added, while in Romanian trade prevail manufactures. Demand for manufactured goods in the region and the success of some Bulgarian and Romanian enterprises exporting such commodities shows a niche for national manufacturers. Unlike in Romania, instability of the commodity structure of Bulgaria trade is observed.

The concentration of the export structure in a limited number of products in both countries is mostly due to the lack of persistent and sustainable trade relations caused by the weak or even non-existing government policy to support Bulgarian and Romanian companies at these markets. Bulgarian and Romanian enterprises do not utilize adequately the wealth in resources of Sub-Saharan countries – imports are also concentrated in a few products (mostly foods and metals) from a limited number of import sources. The strong trend towards major fluctuations as well as the sudden appearance or disappearance of certain commodities in the trade with Sub-Saharan

Africa has a negative impact on both exports and imports.

Bulgaria and Romania have a similar rank within the EU in terms of trade with SSA. If the old colonial metropolises are excluded, Bulgaria takes place exactly in the middle among the other EU member states in terms of trade with Sub-Saharan Africa. Romania on the other hand, although being a bigger economy, is just two places above. Even from this perspective, the share of the countries' of the other 20 countries' trade flows is still very low. However, Bulgaria and Romania are among the EU countries with the fastest growth rates of international trade with Sub-Saharan Africa, albeit minimal in terms of value.

Despite the lower volume of trade compared to Poland, which as the biggest economy under review is the leader among Central and Eastern Europe EU members, Romania and Bulgaria occupy leading positions in trade with Africa on all indicators. Bulgaria is the undisputed leader in terms of growth rates of both imports and exports.

The growing potential of Sub-Saharan Africa together with the good institutional framework provided by the EU trade agreements are a fine basis for the realization of efficient trade policy by the Bulgarian and Romanian governments. This policy should include at the first place the utilization of the most important government function in supporting international trade – to provide information to potential exporters and importers, as well as the conduction of ambitious and most importantly persistent actions to impose Bulgarian and Romanian enterprises on these markets.

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