

# Bulgaria

## 1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	6,951,482	6,838,937
Currency	Lev	Lev
GDP per capita in PPS (2012, EU28 = 100)	55	62

Source: Eurostat and National Statistical offices.

## 2 HIGHLIGHTS BULGARIA

TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

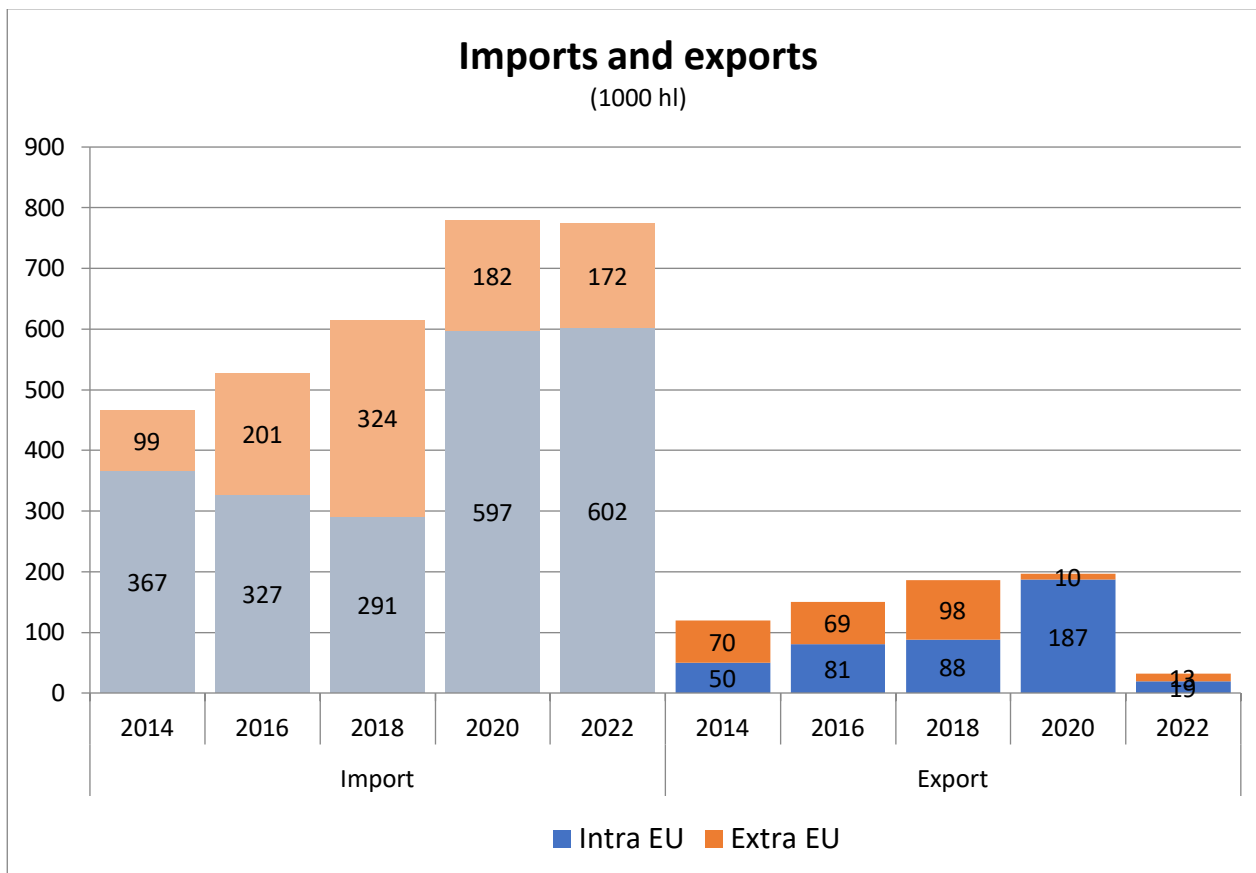
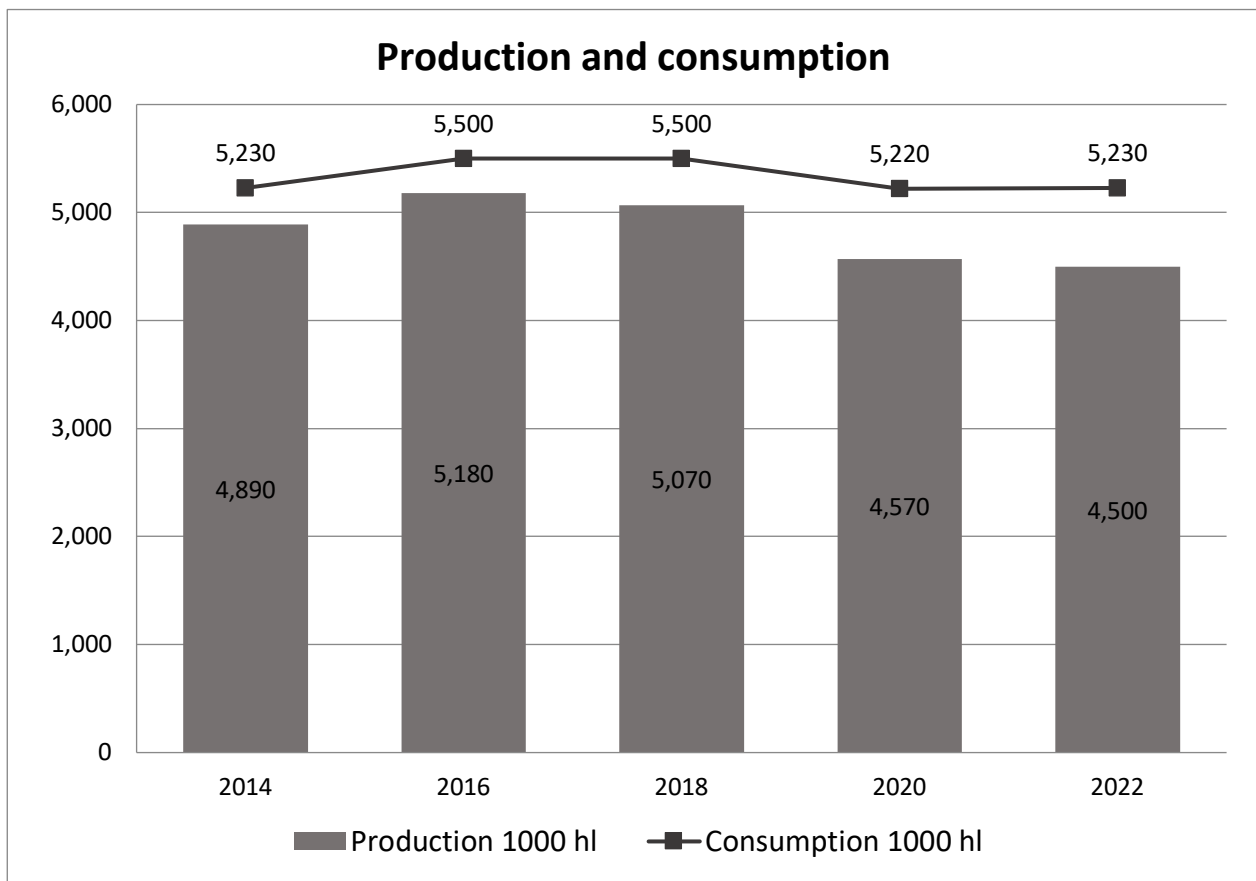
		2016	2018	2020	2022
Total number of jobs	[-23.8%]	34,225	33,502	22,323	26,075
Value-added (mEuro)	[9.1%]	216	228	207	235
Government revenues (mEuro)	[10.1%]	160	168	155	176

Source: Calculations - different sources.

Bulgarian production of beer has seen a decline in since 2016, from 5.2m hectolitres to 4.5m hectolitres in 2022. This is largely due to a significant fall during the pandemic, in 2020; production levels had not recovered by 2022. At the same time, consumption of beer remained fairly stable over the period

Despite the challenges posed by the pandemic and a difficult business climate, Bulgarian brewers remained committed to investing in sustainable and environmentally friendly solutions. Between 2020 and 2022, brewing companies invested over €73 million in modernizing facilities and implementing green technologies, with an additional €10 million dedicated to environmental, social, and corporate governance (ESG) initiatives.

FIGURE 1. EVOLUTION OF MAIN INDICATORS (2014-2022)



Source: National Associations.

### 3 A SNAPSHOT OF THE BREWING SECTOR

Despite the fall in overall production in Bulgaria, the number of total breweries in the country has risen steadily since 2016. Bulgaria has also experienced growth in their number of microbreweries in recent years. In 2016, Bulgaria was home to 7 microbreweries; in 2022 this figure increased to 33 microbreweries.

TABLE 3. BASIC CHARACTERISTICS OF THE BEER SECTOR (2016-2022)

	2016	2018	2020	2022
Total production (in hectolitres)	5,180,000	5,070,000	4,570,000	4,500,000
Brewing companies	16	27	34	37
Breweries (including microbreweries)	17	29	37	40
Microbreweries	7	16	26	33

Source: National Associations.

### 4 LOOKING AT THE BEER MARKET

Total consumption has fallen slightly, while consumer spending has risen (which is telling of the rising prices). Beer consumed after being bought from shops and supermarkets in the retail sector has risen to an 87 per cent market share in 2022. This means that much of the 5.2 million hectolitres consumed in 2022 was consumed in the home. Despite an observed increase in recent years, Bulgaria has one of the lowest average prices per litre in both the hospitality and retail spaces in comparison to other European countries, with an average cost in 2022 of €2.57 and €0.95 per litre respectively.

TABLE 4. BASIC CHARACTERISTICS OF THE BEER MARKET (2016-2022)

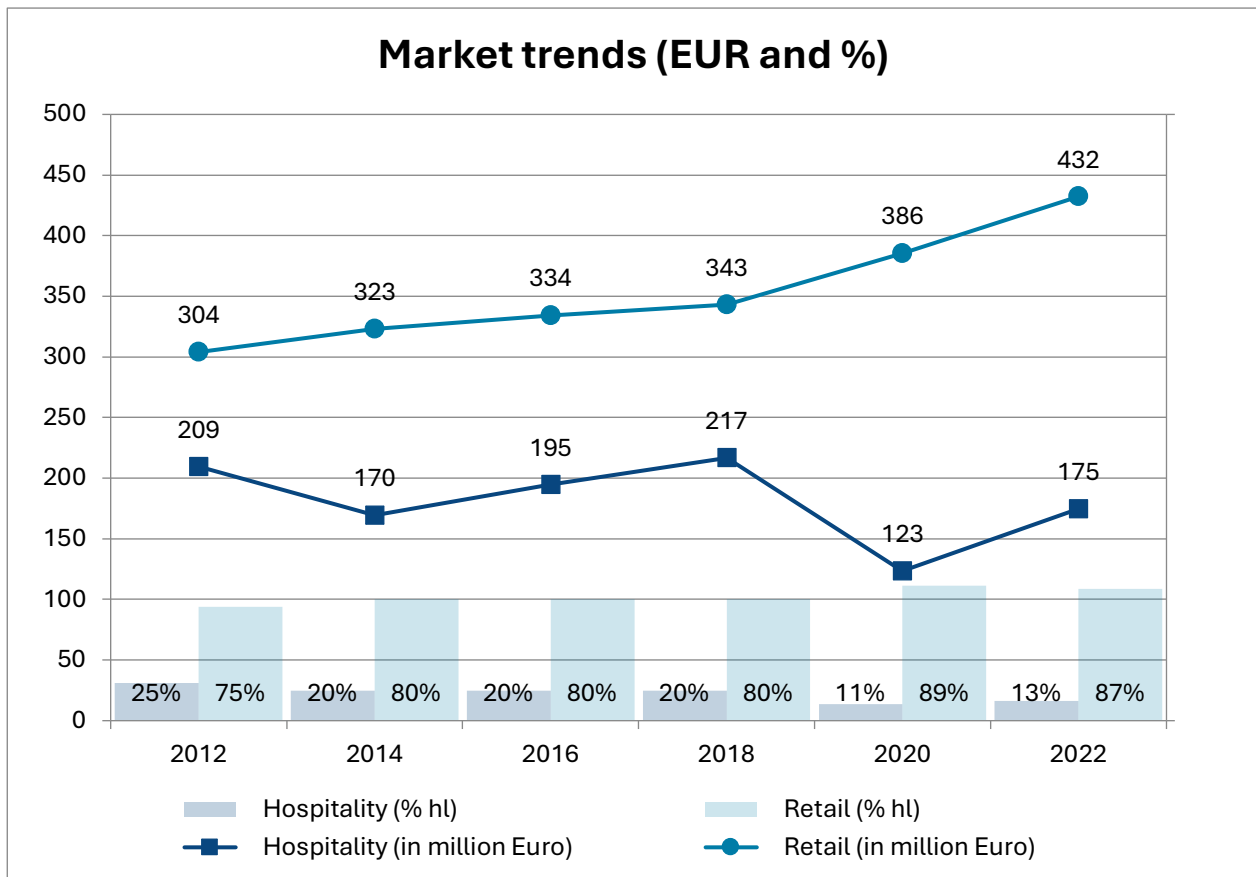
	2016	2018	2020	2022
Total consumption in hectolitres	5,500,000	5,500,000	5,220,000	5,230,000
Total consumer spending (in million Euro)	529	560	509	607
Consumption of beer per capita (in litres)	76	75	75	80
Beer consumption hospitality	20%	20%	11%	13%
Beer consumption retail	80%	80%	89%	87%
Consumer price hospitality (€ / litre)*	1.77	1.97	2.15	2.57
Consumer price retail (€ / litre)*	0.76	0.78	0.83	0.95

Source: National Associations. Note: \* Prices are averages inclusive of taxes and duties.

## 5 TRENDS AND DEVELOPMENTS

Over the period 2020-2022, the Union of Brewers in Bulgaria (UBB) continued to report strong media interest in the beer sector. Big cities across the country witnessed a continued rise in new beer shops offering highly diverse ranges of beer styles and brands. This provided consumers with even more beer variety than in previous years. Bulgaria's health-conscious consumer trend remained strong in 2022, and brewers responded with an increased focus on non-alcoholic and low-alcoholic beers. In 2022, beer was the most frequently consumed beverage after bottled water, and 62 per cent of Bulgarians aged 18-69 consumed beer at least once a week.<sup>1</sup>

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)

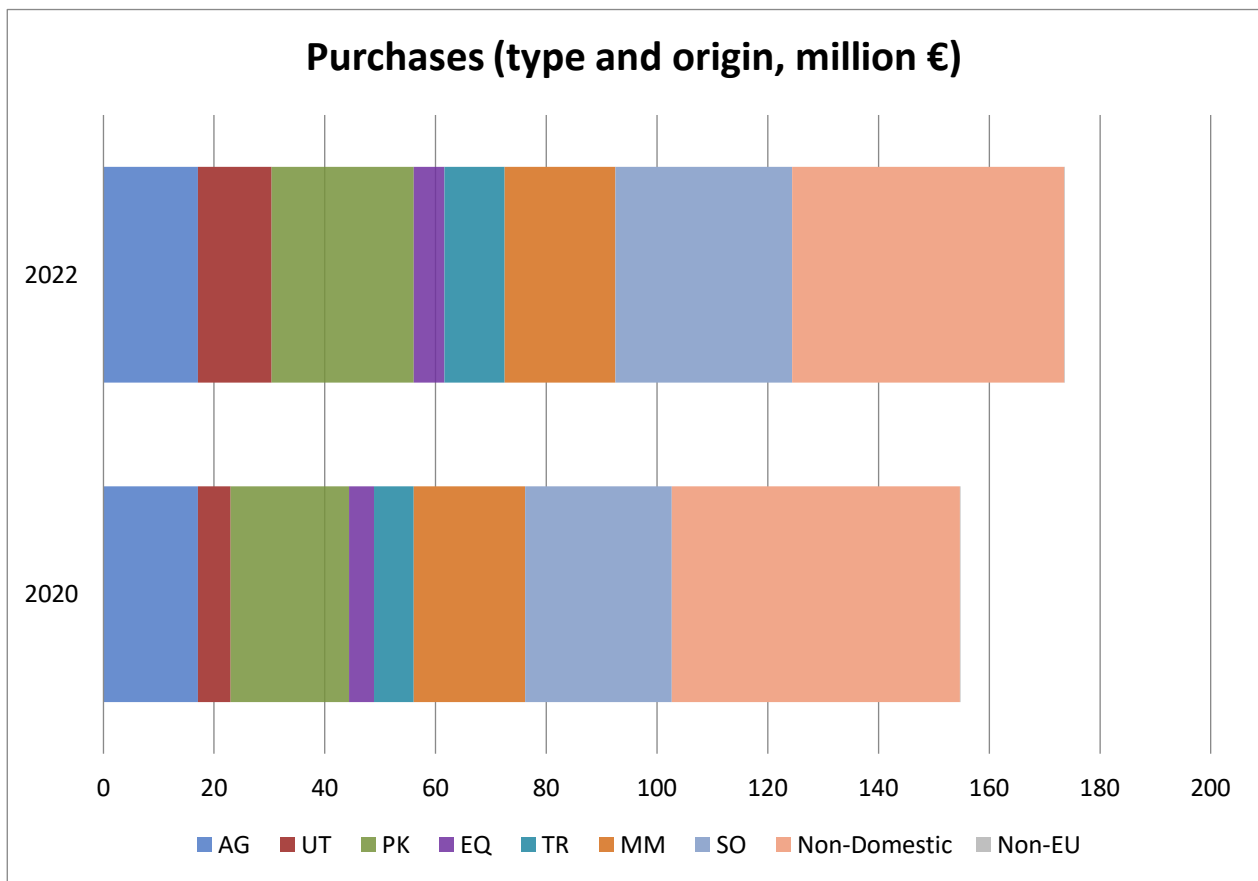


Source: National Associations.

Upstream purchases in Bulgaria rose by about €15 million between 2020 and 2022. This was driven largely by a rise in domestic purchasing of utilities, packaging and transport.

<sup>1</sup> Source: National Association

FIGURE 3: SPLIT OF BEER SECTOR'S SUPPLY CHAIN PURCHASES



Note: AG – Agriculture; UT – Utilities; PK – Packaging; EQ – Equipment; TR – Transport; MM – Media / marketing; SO – Other services.

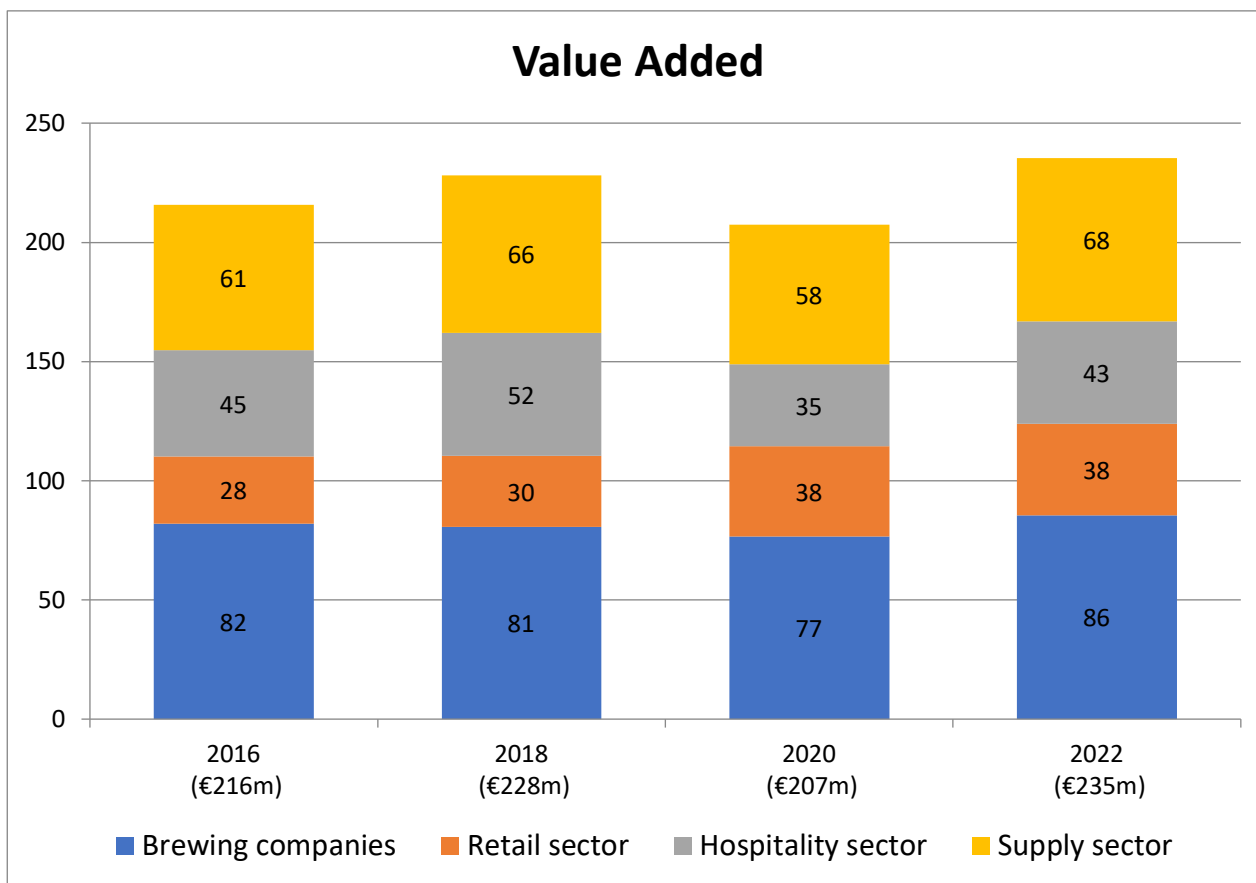
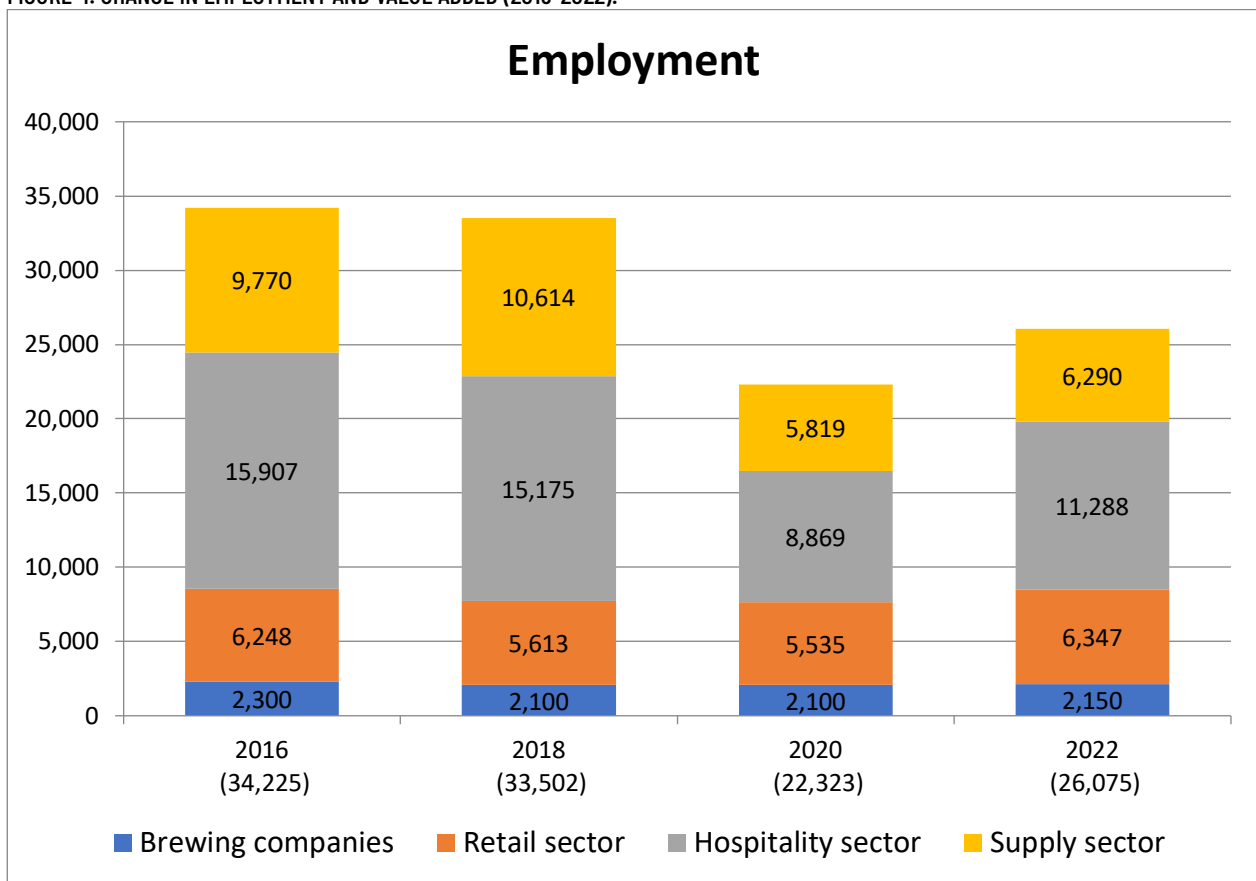
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

## 6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

Overall employment in beer related positions has fallen in recent years, with employment being just over 26,000 in 2022. This has been concentrated in the supply and hospitality industries, which employ less than before the pandemic. The hospitality sector still accounts for the plurality of employment, with just over 43 per cent of the total.

The value added has increased steadily over a six-year span from 2016 to 2022, despite a slight decrease in 2020. In total, the value added from the industry reached €235m in 2022; brewing companies, suppliers, hospitality establishments, and retail purchasing account for this.

FIGURE 4: CHANGE IN EMPLOYMENT AND VALUE ADDED (2016-2022).



Note: The figures in the employment chart are to be considered as estimates.

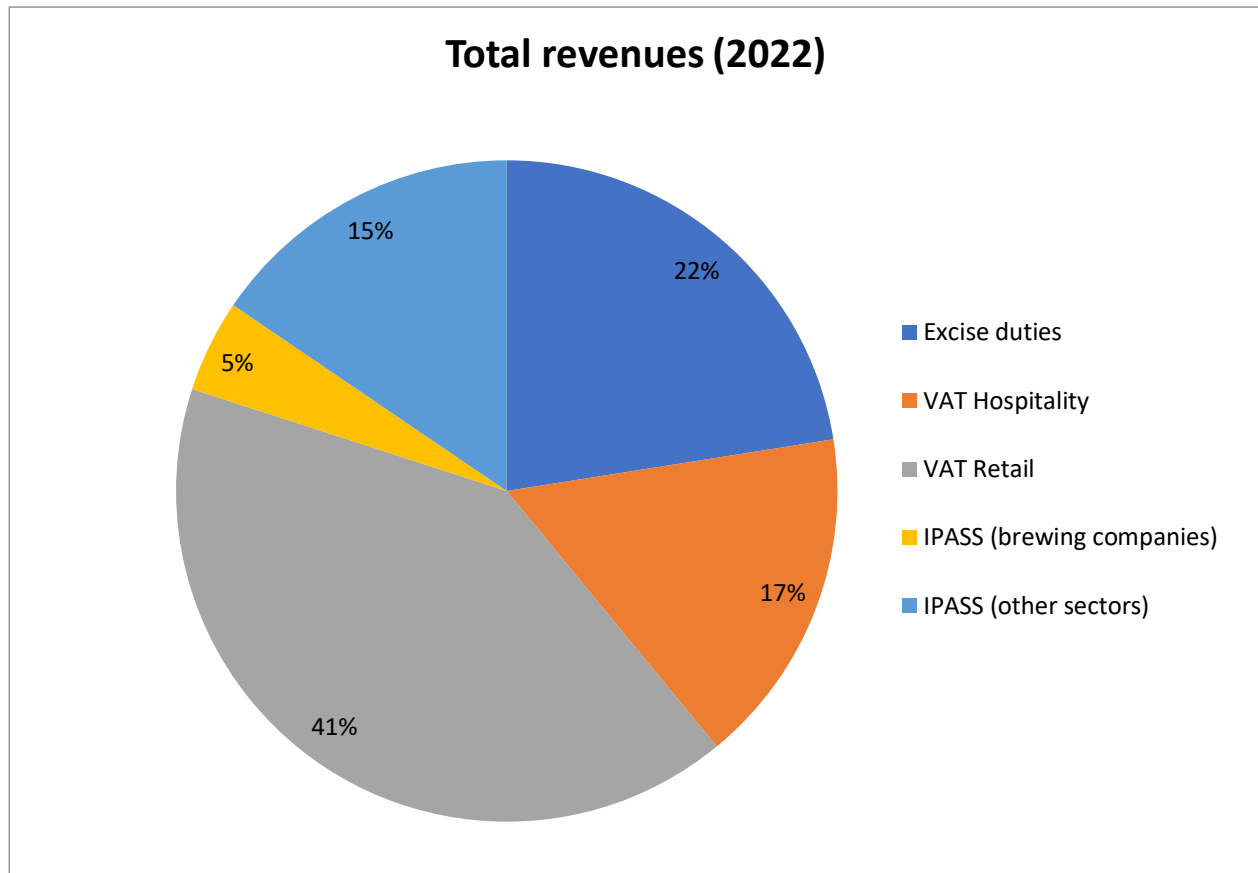
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

The employment in the supply sector can be broken down using the estimates from the responses to the survey to brewers. These imply a job breakdown of: 3350 jobs in agriculture, 598 jobs in packaging, 350 jobs in transport, 821 jobs in media and marketing (the remaining corresponding to utilities, equipment, other).

## 7 GOVERNMENT REVENUES RELATED TO BEER

Government revenues have risen from 2016 to 2022, with total revenues equalling €160 million and €176 million respectively. Retail VAT accounted for €72m of the 2022 total, with excise duties contributing the second most to the revenue total.

FIGURE 5: GOVERNMENT REVENUES RELATED TO THE PRODUCTION AND SALE OF BEER IN 2022: (BILLION EURO)



Note: IPASS - Income, payroll tax and social security

Source: Calculations based on data from Eurostat, and the National Associations.

There has been a significant rise in VAT from retail as a portion of total government revenues from 2016, reflecting consumption trends within Bulgaria towards the retail sector.

**TABLE 5. GOVERNMENT REVENUES, €M (2016-2022)**

	2016	2018	2020	2022
Excise duties	42	41	38	40
VAT Hospitality	32	36	21	29
VAT Retail	56	57	64	72
IPASS (brewing companies)	7	7	8	8
IPASS (other sectors)	23	26	24	27
<b>Total government revenues</b>	<b>160</b>	<b>168</b>	<b>155</b>	<b>176</b>

*Note: IPASS - Income, payroll tax and social security*

*Source: Calculations - different sources.*