

**Voluntary Report** – Voluntary - Public Distribution

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## **Report Name:** Retail Foods Bulgaria

**Country:** Bulgaria

**Post:** Sofia

**Report Category:** Retail Foods

**Prepared By:** Alexander Todorov

**Approved By:** Benjamin Petlock

### **Report Highlights:**

Bulgaria's grocery retail sector has endured amid recent economic challenges, including inflationary pressures, supply chain disturbances, and the Russia-Ukraine War. In 2024, grocery retail sales grew by 2.5 percent year-on-year, reaching Bulgarian Lev (BGN) 15.2 billion (\$8.1 billion), supported by still-elevated prices and stable consumer demand. Modern retail strengthened its position, accounting for two-thirds of total grocery sales, while traditional outlets continued to decline. Bulgaria's accession to the Schengen Area in 2025 and planned adoption of the euro in 2026, should improve trade flows, reduce transaction costs, and enhance investor confidence. Exports of U.S. consumer-oriented products to Bulgaria grew by 26 percent. Good prospects for U.S. exports exist based on consumer preferences for high-quality, healthy, and innovative foods - particularly nuts, pulses, beef, wine, and specialty products - although price sensitivity and competition with European Union (EU) suppliers are challenges.

### Executive Summary

Bulgaria's Gross Domestic Product (GDP) grew by 3.4 percent in 2024 compared to 2023, stronger than the average yearly 2.9 percent growth seen since 2019. Exports (FOB) account for 43 percent of Bulgaria's GDP and are a pillar of the economy. Bulgaria mainly trades with European Union (EU) Member States. In 2024, Bulgaria's trade deficit in goods was €6.6 (\$7.8) billion (Exports FOB – Imports CIF). In 2024, agriculture accounted for 2.4 percent of Bulgaria's GDP, down 0.5 percent from 2023.

### Imports of Consumer-Oriented Products

U.S. exports to Bulgaria must meet EU sanitary and phytosanitary requirements. For specific information, see FAS Sofia's Food and Agricultural Import Regulations and Standards [report](#). In 2024, consumer-oriented food imports were \$4.7 billion, a 9.6 percent increase compared to 2023. U.S. exports of consumer-oriented products to Bulgaria grew by 26 percent.

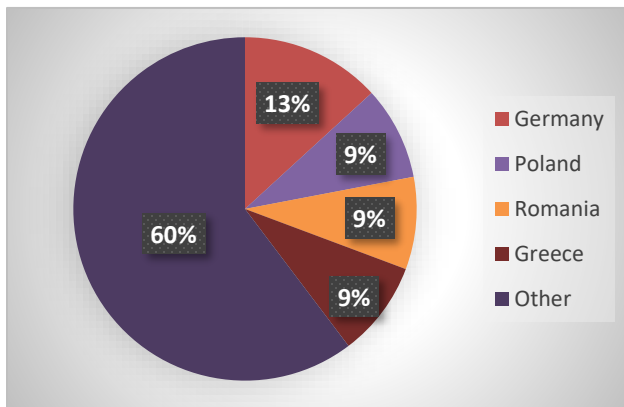


Chart 1: Top Exporting Countries to Bulgaria

### Food Processing Industry

Bulgarian food processing enjoys steady development. Leading sectors include dairy, bakery, sugar, chocolate and confectionery, sunflower oil, red and poultry meat, eggs, soft drinks, horticultural processing, and wine production. U.S. products and/or associated ingredients with strong sales potential in Bulgaria include tree nuts, distilled spirits, food preparations, peanuts, dried fruits, snack/cereal foods, pulses, beef, wine, soft drinks/juices, and seafood products.

### Food Retail Industry

Bulgarian grocery retail sales reached BGN 15.2 billion (\$8.1 billion) in 2024. Modern retail sales accounted for BGN 10.2 billion (\$5.4 billion) or 67 percent, with traditional channels accounting for BGN 5.0 billion (\$2.7 billion). Total grocery outlets were 36,047. The largest retailer, Lidl, accounted for nearly 20 percent of grocery retail sales. Grocery e-commerce, which expanded significantly due to COVID-19, continues to

grow. Urban consumers increasingly demand products that are higher quality and perceived as healthy.

| SWOT Analysis   |   |
|---|---|
| Strengths   | Weaknesses  |
| Bulgaria is accessible by sea and has an efficient distribution network. A growing food processing industry is looking for new imported ingredients. Marketing costs are low. | Some U.S. exports are disadvantaged due to EU non-tariff barriers and import duties.  |
| Opportunities   | Threats   |
| U.S. high-value products enjoy increasing demand due to growing incomes, a fast-developing food retail network, and consumption habits switching to high-quality products.    | Domestic producers receive EU funds to upgrade production efficiency and product quality, which can lower demand for imports. |

### Quick Facts CY 2024

#### Imports of Consumer-Oriented Products

(\$4.7 billion)

#### Top 10 Growth Products Imported in Bulgaria

- |                       |                         |
|-----------------------|-------------------------|
| 1) Sunflower Seeds    | 2) Oils                 |
| 3) Food Preparations  | 4) Bread, Pastry, Cakes |
| 5) Waters             | 6) Meat of Swine        |
| 7) Cane or Beet Sugar | 8) Cocoa Preparations   |
| 9) Coffee             | 10) Whiskeys            |

#### Food Industry by Channels (\$ billion) 2024

|  |      |
|--|------|
| Food Exports – Agricultural and Related Products | 8.1  |
| Food Imports – Agricultural and Related Products | 7.74 |
| Retail Food Industry                             | 8.1  |
| Food Service - HRI                               | 3.76 |

#### Top 10 F&B Retailers in Bulgaria

- |               |              |
|---------------|--------------|
| 1) Lidl       | 2) Kaufland  |
| 3) Billa      | 4) Metro     |
| 5) Fantastico | 6) T-Market  |
| 7) CBA        | 8) Lagardere |
| 9) Avanti     | 10) CBS      |

#### GDP/Population

Population (millions): 6.44

GDP (\$ billion): 109

GDP per capita (\$): 16,921

#### Bulgarian National Bank Exchange Rate:

\$1USD=BGN 1.88

**Sources:** Euromonitor, Eurostat, Bulgarian National Bank, Bulgarian National Statistical Institute, Local sources.

**Contact:** [AgSofia@usda.gov](mailto:AgSofia@usda.gov)

## **I. Market Summary**

In recent years, Bulgaria's retail industry has faced a series of challenges, including the Russia-Ukraine war, disruptions in global supply chains, and rising inflation. These factors led to substantial increases in energy and grocery prices, eroding consumers' purchasing power. In response, Bulgaria's grocery retail sector was forced to adapt rapidly - a transition it managed effectively. According to Euromonitor, grocery retail sales in Bulgaria grew year-on-year by 6.2 percent in 2023 and by 2.5 percent in 2024. The five leading grocery retail chains accounted for nearly 60 percent of total grocery retail sales, underscoring the high level of market concentration. According to the Bulgarian [National Statistical Institute](#) (NSI), the average annual Consumer Price Index (CPI) inflation slowed significantly to 2.4 percent in 2024, down from 9.5 percent in 2023 and 15.3 percent in 2022. Although food and beverage inflation also declined to 2.6 percent in 2024 (compared with 13.7 percent in 2023 and 22 percent in 2022), consumers continued to perceive prices as high due to the sharp increases experienced in 2022. Consequently, the still-elevated prices continued to support higher retail revenues.

FAS Sofia expects Bulgaria's food retail industry will continue to adapt to changes in demand over the next few years and will slightly expand its presence in the market, particularly in the modern trade<sup>1</sup> segment.

Bulgaria's planned accession to the [Eurozone](#) and adoption of the euro on January 1, 2026, are expected to bring several positive effects for the grocery retail market. The transition will eliminate currency conversion costs, improve price transparency, and strengthen consumer confidence. Retailers are likely to benefit from greater pricing efficiency, easier cross-border trade, and access to lower-cost financing. The adoption of the euro is also anticipated to enhance market stability and investor trust, supporting further modernization and expansion within the grocery retail sector.

On January 1, 2025, Bulgaria fully joined the [Schengen Area](#), marking another key step toward deeper European integration. This development is expected to facilitate smoother logistics and trade flows, reduce transport and administrative costs for imported goods, and improve supply chain efficiency. For grocery retailers, the easier cross-border movement of both goods and people may lead to more competitive pricing, faster delivery times, and improved access to regional suppliers and workforce.

According to Euromonitor, the total number of grocery retail outlets in Bulgaria in 2024 decreased by 3.5 percent to 36,047, caused by a decrease of traditional<sup>2</sup> grocery outlets (see Table 1). 2024 modern retail sales reached nearly BGN 10.2 billion (\$5.4 billion) and accounted for almost 67 percent of market share. The remaining 33 percent, or BGN 5 billion (\$2.7 billion), was held by 32,584 traditional grocery outlets throughout the country (see Table 2).

E-commerce in Bulgaria's grocery retail market maintained stable growth in 2024. The 2020/21 COVID pandemic caused much of the growth in e-commerce, when most big food retailers launched their own online platforms or used the services of independent online operators to respond to growing demand. Although COVID restrictions ended in 2023, many consumers preferred to continue shopping online

<sup>1</sup> Modern retailing is characterized by large stores, centralized buying, and sophisticated supply chain management.

<sup>2</sup> Traditional retail refers to the conventional method of retailing where small shops or stores are operated independently by individual owners.

due to the convenience provided by the well-developed network. FAS Sofia forecasts e-commerce to continue to enjoy steady growth in the near future of up to 20 percent annually.

**Table 1. Grocery Retailers Outlets by Channel: Units 2022-2024**

| Outlet                        | 2022          | 2023          | 2024          |
|-------------------------------|---------------|---------------|---------------|
| Modern Grocery Retailers      | 3,413         | 3,435         | 3,463         |
| Traditional Grocery Retailers | 35,222        | 33,925        | 32,584        |
| Total Grocery Retailers       | <b>38,635</b> | <b>37,360</b> | <b>36,047</b> |

**Table 2. Sales in Grocery Retailers by Channel: Value 2022-2024**

| BGN million                   | 2022          | 2023          | 2024          |
|-------------------------------|---------------|---------------|---------------|
| Modern Grocery Retailers      | 8,651         | 9,681         | 10,167        |
| Traditional Grocery Retailers | 4,823         | 5,138         | 5,017         |
| Total Grocery Retailers       | <b>13,474</b> | <b>14,819</b> | <b>15,184</b> |

**Table 3. Grocery Retailers Forecasts: Value Sales and Outlets 2025-2027**

|                         | 2025   | 2026   | 2027   |
|-------------------------|--------|--------|--------|
| Value sales BGN million | 15,598 | 16,039 | 16,506 |
| Outlets                 | 35,192 | 34,245 | 33,253 |

*Source: Euromonitor International*

**Table 4. Top Five Grocery Retailers, Outlets, and Revenues in 2024**

| Retailer                               | Owner         | Nationality | Opened | Outlets (2025) | Revenue BGN '000 (2023) | Revenue BGN '000 (2024) | Percent Change 2023/2024 |
|--|---------------|-------------|--------|----------------|-------------------------|-------------------------|--------------------------|
| <b>Lidl Bulgaria</b>                   | Schwarz Group | Germany     | 2010   | 139            | 2,276,481               | 2,622,203               | 15.19                    |
| <b>Kaufland Bulgaria</b>               | Schwarz Group | Germany     | 2003   | 66             | 2,437,416               | 2,566,524               | 5.3                      |
| <b>Billa Bulgaria</b>                  | REWE Group    | Germany     | 1999   | 167            | 1,196,498               | 1,269,059               | 6.06                     |
| <b>Metro Cash &amp; Carry Bulgaria</b> | Metro         | Germany     | 1999   | 11             | 1,145,373               | 1,253,069               | 9.4                      |
| <b>Fantastico</b>                      | Family owned  | Bulgaria    | 1991   | 47             | 959,631                 | 1,048,427               | 9.25                     |

*Source: Retailers' websites, public financial reports, and media publications*

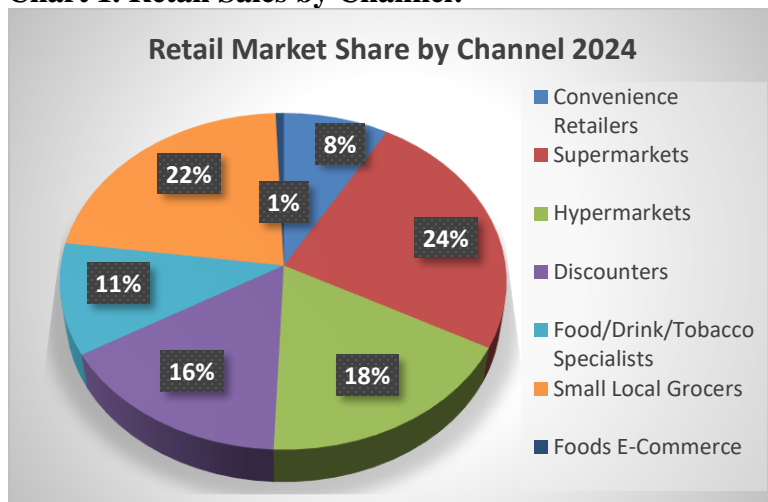
The revenues of Bulgaria’s top five grocery retailers increased in 2024, driven by higher consumer prices, expanding store networks, and the continued shift toward modern retail formats. Lidl continued its growth and took the leading position with turnover of more than BGN 2.6 billion (around \$1.4 billion), while Kaufland fell to second place for the first time. Both retailers, part of Germany’s Schwarz Group, remain Bulgaria’s only grocery chains with revenues exceeding BGN 2 billion. The other three companies in the top five also reported growth in 2024, supported by increased foot traffic, inflation-driven price effects, and the continued demand for private-label and convenience products.

Modern retail is expected to maintain its moderate growth trajectory over the next several years with a slight increase in the number of outlets. Traditional retail, on the other hand, is forecast to keep declining in sales and in number of stores. Long-term growth for Bulgarian retail does face a number of challenges, such as declining population, emigration, and a shrinking working-age population. However, analysts forecast short-term growth to continue over the next few years, a result of increasing wages, economic development, decreasing unemployment, a fully revived and thriving tourism sector, and rising demand for high-quality and healthier food.

**Table 5. Advantages and Challenges**

| Advantages  | Challenges   |
|---|--|
| Increasing demand for high value/high-quality products creates opportunities for more imports.  | U.S. products are subject to tariffs, versus products from within the EU and countries with EU free trade agreements (FTAs).   |
| The growing food processing industry is looking for new imported food ingredients. Migration of people from rural to urban areas continues at a rapid pace. | Limited consumer awareness of U.S. products continues. Bulgarian domestic producers are receiving EU funding to upgrade production efficiency and product quality. This increases domestic agricultural production, reducing demand for imports. |
| Bulgaria’s Schengen accession has made the market more accessible, with an efficient distribution network and relatively low marketing costs.               | Bulgaria will adopt the euro on January 1, 2026, and any fluctuations of the U.S. dollar against the euro could present challenges for Bulgarian importers.  |
| Consumption habits are changing towards high-quality and healthier food and drinks. Consumers are becoming more receptive to new and imported products.     | Bulgaria is still price sensitive. Competition among consumer-oriented and specialty products from the EU is strong. Some U.S. products are viewed by many Bulgarian consumers as too expensive.   |

**Chart 1. Retail Sales by Channel:**



## II. Road Map for Market Entry

### Entry Strategy:

Bulgarian convenience stores, supermarkets, and hypermarkets generally purchase from local importers, wholesalers, and producers. Most international retail chains source products through their corporate supply channels in other European countries. There has been a recent shift toward direct imports to avoid higher costs associated with purchasing from importers or middlemen, but this remains limited. The best method to reach Bulgarian retail buyers and prospective importers is to reach out to [FAS Sofia](#) for assistance and guidance. Product catalogues and price lists are essential, and samples are helpful. Bulgaria's larger retailers include [Lidl](#), [Kaufland](#), [Billa](#), [Metro](#), and [Fantastico](#) (see Table 4).

FAS Sofia recommends a visit to Bulgaria to establish meaningful relationships with Bulgarian buyers. While visiting Bulgaria, it is advisable to bring product samples to show to potential buyers, as many importers and retailers rely heavily on subjective factors when deciding on new products to represent. Interested companies should contact [FAS Sofia](#) in advance for guidance when arranging a trade visit to Bulgaria.

### Sales and Marketing:

Although sales and marketing techniques are evolving, Bulgaria remains a price-sensitive market, and discounts are commonly used and expected. U.S. food and beverage suppliers, particularly those in the higher-value categories, may seek to mitigate discount demands by focusing on market education, sales training, and brand development. U.S. suppliers are strongly advised to consider providing marketing support to importers for new-to-market products.

More Bulgarian consumers are willing to pay price premiums for products perceived as “healthy” or “nutritious”. Nuts and dry fruits, fish and seafood, bakery products, confectionary products, soups, oils and fats, and a wide range of nutritional supplements are some examples of product categories for which marketing strategies based on nutritional and health messages have proven to be highly successful.

**Language Barrier:**

Speaking Bulgarian is not essential to do business in the country, but U.S. companies are advised to verify the level of English fluency of their potential business partners. Many Bulgarian residents speak English well, especially those under 40 in urban areas. Translation services are relatively easy to find and written materials such as company information, sale sheets, product brochures, etc. will resonate much more if translated into Bulgarian.

**Food Standards and Regulations:**

Bulgarian food standards and regulations are harmonized with the EU. Phytosanitary and veterinary controls may be applied on traded plant and animal-origin products. Bulgarian food processors observe Hazard Analysis Critical Control Point (HACCP).

U.S. companies should observe product-labeling requirements vis-à-vis health or nutritional claims, which require approval by the Bulgarian Food Safety Agency and the Ministry of Agriculture and Food. Bulgaria also introduced country-specific labeling requirements for certain products. For more information on labeling requirements, food regulations, and standards, including new requirements for organic food products, please see FAS Sofia's latest [Food and Agricultural Import Regulations and Standards](#) report or refer to [FAS Sofia](#). Additional information can also be found on the [European Food Safety Agency](#) and [Bulgarian Food Safety Agency](#) websites. Also, please visit the [U.S. Mission to the European Union](#) webpage which will guide you on exporting into the EU.

**Trade Shows:**

U.S. companies interested in entering the Bulgarian market may consider attending or visiting one of [USDA-endorsed trade shows](#) in Europe and/or the [Inter Food and Drink](#) (IFD), Bulgaria's largest food and beverage trade show, which is held every November in Sofia. FAS Sofia has exhibited at seven IFD shows by highlighting and promoting existing and new-to-market U.S. products. FAS Sofia strongly encourages U.S. suppliers to consider participation in upcoming exhibitions, either in person or by providing samples.

**State Regional Trade Groups (SRTG):**

SRTGs are non-profit trade development organizations that help U.S. food producers and processors to enter overseas markets. They carry out promotional activities to increase exports of U.S. high-value food and agricultural products. For more information, contact the state regional trade group responsible for your state [here](#).

**III. Competition**

In 2024, about 81 percent of the imports of consumer-oriented products to Bulgaria originated from other EU member states, who are the main competitors for U.S. agricultural exports. Bulgaria's EU accession in 2007 negatively affected imports of U.S. fruit products, as EU-origin horticultural products gained duty-free and facilitated access. The EU's FTAs with non-EU countries also threaten U.S. exports, as some products enter Bulgaria with lower tariffs or duty-free. Since 1997, the EU has banned U.S. poultry meat due to its [prohibition](#) of U.S.-approved pathogen reduction treatments, which provide added hygiene and product safety.

Unlike other foreign markets, prices between convenience stores and hypermarkets do not differ



substantially as the market is highly fragmented. However, some convenience stores are unable to withstand the pressure from modern chains, as their assortment is limited to more staple products. Instead of going out of business, these players prefer to rebrand by becoming part of a more well-known franchise. Smaller outlets, especially in small towns where bigger retail chains are not present, enjoy the advantage of having loyal customers and try to cater to their individual needs.

There is an emerging wave of small, specialized fruit and vegetable stores, as well as similar outlets for dairy and meat products, usually selling produce of small and mid-size local producers. These stores try to focus on convenience and organic, fresh, and local food. They are mainly located in the central parts of the bigger cities that lack bigger chains and where there is a concentration of more health-conscious consumers with higher purchasing power. This trend aids Bulgaria's retail industry, as these stores indicate a well-developed market with more choices to consumers through new business models.

Hypermarkets and discount chains are expected to keep growing slightly over the next few years. The major companies are expected to increase their market share by opening new outlets and becoming more cost competitive. The market share of private labels is also expected to develop moderately. The expansion of retailers into smaller towns and convenience format outlets will continue to take more market share from the independent groceries which, in turn, will further strengthen retailers' negotiation power. Traditional retail is expected to underperform compared to modern trade as large retailers tend to move towards densely populated town centers by opening convenience stores and smaller supermarkets.

In August 2025, the Bulgarian government approved the establishment of a state-owned supermarket chain, "Shop for the People", under the Ministry of Agriculture and Food's 2025 budget. The chain will offer essential food and household goods with a maximum markup of 10 percent and prioritize Bulgarian-made products. The initiative aims to improve access to affordable goods, particularly in underserved areas, and support domestic supply chains. While the project's long-term viability remains uncertain, it is expected to have minimal impact on premium imported products, which continue to enter the market through private retail channels that serve urban and higher-income consumers. As of the time of this report, no shops under this project have opened yet.

#### **IV. Best Product Prospects**

##### **Products in the market with best sales potential**

- Nuts/Tree Nuts and Dried Fruits – strong demand for almonds, pistachio, peanuts, pecan, walnuts, and cranberries.
- Distilled Spirits – stable, saturated, and growing market with a large assortment of brands.
- Wine – highly saturated market enjoying steady growth along with increased diversity and quality. Mid-range and high-end imported wine segments, where U.S. wines are positioned, keep developing in a very competitive environment.
- Snacks/Cereals/Confectionery – Big multinational companies dominate the market. U.S. companies face strong competition with EU producers. Popcorn and some confectionery products (mainly ones containing peanut butter) comprise the bulk of U.S. snack food imports and are the most popular. Local consumers perceive U.S. snack products as being of high-quality and competitive prices.
- Beef - U.S. prime beef is becoming more popular at high-end restaurants and is expected to continue expanding its market presence.
- Fish and Seafood - Bulgaria is a net importer of fish and seafood, chiefly frozen fish (pollock,



salmon, anchovies, hake, herring, cod, squid, tuna), shrimps, lobsters, and other higher-end shellfish. Existing FTAs with other non-EU countries are a strong obstacle for U.S. fish and seafood products.

- Pulses (Dried Beans, Peas, and Lentils)/Rice - Bulgaria's pulse market is well developed, with favorable demand and high per capita consumption. Prospects are very good due to increasing product diversification in the market and developing consumer taste towards higher-value and healthier protein sources such as pulses and rice.
- Sauces, soft drinks (including flavored spring waters, carbonated, and energy drinks), and specialty (craft) beers – developing culinary culture, growing meat consumption, and inflowing modern trends create stable demand for these products.

**Products in the market that have good sales potential** - fruit juices; fresh fruits, including grapefruits and exotic fruits; ready-to-eat meals; ethnic/regional sides or meals; salad dressings; spices; chocolate; frozen desserts (such as cakes and ice creams).

**Products not present in significant quantities, which have good sales potential** - ingredients for the natural and healthy foods industry; dairy products (whey, milk powder).

**Products not present because they face significant boundaries** - food additives not approved by the European Commission; red meat and meat products with hormones; most poultry and eggs; biotech-derived products.

## **V. Key Contacts and Further Information**

### **American Institutions in Bulgaria**

Foreign Agricultural Service (FAS Sofia)

16 Kozyak Str., Sofia 1408, Bulgaria

Tel: (359) 2-939-5774; (359) 2-939-5720

E-mail: [agsofia@usda.gov](mailto:agsofia@usda.gov)

Website: <https://bg.usembassy.gov/foreign-agricultural-service/>

### **Bulgarian Central Authority Agencies**

#### Ministry of Agriculture and Food

55 Hristo Botev Blvd., Sofia 1040, Bulgaria

Tel: (359) 2-985-11-383; (359) 2-985-11-384

E-mail: [mail@mzh.government.bg](mailto:mail@mzh.government.bg)

Website: <http://www.mzh.government.bg>

#### Ministry of Health

5 Sveta Nedelya Sq., Sofia 1000, Bulgaria

Tel: (359) 2-981-0111; (359) 2-9301-171

E-mail: [delovodstvo@mh.government.bg](mailto:delovodstvo@mh.government.bg)

Website: <https://www.mh.government.bg/en/>

Bulgarian Food Safety Agency

15A Pencho Slaveikov Blvd., Sofia 1606, Bulgaria

Tel: (359) 2-915-98-20; Fax: (359) 2-954-9593

E-mail: [bfsa@bfsa.bg](mailto:bfsa@bfsa.bg)

Website: <https://bfsa.egov.bg/>

If you have questions or comments regarding this report, need assistance exporting to Bulgaria, a list of Bulgarian wholesalers and distributors, or you are looking for the Foreign Buyers Lists (FBL) of various consumer-oriented and seafood products, please contact the [Foreign Agricultural Service](#) in Sofia, Bulgaria.

FAS/Sofia also publishes other public reports which can be found through this [link](#). Please use the search engine to filter the reports by country, category, and date.

**Attachments:**

No Attachments.