

BULGARIA

Bulgaria has experienced a difficult economic crisis in the '90s with serious implications that made the standard of living plummet. The global economic crisis has abruptly ended Bulgaria's rapid economic expansion over recent years. GDP declined by 4.9 percent in 2009 after growing at almost 6 percent from 2000-2008. The sharp contraction of external financing and domestic credit to the private sector brought to an abrupt end the investment boom of the recent past.

Bulgaria has no natural gas reserves and little oil, so that it depends almost entirely on Russia. However, Bulgaria is an important manufacturer of steam power plant energy and relies on its coal reserves or its nuclear plant in Koslodui. (Another nuclear plant is currently being built at Belene).

Bulgaria's transport network is under modernisation with the main purpose of levelling up the gap between the Bulgarian networks and the EU standards, integrating it into the TEN-T network and rehabilitating the pan-European corridors that cross it. The railway market in Bulgaria liberalised in 2002, while several norms have lately regulated an open and transparent market.

Bulgarian Railways, BDZ, has operated as a single institution until 2002. Nowadays, BDZ is separated by the infrastructure manager, NKZI, under the Railway Law passed by the Parliament in 2000 and effective starting 2002. In turn, BDZ EAD restructured in 2007, separating activities into three companies BDZ Passengers, BDZ Freight and BDZ Traction, each 100% owned by mother company, BDZ.

Private operators entered the Bulgarian market in 2005. The first one was BRC, owned by Bulgarian company Aropolychim and Romanian operator GFR. Bulmarket, another private operator, reported a volume of 0.4 million tones carried in 2007. Two other freight operators received license in October 2008: Gastrade and Unitranscom, the latter owned by Bulgarian company TransWagon and Romanian operator Unifertrans.

Bulgaria's priorities in transport are included in the Sectoral Operational Programme – Transport, approved by the European Commission. NKZI plans to implement the following major projects: Modernisation of Vidin-Sofia line (total cost EUR 320 Million) – Corridor IV, Electrification and reconstruction of the line from Svilengrad to the

Turkish border (EUR 35 Million) – Corridor IV, IX and X, Modernisation of Sofia-Plovdiv line (EUR 125 Million) – Corridor IV and X, Modernisation of Sofia – Pernik – Radomir line (EUR 100 Million) – Corridor X, Rehabilitation of Plovdiv – Burgas line (EUR 187 Million) – Corridor VIII, Construction of an intermodal terminal in Sofia (EUR 25.90 Million).

Sofia metro is to be extended by a line 7.2 km long to the international Airport and also to a second metro line connecting the railway station and the city centre (4 km long). These projects are financed by EU Structural Funds and an EIB loan.

Background figures in railways (2009):

4,150 km length of lines

2,833 km electrified lines

31,360 x 1 000 passengers carried

2,144 x 1 000 000 passenger-km

13,284 x 1 000 tonnes carried

3,152 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	49.9	47.1
GDP growth (annual %)	6	-5
Exports of goods and services (% of GDP)	60	50
Imports of goods and services (% of GDP)	83	58
Industry, value added (% of GDP)	31	30

Ease of Doing Business Rank 2010

World	rank 44
Eastern Europe & Central Asia	rank 10

