


FISHERY COUNTRY PROFILE	Food and Agriculture Organization of the United Nations	FID/CP/BUL Rev.1  February 2002
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## THE REPUBLIC OF BULGARIA

### GENERAL ECONOMIC DATA

Area:	110 912 km <sup>2</sup>
Shelf area:	11 903 km <sup>2</sup>
Length of coastline:	378 km
Population (2001):	7 800 000
GDP at current prices (2000):	Lev 25 500 million (US\$ 12 000 million (at 2000 av. market exchange rate); US\$ 40 700 million (a) (2000, at PPP))
GDP per caput at market exchange rate (2000):	US\$ 1 502
Agricultural GDP (2000):	US\$ 5 700 million

Currency (lev) exchange rate: Lev 2.12 = US\$ 1 (2000, average)  
Lev 2.23 = US\$ 1 (20 July 2001)

### FISHERIES DATA

## Commodity balance (2000):

	Production	Imports	Exports	Total supply	Per caput supply
	'000 tons liveweight				kg/year
Fish for direct human consumption	9.7	16.9	3.1	23.5	3
Fish for animal feed and other purposes	2.4	-	-	2.4	-

Estimated employment (2000):	
(i) Primary sector(excluding recreational and semi-professional fishermen):	895 (no ocean fisheries)
(ii) Secondary sector:	N/A
Value of fisheries products estimated on the basis of first sale price of different fish species (estimates, 2000):	US\$ 22.3 million
Trade:	
Value of imports (estimates, 2000):	US\$ 15.2 million
Value of exports (estimates, 2000):	US\$ 4.5 million

## STRUCTURE AND CHARACTERISTICS OF THE INDUSTRY

Fisheries production in Bulgaria comes mainly from two sources: freshwater (the inland basins and the Danube River) and marine catches from the Black Sea. The bulk of fish production in 2000 was from the Black Sea.

## Marine fisheries

In 2000, marine fish catches fell to 2 327 tonne, a 45% reduction for the period 1998 - 2000 average. The dominant species caught was European sprat (*Sprattus sprattus phalericus*).

Mollusc catches in 2000 increased by 2.9% compared to 1999, but were reduced by 8.6% compared to 1998. Of the total harvest of 4 0157 t in 2000, about 90% was sea snail (*Rapana* spp.). Despite the legal and harvesting difficulties, the good market prices, principally the Japanese market, encouraged the *Rapana* spp. catches.

Other fish species that were taken in smaller quantities included Mediterranean horse mackerel (*Trachurus mediterraneus ponticus*), garfish (*Belone belone*) and Atlantic bonito (*Sarda sarda*). Though caught in small quantities (TAC of 70 t in 2000), Black Sea turbot (*Psetta maeotica*) is highly appreciated, both on the domestic market and abroad (especially Turkey). Bonito (*Sarda sarda*), also fished in small quantities, has a good local demand.

The Black Sea is fished by 62 vessels (36 of 40 GRT or less, and 26 larger than 90 GRT). The total capacity of the Bulgarian Black Sea fishing fleet is estimated to about 10 000 GRT.

The main landing areas are the bays of Burgas, Sozopol, Varna, Nessebar and Balchik.

Mariculture is carried out by four Mediterranean mussel (*Mytilus galloprovincialis*) farms, with production at about 100 t/year. There is considerable competition for area and space - both among the mussel farmers themselves, and among recreational fishers and mussel farmers.

## Freshwater fish culture and fishing

Annual production from the Danube River and inland basins of the country has fallen from 16 000 t in 1989 to between 3000 and 4000 t (mostly carps (*Cyprinus carpio*, *Hypophthalmichthys molitrix* and *H. (syn. Aristichthys) nobilis*) and salmonids (*Salmo irideus*, *Salvelinus fontinalis*) in the late 1990s. More than 95% of the state fish culture farms were privatized. Their nominal production capacity exceeds 10 000 t/year of freshwater fish. The fish farm potential of the forest system and that of the Hunters and Recreational Fishermen Union could also be included here. The potential refers also to the fish farms of the ex-agrarian-industrial complexes sold or out of function.

In general, the freshwater fish production potential of Bulgaria could be about 15 000 t/year, provided the facilities were fully utilized and there was sufficient domestic and international market demand.

Salmonid culture (mostly trout (*Oncorhynchus mykiss* and *Salmo trutta*), brown trout (*Salvelinus fontinalis*), whitefishes (*Coregonus* spp.), etc.) yield annually between 1 000 and 1 400 t (live weight). Fish feed remains a significant problem for the salmonid culture subsector (poor quality of the local product and high prices for imported feed). There are also problems with the sustainable use of water and energy, and fish diseases.

Other national non-fish freshwater species with potential for product development include algae, crayfish and frogs. Such products have significance on both the domestic and foreign markets.

In some regions of the country, freshwater fisheries is a major activity, providing full- or part-time employment for sole or additional income. Along the Danube there are small municipalities with small impoundments, and further inland there are less-developed rural areas with numerous dam lakes of small (0.4 to 10 ha) and average (10 to 40 ha) size. In some regions there are large dam reservoirs (individual areas exceeding 200 ha) that offer substantial potential for development of integrated agronomic and fisheries activities, including rural tourism and ecotourism.

Harmonization of legislation is urgently needed to control impacts (direct or indirect) on the integrated sustainable use of the national freshwater water system. There is also need for provision for long-term stimuli to promote investment in freshwater living resources development and their sustainable exploitation and conservation. The roles of all stakeholders should be clearly defined so as to be able to apply the principles of good governance.

Of the total surface area of freshwater bodies of about 61 200 ha, 31 900 ha are suitable for freshwater fisheries. Specialized fisheries for carp and trout are based on 8 500 ha. A further 12 400 ha of artificial lakes are also suitable for fisheries.

#### Utilization of the catch

At 3.3 kg, the average annual per capita consumption of fish is low by European standards.

Most fish is consumed fresh or chilled. The main fishery products are frozen, with lesser quantities of semi-preserved or canned products. Over the period 1998 - 2000, the processed fish quantity fell by 7.1%, primarily due to reduced fish canning. The local market has a limited demand, and the EU prohibition on export of fish products from Bulgaria to the EU contributed to the reduction.

In the period 1998-2000, the share of frozen fish increased. In 2000 it was 945 t (125% more than 1999 and 78% more than 1998). Frozen marine fish seems to be better accepted by the consumer because of its acceptable prices. The increased production costs of dried and salted fish increase their prices and makes them less marketable on the domestic market. Their production fell by 78% between 1998 and 2000, while canned fish fell by 33.4%.

Fish exports are primarily to central and eastern Europe markets (the Former Yugoslav Republic of Macedonia, Romania and Serbia). France, Japan and Turkey are preferred markets for shellfish exports.

Since 1 January 2000, fish exports from Bulgaria to EU countries have been prohibited.

#### State of the industry

The fishing industry in Bulgaria remains in transition from a centralized to a market economy. The change to private sector domination rather than state dominance has been

accompanied by purchases of new vessels to fish in the Black Sea. However, there have been significant problems in terms of high debts, shortages of equipment, price increases leading to loss in competitiveness, low demand, a break of relations with the Russian fishing fleet, high cost of repairs, and a phasing out of state subsidies for the development of the fishing industry.

While the Black Sea fishing activities in the 1990s strongly increased the share of molluscs in catches, in practice the national legislation (the recent Fisheries and Aquaculture Act, April 2001) postulates prohibition of such activities.

Related to certain tax exemptions, some financial support was obtained through the Law for Protection of Agricultural Producers. Some assistance also comes from MinAgri - SFI/EIFA, through Decree 14/SG, No. 50, 05.05.1998, to aid fish culture producers, and to protect, maintain and enrich the genetic pool of cultivated fish species in Bulgaria.

## DEVELOPMENT PROSPECTS

The potential for freshwater fish production is estimated to be in the range of 10 000 to 15 000 t/year, while actual freshwater catches were 4 200 t (the forecast for 1997, based on state fisheries), and have not increased though management has passed to new owners through privatization.

The traditional farming of common and Chinese carp is expected to be diversified (partly replaced or expanded) by commercial cultivation of more valuable fish species with better market demand, such as sturgeon, catfish, pike and perch.

For the marine fisheries sector, sustainability is expected to be reached through better governance and mariculture development.

Mussel culture (*Mytilus galloprovincialis*) production could also be increased as both the potential and experience are good. The state should offer support and administration flexibility in connection with definition of concession areas, and promote pilot projects for newcomers, and for this use opportunities available through national and international funding, especially where there is a strong environmental element.

In this regard, pre-accession funds and programmes such as SAPARD, ISPA, etc., should be used where possible. As mariculture (namely mussel installations and artificial reefs) farms attract and enrich the local marine flora and fauna, national environmental funding could certainly offer a additional option.

There is confirmed market demand for exports of molluscs, both sea snail (*Rapana* spp.) and clams (*Venus* spp. and *Donax* spp.), but production is curtailed by the continuing prohibition on bottom trawling and dredging introduced by the secondary legislation of the 1990s, and later by the Fisheries and Aquaculture Act (2001). There are no plans for cultivation of these species.

The future development of the fishery industry will depend on the ability of all stakeholders to adapt to the new conditions imposed by Bulgaria's transition to a market economy, provided there is sufficient promotional assistance from the state and possibly foreign investment involvement.

Per capita fish consumption was forecast to increase to 6 kg/year by 2000, and domestic and foreign demand for fish and fishery products was also expected to pick up. The foreign demand appeared, but domestic per capita consumption reached only 3.3 kg/year.

There is expected to be an expansion in the range of new products on domestic markets. Processing capacity continues to be improved, and sustainability principles will become increasingly important in national fish production development.

## FISHERIES MANAGEMENT AND POLICY

The Fisheries and Aquaculture Act, 2001 (FAA), introduces the requirements of EU Regulation 2847/93 concerning landing declarations and first sales notes.

The FAA includes provisions that all fishermen are obliged to fill in the landing declarations with information concerning the quantities caught and the fishing zones. The FAA also stipulates that a copy of the landing declaration must be submitted to the regional offices of the National (Executive) Agency for Fisheries and Aquaculture (NAFA) for the purpose of collection of operational catch information. Secondary legislation (an ordinance) to the FAA would by the end of 2001 fully transpose the EU requirements concerning landing declarations.

The implementation of the EU requirements concerning landing declarations will be the responsibility of NAFA. Staff will be appointed to collect and process operational information received from landing declarations and other sources (sales notes, logbooks, statistical surveys, etc.) by the end of 2002.

The operational catch data will be processed and stored in computerized form in the National Information and Fisheries Statistics System (NIFSS) and will be used for monitoring purposes. The NIFSS will allow cross-checking of information on fishing activities, and detection of infringements of the fishing regime.

The establishment of a computerized system for fisheries information is an urgent priority for the Fisheries sector. NAFA has applied for EU assistance under a Phare 2001 Project, which will support the introduction of NIFSS. The envisaged EU assistance would include purchase of equipment and software, and training of staff (about 30 people, at central and regional levels) to work with the information system.

NIFSS information will include all NAFA activities, and will be stored in computerized form, allowing for fast retrieval and compilation of data required, and immediate automatic detection of licence infringements. NIFSS should be established and fully operational by the end of 2003, and should have the capacity to fully implement and enforce the relevant acquis.

### Plan for reinforcement of the administrative capacity

By Council of Ministers Decree No. 270, 15 December 2000, NAFA staff was increased from 48 to 160, with effect from 1 January 2001. The number of the regional offices was also increased, from 6 to 27, to cover all administrative regions in the country. It is expected that by the end of 2001 the staff would be increased to 210. The increased number of staff and the regional offices are the first steps towards reinforcement of the administrative

capacity of NAFA to effectively implement the acquis in the fisheries sector.

By the end of 2002, NAFA was expected to purchase for its regional structures adequate office equipment and the vehicles required for performing basic control and monitoring activities, with financing provided by NAFA.

Bulgaria's administration is committed to implementing a control system capable of operating the acquis (NIFSS; a satellite surveillance system; on-water control activities with specialized vessels) by the end of 2005.

The process of reinforcement of NAFA administrative capacity will continue until the end of 2006, and will be closely related to the process of legislation approximation, which is envisaged to be finalized by the end of 2005 (as indicated in the Bulgarian Negotiating Position documents).

#### Collection of market information

Secondary legislation (an ordinance) specifically related to the collection of market information should be adopted by the end of 2004, and will conform to the EU acquis.

The administrative structure responsible for collecting, processing and transmitting all relevant market information on fisheries, in accordance with EU requirements, will be the existing Agricultural Market Information System (AMIS) of the Ministry of Agriculture and Forestry. AMIS was established in 1994, with Phare assistance, and its functions are to collect and process buying-in, wholesale and retail price information for all types of agricultural, including fishery, products.

AMIS will be responsible for price reporting to NAFA and to the relevant EU authorities, in compliance with the acquis requirements. No significant restructuring of AMIS will be required in order to meet the EU criteria concerning collection of market information.

The establishment of the system for marketing information requires the development of the relevant market infrastructures in Bulgaria. A sector analysis started in March 2001 for identification of the places and the capacity of the wholesale markets for selling of fish and fishery products. The analysis is included in the framework of the Project Preparation Facility (PPF) for development of measures in the field of agriculture and rural development to be financed under SAPARD. The establishment of the relevant market infrastructure is expected to take place in the period 2002-2005.

On the basis of the built-up market infrastructure, AMIS will be ready to effectively implement the acquis in that area by the end of 2005 (Regulations 104/2000 and 80/2001).

#### Implementation of the common marketing standards

The Council of Ministers is the responsible institution in the Republic of Bulgaria, which adopts legislative acts concerning marketing standards of various products, including fish and fishery products, and in particular marketing standards concerning content, main characteristics and names of foodstuffs, as well as labeling, packaging and promotion.

The Bulgarian legislation concerning marketing standards for fish and fishery products will,

by the end of 2004, be fully harmonized with EU Regulation 104/2000.

The administrative institutions responsible for implementation of the marketing standards for fish and fishery products are the National Veterinary Service (NVS)/State Veterinary Control (SVC) and NAFA.

According to the Veterinary Act, SVC is responsible for control over the quality, packing and labelling of products of animal origin, including fish and fishery products. The control activities are performed by inspectors of the national and regional offices of SVC, and include on-site checks of trading and storage sites. The inspectors will also be responsible for controlling compliance with the marketing standards of the future wholesale markets for fish and fishery products.

NAFA is responsible only for control over the placing on the market of fish which is below the minimum required size and weight. The control functions are performed by inspectors from the regional services and include on-site checks of trading and storage places.

NVS and NAFA will by the end of 2005 be ready to effectively implement the acquis in the area of marketing standards.

#### Management plan for fleet capacity

The development and formal approval of a management plan for Bulgarian fleet capacity will be included as a part of the priorities of the first three-year National Programme for Fisheries and Aquaculture, which was expected to be adopted by the Council of Ministers before 30 April 2002, after the enforcement of FAA (2001). The management plan will be developed by a Working Group that includes representatives of all interested parties (fishers, environmental organizations, governmental structures), and will comply with the EU requirements for establishment of a balance between biological, social and economic aspects of fisheries. The Plan will be based on a detailed analysis of the Bulgarian fishing rights resulting from International Fisheries Agreements and Conventions, the situation of the fish stocks in the Black Sea, and the existing fleet capacity of the country.

The management plan of the fleet capacity should be finalized by the end of 2002.

#### RESEARCH

Research is carried out by the Fisheries and Aquaculture Institute, with its branches for Freshwater Fish Culture in Plovdiv, and for Fish Resources in Varna; the Institute of Zoology/Bulgarian Academy of Sciences, in Sofia; the Experimental Station for Freshwater Fish Culture, in Samokov; the Hydrobiology, Ichthyology and Fish Culture Department at St Clement of Ohrid University, in Sofia; the University in Stara Zagora; the Forestry Institute, Sofia; the Central Veterinary Medical Institute, in Sofia; and the Fisheries Institute in Burgas. All institutions are state funded.

Despite the limited funding available, there are specific projects working on genetics, selection, nutrition, fish diseases, fish populations dynamics in the Black Sea and in the Danube, and the environmental impact of aquaculture.

#### GENERAL POLICY AND FISHERIES



Following a severe financial crash in 1996 and 1997, the first phase of reform concentrated on stabilizing the economy with the help of a currency board, an IMF extended fund facility (EFF), strict budgetary discipline, vigilant banking supervision, radical structural reforms and privatization of the industrial sector. However, the post-crisis recovery has concentrated on the exporting sector, and unemployment has remained high. Second-stage reforms will concentrate on commercialization or privatization of utilities, and adapting Bulgaria's legislation to that of the EU.

The latest Fisheries and Aquaculture Act (20 April 2001), and the secondary legislation required by the Fisheries Act had to be prepared within three months.

Fisheries and aquaculture activities should be carried out in compliance not only with the Fisheries and Aquaculture Act and the secondary fisheries legislation, but also with the Commercial Law, Water Act, Act of Water Cooperatives and various decrees issued by relevant Ministries.

For aquaculture (freshwater and marine), the Concession Law should also be noted, together with other legislation, such as the Veterinary Act.

EU funded pre-accession projects will be implemented to adapt the Bulgarian fisheries institutions to European standards and requirements, and to the realities of the transition to a market economy.

The Republic of Bulgaria (through NAFA) has applied for a two-year Phare project (Financial Memorandum 2001) to include technical assistance (investment component) and institutional building assistance (under a Twinning project). This project will contribute to the faster improvement of NAFA capacity to build up the control and information systems on fisheries in compliance with the *acquis*, as well as provision of equipment, harmonization of legislation and training of staff for operating the *acquis*.

It is envisaged that the SAPARD Agency of the State Fund for Agriculture will be transformed into a Paying agency, and will be responsible for financial management of the Community structural actions in the area of fisheries (the Financial Instrument for Fisheries Guidance).

NAFA will perform the role of a Policy Unit with respect to the structural actions, and will be in charge of the programming and provision to the Commission of information required for drawing up and monitoring of the multi-annual guidance programmes.

The State Fund for Agriculture and NAFA will by the end of 2006 have the required administrative capacity (sufficient staff and management plans in the area of structural actions) to perform the requisite functions.