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Retail Market Update

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Report Highlights:

This report contains information about Bulgaria's retail food and beverage market.

General Information:

Currently the number of modern grocery outlets in Bulgaria stands at 4,225, which represents 10.6% of total grocery retail outlets (see Table 1). According to Euromonitor, in 2015 the sales in modern grocery retail reached almost BGN 5.4 billion (U.S. \$3.05 billion) and held a combined market share of 55%, which is likely to slightly increase to 56% in 2016, and 57% in 2017 (see table 2 and 3). The remaining 45% or almost BGN 4.4 billion (U.S. \$2.5 billion) was held by almost 35,900 traditional grocery outlets throughout the country. Although the traditional retail is losing positions, in 2015 independent small grocers remained the largest grocery channel in terms of value sales with BGN 2.8 billion (U.S. \$1.42 billion) compared to modern trade channel sales of BGN 1.9 billion (U.S. \$1.08 billion) in supermarkets and BGN 1.56 billion (U.S. \$890 million) in hypermarkets. This is a result of a good combination of convenience and budget focus offered by small grocers. According to CEOs of the biggest retail chains operating in Bulgaria, they will continue to open new outlets, to optimize their networks, and close loss-making outlets. They expect that discounters will see the most dynamic market growth.

Note: Average 2015 Exchange rate 1.0 U.S. \$=1.76 Bulgarian leva (BGN). Source: Bulgarian National Bank

Table 1 Grocery Retailers Outlets by Channel: Units 2012-2015

Outlet	2012	2013	2014	2015
Modern Grocery Retailers	4,058	4,033	4,167	4,225
Traditional Grocery Retailers	36,621	36,252	36,007	35,826
Grocery Retailers	40,679	40,285	40,174	40,051

Source: Euromonitor International

Table 2 Sales in Grocery Retailers by Channel: Value 2012-2015

BGN million	2012	2013	2014	2015
Modern Grocery Retailers	4,752.4	4,959.4	5,215.6	5,364.5
Traditional Grocery Retailers	4,445.3	4,417.0	4,441.4	4,399.9
Grocery Retailers	9,197.7	9,376.4	9,657.0	9,764.3

Source: Euromonitor International

Table 3 Grocery Retailers Forecasts: Value Sales, Outlets and Selling Space 2015-2018

	2015	2016	2017	2018
Value sales BGN million	9,764.3	9,860.7	9,978.2	10,084.5
Outlets	40,051.0	40,086.0	40,051.0	40,049.0
Selling Space '000 sq. m	2,504.7	2,525.5	2,547.0	2,562.4

Source: Euromonitor International

The retail market in 2015 was quite turbulent going through a failed consolidation of Piccadilly and Carrefour, withdrawal of the large retailer Penny which closed 49 outlets, Carrefour closing 9 outlets (currently 13 outlets), and Piccadilly reducing the number of outlets by 33 (currently 20 outlets). Some retailers took advantage of the market restructuring and expanded the number of outlets since 2014 as follows: Kaufland opened 6 new outlets (currently 55 outlets); Billa opened 9 outlets (currently 100 outlets), Lidl opened 4 outlets (currently 79 outlets); CBA with 7 new (currently 204 outlets), Fantastico

with 2 new (currently 38 outlets – only in Sofia); T-Market – 3 new outlets (currently 47 outlets); 345 with 4 new outlets (currently 17 outlets).

Table 4 Top 10 Retailers and Number of Outlets

Retailer	Owner	Nationality	Opened	Outlets (2010)	Outlets (2014)	Outlets (2015)
Kaufland Bulgaria	Schwarz Group	Germany	2003	35	47	55
Lidl Bulgaria	Schwarz Group	Germany	2010	25	72	79
Billa Bulgaria	REWE Group	Germany	1999	84	91	100
CBA	CBA	Bulgaria	2003	156	197	204
Fantastico	Valeri Nikolov	Bulgaria	1991	33	36	38
Carrefour	CMB	France	2008	5	22	13
Penny Market	REWE Group	Germany	2009	47	49	0
Piccadilly	AP Mart	Bulgaria	1994	31	54	21
Metro Cash & Carry	Metro	Germany	1999	13	15	15
T-Market	Maxima Group	Lithuania	2005	33	44	47

The trend of optimization of retailers' store numbers emerged starting in 2011 when some local retailers had to shut down/sell outlets: Piccadilly purchased 2 outlets from Elemag, T-Market bought the outlets of local chain Kalea, the regional retailer Sani sold its outlets to another regional player, Lexi. In June 2014, after three years in Bulgaria, the Delhaize Group sold the Piccadilly chain to the local company AP Mart. In February 2015 Piccadilly (AP Mart) merged with Carrefour Bulgaria (owned by the Bulgarian KMB Bulgaria, a subsidiary of the Greek Marinopoulos Group) and became the fourth largest fast moving consumer goods (FMCG) player on the market. Only nine months later, in July 2015 they announced that the merge has not been successful and they will continue their operations separately. As a result Carrefour closed 9 outlets in 2015 and continues to close more outlets. Piccadilly, which opened their 54th outlet in 2014 had to close 30 outlets and is undergoing a complete restructuring of the business model. In September 2015 discount chain Penny, part of the German REWE Group, announced closure of all outlets and complete withdrawal from Bulgaria and vacated a 200 million leva (U.S. \$114 million) market. Nine of the closed Penny outlets were transferred to the current number four retailer Billa (also part of REWE Group) and the others are still available for interested buyers. These changes on the market were in favor of the expansion of the top two retailers Kaufland and Lidl, both part of the German Schwarz Group.

Market Players and Shares

According to Euromonitor data and local sources, in 2015 the retail market was estimated at close to 10 billion leva (U.S. \$5.7 billion).

A quick look over the top retailers (table 5) shows that for years the larger shares are divided among foreign representatives, as the top four leaders are owned by German companies. Before November 2014 the European hegemony was even stronger in the top 10 with Piccadilly being owned by the Belgian company Delhaize, but after it was acquired by the Bulgarian AP Mart the picture slightly changed.

The retail sector's distinguished leader is Kaufland with one-third of the total sales in top 10 for 2015. In 2012 the German discounter surpassed its main competitor Metro and took the lead position. In 2013, for the first year, the chain passed the revenue limit of 1 billion leva (U.S. \$779.4 million). Kaufland's market share in 2015 is estimated at 13.2% with a revenue of almost BGN 1.5 billion (U.S. \$845,000), followed by Metro with 7.1%, Lidl with 6.3%, and Billa with 5.5%. The only local player among the lead retailers is Fantastiko, which currently operates 38 outlets situated only in the capital city Sofia. For 2016 Kaufland is planning to increase its market share by at least 1-2%, to open a new outlet in Stara Zagora, and to research potential for building of new outlets. Lidl is also planning to continue their expansion by opening three new outlets – in Sofia, Blagoevgrad, and Kazanlak. They also invested 80 million leva (U.S. \$45.5) in a second logistics base. Billa's plan is to regain third position by opening 50 new outlets within the next three years. Metro will develop the supply chain with their professional customers of the HRI segment along with the traditional cash & carry model. They'll continue to develop their partnership with small traders through "My Store" franchise program.

The year 2015 was good for Metro as it increased sales and stabilized the financial results, according to an interview with the CEO. When Metro was a single player in the Bulgarian market, it enjoyed high revenue and profit levels, but after the entrance of Billa first, then Kaufland and Lidl next, the competitive advantages of Metro weakened. Currently the company is rebuilding its strategy in order to change this situation and regain a leading position. The third largest food chain among retailers in Bulgaria after Kaufland and Metro is the German discounter Lidl with revenue of 647.61 million leva (U.S. \$367.96) in 2015. The chain has seen more than 20% increase of sales in 2015. The company opened 79 stores since it set food in Bulgaria in 2010 and it is not a surprise that it surpassed Billa and became number three. Billa ranked fourth with a revenue of 575.93 million leva (U.S. \$327.23 million), and aims to open 150 outlets by 2018.

The chain with the highest revenue increase is the Bulgarian company Fantastico. It is one of the few in the ranking list that has never changed ownership since its establishment. It ranks fifth with revenue of more than 398 million leva (U.S. \$226 million) in 2015. This represents an increase of more than 11% compared to the previous year.

Table 5 Top 9 Food Retail Chains in Bulgaria

		2012	2013	2014	2015	2012	2013	2014	2015
1	KAUFLAND BULGARIA	984,000	1,107,581	1,322,406	1,487,222	664,865	779,987	751,367	845,013
2	METRO CASH & CARRY	823,939	729,500	676,700	698,200	556,716	513,732	384,489	396,705

3	LIDL BULGARI A	385,0 62	428,316	538,264	647,607	260,1 77	301,6 31	305,8 32	367,9 59
4	BILLA BULGARI A	490,3 60	497,273	521,155	575,926	331,3 24	350,1 92	296,1 11	327,2 31
5	FANTASTI CO	306,0 00	341,266	358,236	398,729	206,7 57	240,3 28	203,5 43	226,5 51
6	PENNY MARKET	193,8 08	195,000	206,849	178,705	130,9 51	137,3 24	117,5 28	101,5 37
7	PICCADIL LY	196,8 87	191,965	198,715	159,089	133,0 32	135,1 87	112,9 06	90,39 1
8	T- MARKET	126,1 77	133,652	140,043	154,851	85,25 5	94,12 1	79,57 0	87,98 4
9	CBA	N/A	81,587	88,695	109,786	N/A	57,45 6	50,39 5	62,37 8
10	CARREFO UR	245,2 53	257,474	144,644	59,626	165,7 11	181,3 20	82,18 4	33,87 8

BGN BGN BGN BGN
1.48 1.42 1.76 1.76

Source: www.capital.bg

Note: the above table shows both BGN and U.S. \$ as the rate of exchange fluctuated over the years and a comparison in U.S \$ only would be misleading and incorrect.

Trends in Retail Development, Consumption and Shopping Habits

Shopping Frequency - According to the industry, Bulgarian consumers have slightly lowered their shopping frequency in 2015, but have spent more without changing significantly the purchase volumes. Consumers have spent more money for the same volumes which clearly indicates increases in prices. About 20% of consumers do not shop at discounters, usually the youngest and the oldest ones. Regular consumers at discounters are at 20-49 years age, households with more than one member, and those with the highest income. At the same time, especially in smaller towns, grocery stores are informal places for socializing. These habits were one of the reasons for retailers to adopt a new strategy to open more convenience stores within 2012/2015.

More convenience, mini-market, smaller format shopping outlets - Having already saturated retailing opportunities in the capital and major cities, after 2010 most retail chains began to open a new format of store, smaller convenient-type outlets, closer to consumers, downtown or in highly populated residential areas. Until a few years ago, these locations belonged to independent groceries while modern retailers grew in the outskirts. However, it turned out that consumer shopping habits do not change quickly and Bulgarians still prefer to shop more frequently in smaller volume. These stores have longer work hours adjusted to the usual work hours of customers. The assortment is limited to more staple products. Unlike

in other foreign markets, in Bulgaria prices between such convenience stores and hypermarkets are not substantial because the market is highly fragmented.

Convenience stores also bring benefits to traditional retailers. Most are not able to withstand the double pressure from the modern chains and from the economic crisis. 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, enjoy the advantage of having loyal customers; often shop owners and assistants know many consumers by name; and try to cater individual consumer needs. Finally, rebranding helps foreign retailers which sometimes face resistance from local communities which feel that foreign investors may drive local groceries out of business. Another reason for expansion of branded convenient stores is the still depressed real estate market and decline in property prices and rents. The crisis left many empty stores in good locations. This allowed retailers to find prime locations since the competition for such property is not too strong yet.

Although Piccadilly had to close 33 outlets in 2015, Piccadilly Daily is still a leader in convenience outlets format with 9 outlets, followed by Metro KOMPAKT - 3 outlets, and T-Market with 3 outlets, bring major growth to the market and support higher frequency in shopping. Most retailers plan to keep expanding to smaller format outlets in 2016/2017.

Loyalty Programs - In addition to expanding outlets, most retailers made efforts to preserve the existing number of consumers and to turn them into loyal ones. They improved services and offered consumers loyalty programs, aggressive advertising, as well as regular price promotions. According to a GfK study, about 17% in value and in volume of all expenditures for FMCG are made through promotions, compared to 2% in 2005. Some players put emphasis on local and organic products; others began to sell fair trade products in order to upgrade their public images. Some chains introduced environmentally-friendly practices for shopping bags- such as textile or biodegradable bags – a practice which is targeted at mainly middle and premium-income costumers.

Private Labels and Price Sensitivity – Bulgarian consumers are known as traditionally price sensitive. This is not surprising bearing in mind the fact that Bulgaria remains the EU country with the lowest GDP/capita. For 2014 the rate expressed in purchasing power standards (PPS) was 47% of the EU average. Compare that to the highest in the EU (Luxemburg) at 257%, and neighbors Romania at 55%, and Greece at 73% (source: latest Eurostat data). At the same time the difference between the 10% wealthiest and poorest 10% of households in the country is massive, with the richest having almost 5 times higher annual income than the poorest 10% of households. The average annual income in 2015 is 2,530 Euro, up 2.9% compared to 2014 (source: National Statistical Institute).

For many consumers price is still the most important purchasing factor. Affordable prices are stated as the main reason for shopping at certain retailers, followed by good quality of products, proximity to home (30% of consumers), and good private labels products (20% of consumers). In a recent study on measures consumers would take to lower their expenditures, most responders said that they would switch to a cheaper grocery brand. This indicates an opening trend of consumer orientation towards discounters' private label products.

Since 2011 food manufacturers/suppliers have all reported a trend in substitution of higher priced food and drinks with their lower priced alternatives. For example the dairy industry reported reduction in

consumption and substitution of more expensive products with less expensive products for cheese and fresh milk. The same trends were reported by the meat industry – consumption of higher priced processed meat products declined against less expensive products. The whiskey market faces a similar tendency – while consumption in volume is slowly increasing, market value is rather flat and even slightly declined. In the past five years the share of products purchased on promotion sharply increased from 2% in 2005 to 18% in 2015.

As a result, all retailers have declared a strategy of lowering prices and keeping the quality in order to increase sales for the past several years. Price sensitivity led to growth in private labels sales. However, the industry reports that private label goods are still not well identified by the customers. One of the reasons is that the quality of the products in the lower price segment often falls under reasonable limits. As a result, some retailers do not want to associate their brands with such products and do not actively advertise their own private labels. Additionally, the private label brands are usually very rational and strictly balance between price and quality, without adding an emotional element. The Bulgarian consumer is still very open to advertising, which automatically provides better positioning to well-advertised industrial brands, and hurts poorly advertised private label brands. Private labels also bring benefits to local food manufacturers as most of the food products under private label brands in Bulgaria are produced domestically, with the exception of some non-perishable products like chocolate and confectionery products, which are usually imported. Sometimes this creates problems with the consistency of the quality as the suppliers' market is very fragmented and this makes it hard to sustain certain quality levels.

During the last five years the share of private label products in food retail remains unchanged around 10-11%, despite the expansion of discounters. Private labels are in the focus of the retailers who want to develop and to achieve sustainable growth as they can manage their sales more efficiently through them. In Europe the sales of private label products are growing with Great Britain being a leader with 47% market share, followed by Netherlands with 42%, Spain with 38%, and France and Germany with 33%. Promotions are being used more aggressively in competition for bigger market share. Retailers strive to make more attractive offers in private label category and respond to consumers' needs by establishing products very similar to the so called "A" brands. The highest share of private labels can be found at milk desserts category, followed by processed cheese, potato chips, chocolate products, cookies and snacks, and cooking oils.

In 2014 discounters had the largest sales of private label products – 70%, followed by cash& carry - 39%, hypermarkets - 32%, and supermarkets with 16%.

Some chains such as Kaufland and Lidl offer small local manufacturers the chance to sell their private label products abroad to as many as 40 countries on six continents as well as out in the country. Lidl provides access to foreign markets to many Bulgarian companies and Kaufland helped local companies to reach traditional Bulgarian export markets like Romania, Czech Republic, Poland, and Croatia. Overall, however, these advantages remain underestimated by food producers. Most are still trying to maintain own brands but admit that the price difference for the same product under their own brand and under the private label is almost double, and the cost of keeping own brands grows so significantly that it becomes unaffordable for smaller companies.

The consumers' private label loyalty indicator shows that it is the highest for the products under these

brands at discounters (51%), and lower at hypermarkets (39%) and supermarkets (10%).

Online Shopping – Internet retailing of groceries remained largely dormant throughout 2015. None of the top four retailers sought to utilize the sales potential that this channel offers. One notable exception was Fantastico, which is the only one to sell groceries through *ebag.bg* online supermarket. According to Euromonitor, internet retailing of food and drinks tripled in value from 2010 to 2015. One of the reasons for the slow development of online grocery shopping is that retailers rely heavily on advertising in order to mould consumer perception of their price positioning without engaging into actual price competition. The Internet has potential to rearrange the competitive environment by enabling quick price comparison between stores and thus big retailers is expected to keep avoiding internet retailing, while smaller grocers will develop this channel. The share of population with internet access is expected to reach 70% by 2019. Those not using internet access services are typically elderly people, rural inhabitants, or those with low education and income levels. The share of online shopping for foods and drinks is expected to increase in time and the main customers will be the so called Millennials (generation with birth age ranging from late 1990s to the early 2000s). It has been forecasted that they will create new expectations for the grocers as in addition to being technology-savvy, this generation plan their meals less, putting more emphasis on immediate or same-day consumption. Online grocery operations can excel in this environment, with an increasing number of services offering same-day or even hourly delivery. One of the greatest challenges before the retailers will be to design business models to allow for the delivery of fresh food as the current customers online shopping preferences are mainly oriented towards non-perishable and shelf-stable products.

New Players Entering the Market – Fresh products grocery retailers seemed to be the only category which was not heavily harmed by the economic crisis due to the fact that groceries are a necessity which cannot be cut from the family budget. Although traditional retail yielded precedence to modern trade it is likely to witness regain of its positions as it is possible that local economic groups or foreign players may try to take the share of the market that was freed after Penny's withdrawal and the unsuccessful merging of Piccadilly and Carrefour. Although modern channels have the advantage in virtually all comparisons versus traditional ones, there are still significant market niches where tradition thrives. Players from non-retail business also started to invest and entered the retail business attracted by its stability and expansion. There is an emerging wave of opening small specialized stores for fruit and vegetables as well as for dairy and meat products, which focus on consumers convenience and the need for fresh, local, and organic food of high quality, which so far was not the strongest side of the modern retailers. Bulgarian retail industry can only gain from this tendency as this would be a sign of a well-developed market providing more choices to the consumers through new business models and concepts.

A new player, the largest Macedonian food retail chain KAM, recently announced an ambitious plan to enter the Bulgarian market by opening 20-25 outlets by the end of 2016 and as many as 80 outlets by 2018. They will apply a "hard discount" model but the scale will not be as big as the competitors in the same category. This means that they will focus on basic foods, short assortment line, in-box display, lowest prices for quality products, big share of private label products, and fast service. They will do the market entry through a small investment of U.S. \$3 – 3.5 million in the capital city Sofia with 40% of the products under private label. KAM's current outlets have considerably small selling space of 250-450 square meters (for comparison Lidl outlets in Bulgaria are on 800 – 1000 sq. m.) and offer about 900 items. They import from Greece, Turkey, Germany, Italy, and other European countries. KAM self-defines as the Macedonian version of Aldi and also aims to take as much of the share freed up after

Penny's withdrawal.

Prospects

Despite the challenging economic environment, Bulgaria's GDP has grown modestly between 2011-2013 with annual growth of about 1%. It has been on the path to recovery since 2014 and reached annual growth of 3% in 2015. In 2015 GDP was U.S. \$51 billion with a GDP per capita of \$6,960. Real GDP growth is forecast to slightly decelerate to 2.1% in 2016 before picking up to 2.5% in 2017. The growth was a result mainly of stable exports and good tourist seasons which supported job creation in the summer. Due to good fiscal policy and macroeconomic indexes, the Bulgaria's credit rating was determined as BB+ with "stable outlook" by S&P and Moody's. The expected decrease in Bulgaria's exports, as well as the problems in Russia and Ukraine and the ongoing debt crisis in neighboring Greece are expected to be the key factors negatively impacting the country's economic growth throughout the year.

In this challenging economic situation, several projections can be made:

- Competition among retailers will become tougher since consumers spend less but at the same time the number of retail outlets increases. Consumer price consciousness is expected to dominate in the next few years due to projections for no significant improvement in job creation in medium term as well as negative predictions about the demographic situation and expectations for up to 3% decline of population. These factors are expected to result in reduction in household budgets and disposable incomes and thus reduce purchasing power and demand for grocery retail.
- Hypermarkets and discounters are expected to keep growing fast in 2016/2017 under the pressure of recession on consumers to shop for cheaper products. Kaufland and Lidl are expected to hold the leading positions and to increase their market shares in 2016 by opening new outlets and to become increasingly cost competitive by providing wider product choice. The market share of private labels is expected to increase as well. Convenience stores are expected to be the third fastest growing channel for grocery retailers. Establishment of new chains is also possible as independent small grocers seek to respond to increasing competition by pooling resources.
- The expansion of retailers to smaller towns and convenience format outlets in 2016 will take more market share from the independent groceries and thus will further strengthen retailers' negotiation power.
- Traditional retail is expected to underperform compared to modern trade as large retailers plan to move towards densely populated town centers by opening convenient stores and smaller supermarkets. The only exception will be small specialized stores for fruits, vegetables, and dairy and meat products, which stake on convenience and fresh produce.

Note: *Exchange rate 1.0 Euro=1.95583 Bulgarian leva (BGN)*

Table 6 Grocery Retailers Forecasts: Value Sales, Outlets and Selling Space 2015-2020

	2015	2016	2017	2018	2019	2020
Value sales BGN million	9,764.3	9,860.7	9,978.2	10,084.5	10,180.0	10,282.4
Outlets	40,051.0	40,086.0	40,051.0	40,049.0	40,049.0	40,071.0
Selling Space '000 sq. m	2,504.7	2,525.5	2,547.0	2,562.4	2,577.9	2,594.7

Source: *Euromonitor International*

Table 7 Forecast Sales in Grocery Retailers by Channel: Value 2015-2020

BGN million	2015	2016	2017	2018	2019	2020
Modern Grocery Retailers	5,364.5	5,493.4	5,617.2	5,726.8	5,822.4	5,920.4
- Convenience Stores	899.7	902.4	912.9	921.7	928.3	933.6
- Discounters	761.7	786.1	816.8	846.2	867.1	887.2
- Forecourt Retailers	255.8	268.2	278.0	287.7	295.7	303.2
-- Chained Forecourts	183.8	193.2	200.0	206.7	212.7	218.2
-- Independent Forecourts	72.0	75.0	78.0	81.0	83.0	85.0
- Hypermarkets	1,564.4	1,649.7	1,717.4	1,775.4	1,835.1	1,896.4
- Supermarkets	1,882.9	1,886.9	1,892.2	1,895.8	1,896.3	1,899.9
Traditional Grocery Retailers	4,399.9	4,367.3	4,360.9	4,357.7	4,357.6	4,362.0
- Food/Drink/Tobacco Specialists	1,315.9	1,318.7	1,319.8	1,322.4	1,325.3	1,329.1
- Independent Small Grocers	2,813.1	2,776.5	2,766.9	2,758.1	2,750.9	2,746.3
- Other Grocery Retailers	270.8	272.1	274.1	277.3	281.4	286.6
Grocery Retailers	9,764.3	9,860.7	9,978.2	10,084.5	10,180.0	10,282.4

Source: Euromonitor International

Table 8 Sales in Grocery Retailers by Channel: % Value Growth 2010-2015

% current value growth, retail value rsp excl sales tax	2014/15	2010-15 CAGR	2010/15 Total
Modern Grocery Retailers	2.9	7.0	40.0
- Convenience Stores	1.1	6.5	36.8
- Discounters	3.2	25.1	206.5
- Forecourt Retailers	2.4	7.4	43.2
-- Chained Forecourts	1.4	7.1	40.8
-- Independent Forecourts	5.0	8.4	49.7
- Hypermarkets	3.9	7.8	45.4
- Supermarkets	2.8	2.4	12.7
Traditional Grocery Retailers	-0.9	-0.5	-2.3
- Food/Drink/Tobacco Specialists	0.4	2.8	14.8
- Independent Small Grocers	-1.7	-1.9	-9.2
- Other Grocery Retailers	0.2	0.8	3.9
Grocery Retailers	1.1	3.2	17.1

Source: Euromonitor International

Table 9 Grocery Retailers Outlets by Channel: % Unit Growth 2010-2015

% unit growth	2014/15	2010-15 CAGR	2010/15 Total
Modern Grocery Retailers	1.4	8.0	46.9
- Convenience Stores	1.0	9.8	59.4
- Discounters	2.4	7.1	40.7

- Forecourt Retailers	2.6	8.3	48.8
-- Chained Forecourts	2.0	9.5	57.7
-- Independent Forecourts	4.1	5.5	30.8
- Hypermarkets	1.4	5.3	29.3
- Supermarkets	1.2	1.1	5.5
Traditional Grocery Retailers	-0.5	-1.2	-5.6
- Food/Drink/Tobacco Specialists	0.3	0.3	1.4
- Independent Small Grocers	-0.7	-1.5	-7.3
- Other Grocery Retailers	-0.1	-0.7	-3.5
Grocery Retailers	-0.3	-0.4	-1.9

Source: Euromonitor International

Table 10 Grocery Retailers LBN Brand Shares: Outlets 2012-2015

Sites/outlets	Company (NBO)	2012	2013	2014	2015
Koop	KOOP Targovia i Turizam AD	786.0	817.0	828.0	850.0
Lafka	Tabak Market AD	66.0	414.0	630.0	687.0
Petrol	Petrol EAD	172.0	216.0	218.0	228.0
CBA (CBA Kereskedelmi Kft)	CBA Bulgaria AD	210.0	203.0	200.0	199.0
Lukoil (Lukoil OAO)	Lukoil Bulgaria EOOD	97.0	113.0	176.0	177.0
Billa (Rewe Group)	Billa Bulgaria EOOD	86.0	86.0	92.0	100.0
Lidl (Schwarz Beteiligungs GmbH)	Lidl Bulgaria EOOD & Co KD	63.0	65.0	76.0	79.0
OMV (OMV Tankstellen AG)	OMV Bulgaria EOOD	64.0	68.0	74.0	75.0
Eko (Hellenic Petroleum SA)	EKO Bulgaria EAD	55.0	70.0	74.0	74.0
Shell Shop (Koninklijke Shell Groep/Royal Dutch Shell Group)	Shell Bulgaria AD	51.0	62.0	68.0	69.0
Kaufland (Schwarz Beteiligungs GmbH)	Kaufland Bulgaria EOOD	43.0	46.0	49.0	51.0
Penny Markt (Rewe Group)	Penny Market Bulgaria EOOD	48.0	48.0	49.0	49.0
T-market (Franmax UAB)	VP Market Bulgaria EOOD	-	-	41.0	44.0
Fantastico	Van Holding EOOD	37.0	37.0	37.0	38.0
Piccadilly (AP Mart EAD)	Piccadilly AD	-	-	31.0	32.0
Avanti	Avanti 777 EOOD	10.0	20.0	29.0	32.0
Alcohol & Tabakoff	A & A Trade OOD	13.0	22.0	25.0	25.0

Gastronomes Beryozka	Gastronomes Beryozka Chain Holding	17.0	20.0	24.0	25.0
ProMarket	ProMarket OOD	22.0	23.0	22.0	22.0
Piccadilly Daily (AP Mart EAD)	Piccadilly AD	-	-	21.0	21.0
T-market (Maxima Grupe UAB)	VP Market Bulgaria EOOD	40.0	41.0	-	-
Piccadilly (Delhaize Group SA)	Piccadilly AD	27.0	32.0	-	-
Others	Others	38,772.0	37,882.0	37,410.0	37,174.0
Total	Total	40,679.0	40,285.0	40,174.0	40,051.0

Source: Euromonitor International

Table 11 Grocery Retailers LBN Brand Shares: Selling Space 2012-2015

Selling space '000 sq. m	Company (NBO)	2012	2013	2014	2015
Kaufland (Schwarz Beteiligungs GmbH)	Kaufland Bulgaria EOOD	138.0	147.3	154.6	158.9
Billa (Rewe Group)	Billa Bulgaria EOOD	76.8	75.1	79.5	84.9
Lidl (Schwarz Beteiligungs GmbH)	Lidl Bulgaria EOOD & Co KD	63.0	65.0	76.0	79.0
Koop	KOOP Targovia i Turizam AD	64.6	67.1	68.0	69.8
CBA (CBA Kereskedelmi Kft)	CBA Bulgaria AD	58.1	60.4	59.9	59.7
Carrefour (Carrefour SA)	CMB Bulgaria EAD	48.7	55.3	59.3	56.1
Piccadilly (AP Mart EAD)	Piccadilly AD	-	-	49.8	52.0
T-market (Franmax UAB)	VP Market Bulgaria EOOD	-	-	38.1	40.0
Penny Markt (Rewe Group)	Penny Market Bulgaria EOOD	36.5	36.5	37.2	37.2
Fantastico	Van Holding EOOD	31.4	32.7	32.7	33.5
Petrol	Petrol EAD	11.2	14.1	14.2	14.8
Hit (Dohle Handelsgruppe Service GmbH & Co KG)	Hit Hypermarket EOOD	14.7	14.8	14.7	14.7
Lukoil (Lukoil OAO)	Lukoil Bulgaria EOOD	6.9	8.1	12.7	12.7
Lafka	Tabak Market AD	1.0	6.8	10.5	11.0
ProMarket	ProMarket OOD	8.6	9.0	8.6	8.6
Carrefour Market (Carrefour SA)	CMB Bulgaria EAD	4.4	5.8	8.4	7.9
Magazin 345	345 OOD	4.5	4.8	5.5	5.9
Eko (Hellenic Petroleum SA)	EKO Bulgaria EAD	4.2	5.3	5.6	5.6
Evropa	Evropa Market OOD	24.8	24.8	16.0	5.6

Piccadilly Daily (AP Mart EAD)	Piccadilly AD	-	-	5.6	5.6
Piccadilly (Delhaize Group SA)	Piccadilly AD	49.1	50.7	-	-
T-market (Maxima Grupe UAB)	VP Market Bulgaria EOOD	37.2	38.1	-	-
Others	Others	1,802.2	1,764.7	1,749.8	1,740.9
Total	Total	2,486.0	2,486.3	2,506.7	2,504.7

Source: Euromonitor International

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End of Report