



BULGARIA

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Country BULGARIA

14.2bn



cigarettes consumed

0.2bn on 2017

0.5bn



C&C cigarettes consumed

-0.3bn on 2017

3.7%



of total consumption was C&C

-2.2%pts on 2017

€59m (BGN116m)



total tax revenue lost from C&C

-30m on 2017

C&C continued to fall in Bulgaria, continuing the long term declining trend, reaching 3.7% of total consumption in 2018.

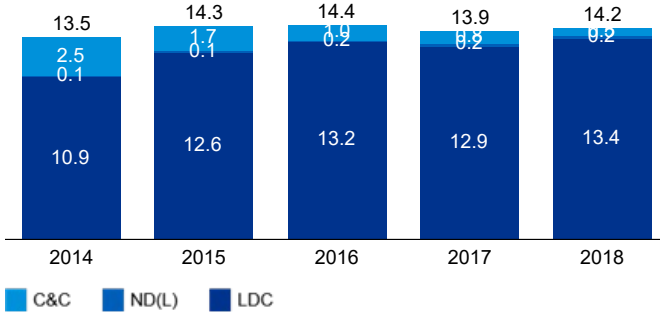
Total consumption increased in 2018 by 2% despite declining non-domestic volumes, as legal domestic consumption increased. This indicated consumers are switching back to domestic cigarettes, and may also be switching to manufactured cigarettes from other tobacco products.

Bulgaria became a net outflow market in for the first time in 2018.

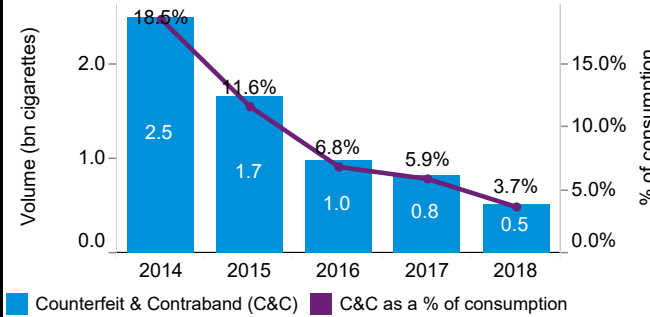
Duty free labelled products and Illicit Whites were the main sources for inflows in 2018. The Bulgarian Government's commitment to fighting illicit trade and increased law enforcement efforts are understood to be a key driver in the reduction in non-domestic inflows, including a 67% reduction in Duty Free labelled cigarettes, many of which were illicit whites, in 2018.

C&C consumption was higher in regions on western Bulgarian border, indicating that the largest illicit flows may be entering from North Macedonia and Serbia.

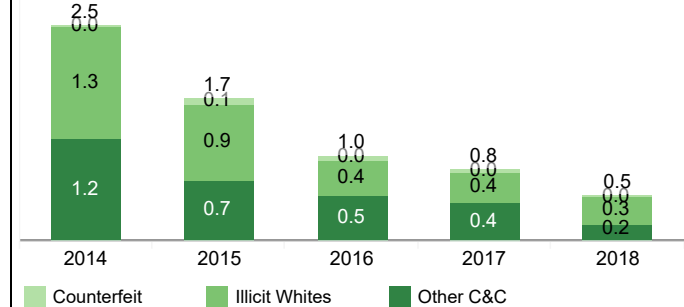
Total consumption, 2014-18 (bn cigarettes)



Manufactured cigarette C&C volumes and share of overall cigarette consumption, 2014-2018



C&C breakdown by type, 2014-2018 (bn cigarettes)



Sources: KPMG EU flows model 2014-2018; travel data taken from World Travel Organisation statistics



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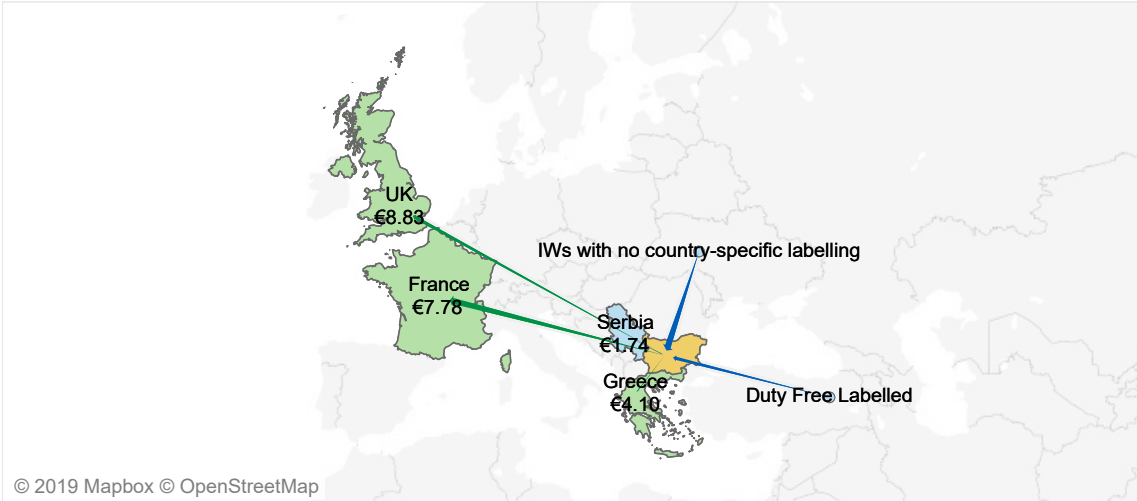
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Country BULGARIA

Key Inflows and Outflows from BULGARIA, 2018 (bn cigarettes)

Weighted average price in BULGARIA: €2.68 (BGN5.24) (5.04% change from 2017)



Map shows major flows. Countries which are both a source and a destination are coded according to the larger flow.

Flow Colours

- Inflow to Country of Study
- Outflow from Country of Study

Country Colours

- Country of Study
- Destination
- Source

Country label format:

Country Name
(Average price per pack)

Breakdown of Total Consumption, 2014-2018 (bn cigarettes)

	2014	2015	2016	2017	2018
Legal Domestic Sales (LDS)	11.34	13.16	13.83	13.71	14.34
Outflows	-0.41	-0.61	-0.64	-0.79	-0.93
Legal Domestic Consumption (LDC)	10.93	12.55	13.19	12.91	13.42
Non-Domestic Legal (ND(L))	0.07	0.06	0.18	0.19	0.23
Counterfeit & Contraband (C&C)	2.50	1.66	0.98	0.82	0.52
Total Non-Domestic	2.57	1.72	1.16	1.02	0.75
Total Consumption	13.50	14.27	14.36	13.93	14.17

Total inflows by country, 2014-2018 (bn cigarettes)

	2014	2015	2016	2017	2018
IWs with no country-specific labelling	1.28	0.82	0.36	0.36	0.40
Duty Free Labelled	0.90	0.42	0.34	0.37	0.16
The Republic Of North Macedonia	0.03	0.13	0.16	0.06	0.06
Greece	0.00	0.00	0.01	0.01	0.03
Serbia	0.07	0.03	0.03	0.02	0.02
Other	0.29	0.32	0.26	0.19	0.08
Total Inflows	2.57	1.72	1.16	1.02	0.75

Total outflows by country, 2014-2018 (bn cigarettes)

	2014	2015	2016	2017	2018
France	-0.07	-0.13	-0.11	-0.22	-0.28
UK	-0.05	-0.08	-0.09	-0.16	-0.15
Germany	-0.11	-0.15	-0.12	-0.14	-0.14
Belgium	-0.02	-0.06	-0.03	-0.06	-0.09
Italy	-0.03	-0.02	-0.02	-0.02	-0.06
Other	-0.14	-0.16	-0.27	-0.19	-0.22
Total Outflows	-0.41	-0.61	-0.64	-0.79	-0.93



Sources: KPMG EU flows model 2014-2018; travel data taken from World Travel Organisation statistics



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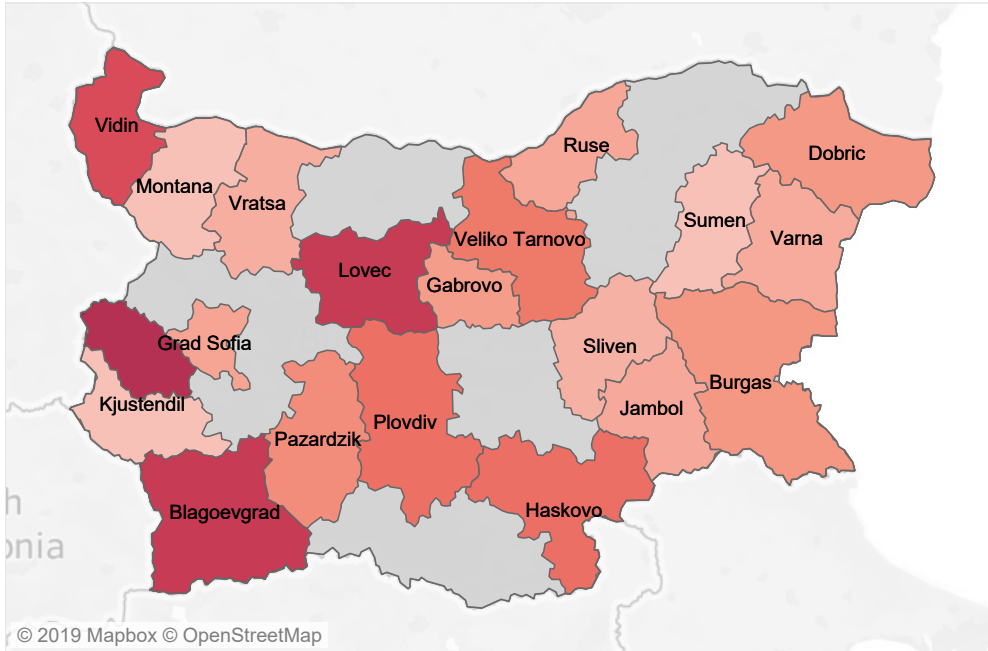
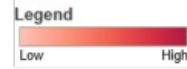
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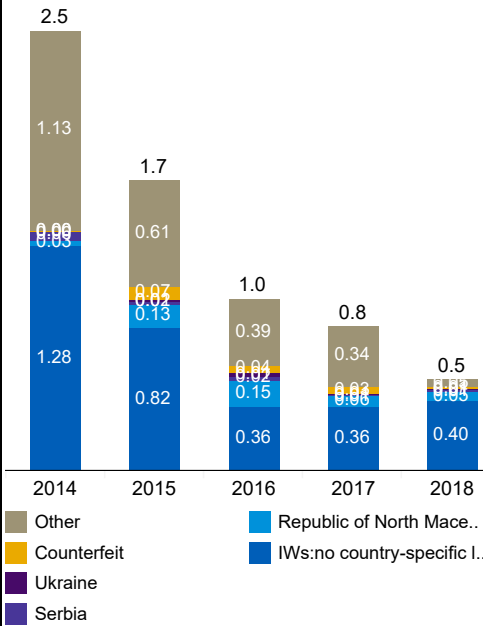
Country
BULGARIA

Type
C&C

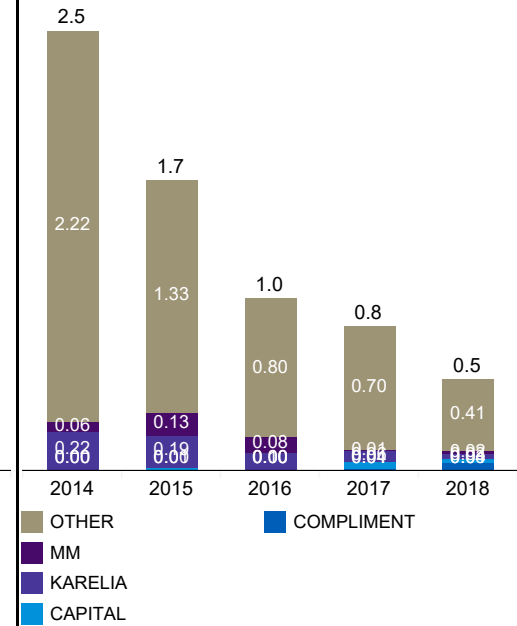
C&C% by region



C&C by country of origin, 2014-2018 (bn cigarettes)



C&C by brand, 2014-2018 (bn cigarettes)



Sources: KPMG EU flows model 2014-2018; travel data taken from World Travel Organisation statistics



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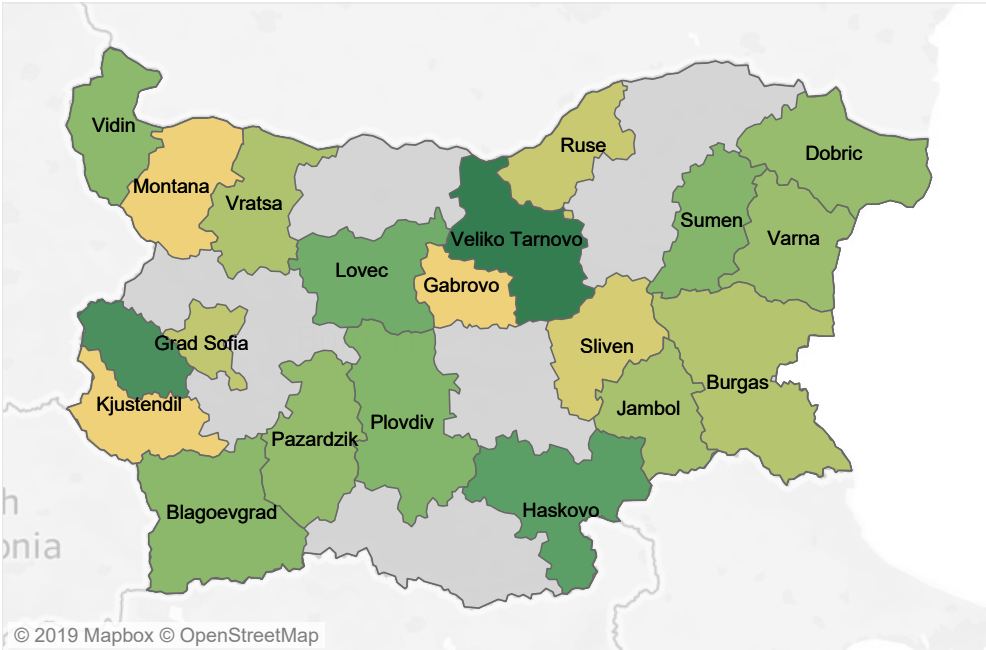
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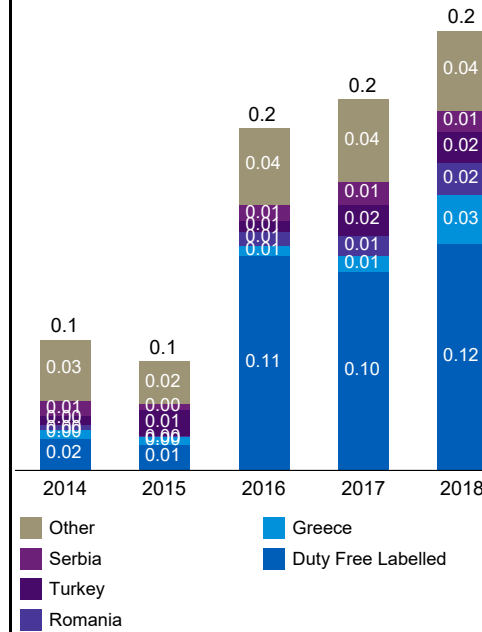
Country
BULGARIA

Type
ND(L)

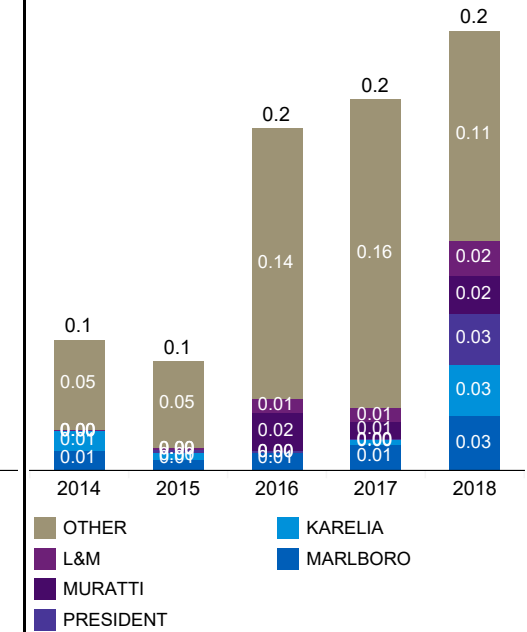
ND(L)% by region



ND(L) by country of origin, 2014-2018 (bn cigarettes)



ND(L) by brand, 2014-2018 (bn cigarettes)



Sources: KPMG EU flows model 2014-2018; travel data taken from World Travel Organisation statistics