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The future of Bulgaria is in agriculture

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Bulgaria is ready to do anything to attract China's attention - from financial incentives, through concessions and public-private partnerships to changing laws. But in practice, only the agricultural sector has so far signed two agreements at the investment forum in Shanghai "Invest in Bulgaria. Expand in Europe".

In Shanghai, China, on November 23, a conference was held under the motto "Invest in Bulgaria. Expand in Europe" as part of the project "Promoting the advantages of investing in Bulgaria", implemented with the financial support of the Operational Program "Development of the Competitiveness of the Bulgarian Economy" 2007-2013. The forum was opened by Stamen Yanev, Executive Director of the Bulgarian Investment Agency (BIA), which was also the organizer of the conference. "China is the most important strategic partner for Bulgaria in Asia," emphasized Prime Minister Boyko Borisov, who was accompanied by an impressive government delegation

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from Bulgaria, including six ministers from key ministries, among them the Minister of Agriculture and Food, Desislava Taneva.

The creation of strategic partnerships, as well as the opportunity for international investment in Bulgaria, was the main goal of the large-scale forum, which brought together not only representatives at a high government level but also executive directors and financial advisors from leading economic and agricultural sectors in Bulgaria and China. The idea of the Asian giant is to relocate part of its production to Central and Eastern Europe, and negotiations are currently underway with countries from these regions. For now, Chinese experts are showing interest primarily in the agricultural sector for production and import of products. Proof of this is the newly established back in June Center for Agricultural Cooperation between China and the Countries of Central and Eastern Europe (CEE).

Center for Agricultural Cooperation between China and the CEE Countries

The Center is a structure under the Ministry of Agriculture and Food, and its creation was prepared as early as the end of 2014, when a Memorandum of Understanding was signed in Bucharest, Romania, between the agricultural ministries of Bulgaria and China. The 16+1 format (the CEE countries, including Bulgaria) plus China gathered in Sofia in the summer to sign the basic principles for the establishment and functioning of this structure. "It was extremely important for us that this center be situated in Sofia, so that we can be the driving force in the business relations between China and the 16 countries of Central and Eastern Europe," noted Deputy Minister Vasil Grudev in an interview for the "Focus" agency. The logical next step taken by the Bulgarian government, not only by the Ministry of Agriculture and Food, was a specific, binding agreement to guarantee business relations.

Two agreements and several unknowns

The first agreement is between Nantong Sumu Biological Technology and the Bulgarian Investment Agency for the creation of a sunflower oil and animal feed plant in Bulgaria. The Chinese company currently exports corn and sunflower but intends to invest $7 million in building its own factory to process the raw materials it needs. The investment should become a fact within 2 years, explained representatives of the Chinese company. The desire of Nantong Sumu's manager, Yun Chen, is to continue working with "Biofresh" and to expand their activity towards importing essential oils from Bulgaria.

The second company that announced an agreement is Bright Dairy & Food Co., which produces yogurt with Bulgarian starter culture under the name "Momchilovtsi" (In fact, the yogurt starter is produced at "Laktina" - Bankya and is exported to China through an intermediary, which in this case is Danisco - Shanghai). This is one of the most successful yogurt brands on the market, claim representatives of the Chinese firm, which sold over 16 billion cups of yogurt last year. Now Han Ming Xu, director of the company, announced that a contract is forthcoming with the

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Bulgarian Center for Development, Investment, and Tourism in China, which is also their main link with Momchilovtsi, for the import of more products.

Although Bulgaria is preparing to become the main distribution hub for investments from China to the other European countries in Central and Eastern Europe, the competition at the level of international trade with the remaining 16 countries is serious. Hungary, for example, has been a preferred destination for Asian investors for years, and in the face of Germany and France, the great Chinese economy sees fresh prospects for the implementation of large-scale projects in the field of high technology, engineering, and other economic sectors. Let's not forget that our country also often accepts proposals that are simply beyond its capabilities. Even our presence at Expo Milano 2015, with a commitment made and a stand secured, turned out to be an overwhelming task. What remains of the large orders to the Arab world, where all our promises and intentions burst like soap bubbles, despite Bulgaria being "a country with long-standing traditions in agriculture."

Our Chinese partners believe that the inability to acquire Bulgarian agricultural land is a significant obstacle to conducting quality and fast business, especially when it comes to agriculture. Furthermore, not only our but also Asian bureaucracy is proverbial, which will delay indefinitely the economic plans stretched between the two continents. "Bulgaria and China are friendly nations," emphasized Tomislav Donchev, Deputy Prime Minister for European Funds and Economic Policy. However, whether this friendship will be enough for good business relations between the two countries, time will tell.