Voluntary _ Public

Date: 1/31/2012
GAIN Report Number: 1203

Bulgaria

Post: Sofia

Retail Market Update

Report Categories:
Retail Food Sector

Approved By:
Hoa Van Huynh

Prepared By:
Mila Boshnakova

Report Highlights:
Retail chains in Bulgaria will keep opening new outlets despite weak consumption. The country currently has a total of 1900 hypermarkets, supermarkets and drugstores, which is 400% more than in 2005, and this number is projected to rise by 6%-7% per year, reaching 2600 in 2016. Retailers currently hold a market share of 35% and it is likely to reach 40% in 2012 and 50% in 2014. At the same time, Bulgarian Retailers' Association says the market has shrunk by 1.0 billion Euro for the last 3 years due to the declining consumption. With the deepening of the economic crisis in 2010/2011 and reduced consumer purchasing power, the tension between the local food suppliers and retailers intensified. The government has drafted a new legislation which aims to regulate relations between food manufacturers and retailers, providing a more favorable treatment for the first ones. However, it may turn out that the changes may lead to higher imports and potentially to increased prices for consumers.

General Information:

Disclaimer: Information in this report is collected from publicly available sources such as specialized and daily printed and electronic Bulgarian media, published surveys of consulting companies, interviews with trade and industry, AgSofia interviews with trade and trade associations, and official statistics. The source of the statistical information at the end of the report is Euromonitor International.

Bulgaria will see more hypermarkets despite weak consumption

Retail chain operating in Bulgaria will keep opening new outlets despite weak consumption. The latest survey made and published by media (Capital Daily) shows that retail companies will continue to optimize their network and close loss-making outlets. Bulgaria currently has a total of 1900 hypermarkets, supermarkets and drugstores, which is 400% more than in 2005 (source: Planet Retail consultancy). Their number is projected to rise by 6%-7% per year reaching 2600 in 2016. Discounters are likely to have the most dynamic market growth.

Retail chains currently hold a market share of around 35% (national average) but the ratio of modern to traditional retail outlets is expected to reach 50:50 in a few years. According to industry estimates, the ratio of retail to traditional trade in the capital and major cities is already above 50%. ICAP consultancy estimates that the share of modern retail vs traditional trade is likely to grow by 5 percentage points annually starting from 35% in 2011 and reaching 40% in 2012 and 50% in 2014.

In 2012, retailers plan to further expand their outlets. Kaufland plans 3 new outlets (Sofia, Plovdiv and Bourgas); Carrefour will open 2 new outlets (Sofia, Pleven); Piccadilly (currently 42 outlets) – 15 new outlets; T-Market – 14 new outlets (current 42); CBA – at least 5 more outlets. Other retailers – Lidl (current 52 outlets), Billa (current 90 outlets) and Fantastico - also announced their policy to increase the number of outlets this year but no specific numbers were mentioned. Lidl, which outlets in 2010 doubled than planned, hopes to reach 60-65 outlets in 2012.

At the same time, the trend of optimization of the retailers' size emerged 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 mid-January 2012 Delhaize Group announced it was closing six stores (in Yambol, Plovdiv, Stara Zagora, Rousse) from its Piccadilly retail chain. Delhaize will also shut down the only Tempo hypermarket in Bulgaria, located in Sofia, by the end of 2012. CBA chain (current 46 own outlets and 80 franchise outlets) also plans to shut down a few outlets which are not profitable enough or to move them to new locations. Following the acquisition of Penny (22 outlets), Lidl is expected to shut down 2 (in Levski and Sevlievo).

These trends are undergoing in the situation of weakening consumption. According to the Bulgarian Retailers' Association, the market has shrunk by 1.0 billion Euro for the last 3 years due to the declining consumption. While in 2008 the market was estimated at 12 billion leva (6.6 billion Euro), in 2010 it was estimated at 10.7 billion leva (5.5 billion Euro) and 10.5 billion leva (5.4 billion Euro) in 2011 (source: ICAP consultancy). Other tentative estimates for 2011 growth vary from 1% positive to 3%-4% negative in value, which however is somewhat compensated by increase in prices; the reduction in volume is said to be more considerable.

Grocery retail sales, usually about half of total retail sales, are not an exception. Marketing consultants estimate 2011 annual decline in various categories at 20% (in volume) for dairy products, and about the same for meat products; 5% for soft drinks, especially juices and energy drinks, and flat wine consumption. Most food industry groups estimate their annual negative growth at 5%-10% average for various food categories. The latest official statistical data from the third quarter of 2011 shows that food consumption does not decline but it is rather flat on an annual basis. At this point, however, this does not affect investors since the country still has smaller number of outlets per capita compared to other EU countries and the potential for growth of modern trade, as well as for food/drinks consumption in more medium term, is substantial.

Although retail business seems less affected by the economic crisis, some analysts think that the growth in retailers' turnover is due to the opening of new outlets and investments in the chains, which in turn undermines substantially their profit. Some retailers operate for already several years at a loss.

Market Players and Shares

Top three retailers in 2011 were the same as in 2010 and 2009. The largest chain continues to be Metro Cash&Carry but in 2011 it showed 12% lower sales than in 2010, and 10 million leva (5.1 million Euro) less profit although it has very good profitability of 9.5%. Kaufland makes every effort to take over the leading position although their profitability is behind the leader with 2.36% in 2010. It made 30% more sales in 2010/2011 mainly due to the new outlets (current 40 outlets). Billa ranks third (profitability of 2.48% in 2010) aiming 100 outlets by end-2011 but is still below this target. In 2010, Billa's profit declined substantially from 20 million leva to 11 million leva (5.6 million Euro). Carrefour and Lidl were progressing very well in 2011.

The second group of chains is those which are still relatively new on the market. Slovenian Mercator (Roda Market) has 4 outlets (two in Stara Zagora) and plans a new one in Sofia. The retailer operates at a loss and does not plan to make a profit in 2012 although the strategy is to become at least the 5th largest retailer in Bulgaria. Penny Market entered the country together with Lidl and Plus but after the merger of the latter, they became true competitors. In 2010, the chain is on 12th position with 100 million leva (51.1 million Euro) sales. German HIT also registered a decline in sales for a second consecutive year in 2010. Maxima (T-Market) works at a loss due to opening of new stores, and plans to open 15-20 new outlets in 2012.

A third group consists of smaller local chains. In most cases, they were acquired by larger retailers. Kaleia became a part of T-Market, and Verde was sold to a new owner in 2011. Increasingly, independent stores rebrand under the brands of larger retailers.

On grocery retail market, in hypermarket category, in 2010, Kaufland, Billa and Piccadilly were in the top three with Kaufland leading with 58% grocery retail value share, Piccadilly was close second and Billa at the third position. Carrefour quickly expanded and has ambitious to be soon in the top three.

New Trends in Retail Development, Consumption and Shopping Habits

Higher Frequency in Shopping - According to GfK consultancy, Bulgarian consumers prefer to shop more frequently but in smaller volume and value. The consultancy estimates household consumption at 2.9% growth as of November 2011 on an annual basis. At the same time, the prices of purchased products have grown by 4%. According to some experts, this trend is related to higher consumption of staple products with short shelf life such as bread, yogurt and fresh produce. In a survey made in 2011, consumers respond that they shop in mini-markets in neighborhoods 18 times per months and at discounters once a week. About 25% of consumers do not shop at discounters, usually the youngest and the oldest consumers. Regular consumers of discounters are at 20-49 years age, households with more than one member, and those with the highest income. At the same time, often in smaller towns, groceries are also informal places for socializing. These habits are one of reasons for retailers to adopt a new strategy to open more convenience stores in 2010/2011.

More convenience, mini-market, smaller format shopping outlets - Having already saturated retailing in the capital and major cities, in 2010/2011, most retail chains began to open new format of stores, 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 the 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 costumers. 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 franchising. Smaller outlets, especially in small towns, have the advantage to have 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 the resistance of local communities which feel that foreign investors may put local independent groceries out of business.

Another reason for expansion of branded convince stores is depressed real estate market and decline in property prices and rents. The crisis left many empty stores in good locations. This allows retailers to find prime locations since the competition for such property is weak right now.

Convenience outlets (Piccadilly Express-11 outlets in early 2011 and currently a leader in this format, Carrefour Market, Metro My Shop – franchise format, 500 outlets) bring the major growth on the market and support higher frequency in shopping. Most retailers plan to expand their smaller format outlets in 2012. Metro plans to double My Shop from 500 to 1,000 outlets by end-2012. Under this agreement, these outlets should buy at least 10% of their products from Metro and achieve certain turnover levels.

<u>Loyalty Programs</u> - In addition to expanding outlets, most retails made efforts to preserve the existing number of consumers and to turn them into loyal ones. They improved the services and offered consumers loyalty programs, aggressive advertising, as well as regular price promotions. Some players made emphasis on local and organic products, others began to sell fair trade products in order to change their public image. 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.

<u>Private Labels and Price Sensitivity –</u> 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 a third consecutive year in 2010 as per Eurostat. The rate expressed in purchasing power standards (PPS) was 44% of the EU average compared to the highest in the EU (Luxemburg) at 271%, and neighbors Romania at 51%, and Greece at 90%. At the same time the difference between the 10% wealthiest households (9,845 Euro annual income) in the country have 4.5 times higher annual income than the poorest 10% of households (2,189 Euro annual income)(source: National Statistical Institute).

A GfK survey done in late 2011 showed that for 87% of consumers the price was an important purchasing factor, and for 41% the price was the most important reason in shopping. Affordable prices were stated as the main reason for shopping at certain retailers, followed by good quality of products, proximity to home (one third of consumers), and good private labels products (one fifth of consumers). In a survey made in August 2011, 60% of consumers admit that they buy the cheapest dairy products, usually containing plant oils, or the cheapest perishable salami.

Since 2011, food manufacturers/suppliers have unanimously reported a trend in substitution of foods and drinks at higher prices with their lower priced alternatives. For example, in December 2011, dairy industry reported 25%-30% reduction in consumption and substitution of more expensive with less expensive products for cheese and fresh milk. The same trends were reported by meat industry –

consumption of higher priced meat processed products declined on the expense of less expensive products, in addition, red meats purchases were increasingly replaced by higher consumption of poultry meat. Whiskey market faces similar tendency – while the consumption in volume is flat, the market value in 2011 declined by 4%. In 2011, consumers were increasingly buying more products in promotions. This trend affected negatively local manufacturers of quality food products.

As a result, in mid-late 2011, all retailers declared a strategy towards lowering prices in order to increase sales. Piccadilly and Piccadilly Express introduced daily low prices on most frequently purchased products--about 1750 staple foods/drinks for daily use. The next stage towards reducing prices is planned to 2012.

In this environment, hard-discounters naturally have the largest market share and proved not only to be a successful model for the Bulgarian market but also to change consumer habits. As of November 2011 (on an annual basis), discount chains accounted for 68% of household consumption with an average number of shopping of 20 per a household during this period. Kaufland was pointed out as a leader in terms of frequency of shopping, as over 50% of consumers who shop at discounters, go most frequently to Kaufland. It is followed by Lidl, Penny and Carrefour.

Price sensitivity led to a substantial growth in private labels. In the period November 2010 – November 2011 consumers spent 10.6% of their total spending for such products compared to only 2.7% in 2008. The share of private labels has increased steadily since their entry in 2007/2008 to 3.6% in 2009 and 5.4% in 2010 (no data is available yet for 2011). Some retailers began rebranding own brands, for example, in 2010, Piccadilly replaced previous Mister Pix and Merkato with Premia. The highest share of private labels can be found at dairy products category (26.5%), following by vegetable cooking oils (23.3%), cold drinks (23.2%), instant coffee (22.6%) and soft cheese (16.9%). According to GfK, however, the share of private labels in other EU countries is on average 20%-30% compared to 10% in Bulgaria.

Discounters have the largest share of private labels. Private label products account for 30%-33% at Lidl and 15% in Kaufland (compared to 12% a year earlier). Among supermarkets, Billa has 23% of products (in value) in private labels, followed by Burlex (14%) and Carrefour (12%). Delhaize introduced its new private label "365", previously sold in Romania and Serbia, to Bulgaria in the second half of 2011. T-Market added their second private label Favorit in end-2011 on the top of their first private label Optima Linia.

Consumers like private labels due to their price/quality ratio which is almost always good. Retailers try to cover the full range of consumer products under their private label lines in order to attract as large number of consumers as possible. Although there are no clearly defined tiers, in most cases private labels are in the low price range. This makes some retailers being concerned that some consumers may view such products as being of lower quality. Therefore, they take steps to change this perception through rebranding (for example, Mr. Pix/Piccadilly was rebranded to Premia) in order to imply the premium quality of the product.

Private labels also bring benefits to local food manufacturers which are the usual suppliers. Some chains such as Kaufland and Billa offer small local manufacturers the chance to sell their private label products abroad as well as in the country. 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 the 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.

New Local Players - In 2010/2011, a new trend emerged. Grocery retailers seemed to be the only category which was almost unharmed by the economic crisis due to the fact that groceries are a necessity which can't be cut from the family budget. Players from non-retail business started to invest and entered the retail business attracted by its stability and expansion. Such new players are My Best, Verde, Yoga, Polezno I Priatno (Tandem company), and Hitar Petar. These are small, emerging local chains which emphasize on convenience, local and organic products.

Prospects for 2012

The economic growth in 2011 in Bulgaria was about 2% (not final data). The growth was a result mainly of increasing exports and good tourist season which supported the job creation in the summer. Due to its good fiscal policy and macroeconomic indexes, the country credit rating was upgraded by S&P and by Moody's. The European Bank for Reconstruction and Development has decreased its October forecast for Bulgaria's economic growth in 2012 by 1.1% to reach 1.2%. The expected decrease in Bulgaria's exports, as well as the ongoing debt crisis in neighboring Greece are expected to be the key factors to have a negative impact on the country's economic growth throughout the year.

In September 2011(source: GfK), the index of consumer confidence grew by 4% and reached 34. Most households estimated their financial situation as stable. The indicators for financial stability of households has been growing in the period Sep 2010-Sep.2011 and reached 41. At the same time, consumers remained concerned about their future and pessimistic about the economic improvements. Only a month later, in October 2011, a GfK survey showed that 41% of respondents were convinced that prices would continue to rise, 59% were convinced that the financial situation would worsen, and 56% thought the unemployment would increase.

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

- Competition among retailers will become tougher since the consumers spend less but at the same time the number of retail outlets increases. Experts project further consolidation through expansion of foreign retailers such as Schwarz group (Kaufland and Lidl), Rewe Group (Billa and Penny) and Delhaize Group (Piccadilly). The first group is seen as the fastest growing and the most aggressive player. Kaufland plans a new strategy to enter towns with less than 20,000 habitants in the next few years and thus to became a threat for local and regional traders. The second largest player is likely to be Delhaize Group (Piccadilly) as both groups are expected to follow the policy of competitive prices and private labels. Local retailers such as Fantstico will face increasing and tough competition from foreign investors and market restructuring is possible. Currently, the retail concentration is not significant with the first 5 retail chain accounting for 20% of the food market, compared to the top EU market (Slovenia), where this index is 80%.

- Discounters are expected to develop very well in 2012 and until 2015 under the pressure of recession to shop for cheaper products. Hard-discounters and hypermarkets, mainly Kaufland and Carrefour, will increase their market shares in 2012. Thus the market share of private labels is expected to increase too. Chains such as Plus and Lidl also may benefit from this trend.
- The expansion of retailers to smaller towns and convenience format outlets in 2012 will take more market share from the independent groceries, and thus will further strengthen retailers' negotiation power. As a result, bankruptcies, consolidations and mergers in the food industries can be expected.

New legislation looming on the horizon

To date the government has not intervened directly in retailing, except for the hygiene and safety checks. The state has been striving to attract new companies and to enhance competition within retailing and to increase the foreign direct investment in infrastructure which accompanies the entry of large multinational retailers. Most foreign retailers acquired First Class investor certificates which provided them with simplified procedures for trade, and the building of new outlets. The main official challenge for retailers has been slow and complicated registration procedures and red tape. For example, new registration is needed for each new municipality and numerous additional authorities have to certify retailers before they start operations. There are more than 450 regulatory regimes which affect private business in the country.

With the deepening of the economic crisis in 2010/2011 and reduced consumer purchasing power, the tension between the local food suppliers and retailers intensified. Small and medium size food manufactures, especially in baking, dairy and meat industries suffer the most being squeezed between increasing price of raw materials/energy/labor cost and retailers' price pressure. Most food suppliers have tried to balance their sales at 50:50 between retailers and independent groceries which do not exercise such heavy price pressure.

In early 2011, 1400 companies/250,000 jobs from 14 industry organizations established "The Initiative Committee for Fair Trade" and approached the government/Ministry of Economy/ with the demand to initiate a new legislation which aims to regulate relations between retailers and suppliers in a more favorable way for suppliers. A special task force was established to draft a new bill or to amend the current Competition Law, Commercial Law and Food Law. Local manufacturers claimed that unlike other EU countries, Bulgaria does not have any regulation regarding retailers which allow them to "blackmail" suppliers and abuse their much stronger market power.

"The Initiative Committee for Fair Trade" proposed a legal definition of the term "significant market power" and "abuse of significant market power". The committee insisted on:

1/faster payments by retailers (30 instead of 90 days). Currently, the terms of payments, including the length of time, is set per commercial contracts and is usually up to 90 days.

2/limit on the types and amounts of taxes and fees required by retailers. The committee thinks that these fees "eat" all the profit made by manufacturers, which in turn are forced to reduce cost, jobs, innovations, modernization, and is leading local suppliers to bankruptcy;

3/ban on returning food products with expired shelf life to producers. The industry, however, is not united behind such an approach. While baking and meat industries support such a regulation, the dairy industry strongly opposes. Baking industry reps admit that over 40% of bread is returned daily from retailers to suppliers due to lack of demand. This inefficiency causes extra costs to suppliers to re-use the bread – for feed, for charity donations etc. Dairy representatives, however, underline the fact that the modern technology allows for old cheese to be processed into new products, such as soft cheeses, and this pattern is widely practiced in the EU, Australia and New Zealand. The industry thinks that if such ban is pursued, retailers will transfer their losses on dairy processors, and the prices for consumers will increase (at least 15% est.), so consumption will drop – a result which is highly undesirables at current tough economic conditions. Finally, dairy industry feels discriminated compared to other EU countries where such regulations do not exist.

Initially, the committee requested mandatory percentage of Bulgarian origin products at retail shelves; however, this was rejected by the Ministry of Economy as illegal per the EU law.

In mid-January, Bulgarian Agricultural Minister and the Prime Minister had a meeting with the General Director of the German retailer Metro during the Green Week Exposition in Berlin. At the meeting, the Ag Minister declared that "we will not step back" from its position to protect Bulgarian food suppliers and will insist on fixing a shorter period of 30 days for payments by the retailers. The Ag Minister also stated that the Food Law will be amended to ban return of food products with expired shelf life to producers and will mandate retailers to dispose these products at incinerators. According to the Minister, this will prevent food suppliers from re-labeling such products and selling them again thus threatening food safety. The Chairmen of the Meat Association, also present at the meeting, raised the issue of price pressure stating that this forces food manufacturers to source cheaper raw materials and as a result, quality of local products deteriorates. The AgMinister underlined that the retailers work in "too comfortable" conditions and it is time this situation to be changed. He implied that retail chains work in a cartel, "blackmailing" local food suppliers and that the new legislation should put a curb on retailers. These statements come days before an important government decision. In February 2012, Competition Protection Commission/CPC is expected to issue its final decision if there is any cartel agreement among 6 retailers. A year earlier, the CPC stated that Metro Cash&Carry, Billa, Kaufland, T-Market, HIT and Piccadilly have exchanged sensitive information about suppliers, promotions, marketing strategies and prices. As a result, the retailers submitted total 14 claims in the court. According to the procedure, the final CPC decision should be announced at end-February 2012. If retailers are announced guilty, they will have to pay 10% of their annual 2010 turnover as a fine. (10% may be more than the annual profit of a retail company).

At the end of January, parts of the new draft legislation became public, as follows:

- A change which is almost certain to be approved by stakeholders is to lower the payment period from 90 to 30 days. Such requirement exists in EU regulations (EU Directive on Deferred Payments). The government plans to accept this directive until end-2012 with the goal to reduce companies' indebtedness. The directive assumes that the payment terms should not be more than 2 months, and the late payment should be limited to one month, after which interest should be calculated. Retailers' reaction to this language was that 30 days can't be a universal payment term since the turnover for different products varies considerably and is often much beyond a month. On the other hand, suppliers claim that this is of vital importance for them due to their credit burden.

Some retailers already commented that this change will lead to exclusion of smaller suppliers and a switch to larger suppliers and higher imports, thus leading to higher prices for consumers.

- On the issue of introduction of a cap on various taxes/fees imposed by retailers (entry tax, promotion tax, positioning tax, marketing fees, etc), the draft says that the cap should not exceed a certain percentage of the value of the supplied product. Retailers' reaction was that this cap will either increase prices for consumers or, if the retailer is a discounter and can't touch the prices for consumers, it will lower the basic price for suppliers. Again, this may lead to higher share of imported products which will hurt local food manufacturers.

Overall, the draft legislation has been defined as a "compromise" by food producers; and as "unnecessary and harmful" by retailers. Retailers consider the new changes distorting for the market and leading to negative effects, including on suppliers. The end result is likely to be less locally manufactured products and more imports, and eventually higher prices for consumers.

Note: Exchange rate 1.0 Euro=1.955 Bulgarian leva

Table 1. Bulgarian Retail Sector Development, 2006 - 2010

Bulgarian Retail Sector Development, 2006 - 2010					
	2006	2007	2008	2009	2010
Employment in retail sector, 1000 people	3,110	3,239	3,316	3,306	3,331
Sales in retail by category, total, million BGN leva	13,261	14,057	14,911	14,973	15,082
- sales in store-based retailing	13,118	13,887	14,723	14,778	14,875
--incl. grocery retailers	5,506	5,777	6,227	6,443	6,526
--incl. non-grocery retailers	7,612	8,110	8,496	8,335	8,349
-sales in non-store retailing	144	170	188	196	208
Percent of grocery sales to total retail sales excl sales tax	49.8%	49.1%	48.5%	49.5%	49.6%
Source: Euromonitor International					

Table 2. Sales in retailing, percent of value growth 2005-2010

Sales in retailing, percent of value growth 2005-2010			
	2010/2009	2010/2005 CAGR	2010/2005 Total
Sales in retailing, % value growth 2005-2010 retailing total	0.7	3.9	21.2
--Store-based retailing	0.7	3.9	20.8
--Non-store retailing	6.1	9.6	58.3
Grocery Retailers	1.3	5.0	27.7
Non-grocery Retailing	0.2	3.0	15.9
Source: Euromonitor International			

Table3. Grocery Retailing Company Shares, percent of market value 2006-2010

Grocery Retailing Company Shares, % value 2006-2010					
	2006	2007	2008	2009	2010
Kaufland Bulgaria	2.0	3.6	5.6	6.9	7.5
Billa Bulgaria	4.0	4.7	5.6	5.8	6.1
Bolyari Ad (Piccadilly)	2.2	3.0	3.5	3.9	4.0
Van Holding (Fantastico)	2.7	3.0	3.5	3.5	3.4
CBA Bulgaria	2.8	2.8	2.8	3.0	3.0
VP Market (T-Market)	1.0	1.9	2.2	2.0	2.0
Metro Cash &Carry	1.7	1.7	1.7	1.6	1.6
Penny Market	-	-	-	0.6	1.1
Carrefour	-	-	-	0.5	0.9
Others	83.6	79.3	75.1	72.2	70.4
Total	100%	100%	100%	100%	100%
Source: Euromonitor International					

Table 4. Grocery Retailing Brand Shares, percent of market value 2007-2010

Grocery Retailing Brand Shares, % value 2007-2010 (% retail value rsp excl sales tax)					
Brand	Company	2007	2008	2009	2010
Kaufland	Kauland Bulgaria EOOD	3.6	5.6	6.9	7.5
Billa	Billa Bulgaria OOD	4.7	5.6	5.8	6.1
Piccadilly	Bolyari AD	3.0	3.5	3.5	3.4
Fantastico	Van Holding AD	3.0	3.5	3.5	3.4
CBA	CBA Bulgaria AD	2.8	3.0	3.0	3.0
T-Market	VP Market Bulgaria EOOD	1.9	2.2	2.0	2.0
Aro	Metro Cash &Carry Bulgaria EOOD	1.7	1.7	1.6	1.6
Penny Market	Penny Market Bulgaria EOOD	-	-	0.6	1.1
Carrefour	Carrefour SA	-	-	0.5	0.9
Other		79.3	74.9	72.6	71.0
Total	Total	100%	100%	100%	100%

Source: Euromonitor International

Table 5. Sales in Grocery Retailing in value, 2005-2010, and Forecast for 2010-2015

Sales in Grocery Retailing by category, Value 2005-2010, million leva						
	2005	2006	2007	2008	2009	2010
Total Grocery Retailing	5,109	5,506	5,777	6,227	6,443	6,526
Discounters	-	-	-	-	67.2	103.4
Food/Drink/Tobacco Specialists	919	935	953	1,085	1,120	1,147
Hypermarkets	206	352	459	644	756	839
Small grocery retailers	3,040	3,120	3,075	2,980	2,912	2,841
--Convenience stores	150	312	348	386	395	405
--Forecourt retailers	81	92	98	117	121	124
--Independent groceries	2,810	2,716	2,630	2,478	2,395	2,312
Supermarkets	689	847	1,039	1,265	1,330	1,335
Other grocery outlets	255	252	248	252	258	261
Forecast sales in grocery retailing by category, value, 2010-2015						
	2010	2011	2012	2013	2014	2015
Total Grocery Retailing	6,526	6,478	6,437	6,444	6,497	6,530
Discounters	103.4	124.6	134.7	149.5	200.7	247.7
Food/Drink/Tobacco Specialists	1,147	1,148	1,150	1,154	1,156	1,158
Hypermarkets	839	912	997	1,118	1,226	1,316
Small grocery retailers	2,841	2,701	2,566	2,439	2,326	2,221
--Convenience stores	405	408	410	414	421	430
--Forecourt retailers	124	125	128	130	133	137
--Independent groceries	2,312	2,168	2,028	1,896	1,771	1,655
Supermarkets	1,335	1,337	1,339	1,340	1,351	1,355
Other grocery outlets	261	256	250	243	236	230
Source: Euromonitor International						