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GLOBAL TRADE TRANSFORMATIONS AND BULGARIA'S PARTICIPATION IN THE EU COMMON COMMERCIAL POLICY[2]

The article examines recent structural changes in global trade and their implications for Bulgaria within the framework of the European Union's Common Commercial Policy. The analysis focuses on key trends shaping contemporary trade dynamics, including shifting trade flows among major economies, increasing uncertainty in the global trading system, and the growing importance of regionalisation and the reconfiguration of global value chains. Using comparative analysis of international trade statistics, the study outlines changes in the relative positions of leading trading economies and highlights emerging patterns in global trade relations. Within this broader context, the article analyses Bulgaria's foreign trade performance since its accession to the European Union in 2007, with particular attention to the country's participation in EU preferential trade agreements. Export, import, and trade balance indicators are examined in order to assess Bulgaria's integration into the EU and global markets and to compare its performance with overall European Union trends. The findings indicate that although Bulgaria has experienced growth in trade volumes and deeper integration into European trade structures, its performance remains uneven and often below the European Union average in terms of export structure and market diversification. The article concludes that improving institutional coordination, increasing awareness of trade opportunities among firms, and supporting export diversification and participation in global value chains are important prerequisites for strengthening Bulgaria's position in an increasingly fragmented global trading environment.

Keywords: Global Trade Structure; Regionalisation; EU Common Commercial Policy; Trade Agreements; Foreign Trade of Bulgaria
JEL: F10; F13; F14; O19; F53

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1. Introduction

In recent decades, international trade has undergone significant structural changes, driven by globalisation, technological progress, shifting comparative advantages, and evolving trade policies. While global trade expansion has traditionally been associated with liberalisation and deeper economic integration, the contemporary period is increasingly characterised by heightened uncertainty, the re-emergence of protectionist measures, geopolitical tensions, and disruptions in global value chains. These developments have altered not only the volume but also the structure and geographical orientation of world trade, raising important questions about the determinants shaping current trade patterns.

Against this background, the present study examines the structural determinants of world trade with a focus on recent transformations in global trade flows and their implications for small and open economies. Rather than aiming to provide an exhaustive theory-testing exercise, the article adopts a comparative and descriptive-analytical perspective, seeking to identify key trends, dominant actors, and shifting positions within the global trading system. Particular attention is paid to the changing roles of major trading economies and the growing differentiation between advanced, emerging, and developing countries in international trade.

Within this broader framework, the article analyses Bulgaria's position in global trade through the prism of the European Union's Common Commercial Policy. As a small open economy integrated into the EU single market, Bulgaria's external trade performance is strongly influenced by both global structural trends and supranational trade arrangements. The study, therefore, focuses on how participation in EU trade agreements and evolving global trade dynamics shape Bulgaria's export and import structure, market orientation, and trade balance, highlighting key challenges and opportunities rather than prescribing specific policy instruments.

Methodologically, the research is based on a systematic analysis of international trade statistics, covering export, import, and trade balance indicators for selected major economies, the European Union, and Bulgaria. The analysis relies on comparative assessment of trade dynamics over time, supported by graphical and tabular representations of data from international and European statistical sources. This approach allows for the identification of structural shifts and relative positioning, while acknowledging the limitations inherent in descriptive empirical analysis.

The article is structured as follows. The first section examines structural changes and sources of uncertainty in world trade, with emphasis on globalisation, protectionism, and geopolitical factors. The second section analyses major transformations in global trade flows, focusing on the evolving roles of leading and emerging trading economies. The third section explores Bulgaria's foreign trade within the EU framework, including the role of trade agreements and their implications for the country's international trade performance. The concluding section synthesises the findings and outlines directions for further research.

2. Literature Review: Structural Changes and Emerging Uncertainties in Global Trade

The contemporary global trading system is undergoing a profound transformation, driven by economic, social, and political factors that are reshaping the global economy. The complexity of international trade governance, divergent interests between developed and developing countries, and the uneven distribution of benefits from trade liberalisation have contributed to a stagnation within the World Trade Organisation (WTO). The Doha Round, initiated in 2001 and still unresolved, exemplifies the weakening of the foundational principles of the international trade framework. This impasse introduces uncertainty into trade relations, which, in turn, constrains global economic growth (Bobeva, 2020).

The lack of progress within the WTO has coincided with the resurgence of protectionist sentiments. Since 2017, protectionist measures have proliferated, outpacing liberalising policies and posing additional challenges to the global trade regime (Krugman, 2016; European Commission, 2020; Yates, 2014). At the same time, multinational corporations and global production chains are increasingly central to international commerce, with trade often reflecting the complex integration of value added across borders (Damen, Igler, 2019). Public scrutiny of major bilateral agreements, such as TTIP and CETA, underscores the contentious nature of contemporary trade negotiations.

International specialisation is also evolving. Competitive advantage is no longer measured solely by final products but increasingly by specific tasks within complex production processes, often linked to high-tech, high-value-added activities across upstream and downstream operations (Johansson, Olaberría, 2014; Panusheff et al., 2021). Shifts in consumer preferences toward customised goods and proximity to end markets further influence trade patterns, rendering traditional protectionist policies less effective in a world dominated by intermediate goods.

Developing economies are playing a growing role in global trade. Over half of world trade now involves at least one developing country (Johansson, Olaberría, 2014), and trade between developing countries – South-South trade – is expanding. Between 1990 and 2018, Asia doubled its share of world trade (Marinov, 2022), while the African Continental Free Trade Area signals the continent's ambitions to boost intra-regional trade. Emerging economies are increasingly asserting regional and global influence, challenging the established order (Lund et al., 2019). In this context, bilateral and regional agreements have emerged as significant mechanisms for trade liberalisation, offering alternatives to the global WTO framework.

While regional trade agreements are more feasible to negotiate, they can introduce trade discrimination and welfare losses for some countries, and in some cases, reinforce regionalism, slowing progress toward global liberalisation (Ackerman, 2016). Technological advances in logistics, manufacturing, and communication have also reshaped trade patterns. E-commerce facilitates global market access for businesses of all sizes, while blockchain and artificial intelligence enhance supply chain efficiency and transparency (Betaneli et al., 2021; Branzova, Dimitrova, 2024).

Concurrently, environmental and social considerations are becoming integral to trade strategy. Increasing attention to environmental, social, and governance (ESG) factors is leading to shifts in trade patterns, with a growing emphasis on sustainably produced goods (Spasova, 2024; Zhelyazkova, 2024). Geopolitical tensions, such as those between the United States and China, alongside the COVID-19 pandemic, have prompted countries to diversify supply chains, rethink trade routes, and pursue reshoring or nearshoring to enhance resilience (Barcena, Cimoli, 2020).

Overall, structural changes in global trade are both a challenge and an opportunity. Deepening and diversifying foreign trade relations can open new avenues for national economic development, enabling countries to market their competitive production in the most advantageous markets. Understanding these dynamics is crucial for framing strategies that allow nations – including Bulgaria – to strengthen their position in an increasingly complex global trading environment.

Against this background, the present study complements the existing literature by providing a comparative synthesis of recent structural changes in global trade and linking them to the trade performance of a small open economy within a supranational trade policy framework. While much of the literature focuses either on global trade dynamics or on regional and national trade policies in isolation, this article bridges these perspectives by examining Bulgaria's foreign trade development in the context of evolving global trade patterns and the European Union's Common Commercial Policy. By combining insights from international trade theory, empirical evidence on global trade flows, and country-level trade data, the study contributes to the ongoing debate on how global and regional trade transformations are reflected in the external trade positions of smaller European Union member states.

3. Methodology

The study adopts a descriptive and comparative analytical approach, combining systematic analysis of international trade statistics with cross-country and cross-agreement comparisons. The methodology is designed to identify structural trends, relative positioning, and changes in trade patterns, rather than to estimate causal relationships or test formal econometric hypotheses. The study does not aim to quantify causal effects of trade agreements, but rather to identify patterns and relative developments that may inform future, more detailed empirical research.

The first part of the analysis examines the trade trajectories of leading global economies, focusing on developments in exports, imports, and overall trade turnover. The empirical analysis covers the period 2004-2023, which allows for the assessment of medium- and long-term changes in global trade patterns, including the effects of the global financial crisis, the COVID-19 pandemic, and recent geopolitical tensions. The study focuses on the top 15 trading nations, including China, the United States, Germany, Japan, India, France, the United Kingdom, Italy, Brazil, South Korea, Canada, Australia, Mexico, Spain, and Russia. In addition, several economies that intermittently appear among the top 15 by total trade, imports, or exports are included, such as Belgium, Hong Kong, the Netherlands, Saudi Arabia, Singapore, Switzerland, Taipei, the United Arab Emirates, and Vietnam. Collectively, these economies account for approximately 70-75 per cent of global trade turnover.

The dataset enables a comparative assessment of how major trading economies have adjusted their trade profiles in response to global market fluctuations, supply chain disruptions, trade conflicts, and evolving environmental and social considerations. Selected country cases are used illustratively to highlight divergent trade trajectories, such as China's expansion in manufacturing exports and the efforts of emerging economies to diversify their trade structures.

The second part of the study focuses on Bulgaria's foreign trade development over the period 2004–2023, allowing for comparisons before and after European Union accession and for the inclusion of pre-crisis trade conditions (Byanova, 2018, p. 138). The analysis examines Bulgaria's participation in selected preferential trade agreements concluded under the European Union's Common Commercial Policy, classified according to their timing and depth of trade liberalisation. The agreements considered include free trade agreements with Chile (2003), South Korea (2011), and Vietnam (2020), the Stabilisation and Association Agreements with North Macedonia (2004) and Albania (2009), as well as the European Union–Türkiye Customs Union (1995).

The effects of these agreements are assessed through trend-based and comparative evaluation of bilateral trade flows. Changes in the nominal value and volume of trade are analysed, and Bulgaria's performance is compared with that of the European Union as a whole in order to provide a benchmark for assessing relative outcomes. This approach allows for an informed interpretation of Bulgaria's trade dynamics within the broader context of global structural change, while acknowledging the limitations of descriptive empirical analysis.

All data used in the study are based on the author's own calculations derived from import and export statistics from the International Trade Centre, complemented by UN COMTRADE data updated to 2023, extracted on 1 June 2025.

4. The Evolution and Shifts in Global Trade

The phenomenon of globalisation, in conjunction with the evolution of international trade, has precipitated profound transformations, engendering novel realities for nation-states. It is evident that established economies such as China and the United States are encountering difficulties, whilst emerging economies such as India and Brazil are achieving success in consolidating their position within the global trade arena, thus becoming appealing to investors and partners. These emerging economies are demonstrating sustained growth, adaptability and innovation, providing them with the opportunity to expand their influence in global trade.

Recent studies have demonstrated that trade flows between different countries are not only increasing, but also changing in terms of structure and direction of movement. The present geopolitical landscape is characterised by a series of dynamic developments, including technological advancements, shifts in economic conditions, and the emergence of political instability. These factors, in conjunction with health crises such as the ongoing pandemic of the Coronavirus (SARS-CoV-2), are exerting a significant influence on international trade relations.

As the investigation progresses, the impact of the multiple crises of recent decades that have transformed the global trade landscape will be examined, emphasising the significance of resilience and adaptability. By analysing the interplay between trade policies, market conditions and the broader economic environment, this analysis aims to provide insights into the future of international trade and the potential challenges and opportunities that lie ahead for these key actors on the world stage.

This section explores the myriad ways in which these changes have reshaped trade flows among the world's leading economies, with a particular emphasis on the period from 2004 to 2023. Key actors, including China, the United States, and the European Union, have navigated these shifts in different ways, influenced by their distinct economic structures and strategic priorities. The noteworthy ascent of nascent economies such as India and Brazil underscores the dynamic character of international trade, as these nations leverage innovation and adaptability to augment their influence on the global stage. Concurrently, trade disruptions occasioned by events such as the pandemic caused by the severe acute respiratory syndrome (SARS-CoV-2) virus and geopolitical tensions accentuate the critical importance of resilience and diversification in sustaining economic growth within an increasingly interconnected world.

4.1. Major transformations in global trade flows and patterns

This section explores the specific transformations that have redefined global trade flows, focusing on the roles of key nations and regions. The objective of this section is to facilitate a comprehensive understanding of the manner in which nations are adapting their trade strategies in response to emergent challenges and opportunities, thereby contributing to the ongoing redefinition of their positions within the global economic framework. Through detailed case studies, this examination offers a comprehensive understanding of how diverse factors have shaped the contemporary landscape of international trade.

The analysis is based on data collected over the last two decades, with a view to tracking changes in the exports and imports of 15 key economies. The top 15 trading nations that will be examined include China, the United States, Germany, Japan, India, France, the United Kingdom, Italy, Brazil, South Korea, Canada, Australia, Mexico, Spain, and Russia. Moreover, a number of additional countries have been identified as featuring in the top 15 on some measure in certain years. These countries include Belgium, Hong Kong, the Netherlands, Saudi Arabia, Singapore, Switzerland, Taipei, the UAE, and Vietnam. The measures in question are total trade, imports, or exports. These countries account for a significant share of world trade turnover, estimated at between 70 and 75%.

Figure 1 provides a comprehensive ranking of the top 15 countries in global trade from 2004 to 2023, indicating fluctuations and trends in the export and import activities of these key economies. The figure illustrates changes in relative positions among leading trading economies over time, highlighting shifts in global trade leadership. It is noteworthy that China has persistently ascended in the ranking, thereby sustaining its standing as a preeminent global leader in trade. This is attributable to China's substantial manufacturing capabilities and the judicious economic initiatives it has implemented. The United States, a nation that has historically dominated the global economic landscape, is exhibiting signs of instability, attributable to persistent trade tensions and evolving economic policies.

European nations such as Germany and France maintain their traditional roles, with Germany in particular being recognised for its robust export sector, which is focused on automobiles and machinery. Emerging economies, including India and Brazil, have made significant progress, ascending the rankings and demonstrating innovative growth in sectors such as technology and pharmaceuticals. These shifts underscore a dynamic global trade environment where new participants are actively reshaping market dynamics and challenging established hierarchies.

Figure 1. Heatmap of top-ranked countries in global trade rankings (2004–2023)

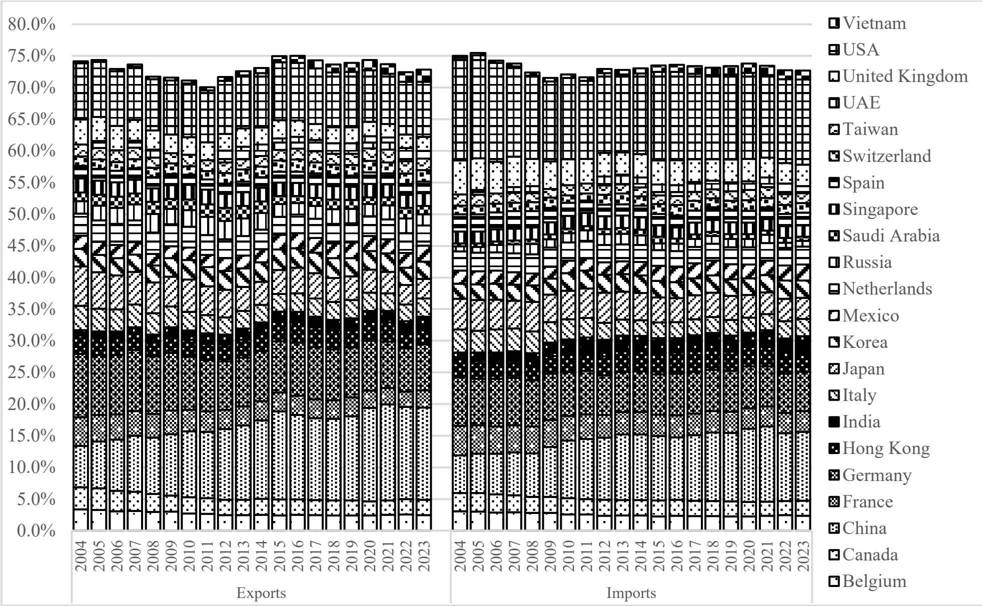
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Total trade																			
China	3	3	3	3	3	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1
United States	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2
Germany	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Japan	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
France	6	6	6	5	5	5	5	5	5	5	5	7	6	6	5	5	6	7	6	5
Netherlands	8	9	8	8	8	8	8	9	8	8	9	9	9	9	9	8	7	6	5	6
Italy	7	7	7	7	7	7	7	7	10	10	10	10	10	10	10	10	10	9	8	7
UK	5	5	5	6	6	6	6	6	6	6	6	5	7	7	7	6	8	10	9	8
Korea	12	12	12	11	11	10	9	8	7	9	8	8	8	8	8	9	9	8	7	9
Hong Kong	11	11	11	12	12	11	10	10	9	7	7	6	5	5	6	7	5	5	10	10
Mexico	14	14	15	15	16	16	15	16	16	16	13	12	13	13	12	11	12	12	13	11
Canada	10	8	9	10	10	12	12	12	11	11	11	11	11	11	13	12	13	13	14	12
Belgium	9	10	10	9	9	9	11	11	12	12	12	13	12	12	11	13	11	11	11	13
India	24	21	19	19	17	17	16	15	15	14	15	14	14	14	14	14	15	14	12	14
Singapore	15	15	14	14	15	13	13	14	14	15	16	15	15	15	15	15	14	15	15	15
Spain	13	13	13	13	14	14	17	17	17	19	17	17	16	16	16	16	16	17	17	16
Taiwan	16	16	17	17	18	19	18	18	20	20	19	20	19	19	18	18	17	16	18	17
Vietnam	43	46	44	42	41	36	37	35	33	32	32	28	25	24	24	21	21	21	21	18
Switzerland	17	18	18	18	19	18	22	23	19	17	20	18	17	20	19	19	18	20	20	19
Russia	18	17	16	16	13	15	14	13	13	13	14	19	20	18	17	17	20	18	19	23
UAE	199	27	200	28	22	208	212	213	18	18	18	16	18	17	20	20	19	19	16	27
Saudi Arabia	25	23	21	22	20	24	24	21	21	21	21	24	28	28	26	26	30	29	27	30
	Exports																			
China	3	3	3	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
United States	2	2	2	3	3	3	2	3	2	2	2	2	2	2	2	2	2	2	2	2
Germany	1	1	1	1	1	2	3	2	3	3	3	3	3	3	3	3	3	3	3	3
Japan	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	5	5
France	5	5	5	5	5	5	5	5	5	6	7	7	7	8	7	6	9	9	10	7
Netherlands	8	9	8	7	6	6	6	6	6	5	5	9	8	7	6	5	6	5	4	4
Italy	7	7	7	6	7	7	8	8	9	11	8	10	9	9	9	8	8	8	7	6
UK	6	6	6	8	8	10	9	9	11	8	10	8	10	10	10	10	12	14	14	13
Korea	12	12	11	11	12	9	7	7	7	7	6	5	6	5	5	7	7	7	6	8
Hong Kong	11	11	12	13	13	11	11	12	10	9	9	6	5	6	8	9	5	6	9	10
Mexico	14	15	15	15	16	15	15	16	16	15	15	13	13	13	13	11	11	12	13	9
Canada	9	8	9	10	11	12	13	13	12	13	12	11	12	12	12	13	13	11	11	12
Belgium	10	10	10	9	9	8	10	11	13	12	13	12	11	11	11	12	10	10	8	11
India	28	29	27	26	25	20	19	18	21	19	19	20	20	20	18	18	21	18	18	17

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Singapore	13	14	14	14	14	14	14	14	14	14	14	14	14	14	15	15	14	15	16	14
Spain	16	16	17	16	17	16	18	19	20	20	18	19	18	18	16	16	19	19	19	19
Taiwan	17	17	16	17	18	18	16	17	19	21	20	18	19	16	17	17	15	16	17	16
Vietnam	48	47	48	49	49	37	39	40	38	34	32	27	27	27	26	22	20	22	23	15
Switzerland	18	19	19	19	19	17	23	22	18	18	21	17	15	19	20	20	18	20	22	18
Russia	15	13	13	12	10	13	12	10	8	10	11	15	17	15	14	14	16	13	12	20
UAE		24		23	20				17	17	16	16	16	17	19	19	17	17	15	27
Saudi Arabia	20	18	18	18	15	19	17	15	15	16	17	21	26	24	21	23	28	26	20	25
	Imports																			
China	3	3	3	3	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Germany	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Japan	5	5	5	5	4	5	4	4	4	4	4	4	5	4	4	4	4	4	4	5
France	6	6	6	6	6	6	6	6	6	5	6	6	6	6	6	6	7	6	6	6
Netherlands	9	10	8	8	8	8	9	10	9	9	9	10	8	9	9	8	8	8	9	8
Italy	7	7	7	7	7	7	7	7	10	10	10	11	9	10	11	11	10	11	10	11
UK	4	4	4	4	5	4	5	5	5	6	5	5	4	5	5	5	5	7	5	4
Korea	13	13	13	13	10	11	10	8	8	8	8	8	10	8	8	9	9	9	8	10
Hong Kong	11	11	11	12	13	10	8	9	7	7	7	7	7	7	7	7	6	5	11	9
Mexico	14	14	14	14	16	16	16	16	15	14	14	12	12	13	12	12	13	13	13	12
Canada	10	9	10	11	12	12	12	13	12	12	11	9	11	12	13	13	11	14	14	13
Belgium	8	8	9	9	9	9	11	11	13	13	13	14	13	14	14	14	12	12	12	14
India	22	18	17	17	15	14	13	12	11	11	12	13	14	11	10	10	14	10	7	7
Singapore	15	15	15	15	14	15	15	14	14	15	15	16	16	16	16	16	16	16	16	16
Spain	12	12	12	10	11	13	14	15	16	16	16	15	15	15	15	15	15	15	15	15
Taiwan	16	16	16	16	18	18	17	18	19	20	20	19	19	19	17	17	18	17	17	19
Vietnam	43	44	43	41	42	35	32	31	32	32	32	28	25	25	23	20	19	20	20	21
Switzerland	17	17	18	19	19	17	23	24	18	17	19	18	18	18	18	18	17	21	22	17
Russia	26	26	21	18	17	19	18	17	17	18	18	24	24	21	22	22	22	22	31	30
UAE		27		28	25				20	19	17	17	17	17	20	19	21	18	18	24
Saudi Arabia	39	36	35	33	31	30	30	30	30	29	29	27	32	32	32	32	32	32	32	32

Source: Own calculations based on ITC data.

As demonstrated in Figure 2, the changing share of the 15 leading trading nations in global trade from 2004 to 2023 is illustrated, with both exports and imports as a percentage of total world trade being highlighted. The figure shows the evolving concentration of global trade among major trading nations and the gradual redistribution of trade shares. The data indicate China's substantial and consistent growth in trade share, reflecting its expanding economic influence and robust manufacturing sector. It is evident that China's share of global trade has increased considerably over time, thereby further consolidating its position as a pivotal actor in the international economic landscape.

Figure 2. Share of selected leading economies in world trade (2004-2023, %)



Source: Own calculations based on ITC data.

In contrast, established economic powers such as the United States and European nations, including Germany and France, have demonstrated relative stability in their trade shares, despite encountering challenges such as geopolitical tensions and economic restructuring. It is also noteworthy that emerging economies such as India and Vietnam are increasingly prominent in global trade, indicating their growing integration into global supply chains and diversified export portfolios. This data serves to emphasise a broader trend of diversification within global trade, with emerging markets gaining prominence and established economies adapting to maintain their competitive edge.

4.2. Profiles of key players in global trade

This section provides an in-depth analysis of the individual profiles of the major economies that have been instrumental in shaping global trade dynamics from 2004 to 2023. A thorough examination of the economic strategies employed, the sectoral strengths exhibited, and the trade policies implemented by these nations is essential to gain insight into how each has navigated the challenges and opportunities presented by an evolving international market. The following discussion will consider the ways in which China and Germany have become significant players in the global export market. This will be achieved by examining the strengths of their respective manufacturing sectors. Furthermore, the discussion will move on to consider the strategies employed by both countries in regard to engineering and sustainability. It will be demonstrated that these two countries have adopted a variety of approaches and adaptations in order to meet the challenges of the modern global economy. This exploration also considers the socio-economic and geopolitical factors influencing each country's trade trajectory, thereby offering a comprehensive understanding of their roles and impacts within the global trade ecosystem. The following characteristics thus define the primary features of the global trade leaders:

- EU: The European Union's exports, accounting for 30-40% of global trade, exhibited a substantial increase, growing from €2.97 trillion in 2004 to €7.14 trillion in 2023. This growth is indicative of the EU's ongoing integration and its strategic trade agreements.
- China: As the largest exporter, China's exports rose from €477 billion in 2004 to €2.61 trillion in 2023 (IMF, 2024). Its role in global supply chains and its capacity to adapt to trade tensions, such as those experienced with the US, are of pivotal significance.
- The United States of America (USA) has experienced a notable increase in its exports, which encompass a wide range of sectors, including technology and agriculture. These exports have grown from €655 billion in 2004 to €1.1 trillion in 2023, reflecting a robust economy despite the challenges posed by trade.
- Germany: Germany has gained a reputation for automotive and engineering excellence, as evidenced by the substantial growth in its exports from €377 billion in 2004 to €1.56 trillion in 2023. This development underscores the country's leadership in innovation and green technology.
- Japan: Facing economic and demographic challenges, Japan's exports increased from €454 billion in 2004 to €815 billion in 2023, driven by the automotive and electronics sectors.
- India: It is evident that India's exports have undergone significant growth in recent years, particularly in the IT and pharmaceutical sectors. A notable surge has been observed, with exports rising from ₹61 billion in 2004 to ₹493 billion in 2023. The ongoing reform programme is designed to enhance investment and export strategies.
- France is a country in which... France's exports, predominantly comprising aerospace and luxury goods, exhibited a substantial increase from €394 billion in 2004 to €586 billion in 2023, a development that was facilitated by the nation's involvement in EU trade agreements.
- UK: In the post-Brexit era, the United Kingdom's exports have experienced fluctuations, yet they have exhibited an increase from €285 billion in 2004 to €480 billion in 2023, with a strategic focus on penetrating new markets outside the European Union.
- Italy: Italy, a nation with a reputation for luxury goods, witnessed a substantial increase in exports from €282 billion in 2004 to €606 billion in 2023, driven by robust demand for its renowned fashion and automotive brands.
- Brazil: It is evident that Brazil's exports, notably those of an agricultural nature, exhibited a substantial increase, rising from €147 billion in 2004 to €304 billion in 2023. However, it is pertinent to acknowledge that these exports are subject to the influence of prevailing global market trends, which present potential challenges to the Brazilian economy.

- South Korea: With a particular emphasis on electronics, South Korea's exports increased from €224 billion in 2004 to €706 billion in 2023, thereby emphasising the strength of its technology sector.
- Canada: Exports increased from €254 billion in 2004 to €586 billion in 2023, driven by the energy and agriculture sectors, and bolstered by trade agreements such as the US-Mexico-Canada Agreement (USMCA).
- Australia: As demonstrated by Australia's export growth, which rose from €69 billion in 2004 to €252 billion in 2023, the country has assumed a significant role in the global export market, particularly in the field of minerals, with the People's Republic of China being its primary destination.
- Mexico: The strategic importance of geographical proximity to the US is evidenced by Mexico's exports, which increased from €151 billion in 2004 to €482 billion in 2023, with a particular emphasis on manufacturing sectors.
- Spain: Exports increased from €145 billion in 2004 to €426 billion in 2023, driven by automotive and agricultural products, benefiting from EU trade policies.
- Russia: With a focus on energy exports, Russia's exports surged from €145 billion in 2004 to €633 billion in 2023, despite geopolitical challenges (IMF, 2023).
- Belgium: As a European trade hub, Belgium's exports increased from €247 billion in 2004 to €525 billion in 2023, leveraging its strong logistics network (European Commission, 2023).
- The Hong Kong context is as follows: Hong Kong's strategic position as an intermediary hub in the Asian economic landscape has been instrumental in propelling its exports from €213 billion in 2004 to a remarkable €469 billion by 2023. The electronics sector and re-exports have emerged as the predominant drivers of this substantial growth.
- Netherlands: The Netherlands' robust logistics and agricultural sectors have been instrumental in propelling its exports, which have grown from €250 billion in 2004 to €1.12 trillion in 2023. This development has firmly established the country's position as a pivotal player in European trade.
- The Kingdom of Saudi Arabia is a country in the Middle East. As a consequence of the increased availability of oil, Saudi exports escalated from €100 billion in 2004 to €394 billion in 2023, with a concomitant focus on economic diversification initiatives.
- Singapore: Singapore has established itself as a major trade and finance hub, with exports rising from €159 billion in 2004 to €384 billion in 2023, driven by significant growth in the technological and financial sectors.
- Switzerland: Switzerland is renowned for the export of high-value goods. Indeed, figures show that exports increased from €110 billion in 2004 to €337 billion in 2023. Pharmaceuticals were the main driver of this growth.

- Taiwan: A pivotal player in the semiconductor industry, Taiwan's exports exhibited a substantial increase from €140 billion in 2004 to €380 billion in 2023, thereby becoming a vital component of global tech supply chains.
- UAE: As a regional trade leader, the United Arab Emirates' exports expanded from €100 billion in 2004 to €394 billion in 2023, reflecting diversification efforts beyond oil.
- Vietnam: Vietnam's exports exhibited a substantial increase, rising from €21 billion in 2004 to €281 billion in 2023, a growth that can be attributed to the country's expanding manufacturing sector in the domains of textiles and electronics. Investments and trade agreements have resulted in its emergence as a pivotal component of global supply chains, particularly as companies seek to diversify their production away from China.

This summary encapsulates the varied and dynamic profiles of these major economies, illustrating their strategic adaptations and contributions to global trade from 2004 to 2023. The specific economic context of each nation, its sectoral strengths, and the evolving nature of its trade policies all serve to underscore its role in navigating the complexities of a global market that is increasingly interconnected.

It is evident from the data presented that the most significant increase in trade volumes of the 15 major economies is observed in the case of China. Recent data indicate that China has experienced a substantial increase in both exports and imports, thereby maintaining its position as a leading global trade entity. Over the past two decades, the country's trade value has increased manifold, positioning it as a major trading partner for many countries. The United States, a nation that has historically been regarded as one of the foremost economic powers, has exhibited fluctuating trends in trade. The escalating reliance on imports, compounded by the ongoing discord in trade relations, particularly with China, is precipitating a state of trade instability. Nevertheless, the country continues to be a significant exporter of technology and high-level services. The countries of the European Union, in particular Germany and France, have historically maintained a stable trade position. Germany continues to dominate the production and export of automobiles and engineering products, while France has demonstrated growth in trade in agricultural goods and luxury products. India has demonstrated considerable economic growth, particularly in the context of international trade, with a notable presence in the export markets of information technology services, textiles, and pharmaceuticals. A similar trend is also evident in emerging economies such as Brazil and South Korea, which are attracting international investment and developing their industries.

The COVID-19 pandemic has had a considerable adverse impact on international trade. A decline in trade activity in 2020 was precipitated by a combination of factors, including reduced production, closed borders and disrupted supply chains. Despite the restoration of trade in many countries, the recovery has been inconsistent. The contemporary global trade environment is experiencing substantial transformations, influenced by geopolitical instability. The war in Ukraine and the subsequent sanctions imposed on Russia have had a global economic impact. These have precipitated alterations in the provision of energy resources and disruptions to supply chains. The ongoing isolation of Russia from Western financial and technological exchanges is further exacerbating the economic situation in the country and will have enduring consequences for global trade. The BRICS alliance, comprising several of the most populous and significant emerging economies, including China and India, is encountering challenges and apprehensions regarding its future. Conflicts of interest among member countries and differences in their political systems have the potential to compromise the effectiveness of BRICS cooperation. The group's internal dynamics have a detrimental effect on the consolidation of the group as a whole and collective responses to global economic challenges. China and India are considered to be among the primary drivers of growth within the group; however, the presence of competition and military tensions in the region has the potential to complicate future prospects.

Notwithstanding the challenge of diminished Russian energy provisions, Europe has demonstrated a capacity for expeditious realignment of its trade channels, resulting in the diversification of resources from African and Middle Eastern regions. Price stabilisation and increasing energy independence demonstrate flexibility and adaptability in changing energy and economic strategy. The UK, while anticipating a recession, still relies on the potential benefits of joining international trade alliances, which could mitigate the negative economic effects generated post-Brexit.

The contemporary global economy is undergoing a period of adjustment to the prevailing geopolitical landscape. The capacity of leading economies to demonstrate adaptability and to recalibrate their trade partnerships will be pivotal in surmounting the present challenges. It is vital to acknowledge that a combination of strategic investment and active international cooperation will be crucial to mitigate global economic tensions and to renew sustainable economic growth. The advent of technological development and the integration of the digital economy have engendered a paradigm shift in the global geopolitical landscape, thereby presenting countries with a pivotal opportunity to innovate and establish new industrial sectors that can effectively address the prevailing challenges.

A number of demographic issues have been identified as contributing to the complexity of the situation, including the ageing population and migration crises that are being experienced by many developed economies. In order to facilitate the integration of young people into the economy, it is essential that strategic approaches are employed, involving political will and social investment. Concurrently, the challenges posed by climate change and environmental protection necessitate investment in sustainable and green technologies. The future of the global economy is contingent on the international community's capacity to adapt to emergent realities. Achieving economic stability and prosperity necessitates a concerted and collaborative approach. In conclusion, the global economy is undergoing a period of significant change and development, the impact of which is likely to be profoundly influenced by a combination of political, economic and social factors. It is evident that a combination of innovative strategies, sustainable policies and international partnerships is pivotal in overcoming challenges and strengthening the global economic landscape.

The profound transformations in global trade, characterised by shifting trade flows, the rise of emerging economies, and the increasing complexity of global value chains, have direct implications for Bulgaria's external economic relations. Understanding the strategies and adaptations of leading global economies allows for a nuanced assessment of how Bulgaria has navigated these changes, including its ability to capitalise on trade liberalisation, diversify export markets, and strengthen resilience in the face of external shocks. By situating

Bulgaria within this broader global context, it becomes possible to evaluate both the opportunities and constraints imposed by its integration into global trade networks, highlighting the need for strategic adaptation to maintain and enhance its competitiveness in a rapidly evolving international economic environment.

5. Bulgaria's Participation in the EU Common Commercial Policy: Assessment and Implications

Building on the broader analysis of global trade transformations, it becomes evident that Bulgaria's trade performance is shaped not only by shifts in the international economic landscape but also by its integration into the European Union's Common Commercial Policy. While emerging economies have successfully leveraged global market opportunities and trade liberalisation to strengthen their international presence, Bulgaria's accession to the EU in 2007 has created a framework for preferential access to numerous markets.

Foreign trade is one of the primary factors influencing Bulgaria's economic growth, particularly in the aftermath of the global economic crisis of 2008-2009 (Yotsov et al., 2020). In accordance with the principles of international economics, the establishment of preferential trade agreements is intended to promote increased trade between the nations that enter into them (Viner, 1950; Balassa, 1961; Marinov, 1999).

In accordance with the provisions of the European Union's Common Commercial Policy, the accession of Bulgaria to the EU signifies the initiation of its participation in all trade treaties and negotiations initiated by the Union. Consequently, it can be anticipated that the volume of trade between Bulgaria and countries with which the Union has established preferential trade agreements will undergo an increase. In this regard, the paper analyses the dynamics of Bulgaria's trade with countries with which the EU has concluded such agreements, in order to ascertain the extent to which the country is realising benefits from its participation in the Union's Common Commercial Policy.

The objective of this part of the study is to assess the extent to which Bulgaria derives benefits from its participation in the EU Common Commercial Policy. This will be achieved by examining the dynamics of Bulgaria's trade with countries with which the EU has concluded preferential trade agreements. The first part provides a concise overview of Bulgaria's trade in goods during its period of EU membership, along with an analysis of the country's geographical trade structure. The main part undertakes an analysis of the EU's trade relations with countries with which it has concluded preferential trade agreements.

The accession of Bulgaria to the European Union in 2007, along with the numerous crises that have transpired over the past two decades, has exerted a profound influence on the dynamics of trade flows and trade volumes. The alterations in trade flows have been influenced by two factors: the development of external economic relations and membership of integration groupings. An essential factor of foreign economic orientation is the change in the production structure and the possibility of spatial separation of the organisation of industry (Panushev, 2017, p. 213). As a member of the European Union, Bulgaria is also part of the Common Commercial Policy of the Union.

The European Union's free trade agreements (FTAs) are designed to facilitate reciprocal trade liberalisation with partner countries, in addition to offering certain concessions in other areas. These agreements can be regarded as a strategic opportunity for member states to establish and strengthen their foreign trade and economic relations with countries that possess the potential to market products with specific comparative advantages that cannot be effectively traded within the European Union Single Market. At present, the EU has concluded such agreements with Mexico, Chile, South Africa, South Korea, Singapore, New Zealand, Vietnam and Japan, and agreements with Peru and Colombia are in the process of ratification. Negotiations are underway with Indonesia, India, the Philippines, Thailand and others (European Commission, 2024).

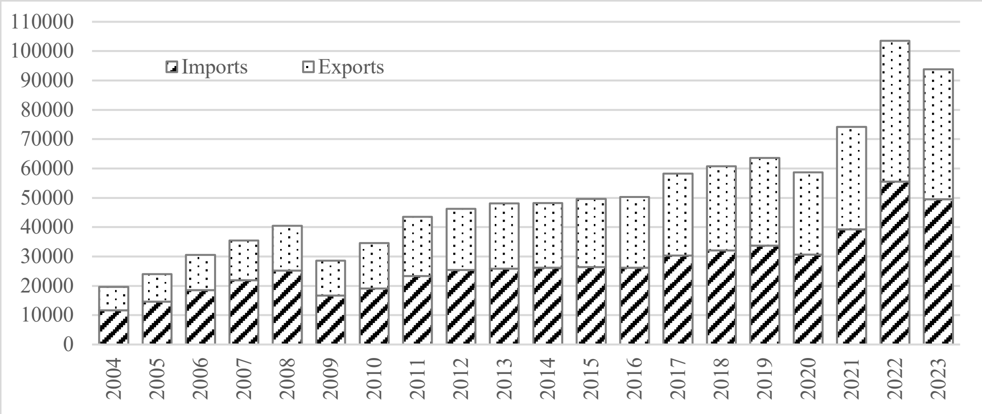
On the other hand, the Stabilisation and Association Agreements establish a free trade area between the European Union and the respective country, whilst also identifying common political and economic objectives and promoting regional cooperation. These accords are reached in the context of the prospective expansion of the Union and function as a foundation for the accession process. The analysis of the impact of these agreements is of significance in two respects. Firstly, in terms of the geographical proximity of these countries, and secondly, in terms of the potential opportunities for regional trade and cooperation in their eventual future membership of the Single Market.

Finally, with EU membership, the agreement signed to establish a Customs Union between the EU and Türkiye comes into force for Bulgaria, which is of particular significance for Bulgaria, as it is expected to result in a substantial increase in the degree of trade liberalisation, leading to the virtual elimination of the majority of customs and non-tariff restrictions on trade. This should result in a substantial augmentation in bilateral trade flows, which, given Bulgaria's geographical proximity to Türkiye and its long-standing foreign economic relations, is likely to stimulate trade to a greater extent than Türkiye's trade with the EU.

5.1. General trends in Bulgaria's international trade

Between the years 2004 and 2023, Bulgarian foreign trade underwent substantial growth (see Figure 3). The accession of the EU in 2007 and the subsequent economic development that ensued were significant factors in the observed growth. However, this growth was notably interrupted by the global financial crisis in 2009. The ongoing pandemic has had a significant impact on the dynamics of the region, with 2020 and 2021 seeing further disruption. However, the country has demonstrated resilience, with a recovery in growth observed. The value of trade increased substantially between 2012 and 2023, with a nearly twofold rise in value.

Figure 3. Bulgaria's foreign trade flows (2004-2023, million euro)

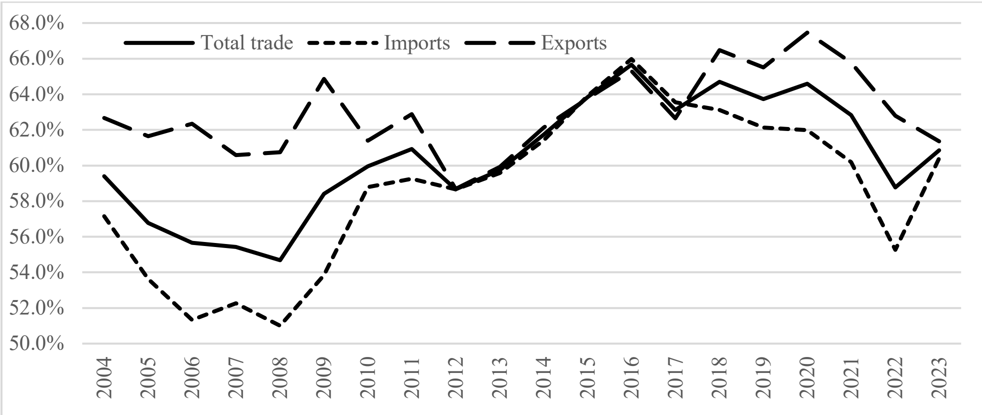


Source: Own calculations based on ITC data.

The period of growth up to 2008 was accompanied by a larger increase in imports compared to exports; however, the decline in 2009 particularly affected imports. Despite an observed increase in Bulgaria's exports, the narrowing of the trade account deficit is predominantly attributable to a decline in imports, rather than a substantial increase in exports. In the aftermath of the crisis and the pandemic, despite a temporary slowdown, exports reached €44.3 billion in 2023 and imports €49.5 billion. The narrowing of the trade deficit from -€8.4 billion in 2007 to -0.4 billion in 2023 suggests an improvement in the country's external economic position.

The dynamics of Bulgaria's intra-community trade over the period 2004-2023 (see Figure 4) can be divided into two main periods. From 2004 to 2011, the proportion of trade with EU countries remained relatively constant at approximately 60%. The only year that demonstrated a sharp increase was 2009, which can be attributed to the repercussions of the global financial crisis. However, subsequent years witnessed a stabilisation of these levels. During this period, exports have generally exceeded imports; however, in recent years, the gap between the two has been narrowing due to a decline in exports to the EU. Following 2012, there was an increase in the share of trade with the EU, with the exception of 2020, when the growth of trade was temporarily hindered by the effects of the pandemic. However, the economy demonstrated a swift recovery. The war in Ukraine in 2022 and 2023 engendered novel challenges and resulted in a marginal decline in trade to approximately 61% in 2023.

Figure 4. Share of Bulgaria's trade with EU Member States (2004-2023, %)



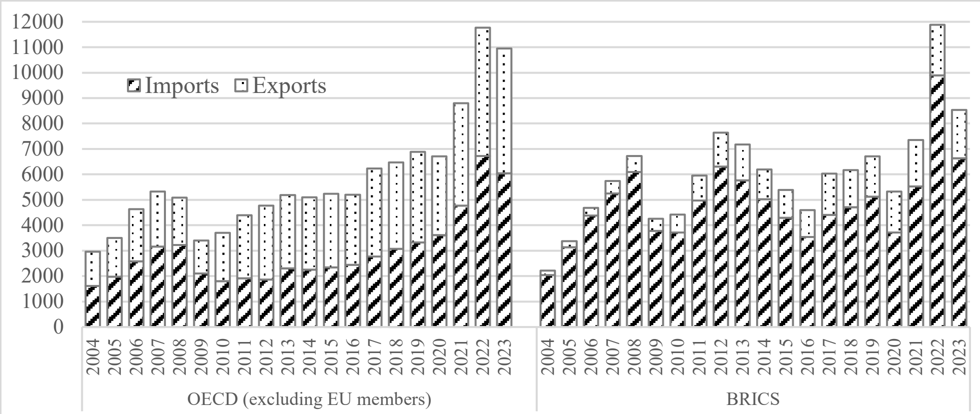
Source: Own calculations based on ITC data.

With regard to trade in the EU, it should be noted that Bulgaria has experienced a significant reduction in the deficit in its net exports, which was recorded during the period under review and especially during the country's membership of the Union. This deficit was reduced from -5 billion euros in 2007 to -0.4 billion in 2023. This outcome is indicative of two things: firstly, export growth and, secondly, adaptation to the demands of the domestic market. However, it is also a reaction to external shocks from the downturn in economic activity and changes in global logistics. These changes have been caused by two things: firstly, the pandemic and secondly, the geopolitical situation in the region. Here, the link to foreign direct investment is also evident (Hristova-Balkanska, 2017, p. 130).

It is evident that no significant alterations have been identified in Bulgaria's trade relations with non-EU nations subsequent to the nation's accession to the Union. However, there have been some changes in the specific geographical focus of the country's trade flows. It is intriguing to note the shift in trade from developed countries (OECD members) to BRICS countries (Figure 5).

Prior to the global financial crisis, trade with OECD countries exceeded that with BRICS by 1.5-1.7 times. However, following 2008, trade with BRICS increased by 1.2-1.6 times compared to that with developed economies. The ongoing global pandemic has led to a temporary deceleration in these dynamics, particularly during the 2020-2021 period. However, in 2023, this trend persisted, with trade flows with the BRICS nations remaining at elevated levels.

Figure 5. Bulgaria’s trade with OECD and BRICS countries (2004-2023, million euros)



Source: Own calculations based on ITC data.

Exports to the BRICS countries are growing at a faster rate than those to the OECD, despite a temporary slowdown caused by the pandemic. In contrast, imports from the BRICS countries have shown a sustained recovery and growth until 2023. Despite a positive current account balance with the OECD after 2010, caused by a decline in imports, the substantial growth in imports from the BRICS worsens the current account balance.

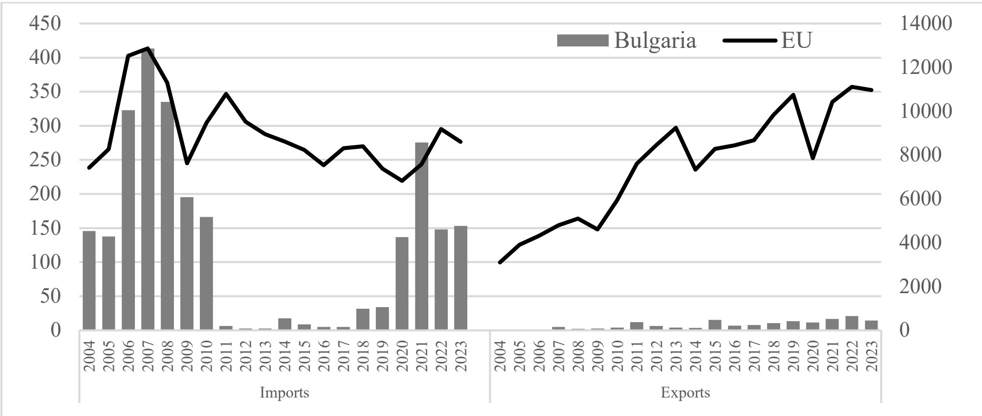
The impact of Bulgaria's accession to the European Union on the direction of the country's trade has been negligible. The alterations in the geographical configuration within the European Union can be partially attributed to the Eurozone crisis, while those occurring in regions external to the EU can be ascribed to the global financial crisis, the pandemic crisis and geopolitical instability, in addition to the mounting influence of emerging powers in the global economy.

The concentration of foreign trade with a particular nation or economic community, as evidenced by the European Union's case, engenders a high degree of interdependence between the Bulgarian economy and the economic climate of its partner countries. This state of affairs carries a significant risk of rapid transmission of global economic trends to Bulgaria (ERI, 2016, p. 41). In the context of globalising markets and increased international competition, a potential strategy for stabilising advantageous positions in foreign trade involves increasing exports and "opening" to new markets. In this context, Bulgaria should consider ways to market its production not only on European markets but also on other major markets.

5.2. Bulgaria within the EU Common Commercial Policy

Following its accession to the EU, Bulgaria became a party to the Free Trade Agreement with Chile, which came into force in 2003. Regrettably, within the timeframe of membership, our nation did not fully leverage the trade benefits proffered by the accord. While Bulgarian imports from Chile were significant in 2007, it is anticipated that there will be a substantial contraction in 2023. This is particularly evident in comparison to the EU, where exports to Chile have been increasing over the same period (Figure 6).

Figure 6. Bulgaria and EU trade with Chile (2004-2023, million euros)



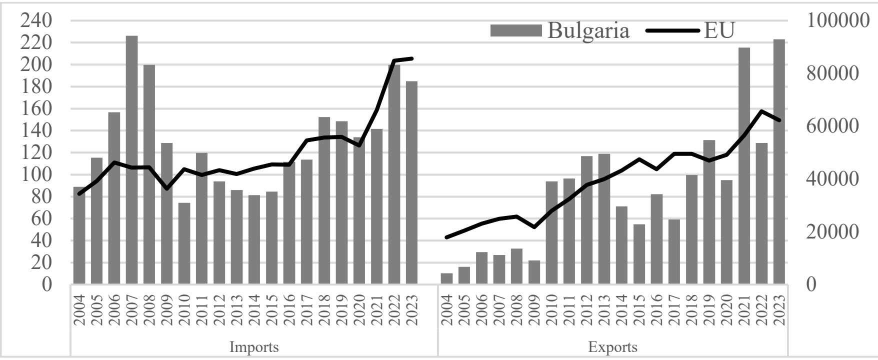
Source: Own calculations based on ITC data.

However, a more significant challenge arises from the fact that, in contrast to the EU's trend, Bulgaria has not succeeded in increasing its exports to this country, thereby overlooking the potential opportunities presented by the FTA. This phenomenon is further accentuated when viewed in the context of the substantial increase in EU exports to Chile, which have grown by almost threefold since 2007.

Moreover, Bulgaria has also failed to make effective use of its position as an EU member in the negotiations on new trade arrangements under the Common Commercial Policy. A notable example of this phenomenon is evidenced by the Free Trade Agreement with the Republic of South Korea, which was concluded in 2011. Whilst trade within the EU as a whole is growing significantly, Bulgaria is experiencing the opposite trend, with imports declining and exports almost doubling, albeit from a relatively low base. These figures are significantly lower compared to the overall EU growth rate (Figure 7). The divergent trends in trade relations (and especially in exports) for the EU and Bulgaria indicate that the country is not only failing to reap the benefits of trade liberalisation, but is actually experiencing a decline in its trade position relative to other EU Member States.

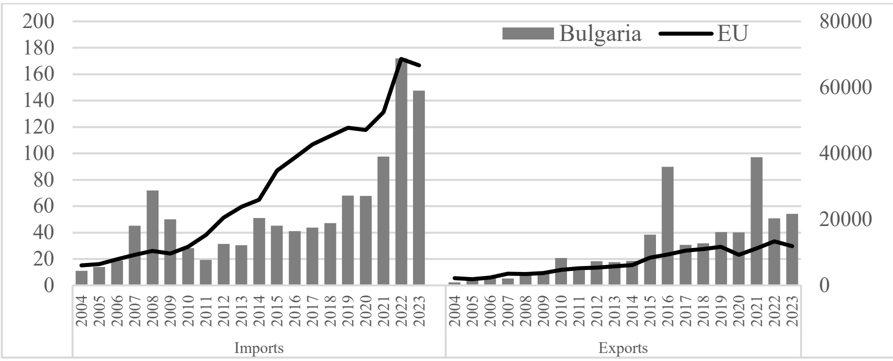
Furthermore, Bulgaria has not capitalised on trade opportunities with Vietnam to the same extent as other EU Member States, particularly in the context of the rapid expansion of trade relations between the EU and Vietnam. The data demonstrate that while EU imports and exports with this country have increased significantly over the period 2004-2023, Bulgaria has seen a much more modest increase (Figure 8).

Figure 7. Bulgaria and EU trade with South Korea (2004-2023, million euro)



Source: Own calculations based on ITC data.

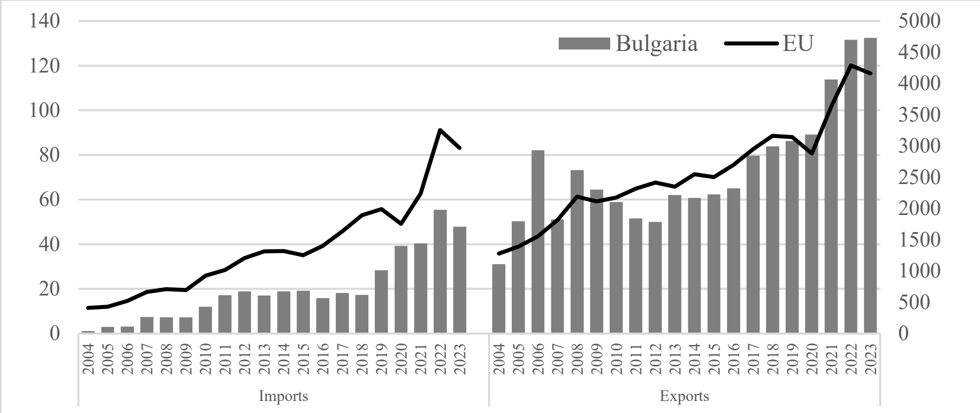
Figure 8. Bulgaria and EU trade with Vietnam (2004-2023, million euro)



Source: Own calculations based on ITC data.

Upon acceding to the EU, Bulgaria became a signatory to the Stabilisation and Association Agreement with the Republic of North Macedonia, which came into effect in 2004. Notwithstanding the potential benefits of this agreement, the total value of trade between the two countries has increased only marginally. As demonstrated in Figure 9, statistical analysis indicates a downward trend in imports from North Macedonia to Bulgaria since 2010, with a subsequent period of stability. Conversely, exports have exhibited an upward trajectory. In contrast to Bulgaria, the EU has achieved sustained growth in imports and exports since 2009, with trade flows increasing by over 40% since 2007. The data demonstrate that the Republic of Bulgaria is not achieving the anticipated benefits of trade liberalisation. Indeed, it appears to be losing its competitive advantage in international trade to other Member States of the European Union. However, a reverse trend is also observed at the conclusion of the period, with Bulgaria's trade relations with Macedonia demonstrating growth in 2023, while EU trade with Macedonia may be experiencing a decline. These facts underline that Bulgaria can play an active role in trade relations with Macedonia, especially in the context of the current global challenges.

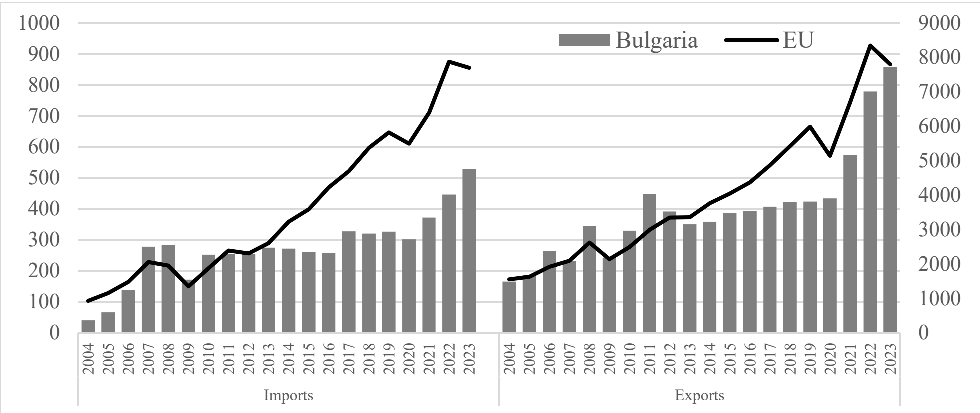
Figure 9. Bulgaria and EU trade with the RN Macedonia (2004-2023, million euro)



Source: Own calculations based on ITC data.

In the context of the bilateral relations between Bulgaria and Albania, it is evident that the agreement, which came into effect during the period of Bulgarian membership, has resulted in a substantial increase in Bulgarian imports in recent years (Figure 10). Furthermore, the export dynamics between Bulgaria and Albania are characterised by variability. Despite increased values, after 2013, both indicators show a slowing growth trend, with exports remaining lower after 2011 compared to the growth recorded by the EU.

Figure 10. Bulgaria and EU trade with Albania (2004-2023, million euros)

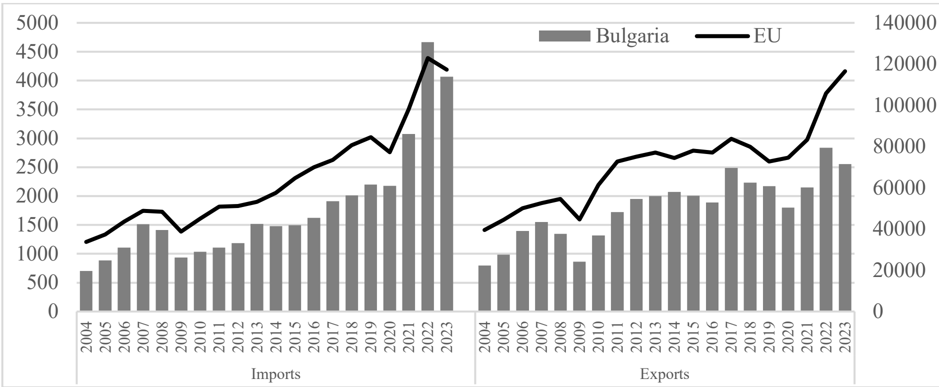


Source: Own calculations based on ITC data.

In conclusion, it is evident that Bulgaria has not effectively leveraged its involvement in the Common Commercial Policy to enhance bilateral trade relations with either Albania or Macedonia, particularly in comparison to the EU.

Türkiye is a major player in Bulgaria's trade, and the two countries had already agreed to promote bilateral trade prior to Türkiye's accession to the European Union. Following the accession of Bulgaria to the European Union, the EU-Türkiye Customs Union came into effect, resulting in the elimination of nearly all trade restrictions. It is hypothesised that this will result in a considerable augmentation in bilateral trade flows. Given Bulgaria's geographical proximity to Türkiye and its historical foreign economic relations, it is predicted that trade will be stimulated to a greater extent than that of Türkiye with the EU. From 2007 to 2016, the value of trade between Bulgaria and Türkiye increased by 27%, with this increase being primarily attributable to exports. By 2023, trade flows had reached €6.636 billion (Figure 11).

Figure 11. Bulgaria and EU trade with Türkiye (2004-2023, million euro)



Source: Own calculations based on ITC data.

Nevertheless, trade growth with Türkiye remains below the EU average. Despite the fact that Turkish trade has been identified as the leading non-EU destination for Bulgaria, the country's share has remained relatively stable, with the exception of an increase observed in 2007. In the case of the EU, growth has been characterised by greater balance, with increases in both exports and imports. This observation underscores the notion that Bulgaria is not fully leveraging the potential inherent in its collaborative endeavours with Türkiye, particularly in light of the evolving economic landscape within the region.

In summary, the analysis indicates that, despite Bulgaria’s formal participation in the EU Common Commercial Policy and the network of preferential trade agreements it entails, the country has not fully leveraged these opportunities to enhance its bilateral trade flows. While EU trade with partner countries has expanded significantly, Bulgaria’s exports and imports have often lagged behind, reflecting a combination of structural constraints, limited strategic engagement by domestic enterprises, and insufficient utilisation of the EU framework.

In order to ensure that the opportunities available under the EU's Common Commercial Policy are maximised by Bulgarian companies, it is necessary to take active measures to inform and support Bulgarian businesses. In light of the recent accords and the new framework of the EU Common Commercial Policy, such action by the state is all the more pressing.

6. Conclusion and Policy Recommendations

The analysis presented in this article indicates that recent developments in global trade are characterised by significant structural adjustments, rather than by a linear continuation of earlier globalisation trends. Changes in trade patterns among major economies reflect a combination of technological progress, shifting comparative advantages, geopolitical tensions, and policy responses to successive external shocks. The comparative overview of leading trading nations highlights differences in trade profiles and strategic positioning, with established exporters maintaining strong manufacturing and technological capacities, while several emerging economies have expanded their participation through export diversification and deeper integration into global value chains. These developments underscore the increasing heterogeneity of trade trajectories in the contemporary global economy.

Within this broader context, the European Union continues to play an important role as a coordinated trade actor, using preferential agreements and common trade rules to mitigate uncertainty and expand market access for its member states. The analysis of Bulgaria's foreign trade performance suggests that European Union membership has contributed to rising trade volumes and deeper integration into European markets. At the same time, the comparative assessment indicates that Bulgaria has not fully utilised the potential of the European Union's Common Commercial Policy, particularly in relation to preferential trade agreements with non-European partners, where export growth and diversification remain limited relative to overall European Union trends.

These findings point to the presence of unrealised opportunities rather than structural disadvantages, and they motivate a set of general policy implications:

- The diversification of export markets is particularly important. Bulgarian firms could be encouraged and supported to expand beyond traditional European markets, targeting emerging economies such as India, Vietnam, Brazil, ASEAN and African countries. Diversification will reduce overreliance on specific partners and enhance resilience to global shocks.
- The utilisation of EU Trade Agreements should be enhanced. State agencies and trade promotion bodies should provide tailored guidance, training, and information to Bulgarian exporters to maximise the benefits of existing and forthcoming EU trade agreements, such as those with Korea, Chile, Vietnam, Macedonia, Albania, and Türkiye.
- The provision of support for the enhancement of export competitiveness is highly significant. Incentives and support mechanisms, including financial instruments, innovation grants, and capacity-building programs, could be directed towards sectors where Bulgaria has comparative advantages, such as food processing, pharmaceuticals, machinery, and IT services.
- Targeted information campaigns and capacity-building programs should be implemented to improve awareness among Bulgarian companies regarding the provisions and benefits of EU trade agreements, including practical guidance on tariff reductions, export procedures, and compliance with international standards. This could involve establishing a dedicated support office, online platforms, and regular workshops to ensure businesses

– particularly small and medium-sized enterprises – can actively and effectively exploit the opportunities offered by the EU Common Commercial Policy.

- Strategic integration into global value chains is also of particular significance in the contemporary global economic landscape. Bulgaria should leverage its geographic position, logistics infrastructure, and industrial capabilities to attract foreign direct investment and participate in regional and global value chains, thereby increasing both exports and knowledge transfer.

Recent shifts in the international trade environment, including renewed protectionist measures (most notably the new U.S. trade policy with the reintroduction of sweeping reciprocal tariffs under the "Liberation Day" strategy) and the intensification of trade policy competition among major global actors, further reinforce the relevance of these considerations. The European Union's efforts to expand and diversify its network of preferential trade agreements represent an important strategic response to these challenges. For Bulgaria, the evolving trade landscape presents both opportunities and risks: while European Union-level agreements can facilitate access to new markets, their benefits are not automatic and depend on firms' capacity to adapt, compete, and comply with increasingly complex trade requirements.

Overall, the study suggests that Bulgaria's future trade performance will depend less on changes in the formal trade framework and more on its ability to strategically engage with existing instruments. By strengthening institutional support, enhancing firm-level awareness, and fostering participation in global value chains, Bulgaria can improve its positioning within the European Union and the wider global trading system. At the same time, the analysis highlights the need for further research using more detailed sectoral and firm-level data to better assess the mechanisms through which trade agreements affect small open economies.

Declaration of Generative AI and AI-assisted technologies in the writing process

During the preparation of this work, the author used DeepL Write and ChatGPT 5.0 for language, style and structural editing, as well as to improve logical flow. After using these tools, the author reviewed and edited the content as needed and takes full responsibility for the content of the publication.

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