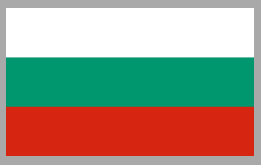
Bulgaria

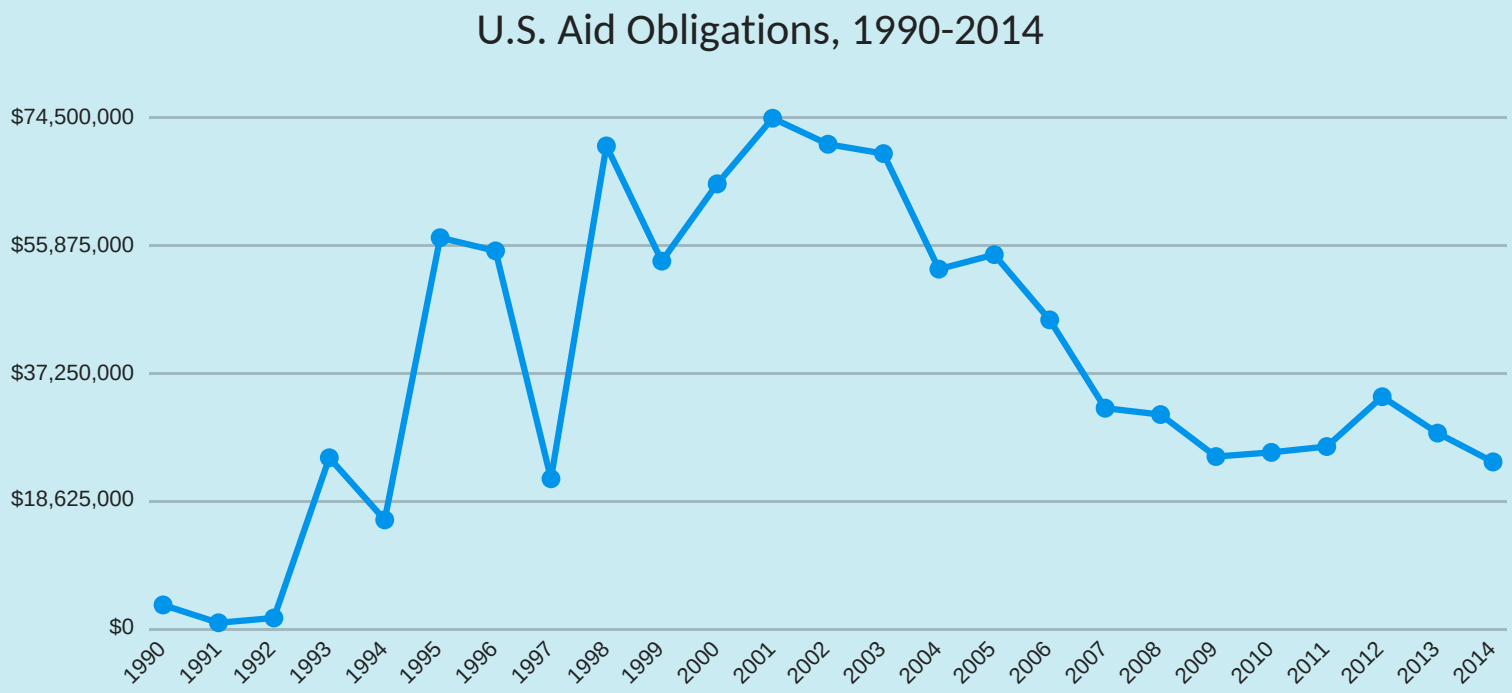
From Soviet Satellite to NATO Partner



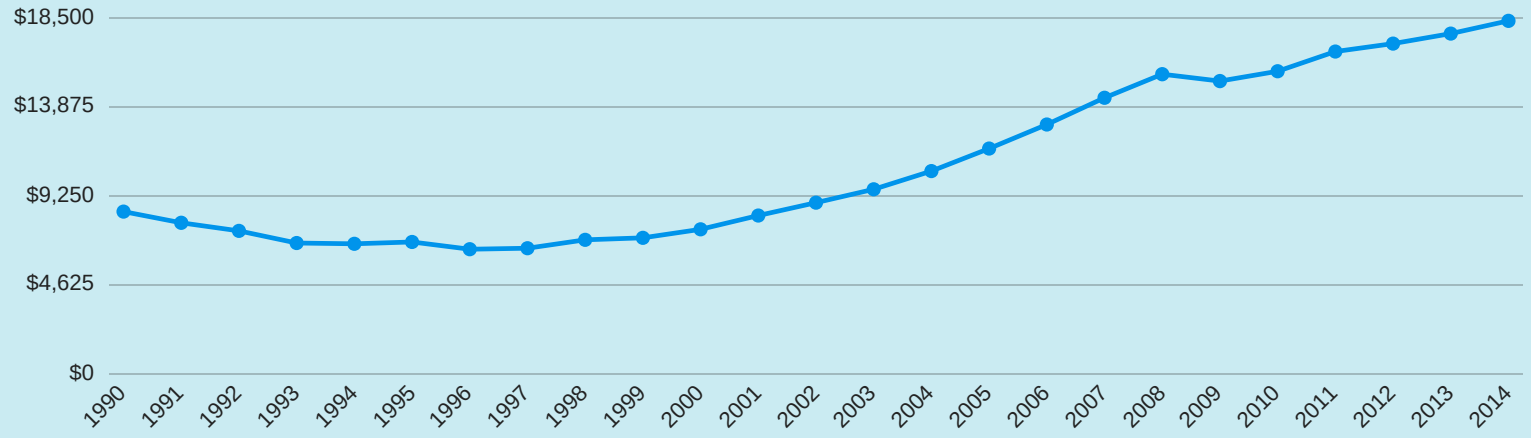
With U.S. assistance, Bulgaria has successfully transitioned from a socialist republic to a key security partner. Bulgaria, like many other nations in the region, found itself at a crossroads with the collapse of the Eastern Bloc in 1990. Political and economic transitions from a Soviet model to one of modern democracy presented multiple challenges. However, Bulgaria emerged from this trying time as an exemplar of successful reform, with one of the most stable economies in Eastern Europe and NATO membership. U.S. aid programs helped to lay the foundation for economic and political stability.

In 1989, Congress enacted the Support for Eastern European Democracy (SEED) Act, which called for investment in democratic institutions in the newly free states of the collapsing Soviet Union, namely Poland and Hungary. The next year, the United States began supporting Bulgaria with a modest $3.5 million investment in the midst of radical regime change. A decade later, in 2001, investment in Bulgaria peaked at $74 million. At the same time, the Bulgarian government, under political and economic pressure from discontented citizens, underwent wide-ranging reforms, including democratic governance, economic liberalization, and expansion of markets away from Soviet and Comecon consumers.

In the early 2000s, Bulgaria saw explosive growth despite a global recession: GDP expanded at a rate between 6.6% and 5% in 2003-2008. Bulgaria was rapidly becoming a regional power, joining NATO in 2004 and the European Union in 2007. Although hit hard by the 2008 financial crisis, strict financial belt-tightening proved successful. Today, Bulgaria's economy is one of the strongest in the region, and Bulgaria plays a major role in regional security and human trafficking issues from its central location on the Black Sea.



GDP per capita, Bulgaria, 1990-2014



Thanks to a close and long-standing diplomatic relationship supported by U.S. aid, trade between the two countries is remarkably robust. In 1992, Bulgaria imported $79 million of American goods. Today, Bulgarians buy almost $300 million of U.S. goods yearly, and total exchange exceeds $1 billion. The value of this commercial relationship has more than doubled since 1992, as the United States' relationship with Bulgaria has evolved from one of aid to one of trade.

U.S. aid delivered in the 1990s and early 2000s created a strong foundation on which a valuable alliance has been built: Bulgaria participates in military, diplomatic, and economic missions in the Balkan peninsula and the Middle East as a member of the EU and NATO, and Bulgaria remains a lucrative trading partner of the United States. In 2014, U.S. funding to Bulgaria totaled only $24 million, $21 million of which supported military and nuclear nonproliferation projects through the Departments of Energy, Defense, and State. Bulgaria is likely to only grow in political and economic importance: with a projected 3.8% growth rate for 2018, Bulgaria represents a key U.S. partner and ally in southeastern Europe.

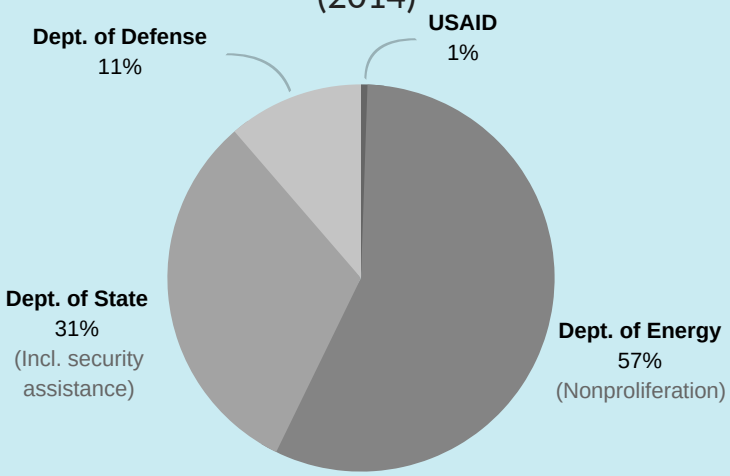
Bulgaria in 1992

GNI per capita:	$1430
US Trade Value:	$146.2 Million
IGO Membership:	Warsaw Pact (former); UN

Bulgaria Today

GNI per capita:	$7580
US Trade Value:	$872.7 Million
IGO Membership	UN, EU, WTO, NATO

U.S. Aid Obligation Breakdown (2014)



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