

Bulgaria Becomes Victim of Anti-Russia Sanctions

By [The Moscow Times](#)

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Bulgarians began withdrawing deposits at Corporate Commercial Bank on Thursday, more than five months after a run on the country's fourth-largest lender triggered a banking crisis.

Bulgaria's economy is being badly hurt by European Union economic sanctions against Russia, its prime minister said Thursday.

EU member states such as Bulgaria, Hungary and Slovakia, which are heavily dependent on Russian energy, have only reluctantly gone along with the sanctions, imposed over Russia's annexation of Ukraine's Crimea region. The measures targeted Russia's financial, defense and energy sectors, and Russia hit back by banning most food imports from the EU.

Boiko Borisov, who leads a minority coalition government, said he hoped the sanctions had "already played their role and relations will be soon normalized".

"I don't know how Russia is affected by the sanctions, but Bulgaria is affected severely," he

told a news conference in Brussels.

Russia accounted for 2.7 percent of Bulgaria's exports last year, mostly machinery, pharmaceuticals and agricultural produce.

Bulgaria's exports to Russia were down 22 percent in August from a year earlier, while overall EU exports to Russia were down 18 percent, according to the EU statistics office Eurostat.

Even before sanctions, Bulgaria was struggling to revive economic growth while dealing with a bank crisis.

"Due to the embargo, we cannot export meat ... Bulgaria is facing not only political and economic and financial problems, we are facing global problems and that is why we need serious support," Borisov said.

Last year, more than a quarter of the 2.6 million tourists who came to Bulgaria were Russians — a number likely to fall in future because of the weakness of the ruble, though that stems more from a plunge in the oil price than from Western sanctions.

Russia said on Monday that it was scrapping the South Stream gas pipeline, which had been due to enter the EU via Bulgaria, although Borisov and European Commission President Jean-Claude Juncker both said they believed the project could still go ahead.

Bulgaria had hoped the pipeline would not only protect it against possible disruptions in the supply of Russian gas being piped through Ukraine, but also create jobs in its construction.

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