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The Recent Trend towards Regionalization and Geographic Proximity Displayed in Bulgarian International Trade (2021-2025)

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Abstract: This study is analysing Bulgarian foreign trade in the period 2021-2025 trying to establish if the trend for increased regionalization and geographic concentration shows up. Many prominent economists prove in their works that globalization has reached its peak and trends for regionalization and supply chain shortening gain power. The contribution of this paper is that it focuses on this process especially for Bulgarian international trade. The growth of international trade between Bulgaria and countries with common border on the one hand and a group of Asian countries on the other is calculated for the studied period on the basis of secondary data and compared. The data are obtained from verified national and international references. Statistical, and mathematical methods are employed in the data processing. The comparison reveals that the average growth rate of trade between Bulgaria and neighbouring countries – 10.4 % for the studied period is higher than the one with the group of Asian countries 6.8 %. These results confirm that the trend for increased geographic regionalization is valid for Bulgaria. The support of the trend by policy makers and the business would be beneficial for the countries in the region.

Keywords: deglobalization; geopolitical pressure; protectionism; supply chain shortening; gains from trade

JEL Classification: F13, F14, F15, F63

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1. Introduction

The importance of international trade for the economic prosperity of participating economies is a generally accepted fact in the economic theories – the classical, neoclassical and modern ones. The liberalization of global trade initiated by major economies since the end of World War II has led to general improvement of living standards and reduction of poverty in developing economies and less developed ones due to participation in the global trade. An increasing growth of the international trade is observed after 1945 to 2008 (UNCTAD, 2010). After the financial crisis in 2008-9 the world trade rebounds but its growth rate never overpasses the growth rate of world GDP as it does before 2008.

There is a rising concern among policy makers and economists for deglobalization at the expense for rising regionalization, near-shoring and friend shoring (Blanga-Gubbay& Rubínová, 2023; Legge& Lukaszuk 2021). These trends can be proved by respective data for international trade but they can also be predicted as a logical result of the certain events and developing processes as complex crises, geopolitical pressure, rising protectionism and green transition. These are all reason calling for sustainable trade and resilient supply chains.

The Covid-19 crisis reveals the vulnerability of the global supply chains. Since then, the idea that they have reached a turning point in their global expansion becomes persistent in the analyses of the world economy. Later on, the Suez Canal blockages highlight the need for more diversified supplier network and shortening in the distance of deliveries. The war in Ukraine and the economic sanction to Russia imposed by EU and USA bring about further restructuring of the international trade in geographical aspect.

The radical change in interconnectedness between traditional trading partners is further intensified by the abrupt rise of global tariff rates in the beginning of the second Trump's mandate during 2025. Tariffs increased sharply in 2025. They rose by 10% for developed countries, 16% for developing countries and 18% for least developed countries (UNCTAD, 2026). However, the tariffs are not the main obstacle for most countries' exports. Non-tariff measures **(**NTMs) including technical regulations, health and safety requirements impose higher export costs than tariffs for 88% of countries (UNCTAD, 2026).

The increasingly pronounced problem of climate change and global warming leads to Paris agreement in which the member countries declare their readiness for

systematic measures for reduction of carbon emissions. Shortening of the global supply chains via geographic trade concentration and near shoring (UNCTAD, 2023) is seen as a way for decreasing carbon emissions.

The recent attacks by USA on Iran followed by Strait of Hurmuz disruptions impacted the world shipping, energy prices, commodity food prices and finance. The strongest is the effect on the energy prices in Europe – a rise of 39.9 % (UNCTAD, 2026). The commodity food prices also increase with 7 % due to shortage of fertilizers and higher energy costs.

On the background of these turbulent events the trend for supply chain shortening and increased regionalization of international trade becomes clearer after 2020. Its intensity within regional trade agreements and even countries with common border overrides the global trade in terms of growth rates.

This study aims to prove if the trend for intensified trade within geographically concentered regions can be proved by the available statistical data for Bulgarian foreign trade or is expected to show up in coming years. In order the negative correlation between distance and the value of trade turnover between trading countries to be revealed the average growth rate for the period 2021-2025 of trade between Bulgaria and its neighboring countries will be compared to the growth rate of the trade between Bulgaria and major overseas trading partners from Asia. So, the following major hypotheses can be formulated:

H1. If the growing rate of trade between Bulgaria and its trading partners with common national border is higher than the one with overseas destinations from Asia for the studied period, then the geographic proximity and membership in RTA could be considered a factor contributing to a more intensified trade and the trend for regionalization is displayed in Bulgarian foreign trade.

H0: If the growing rate of trade between Bulgaria and its trading partners with common national border is not higher than the one with overseas destinations from Asia, then the trend for intensified regionalization and geographic proximity in trade is not characteristic of Bulgarian foreign trade for the period 2021-2025.

In order to prove the alternative or accept the null hypothesis the growth rate of international trade turnover between Bulgaria and neighboring countries for the studied period is compared with the one of international trade turnover between Bulgaria and the overseas destination from Asia.

2. Literature Review

The statements that regionalization is gaining power versus globalization becomes more recurrent among contemporary researchers. The fact that the overtaking growth rate of international trade compared to the growth of GDP for the period after World War II until the financial crisis in 2008 hasn't been reached since then incurs the suggestion that the peak of globalization has already been passed (Rawi & Segal, 2007). The series of destabilizing events after 2019 additionally contribute to the theories for deglobalization (Economist, 2019), friend-shoring and near-shoring.

The idea for deeper links within regional blocks is gaining traction and many scientists support it. Legge and Lukaszuk (2021) try to answer the question if the world trade becomes less globalized and more regional in their study. They analyze merchandise trade data between 1815-2021 to test this hypothesis. It is established that after the pandemic year 2020 the import to EU from countries on the same continent increases and the average geographic distance significantly drops. The share of trade between countries with common borders also has increased after 2020 and the share of the international trade between countries without common border has fallen. The average trade-weighted distance has been continuously decreasing in the period 2016-2021 reaching its lowest level in 2019. A significant uptick of the new trade between bordering countries is also observed. While for the last two decades it is from 9-10%, for the period 2019-2021 it is 18% of global trade (Legge & Lukaszuk, 2021).

The research of Blanga-Gubbay and Rubínová (2023) use monthly data on trade in goods between January 2016 and May 2023 to provide early evidence on whether the global economy has begun to fragment along geopolitical or regional lines.

The growing importance of regional trade agreements in the recent years is also connected with the growing disorder in the multilateral trading system (Helpman, 2025). The WTO's Dispute Settlement Mechanism is not effective recently which unleashes disregard of WTO rules. Many countries are prompted to explore regional alternatives (Marinov, 2026). The proliferation of RTAs – their number has risen from 134 in 2005 to 376 in 2025 proves that many economists and policy makers consider this a good strategical choice (Rodrik, 2007).

The principal idea of the gravity model that bilateral trade is negatively connected to the distance between the trading countries (Walter, 1954) also contributes to the recent trends for supply chain shortening. Many contemporary economists come

back to the gravity model in their studies. Krugman (1991) and Krugman and Helpman (1985) consider the importance of transport cost in the formation of trade flows. Deadrof (1998) studies the determinants of bilateral trade on the basis of the gravity model. Conte et al. (2022) and Bergstrand et al. (2024) are trying to establish the connection between the gravity model and the proliferation of RTA-s in the end of 20th century. Bergstrand et al. (2016) is adapting the gravity equation in studying the connection between the economic integration agreements, border effects and distance elasticity with the international trade. Conte et al. (2022) elaborates on the gravity model including specific variables and compares the results with the actual trade flows between the analyzed countries. Anderson and Wincoop (2003) focus the attention on the national borders as trade barriers, add variable for them in the gravity model and thus manage to predict the reduction of trade as a result from these obstacles.

The modest contribution of this study is in the analysis of international trade between Bulgaria and groups of countries, classified on the basis of distance to Bulgaria for the period 2021-2025 which tries to establish if the trend for regionalization is displayed in Bulgarian foreign trade. Comparing the growth rates of trade with the different country groups the study aims to reveal if there are empirical proofs for intensified trade with neighboring countries and RTA's members.

3. Methods

The methodological framework of the study includes the general methods of analysis, systematization, synthesis, comparison, induction, and deduction. Both qualitative and quantitative approaches are used. Specific mathematical and statistical methods are applied in the data processing in order the important variables to be obtained.

First, the trading partners of Bulgaria are classified in groups according the geographic proximity and region. The following clusters are formed – countries with common border and Asian overseas destinations. The group of Asian overseas destinations includes – China, Japan, India and South Korea. They are chosen on the basis of their economic power measured by the GDP and participation in the Global trade. Their share in Bulgarian foreign trade is also considered. The distance between each of them and Bulgaria is also a common feature being more than 5,000 km.

Time series of statistical data on international trade between Bulgaria and the analyzed country groups are formed. The statistical data consist of Secondary data on trade flows obtained from verified official institutions like Eurostat, The National Statistical Institute (NSI) of Bulgaria, IMF and World bank etc. The international trade turnover between Bulgaria and the countries in the country groups for each year of the studied period is calculated adding the value of export and import. The growth rate of trade between Bulgaria and each of the countries is computed on yearly basis. The averages for each country group for the consecutive years and the whole studied period are calculated and compared. The results from the comparison of the averages are used for the verification of the formulated H1 or accepting the null hypothesis.

4. Results and Discussion

4.1. Trade between Bulgaria and Countries with Common Border (CCB)

The first country group to be studied in aspect of the international trade with Bulgaria for the period 2021 – 2025 consists of the neighbouring countries – Romania, Greece, Türkiye, Republic of Serbia and North Macedonia. The first two Romania and Greece are also EU members. Türkiye has entered in a Customs Union with EU as a final phase of the relations under the Ankara Association Agreement 1963. This Customs Union entered into force on 1 July 1996. The status of free circulation of goods excludes agricultural products, as defined in Annex I of the Amsterdam Treaty, and coal and steel products, which are subject only to preferential agreements based on their originating status (EC, 1996). For the western neighbours a Stabilization and Association Agreement enters into force for North Macedonia in 2004 and for Republic of Serbia in 2013 (EC, 2013). So, on one hand this country group have greatest geographic proximity to Bulgaria and on the other, the trade is encouraged by participation in regional trade agreements of different level of integration. The lowest level of integration is presented by the Stabilization and Association Agreement between EU and Republic of Serbia and North Macedonia and the highest – the common membership in EU of Romania, Greece and Bulgaria. The international trade (IT) turnovers between Bulgaria and these countries in current prices in million EUR and their growing rates on yearly basis are displayed in tables (1-5).

Table 1. IT (in million EUR) and growth rate BG-RO (2021-2025)

Year /IT	2021	2022	2023	2024	2025
Value of IT BG-RO in million EUR	6467.5	8604.6	7489.9	8482.5	8729.2
Growth rate		33%	-12.9	13%	2.9
Average growth rate	**9%**				

Source: Compiled by the author on the basis of data from NSI BG (2025), Eurostat (2026)

Table 2. IT (in million EUR) and growth rate BG-TR (2021-2025)

Year /IT	2021	2022	2023	2024	2025
IT BG-TR	5224.8	7543.9	6661.4	7561.9	8939.7
Growth rate		44%	-11.7%	14%	18%
Average growth rate	**16 %**				

Source: Compiled by the author on the basis of data from NSI (2025), Eurostat (2026)

Table 3. IT (in million EUR) and growth rate BG-GR (2021-2025)

Growth rate IT/Year	2021	2022	2023	2024	2025
IT BG-GR	4577.7	6340.7	4616.8	5577.2	5561.6
Growth rate		38.5%	- 27 %	20.8%	- 0.3 %
Average growth rate	**7.8%**				

Source: Compiled by the author on the basis of data from NSI (2025), Eurostat (2026)

Table 4. IT (in million EUR) and growth rate BG-NMK (2021-2025)

Growth rate IT/Year	2021	2022	2023	2024	2025
IT BG-NMK	947.12	1226.08	1410.3	1307.8	1317.8
Growth rate		29.4%	15%	-7.26%	0.76 %
Average growth rate	**9.5%**				

Source: Compiled by the author on the basis of data from NSI (2025), Eurostat (2026)

Table 5. IT (in million EUR) and growth rate BG-RS (2021-2025)

Growth rate IT/Year	2021	2022	2023	2024	2025
IT BG-RS	1508.1	2120.3	2130	1963.1	2083
Growth rate		40.5%	0.5%	-7.8%	6.1%
Average growth rate	**9.8 %**				

Source: Compiled by the author on the basis of data from NSI (2025), Eurostat (2026)

The growth rate of the trade between Bulgaria and each of the bordering countries is positive for the period ranging from 7.8 % with Greece to 16 % with Türkiye. These values obviously can't be attributed to membership in RTA-s as the trade integration between Bulgaria and Greece correspondents to higher level – common market than the one with Türkiye – customs union. The border customs formalities do not prove to be a significant trade barrier. The reason for the increasing trade between Bulgaria and Türkiye in 2024 and 2025 – the growth rates being respectively 14 and 18% is rather an expression of the trend for diversification, restructuring and shortening of the supply chains. The production costs in Türkiye prove to be most competitive in Europe and Turkish goods manage to substitute some of the products imported from the Far East.

The average growth rates for the whole group are calculated in two ways. The first approach is as a simple average of the individual growth rates of the five bordering countries (Table 6). By the second method the total trade turnover for the each of the studied years of all the countries is summed up. The growth rate for the whole group is calculated for each of the years and then the average for the whole period (Table 7).

Table 6. Growth of IT between BG and countries with common border (CCB) - I

Country/Year	2021-22	2022-23	2023-24	2024-25	Average growth rate
RO	33 %	-12.9 %	13 %	2.9 %	**9 %**
GR	38.5 %	-27 %	20.8 %	-0.3 %	**7.8 %**
TR	44 %	-11.7 %	14 %	18 %	**16 %**
NMK	29.4 %	15 %	-7.26 %	0.8 %	**9.5 %**
RS	40.5 %	0.5 %	-7.8 %	6.1 %	**9.8 %**
CCB	**37.8 %**	**-7.42 %**	**6.5 %**	**5.5 %**	**10.4 %**

Source: Compiled by the author on the basis of data from NSI (2026), Eurostat (2026)

If we consider the time series for the period 2021-2022 of the average growths of the countries with common border (CCB) following the first approach (Table 6), it can easily be noticed that after the big rebound in the value of international trade 37.8 % in 2022 a general slump of (-7.42 %) is observed in 2023. Following the rise in interest rates of cumulative 200 basis points throughout 2023 (ECB, 2023) in attempt to curb the inflation and supply chain disruptions the economic growth in most of European countries slows down (World Bank, 2025) as well as the international trade (UNCTAD, 2023).

Only the trade with North Macedonia and Republic of Serbia remains vital in 2023 as their monetary policy is not so narrow connected with the common European one. In 2024 the average growth rate of the whole group rebounds and remains stable in 2025. Its average value for the whole period is 10.4 % which indicates increasing interconnectedness between the countries.

The average growth rate calculated in the second way is more accurate because it takes into account the scale of the turnover with the participating countries (Table 7.).

Table 7. Growth of IT (in million EUR) between BG and countries with common border (CCB) -II

Country/Year	**2021**	**2022**	**2023**	**2024**	**2025**
RO	6467.5	8604.6	7489.9	8482.5	8729.2
GR	4577.7	6340.7	4616.8	5577.2	5561.6
TR	5224.8	7543.9	6661.4	7561.9	8939.7
NMK	947.12	1226.08	1410.3	1307.8	1317.8
RS	1508.1	2120.3	2130	1963.1	2083
Total trade	18725.22	25835.58	22308.4	24892.5	26631.3
Growth rate		37.90%	-13.6%	11.6 %	6.9%
Average growth rate		**10.7%**			

Source: Compiled by the author on the basis of data from NSI, BG (2026)

Its value is a little bit higher 10.7 % as the value of turnover of with Romania and Türkiye where a high growth rate is also observed is taking into consideration. It is fostered not only of the geographic proximity but also by the integrational processes that include the countries. Romania, Greece and Bulgaria are EU members, Türkiye takes part in customs union with EU and respectively with Bulgaria. North Makedonia and Republic of Serbia participate in Free Trade agreement with EU. The slump in 2023 is bigger here but the rebound in 2024 and 2025 is stronger due to the weight of the changes in the trade with Romania and Türkiye which stand out as leading countries for Bulgarian international trade.

4.2. Trade between Bulgaria and Major Asian Trading Partners (2021-2025)

The choice of the countries from Asia whose trade turnover with Bulgaria will be observed is done on the basis of their economic power measured by their GDP, on the share of their trade with Bulgaria and on the distance. The top five Asian

countries according to the value of the GDP for 2025 are China, Japan, India, Soth Korea and Turkey (Table 8).

Table 8. Top 5 Asian Countries according to GDP in 2025

Country	GDP in trillion USD
China	19.63
Japan	4.44
India	3.92
South Korea	1.87
Turkey	1.6

Source: IMF (2026)

As Türkiye is both Asian and European country and also a country with common Border to Bulgaria it will be excluded from the list. So, in the group of Asian countries whose international trade turnover with Bulgaria will be analyzed will be included China, Japan, India and South Korea. These countries are also the biggest and traditional Bulgarian trade partners from Asia (NSI, 2025). The distance between Bulgaria and each of these countries is more than 5,000 km.

The trade turnover, the yearly growth rates and the average growth rate of the international trade with Bulgaria for the period 2021-2025 are portrayed on tables (9-12).

Table 9. IT (in million EUR) and Growth rate of IT BG-China (2021-2025)

China	Exp	Imp	Total trade	Growth rate year to year
2025	722.04	3645.1	4367.1	**24.3%**
2024	756.6	2755.4	3512	**-5.6%**
2023	1030.6	2688.2	3718.8	**-6.6%**
2022	786	3196.3	3982.3	**22.7%**
2021	1124.2	2120.9	3244.2	
Average growth rate for the period				**8.7%**

Source: Compiled by the author on the basis of data from NSI (2025), IMF (2026)

The trade of Bulgaria with China increases in 2022 when the economies recover from the pandemic restrictions. In 2023 and 2024 the growth is negative as the economic activity is suppressed under the anti-inflationary measures. The predominance of the import is well expressed – the ratio varying from two to five times in favor of the import. The highest value of 3,645.1 million EUR is reached in 2025 which accounts for the increase in the rate of growth of the total international trade between the two partners. The reason for the high import value can be found in its product structure. The traditionally high share of electronics, electrical and

transport equipment grows further (WITS, 2026). The greatest contribution is due to the products of green transition - solar panels, batteries, electric and hybrid vehicles (NSI, 2026).

Table 10. IT (in million EUR) and Growth rate of IT BG - Japan (2021-2025)

Japan	Exp	Imp	Total trade	Growth rate year to year
2025	85.9	166.7	253	**1.2%**
2024	82.9	167.1	250	**-12.5%**
2023	89.6	196.3	285.9	**-7.9%**
2022	76.5	234.2	310.7	**19.6%**
2021	54.3	204.9	259.2	
Average growth rate for the period				**0.1%**

Source: Compiled by the author on the basis of data from NSI (2025), IMF (2026)

The trend in the growth rate of international trade Bulgaria – Japan follows the same pattern of a slump in 2023 and 2024 after the well expressed rebound in 2022. However, the slump is deeper and the growth in 2025 is quite week compared to the one in the trade with China.

The growth rate of the international trade Bulgaria – India reaches a peak in 2022 followed by a slump in 2023 and 2024 and rebound in 2025 (Table 11). It is quite similar to the one with China and Japan only the peak in 2022 is higher. The reason for these record values in 2022 is the increase in the export of sunflower oil (World Bank, 2022). The outbreak in the war in Ukraine in 2022 has led to a disruption and restructuring of the sunflower supply chain as Ukraine is one of the biggest producers. The price of the sunflower reached record peaks in March 2022 and considerable rise in the exports of sunflower and sunflower products from Bulgaria.

Table 11. IT (in million EUR) and Growth rate of IT BG-India (2021-2025)

India	Exp	Imp	Total trade	Growth rate year to year
2025	179.6	259.7	439.3	**11,9%**
2024	162.2	230.2	392.4	**-16%**
2023	220	247.3	467,3	**-25%**
2022	379.3	244.2	623,5	**81,9%**
2021	141.9	200.7	342.6	
Average growth for the period				**12,9 %**

Source: Compiled by the author on the basis of data from NSI (2025), IMF (2026)

So, it can be assumed that the abrupt growth in the export to India is provoked by geopolitical transitionary process not a result of a stable and lasting economic development in the bilateral relations.

The trend in the international trade Bulgaria-South Korea is towards decrease for the period 2021-25 from (-7.5%) to (-30 %) with a well expressed rise in 2023 (Table 11). The average growth rate for the period is negative (-4.8 %).

Table 12. IT (in million EUR) and Growth rate of IT BG-South Korea (2021-2025)

South Korea	Exp	Imp	Total trade	Growth rate year to year
2025	91.4	175.2	266.6	**-30%**
2024	163.7	220.72	384.4	**-8 %**
2023	232.7	185.2	417.9	**26%**
2022	132.4	198.8	331.2	**-7.5%**
2021	216.3	141.7	358	
Average growth for the period				**-4.8 %**

Source: Compiled by the author on the basis of data from NSI (2025), IMF (2026)

The individual averages of the Asian countries vary widely i.e. the group is not as homogenous as the one the countries with common border. The Chinese average rate of growth of the trade with Bulgaria for the studied period is much higher than the one of Japan and South Korea which can be justified with scale of Chinese economy and leading position in the global economy. India is one of the fastest growing economies but the intensity of the trade with Bulgaria is rather due to occasional event in 2022 as explained above than a persistent characteristic.

As the countries differ considerably in scale the second approach will be adopted in the calculation of the average growth for the period. The value of the trade turnovers with all the four countries will be summed up for each of the years from the period 2021-2025 and the growth rate on yearly basis will be calculated (Table 13).

Table 13. Growth of IT (in million EUR) between BG and major Asian countries (2021-2025)

Growth rate IT/Year	2021	2022	2023	2024	2025
China	3244.2	3982.3	3718.8	3512	4367.1
Japan	259.2	310.7	285.9	250	253
India	342.6	623.5	467.3	392.4	439.3
South Korea	358	331.2	417.9	384.4	266.6
Total value of trade	4204	5247.7	4889.9	4538.8	5326

Growth rate		24.8%	-6.8%	-7.8%	17.3%
Average growth rate	**6.8 %**				

Source: Compiled by the author on the basis of data from NSI (2025), IMF (2026)

The trend for the whole studied group follows a rise in 2022, a slump in 2023 and 2024 and a rebound in 2025 (Figure 1).

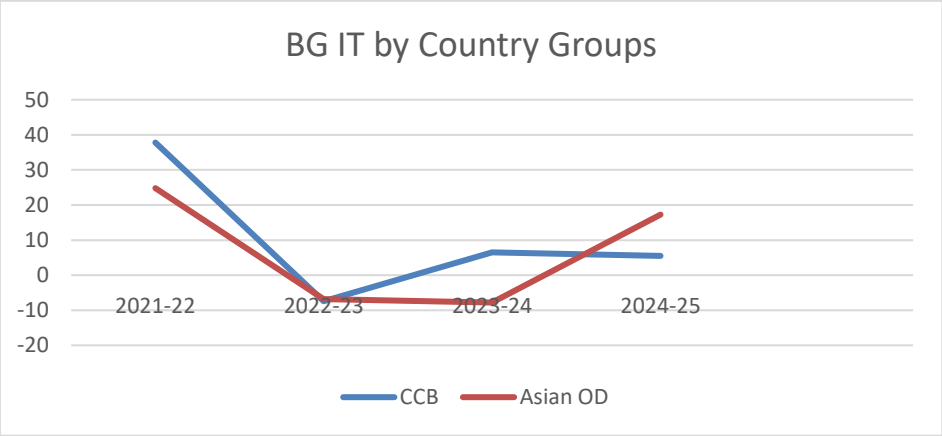


Figure 1. Trends of Bulgarian international trade per country groups

Source: Constructed by the author on basis of data from NSI (2025)

The growth rate of the Bulgarian trade with the neighboring countries stands out steadily above the one with Asian countries with the exception of the last year 2025. The observed growth in the trade between Bulgaria and the group of the Asian countries in the end of the studied period is due to increase in the import from them. It can be attributed to the specific conditions in Bulgaria in 2025 – preparation for accession in the Euro zone. Trying to secure their stocks for longer period both for speculative reasons or as risk management strategy the business buys in advance. The unstable global geopolitical situation and the new wave of protectionist measures initiated by Trump and spreading among the other participants in the global trade also motivate intensive purchases before the new tariffs have become effective.

4.3. Comparison of Results and Verification of the Formulated Hypothesis

The comparison of the average values for each of the studied groups for the whole period reveals that the growth rate of international trade between Bulgaria and the countries with common border is higher –10.7 % than the one with the group of Asian countries 6.8 % (Fig. 2).

The empirically obtained results by analysis and processing of secondary data from official statistical references prove the first hypothesis H_1 postulating that higher growth rates of international trade with countries with common border than the one with more distant countries confirms the negative correlation between the distance and the trade turnover. So, it can be stated that the trend towards regionalization and geographic proximity is displayed in Bulgarian foreign trade with the studied groups.

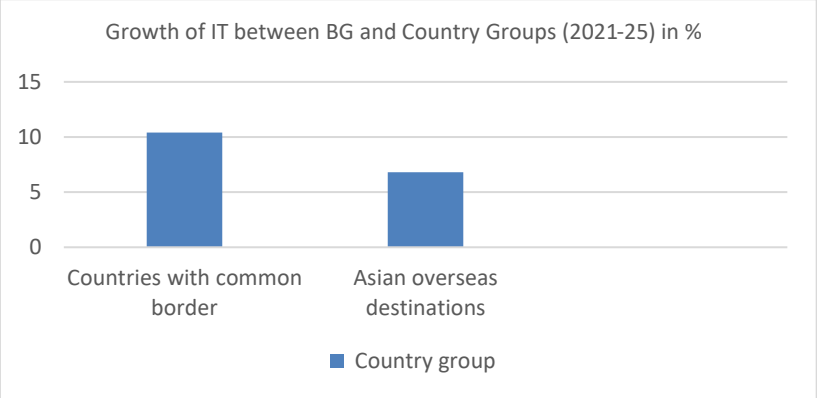


Figure 2. Growth rate between BG and country Groups (2021-25)

Source: Constructed by the author

Given the persistency of geopolitical pressure and rising protectionism the trend for geographic concentration and increased regionalization will positively be expressed more clearly in the coming years. So, the research can be enlarged in the future including a longer period and scope of countries by inclusion ones from other geographic regions for greater representactiveness of the sample. Thus, the variations due to occasional events will be omitted and the trend can be more clearly expressed.

The trend is generally expected to persist in the long run as it is connected with supply chain restructuring which includes relocation of production facilities and building up new ones close to the markets as reaction to protectionist measures. From a demand point of view due to higher intraregional trade the gains from trade are kept inside a region. Thus, the intraregional trade can generate a greater multiplier effect than the extra-regional one (UNCTAD, 2022).

5. Conclusion

Given the consecutive geopolitical conflicts leading to various economic challenges for the established global supply chains and trade relations, the increasing number of countries focus on regionalization as the second-best alternative (Taylor, 2008). This study reveals that the trend towards increased regionalization and geographic proximity can be traced also in Bulgarian foreign trade for the period 2021-2025. A further analysis spanning a longer period and wider spectrum of trading partners will be confirm the research results in the future.

The persistence of the trend for increase in the intraregional trade and especially in the trade between the neighboring countries is expected to retain the gains from trade in the region and contribute for positive economic effects for participating countries. So, consistent measures for support of the trade in the region should be priority for policy makers and the business. In can lead to higher effectiveness and greater competitiveness for the business and economic growth for the countries in the region.

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