

SLOVENIA'S TRADE IN GOODS WITH THE WESTERN BALKAN COUNTRIES

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Abstract: *In this paper, the author deals with Slovenia's trade in goods with the Western Balkan countries, Slovenia's important trade partners that together account for more than ten per cent of the value of Slovenia's total trade in goods. There are several reasons for this, such as ease of trade between Slovenia and the Western Balkan countries (excluding Albania) due to similar culture, language, etc. This is particularly true for Croatia, which is one of Slovenia's four neighbouring countries and one of its most important trade partners, accounting for more than five per cent of the value of Slovenia's total trade in goods and almost 50 per cent of the value of Slovenia's trade with the Western Balkan countries. In 2012, the value of Slovenia's trade in goods with Croatia amounted to €2 300.2 million, a decrease of 2.2 per cent over the previous year. This decrease was mainly due to a lower demand for goods in both countries as a result of the financial and economic crisis.*

Key words: *trade, trade partners, Slovenia, Western Balkan countries.*

1. Introduction

Slovenia is, like many other countries, especially small ones, dependent on the export and import of goods and services. There are several reasons for this, such as lack of resources, especially natural ones (e.g., fossil fuels). In 2012, the value of Slovenia's total trade in goods amounted to €43 138.4 million, 119.8 per cent of the value of Slovenia's gross domestic product Slovenia is, like many other countries, especially small ones, dependent on the export and import of goods and services. There are several reasons for this, such as lack of resources, especially natural ones (e.g., fossil fuels). In 2012, the value of Slovenia's total trade in goods amounted to

€43 138.4 million, 119.8 per cent of the value of Slovenia's gross domestic product (GDP)¹ and a decrease of one per cent over the previous year. In the same year, the value of Slovenia's total exports of goods amounted to €21 060.7 million, 58.5 per cent of the value of Slovenia's GDP and an increase of 0.3 per cent over the previous year, while the value of Slovenia's total imports of goods amounted to €22 077.7 million, 61.3 per cent of the value of Slovenia's GDP and a decrease of 2.1 per cent over the previous year.

If Slovenia wants to increase the value of its total trade in goods both in the short and in the long term, it should increase its competitiveness, which is low in comparison to the competitiveness of some other

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European countries (see, for example, the World Economic Forum, 2014).

2. Slovenia's trade in goods with European countries

In this chapter, the author deals with Slovenia's trade in goods with European countries, which are Slovenia's most important export partners (see Table 1).

There are various reasons for this, including geographical and historical ones. In 2012, the value of Slovenia's exports of goods to European countries amounted to €18 914.9 million, 89.8 per cent of the value of Slovenia's total exports goods and a decrease of 0.7 per cent over the previous year.

Table 1

Slovenia's exports of goods by country groups, 2012

| | Million € | Per cent |
|---|-----------|----------|
| African countries | 425.5 | 2.0 |
| American countries | 562.0 | 2.7 |
| Asian countries | 1 078.3 | 5.1 |
| European countries | 18 914.9 | 89.8 |
| Other countries | 69.6 | 0.3 |
| Unclassified trade with EU non-member countries | 10.4 | 0.0 |
| Total | 21 060.7 | 100.0 |

Source: Statistical Office of the Republic of Slovenia (2014).

European countries are also Slovenia's most important import partners (see Table 2). In 2012, the value of Slovenia's imports of goods from these countries

amounted to €19 114.1 million, 86.6 per cent of the value of Slovenia's total imports of goods and a decrease of 2.5 per cent over the previous year.

Table 2

Slovenia's imports of goods by country groups, 2012

| | Million € | Per cent |
|---|-----------|----------|
| African countries | 202.6 | 0.9 |
| American countries | 591.1 | 2.7 |
| Asian countries | 1 874.0 | 8.5 |
| European countries | 19 114.1 | 86.6 |
| Other countries | 4.7 | 0.0 |
| Unclassified trade with EU non-member countries | 291.2 | 1.3 |
| Total | 22 077.7 | 100.0% |

Source: Statistical Office of the Republic of Slovenia (2014).

In 2012, the value of Slovenia's net trade in goods amounted to €-1 017.0 million, - 2.4 per cent of the value of Slovenia's total trade in goods (see Table 3). In the same year, the value of Slovenia's net trade in goods with African countries amounted to

€222.8 million, 35.5 per cent of the value of Slovenia's trade in goods with these countries. Also in the same year, the value of Slovenia's net trade in goods with other countries amounted to €64.9 million, 87.5 per cent of the value of Slovenia's trade in

goods with these countries. In the same year, the value of Slovenia's net trade with American, Asian and European countries amounted to €-1 023.9 million, -2.4 per cent of the value of Slovenia's trade with these countries.

In 2012, Germany was Slovenia's most important export partner among European

countries, followed by Italy, Austria and other European countries (see Table 4). In the same year, the value of Slovenia's exports of goods to Germany amounted to €4 456.3 million, 23.6 per cent of the value of Slovenia's exports of goods to European countries and an increase of 1.5 per cent over the previous year.

Table 3

Slovenia's net trade in goods by country groups, 2012

| | Million € | Per cent |
|---|-----------|----------|
| African countries | 222.8 | 35.5 |
| American countries | -29.1 | -2.5 |
| Asian countries | -795.7 | -27.0 |
| European countries | -199.1 | -0.5 |
| Other countries | 64.9 | 87.5 |
| Unclassified trade with EU non-member countries | -280.8 | -93.1 |
| Total | -1 017.0 | -2.4 |

Source: Statistical Office of the Republic of Slovenia (2014).

Table 4

Slovenia's exports of goods by European countries, 2012

| | Million € | Per cent |
|--------------------------|-----------|----------|
| Germany | 4 456.3 | 23.6 |
| Italy | 2 380.3 | 12.6 |
| Austria | 1 731.8 | 9.2 |
| Croatia | 1 356.7 | 7.2 |
| France | 1 159.1 | 6.1 |
| Russian Federation | 942.7 | 5.0 |
| Serbia | 654.6 | 3.5 |
| Poland | 627.3 | 3.3 |
| Czech Republic | 583.7 | 3.1 |
| Bosnia and Herzegovina | 583.5 | 3.1 |
| Other European countries | 4 438.8 | 23.5 |
| Total | 18 914.9 | 100.0 |

Source: Statistical Office of the Republic of Slovenia (2014).

In 2012, Italy was Slovenia's most important import partner among European countries, followed by Germany, Austria and other European countries (see Table 5). In the same year, the value of Slovenia's imports of goods from Italy

amounted to €4 108.1 million, 21.2 per cent of the value of Slovenia's imports of goods from European countries and a decrease of 3.2 per cent over the previous year.

Table 5

Slovenia's imports of goods by European countries, 2012

| | Million € | Per cent |
|--------------------------|-----------|----------|
| Italy | 4 108.1 | 21.5 |
| Germany | 4 056.4 | 21.2 |
| Austria | 2 585.8 | 13.5 |
| Hungary | 999.9 | 5.2 |
| France | 947.9 | 5.0 |
| Croatia | 943.5 | 4.9 |
| Netherlands | 675.6 | 3.5 |
| Czech Republic | 559.1 | 2.9 |
| Poland | 476.7 | 2.5 |
| Belgium | 437.9 | 2.3 |
| Other European countries | 3 323.1 | 17.4 |
| Total | 19 114.1 | 100.0 |

Source: Statistical Office of the Republic of Slovenia (2014).

3. Characteristics of exporters and importers of goods in Slovenia

In this chapter, the author deals with the characteristics of exporters and importers of goods in Slovenia.

In 2012, there were 19 714 exporters of goods in Slovenia, which was an increase of 12.2 per cent over the previous year. Of these, 66.6 per cent had from zero to nine employees, 13.2 per cent from 10 to 49 employees, 3.9 per cent from 50 to 249 employees, 1 per cent had 250 or more employees and the rest were unknown. In the same year, the average value of exports of goods per exporter amounted to €1.1 million, a decrease of 9.9 per cent over the previous year. Also in the same year, the top 50 exporters of goods in Slovenia together accounted for 48 per cent of the value of Slovenia's total exports of goods.

In 2012, there were 43 846 importers of goods in Slovenia, which was an increase of 1.6 per cent over the previous year. Of these, 68 per cent had from zero to nine employees, 9.2 per cent from 10 to 49 employees, 2.6 per cent from 50 to 249 employees, 0.7 per cent had 250 or more employees and the rest were unknown. In the same year, the average value of imports

of goods per importer amounted to €0.5 million, a decrease of 3.3 per cent over the previous year. Also in the same year, the top 50 importers of goods in Slovenia together accounted for almost 40 per cent of the value of Slovenia's total imports of goods.

4. Slovenia's trade in goods with the Western Balkan countries: an overview

In this chapter, the author deals with Slovenia's trade in goods with the Western Balkan countries, which are Slovenia's important trade partners. This is particularly true for Bosnia and Herzegovina, Croatia and Serbia (see Table 6). After all, these are the three largest Western Balkan economies by GDP.ⁱⁱ

In 2012, the value of Slovenia's trade in goods with the Western Balkan countries amounted to €4 696.8 million, 12.3 per cent of the value of Slovenia's trade in goods with European countries and a decrease of 2.8 per cent over the previous year. In the same year, Slovenia's exports of goods to the Western Balkan countries amounted to €2 961.5 million (see Table 6), 15.7 per cent of the value of Slovenia's

exports of goods to European countries and a decrease of two per cent over the previous year, while the value of Slovenia's imports of good from the Western Balkan countries amounted to €1

735.3 million, 9.1 per cent of the value of Slovenia's imports of goods from European countries and a decrease of 4.3 per cent over the previous year.

Table 6
Slovenia's trade in goods with the Western Balkan countries, 2012

| | Exports | | Imports | | Net trade | |
|------------------------|-----------|----------|-----------|----------|-----------|----------|
| | Million € | Per cent | Million € | Per cent | Million € | Per cent |
| Albania | 37.6 | 1.3 | 0.6 | 0.0 | 37.0 | 97.0 |
| Bosnia and Herzegovina | 583.5 | 19.7 | 364.8 | 21.0 | 218.7 | 23.1 |
| Montenegro | 85.3 | 2.9 | 25.7 | 1.5 | 59.5 | 53.6 |
| Croatia | 1 356.7 | 45.8 | 943.5 | 54.4 | 413.2 | 18.0 |
| Kosovo | 88.7 | 3.0 | 1.6 | 0.1 | 87.1 | 96.5 |
| Macedonia | 155.1 | 5.2 | 35.1 | 2.0 | 119.9 | 63.1 |
| Serbia | 654.6 | 22.1 | 364.0 | 21.0 | 290.6 | 28.5 |
| Total | 2 961.5 | 100.0 | 1 735.3 | 100.0 | 1 226.2 | 26.1 |

Source: Statistical Office of the Republic of Slovenia (2014).

In 2012, the value of Slovenia's net trade in goods with the Western Balkan countries amounted to €1 226.2 million, 26.1 per cent of the value of Slovenia's trade in goods with these countries (see Table 6). In the same year, the value of Slovenia's net trade in goods with Croatia, which is Slovenia's most important trade partner among the Western Balkan countries, amounted to €413.2 million, 18 per cent of the value of Slovenia's trade in goods with this country.

In 2012, Croatia was Slovenia's fourth most important export partner, following Germany, Italy and Austria – Slovenia's sixth most important import partner following Italy, Germany, Austria, Hungary and France. There were various reasons for this, including the fact that Croatia borders Slovenia, which has a positive effect on trade in goods between these two countries.

In 2012, there were 4 705 exporters of goods from Slovenia to Croatia, an increase of 3.4 per cent over the previous year. In the same year, the average value of their exports of goods to Croatia amounted

to €0.3 million, a decrease of 6.5 per cent over the previous year.

In 2012, there were 3 016 importers of goods from Croatia to Slovenia, a decrease of 3.7 per cent over the previous year. In the same year, the average value of their imports of goods from Croatia amounted to €0.3 million, an increase of 7.2 per cent over the previous year.

If Slovenia wants to further increase the value of its trade in goods with Croatia and other Western Balkan countries, including the smallest ones (i.e., Albania, Kosovo, Macedonia and Montenegro), it should take a number of measures to do so, including the following:

- increase its cooperation in various fields with the Western Balkan countries;
- increase cooperation in various fields between enterprises from Slovenia and the Western Balkan countries;
- increase cooperation in various fields between entrepreneurs from Slovenia and the Western Balkan countries;
- decrease the number of trade barriers between Slovenia and the Western Balkan countries;

- increase the number of exporters of goods from Slovenia to the Western Balkan countries;
- increase the number of importers of goods from the Western Balkan countries to Slovenia;
- increase the number, quantity and quality of goods exported from Slovenia to the Western Balkan countries;
- increase the number and quantity of goods imported from the Western Balkan countries to Slovenia;
- increase the added value of goods exported from Slovenia to the Western Balkan countries;
- increase the supply and the number of suppliers of trade and trade-related services in Slovenia.

5. Conclusion

In 2012, the value of Slovenia's trade in goods with the Western Balkan countries amounted to €4 696.8 million, only €412.6 million less than the value of Slovenia's trade in goods with non-European countries, which in the same year amounted to €5 109.4 million. This shows that the Western Balkan countries, especially Bosnia and Herzegovina, Croatia and Serbia, the three largest Western Balkan economies by GDP, are Slovenia's important trade partners.

Nevertheless, there are still many opportunities for increasing the value of Slovenia's trade in goods with the Western Balkan countries, especially with Albania, Kosovo, Macedonia and Montenegro, both in the near and in the distant future.

Notes

ⁱ In 2012, the value of Slovenia's GDP amounted to €36 006 million (see, for example, the Statistical Office of the Republic of Slovenia, 2014).

ⁱⁱ See, for example, the World Bank (2014).

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