

Trading of Agricultural Products between Countries from Balkan Region

Ilaz Ameti^{1*}, Naser Raimi², Oriola Vukaj³

¹State University of Tetovo, Faculty for bussines administration, Shkolla Fillore, “Kongresi Manastirit” Çair Shkup, Republic of Macedonia

²State University of Tetovo, Faculty of Economics Shkolla Fillore, “Kongresi Manastirit” Çair Shkup, Republic of Macedonia

³Agricultural University, Faculty for Economy and Agrobussines, UBT, Kodër-Komër Street n.n., 1000 Tirana, Republic of Albania

*Corresponding author: Ilaz.amet@hotmail.com

Received February 25, 2015; Revised April 02, 2015; Accepted April 08, 2015

Abstract Republic of Macedonia has solid trade relations with many countries in the world. The most important trade partners for Macedonia, when considering trading volume and value, are member states of EU and countries from Balkan region. Trade value of agro complex products is on average 556, 2 million \$; 63, 9% goes to food; 15, 55% to beverages and 25, 7% to tobacco. Import value exceed export value by 721, 2 million \$. In view of export value for both aforementioned values, goes to Serbia and the least to Moldova. In the same time, when considering export value per person of agro complex products first place goes to Kosovo, and last to Moldova while fruits and tobacco comes from Serbia, and the least from Romania. In general Macedonia’s most important trade partner in Balkan region is Serbia, second place Kosovo while trading with Moldova is nearly insignificant

Keywords: Balkan, agro complex, export, import, cost, average, ranking list

Cite This Article: Ilaz Ameti, Naser Raimi, and Oriola Vukaj, “Trading of Agricultural Products between Countries from Balkan Region.” *World Journal of Agricultural Research*, vol. 3, no. 2 (2015): 86-90. doi: 10.12691/wjar-3-2-10.

1. Introduction

Food production is the most important human activity, first for its own existence, and secondly for animal nutrition. Larger number of agricultural products is used in their basic form, while other products are processed in food industry. Also, some products are transformed into high-quality livestock products.

Agricultural production in the Republic of Macedonia has relatively high economic value. When expressed in current cost, agricultural production in Macedonia in 2013 reached 556, 7 million \$ out of which 70% goes to vegetable products, and the rest to livestock products.

Agricultural surpluses are subjects of national and international trade exchange.

The Republic of Macedonia has import-export relations with almost every country in the world. Macedonian agro complex, i.e. food sector, had continuously imbalance between export and import, according to **Anakiev B., N. Georgiev [1]** who conclude that, because of the relative proximity, traditional or easily available links and other advantages over other markets, the Balkan countries is especially suitable for fresh products such as vegetables and fruits, grapes for eating, early vegetable products, and products intended as raw material for canned industry.

The flow of goods, which is already growing during the accession discussions, will intensify between the old and new member states, especially in case of agricultural and

food products. This is fully anticipated also because of the prior experiences of those CEECs who joined in 2004 and 2007 (**Kazlauskiene, Meyers, [6]**).

To increase export of agricultural and food products **Vlahovic B. et al. [4]** is recommend modernization of agricultural and food industry as well as different attitude toward farm subjects in the agro-industry. The most important partner for the Republic of Macedonia is EU, and right behind are the countries from Balkan region.

2. Data Source and Working Method

In this thesis, along with data from the literature, as well as official data from the state institutions, mainly from State Statistical Office, and Ministry of Economy in the Republic of Macedonia, there are also information provided by web pages of statistical offices of countries in the Balkan region. Some of them are taken from FAOSTAT and EUROSTAT. When compared with national statistics, these information showed some differences. This is because national statistics and international institutions use different methods for interpreting the data.

Therefore, to provide objective researches, their tendencies, common correlations and validity, the following methods were used: Description, interdisciplinary approach, history analogies, comparative method and theoretical analysis. The goal of this thesis is to provide an analysis of the structure of unprocessed

agricultural products trade exchange with the countries in Balkan region, with an emphasis to vegetable, fruits and tobacco because the Republic of Macedonia has positive trade balance only for these specific products [2].

I. Average value or arithmetic calculation using the formul;

$$\bar{X} = \frac{\sum_{i=1}^n x_j}{n} = \frac{x_1 + x_2 + x_3 + \dots + x_n}{n}$$

II. Production value in a free economy using the formula;

$$V = PxQx + PYQYa$$

III. Bilans success formula;

$$E = (P_r + I_m) \leftrightarrow (CD + E_x)$$

2.1. Merchandise Trade between the Republic of Macedonia and Countries from Balkan Region

Average value of export of agricultural products from agro complex in countries from Balkan region (2009-2013) is 386 559 000 \$, which is almost 64, 51% of total agro complex export (599 191 000 \$). The good thing is that export value rises every year [Table 1](#).

Table 1. The export value of agro complex (000 \$)

Country	Indicator	Year					
		2009	2010	2011	2012	2013	Average
Albania	Agrocomplex	17133	20274	29072	25323	22611	22882,6
	Vegetable, fruits and tobacco	2252	4211	1725	1510	1302	2200
	% of share in agrocomplex	13,14	20,77	0,59	0,60	0,53	7,12
Bosnia and Herzegovina	Agrocomplex	42150	39651	39760	37537	37765	39372,6
	Vegetable, fruits and tobacco	8524	8769	5158	6088	8370	7381,8
	% of share in agrocomplex	20,22	22,11	12,97	16,21	22,16	18,73
Bulgaria	Agrocomplex	42399	41475	29123	25937	34244	34635,6
	Vegetable, fruits and tobacco	38955	31034	23381	20818	29939	28825,4
	% of share in agrocomplex	91,87	74,82	80,28	80,26	87,42	64,55
Greece	Agrocomplex	62095	52096	48506	41876	49090	50732,6
	Vegetable, fruits and tobacco	46570	30334	26875	23991	30803	31714,6
	% of share in agrocomplex	75,00	58,22	55,40	57,29	62,74	61,73
Kosovo	Agrocomplex	50892	63198	62546	52193	58134	57392,6
	Vegetable, fruits and tobacco	4428	4514	5869	5000	6711	5304,4
	% of share in agrocomplex	0,87	0,71	0,94	0,96	1,15	0,92
Moldova	Agrocomplex	69	355	747	354	273	359,6
	Vegetable, fruits and tobacco	69	325	686	354	273	341,4
	% of share in agrocomplex	100	91,54	91,83	100	100	96,67
Romania	Agrocomplex	3313	5967	8746	12814	10098	8187,6
	Vegetable, fruits and tobacco	1027	2614	4827	4814	2720	3200,4
	% of share in agrocomplex	30,99	43,80	55,19	37,56	26,93	38,89
Serbia	Agrocomplex	109585	111997	128893	114480	109866	114964,2
	Vegetable, fruits and tobacco	35879	37028	40179	36462	32703	36450,2
	% of share in agrocomplex	32,74	33,06	31,17	31,85	29,77	31,71
Croatia	Agrocomplex	41031	41655	42280	43164	51113	43848,6
	Vegetable, fruits and tobacco	11339	10149	8487	9728	14162	10773
	% of share in agrocomplex	27,63	24,36	20,07	22,54	27,70	24,46
Montenegro	Agrocomplex	12635	11926	15403	15538	15411	14182,6
	Vegetable, fruits and tobacco	4195	2370	2583	2694	3212	3010,8
	% of share in agrocomplex	33,20	19,87	16,76	17,34	20,84	21,60
Balkan	Agrocomplex	381302	388594	405076	369216	388605	386558,6
	Vegetable, fruits and tobacco	153238	131345	119770	111459	130095	129181,4
	% of share in agrocomplex	40,18	33,80	29,57	30,18	33,48	33,44
World	Agrocomplex	500209	559615	652346	614712	669073	599191

The other bad thing is that export of vegetable, fruits and tobacco also decrease every year, but according to relative share in agro complex export, it has very weak intensity.

The most important trade partner for the Republic of Macedonia when considering export of agricultural and

food products is Serbia with almost 37, 04% share in total export in the region [Table 2](#). On the other side is Moldova with which Macedonia has the least 0, 01% export value.

The value of agro complex products export between neighboring countries of the Republic of Macedonia is on average 599 191 000 \$.

Table 2. Ranking list of the countries in the region considering export value

Agrocomplex			Vegetable, fruits and tobacco.		
Rank	Country	\$/capita	Rank	Country	\$/capita
1	Serbia	114,964	1	Serbia	36,450
2	Kosovo	57,393	2	Greece	31,715
3	Greece	50,733	3	Bulgaria	28,825
4	Croatia	43,849	4	Croatia	10,773
5	B&H	39,372	5	B&H	7,382
6	Bulgaria	34,635	6	Kosovo	5,304
7	Albania	22,882	7	Romania	3,200
8	Montenegro	14,183	8	Montenegro	3,011
9	Romania	8,188	9	Albania	2,180
10	Moldova	360	10	Moldova	341

Source: Statistic annual reports by the country and our own calculations.

According to the export value of vegetable, fruits and tobacco (group of products formed by SITC [14] Macedonian most important partner is Serbia with average export value of 36 450 000 \$. Second place goes to Greece, third Bulgaria and Bulgaria switched places. Kosovo was on the second place by the agro complex export value, and this indicator shows that place on the ranking list now belongs to Greece. Moldova is on the last place with average share of 0, 03% in total value of vegetable, fruits and tobacco export.

Macedonian neighboring countries also have great meaning according to this indicator, because their share in total value of vegetable, fruits and tobacco export goes as high as 90%. When calculating the export value in EUR per capita for countries in the region, Kosovo becomes the most important trade partner for Macedonia. Every citizen of Kosovo in last period of time (2009 – 2013) purchased agro complex products from the Republic of Macedonia worth 29, 26 \$ and 3, 06 \$ worth products like vegetable, fruits and tobacco Table 3.

Table 3. Ranking list for the countries in the region, according to export value.

Agrocomplex			Vegetable, fruits and tobacco.		
Rank	Country	\$/capita	Rank	Country	\$/capita
1	Kosovo	29,26	1	Serbia	5,11
2	Montenegro	22,68	2	Montenegro	4,81
3	Serbia	16,14	3	Bulgaria	3,91
4	B&H	10,25	4	Kosovo	3,06
5	Albania	7,26	5	Greece	2,94
6	Bulgaria	4,70	6	Croatia	2,51
7	Greece	2,94	7	B&H	1,92
8	Croatia	1,90	8	Albania	0,69
9	Romania	0,4	9	Moldova	0,2
10	Moldova	0,1	10	Romania	0,1

Source: Statistic annual reports by the country and our own calculations.

On the other side, citizens from Moldova and Romania spent at least money for buying Macedonian agricultural and food products.

2.2. Import from Countries in the Balkan to the Republic of Macedonia

Table 4. Agro complex import value (000 \$)

Country	Indicator	Year					
		2009	2010	2011	2012	2013	Average
Albania	Agrocomplex	1401	1201	2288	2780	3256	2185,2
	Vegetable, fruits and tobacco	330	318	625	1101	1278	730,4
	% of share in agrocomplex	23,55	26,47	27,31	39,60	39,25	31,23
Bosnia and Herzegovina	Agrocomplex	16764	14272	29001	28339	30120	23699,2
	Vegetable, fruits and tobacco	575	401	340	55	476	369,4
	% of share in agrocomplex	0,34	0,28	0,12	0,02	0,15	0,18
Bulgaria	Agrocomplex	29445	44099	66268	65399	56326	52307,4
	Vegetable, fruits and tobacco	50	429	786	66	1683	602,8
	% of share in agrocomplex	0,02	0,10	0,12	0,01	0,30	0,11
Greece	Agrocomplex	44605	40228	42117	40371	44627	42389,6
	Vegetable, fruits and tobacco	4174	5351	6938	8603	8357	6684,6
	% of share in agrocomplex	9,35	13,30	16,47	21,30	18,72	15,82
Kosovo	Agrocomplex	3486	5720	7221	6610	6603	5928
	Vegetable, fruits and tobacco	35	268	316	437	211	253,4
	% of share in agrocomplex	0,10	0,47	0,44	0,66	0,31	0,39
Moldova	Agrocomplex	383	59	25	58	69	118,8
	Vegetable, fruits and tobacco	0	0	0	26	0	5,2
	% of share in agrocomplex	0	0	0	0,44	0	0,08
Romania	Agrocomplex	2498	3025	5847	7971	10783	6024,8
	Vegetable, fruits and tobacco	195	0	89	0	4	57,6
	% of share in agrocomplex	0,78	0	0,15	0	0,03	0,19
Serbia	Agrocomplex	147955	166271	182323	177459	173858	169573,2
	Vegetable, fruits and tobacco	1148	681	9217	656	1330	2606,4
	% of share in agrocomplex	0,08	0,04	0,50	0,04	0,08	0,14
Croatia	Agrocomplex	40424	42992	49598	52581	42073	45533,6
	Vegetable, fruits and tobacco	1328	1404	1642	288	643	1061
	% of share in agrocomplex	0,32	0,33	0,33	0,06	0,15	0,23
Montenegro	Agrocomplex	415	795	919	1116	1535	956
	Vegetable, fruits and tobacco	63	0	0	0	0	12,6
	% of share in agrocomplex	15,18	0	0	0	0	3,03
Balkan	Agrocomplex	287376	318662	385607	382684	369250	348715,8
	Vegetable, fruits and tobacco	7898	8852	19953	11232	13982	12383,4
	% of share in agrocomplex	2,75	2,78	5,17	2,93	3,78	3,482
World		695687	70583	863534	873855	869839	674699,6

Source: Our own calculations based on statistical data.

Besides exporting agricultural surplus, the Republic of Macedonia imports agricultural products, mainly when natural (climatic) conditions are not in accordance with optimal values (for example during winter). The countries in the region are valuable trade partners because total

value of agro complex products which are imported from these countries is on average (2009 – 2013) 348 716 000 \$, or 43, 49% of total import value in the country. In the period we researched, there was continuous increase of import value only in the last year of the research period

had little of about 1% from the previous year in 2012
Table 4.

First place, obviously, goes to Serbia. But comparing import and export values from Serbia, import value exceed export value by 54, 6 million \$.

Table 5. Ranking list of the countries in the region, according to import value

Rank	Country	Agrocomplex (000 \$)	Rank	Country	Vegetable, fruits and tobacco (000 \$)
1	Serbia	169,573	1	Bulgaria	6685
2	Bulgaria	52,307	2	Greece	2606
3	Croatia	45,534	3	Croatia	1061
4	Greece	42,390	4	Montenegro	730
5	B&H	23,699	5	Serbia	603
6	Romania	6,025	6	B&H	369
7	Kosovo	5,928	7	Albania	253
8	Albania	2,185	8	Romania	57
9	Montenegro	956	9	Kosovo	13
10	Moldova	119	10	Moldova	5

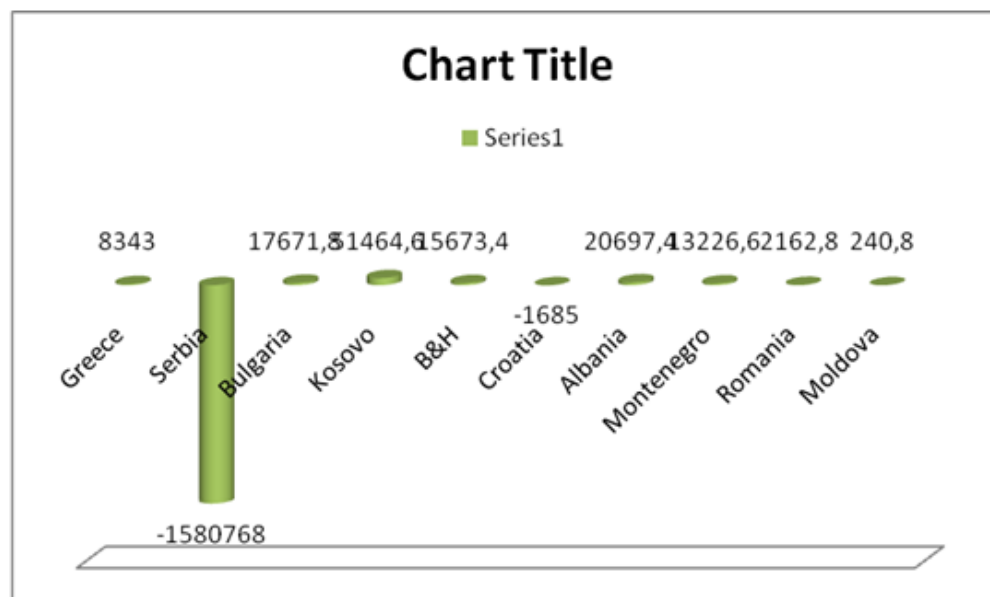
When considering Bulgaria, Macedonia imports vegetable, fruits and tobacco the most. But, import value exceed export value by 77%. Vegetable, fruits and tobacco import value from Moldova is of minimum value, i.e. only 0, 02% share of total import value from the countries in the region.

Average agro complex products import value from neighboring countries of the Republic of Macedonia is 348 716 000 \$, which is almost 43, 49% of import from all countries in the region. If the meaning of trade partners is rated by relative share in total vegetable, fruits and tobacco import, then the most important are first

neighbors (Albania, Bulgaria, Greece, Kosovo and Serbia) from where comes near 90% of total import.

Exchange balance with countries in the region

When trading agro complex products with countries in the Balkan region, the Republic of Macedonia has positive trade balance Chart 1. The analysis of balance by the country shows that there are countries from where Macedonia imports products with higher value than export value. This deficit has unstable value, i.e. it differs from year to year.



Contrary to the agro complex composition, Macedonia has surplus as high as 95 billion \$ from the exchange of

raw vegetable, fruits and tobacco Table 6. The higher positive balance is with Greece, opposite to Moldova.

Table 6. Balance of export and import for vegetable, fruits and tobacco (000 \$)

	Year					Average
	2009	2010	2011	2012	2013	
Greece	42396	24983	19937	15388	22446	25030
Serbia	34731	36347	30962	35806	31373	33844
Bulgaria	38905	30605	22595	20752	28256	28223
Kosovo	4393	4246	5553	6500	6500	5438
B&H	7949	8368	4818	6033	7894	7012
Croatia	10011	8745	6845	9440	13519	9712
Albania	1922	3893	1100	409	24	1470
Montenegro	4132	2370	2583	2694	3212	2998
Romania	832	2614	4738	4814	2716	3143
Moldova	69	325	686	328	273	336
Balkan	145340	122496	99817	100227	116113	116799

Source: Our own calculations based on statistical data.

3. Conclusions and Recommendations

Based on the results from the research of the organization of market of agricultural products in Balkan region, following conclusions can be made, as well as the recommendation for external exchange with foreign countries:

1. The market for agricultural and food products in the countries from the Balkan region is relatively high, because the region encompasses about 8% of total territory of European continent, and 10% of total European population.
2. The most interesting agricultural products import, considering degree of population are Kosovo, Albania, and then Moldova, Bulgaria, Serbia and Greece, because in the country with higher population the distribution of the products is faster and cheaper.
3. In the countries from the region, the highest agro complex export (according to the value indicator) is with Serbia, and the least with Moldova. Vegetable, fruits and tobacco exports the most in Serbia, and the least in Moldova.
4. If the total export is in correlation with the number of citizens in the import countries, then the first on the ranking list is Kosovo, and the last Moldova.
5. According to the agro complex import, the first on the ranking list is Serbia, and Bulgaria is the first in vegetable, fruits and tobacco import. The least import comes from Moldova.
6. Positive balance in the region comes from external trade exchange with vegetable, fruits, grapes, wine and tobacco, because of higher import and export value.

References

- [1] Anakiev B. Sekovska Blagica (2005): Macedonian imbalance between exports and imports of food. Proceedings: Access the products agro complex to external and internal market, 38-51, and MAFWE Skopje.
- [2] Ameti I. (2013): Organization of the market for agricultural products in the Balkan region. Doctoral dissertation, Ss, Faculty of Agricultural Sciences and Food, Skopje.
- [3] Blazhevski B. (1999): Removal restructuring agrokompleksot. Proceedings: Third Scientific Meeting of Agrarians of RM 87-96 16-17 April 1999, Bitola.
- [4] B. Vlahov, D. Tomih, Gorgevih M. (2011): Foreign trade of agro-industrial products Danube region countries. EP, no. 58, SB-1, 284-291, Belgrade.
- [5] Lampietti, J., Lugg, D., Van der Celen, P., Branczik, A. (2009): *The Changing Face of Rural Space - Agriculture and Rural Development in the Western Balkans*, World Bank, Washington, USA.
- [6] Kazlauskienė, N., Meyers, W. H. (2004): *Implications of EU Accession for Trade Regimes and Trade Flows of CEECs*, Agricultural Sciences, Lithuanian Academy of Sciences.
- [7] Mizik, T. (2011): *A Snapshot of Western Balkan's Agriculture from the Perspective of EU Accession*, Studies in Agricultural Economics.
- [8] Volk, T. (ed.), (2010): *Agriculture in the Western Balkan Countries*, Studies on the Agricultural and Food Sector in Central and Eastern Europe, Vol. 57, IAMO, Halle/Saale, Germany.
- [9] World Bank (2013): *Albania. World Bank Group Partnership – Country Program*, March, 2013, Washington D.C., USA.
- [10] Zeneli M., Melani P. (2012): Nxitja e produktivitetit të agro-industrisë në Shqipëri. Konferencë shkencore ndërkomtare: Eficiencia dhe konkurrenshmëria e prodhimit në sipërmerjet e agrobiznesit, Tirana, Albania.
- [11] <http://www.stat.gov.mk/>
- [12] <http://www.instat.gov.al/al/home.aspx>
- [13] <https://ask.rks-gov.net/>
- [14] www.google.com/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=standard%20international%20trade%20classification.