

BOSNIA AND HERZEGOVINA'S WINE FOREIGN TRADE AND MARKET

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INTRODUCTION

This work analyze the foreign trade and wine market of Bosnia and Herzegovina during the eight years period (from 2012 to 2019). The aim of this work is to observe the trade exchange with the wine products (CT 2204) of Bosnia and Herzegovina and the most common destinations concerning the export and import countries (Serbia, Montenegro, Slovenia, Croatia and North Macedonia). Also the aim was to show comparative advantages or disadvantages in Bosnia and Herzegovina's wine trade by calculatng Relative Trade Advantage index.

MATERIAL AND METHODS

The work used the data of the trademap data, wineinstitute data, Bosnia and Herzegovina institute of statistics, Republic of Srpska institute of statistics data and Federation of Bosnia and Herzegovina institute of statistics data. For the research was used the method of so called "desk research". Standard mathematical-statistic methods were applied for the analysis of collected secondary data (time series analysis, descriptive statistics of the observed period and data). Also Relative Trade Advantage index was applied also to analyze the international competitiveness of wine production in Bosnia and Herzegovina.

RESULTS AND DISCUSSION

This research resulte provide the informations that values of import are several times larger than the values of export, meaning that Bosnia and Herzegovina records clear deficit in foreign trade exchange for analyzed product group of the harmonised customs tariff system (2204). The trade is mainly based on the former Yugoslavia countries (Serbia, Montenegro, Slovenia, Croatia and North Macedonia).

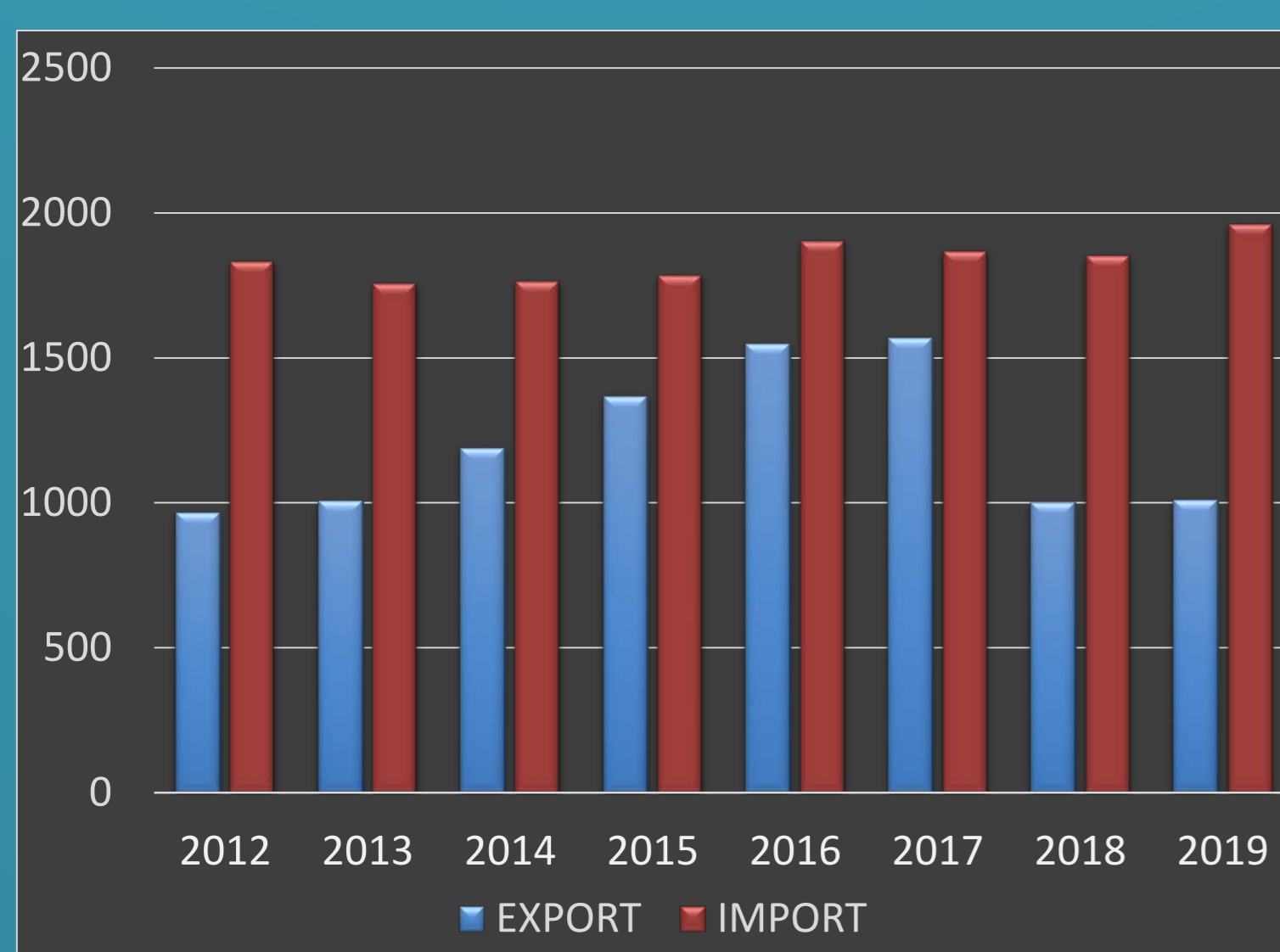


Chart 1. Bosnia and Herzegovina's Export and import price (BAM/t)

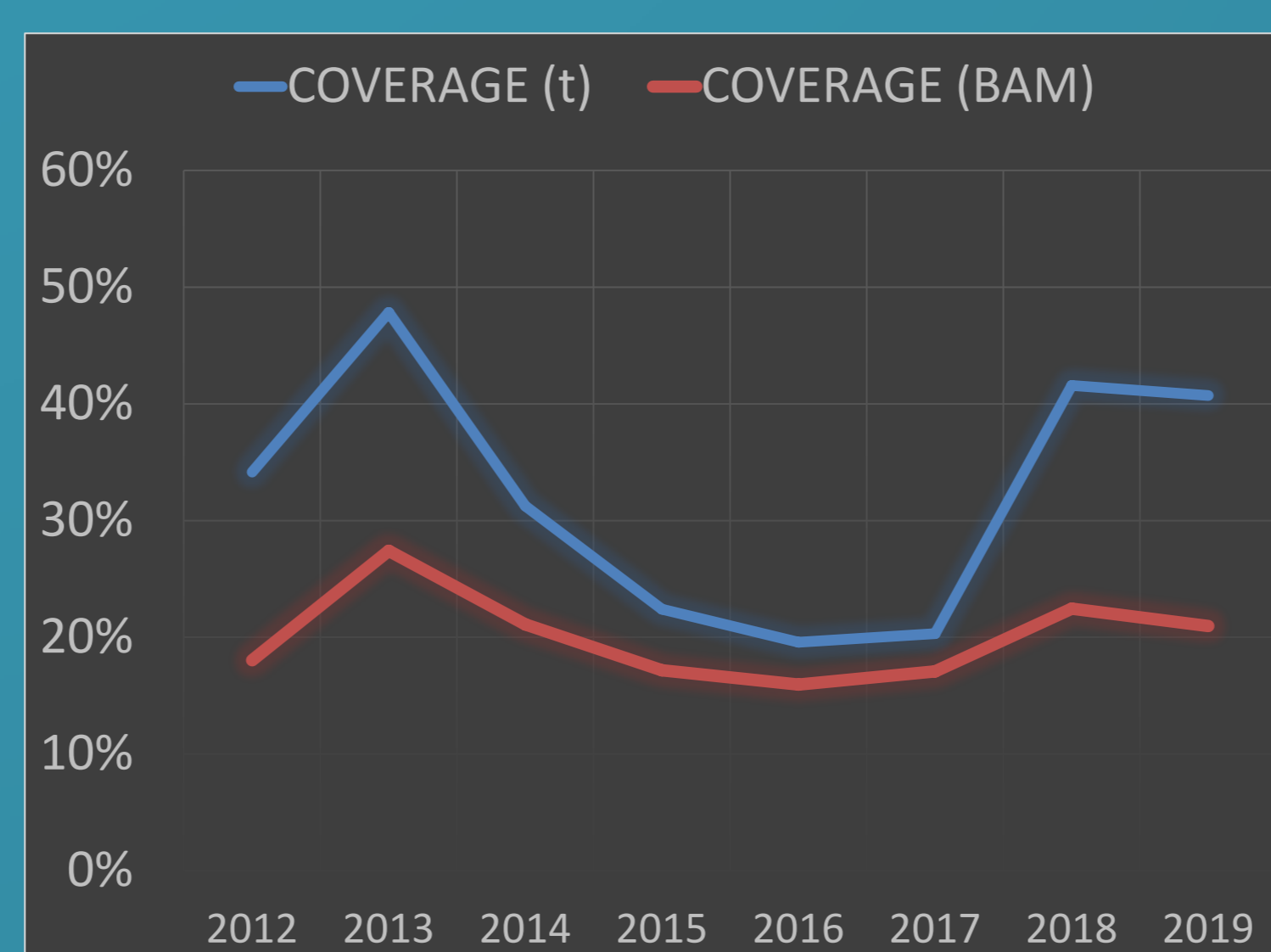


Chart 2. Bosnia and Herzegovina's Trade balance in quantity and value

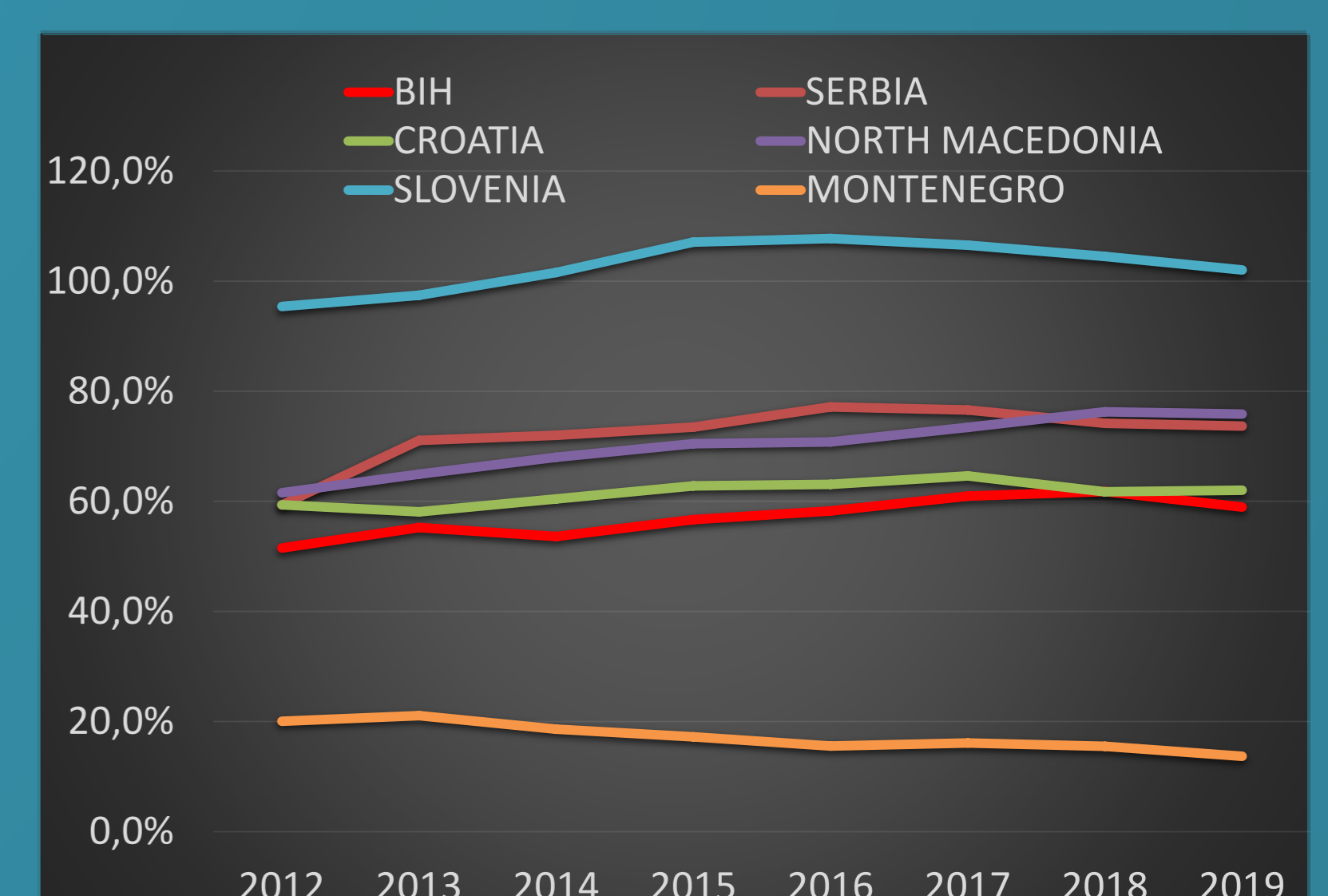


Chart 3. Former Yugoslavia countries wine trade balance

Chart 1. shows that Bosnia and Herzegovina has lower export than import price (1.6 times). It's certainly bad for country wine sector and foreign trade balance in total. Producers have no motivation for wine production. Quantity trade balance of wine takes a share from 20% to 50 % (Chart 2.). It means that import quantity is higher than exported from 2 to 5 times. Imported wine value is on average higher about 5 times than exported value. Price ratio mainly affect on that. Montenegro has the worst foreign trade balance (about 20%), then Bosnia and Herzegovina and Croatia (50% to 60%), North Macedonia

RTA	WORLD	SERBIA	CROATIA	MACEDONIA	SLOVENIA	MONTENEGRO
2012	-0.674	-0.655	-1.632	-27.525	-3.064	-0.842
2013	-0.408	-0.301	-0.846	-15.600	-2.026	-0.595
2014	-0.485	-0.416	-0.554	-22.517	-1.567	-0.550
2015	-0.643	-0.621	-0.642	-21.776	-1.991	-0.599
2016	-0.643	-0.831	-0.577	-20.762	-2.848	-0.687
2017	-0.608	-1.013	-0.762	-18.573	-2.908	-0.652
2018	-0.518	-0.825	-0.700	-20.739	-2.709	-0.560
2019	-0.567	-0.912	-0.728	-14.763	-3.407	-0.579

and Serbia (60% to 80%), (Chart 3.). Only Slovenia has positive wine trade balance generally. RTA index has values from (-0.674) to (-0.408). The negative RTA indicator values of calculated results shows that Bosnia and Herzegovina has a comparative disadvantage in wine trade. The lowest level of trade advatage Bosnia and Herzegovina has in the trade with North Macedonia.

CONCLUSIONS

The Bosnia and Herzegovina's wine exchange is mainly based on the trade with former Yugoslavia countries. The value of export to this countries is about 78 %. The value of imports takes a share of 92%. It can be clearly concluded that the trade is reginally oriented. The export and import with this countries takes a stake from 60% to 95% of overall trade. Likewise results of this paper provide information that on average level imported wine prices are 1.6 times higher than exported wines. Average consumption per capita in Bosnia and Herzegovina for the period 2012. to 2019. is about 15 liters (52.000.000 liters in total per year). Relative trade disadvantages are observed by calculated results. Especially, disadvantages are noticeable in trade with North Macedonia, then Slovenia, Serbia, Croatia and Montenegro. Better RTA results than with regional partners, but also negative, Bosnia and Herzegovina has in the total exchange.