

## Agriculture & Food-Processing Industry – International Trade

Slovenian Economic Mirror

IMAD

No. 3/2004

p. 15

	1999	2000	2001	2002	2003
<b>Agro-food products, EUR million</b>					
Total trade	961.8	1,057.0	1,134.0	1,166.6	1,174.9
- imports	644.7	700.1	747.7	759.1	771.4
- exports	317.2	356.8	386.3	407.5	403.4
Trade balance	-327.5	-343.3	-361.3	-351.7	-368.0
Coverage of imports by exports, %	49.2	51.0	51.7	53.7	52.3
<b>Share of agro-food products, %</b>					
in total trade	5.5	5.2	5.2	5.2	5.0
- in total imports	6.8	6.4	6.6	6.6	6.3
- in total exports	3.9	3.8	3.7	3.7	3.6
in total trade balance	22.6	23.0	36.2	57.5	38.7

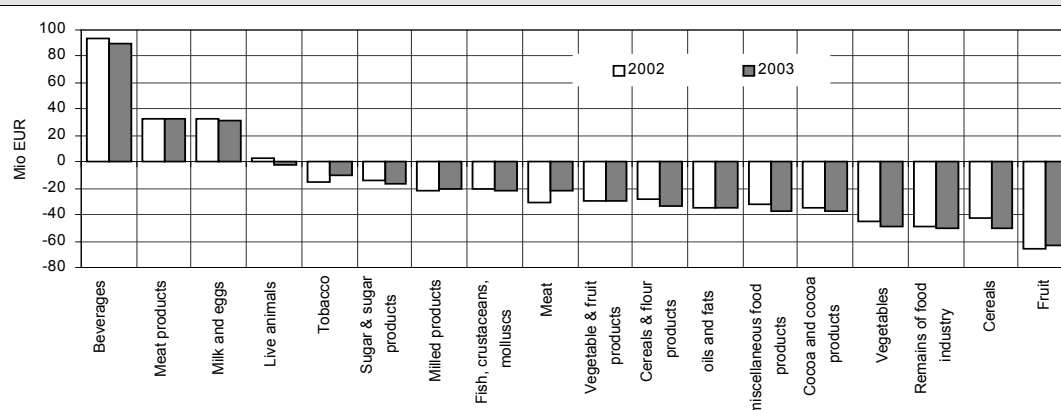
Source of data: the SORS. Note: agricultural and food products are listed from Group 1 to Group 24 in the Combined Nomenclature of Customs Tariffs. Data for 2003 are provisional.

In 2003, Slovenia's **international trade** in agricultural and food products totalled EUR 1,174.9 million, 0.7% more than the year before. Imports rose by 1.6%, while exports fell by 1.0%. The characteristic trade deficit seen in these products widened by a further EUR 16.3 million, and the **coverage of imports by exports**, which had increased in all preceding years, fell slightly. Because Slovenia's trade deficit in other products widened more, the usually large **share** contributed by agricultural and food products shrank by 18.8 percentage points (from 57.5% in 2002 to 38.7% in 2003).

Data on international trade in agricultural and food products are very important because they accurately reflect developments in this primary activity and are one of the few that cover the activity as a whole without recourse to estimates. In 2003, changes in trade in **individual groups of agro-food products** (see graph) resulted from varying factors. The deficit in trade in cereals and vegetables widened by EUR 50.3 million and EUR 48.6 million, respectively, because of lower domestic crops, while deficits in other food-processing products widened due to the liberalisation of international trade. This was particularly evident in cocoa and cocoa products (by EUR 37.6 million), bakery and pastry products (by EUR 33.3 million), sugar and sugar products (by EUR 16.2 million) and in the group of miscellaneous food products (by EUR 37.0 million). Conversely, the deficit narrowed in three groups with the largest shares: fruit (by EUR 63.1 million) because of increased exports of apples thanks to the bumper crops of 2002, meat (by EUR 21.7 million) because of trade barriers, and milled products (by EUR 20.7 million) because of lower imports of flour resulting from higher imports of cereals. As regards products which traditionally record a surplus, this surplus narrowed in trade in beverages (by EUR 89.1 million) and milk products (by EUR 31.3 million) because of the discovery of the antibiotic chloramphenicol.

Significant changes are expected to be seen in trade in agro-food products after Slovenia's **accession to the EU**. Slovenia will fully and instantly assume the international trade regime of the EU, while all free-trade agreements will expire. **Imports** of agricultural products are expected to fall because of changes in barriers (customs duties on imports from the EU have already been abolished or lowered, while those on imports from third countries will be raised), whereas imports of food products are estimated to increase (customs duties will be abolished or lowered). Both **exports** of agricultural and food products are likely to fall, while noting that the former are low as it is. The most notable changes will be seen in exports to the countries of former Yugoslavia (these markets accounted for 58% of the total value of exported agro-food products in 2003): Slovenia will have to abolish not only the preferential customs duties and high export quotas laid down in free-trade agreements, but also important financial incentives for exports.

Graph: Trade balance for the main agro-food products, 2002 and 2003



Source of data: the SORS.