

PIT Adria Regional Summit 2024 – Skopje

The Study for mapping regional trade and investment potential in the Manufacturing

Prof. Darko Lazarov

Faculty of Economics, University Goce Delcev, Stip
International Institute for Business Analysis – IIBA
Skopje



Cooperation
Western Balkan

Introduction

The **main aim** of the analysis is to **investigate the export performance and economic growth** in five Western Balkan countries and Visegrad group of countries including Croatia and Slovenia and **to explore the intra-regional trade perspectives** in WB region

Export performance is measured by two approaches:

1) Quantitative aspect of export performance

- Export of goods and services per capita in US\$
- Export of goods and services (% of GDP)

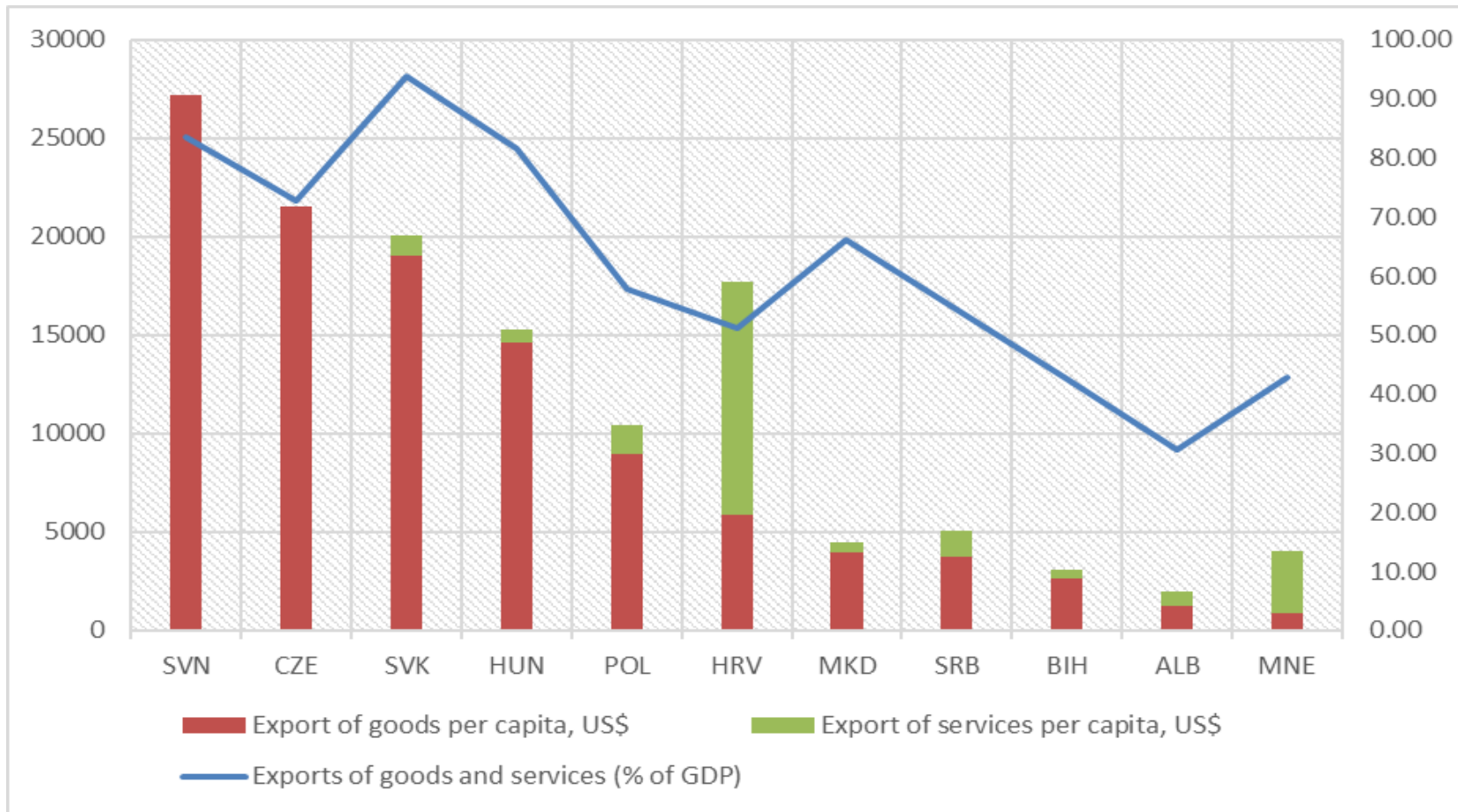
2) Qualitative aspect of export performance

- Export diversification (number of exporting products and exporting markets/countries)
- Export sophistication (level of complexity of exporting products)

Intraregional trade performance and perspectives



Export of goods and services per capita and export (% of GDP) in WB6 region and Visegrad group of countries



Country	Exports of goods and services (% of GDP)	Exports of goods and services per capita, US\$
SVN	83.63	24496
CZE	72.73	19508
SVK	93.80	20066
HUN	81.55	15272
POL	57.91	10424
HRV	51.28	17685
AVARAGE	73.48	17910
MKD	66.21	4433
SRB	54.48	5029
BIH	42.67	3048
ALB	30.62	1988
MNE	42.83	4055
AVARAGE	47.36	3710



Intra-regional trade performance in WB region

Table 2 Intraregional trade performance (2018-2022) in WB region

The exporting country	The export of goods to the WB, '000 US\$ 2018	The export of goods to the WB, '000 US\$ 2022	The total export growth rate to the WB, 2018-2022, %	The export of goods to the world, '000 US\$ 2018	The export of goods to the world, '000 US\$ 2022	The total export growth rate to the world 2018-2022, %
Albania	470,261	1,036,956	120.5%	2,870,000	4,306,235	50.0%
Bosnia and Herzegovina	1,170,871	1,791,636	53.0%	7,182,000	9,678,153	34.8%
Montenegro	169,988	280,920	65.3%	472,000	736,364	56.0%
Serbia	3,329,029	4,581,360	37.6%	19,227,000	28,565,681	48.6%
North Macedonia	760,366	1,050,883	38.2%	6,911,000	8,729,356	26.3%

Intra-regional trade concentration in WB region

Table 3 Intraregional trade concentration in the WB region

The exporting country	The trading partner	The relative share of the top 20 exporting products, %	The total growth rate of the top 20 exporting products, 2018-2022, %
Bosnia and Herzegovina	Albania	74%	15%
	Montenegro	68%	205%
	Serbia	69%	200%
	North Macedonia	69%	70%
Montenegro	Albania	91%	135%
	Bosnia and Herzegovina	93%	720%
	Serbia	79%	90%
	North Macedonia	92%	145%
Serbia	Albania	57%	135%
	Bosnia and Herzegovina	37%	175%
	Montenegro	33%	60%
	North Macedonia	42%	120%
North Macedonia	Albania	61%	25%
	Bosnia and Herzegovina	63%	28%
	Montenegro	51%	15%
	Serbia	53%	80%

Concluding remarks

- 1) **Western Balkan countries** have **worst export performances** compare with Visegrad countries including Croatia and Slovenia
 - **5 times** lower export of goods and services per capita
 - **26 p.p** lower relative share of export in GDP
- 2) **Western Balkan countries** have **unfavorable export structure** compare with Visegrad countries including Croatia and Slovenia
 - **less diversified export** (export of smaller number of products and to smaller number of markets/countries),
 - **lower export sophistication level** (exporting products with lower added value and level of complexity)
- 3) **Increased intra-regional trade cooperation with high trade concentration**



Policy recommendations to WB policy actors

- 1) More focus to exporting sector and policies toward export structure upgrading and export diversification
- 2) Create more friendly conditions for regional trade integration
 - Support Trade facilitation process
 - Support Digital trade and trade services
 - Reduction of non-trade barriers
 - Infrastructure connectivity
 - Support institutions, organizations and events that promote the regional trade and business cooperation



THANK YOU FOR YOUR ATTENTION!

Q & A

