

### EUROPEAN UNION (EU) TRADE WITH CENTRAL AND EASTERN EUROPEAN COUNTRIES CEEC<sup>(1)</sup>

-Results for 1994-

#### Part I: Summary

**I.1** In 1994, the EU exports to the CEEC went up by 21.7% compared with the previous year, while at the same time the growth rate for imports was 26.7%. In consequence, the EU-CEEC export cover ratio in volume went down from 124 to 119 between 1993 and 1994, but the European Union's trade balance with the CEEC confirmed the previous year's result, recording a surplus of ECU 6.4 billion.

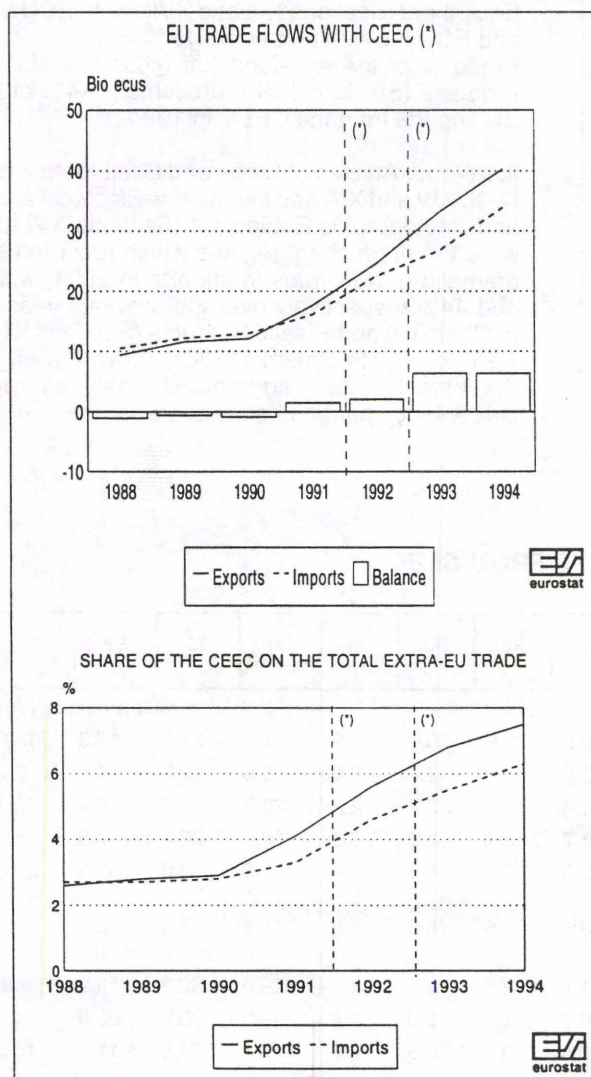
In the last years, trade relations between the Union and its Eastern European neighbours have greatly improved: in 1994, the 14 countries in the CEEC group accounted for 7.4% of extra-EU exports and 6.3% of imports.

**I.2** The breakdown by countries of the trade flows between the European Union and the CEEC reveals the extent to which trade between these two areas is concentrated. In 1994, three of the EU Member States (Germany, France, Italy) accounted for more than three quarters of the trade with the CEEC, with 76.5% of the total trade value (Germany alone accounting for more than 50%).

Some 77% of the value of the export and import flows was accounted for by Poland, Hungary, the Czech Republic, Slovakia, Romania and Bulgaria. After the collapse of the CMEA<sup>(\*\*)</sup>, and partly thanks to the European Agreements (EA) concluded in 1992/1993, these countries very quickly redirected a great deal of their trade towards the European Union.

**I.3** Clothing, Clothing Accessories, Machinery, Vehicles, Furniture, Iron and Steel, Mineral Fuels, Wood and Wooden Articles, and Footwear represented over 60% of EU imports from the CEEC. Machinery, Vehicles, Electrical and Electronic Equipment, Chemicals, Optical and Precision Equipment, Iron and Steel Products, Paper and Paperboard, Wool, Cotton and Manmade Fibres represented around 60% of EU exports. The EU achieved the greatest surpluses on Machinery and Vehicles, while the greatest deficits were on Clothing, Wood and Iron and Steel products.

**I.4** The largest proportion of interindustry trade in 1994 was with Slovenia, Hungary and the Czech Republic while the smallest was with Bosnia-Herzegovina, the Baltic countries and Albania.



Source EUROSTAT: COMEXT database.  
External Trade Statistics (Imports CIF, Exports FOB).  
(\*) Enlargement of the CEEC group  
For composition of CEEC, see footnote 1) page 8.  
(\*\*) CMEA: Council of Mutual Economical Assistance.

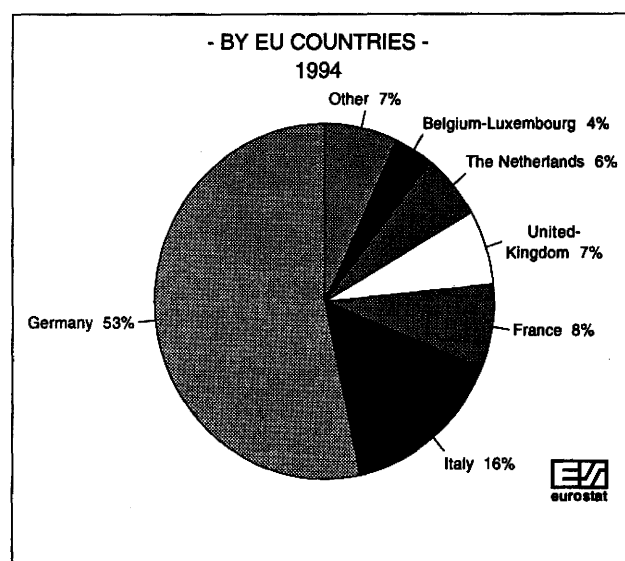
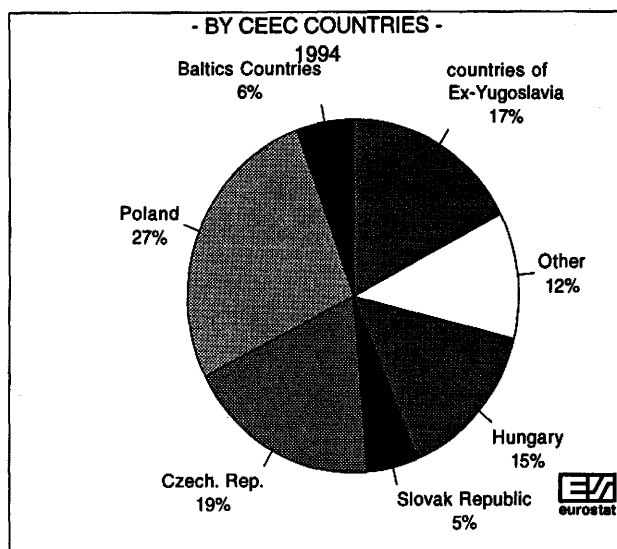
Manuscript completed on = 02.10.1995

For further information please contact: R.QUARTO  
Eurostat, L-2920 Luxembourg, tel. 4301-33128 Fax: 4301-34762

Price (excl. VAT) in Luxembourg: Subscription ECU 240,  
single copy ECU 6

Catalogue number: CA-NO-95-007-EN-C

## Part II: EU imports from CEEC.



**II.1** Poland was the most important CEEC supplier with ECU 9.1 billion (27% of total EU imports from these countries), followed by the Czech Republic and Hungary with 19% and 15% respectively.

The three Baltic States together accounted for 6% of European Union imports in 1994, while among the former Yugoslavian countries, which in 1994 represented 17% of EU purchases from this region, the most important flows came from Slovenia (ECU 3.4 billion).

**II.2** Germany is by far the main outlet for CEEC exports to the EU, accounting for 53% of the 1994 European Union's total imports (ECU 18.1 billion), followed by Italy and France with a mere 16% and 8% respectively.

**II.3** In 1994, Textiles, Footwear and Miscellaneous Products (Sections VIII, IX, XII and XX) were the most important imported items, accounting for 29% of total imports (ECU 9.8 billion).

Other relevant products were Wood, Articles of Stone and Base Metals (Sections IX, X, XIV and XV) and Machinery, Electrical and Optical and Photographic Equipment (Sections XVI and XVIII) with ECU 8.5 billion and ECU 5 billion respectively.

Products of the Agri-foodstuff Industries plus Mineral Products (Sections I-V) represented 14% of the total EU imports from the CEEC in 1994.

**II.4** Wood, Articles of Stone and Base Metals (Sections IX, X, XIV and XV) and Machinery, Electrical and Optical and Photographic Equipment (Sections XVI and XVII) were the product aggregates which recorded the most dramatic growth rates in imports in 1994, with 44.5% and 44% respectively over the previous year. Imports of Chemical and Plastic Products (Sections VI and VII) were also quite dynamic (+30% growth rate), while all the other product aggregates analysed registered percentage changes below average.

### EU IMPORTS FROM CEEC

HS SECTIONS (2)	90	91	92	93	94	90	91	92	93	94
								***	***	
<b>TOTAL*</b>	13.0	16.2	22.5	26.8	33.9	7.1	24.1	17.3	16.8	26.7
Agriculture + food industry (I-IV)	2.2	2.5	2.5	2.4	2.6	5.5	12.9	-7.6	-8.8	10.5
Mineral products, oil incl. (V)	1.4	1.4	1.8	2.2	2.2	-23.7	-1.3	-15.7	19.7	1.5
Chemical & plastic products (VI-VII)	1.3	1.7	2.1	2.3	3.0	16.5	32.1	7.6	6.5	30.3
Textiles, footwear & misc. manuf. (VIII,XI,XII,XX)	2.9	3.9	6.1	8.1	9.8	15.8	34.0	31.3	28.8	20
Wood, articles of stone & base metals (IX,X,XIV,XV)	3.2	3.8	5.6	5.9	8.5	11.3	18.9	28.3	3.4	44.5
Mach. & electr. equip. / optical & photogr. instr. (XVI,XVIII)	1.3	1.7	2.5	3.4	4.9	29.0	32.2	19.9	34.5	43.9
Vehicles, aircraft & transport equipment (XVII)	0.4	0.7	1.4	2.0	2.4	-9.0	85.9	55.6	44.9	21.4
Other (XIX,XXI)	0.3	0.4	0.4	0.5	0.6	9.1	34.8	11.3	15.5	19
<b>MEMORANDUM ITEMS</b>										
EU total imports	463.7	495.3	490.7	487.3	539.8	3.0	6.8	-0.9	-0.7	10.8
EU imports from USSR/CIS**	16.2	18.2	16.6	17.8	21.3	7.2	12.6	-8.6	6.7	19.9

\* The total includes all HS chapters, (00-99)

\*\* USSR (1990-1991), CIS: Commonwealth of Independent States (1992-1994)

\*\*\* The % variation were calculated only using the countries from the respective previous year's CEEC grouping



### Part III: EU imports from CEEC by main products (HS\*\*\* chapters).

**III.1** In 1994, the most important imports from the CEEC were Articles of Clothing Notknitted (HS 62) with ECU 3.9 billion. These products, together with the Articles of Clothing Knitted (HS 61) represented more than 14% of total imports from these countries.

The second item was Electrical Machinery, TV, Sound Recording Equipment (HS 85) which accounted for 7% of total imports (ECU 2.4 billion), mainly concentrated in the following products: Cables (HS 8544), Electrical Apparatus (HS 8536) and Electric lamps (HS 8539) which together represented almost ECU 1 billion of chapter 85.

More than 4% of EU imports from CEEC came from Motor Cars (HS 8703) and Parts of Motor Vehicles (HS 8708) with a total value of ECU 1.4 billion.

**III.2** The Union has a strong dependence on CEEC supplies in the Trailers and Semi-trailers sector (HS 8716) - in 1994, more than 40% of extra-EU imports of

these products came from Eastern Europe.

Other CEEC products with high shares in extra-EU imports were: electric lamps (HS 5839) with 37.2% and Furniture and Bedding (HS 94) (30%).

**III.3** In 1994, imports of some base metals registered very dynamic rates of change over the previous year: Aluminium and Articles thereof (HS 76) and Iron and Steel (HS 72) increased sharply by almost 80%, while Copper and Articles thereof registered a 53.6% growth rate compared with 1993.

**III.4** Iron and Steel and Articles thereof (HS 72 and 73) were also the main contributing items to the total growth of EU imports from the CEEC with a total of 3.7 growth points. Other high-impact products were Electrical Machinery, TV, Sound Recording Equipment (HS 85) and Engines and Mechanical Appliances (HS 84) which accounted for 2.9 and 2.3 growth points respectively.

#### EU IMPORTS FROM CEEC BY MAIN PRODUCTS, 1994

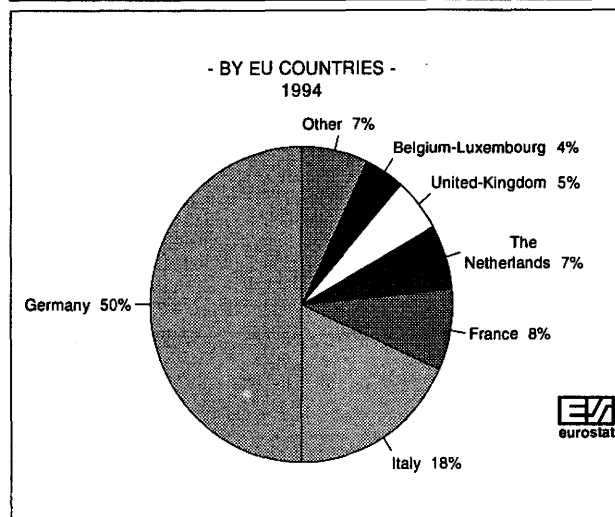
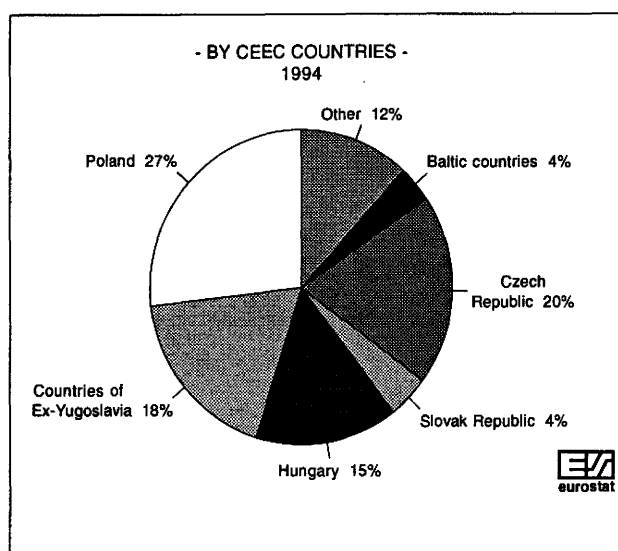
HS chapters	PRODUCTS	value	annual variation	contribution to growth* of total imports	share in		
		Bio ecus	%	in percentage growth points	Extra-EU imports by products**	Imports from CEEC	
					%	%	% cumulated
62	Articles of clothing not knitted	3.86	14.5	1.83	22.3	11.4	11.4
85	Elec. mach., TV, sound	2.38	48.5	2.90	4.1	7.0	18.4
8544	cables	0.51	46.4	0.61	22.1	1.5	
8536	electrical apparatus	0.23	69.5	0.35	8.4	0.7	
8539	electrical lamps	0.20	61.1	0.29	37.2	0.6	
84	Engines & mech. appl., computers	2.15	40.7	2.32	3.0	6.3	24.7
8407	piston engines	0.22	195.3	0.55	9.2	0.7	
8431	parts of lifting machinery	0.19	31.3	0.17	14.2	0.6	
8418	refrigerators and freezing equip.	0.19	23.6	0.14	20.5	0.6	
87	Vehicles non railway	1.84	25.2	1.38	7.4	5.4	30.1
8703	motor cars for transport of person	1.10	20.2	0.69	9.3	3.2	
8708	part of motors vehicles	0.34	68.5	0.52	5.2	1.0	
8716	trailers & semi-trailers	0.14	19.0	0.09	40.6	0.4	
94	Furniture and bedding	1.81	20.8	1.16	30.0	5.3	35.5
72	Iron & steel	1.81	78.9	2.98	19.5	5.3	40.8
27	Mineral fuels	1.76	3.2	0.20	2.8	5.2	46.0
44	Wood & articles of wood	1.58	45.7	1.85	12.2	4.7	50.7
73	Articles of iron or steel	1.31	19.4	0.79	20.4	3.8	54.5
64	Footwear	1.03	18.9	0.61	19.0	3.0	57.5
61	Articles of clothing knitted	0.99	13.1	0.43	9.7	2.9	60.4
74	Copper & articles thereof	0.92	53.6	1.20	16.9	2.7	63.2
39	Plastics & articles thereof	0.90	32.0	0.82	8.1	2.7	65.8
29	Organic chemicals	0.66	25.9	0.51	5.2	2.0	67.8
76	Aluminium & articles thereof	0.63	79.9	1.05	9.9	1.9	69.6
48	Paper & paperboard; articles of paperpulp	0.49	52.4	0.63	3.6	1.5	71.1
25	Salt; sulphur; earths & stone	0.49	11.9	0.19	20.7	1.4	72.5
70	Glass & glassware	0.45	17.0	0.24	23.1	1.3	73.9
40	Rubber & articles thereof	0.43	24.1	0.31	9.2	1.3	75.1
02	Meat & edible meat offal	0.41	5.4	0.08	16.8	1.2	76.4

\* The contribution to the growth is the ratio between the 1994/1993 increase of each product flow and the total imports of 1993 in %

\*\* i.e. EU imports of a product from CEEC related to total extra-EU imports of this product.

\*\*\* See footnote (2) on page 8.

## Part IV: EU exports to CEEC.



**IV.1** Poland was the main destination for EU exports with ECU 10.8 billion (corresponding to 27% of the total), followed by the Czech Republic and Hungary with 20% and 15% respectively.

The three Baltic States received a small 4% of the EU exports to the CEEC, while among the ex-Yugoslavian Republics (18% of the total), Croatia and Slovenia were by far the most important outlets with ECU 2.9 billion and ECU 3.7 billion respectively.

**IV.2** The 1994 geographical breakdown of EU exports to the CEEC, like that of imports, is highly concentrated: 50% of the 1994 value of EU exports to the Central and Eastern European Countries came from Germany (ECU 20.1 billion), while Italy and France followed with 18% and 8% respectively.

**IV.3** As far as the product aggregates are concerned, Machinery, Electrical and Optical and Photographic Equipment (Sections XVI and XVIII) represented almost 30% of total EU sales in the CEEC (ECU 12 billion) in 1994.

Other important export products were Textiles, Footwear and Miscellaneous Manufactured Articles (Sections VIII, XI, XII and XX) - 18% of the total, largely due to outward processing operations - and Chemicals and Plastics sectors (Sections VI and VII) with 15%.

**IV.4** Wood, Articles of Stone and Base Metals (Sections IX, X, XIV and XV) and Chemical and Plastics (Sections VI and VII) were the products which in 1994 registered the most dynamic export growth rate (29%), while sales of Mineral Products, including oil, (Section V) experienced a sharp decline in the same period (-18.5%).

Except for Agri-foodstuff Products (Sections I-IV) and the residual category (Sections XIX-XXI), all the other product groups showed above average annual growth rates (between 22.2% and 24.3%).

### EU EXPORTS TO CEEC

HS SECTIONS	90	91	92	93	94	90	91	92	93	94
								***	***	
<b>TOTAL*</b>	12.1	17.7	24.6	33.2	40.3	4.4	46.1	22.8	32.2	21.6
Agriculture + food industry (I-IV)	1.3	1.9	2.6	3.6	3.9	-0.1	49.8	16.0	32.6	7.8
Mineral products, oil incl. (V)	0.3	0.6	0.8	0.9	0.8	88.2	113.3	39.4	4.6	-18.5
Chemical & plastic products (VI-VII)	1.9	2.4	3.4	4.7	6.0	-9.9	24.7	26.8	35.1	28.9
Textiles, footwear & misc. manuf. (VIII,XI,XII,XX)	1.9	2.7	4.1	5.8	7.2	22.9	42.7	31.1	37.7	24.3
Wood, articles of stone & base metals (IX,X,XIV,XV)	1.3	1.8	2.5	3.6	4.7	-4.2	39.8	27.4	40.4	28.9
Mach. & electr. equip. / optical & photogr. instr. (XVI,XVIII)	4.3	5.5	7.5	9.7	12.0	9.9	27.8	25.8	27.0	24.0
Vehicles, aircraft & transport equipment (XVII)	0.6	2.3	2.8	3.9	4.7	1.7	252.9	8.6	35.7	22.2
Other (XIX,XXI)	0.6	0.7	0.8	1.0	1.1	-11.3	12.7	-5.9	28.3	9.7
<b>MEMORANDUM ITEMS</b>										
EU total exports	419.9	427.8	440.3	487.1	538.7	0.5	1.9	2.9	10.6	10.6
EU exports to USSR/CIS**	11.2	14.0	13.0	14.8	16.0	-11.3	25.0	-7.1	14.3	8.0

\* The total includes all HS chapters, (00-99)

\*\* USSR (1990-1991), CIS: Commonwealth of Independent States (1992-1994)

\*\*\*The % variation were calculated only using the countries from the respective previous year's CEEC grouping

EUROSTAT

## Part V: EU exports to CEEC by main product categories (HS chapters)

**V.1** In 1994, over 17% of the value of EU exports to the CEEC (ECU 7.1 billion) consisted of the Engines Mechanical Appliances and computers (HS 84), followed by the Vehicles Nonrailway (HS 87) with ECU 4.3 billion, mainly concentrated in Motor Cars for the Transport of Persons (HS 8703), exports of which amounted to ECU 1.9 billion.

**V.2** The important phenomenon of "outward processing" - resulting from the lower labour costs in the Eastern and Central European countries compared with the EU countries - can explain the high proportion (around 25%) of these markets in EU exports of some textile articles such as: Man-made Staple Fibres (HS 55), Filaments (HS 54), Wool (HS 51) and Cotton (HS 52).

It also worth noting that over 18% of Motor Vehicles for the Transport of Goods (HS 8704) and almost 11% of

the Dishwashing and Packing Machines (HS 8422) exported outside the European Union were sold on the CEEC markets.

**V.3** In 1994 most dynamic exports concerned were: Plastics and Articles thereof (HS 39) which showed an annual growth of 43.7%, Furniture and Bedding (HS 94) and Footwear (HS 64), with a rate of growth of almost 39%.

EU exports of Mineral Fuels (HS 27) to the CEEC went down by 22.9% over the same period.

**V.4** The three biggest product categories in terms of value of exports were also the most important contributors to the growth of total EU sales to the CEEC: in 1994, Engines (HS 84), Vehicles (HS 87) and Electrical Machinery (HS 85) together represented 8.5 growth points.

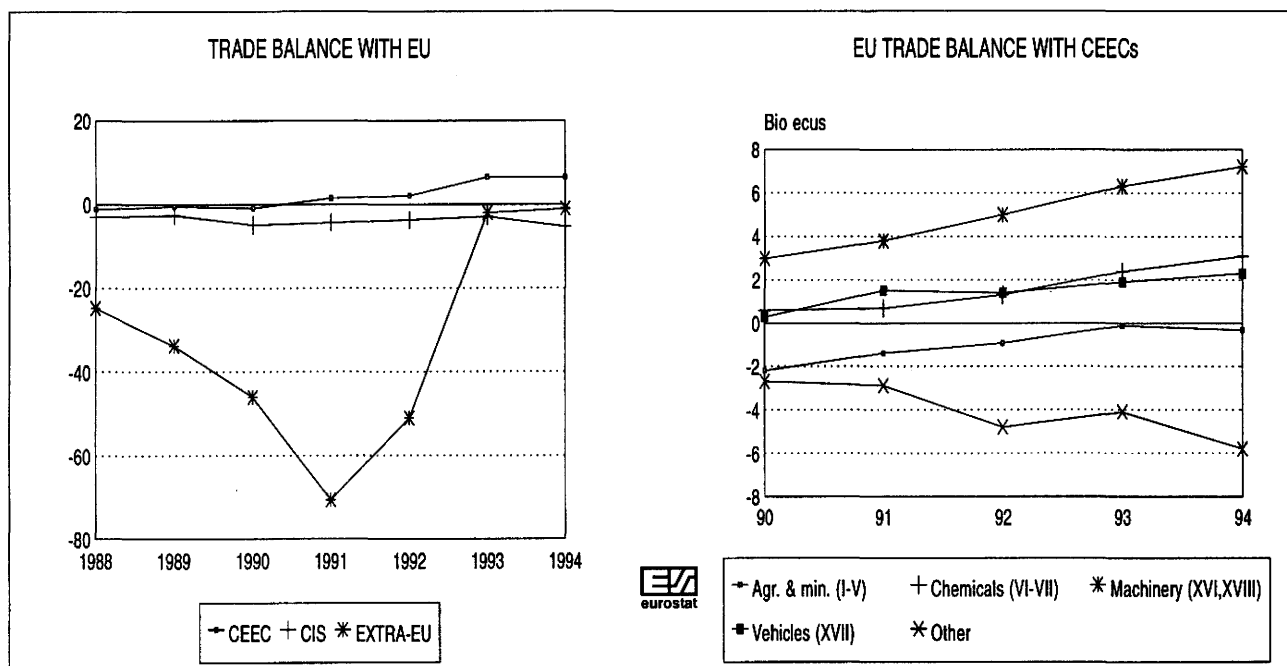
### EU EXPORTS TO CEEC BY MAIN PRODUCTS, 1994

		value	annual variation	contribution to growth* of total exports	share in		
HS chapters	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU exports by products**	Exports to CEEC	
					%	%	% cumulated
84	Engines & mech. appl., computers	7.10	18.6	3.36	6.8	17.6	17.6
8471	data processing machines	0.47	4.9	0.07	6.4	1.2	
8479	machinery not specified	0.37	22.4	0.21	7.1	0.9	
8422	dish-washing & packing machinery	0.36	12.5	0.12	10.5	0.9	
87	Vehicles non railway	4.26	18.8	2.03	8.2	10.6	28.2
8703	motors cars for transport of persons	1.94	7.0	0.38	6.4	4.8	
8708	parts of motors vehicles	0.81	43.2	0.73	8.9	2.0	
8704	motor vehicles for transport of goods	0.57	37.8	0.47	18.4	1.4	
85	Elec. mach. TV, sound, electronics	3.72	37.8	3.08	7.3	9.2	37.4
8517	electricity apparatus for telephony	0.46	27.7	0.30	8.1	1.1	
8544	insulates wires & circuits	0.40	46.8	0.38	16.6	1.0	
8536	electrical apparatus for el. circuits	0.31	56.5	0.34	8.3	0.8	
39	Plastics & thereof	1.81	43.7	1.66	10.8	4.5	41.9
90	Optical & precision instruments	1.16	18.7	0.55	6.1	2.9	44.7
73	Articles of iron & steel	0.91	29.5	0.62	7.9	2.3	47.0
30	Pharmaceutical products	0.83	29.1	0.56	6.3	2.1	49.0
55	Man-made staple fibres	0.78	11.3	0.24	25.3	1.9	51.0
48	Paper & paperboard; articles of paperpulp	0.75	29.1	0.51	10.4	1.9	52.8
94	Furniture and bedding	0.68	39.2	0.58	8.7	1.7	54.5
38	Misc. chemical products	0.67	23.8	0.39	8.4	1.7	56.2
52	Cotton	0.65	27.0	0.42	23.9	1.6	57.8
29	Organic chemicals	0.65	14.6	0.25	3.6	1.6	59.4
27	Mineral fuels	0.63	-22.5	-0.56	4.6	1.6	61.0
51	Wool	0.59	9.9	0.16	24.7	1.5	62.4
54	Main made filaments	0.58	17.4	0.26	23.7	1.4	63.9
72	Iron and steel	0.55	19.3	0.27	4.1	1.4	65.2
64	Footwear	0.55	38.9	0.47	10.4	1.4	66.6
32	Essential oils and resinoids	0.53	25.2	0.32	9.1	1.3	67.9
62	Inorganic chemicals	0.51	28.0	0.34	6.7	1.3	69.2

\* The contribution to the growth is the ratio between the 1994/1993 increase of each product flow and the total imports of 1993 in %

\*\* i.e. EU exports of a product to CEEC related to total extra-EU exports of this product.

## Part VI: EU trade balance with CEEC by product sections



**VI.1** The EU trade surplus with the CEEC was stable between 1993 and 1994 at ECU 6.4 billion, while over the same period the overall extra-EU trade position remained almost in balance (ECU 1 billion deficit). At the same time the EU's deficit with the Commonwealth of Independent States (CIS) increased from ECU 2.9 billion to ECU 5.3 billion.

**VI.2** The analysis by main product groups shows that in 1994, Machinery and Electrical Equipment (Sections XVI and XVIII) registered the biggest surplus (ECU 7.2 billion), followed by Chemicals and Plastics Products (Sections VI and VII) and Vehicles and Transport Equipment (Section XVII) with ECU 3.1 and ECU 2.3 billion respectively.

The biggest deficits were recorded in Wood, Articles of Stone and Base Metals (Sections IX, X, XIV and XV) with ECU 3.8 billion, and Textiles, Footwear and Miscellaneous Manufactured Articles (Sections VII, IX, XII and XX) with ECU 2.5 billion.

**VI.3** This rather positive performance is tempered by an analysis of the export cover ratio in terms of value. Although the trade surplus was stable at ECU 6.4 billion in 1994, the cover ratio went down to 119 from the 124 in the previous year.

In fact, with the exception of Textiles, Footwear and Miscellaneous Manufactured Articles (Sections VII, IX, XII and XX) and Vehicles and Transport Equipment (Section XVII), all the product categories analysed showed a deterioration in their export cover ratios in 1994 compared with the previous year.

### EU TRADE BALANCE AND COVER RATIO IN VALUE WITH CEEC

HS sections	90	91	92	93	94	90	91	92	93	94
	Balance (Bio ecus)					cover ratio (export/import)*100				
<b>TOTAL*</b>	-0.9	1.5	2.1	6.4	6.4	92.9	109.4	109.4	123.9	118.9
Agriculture + food industry (I-IV)	-1.0	-0.6	0.1	1.2	1.2	56.3	74.7	104.7	149.9	146.3
Mineral products, oil incl. (V)	-1.2	-0.8	-1.0	-1.3	-1.5	18.3	39.6	44.7	41.9	33.7
Chemical & plastic products (VI-VII)	0.6	0.7	1.3	2.4	3.1	147.4	139.1	160.7	206.8	204.6
Textiles, footwear & misc. manuf. (VIII,XI,XII,XX)	-1.1	-1.2	-2.0	-2.3	-2.5	63.9	68.0	66.9	71.6	74.2
Wood, articles of stone & base metals (IX,X,XIV,XV)	-1.9	3.8	-3.1	-2.3	-3.8	39.4	46.3	45.5	61.7	55.0
Mach. & electr. equip. / optical & photogr. instr. (XVI,XVIII)	3.0	1.5	5.0	6.3	7.2	329.1	318.0	302.7	287.3	247.5
Vehicles, aircraft & transport equipment (XVII)	0.3	0.3	1.4	1.9	2.3	168.1	319.1	206.9	195.5	196.8
Other (XIX,XXI)	0.3	0.5	0.3	0.5	0.5	211.1	176.6	171.3	189.6	174.8
<b>MEMORANDUM ITEMS</b>										
EU trade balance	-43.8	-67.5	-50.4	-0.2	-1.1	90.6	86.4	89.7	100.0	99.8
EU-USSR/CIS trade balance **	-5.0	-4.2	-3.7	-2.9	-5.3	69.1	76.7	78.0	83.6	75.3

\* The total includes all HS chapters, (00-99)

\*\* USSR (1990-1991), CIS: Commonwealth of Independent States (1992-1994)

**Part VII: EU trade balance with the CEEC by main product categories (HS chapters) and intra-industry trade index (\*\*) by countries**

**EU TRADE BALANCE WITH CEEC BY MAIN PRODUCTS**

(in Bio ecus)

		89	90	91	92	93	94
<b>HS</b>	<b>1994 HIGHEST SURPLUSES</b>						
84	Engines and mech. appl., computers	2.22	2.30	2.67	3.57	4.46	4.96
87	Vehicles non railway	0.22	0.29	1.20	1.23	2.11	2.41
85	Elec. mach. TV, sound, electronics	0.27	0.31	0.59	0.88	1.09	1.33
39	Plastics and articles thereof	0.26	0.11	0.10	0.26	0.57	0.91
90	Optical and precision instruments	0.42	0.40	0.51	0.61	0.76	0.88
30	Pharmaceutical products	0.14	0.17	0.30	0.39	0.60	0.77
38	Miscellaneous chemical products	0.31	0.29	0.27	0.34	0.49	0.61
55	Man-made staple fibres	0.14	0.18	0.26	0.41	0.55	0.58
51	Wool and animal hair	0.12	0.12	0.17	0.34	0.48	0.50
32	Tannins and their derivatives, inks	0.16	0.15	0.16	0.25	0.37	0.46
<b>HS</b>	<b>1994 LARGEST DEFICITS</b>						
62	Art. of clothing not knitted	-0.85	-0.99	-1.30	-2.14	-2.97	-3.34
44	Wood and articles of wood	-0.44	-0.48	-0.50	-0.80	-0.95	-1.41
72	Iron and steel	-0.53	-0.67	-0.68	-0.81	-0.55	-1.26
94	Furniture, beddings, lamps	-0.54	-0.52	-0.62	-0.86	-1.01	-1.13
27	Mineral fuels, oils and waxes	-1.57	-0.99	-0.55	-0.66	-0.89	-1.13
74	Copper and articles thereof	-0.26	-0.36	-0.47	-0.73	-0.47	-0.76
61	Art. of clothing knitted	-0.11	-0.14	-0.21	-0.37	-0.51	-0.53
64	Footwear, gaiters and parts	-0.13	-0.16	-0.20	-0.39	-0.47	-0.48
73	Articles of iron and steel	-0.07	-0.20	-0.28	-0.50	-0.39	-0.40
25	Salt, sulphur, earth and stone	-0.15	-0.16	-0.27	-0.32	-0.36	-0.39



**VII.1** In 1994, the highest surpluses in the European Union were for Engines and Mechanical Appliances (HS 84) and Vehicles (HS 87) with ECU 5 billion and ECU 2.4 billion respectively.

Significant surpluses were also registered in Electrical Machinery (HS 85) with ECU 1.3 billion and Plastics and Articles thereof (HS 39) with ECU 0.9 billion).

**VII.2** The three largest deficits in 1994 were recorded in the following chapters: Articles of Clothing Not knitted

(HS 62), Wood and Articles of Wood (HS 44) and Iron and Steel (HS 72) with ECU 3.3 billion, ECU 1.4 billion and ECU 1.3 billion respectively.

**VII.3** The extent of intraindustry trade with the EU varies from one CEEC partner to another. In 1994, Slovenia, Hungary and the Czech Republic showed the highest levels of intra-industry trade - well above the CEEC average (54.8) - while the other countries developed trade mainly on the basis of complementarity.

**EU-CEEC INTRA-INDUSTRY TRADE INTENSITIES BY COUNTRIES (\*) IN 1994**

RANK	COUNTRY	INDEX	RANK	COUNTRY	INDEX
01	Slovenia	65.04	08	FYROM	38.89
02	Hungary	60.58	09	Romania	33.66
03	Czech. Republic	60.56	10	Albania	27.93
04	Slovak Republik	47.49	11	Lithuania	20.32
05	Croatia	45.70	12	Estonia	18.65
06	Bulgaria	42.24	13	Latvia	17.50
07	Poland	42.22	14	Bosnia-Herzegovina	16.54

(\*) Grubel-Lloyd Intra-Industry Index = 100 -

$$\frac{\text{Sum } |X_i - M_i|}{\text{Sum } (X_i + M_i)} * 100$$



(\*\*) The Grubel-Lloyd intra-industry index measures the product structure of the trade between two partners and is used for international comparison.

It is calculated using the HS chapters from 01 to 97, and its value can vary between 0 (= the two countries are specialised in different product categories: inter-industry trade) and 100 (= the countries are specialised in the same product chapters: intra-industry trade).

It is important to note that in some cases the index can be downward biased due to the global trade balance dis-equilibrium (surplus or deficits).

## Part VIII: EU trade flows with CEEC

### - EU trade with CEEC by CEEC countries -

	EXPORTS				IMPORTS				TRADE BALANCE			
	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1993 Bio ecus	1994 Bio ecus	1993 as % of total trade	1994 as % of total trade
Estonia	0.8	0.21	0.31	47.2	0.8	0.18	0.27	47.8	0.03	0.04	7.3	7.1
Latvia	1.2	0.31	0.49	56.7	2.1	0.62	0.72	17.0	-0.31	-0.24	-33.2	-19.6
Lithuania	1.8	0.48	0.72	51.4	2.2	0.64	0.73	14.6	-0.16	-0.01	-14.7	-0.9
Poland	26.8	9.97	10.82	8.6	26.9	7.58	9.11	20.2	2.39	1.72	13.6	8.6
Czech Republic	19.7	6.08	7.93	30.5	18.8	4.84	6.37	31.5	1.24	1.57	11.4	11.0
Slovak Republic	4.4	1.22	1.79	46.8	5.5	1.16	1.87	61.4	0.06	-0.08	2.5	-2.2
Hungary	15.2	4.97	6.15	23.8	14.6	3.95	4.96	25.4	1.01	1.19	11.4	10.7
Romania	6.6	2.32	2.65	14.2	7.4	1.69	2.51	48.5	0.63	0.14	15.7	2.7
Bulgaria	4.1	1.35	1.67	24.0	4.0	0.95	1.34	41.4	0.40	0.33	17.2	10.8
Albania	1.1	0.40	0.42	6.3	0.4	0.08	0.13	58.3	0.32	0.30	66.5	53.8
Slovenia	9.1	3.07	3.67	19.9	10.1	2.87	3.42	19.4	0.20	0.25	3.4	3.6
Croatia	7.1	2.05	2.86	39.5	5.3	1.65	1.81	10.1	0.41	1.05	11.0	22.5
Bosnia-Herzegovina	0.2	0.09	0.10	12.6	0.0	0.03	0.01	-58.1	0.06	0.08	49.4	77.6
FYROM*	1.8	0.67	0.74	10.6	1.9	0.53	0.66	24.4	0.14	0.08	11.5	5.6
CEECs	100.0	33.17	40.33	21.6	100.0	26.77	33.91	26.7	6.40	6.42	10.7	8.6

\* Former Yugoslav Republic of Macedonia



**VIII.1** In 1994, more than a half of the total EU surplus with CEEC was concentrated on Poland (ECU 1.7 billion) and the Czech Republic (ECU 1.6 billion). This corresponded to about 10% of the total EU trade with these countries.

In relative terms, the most dramatic surpluses were registered with Bosnia-Herzegovina and Albania: 78% and 54% respectively of the value of the trade flows with the European Union.

The European Union registered a remarkable deficit only with Latvia - ECU 0.2 billion, corresponding to almost 20% of the total trade exchange with this partner.

**VIII.2** EU exports to the Baltic countries registered the most impressive increases between 1993 and 1994: +57% with Latvia, +51% with Lithuania and +47% with Estonia.

As for imports, the most dynamic flows were registered with Slovakia (+61%), followed by Albania and Romania (+58% and +48.5% respectively).

**VIII.3** Italy registered both the largest surplus with the CEEC among the EU Member States (ECU 2.1 billion) and the most important improvement over the previous year (ECU 0.3 billion).

The German surplus was stable at ECU 2 billion (5% of its total flow), while only the UK and Portugal registered small trade deficits: ECU 0.1 billion and ECU 0.03 billion respectively.

**VIII.4** Portugal and Ireland were the EU countries which showed the most dynamic growth rate in their exports to the CEEC, with +68% and +53% respectively, while on the imports side, the highest percentage changes were registered by the BLEU, Belgium-Luxembourg Economic Union, (+60%) and Spain (+58.5%)

### - EU trade with CEEC by EU-MEMBER STATES -

	EXPORTS				IMPORTS				TRADE BALANCE			
	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1993 Bio ecus	1994 Bio ecus	1993 as % of total trade	1994 as % of total trade
France	8.3	2.92	3.35	14.7	7.7	2.22	2.61	17.2	0.70	0.74	13.5	12.5
BLEU	4.3	1.33	1.74	30.9	3.7	0.79	1.26	60.0	0.54	0.48	25.6	16.0
The Netherlands	6.7	2.20	2.69	22.5	6.0	1.71	2.03	18.8	0.49	0.67	12.6	14.1
Germany	49.9	16.75	20.12	20.1	53.3	14.69	18.09	23.1	2.07	2.03	6.6	5.3
Italy	18.3	5.72	7.39	29.2	15.5	3.97	5.27	33.0	1.76	2.12	18.1	16.7
United Kingdom	5.5	2.01	2.21	10.0	6.8	1.73	2.31	33.5	0.28	-0.10	7.5	-2.2
Ireland	0.4	0.11	0.16	52.9	0.3	0.09	0.11	25.5	0.02	0.05	9.8	19.5
Denmark	2.5	0.80	1.00	23.7	2.8	0.67	0.94	40.8	0.14	0.06	9.5	3.0
Greece	1.9	0.72	0.76	4.9	1.8	0.46	0.60	31.9	0.26	0.15	22.4	11.3
Portugal	0.1	0.03	0.05	67.8	0.2	0.06	0.08	28.7	-0.03	-0.03	-32.8	-20.5
Spain	2.1	0.58	0.87	50.1	1.8	0.39	0.62	58.5	0.18	0.24	19.0	16.4
European Union	100.0	33.17	40.33	21.6	100.0	26.77	33.91	26.7	6.40	6.42	10.7	8.6

(1) CENTRAL AND EASTERN EUROPEAN COUNTRIES is defined as follows:  
until 1991: Poland, Hungary, Romania, Bulgaria, Albania, Czechoslovakia (until 1992) and  
from 1992: plus Latvia, Lithuania, Estonia, Slovenia, Croatia, Bosnia-Herzegovina and  
from 1993: plus Czech Republic, Slovakia, Former Yugoslav Republic of Macedonia

(2) The Harmonised Commodity Description and Coding System, commonly referred as the Harmonised System (HS) was implemented internationally in 1988 by the World Custom Organisation (WCO) and is now used by almost 130 countries (covering about 90% of the world trade).

