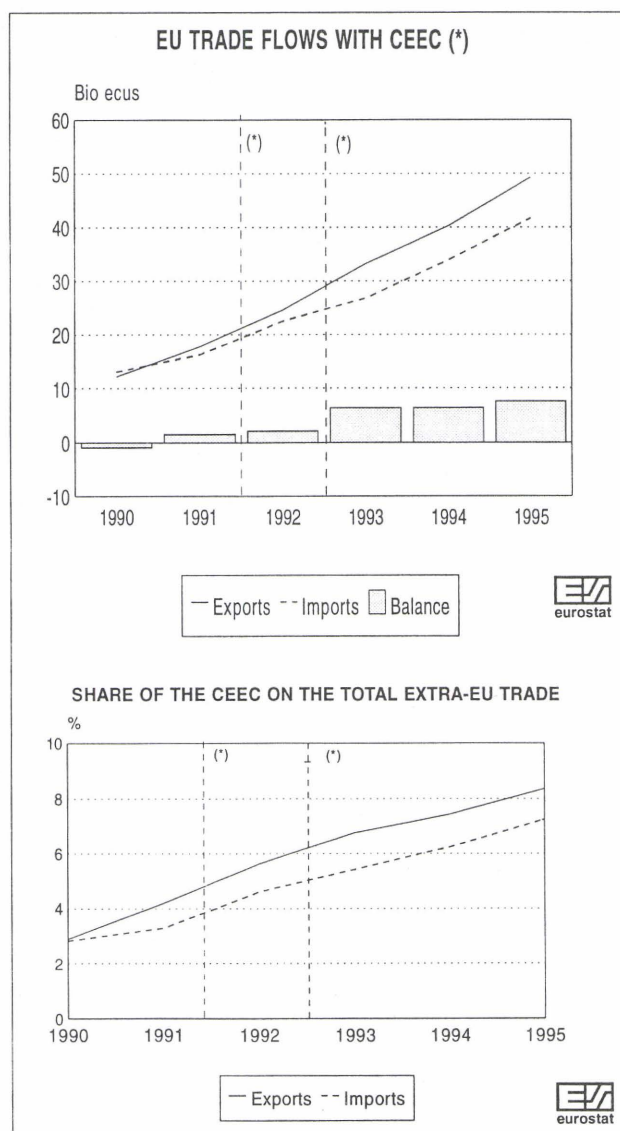


### EUROPEAN UNION (EU)<sup>(1)</sup> TRADE WITH CENTRAL AND EASTERN EUROPEAN COUNTRIES CEEC<sup>(2)</sup> -Results for 1995-

#### Part I: Summary



Source EUROSTAT: COMEXT database.  
External Trade Statistics (Imports CIF, Exports FOB).  
(\*) Enlargement of the CEEC group  
For the footnotes 1) and 2, see page 8.

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**I.1** In 1995, EU trade with CEEC continued to expand strongly. EU imports (41.7 bio ecu) increased by 23% as compared to the previous year while EU exports (49.3 bio ecu) increased by over 22%. During the 1991-95 period, the yearly average growth reached almost 21% for EU imports and 25% for EU exports. As a consequence, the CEEC's share in EU total imports went up from 3.3% in 1991 to 7.2% in 1995. As for EU exports, the CEEC's share doubled from 4.2% to 8.4%. The EU trade balance with CEEC reached 7.6 bio ecu in 1995, after a consistent increase since 1991.

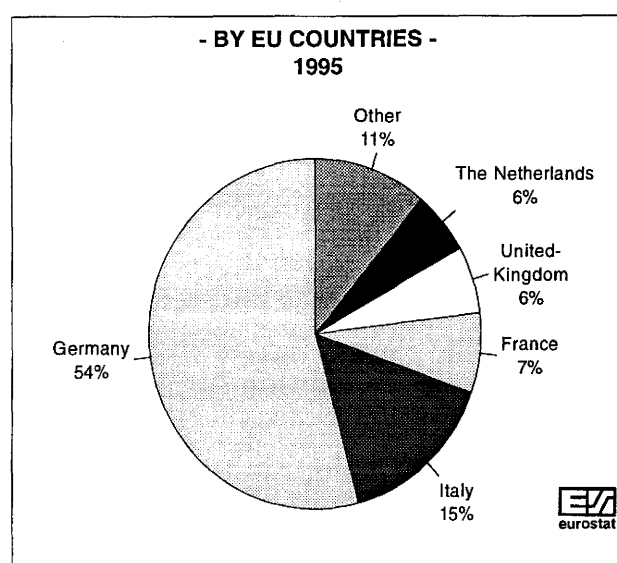
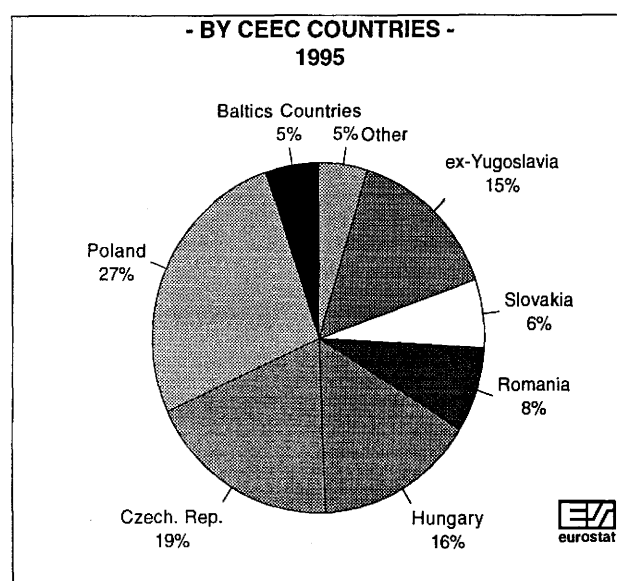
**I.2** EU trade with CEEC was increasingly concentrated on Manufactured goods. In 1995, its share in EU imports reached 83% (1991: 70%) and in EU exports 86% (1991: 80%). The most important imports which represented about one third of EU imports from CEEC were: Articles of apparel and clothing accessories 5.4 bio ecu, Road vehicles, Electrical machines and appliances and Iron and steel with 2.7 bio ecu each. On the EU export side Road vehicles (5.3 bio ecu), Textile yarn fabrics (4.2 bio ecu), Electrical machines and appliances (3.6 bio ecu), General industrial machines (3.2 bio ecu) and Machinery specialized for particular industries (2.9 bio ecu) were the most important.

**I.3** The largest EU deficits were Articles of apparel (4.2 bio ecu); Iron and steel (1.5 bio ecu); and Furniture and mattresses (1.3 bio ecu). Highest EU surpluses concerned Textile yarn & fabrics (2.9 bio ecu), Road Vehicles (2.5 bio ecu), and General industrial machinery & equipment (2.2 bio ecu). The surplus in Textile, yarn & fabrics and the deficit in Articles of apparel are the result of an intensive outward processing of the EU to CEEC in this sector.

**I.4.** In 1995, Poland and the Czech Republic accounted for almost 50% of the CEEC trade with the EU, each recording a trade deficit of around 2.3 bio ecu. By EU members, Germany accounted for more than half of the total flows. Italy followed with 15% for imports and 19% for exports.

OSCE: 34

## Part II: EU imports from CEEC by product groups (SITC sections)



**II.1** EU imports from CEEC increased 23% between 1994 and 1995, from 33.9 bio ecu to 41.7 bio ecu. This was above the growth rate of the extra-EU imports which was of 5.9% as a whole. In consequence, the share of the CEE countries in the total extra-EU imports went up to 7.2%. This result confirms the trend showed in the last five years. The 91-95 yearly average growth of EU imports from these countries was in fact 20.8% compared to the 3.9% growth registered in the total extra-EU imports.

**II.2** EU imports from the CEEC were increasingly concentrated in Manufactured goods (SITC 5-8). In 1995, they covered 82% of the total EU imports (1991: 70%). Among these, the size of Miscellaneous manufactured goods (SITC 6+8) was the most important accounting for 52% of all EU imports from these countries (21.6 bio ecu). Machinery and transport equipment (SITC 7) followed with a share of 23.4% of EU imports (9.7 bio ecu), an increase of 41% compared to the previous year. Raw materials (SITC 0-4) covered a share of 15.5% of EU imports (6.5 bio ecu), showing a growth of 2.6% compared to 1994. Mineral fuels (SITC 3) (1.5 bio ecu) recorded the most dramatic fall between 1994 and 1995 of 15.2%.

**II.3** The EU imported mainly from Poland which represented a share of 27%; it supplied 11.1 bio ecu. The Czech Republic followed with 19% (7.8 bio ecu) and Hungary with 16% (6.5 bio ecu). The three Baltic states together accounted for around 5% of EU imports from this region in 1995. On the other side, Germany imported the most from the CEE countries, accounting for 54% (22.6 bio ecu). Following Italy with 15% (6.4 bio ecu) and France with 7% (3 bio ecu).

### EU IMPORTS FROM CEEC

TRADE BY PRODUCTS (SITC Rev.3) <sup>3)</sup>	91	92	93	94	95	92/91	93/92	94/93	95/94	95/91
	Bio ecus					% variation p.a.*				
<b>TOTAL (0-9)</b>	16.2	22.5	26.8	33.9	41.7	17.3	16.8	26.6	23.0	20.8
Raw materials (0-4)	4.6	5.4	5.5	6.3	6.5	-5.3	0.9	14.5	2.6	2.9
Food, beverage and tobacco (0+1)	2.2	2.2	2.1	2.3	2.3	-7.8	-9.5	10.8	0.6	-1.8
Crude materials except fuels (2+4)	1.3	1.7	1.7	2.2	2.6	16.2	-2.3	26.6	19.4	14.5
Mineral fuels (3)	1.1	1.4	1.7	1.8	1.5	-25.4	21.6	6.7	-15.2	-4.8
Manufactured products (5-8)	11.3	16.7	20.7	27.1	34.5	26.5	21.9	30.5	27.3	26.5
Chemicals (5)	1.5	1.7	1.7	2.3	3.1	2.0	-0.3	30.1	36.6	16.0
Machinery and transport equipment (7)	2.3	3.7	5.1	6.9	9.7	30.2	38.0	35.9	41.0	36.2
Miscellaneous manufactured goods (6+8)	7.4	11.3	13.9	17.9	21.7	30.3	20.1	28.5	20.9	24.9
Other not classified goods (9)	0.4	0.4	0.5	0.5	0.7	11.9	15.0	0.2	47.1	17.4
<b>MEMORANDUM ITEM</b>										
EU total imports (EXTRA-EU)	492.6	487.1	493.2	543.2	575.2	-1.1	1.3	10.1	5.9	3.9
EU total imports from CIS **	18.2	16.6	17.8	21.3	23.2	-8.6	6.7	19.9	8.8	6.2

3) The Standard International Trade Classification is an analytical nomenclature introduced by the United Nations for economic analysis. In this document, the third revision of the nomenclature (SITC Rev.3); introduced in 1988, is used.

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

\*\* For 1991: USSR, from 1992: CIS (Commonwealth of Independent States)

### Part III: EU imports from CEEC by main product (SITC divisions)

**III.1** The most imported goods by the EU from the CEEC in 1995, were Articles of apparel & clothing accessories (SITC 84), and Road Vehicles (SITC 78), covering 13% and 6.5% (5.4 bio ecu and 2.7 bio ecu respectively). Then came Electrical machinery and appliances (SITC 77) and Iron and Steel (SITC 67) with a share of 6.4% each (2.6 bio ecu each). Furniture and mattresses (SITC 82) and Non-ferrous metals (SITC 68) followed with a share of around 4.5% each, amounting 1.9 bio ecu each. The ten first products imported from the CEEC by the EU represented more than 55%.

**III.2** Power generating machinery and equipment (SITC 71) registered the strongest increase in imports compared to 1994 with a growth rate of 82%. Following, Road vehicles (SITC 78) with growth rates of 49%, and Iron and steel (SITC 67) and General industrial machinery & equipment (SITC 74) with 46% each respectively. Other significant increases were registered by Plastics in primary forms (SITC 57), Manufactures of metals (SITC 69) and Electrical machinery and apparatus (SITC 77) with growth rates between 33% and 38%.

Within the 20 most important divisions, the only product that showed a decrease was Petroleum, and petroleum products (SITC 33) which fell 11.8%.

**III.3** Almost 40% of Furniture, beds and mattresses (SITC 82) imported by the EU in 1995 came from the CEEC. Other products with an important share in total extra-EU imports that came from the CEE countries were: Footwear (SITC 85) with 22%, Cork and wood manufactures (SITC 63) with 21%, Iron and steel (SITC 67) with 19% and Articles of apparel & clothing accessories (SITC 84) with 18%.

**III.4** The items which contributed the most to the growth of EU imports from the CEEC were Road Vehicles (SITC 78) with a growth contribution of 2.6 points, Iron and steel (SITC 67) with 2.5 growth points, Electrical machinery and appliances (SITC 77) with 1.9 points, and Power generating machinery and equipment (SITC 71) with 1.8 points. In contrast, the significant fall of Petroleum, and petroleum products (SITC 76) had only a slight negative repercussion in the contribution to growth.

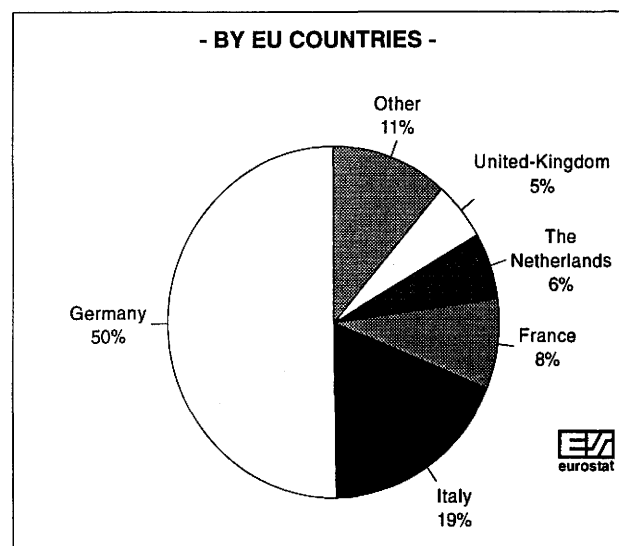
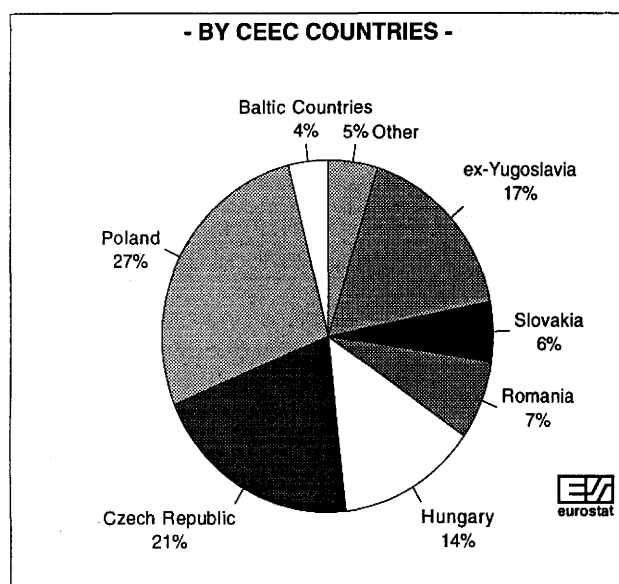
#### EU IMPORTS FROM CEEC BY MAIN PRODUCTS, 1995

		Value	annual variation	contribution to growth* of total imports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU imports by products **	EU imports from the CEEC	
						%	% cumul.
84	Articles of apparel & clothing accessories	5.43	10.1	1.5	18.2	13.0	13.0
78	Road vehicles (including air-cushion vehicles)	2.70	49.1	2.6	10.3	6.5	19.5
77	Electr. mach & appliances, & electr. parts thereof	2.65	32.9	1.9	6.5	6.4	25.9
67	Iron & steel	2.65	46.4	2.5	19.1	6.4	32.2
82	Furnit. & parts thereof;	1.92	23.3	1.1	39.2	4.6	36.8
68	Non-ferrous metals	1.88	22.6	1.0	11.2	4.5	41.3
69	Manufactures of metals, n.e.s.	1.80	33.6	1.3	16.5	4.3	45.7
66	Non-metallic mineral manufactures, n.e.s.	1.39	20.4	0.7	10.0	3.3	49.0
65	Textile yarn fabrics, made-up art. & related prod.	1.33	13.2	0.5	9.9	3.2	52.2
71	Power generating machinery & equip.	1.32	82.4	1.8	8.6	3.2	55.3
85	Footwear	1.14	11.1	0.3	22.0	2.7	58.1
74	General industr. mach., machines parts, n.e.s.	1.06	45.8	1.0	6.4	2.5	60.6
63	Cork & wood manufactures (excluding furniture)	0.98	25.4	0.6	21.1	2.4	63.0
24	Cork & wood	0.93	17.0	0.4	12.1	2.2	65.2
89	Miscellaneous manufactured articles, n.e.s.	0.91	14.3	0.3	4.0	2.2	67.4
33	Petroleum, petroleum products & related materials	0.83	-11.9	-0.3	1.7	2.0	69.4
57	Plastics in primary forms	0.79	38.1	0.6	13.2	1.9	71.3
51	Organic chemicals	0.78	32.8	0.6	6.4	1.9	73.2
05	Vegetables & fruits	0.77	2.1	0.0	6.6	1.8	75.0
72	Machinery specialized for particular industry	0.76	26.0	0.5	6.7	1.8	76.8

\* The contribution to the growth is the ratio between the 1995/1994 increase of each product flow and the total imports of 1994 in %

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

## Part IV: EU exports to CEEC by product groups (SITC sections)



**IV.1** EU exports to the CEEC increased remarkably by 22.4% between 1994 and 1995, from 40.3 bio ecu to 49.3 bio ecu. This increase was higher than the growth rate of the total extra-EU exports for 1995 which was of 8.8%. The share of the EU exports to these countries in 1995 was of 8.4% of the total extra-EU exports, compared to a share of 7.4% in the previous year. Over a period of five years, the yearly average growth of EU exports to the CEEC recorded a growth of 24.6% compared to 7.9% of extra-EU exports.

**IV.2** As in the case of imports, EU exports to the CEEC were concentrated in the Manufactured products (SITC 5-8) which represented 86% of the total (1991: 80%). The main components of the group were Machinery and transport equipment section (SITC 7) (19.1 bio ecu) with a share of 45% of all EU exports and Miscellaneous manufactured goods (SITC 6+8) (17.3 bio ecu) with a share of 35%, showing increases of 24%-25% compared to the previous year. Raw materials (SITC 0-4) accounted for 11% of the EU exports to this group of countries, with a growth rate of 8.3% it amounted to 5.5 bio ecu in 1995. The fall of exports in Mineral fuels (SITC 3) (-23%) showed the only group which declined.

**IV.3** In line with the previous year, Poland was the most important outlet for EU exports with an amount of 13.5 bio ecu, which represented a share of 27%. The purchases of the Czech Republic and Hungary were also significant amounting 10 bio ecu and 7 bio ecu and representing shares of 21% and 14% respectively. Meanwhile, the three Baltic states together acquired around 2 bio ecu, 4% of the EU exports. From the European Union's side, Germany exported the most with an amount of 24.7 bio ecu, a participation of 50%. Italy ranked second, exporting 9.2 bio ecu which represented 19% of the total EU exports to the CEEC. France followed with 4 bio ecu, being an 8% of the total EU exports.

### EU EXPORTS TO CEEC

TRADE BY PRODUCTS (SITC Rev.3)	91	92	93	94	95	92/91	93/92	94/93	95/94	95/91
	Bio ecus					% variation p.a.*				
<b>TOTAL (0-9)</b>	17.7	24.6	33.2	40.3	49.3	22.8	32.2	21.4	22.4	24.6
Raw materials (0-4)	2.7	3.8	4.9	5.1	5.5	18.1	24.8	4.7	8.3	13.7
Food, beverage and tobacco (0+1)	1.7	2.3	3.2	3.4	3.7	11.8	34.6	6.2	8.6	14.8
Crude materials except fuels (2+4)	0.5	0.7	0.9	1.1	1.4	16.8	15.0	23.9	26.1	20.4
Mineral fuels (3)	0.5	0.7	0.8	0.6	0.5	41.0	3.7	-21.9	-23.1	-3.2
Manufactured products (5-8)	14.3	20.1	27.3	34.1	42.5	25.0	33.7	24.8	24.7	27.0
Chemicals (5)	2.0	2.8	3.8	4.8	6.1	22.7	34.3	25.8	26.6	27.3
Machinery and transport equipment (7)	7.2	9.6	12.5	15.5	19.1	20.3	29.1	23.5	23.8	24.1
Miscellaneous manufactured goods (6+8)	5.1	7.7	11.0	13.8	17.3	32.7	39.1	25.8	25.0	30.5
Other not classified goods (9)	0.7	0.8	1.0	1.1	1.3	-4.6	28.3	9.7	17.8	12.2
<b>MEMORANDUM ITEM</b>										
EU total exports (EXTRA-EU)	423.2	436.1	491.1	541.8	589.3	3.0	12.6	10.3	8.8	7.9
EU total exports to CIS **	14.0	13.0	14.8	16.0	17.9	-7.1	14.3	8.0	11.5	6.8

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

\*\* For 1991: USSR, from 1992: CIS (Commonwealth of Independent States)



## Part V: EU exports to CEEC by main product (SITC divisions)

**V.1** In 1995, Road vehicles (SITC 78) were the most exported products to the CEEC with an amount of 5.3 billion ecu, representing 11% of the total. The next four most exported products covered almost 30% of the total value of EU exports to the CEEC and were as follows: Textile yarn, fabrics (SITC 65) with 4.2 bio ecu, Electrical machinery & appliances (SITC 77) with 3.6 bio ecu, General Industrial machinery & equipment (SITC 74) with 3.2 bio ecu, and Machinery specialized for particular industries (SITC 72) with 2.9 bio ecu. The top ten products represented 54% of the total EU exports to the CEEC indicating a similar level of concentration than on the EU import side.

**V.2** EU exports of Paper, paperboard and paper pulp (SITC 64) and Iron and steel (SITC 67) to the CEEC showed the highest annual growth rates of around 50% each. Plastics in primary forms (SITC 57) and Electrical machinery & appliances (SITC 77), Non-metallic mineral manufactures (SITC 66), and Power generating machinery & equipment (SITC 71) also showed important growth rates of 43%, 36%, 34% and 32% respectively. It is important to note that all the annual

variations were greater than 10% for the first twenty ranked products.

**V.3** In 1995, 24% of Textile yarn and fabrics (SITC 65) (4.2 bio ecu) and 17% of Vegetables and fruits (SITC 05) (0.8 bio ecu) exported by the EU went to the CEEC. The CEEC were also important outlets for Paper, paperboard (SITC 64) and Manufactures of metals (SITC 69), with 12% and 11% respectively (together making almost 2.7 bio ecu). More than 9% of the total extra-EU exports of the following products were also sold to these countries: Essential Oils & perfume materials (SITC 55), Road Vehicles (SITC 78), Chemical materials (SITC 59) and Articles of apparel and clothing accessories (SITC 84).

**V.4** Road Vehicles (SITC 78) and Electrical machinery & appliances (SITC 77) were the products which contributed the most to the EU export growth to the CEEC in 1995, together they amounted 5 growth points. General industrial machinery & equipment (SITC 74) and Textile yarn & fabrics (SITC 65) added together another 3 percentage points.

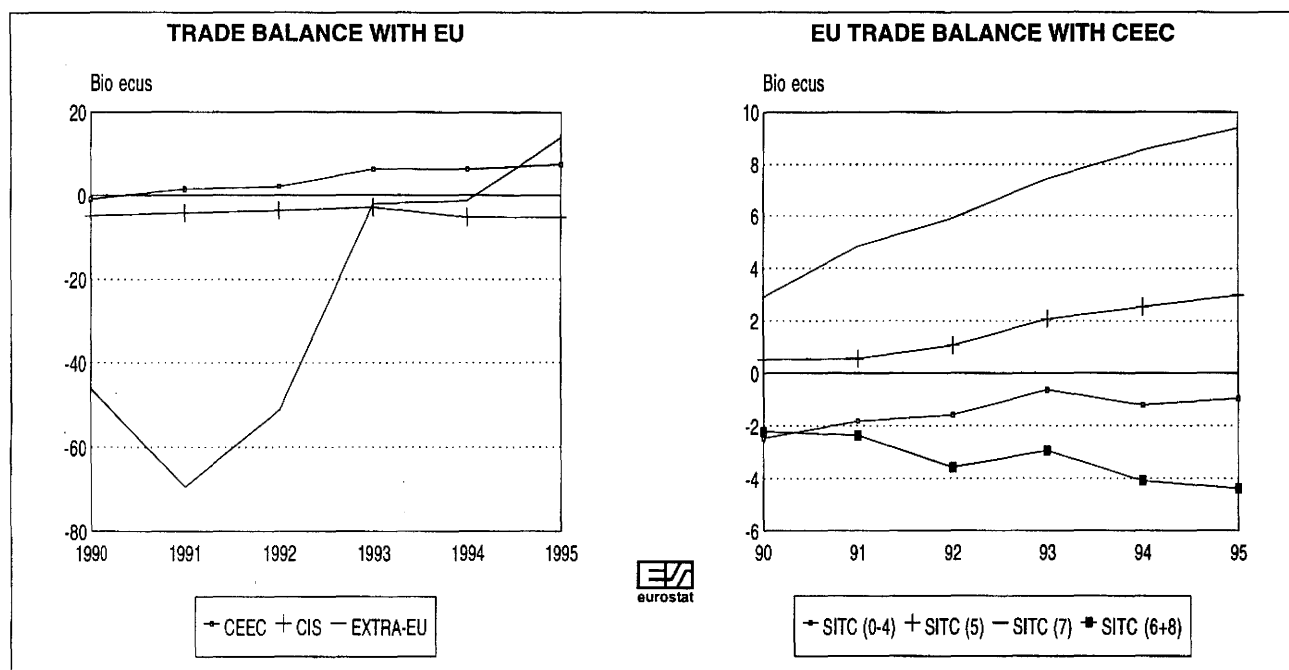
### EU EXPORTS TO CEEC BY MAIN PRODUCTS, 1995

		level	annual variation	contribution to growth* of total exports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU exports by products **	EU exports to CEEC	
						%	% cumul.
78	Road vehicles (including air-cushion vehicles)	5.25	24.9	2.6	9.6	10.7	10.7
65	Textile yarn fabrics, made-up art. & related prod.	4.22	16.2	1.5	23.7	8.6	19.2
77	Electr. mach & appliances, & electr. parts thereof	3.60	35.7	2.3	8.8	7.3	26.5
74	General industr. mach., machines parts, n.e.s.	3.23	24.7	1.6	8.6	6.6	33.1
72	Machinery specialized for particular industries	2.87	14.6	0.9	7.9	5.8	38.9
89	Miscellaneous manufactured articles, n.e.s.	2.13	19.6	0.9	8.2	4.3	43.2
69	Manufactures of metals, n.e.s.	1.66	30.8	1.0	10.6	3.4	46.6
84	Articles of apparel & clothing accessories	1.24	19.0	0.5	9.4	2.5	49.1
67	Iron & steel	1.17	49.7	1.0	6.8	2.4	51.5
76	Telecom., sound recording & reproduction app.	1.12	20.0	0.5	7.6	2.3	53.7
54	Pharmaceutical & medicinal products	1.10	19.3	0.4	6.3	2.2	56.0
64	Paper, paperboard & art. of paperpulp paper	1.07	50.1	0.9	12.3	2.2	58.1
75	Office machinery & computers	1.05	20.9	0.4	5.9	2.1	60.3
66	Non-metallic mineral manufactures, n.e.s.	1.01	34.3	0.6	5.1	2.0	62.3
71	Power generating machinery & equipment	0.98	32.1	0.6	5.4	2.0	64.3
87	Professional, scientific, & controlling instr. & app.	0.98	23.3	0.5	7.3	2.0	66.3
59	Chemicals	0.97	26.3	0.5	9.5	2.0	68.3
57	Plastics in primary forms	0.88	43.1	0.7	9.2	1.8	70.0
05	Vegetables & fruits	0.81	17.2	0.3	16.7	1.6	71.7
55	Essential oils & perfume mat.; toilet, polish	0.77	17.5	0.3	9.9	1.6	73.2

\* The contribution to the growth is the ratio between the 1995/1994 increase of each product flow and the total imports of 1994 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 groups (SITC sections)



**VI.1** The EU trade surplus with the CEEC went slightly up from 6.4 bio ecu in 1994 to 7.6 bio ecu in 1995, confirming the trend of a positive trade balance within the last five years. Although, the trade surplus showed an improvement between 1994 and 1995, the cover ratio went down slightly to 118. This was due to the small gap (0.6%) between the EU exports and imports growth rates. In a five year analysis, the EU trade balance with the world improved dramatically (from a 70 billion ecu deficit in 1991 to 14 billion ecu surplus in 1995), while the EU trade balance with CEEC improved at a lower pace. Nevertheless, the EU cover ratio value increased from 109 in 1991 to 118 in 1995.

**VI.2.** In 1995, as in the previous four years, the breakdown into main product groups showed a surplus concentrated in the Manufactured products (SITC 5-8). Among the processed products, Machinery and Transport equipment (SITC 7) recorded a surplus of around 9 bio ecu which compensated for the deficit registered by Miscellaneous manufactured goods (SITC 6+8) (-4.4 bio ecu). Along with the past five years, Primary goods recorded a negative balance of -1.0 bio ecu. This was mainly due to the performances of Crude materials except fuels (SITC 2+4) and Mineral fuels (SITC 3), which were partly compensated by a slight improvement in the Food, beverage and tobacco sections (SITC 0+1).

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

TRADE BY PRODUCTS (SITC Rev.3)	91	92	93	94	95	91	92	93	94	95
	Bio ecus					cover ratio = [(export/import)*100]				
<b>TOTAL (0-9)</b>	1.5	2.1	6.4	6.4	7.6	109	109	124	119	118
Raw materials (0-4)	-1.8	-1.6	-0.6	-1.2	-1.0	60	70	88	81	85
Food, beverage and tobacco (0+1)	-0.5	0.1	1.1	1.1	1.3	76	104	152	146	157
Crude materials except fuels (2+4)	-0.7	-1.0	-0.9	-1.1	-1.3	43	42	50	49	52
Mineral fuels (3)	-0.6	-0.7	-0.9	-1.2	-1.1	46	53	48	35	32
Manufactured products (5-8)	3.0	3.4	6.6	7.0	8.0	127	120	132	126	123
Chemicals (5)	0.5	1.1	2.1	2.5	3.0	136	161	220	213	197
Machinery and transport equipment (7)	4.8	5.9	7.4	8.6	9.4	307	262	246	224	197
Miscellaneous manufactured goods (6+8)	-2.4	-3.6	-2.9	-4.1	-4.4	68	68	79	77	80
Other not classified goods (9)	0.3	0.3	0.5	0.6	0.5	190	174	196	215	172
<b>MEMORANDUM ITEM</b>										
EU trade balance	-69.4	-51.0	-2.1	-1.3	14.1	86	90	100	100	102
EU-CIS* trade balance	-4.2	-3.7	-2.9	-5.3	-5.3	77	78	84	75	77

\* For 1991: USSR, from 1992: CIS (Commonwealth of Independent States)

**Part VII: EU trade balance and intra-industry trade intensity with the CEEC by main product category (SITC divisions)**

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



SITC Rev.3	1995 HIGHEST SURPLUSES	90	91	92	93	94	95
		(in Bio ecus)					
65	Textile yarn, fabrics, made-up art., & related prod.	0.56	0.82	1.46	2.20	2.46	2.90
78	Road vehicles (including air-cushion vehicles)	0.30	1.20	1.23	2.08	2.39	2.55
74	General industr. mach. & equip., machinery parts	0.77	0.96	1.37	1.71	1.87	2.17
72	Machinery specialized for particular industry	0.97	1.05	1.32	1.63	1.90	2.11
89	Miscellaneous manufactured articles	0.16	0.38	0.54	0.76	0.98	1.21
77	Electr. mach., app. & appliances. & electr. parts	0.12	0.26	0.35	0.55	0.66	0.94
54	Medical & pharmaceutical products	0.18	0.30	0.39	0.59	0.79	0.94
75	Office machines & computers	0.27	0.47	0.53	0.69	0.74	0.85
59	Chemical materials & products	0.24	0.23	0.32	0.49	0.64	0.84
55	Essential oils, perfume mat.; toilet, polish & clean prep.	0.15	0.26	0.42	0.53	0.62	0.72
	<b>1995 LARGEST DEFICITS</b>						
84	Articles of apparels & clothing accessories	-1.15	-1.54	-2.55	-3.51	-3.88	-4.19
67	Iron & steel	-0.62	-0.60	-0.77	-0.38	-1.03	-1.48
82	Furniture & parts thereof	-0.50	-0.58	-0.75	-0.92	-1.07	-1.30
68	Non-ferrous metals	-0.43	-0.45	-0.65	-0.56	-1.10	-1.27
24	Cork & wood	-0.27	-0.23	-0.39	-0.49	-0.76	-0.87
63	Cork & wood manufactures (excluding furniture)	-0.20	-0.26	-0.40	-0.45	-0.63	-0.77
32	Coal, coke & briquettes	-0.50	-0.57	-0.60	-0.64	-0.83	-0.67
56	Fertilizers, manufactured (other than those of group 272)	-0.17	-0.21	-0.26	-0.23	-0.31	-0.55
28	Metalliferous ores & metal scrap	-0.15	-0.31	-0.54	-0.42	-0.46	-0.55
85	Footwear	-0.16	-0.20	-0.39	-0.47	-0.47	-0.53

**VII.1** Along with the previous five years, the products that displayed the highest surpluses with the CEEC were manufactured goods. The biggest surpluses in 1995 were Textile yarn & fabrics (SITC 65) with 2.9 bio ecu, Road Vehicles (SITC 78) with 2.6 bio ecu, General industrial machinery (SITC 74) with 2.2 bio ecu and Machinery specialized for particular industries (SITC 72) with 2.1 bio ecu. All the positive balances recorded in 1995 showed increases compared to the previous years.

**VII.2** The largest negative balance in 1995 was Articles of apparel (SITC 84) which presented 4.2 bio ecu, a deficit which has increased through the five year period.

Next in line, followed three deficits between 1.5 and 1.3 bio ecu recorded by Iron and Steel (SITC 67), Furniture & mattresses (SITC 82) and Non-ferrous metals (SITC 68). Cork & wood (SITC 24) and its manufactures (SITC 63) as well as Coal and coke (SITC 32) showed deficits.

**VII.3** In 1995, for most countries except Hungary, Croatia and Bulgaria the degree of intra-intensity trade with the EU increased compared to the previous year. Slovenia, the Czech Republic and Hungary registered the highest intra-industry trade intensity with around 68, 65 and 60 respectively. On the other hand, Estonia, Latvia and Bosnia-Herzegovina continued to register the lowest intra-industry trade intensity in 1995.

**EU-CEEC INTRA-INDUSTRY TRADE INTENSITIES BY COUNTRIES (\*) IN 1995**



RANK	COUNTRY	INDEX		RANK	COUNTRY	INDEX	
		1994	1995			1994	1995
01	Slovenia	65	68	08	Bulgaria	42	41
02	Czech Republic	61	65	09	Romania	34	37
03	Hungary	61	60	10	Albania	28	35
04	Slovakia	47	57	11	Lithuania	20	34
05	Poland	42	48	12	Estonia	19	26
06	Croatia	46	43	13	Latvia	18	23
07	FYROM	39	41	14	Bosnia-Herzegovina	17	21

(\*) 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 SITC divisions from 00 to 99, 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 deficit)

# Part VIII: EU trade flows with CEEC by Member States

## - EU trade with CEEC by CEEC partners -



CEEC-Partners	EU-EXPORTS				EU-IMPORTS				EU-TRADE BALANCE			
	95	94	95	95 / 94	95	94	95	95 / 94	94	95	94	95
	share	Bio ecus	%-var		share	Bio ecus	%-var		Bio ecus	% of total trade		
Estonia	0.9	0.31	0.45	46.2	1.0	0.27	0.43	62.9	0.04	0.02	7.3	1.9
Latvia	1.3	0.49	0.63	28.8	2.1	0.73	0.87	18.0	-0.25	-0.24	-20.4	-16.2
Lithuania	1.7	0.72	0.83	14.5	2.1	0.75	0.88	17.5	-0.03	-0.05	-1.8	-3.1
Poland	27.4	10.83	13.50	24.7	26.6	9.11	11.10	21.9	1.72	2.40	8.6	9.7
Czech Republic	20.5	7.93	10.12	27.7	18.8	6.36	7.86	23.5	1.56	2.26	10.9	12.6
Slovakia	5.5	1.79	2.69	50.1	6.3	1.87	2.62	39.6	-0.08	0.08	-2.2	1.4
Hungary	13.7	6.15	6.77	10.0	15.6	4.92	6.50	31.9	1.23	0.27	11.1	2.0
Romania	7.2	2.65	3.55	34.2	7.8	2.51	3.26	30.1	0.14	0.29	2.7	4.2
Bulgaria	3.8	1.60	1.87	17.2	4.2	1.34	1.76	31.4	0.25	0.11	8.6	2.9
Albania	1.0	0.43	0.50	18.4	0.5	0.12	0.21	74.5	0.30	0.29	55.2	40.4
Slovenia	8.9	3.67	4.38	19.1	9.1	3.42	3.78	10.6	0.25	0.59	3.6	7.2
Croatia	6.2	2.86	3.07	7.0	4.2	1.81	1.75	-3.3	1.06	1.32	22.6	27.4
Bosnia-Herzegovina	0.3	0.10	0.14	47.6	0.1	0.01	0.02	84.5	0.08	0.12	77.5	72.7
FYROM	1.6	0.74	0.80	7.9	1.5	0.66	0.64	-2.8	0.08	0.15	5.5	10.7
CEEC	100.0	40.26	49.29	22.4	100.0	33.89	41.69	23.0	6.37	7.60	8.6	8.3

VIII.1 Poland, the Czech Republic and Hungary together represented over 61% of EU trade with the CEEC. Taking into account Slovenia (9%), Romania (7.5%), Slovakia (5.9%) and Croatia (5.2%), the share of trade with the seven remaining CEE countries was relatively modest (11%). This is partly due to the economic size of these countries and partly to the belated opening of their borders with the EU. Nevertheless, trade flows between all CEE countries and the EU increased by double-digit figures from 1994 to 1995. Croatia and the FYROM were exceptions as EU imports increased by only 7-8%, while EU exports to these two countries shrunk around (-3%).

VIII.2 In 1995, EU imports from Bosnia-Herzegovina (+85%), Albania (+75%) and Estonia with +63% were the most dynamic. Growth rates of more than 30% were also reached by Slovakia, Hungary, Romania and

Bulgaria. Meanwhile for EU exports, the most active flows were with Slovakia, Bosnia-Herzegovina and Estonia with annual growths of around 50% each.

VIII.3 In 1995, Germany and Italy together represented almost 70% of the EU trade with the CEEC. France (7.9%), the Netherlands (6%), the United Kingdom (5.9%) and the BLEU followed at a considerable distance. As compared to the previous year, the most dynamic growth rates were recorded in imports by Spain (58%), Portugal (47%) and Greece (36%), and in exports by Ireland (90%), Portugal (46%) and the BLEU (28%). Once again Italy and Germany displayed the most significant trade surpluses with the CEEC of 2.8 bio ecu and 2.1 bio ecu, respectively. Portugal was the only EU country reporting a small trade deficit with the CEEC (0.1 bio ecu).

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



EU-Reporters	EXPORTS				IMPORTS				TRADE BALANCE			
	95	94	95	95 / 94	95	94	95	95 / 94	94	95	94	95
	share	Bio ecus	%-var		share	Bio ecus	%-var		Bio ecus	% of total trade		
BLEU	4.5	1.74	2.23	28.2	3.8	1.26	1.60	27.4	0.48	0.63	16.0	16.3
Denmark	2.3	1.00	1.14	14.0	2.3	0.94	0.95	1.6	0.06	0.18	3.1	8.8
Germany	50.2	20.12	24.73	22.9	54.2	18.09	22.61	25.0	2.03	2.12	5.3	4.5
Greece	1.7	0.77	0.86	11.9	1.9	0.57	0.77	35.5	0.19	0.08	14.5	5.0
Spain	2.0	0.86	1.01	16.5	2.4	0.62	0.98	57.6	0.24	0.03	16.3	1.3
France	8.3	3.34	4.08	21.9	7.4	2.61	3.09	18.7	0.74	0.98	12.4	13.7
Ireland	0.6	0.16	0.31	90.7	0.3	0.11	0.13	14.0	0.05	0.19	19.5	42.6
Italy	18.6	7.39	9.16	24.1	15.3	5.27	6.39	21.1	2.11	2.78	16.7	17.9
Netherlands	6.1	2.62	3.01	14.9	5.9	2.03	2.46	21.6	0.59	0.55	12.8	10.0
Portugal	0.2	0.06	0.08	45.9	0.3	0.09	0.13	47.0	-0.03	-0.05	-22.2	-22.5
United Kingdom	5.4	2.21	2.69	21.7	6.2	2.31	2.57	11.6	-0.10	0.11	-2.2	2.1
EUR12	100.0	40.26	49.29	22.4	100.0	33.89	41.69	23.0	6.37	7.60	8.6	8.3

1) As of January 1st, 1995, the European Union (EU) has been enlarged to 15 Member States. However, this report analyses figures for only 12 EU countries as detailed data for 1995 could not be supplied by the three new member states (Sweden, Finland, Austria).  
2) 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 (FYROM).