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Croatia

Agricultural Trade

1998

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Report Highlights:

It is expected that Croatia will become a WTO member by the end of 1999, which will result in a significant decrease in trade barriers. Croatia has signed "Free Trade Agreements" with Slovenia and Macedonia, while negotiations are underway regarding the signing of a new "Free Trade Agreement" with Bosnia & Herzegovina. The GOC does not implement any type of export subsidies for agricultural and food products.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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CROATIAN AGRICULTURAL TRADE 1998

Agricultural Trade 1991-1998

YEAR	IMPORTS (US\$)	EXPORTS (US\$)
1991	447,231,126	294,759,477
1992	589,412,891	605,800,605
1993	443,031,438	492,997,580
1994	615,419,883	490,919,508
1995	929,237,476	518,167,953
1996	924,207,606	531,889,881
1997	1,003,169,631	537,840,796
1998	850,726,425	528,855,983

Croatian agriculture is characterized by three distinct agro-ecological zones: Pannonian Lowlands, Central Mountain Zone, and Mediterranean Zone. There are 3.01 million hectares of agricultural land, of which 1.84 million hectares are arable and the remaining comprises pastures, lakes, marshes, and fishponds. During the last few years agricultural trade balance in Croatia has been characterized by large scale imports of agricultural and food products, even though it is endowed with rich natural resources.

There are a number of reasons for which this situation has arisen: production structure (lack of modern management and production systems, average farm size 3.0 hectares), large scale war devastation in the 1991-1995 period, loss of traditional markets, low level of GOC support for the agricultural subsector and lack of integration into the World agricultural commodities markets.

Table 1. Imports and Exports of Agricultural and Food Products - 1998

CT	Product	Imports		Exports	
		(MT)	(US\$)	(MT)	(US\$)
01	Live Animals	22,745	40,415,099	1,512	2,973,673
02	Meat & Abattoir Products	24,619	55,426,663	4,552	15,785,152
03	Fish, Cephalopods, Crustacea	10,654	23,999,013	7,990	21,205,954
04	Milk, Dairy Products, Eggs, Honey	103,256	59,602,068	42,691	43,662,533
05	Other Animal Origin Products	2,341	10,592,262	1,556	6,727,087
06	Trees, Bulbs, Flowers	14,637	17,229,364	144	202,404
07	Vegetables, Roots, Edible Tubers	78,681	39,153,056	3,871	3,236,943
08	Fruit, Citrus, & Melon Peel	143,458	66,693,852	8,302	4,775,593
09	Coffee, Tee, Spices	20,575	62,613,366	1,235	7,720,557
10	Cereals	73,207	16,200,108	178,040	21,108,584
11	Mill Industry Products, Malt, Starch	49,038	16,611,449	17,798	5,072,192
12	Oilseeds, Medicinal Plants	123,325	39,850,618	23,210	9,602,583
13	Shelak, rubbers, resins	440	2,413,295	7	55,107
14	Raw Material for Weaving	442	474,198	110	94,747
15	Oils & Fats (Animal and Plant)	44,485	38,721,085	27,434	24,999,288
16	Meat, Fish & Cephalopod Products	11,393	33,983,725	21,813	60,342,187
17	Sugar & Sugar Products	42,423	19,057,232	2,229	6,170,733
18	Cacao & Cacao derived Products	8,295	29,862,740	5,153	21,160,413
19	Products derived from Cereals and Starch	22,927	42,060,737	14,612	32,823,050
20	Fruit & Vegetable Products	36,782	45,183,165	14,475	15,994,759
21	Other Food Products	22,336	70,200,106	36,900	89,491,589
22	Beverages, Alcohol, Vinegar	66,266	45,702,554	129,314	71,220,171
24	Tobacco and Tobacco Substitutes	4,428	23,143,421	8,881	41,205,612
23	Animal Feed	123,921	54,567,249	114,102	23,225,072
Total Agriculture & Food Industry		1,050,672	850,726,425	665,551	528,855,983

Source: State Statistical Bureau; Croatian Chamber of Commerce

It is evident from Table 1. that during most years Croatia has been a cereal, beverage and alcohol, and tobacco and fish (fish cans) exporter. At the same time Croatia also imported significant quantities of oilseeds, fruits, vegetables, live animals, meat, and dairy products.

Table 2: Leading Import Partners 1998

COUNTRY	1998 IMPORTS	
	(MT)	(US\$)
ITALY	119,663	108,970,436
SLOVENIA	99,225	81,250,352
GERMANY	65,889	70,001,094
HUNGARY	123,677	68,542,796
AUSTRIA	61,838	63,405,130
BRAZIL	113,667	60,129,084
NETHERLANDS	44,196	43,757,067
B & H FEDERATION	34,005	39,572,704
U.S.A	96,135	33,484,382
FRANCE	24,568	23,836,623
TOTAL AG IMPORTS	1,050,672	850,726,425

Source: State Statistical Bureau; Croatian Chamber of Commerce

The primary Croatian suppliers of agricultural products are Italy, Slovenia, Germany, and Austria. The primary export markets are Bosnia & Herzegovina, Slovenia, Italy, Germany, and select CEFTA countries. Croatian agricultural trade is largely accounted for by EU countries (40%) and CEFTA countries (25%).

In 1998, agricultural imports from the United States amounted 33.84 million US\$ (3.93 % of total 1998 agricultural imports) which represents a significant increase compared to 1996 (1.7% of total). Croatian exports amounted to 7.66 million US\$ (1.57 % of total 1998 agricultural imports) in 1998. The leading Croatian import items were cereals and oilseeds (64% of total imports), while the major Croatian export items were pork, other meat, and fish products.

Table 3: Leading Export Partners 1998

COUNTRY	1998 EXPORTS	
	(MT)	(US\$)
B & H FEDERATION	255,546	108,970,436
SLOVENIA	90,942	249,313,244
ITALY	68,974	63,930,033
POLAND	20,459	28,996,461
GERMANY	16,058	26,704,555
MACEDONIA	7,476	19,364,534
HUNGARY	33,305	12,283,585
AUSTRIA	14,731	11,527,621
RUSSIA	3,784	10,999,920
CYPRUS	9,898	8,333,655
TOTAL AG EXPORTS	665,551	528,855,983

Source: State Statistical Bureau; Croatian Chamber of Commerce

Agricultural trade in Croatia is currently characterized by high levels of custom tariff protection. However, it

is expected that Croatia will become a WTO member by the end of 1999, which will result in a significant decrease in trade barriers. Croatia has signed "Free Trade Agreements" with Slovenia and Macedonia, while negotiations are underway regarding the signing of a new "Free Trade Agreement" with Bosnia & Herzegovina. The GOC does not implement any type of export subsidies for agricultural and food products.