

# ANALYSIS OF IMPORTS AND EXPORTS OF THE REPUBLIC OF SRPSKA

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**Abstract**—The trend to gradually erase geographic boundaries demonstrates that participation in the economy foresees and the use of the word globally and many companies get a prefix multinational. Business operation includes collaboration with a number of different countries, with people of different ethnic, cultural and religious background. All the above can be an advantage, but also a huge obstacle that may be reflected in business diversity and depends on the different markets and significantly will affect to overall business operation of the state and the company. The last two decades of the twentieth century have brought revolutionary changes in the field of international business. There has been deleted traditional and required new demands before the actors on the international business scene. The Republic of Srpska has a chance that through respect of international trends floats in successful water of the world economy, and in no way neglect integration towards the modern trends and requirements.

**Keywords**—import, export, foreign trade exchange.

## I. INTRODUCTION

ECONOMICS faculty in Banja Luka is an institution that has been entrusted development strategy of exports promotion of the Republic of Srpska, including the period 2009-2012 years. There has been made a statement of basic characteristics of the foreign trade business, primarily referring to: an open economic system, high import-export dependance, a low level of coverage of imports by exports, the current account deficit of the balance of payments, low competitiveness of domestic production and real growth of imports.

The promotion strategy had an objective to encourage imports and promotion of import substitution. Diversification of markets and the development of certain sectors should be the result of a significant improvement in the foreign trade balance. It emphasizes the presence in the international market as an unavoidable part of doing business in the country through the preparation and implementation of measures in order to encourage the strengthening of the entrepreneurs' competitiveness on the international scene.

Overall world exports increased by about twenty times in the last century, and exports of industrial products about forty times. Quarter of the world GDP is currently

made by global trade exchanges. Most of the revenue from international trade have highly developed countries where production and services are competitive in the world market.

At this moment we can notice some global trends:

- the highest rate of development have countries with the highest export;
- increase of similarities of the production capacities in the world aimed to reduce the role of transport and communication as a factor of competitiveness;
- development of technology becomes a key factor and response to the earlier mass production based on cheap labour, raw materials and energy;
- industrial branches based on knowledge and skill, respectively the human factor becomes a key factor of competitiveness.

The Republic of Srpska, as well as all other areas are fighting for their position in the international arena, where at this moment is weaker in relation to transitional and developed countries. The foreign trade deficit is one of the biggest problem of the economy, which is reflected in a weak competitiveness in the international market, poor protection and stimulation of domestic production, insufficient supervision, high rates of import and export dependence, inconsistent customs tariffs of B and H [11-14].

## II. FOREIGN TRADE EXCHANGE OF THE REPUBLIC OF SRPSKA

In the world market, the Republic of Srpska records permanent growth which at the end of 2011 amounted to 2.338.511,75 €, which represents an increase by 7,2 % compared to the previous year. The import is relating to the sum of €2.338.511,75 , and € 1.306.903,69 to exchange in exports, where is noticable a negative balance of €1.031.608,06 .

Foreign trade exchange will still continue to go on the upward path, as a greater degree of openness of the economy due to increased activities of companies. Demand for equipment and semi-products, supply of domestic manufacturers who show good results, is the favourable guarantee for the economic future.

For the first seven months of this year, the Republic of Srpska has exported goods worth of 715 millions, and has imported as much as 1,3 billion euros, according to

the data of the Statistical Office of the Republic of Srpska. Compared to the same period last period, the value of exports is decreased by 11,3, and the value of imports by seven percent.

Viewed by sectors, the SR from January to July in this year exported 49,2 millions euros of food and imported 164,3 billion euros. According to branches of production, the greatest value of imports and exports has been achieved in the manufacturing industry. In this period mostly are imported mineral fuels and lubricants worth of 406,5 millions euros, and mostly exported raw materials, with a total value of 152,7 million euros. For seven months, the Republic of Srpska mostly exported goods to Italy, with a total value of nearly 112 million euros, while to Serbia exported goods worth 113,5 million euros. On the other hand, the greatest value of imports of 345 million euros was achieved with Russia and to Serbia have been exported goods including a value of 219 million euros. Viewed according t groups of countries, to the EU countries have been exported goods worth of 401 millions, while imported from them goods of 474,2 million euros. In dealing with the countries of CEFTA the achieved value of exports amounted to 275,6 million and exports worth of 310,6 million euros [11-14].

In Table 1 and Figure 1 is displayed an overview of foreign trade exchange of the Republic of Srpska including the period from 2005-2012, in millions of euros.

Exports to Russia in the amount of €271.018.460, and imports of € 1.527.273.500 in 2009, where is achieved a negative foreign trade exchange in the amount of € 1.256.255.040.

This year, in the period from January to September, the foreign trade exchange of goods is in decline, exports decreased by about 5 %, while imports increased by about 3 %, compared o the sam eperiod in 2011. Volume of exchange of goods of the Republic of Srpska with foreign countries amounted to € 2.662.997.210 , out of which is referring to exports €928.710.230, and to imports € 1.734.286.980, according to the data to the Statistical Office of the Republic of Srpska. From the foregoing it follows that the foreign trade deficit in the period of Januar – September of the 2012th year, amounted to € 805.576.750, while the export-import ratio was 53,5 %.

In the gross domestic product of the Republic of Srpska, exports participates about 18 %. Let's mention an example of Poland, which had avoided the global crisis, because 40 % of its exports participates in GDP. Economic problems are reflected in exports and this has affected to our situation which was not significantly imported to countries such as Spain, Greece, which are affected by the crisis, that's why there is no significant impact to the crisis situation in the Republic of Srpska or in Bosnia and Herzegovina [11-14].

Tab 1: Foreign trade exchange of the Republic of Srpska, For the period 2005-2012. (in tousands of €) [11-14]

Year	Volume	Export	Import	Balance	Exports - Imports ratio
2005. (I-XII)	2.083.195,18	576.705,57	1.506.489,61	-930.000,00	38,3 %
2006. (I-XII)	2.193.224,56	785.199,29	1.408.025,27	-622.825,98	55,8 %
2007. (I-XII)	2.560.586,03	852.725,57	1.707.860,46	-855.134,89	49,9 %
2008. (I-XII)	3.093.433,59	980.367,02	2.113.066,57	-1.132.699,55	46,4 %
2009. (I-XII)	2.673.065,03	853.395,87	1.819.669,16	-966.273,29	46,9 %
2010. (I-XII)	3.178.530,62	1.110.954,96	2.067.575,66	-956.620,70	53,7 %
2011. (I-XII)	3.645.415,44	1.306.903,69	2.338.511,75	-1.031.608,06	36,5 %
20012. (I-IX)	2.662.997,21	928.710,23	1.734.286,98	-805.576,75	53,5 %

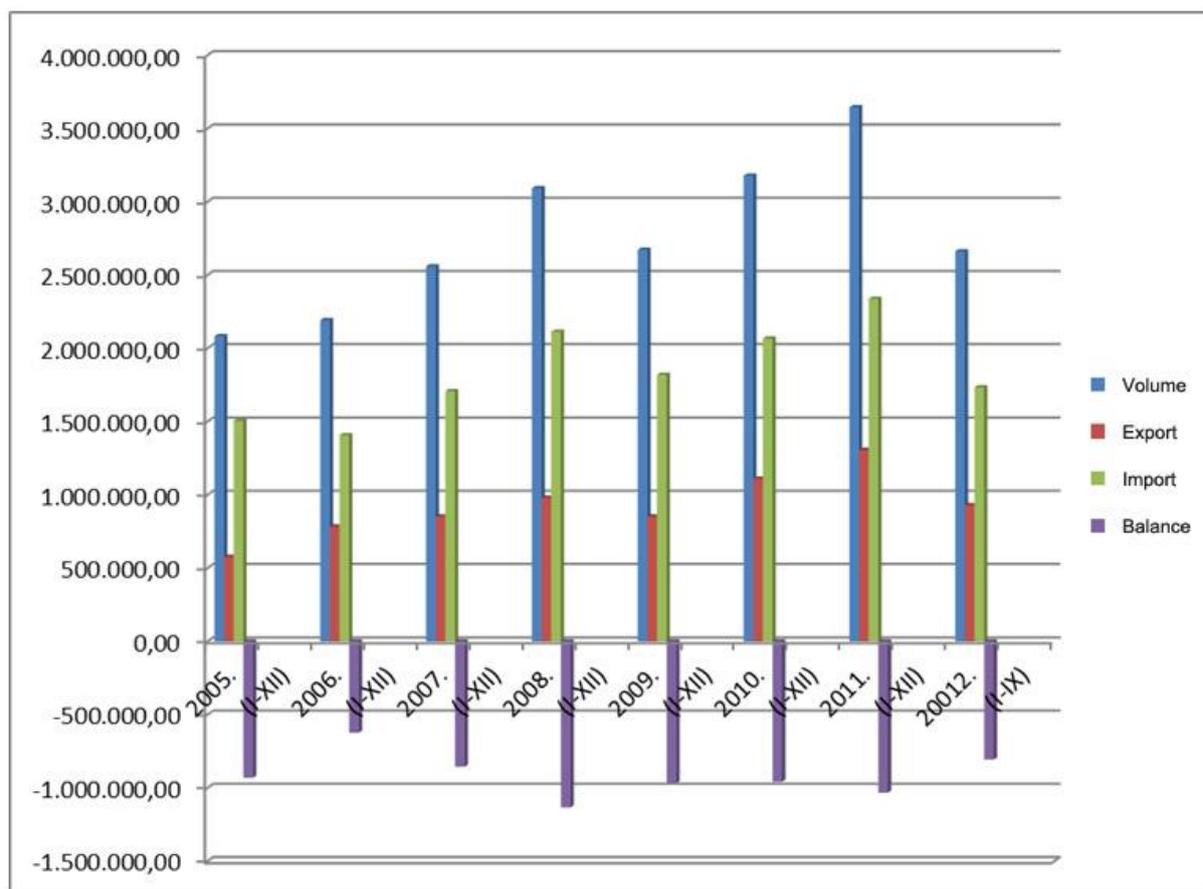


Fig. 1: Overview of foreign trade exchange of the Republic of Srpska, For the period 2005-2012. (in thousands of €)

### III. OVERVIEW OF EXPORTS AND IMPORTS WITH SIGNIFICANT COUNTRIES

If we compare exports by country of destination and imports by country of origin with countries in the region, we will notice a great variety (Table 2, Figure 2, 3, 4 and 5) [11-14].

If we consider the exports by country of destination, highlighting the Republic of Serbia, with which the Republic of Srpska has a large exports, in 2005 amounted to €128.028.000, in 2006 to €131.327.000, in 2007 to €136.162.000, and significantly increased in 2008, 2009 and 2010 amounting to €190.692.000, €170.961.000 and €195.990.000. The largest export was recorded in 2011 and amounted to €243.637.000, while until September 2012 slightly decreased and amounted to €144.858.000. With the same country, the Republic of Srpska achieves deficit and export in 2005 amounted to €402.521.000, in 2006 to €367.731.000, in 2007 to €410.165.000, in 2008 to €559.210.000, in 2009 to €402.072.000, in 2010 to €434.449.000, in 2011 to €420.602.000, and until September 2012 was recorded export worth of

€293.842.000. We can conclude that the largest import was in 2008 and amounted to €559.210.000. With Montenegro, volume of export and import is incomparable smaller, where can be immediately noticed the period from 2008 – September 2012 surplus. In 2011, the Republic of Srpska recorded exports with Montenegro worth of €76.497.00, and imports of €12.348.000. Similar is the position with Austria with which can be noticed a surplus in the period since 2010 by 2012.

Distinguishing characteristics are noticed in relation to Croatia, with whom is recorded a deficit in the years of 2005-2010. But, in 2011 for the first time is recorded a surplus and exports with the amount of €170.997.000, and imports of €145.598.000. In the current 2012th year, by the end of September is recorded exports worth of €130.638.000, and imports of €95.270.000, respectively is recorded the positive score.

Table 2: Export by country of destination and import by country of origin, with significant countries of the Republic of Srpska (in millions of €) [11-14]

Year/ Country	Exp./Imp	2005. (I-XII)	2006. (I-XII)	2007. (I-XII)	2008. (I-XII)	2009. (I-XII)	2010. (I-XII)	2011. (I-XII)	2012. (I-IX)
Serbia	Export	128.028	131.327	136.162	190.692	170.961	195.990	243.637	144.858
	Import	402.521	367.731	410.165	559.210	402.072	434.449	420.602	293.842
Monten.	Export	128.027	131.256	-	31.389	43.745	12.549	76.497	46.148
	Import	402.521	367.731	-	-	10.171	8.123	12.348	7.513
Croatia	Export	56.960	87.692	92.098	111.540	109.549	146.998	170.997	130.638
	Import	150.205	172.787	222.934	246.714	115.353	170.150	145.598	95.270
Slovenia	Export	37.503	72.431	70.817	83.380	59.172	107.403	101.204	72.318
	Import	76.770	75.586	91.795	106.340	84.470	103.599	105.457	78.520
Romania	Export	22.794	33.055	23.201	29.496	6.692	8.793	5.590	5.624
	Import	35.070	36.326	-	-	14.350	18.223	25.230	21.939
Italy	Export	60.086	128.435	144.433	163.600	155.084	173.843	190.302	162.526
	Import	160.483	152.626	203.074	224.712	183.292	181.937	197.321	149.112
Germany	Export	30.671	75.362	82.480	90.670	73.429	92.722	106.614	74.156
	Import	159.386	95.171	123.176	154.086	124.787	118.978	122.718	100.333
China	Export	0	0	0	0	1.507	3.084	2.064	1.563
	Import	34.939	41.350	60.274	87.181	74.874	71.407	90.093	72.858
Austria	Export	-	33.973	50.562	58.755	52.956	66.583	101.393	82.761
	Import	61.220	63.508	66.952	72.881	64.022	63.277	68.737	51.407
Hungary	Export	-	-	-	-	15.624	14.654	30.973	15.948
	Import	58.711	69.095	70.592	95.834	43.367	52.862	52.256	49.299
Russia	Export	-	-	-	-	1.645	1.814	2.061	1.640
	Import	43.755	-	-	-	352.175	483.838	668.335	470.519
Turkey	Export	-	-	-	-	2.384	9.093	13.986	8.138
	Import	-	-	63.077	59.632	17.745	19.302	34.144	20.326

Interesting is the volume of the foreign trade exchange with Slovenia, which is of quite approximate values. Since 2006 until the end of September, exports and imports are nearly equal. In 2005 and 2009 was recorded a visible surplus.

A large deficit can be highlighted with Russia, which is especially pronounced in the period since 2009 until the end of September 2012 and amounted to as follows: in 2009 to 350.530.000 €, in 2010 to 474.745.000 €, in 2011 to 666.274.000 €, and in 2012 amounted to 468.879.000 €.

The volume of foreign trade exchange is very important with Germany and Italy, where the surplus is not expressed, but was increased in some periods. Over the last few years is noticeable the volume of foreign trade exchange with Turkey, which is currently of small degree.

In Table 2 is displayed an overview of foreign trade exchange with certain countries in the world, Europe and region, and in charts the graphical overview of the countries from Table 2 and some segments of the same table.

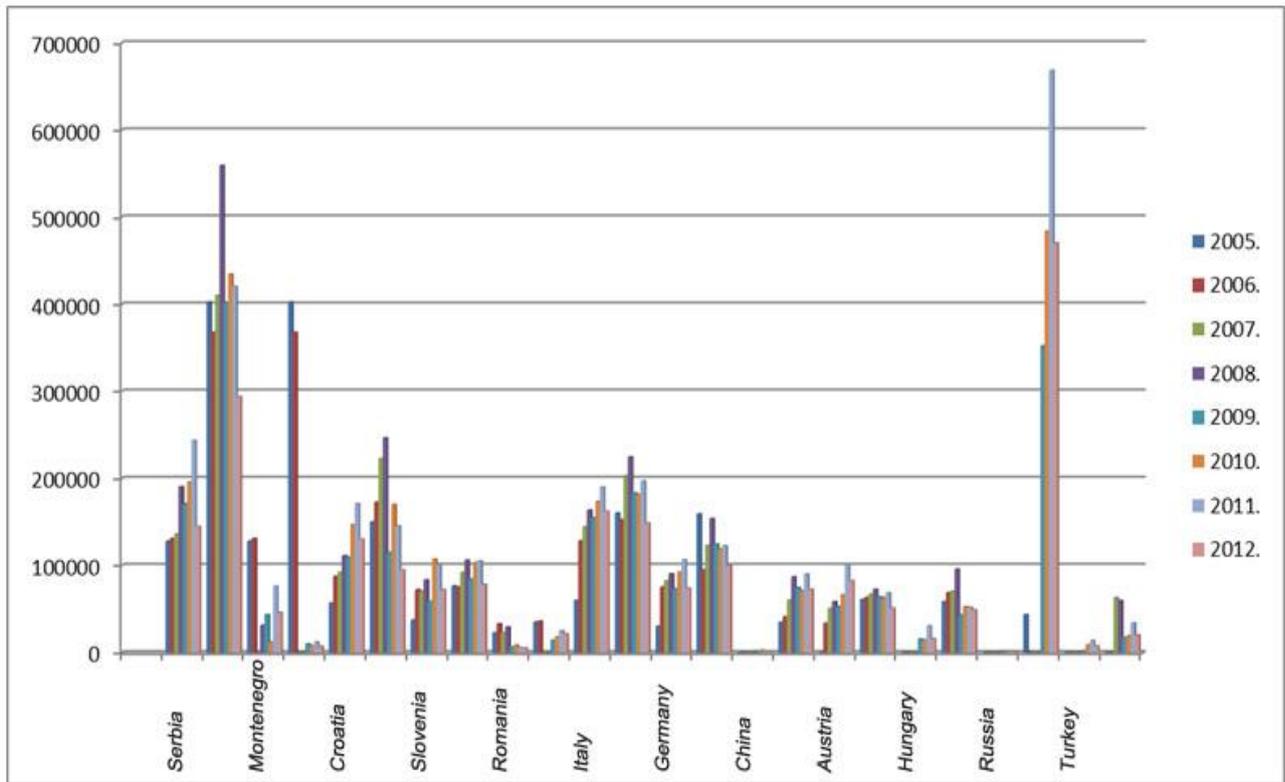


Fig. 2: Overview of foreign trade exchange with certain countries, for the period of time 2005-2012, in millions of €.

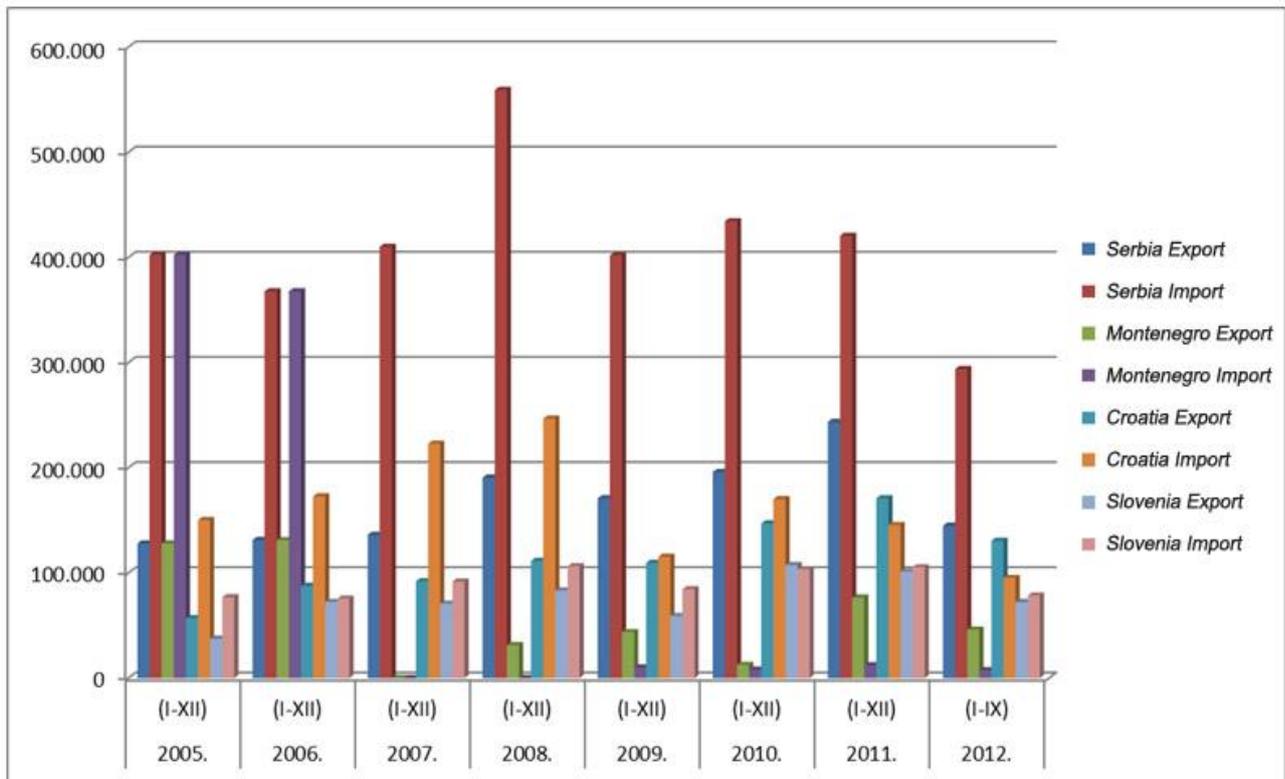


Fig. 3: Overview of foreign trade exchange with the neighbouring countries, for the period of time 2005-2012, in millions of €.

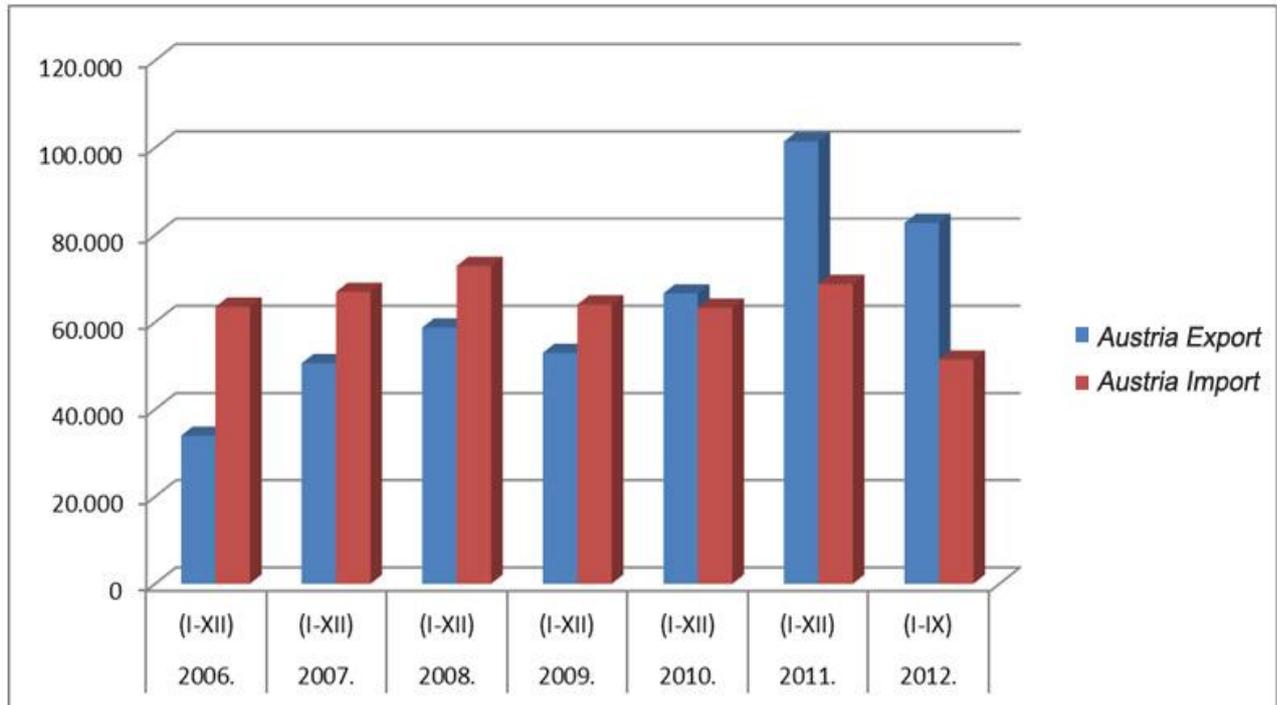


Fig. 4: Overview of foreign trade exchange with Austria, for the period of time 2005-2012, in millions of €.

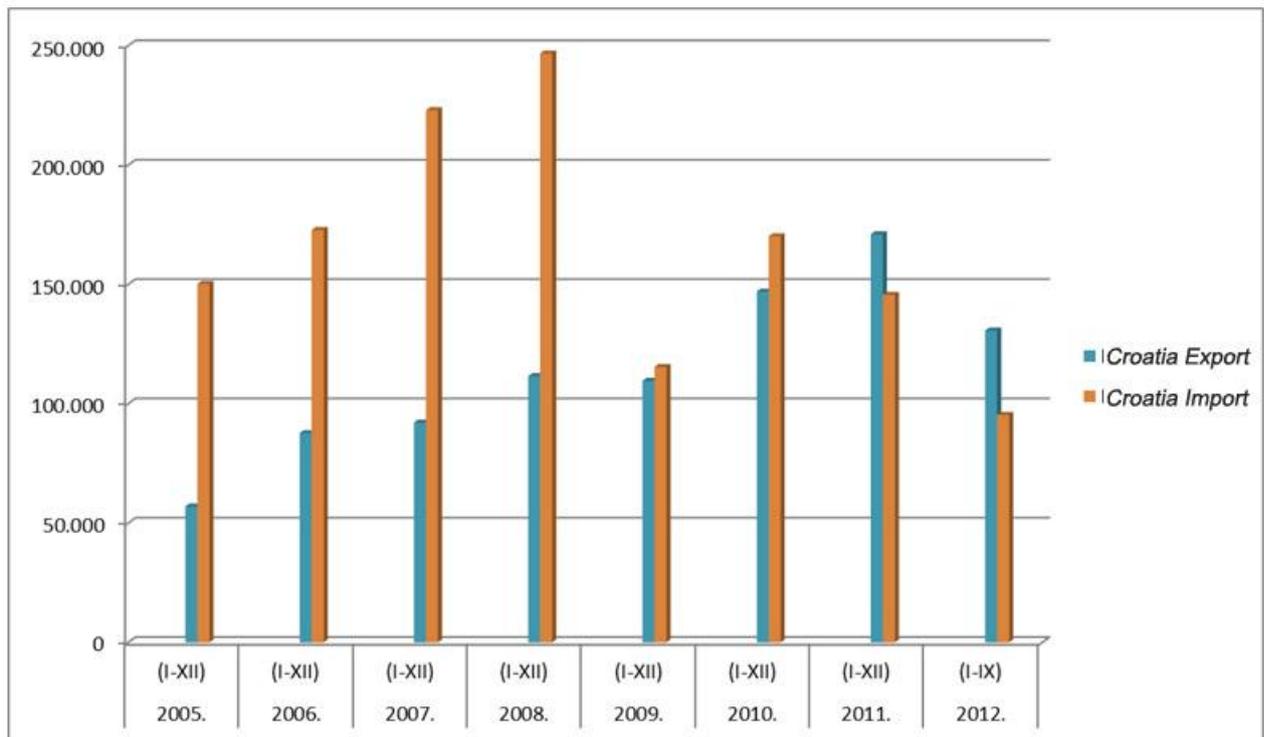


Fig. 5: Overview of foreign trade exchange with Croatia, for the period of time 2005-2012, in millions of €.

#### IV. CONCLUSION

If we look at the Export Promotion Strategy of the Republic of Srpska for the period 2009-2010, in which is defined six strategic objectives: increase of exporters and

value of exports, changes in the structure of exports, increase of competitiveness, substitution of import, connectin of export companies and establishment of efficient institutional framework for the encouragement and promotion of export, we will notice that it is very difficult to implement all the points of this Strategy,

however, there are improvements in some segments. Each plan follows a number of objectives which are supposed to be to a certain extent. If all the above objectives are met it will be a real success in the economy and a turning point towards the positive score in foreign trade exchange with anyone in the world, and especially in the region.

Time series of import and export in the Republic of Srpska can be modeled using regression models [5, 6] and time series models [1-4, 7-10].

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