

# **PERSPECTIVE OF CEFTA 2006: ECONOMICS VERSUS POLITICS**

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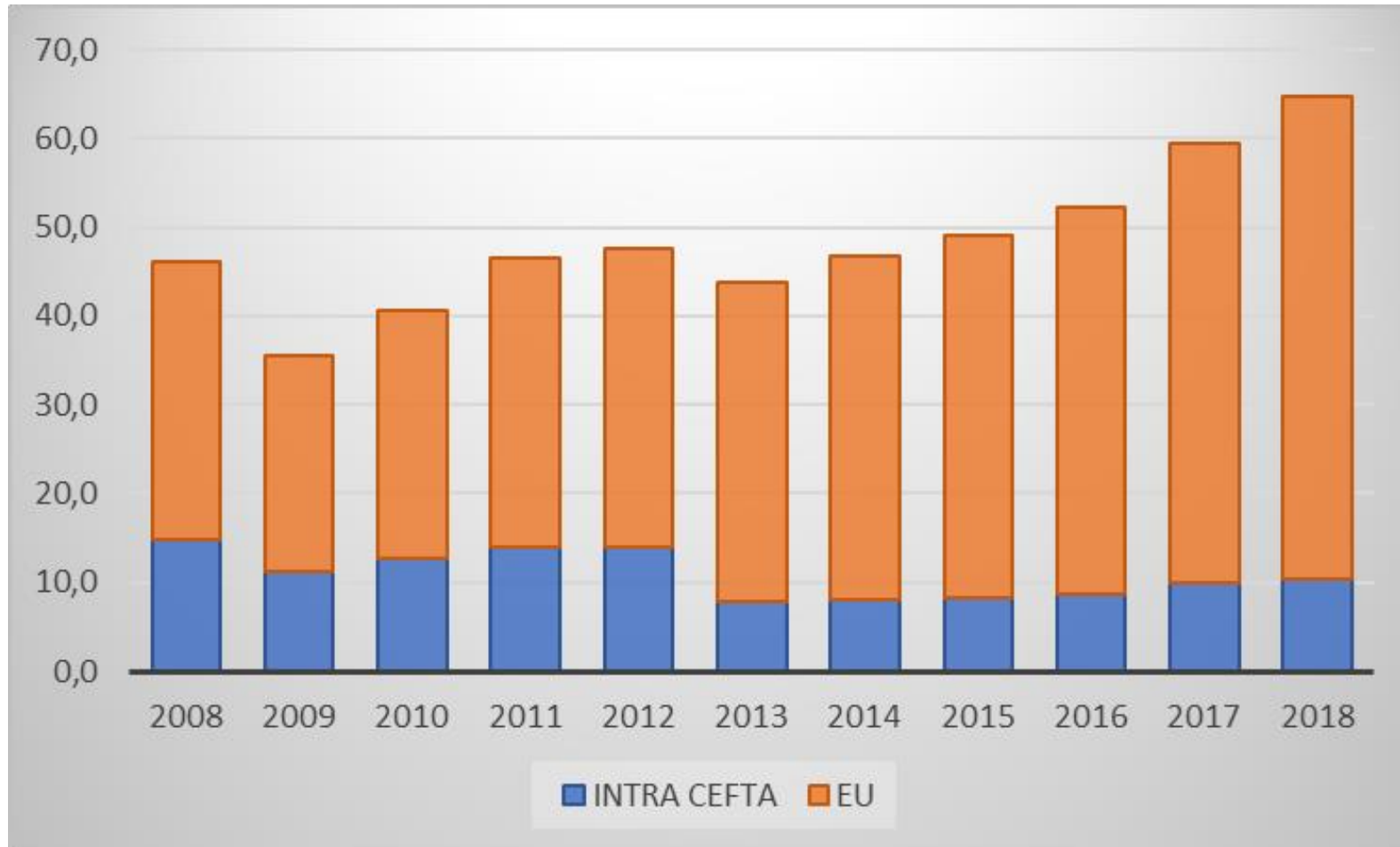
## **CEFTA 1992 versus CEFTA 2006**

- Same goals, but different motives
- Inadequate and insufficient cooperation between members
- The real driver is the EU, which is also forced to monitor and be proactive, so it can be called a supervisor and a coordinator
- Absence of a sincere desire to cooperate at full capacity
- Focusing only on exports in intra-CEFTA 2006 trade and accentuating EU integration
- Failure, or lack of desire to respect the reasons for founding – a test ground for the EU

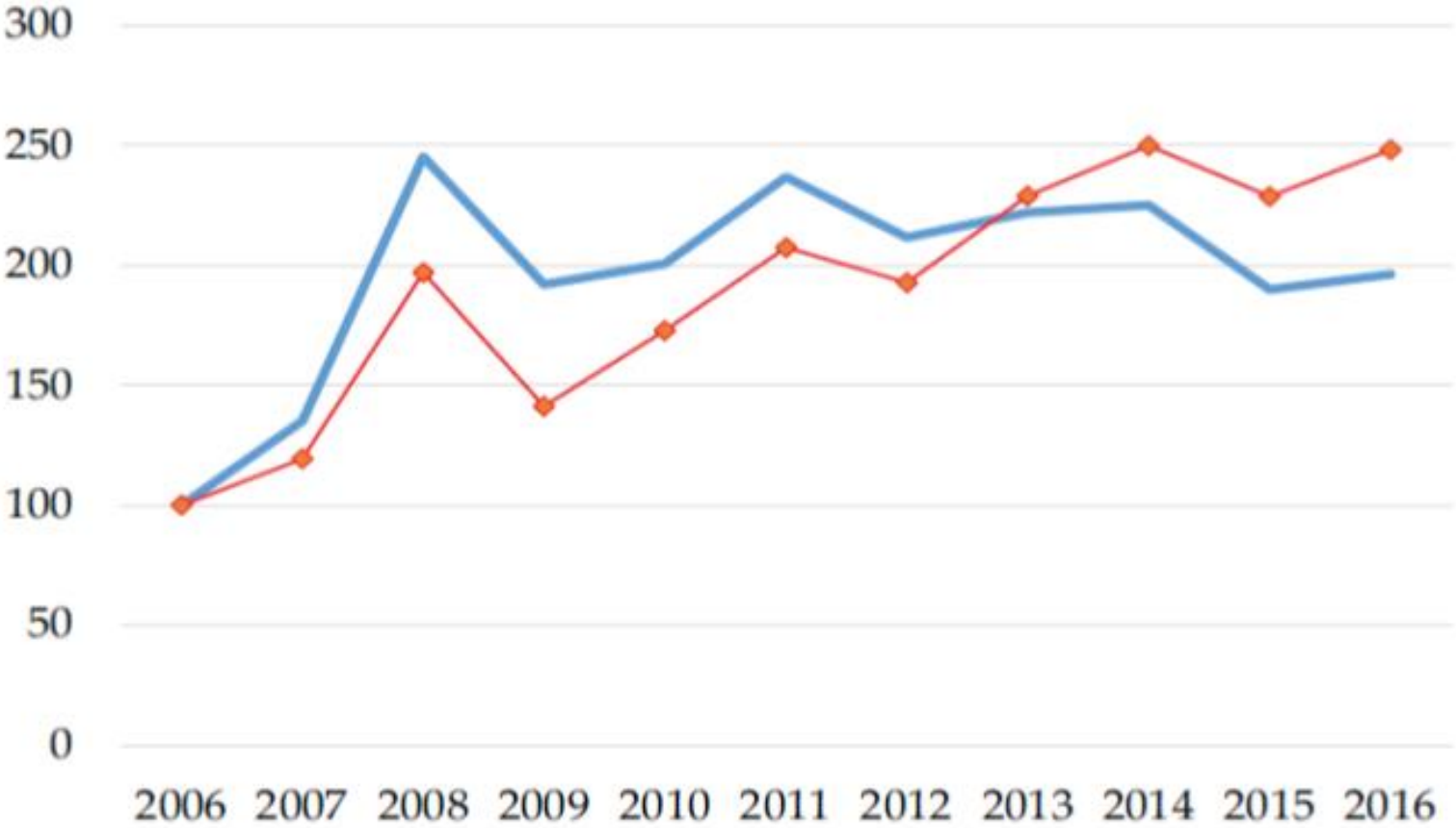
**Table 1: Foreign trade coefficient of CEFTA 2006 parties**

<b>Year/CEFTA party</b>	<b>AL</b>	<b>SER</b>	<b>FYRM</b>	<b>B&amp;H</b>
<b>2008</b>	0,9	0,8	1,1	0,88
<b>2009</b>	0,8	0,7	0,9	0,68
<b>2010</b>	0,9	0,8	1,0	0,79
<b>2011</b>	0,9	0,8	1,1	0,88
<b>2012</b>	0,9	0,9	1,1	0,84
<b>2013</b>	0,9	0,9	1,0	0,83
<b>2014</b>	0,8	1,0	1,1	0,87
<b>2015</b>	0,7	1,1	1,1	0,83

# Graph 1: Intra-CEFTA and CEFTA EU trade



**Graph 2: CEFTA 2006 interregional exports and exports to the EU  
(Indexes, 2006 = 100)**



**Table 2: Model Summary of influence intra CEFTA2006 trade and CEFTA2006 with EU trade on GDP**

CEFTA Party	R	R Square	Adjusted R Square
Albania	<b>,976<sup>a</sup></b>	<b>,953</b>	<b>,941</b>
B&H	<b>,973<sup>a</sup></b>	<b>,946</b>	<b>,933</b>
N. Macedonia	<b>,825<sup>a</sup></b>	<b>,680</b>	<b>,600</b>
Serbia	<b>,919<sup>a</sup></b>	<b>,845</b>	<b>,806</b>

**Table 3: Coefficients of correlation – separately, trade CEFTA-EU; intra CEFTA trade**

<b>CEFTA Party</b>	<b>EU</b>	<b>CEFTA</b>
<b>Albania</b>	<b>1,065</b>	<b>-0,93</b>
<b>B&amp;H</b>	<b>1,071</b>	<b>0,242</b>
<b>N. Macedonia</b>	<b>0,795</b>	<b>-0,134</b>
<b>Serbia</b>	<b>0,919</b>	<b>0,203</b>

**Table 4 :Model Summary: Separately trade with EU and intra CEFTA**

<b>CEFTA Party</b>	<b>EU</b>	<b>CEFTA</b>
<b>Albania</b>	<b>0,976</b>	<b>0,923</b>
<b>B&amp;H</b>	<b>0,950</b>	<b>-0,293</b>
<b>N. Macedonia</b>	<b>0,814</b>	<b>-0,243</b>
<b>Serbia</b>	<b>0,897</b>	<b>0,104</b>



**Table 5: Intra- CEFTA trade in period 2012-2018; mil. EUR**

	<b>B&amp;H</b>	<b>SER</b>	<b>AL</b>	<b>NM</b>	<b>KOSOVO*</b>
<b>B&amp;H</b>	-	<b>9419</b>	<b>204</b>	<b>949</b>	<b>572</b>
<b>SER</b>	<b>9419</b>	-	<b>857</b>	<b>4887</b>	<b>2795</b>
<b>AL</b>	<b>266</b>	<b>857</b>	-	<b>730</b>	<b>1320</b>
<b>NM</b>	<b>1192</b>	<b>4887</b>	<b>730</b>	-	<b>1670</b>
<b>KOSOVO*</b>	<b>740</b>	<b>2795</b>	<b>1320</b>	<b>1670</b>	-

\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

**Table 6: External trade of goods between Serbia and Kosovo\*; mil. EUR**

<b>Serbia</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Import from Kosovo*</b>	<b>12,9</b>	<b>13,0</b>	<b>15,1</b>	<b>17,6</b>	<b>13,2</b>	<b>21,8</b>	<b>26,9</b>
<b>Export to Kosovo*</b>	<b>329,7</b>	<b>351,9</b>	<b>362,3</b>	<b>380,4</b>	<b>398,1</b>	<b>439,5</b>	<b>412,2</b>

## CONCLUSION

Political tensions do not wane and economic relations are trapped in the sphere of politics.

Crucial problems of economic nature are:

- Absence of regional product;
- Insufficient cooperation in the metal, wood processing and textile industries - the need for joint appearance in third markets through pooling of resources - small volume of individual supply for large markets;
- often non-tariff barriers of mutual obstruction;

The problem of the introduction of fees by Kosovo\* for products originating in Serbia - derogating the importance of CEFTA 2006 and the relevant authorities;

Milestone - more active involvement of relevant institutions and informal groups for strengthening CEFTA 2006 or a failed project ???