



The consequences of the EU enlargement on the trade relations between the Republic of Belarus and the Visegrad Countries

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Analysis framework

What shall we do together to build the
United States of Europe?

Overview

- ◆ State of the trade between the Republic of Belarus and the Visegrad Countries
- ◆ Consequences of the import tariff change
- ◆ Consequences of the spread of the contingent protection activity of the EU (anti-dumping, quotas)
- ◆ Consequences of the spread of the technical barriers
- ◆ Total balance of the changes of the terms of trade
- ◆ Other effects of the enlargement of the EU
- ◆ The search for the soothing of the negative effects

The state of the trade between Belarus and the Visegrad Countries (11 months of 2003)

Country	Turnover ths. USD	Export ths. USD	Import ths. USD
Poland	704764,6	394890,5	309874,1
Hungary	130341,3	97050,1	33291,2
Czech Republic	106934,7	45028,3	61906,4
Slovakia	42380,2	20563,8	21816,4
TOTAL	984420,8	557532,7	426888,1
% to the total trade of Belarus	5,1	6,2	4,1

Structure of the trade between Belarus and the Visegrad Countries

1. Major exports of Belarus:

oil, oil products, gas, fertilizers, cement, steel products, wood products, tractors, parts of tractors and automobiles, casein

2. Major imports of Belarus:

electrical lamps and tubes, pharmaceutical products, consumer products, plastics, pumps, varnishes, slag wool, fiberboard, fruits

Consequences of the import tariff change

Country	Exports for the calculations, ths. USD	Average weighted tariff	Average weighted tariff in the EU	Import duties in the country	Import duties in the EU	Balance (+) and (-)
Poland	309603	4,9	0,6	15300	1987	13313
Hungary	132948	3,1	2,6	2332	1991	341
Cz. Rep.	34325	4,3	6,6	1489	2249	-759
Slovakia	15749	3,9	0,4	617	63	554
Total	436319	3,55	2,73	19755	6304	13449
% of exports	78,2					

Consequences of the spread of the contingent protection activity of the EU

The list of non-tariff measures of the EU regarding the exports of Belarus:

Product	Measure
Textile products	Quotas, for 34 out 146 categories
Carbamide	Anti-dumping duty, 7%+7EURO/ton
Potash	Anti-dumping duty, 19-48EURO/ton
Urea-ammoniac mixture	Anti-dumping duty, 6,5%+17,86EURO/ton
Polyester staple	Anti-dumping duty, 15,8-21%

Consequences of the spread of the contingent protection activity of the EU

Table of the volume of exports under the measures:

Country	Product	Volume, ths. USD
Hungary	Polyester staple	583
Poland	Carbamide	227
Poland	Potash	43173
Poland	Polyester staple	138
Czech Republic	Potash	3900
Slovakia	Potash	3246
Total		51126

Consequences of the spread of the technical barriers of the EU

- 1. More strict security and ecological standards:** food, industrial products, growing wild products
- 2. Bigger support of the agricultural sector:** tractors, automobiles, casein

Total balance of the changes of the terms of trade after the enlargement

Country	Effect of the import tariff change	Effect of the AD spread	Effect of spread of quotas on textile import	Effect of the technical barriers toughening	Total balance, (+) and (-)
Poland	13313	-43173	...	-2289	-32149
Hungary	341	-583	...	-26346	-26588
Czech Republic	-759	-3900	...	-375	-5034
Slovakia	554	-3246	...	-94	-2786
Total	13449	-51126	-2500	-29104	-69281
% of exports					12,4

Other indirect effects of the EU enlargement on the trade relations

- 1. Bigger structural support within the EU (PHARE, SAPARD, ISPRA, etc.):**
Poland (+6998 mln. EURO), Hungary (+1374 mln. EURO), Czech Republic (+778 mln. EURO), Slovakia (+831 mln. EURO)
- 2. Change of the transit conditions** (more favorable in the EU than in the VG, Belarus transit role is up)
- 3. Impact of the anti-monopoly demands of the EU:**
Ban of being supplied by more than 30% from one supplier in the energy sector – shift towards Belarus
- 4. Change of the rules of crossing the border:**
The slowdown of the border trade (20 ths. people in Brest region are threatened to be unemployed)
- 5. Change of the payment conditions** (shift to EURO)

The search for the soothing of the negative effects

1. The signing of new trade and investment agreements
2. The transitional period for the application of the anti-dumping duties (up to 8 months)
3. The increase of the quotas on textile imports
4. ISO 9000 and 14000 certification of the products and quality systems in Belarus
5. Compensation of the negative effects
6. The concept of the neighborhood of the EU



Thank you very much
for your attention!