

THE STABILIZATION AND ASSOCIATION AGREEMENT: THE IMPACT ON THE IMPORT AND EXPORT O F FISH AND FISH PRODUCTS*

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SUMMARY: The research of the economics of fisheries in Europe has long been a topical issue, while in Serbia a small number of papers are dedicated to this subject. In this paper the import and export of fish and fish products are being analyzed for the period from 2006 to 2010 in Serbia, as well as the effect of the Agreement on Stabilization and Association between the EU and Serbia on the import and export of fish and fish products. Standard statistical methods are used for the analysis such as: calculation of average values and calculation of indices.

Key words: *The Stabilisation and Association Agreement, fish, import, export.*

INTRODUCTION

The Stabilisation and Association Agreement (SAA) is an international treaty, signed on the 29th April 2008 between the Republic of Serbia and the European Union (EU). Two most important obligations for the Republic of Serbia will be the establishment of free trade and harmonization of the legislation of the Republic of Serbia with the EU. The agreement creates free trade between Serbia and the EU for a transitional period of six years. The deadline for the liberalization of trade is determined in accordance with the capacity of Serbian industry and agriculture to adapt to free trade, but

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also with Serbia's desire for faster completion of reforms and accession to the European Union. Serbia's obligation consists of the gradual abolition of tariffs on imported goods originating in the EU for a transitional period. On the other hand, with this agreement European Union confirms free access to goods from Serbia to the EU market. The pace of liberalization and the degree of protection depends on the degree of sensitivity of products to the industry of Serbia. Three groups of industrial products were defined based on the sensitivity, whose liberalization will be achieved after a period of two, five or six years. For products which are not on the lists, duty will be abolished at the moment the agreement enters into force. The SAA also foresees the obligation of the Republic of Serbia to harmonize domestic legislation according to the agreed timetable with the regulations that fall under the EU acquis. The priority areas that have direct impact on creating free trade zone between the EU and Serbia were determined in relation to the scope of EU legislation: protection of competition and control allocation of state subsidies, intellectual property rights, public procurement, standardization and consumer protection.

The Serbian Parliament ratified on 9th September 2008 the Stabilization and Association Agreement (SAA) and Interim Agreement. The SAA and the Interim Agreement were signed on 29th April 2008 in Brussels. Since the 1st of February 2009, Serbia has been unilaterally implementing the Interim Trade Agreement.

With the ratification of the Stabilization and Association Agreement (SAA) Serbia became an associate member of the European Union (not an EU member state!). So far, the SAA has been ratified by 17 EU member states and the European Parliament and it is expected that further 10 EU member states will ratify this Agreement. Although the content of this agreement is mixed, it is essentially a trade agreement because the greatest effects are made by creating free trade zone, that is being created through gradual elimination of all tariffs on industrial goods and almost all tariffs on agricultural products, and gradual removal of non-tariff barriers to trade. In this sense, it is important that the agreement is indefinite.

MATERIALS AND METHODS

The research of this problem was carried out using different methods. The basic source of data is the documentation of the Statistical Office of Serbia, where the data about the import and export of fish and fish products are taken from. In this paper the standard statistical methods, such as the calculation of average values and calculation of indices are being used.

This paper will explore the impact of the Stabilization and Association Agreement (SAA) on the import and export of fish and fish products.

RESULTS AND DISCUSSION

Free trade involves the trade without custom duties and quantitative restrictions except in cases authorized by this agreement. The agreement provides that all restrictions on exports to the EU are immediately abolished (with some exceptions), while imports are to be liberalized within 5 years. Within this period tariffs of industrial products will be reduced in stages, so that in the sixth year they are zero, while some agricul-

tural products will remain with a certain tariff protection, but significantly smaller.

All industrial products are divided into four groups: insensitive, sensitive, very sensitive and the most sensitive products, and each group has its own dynamics of liberalization. The grouping was done according to the current level of tariff protection, the economic, fiscal and social effects of liberalization, the importance of the sector, etc. On the other hand, each tariff line of agricultural products has its own dynamics and the „bottom” liberalization is applied.

ARTICLE 33

Protection of geographical indications for agricultural, fish and food products, with the exception of wine and spirits

- Serbia shall ensure the protection of appellations of origin community registered in the Community by Council Regulation (EC) No. 510/2006 from 20th March 2006 on the protection of geographical indications and designation of origin for agricultural products and food in accordance with the provisions of this article. Geographical indications from Serbia can be registered in the Community under the terms of the above-mentioned regulation.

DUMPING AND SUBSIDIES

- Nothing in this Agreement shall prevent any party to take defensive trade measures in accordance with paragraph 2 of this article and article 41.
- If one of the parties establishes that the trade with the other side implements dumping and/or subsidies on the basis of which it is possible to introduce compensatory measures, that party may take appropriate measures against this practice in accordance with the WTO Agreement on Implementation of Article VI of GATT 1994.

It is characteristic that fishery accounts for less than 10 % of the GDP of agricultural and fishery activities (Marković and Jovanović, 2010). There are large possibilities for our country to develop its fisheries. Domestic production of fish is inadequate, despite the favourable bio-ecological characteristics of our region (Mišćević and Ćirković, 2008). During the period of ten years (2001-2010) the fish production recorded the increase of 11.51% (Marković et al, 2011).

The total value of imports of fresh fish and fish products in recent years is characterized by enormous growth. The total imports in 2006 were 41 million US dollars while in 2010 it was increased and was 50 million US dollars (table 2). Almost half of the imported fish in Serbia was hake which are usually imported from Argentina and Norway (Mišćević, 2004). However, the situation has drastically changed in 2008 when our country began to intensively import fish from Vietnam. In 2010 the import of fish from Vietnam twice surpassed imports from Argentina. There are no drastic changes in imports from EU countries in relation to total imports and it is in the range of 18-20%. It means that the unilateral application of the SAA has not brought the expected changes.

The import of the following products into Serbia originating in the Community is subject to the following concessions (table 1).

Table 1: Concession on Serbian fish products originating in the EU
 Tabela 1: Koncesije Srbije na riblje proizvode poreklom iz EU

Tariff code / Tarifna oznaka	Nomination / Naimenovanje	Tariff rate / Carinska stopa (% of MFN)					
		2008	2009	2010	2011	2012	2013 th and years to come
0301	Fish, alive:						
	Other live fish:						
0301 91	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> ,						
0301 91 90	Other	90	75	60	40	20	0
0301 92 00	Eel (<i>Anguilla spp.</i>)	90	75	60	40	20	0
0301 93 00	Carp	90	85	80	75	65	60
0301 99	Other:						
	Freshwater fish :						
0301 99 19	Other	90	75	60	40	20	0
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of tariff code 0304:						
	Salmonidae, excluding livers and roes:						
0302 11	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> ,	90	75	60	40	20	0
0302 69	Other:						
	Freshwater fish:						
0302 69 11	Carp	90	75	60	40	20	0
0302 69 19	Other	90	75	60	40	20	0
0302 70 00	Livers and roes	90	75	60	40	20	0
0303	Fish, frozen, excluding fish fillets and other fish meat of tariff code 0304:						
0303 21	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> ,	90	75	60	40	20	0
0305	Fish, dried, salted or in brine;	90	75	60	40	20	0
1604	Prepared or preserved fish, caviar and caviar substitutes	90	75	60	40	20	0

Source: "Official Gazette of the Republic of Serbia", No. 90/2010

Table 2: Import of fish and fish products
 abela 2: Uvoz ribe i proizvoda od ribe

(000 US dollars)

Year Godina	Import from EU Uvoz iz EU	Index Indeks	Import total Uvoz ukupno	Index Indeks	Share of imports from EU in total imports Zastupljenost uvoza iz Eu u odnosu na ukupan uzvoz (%)
2006	7486	100	41210	100	18
2007	10715	143	51024	124	21
2008	11133	149	57290	139	19
2009	11172	149	57755	140	19
2010	9278	124	50518	123	18

Source: Statistical Office of Serbia

Fish export emphasizes the production of fish and the necessity of creating conditions to increase the prior minor export. In relation to this it is especially important with

certain systemic measures of economic policies to create the conditions for activating the export of fish and fish products. Export is an expensive affair and it is necessary that the state supports it (Mišćević et al, 2009). Fish import is increasing from year to year and it is necessary to increase production in order to mitigate the extremely high import of fish. It is also necessary to conduct market research as a necessary precondition for making timely and rational marketing decisions in the market economy. It is not limited exclusively to the problems of placement of manufactured goods. It is also important in terms of the long-term orientation of producers to those products that can bring the greatest profits. It is also necessary to adapt to the consumer's demand (Vlahović, 2004).

Table 3: Export of fish and fish products

Tabela 3: Izvoz ribe i proizvoda od ribe

(000 US dollars)

Year <i>Godina</i>	Export to EU <i>Izvoz u EU</i>	Index <i>Indeks</i>	Export total <i>Izvoz ukupno</i>	Index <i>Indeks</i>	Share of exports to EU in total exports <i>Zastupljenost izvoza u Eu u odnosu na ukupan izvoz (%)</i>
2006	626	100	863	100	72
2007	145	23	1289	149	11
2008	123	20	1361	158	9
2009	72	11	991	115	7
2010	291	47	1053	122	28

Source: Statistical Office of Serbia

The total export value of fish and fish products has increased in recent years. In 2006 it was 863,000 US dollars and in 2010 1.053 million US dollars (table 3). Potential exporters are facing many problems. One of them is that the Serbian Government did not include fish and fish products in the Decree on the use of funds to encourage exports of agricultural and food products. With the unilateral implementation of the SAA in the last four years it increased its portion in exports to the EU from 9% to 29%.

The export of the following products originating in Serbia to the EU will be subject to these concessions (table 4).

Table 4: EU concessions on the Serbian fish products
Tabela 4: Koncesije EU na srpske riblje proizvode

Tariff code <i>Tarifna oznaka</i>	Nomination <i>Naimenovanje</i>	Since the Agreement entry into force to 31 December of the same year <i>Od stupanja sporazuma na snagu do 31. Decembra iste godine (n)</i>	From 1 January to 31 December <i>Od 1. januara do 31. decembra (n +1)</i>	For each subsequent year from 01 January to 31 December <i>Za svaku narednu godinu od 01. januara do 31. decembra</i>
0301 91 10 0301 91 90 0302 11 10 0302 11 20 0302 11 80 ex 0304 19 911 0304 29 15	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , alive, fresh or chilled;	Quota: 15 tons at a rate 0% Over the Q: 90% MFN rates	Quota: 15 tons at a rate 0% Over the Q: 80% MFN rates	Quota: 15 tons at a rate 0% Over the Q: 70% MFN rates
0301 93 00 0302 69 11 0303 79 11 ex 0304 19 19 ex 0304 19 91	Carp: live, fresh or chilled, frozen, dried, salted or in brine, smoked, fillets and other fish	Quota: 60 tons at a rate 0% Over the Q: 90% MFN rates	Quota: 60 tons at a rate 0% Over the Q: 80% MFN rates	Quota: 60 tons at a rate 0% Over the Q: 70% MFN rates

Source: "Official Gazette of the Republic of Serbia", No. 90/2010

In tab. 4 concessions are given for fish originating from Serbia, primarily related to trout and carp, as well as their products. Quota of 15 t of trout and 60 t of carp should be filled with the support of the state and it has to help export with export subsidies or export additional resources. Large growers (primarily carp) complain about the extremely low duty free quota for this type of fish. However, they are expecting a major return to the markets of Germany, France, Italy, Greece and Israel (Tomić et al, 2010).

CONCLUSION

The Stabilisation and Association Agreement will have its full effect only when ratified by all EU member states. Fisheries are classified as a sensitive area and the protection of domestic production is expected. But the problem of competitiveness of our products on the EU market will still exist, because the fishery in Serbia is not supported by the state. Serbia needs a department for fisheries and an associated fund for fishery development as well as favourable loans to help fish producers to perform equally in the EU market. There are very large opportunities for building carp ponds because there are sufficient waters of acceptable quality, as well as land that is not used for crop production and can be bought at favourable prices.

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SPORAZUM O STABILIZACIJI I PRIDRUŽIVANJU: UTICAJ NA UVOZ I IZVOZ RIBE I PROIZVODA OD RIBE

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Izvod

Istraživanje problematike ekonomike ribarstva u Evropi je već odavno aktuelizovano, dok je kod nas mali broj radova posvećen ovoj temi. U radu su, na teritoriji Srbije u izabranom periodu (2004-2008), ispitivani uvoz i izvoz ribe i proizvoda od ribe, kao i efekti Sporazuma o stabilizaciji i asocijaciji između EU i Srbije na uvoz i izvoz ribe i proizvoda od ribe. Za analizu su korišćene standardne statističke metode, kao što su: prosečna vrednost i indeksi.

Ključne reči: Sporazum o stabilizaciji i pridruživanju, riba, uvoz, izvoz.

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