



INSTITUTE FOR  
**WORLD ECONOMICS**  
HUNGARIAN ACADEMY OF SCIENCES

*Working Papers*

No. 111

August 2000

Kálmán Dezséri

Economic Relations between Russia  
and the Central European Countries



1014 Budapest, Orszagház u. 30.  
Tel.: (36-1) 224-6760 • Fax: (36-1) 224-6761 • E-mail: [vki@vki.hu](mailto:vki@vki.hu)

## SUMMARY

---

Geographical proximity in the relations between Russia and the Central and Eastern European (CEE) countries means that any economic or financial crisis in Russia has had almost immediate effects on the CEE countries during the last decade. These appeared mainly in the CEE countries' export performance, very strongly in some countries. Although reliance on Russia as a supplier has lessened considerably since the transition in Central and Eastern Europe began, Russia is still the main market for some important exports.

After each economic crisis in Russia, trade with some CEE countries plummeted, as devaluation of the rouble hiked the costs of imports and other effects of recession exerted themselves on effective demand. Each wave of financial turmoil in Russia led to difficulties for CEE exporters in obtaining payment for deliveries to Russian firms. Furthermore, it was often difficult to find alternative buyers in Western markets, which are very competitive and sometimes protected. However, evidence suggests that even if CEE exporters are unable to divert their sales to more profitable markets, they withdraw from the Russian market if they have encountered difficulties with obtaining payments for deliveries.

The issue of payment arrears for exports underlines the problems of export credit and insurance facilities that affect trade relations between CEE countries and Russia. Both financial instruments are still in their infancy in the CEE countries, and relative rarely cover high-risk markets such as Russia. Long payment delays or instances of non-payment may lead to liquidity shortages that hamper business in CEE export sectors.

The most strongly affected are likely to be exporters in labour-intensive sectors, such as food processing and light industry. To avoid or alleviate social distress, the governments of several CEE countries took steps to resort to barter or arrange state-to-state

export sales, through collateral loans guaranteed by the Russian government or another reliable institution. This all means that commercial relations between Russia and the CEE countries have yet to normalize and become standardized. Nonetheless, it is worth noting that overall trade between Russia and the CEE countries did not slow or contract during periods of economic and financial crisis in Russia, but there were marked declines within certain CEE countries.

Every financial crisis in Russia has proved to be contagious, spreading to the financial markets in the CEE countries. This is partly due to the attitudes of Western investors, who still treat the region as a unit. They failed to distinguish between Eastern European countries, or more especially between Russia and the CEE countries, despite evidence about economic fundamentals and differences in the progress of different countries with the transition process. This was reflected in the movements of their stock-exchange indices. Foreign investors withdrew their money from CEE markets whenever the Russian economic crisis deepened. Usually the first to drop were the prices of stocks in companies with a heavy Russian exposure, but the mood of foreign investors soon led to a more general fall in share prices.

The Russian market is still uncertain and fragile. These conditions impose several constraints and limitations on strengthening the CEE countries' economic and commercial relations with Russia. Long-term strategies have to be drawn up to address the following problem. Should companies stick it out in Russia, despite the risks for several years to come, or should they base their strategies on redirecting their trade links elsewhere, losing their foothold in Russia and risking price wars in other markets? The choice is difficult, given the uncertainty about the future of the Russian market, and it becomes more complicated in the light of

the CEE countries' continuing problems with penetrating world markets.

The association agreements between the CEE countries and the EU have only partially opened the EU's agricultural markets to them. With the EU markets still restricted by import quotas and quality standards, the CEE countries saw Russia as a potentially lucrative market, where the conditions of entry were not onerous. Products sold to Russia would often be of lower quality than the EU market would accept. That means, of course, that these low-quality products proved almost impossible to sell elsewhere. Such a compromise with quality cannot remain a deliberate strategy in the long term, of course. Nor can CEE firms rely on Western producers being frightened away from the Russian market.

Trade between the CEE countries and Russia has been hampered by several additional factors other than financial or market losses. They were the trade-policy measures introduced whenever the Russian economic situation worsened. Nevertheless, despite all these difficulties in the development of commercial and economic relations between Russia and the CEE countries, there are significant prerequisites and potentials for a considerable increase in turnover between them.

Any positive trend towards stabilizing the Russian economy is a help to its traditional trading partners. The statistics show that Russia outstripped any other market with its 17 per cent import growth in 1997. The Visegrád Four (the Czech Republic, Hungary, Poland and Slovakia) were the only CEE countries to profit by increasing

their exports to Russia. The other two sub-regions (the Balkan countries and the Baltic states) failed to do this. The general view that the old links give the CEE countries their main edge over their competitors trading in Russia is not sustainable in all cases or forever. It is important to treat the new Russia as a new market.

The shifts in consumption and investment patterns in Russia have brought uncertainty about what the CEE countries can sell to Russia in the next decade. Their success will depend less on their sectors than on how well the suppliers can exploit the perceived gap between quality Western imports and cheaper, predominantly Asian imports. The sales figures will reflect how far CEE firms have managed to improve their products, pare their costs and shake up their corporate management. The CEE companies in a position to succeed in Russia are those that are succeeding elsewhere.

When the Russian market ceased to decline steeply during 1993 and 1994, it brought to a premature halt the process of company restructuring in several CEE countries, especially the Baltic states and countries in the Balkans. Many companies initially forced by the collapse of COMECON to improve the quality of their products and seek other markets returned to an easier and more familiar market. The main question for the future is whether CEE companies follow a promising scenario, in which they have the determination, the capital, and the market access to follow up their new leads, or whether, in a bad scenario, they simply wait for the Russian economy to revive.

## 1) THE POLITICAL FRAMEWORK

---

Central Europe is a geographical area in which the interests of Western and Eastern Europe have frequently clashed over the centuries. The Central and Eastern European (CEE) countries<sup>1</sup> have had various ambitions themselves, or various schemes imposed upon them, linking them either to the West or to the East. The former derived mainly from Germany and Austria and the latter from Russia and the former Soviet Union.

The relations of the CEE countries with Russia have gone through several historical phases of alliance and antagonism. Their traditional orientation has been towards Western Europe, based on economic interests, cultural identity, and historical links. These relations between the CEE countries and the West are now being reinforced by the recent accessions to NATO and the forthcoming Eastern enlargement of the European Union (EU).

Russia's external economic and political orientation has been an issue of debate for about two centuries, with the intensity of the debate varying in different periods. The question of whether there should be a European orientation or a Eurasian orientation has intensified, for obvious reasons, since the collapse of the socialist system and the dissolution of the Soviet Union in 1991. Even in the years since then, Russia's main foreign-policy concept has altered significantly on several occasions.

However, clear priority has gone to {PRIVATE }relations with the newly independent Soviet-successor states, while the importance of the formerly allied CEE countries to Russia's external economic and political relations has undergone re-evaluation. This does not just mean the significance attached to them has decreased. A new ap-

proach is being taken, in which they are considered singly rather than as a bloc.

Russia's economic and political orders of priority among the CEE countries have been different. Politically, the Czech Republic and Hungary have been considered less important, while Bulgaria, Poland, Romania and Slovakia have received more attention. This order of priority has been modified by the issue of NATO membership. The economic order of priority among the CEE countries is significantly influenced by their several prospects of EU membership.

## 2) TRADE RELATIONS

---

### Turnover

---

The CEE countries and the Soviet Union were each other's most important trading partners for more than four decades until the end of the 1980s. In 1989 and 1990, the CEE countries still took 23 per cent of Soviet exports (USD 42.8 billion) and supplied 40 per cent of its imports (USD 49.2 billion). In reverse, the Soviet Union took 35–40 per cent of the CEE countries' exports (USD 25.3 billion) and supplied 30–35 per cent of their imports (USD 21.8 billion). The framework of this trade was provided by COMECON, whose dissolution in 1991, coupled with the collapse of the socialist regimes and system and finally the break-up of the Soviet Union, caused a profound reorientation of the CEE countries' economic and commercial relations towards the EU. Trade turnover with the Soviet Union and then Russia fell rapidly, the trough being reached in 1993–4 (see Tables 1 and 3 in the Appendix). This sharp decline was attributable to deep economic recession in Russia and the CEE countries and to the sudden rupture in economic ties, aggravated by the fall in industrial production. GDP in the CEE countries fell by 30–40 per cent and in the successor states of the Soviet Union by more than 50 per cent between 1991 and 1995.

---

<sup>1</sup> In this study, the CEE countries are taken to consist of the Baltic states, the Visegrád countries (the Czech Republic, Hungary, Poland and Slovakia) and the Balkan countries.

Despite the serious difficulties, the trade turnover between Russia and the CEE countries remained relatively more significant than the trade turnover among the CIS countries, which fell by more than 60 per cent over the period. The decline in trade turnover halted once the economic situation became relatively more stable, at least in the CEE countries. Their exports to Russia began to climb slowly (to USD 4.8 billion) in 1994, and Russia's exports to the CEE countries (to USD 10.3 billion) in the following year. However, the trends were uneven. While Russia's exports to the region continued to increase gradually until 1997 (to USD 13.3 billion) and then declined by 30 per cent in 1998, the exports of the CEE countries to Russia grew by more than 10 per cent annually until 1997 (USD 6.6 billion) and declined again by 25 per cent in 1998.

Russia's global exports were increasing continually (from USD 39.9 billion to USD 85 billion) between 1992-97 and decreased by 18 per cent in 1998. The share of the CEE countries in these fell from over 23 per cent in 1992 to less than 12 per cent in 1994, while Russia's deliveries to these countries declined even in nominal terms (Tables 1 and 2). The share of the CEE countries then increased to more than 15 per cent in 1997 before decreasing in 1998. These changes took place because Russia's exports to the CEE countries grew faster than its global exports. However, Russia's exports to the CEE countries declined more significantly than its total exports (Tables 2 and 4). The same trend can be seen in all three sub-regions (the four Visegrád countries, the Baltic states and the Balkan countries).

Russia's global imports from the CEE countries also fluctuated after 1992 (Tables 3 and 4), as did the shares of the CEE countries in them. Imports from the CEE countries did not grow any faster than Russia's global imports, partly because of the financial and foreign-exchange constraints Russia faced throughout the decade. As with exports, similar patterns are apparent in all three sub-regions.

Russia's proportion of the global exports of the CEE countries decreased from 17.7 per cent in 1991 and about 8 per cent in 1992 to 4 per cent in 1998 (Table 5). The Russian share, in fact, declined steadily between 1993 and 1997, although the nominal value of CEE exports to Russia was declining until 1993 and then growing. This means that the global exports of the CEE countries increased faster than their exports to Russia. In 1998, both the nominal value and Russia's share in the global exports of CEE countries decreased.

Russia's share in the CEE countries' global imports was around 18.8 per cent in 1991, but subsequently fluctuated within a range of 9.6-12.4 per cent in 1992-5 (Table 7). The share of Russia was continually declining in that period. The import share was relatively more stable than the export share because of the fuel deliveries from Russia. The decline in share in 1998 was caused mainly by falling real prices of crude oil.

### The geographical distribution of trade

---

Trade links with Russia are far less important to the Visegrád Four than they are to the CIS countries or the Baltic states. The most vulnerable CEE countries are Bulgaria and Poland, each with an 8-10 per cent exposure to Russia in their exports. Moreover, Russia still supplies 21-35 per cent of Bulgaria's global imports—the highest share for any former socialist country. Bulgaria's import exposure exceeded even that of the Baltic states (Tables 5 and 7).

Russia's share in the global trade of the Visegrád 4 has been declining almost continually (Table 5). In 1992, its share of the sub-region's global exports was 7.5 per cent, which was about a quarter of the share held by the Soviet Union in 1989. This fell further, to less than 5 per cent, in 1995, before beginning to rise slightly and then fall again in 1998. The improvement in the position of Russia as an export market was mainly due to Poland's performance. Russia's share of the global imports of these four countries fell almost continually, from more than 18 per

cent in 1991 to 6 per cent in 1998 (Table 7). The share of the Visegrád 4 in Russia's global exports fell to 7 per cent in 1994 and then slowly increased (Table 2). Their share in Russia's global imports has continually declined, to below 6 per cent (Table 4). These figures mean that trade relations between Russia and the Visegrád 4 increased less significantly than trade with the rest of the world. However, it should be noted that there is an additional cross-border trade with Poland that fails to show up in the trade statistics.

Russia's relative importance in the trade relations of the three Baltic states fell sharply (Tables 5 and 7). Its share of global imports decreased from 17–28 per cent to around 11–12 per cent for Estonia and Latvia between 1993 and 1997. Its share for Lithuania remained quite high, always exceeding 21 per cent and in some years amounting to much more. Contrary to this trend, the share of the Baltic states in Russia's global exports and imports doubled from 1.7 per cent to 3.7 per cent and from 0.9 per cent to 1.9 per cent, respectively, between 1992 and 1998. These figures probably have to be treated with some caution, because they could hardly have recorded the whole trade performance, especially in the early years of independence.

The aggregate figures for the Balkan states are likely to be the most unreliable, due to the civil wars in former Yugoslavia (Tables 5 and 7).{PRIVATE } The share of this sub-region in Russia's global exports and imports decreased significantly, by about 60 per cent. The decrease was significant (about 50 per cent) even for countries for which the figures can be considered reliable (such as Romania, Bulgaria and Slovenia). Russia's share in the global trade of the Balkan countries developed differently to some extent. Its share of the sub-region's global exports decreased from 7.0 per cent to 2.6 per cent between 1992 and 1998, but with global imports, Russia had a more significant share, fluctuating between 6.0 and 10 per cent. This means that Russia has been more important to the Balkan countries as a supplier than as an export market.

Apart from the direct trade between Russia and the CEE countries, there were indirect links through intermediary markets. In Hungary and Macedonia, for instance, the indirect trade exposure was recently estimated at 20–30 per cent of their total exports to Russia. Similar figures can be assumed for other CEE countries. This also means that commercial relations between Russia and the CEE countries could be more significant than published figures suggest.

### Balance of trade

---

The figures for the balance of trade between Russia and the CEE countries show some new trends (Table 9). The overall trade balance of the Soviet Union showed a significant deficit, but Russia between 1992–96 achieved an increasing surplus (from USD 4.9 billion to USD 39.5 billion) which declined in the course of 1997–8. The same applies to the CEE countries. Russia was able to export more to the CEE countries (mainly oil) than it imported from them. This trade surplus with the CEE countries has always been an important factor in the country's global trade surplus. In 1992, the trade surplus with the CEE countries (USD 3.7 billion) corresponded with about three-quarters of the global trade surplus. This proportion declined to 14 per cent in the following years, before increasing again to about 25 per cent in 1997.

Looking at Russia's balance of trade with the three CEE sub-regions, the surplus has been continual in each case. The largest of them was achieved with the Visegrád Four, which contributed about 60–65 per cent of Russia's total trade surplus with the CEE region. For Russia, trade with the CEE countries has therefore been important, because its surplus has contributed substantially to the country's global balance of trade.

### Commodity structure

---

When COMECON disbanded, the CEE countries had to find new markets, which they

did mainly in the EU. Contrary to general belief, it was not just a case of selling off the old products at any price. The task involved developing new or improved products to fit the new opportunities. In some CEE countries, up to 60 per cent of exports to the EU are effectively new products. This had important implications for the new Russian market as well.

The commodity structure of trade between Russia and the CEE countries did not change radically over the decade, although there were some significant changes. Russia continued to supply its CEE partners mainly with fuel and raw materials and certain types of consumer goods (Table 10).

The rises and falls in the USD value of Russia's imports can largely be explained by corresponding changes in the prices of fuels and raw materials, which generally account for just under three-quarters of the CEE purchases from Russia. On this basis, it can be concluded that the trend in CEE-Russian trade is a function of the trend in the international prices of fuels and raw materials.

The CEE countries' export structures are dominated by engineering products, vehicles, consumer goods, food products, medicaments, etc. However, the proportions of these product groups in CEE exports to Russia have changed remarkably over a ten-year period. Products of heavy industry are no longer the most important items. For instance, only about 25 per cent of Hungary's sales to Russia now consist of engineering and mechanical equipment, compared with about 50 per cent in 1990. The same fall in machinery exports was apparent in Poland, which is dominated by heavy industry. The lead went instead to food and agricultural products. The same trends apply elsewhere. The shares of food and agriculture products increased in the commodity structures of almost every CEE country, mainly at the expense of machinery and manufactures.

Part of this shift can be ascribed to the barriers erected by the EU against the CEE countries' agriculture exports, and to changes in the patterns of spending in Russia. Some of these changes may be short

term. The demand for food imports increased in Russia because the demand for food was not being met by domestic suppliers. On the other hand, investment in machinery declined and there have been few signs of any recovery.

Changes in the commodity pattern of trade were strongly affected by external factors: increasing import demand in the EU countries and sinking world-market commodity prices. The CEE countries' exports and imports of machinery and transport equipment to the EU countries rose considerably in value, influencing the aggregate level of export revenues. On the other hand, the share of fossil fuels from Russia shrank, due to a steep decline in energy prices. Despite falling world-market prices, non-fuel raw materials were the second fastest-growing commodity group in the CEE countries' trade. Meanwhile imports of intermediate goods and of food, beverages and other agricultural products rose. The growth in these was explained by the gradually rising demand from CEE industries for imported inputs, particularly in the exporting sectors, and by buoyant private consumption.

Food, beverages and other agricultural products accounted for as much as 40–44 per cent of exports to Russia from Hungary and Poland in 1994–7. These were often followed in importance by chemical products and other intermediates, which made up 47–56 per cent and 27–36 per cent of exports to Russia from Slovenia and Slovakia, respectively, for instance. Fuels, which were most affected by the fall in world-market prices, were important only in Lithuania's exports to Russia. Machinery and transport equipment accounted for 25–30 per cent of Russian purchases from most CEE countries, while manufactured consumer goods made up on average another 10–15 per cent (Table 10).

### 3) A GRAVITY MODEL<sup>2</sup>

---

The gravity model, used here to explain trade flows between Russia and Central Europe, pragmatically combines three determinants of the size of bilateral international trade flows: the importer's demand, the exporter's supply and the costs of doing business. This section applies this model to analysing the trade turnover of the CEE sub-regions with Russia, using the trade figures for the year 1996.

A gravity model<sup>3</sup> explains bilateral trade as a function of the 'size' of two partner countries and the 'distance' between them. The former is measured in GDP or GNP per capita<sup>4</sup> and indicates supply potential and absorptive capacity. The latter reflects all factors that restrict or stimulate bilateral trade by increasing or decreasing transaction costs. Restricting factors include transport costs and protection measures.

---

<sup>2</sup> I thank Dieter Schumacher (DIW, Berlin) for some of the data sets in his gravity model, which made possible my calculations based on his model.

<sup>3</sup> Although the theoretical foundation of the gravity model has not been entirely clarified, it has an intuitive appeal and has often been used for a wide range of analyses. Attempts to provide theoretical bases have included Bergstrand (1985 and 1989), who derives the equation from a general equilibrium model of the world trade. The equation can also be derived from the model of intra-industry trade devised by Krugman (1979). Baldwin (1993) draws an analogy between an individual's pattern of purchases and a country's imports and derives the equation from plausibility considerations. However, these cannot be taken as a full theoretical foundation.

<sup>4</sup> The gravity model is sensitive to income levels. Since Eastern European income data are uncertain and current USD exchange rates appear to underestimate them, several analysts have preferred purchasing-power parity (PPP), which yields more reasonable figures. However, this approach is not consistent with the gravity model, because it does not reflect the estimated trade pattern on which projections are based and leads to an overestimated trade potential. However, it is possible to integrate PPP consideration into the model, if the nominal value of the GDP is split up into the GDP in PPP and an exchange-rate mark-up (current exchange rate to PPP). With the inclusion of this two variables, an extended gravity model is specified. The first part should have positive effects on trade flows, and the second negative.

Stimulating factors include regional preference zones, common borders, a common language, cultural similarities and historical relations.

The gravity model refers to countries' total trade and can be estimated from cross-section data. It is best interpreted as providing a long-run equilibrium view of the trading patterns of many countries. The model is informative about the volume and direction of international trade. These issues are not covered by standard economic theory, which has more to say about the composition of international trade. Volume and direction of international trade, on the other hand, have considerable economic and political importance.

It is assumed that the sub-regional groups considered here slot into the same trade pattern as the gravity model calculated. Then the potential volume and direction of trade of the groups are calculated, by applying the sub-regional data to calculate the trade potential of these countries. The resulting estimate of potential trade is then compared with actual trade. Our estimates of the potential trade of the countries in the four sub-regions are based on the recent work of Schumacher (1996).<sup>5</sup> Table 11 shows an estimation of the expected long-term trade patterns of the selected countries. The analysis yields the following results:

In 1996, actual trade turnover between the CEE countries and Russia significantly exceeded the levels predicted by the gravity model. Thus the openness and trade dependence of these countries were higher

---

<sup>5</sup> Schumacher's coefficient estimates are derived from bilateral trade data for 22 OECD countries and between these and 70 additional countries. Besides GNP and distance, the full model includes variables like a shared language, colonial ties, membership of a preference zone and common borders. The analysis showed that these variables have limited additional explanatory power. The preferred simple version includes only GDP, per capita income and geographical distance. The coefficients were estimated from the trade among the OECD countries and between them and other, mainly developing countries. These were applied to Eastern European countries on the assumption that their trade relations are determined by the same factors.



than the gravity model suggested. This difference can be explained by various factors, of which the following are the most important.

Most CEE countries and Russia were still in a relatively deep economic crisis in 1996, due to the transition to a market economy. Some were applying economic stabilization policies with a restrictive effect on economic growth. GDP/GNP levels declined significantly during the transition process in the early 1990s. The GNP figures, however, are an important element in the gravity-model calculations.

There are at least two factors that cannot be captured by the gravity model. The former Soviet Union was the most important single trading partner for all the CEE countries. So Russia has lost this former dominant role, the sole exception being Bulgaria. However, former economic ties could still have been generating additional trade that cannot be explained by gravity model. The other factor is Russia's position as the main energy supplier for almost all the CEE countries, which are relatively poor in energy resources. This economic dependency and commodity structure of foreign trade cannot be reflected in the gravity model either.

The gravity model calculations have some anomalous results. The balances of the hypothetical bilateral trade between Russia and single CEE countries show deficits in the same years for both sides. Only the hypothetical exports of Estonia and Slovenia are indicated as exceeding the imports from Russia. In the case of trade turnover between the other CEE countries and Russia, the simultaneous hypothetical deficits on both sides can be partly explained by different levels of development and different geographical sizes.

According to the estimated figures of the gravity model, a continuing shift of trade orientation of the CEE countries towards the EU can be expected. Thus, the actual shares of Russia in the exports and imports of the CEE countries may decrease further.

## 4) CAPITAL FLOWS

---

The capital flows in both directions between Russia and the CEE countries intensified in the last decade. These flows had been rather limited under the centrally planned economic system, when they were strictly controlled by planning directives and government decisions. The transition to a market economy has brought a gradual, if uneven liberalization of capital flows. This accounts for the two-way increase in financial transfers and foreign direct investment (FDI).

### Financial transfers

---

Along with trade-related transfers, there may have been flows of substantial, unknown amounts of uncertain origin, mainly from Russia into the CEE countries. The purpose of these flows has been to launder sums earned in dubious ways in Russia. Although the volume can only be estimated, it has probably decreased since most CEE countries joined the international agreements to curb money laundering.

### FDI

---

Direct investment has been the main form of capital flow. Privatization in Russia and in the CEE countries provided unique investment opportunities. The relative importance of such cross-investments was limited, however, because most foreign investors on both sides came from third countries. There are various reasons for this limited cross-investment, such as a general capital shortage and priority being given to investment on the domestic market.

More recently, larger firms in Russia and in the CEE countries have been making stronger efforts to establish a presence in each other's markets. CEE firms are seeking to buy into the huge Russian market by investing there, but Russian firms in the CEE countries usually have a different objective, since the domestic markets concerned are smaller. The object is normally to gain better

access to Western European and world markets through the CEE countries.

Due to the intended primary role of mediating investments of Russian companies in the CEE countries, the main sectors of their investment activities are the trade and banking. The big Russian oil and gas producing companies took over such trading firms or banks in several CEE countries. The presence of Russian capital in the productive or manufacturing sectors in the CEE countries is rather limited.

Several CEE companies planning to regain or develop their sales in Russia have announced plans for FDI in Russia. Among the larger ones has been the Czech engineering group Skoda Plzen, which plans a joint venture with two Russian truck makers. The Hungarian pharmaceutical company Richter plans a packaging company, the Czech carmaker VW-Skoda wants to set up production in Russia, and the Hungarian firms Rába and Ikarus are considering debt-for-equity swaps to gain control of a bus plant in Liken.

## 5) RUSSIA AND EU ACCESSION BY CEE COUNTRIES

---

Unlike NATO membership, the plans for Eastern enlargement of the EU raise no strong political objections from the Russians. They see such moves as in Russia's political and economic interest, since they would bring development, prosperity and stability to the CEE region.

However, Eastern enlargement of the EU would not only have advantages for Russia (such as economic stability and prosperity in its neighbourhood, access to certain EU funds, etc.) The disadvantages could exceed the advantages under certain conditions. Staying out of the European integration process may have significant costs, since Russia will not be a member of a dynamic economic bloc or its free-trade area, which may have trade-related effects. The current Europe Agreements between the EU and CEE countries and the prospect of membership

for them later is putting Russia in a less competitive position. Russian industrial products (machinery and manufactures) and certain raw materials, especially energy carriers, are facing increasing tariff barriers. The list of sensitive products may exacerbate these problems. Russia will certainly demand special compensation for the markets it loses. One form of recompense could be a free-trade agreement with the EU, at least for industrial products.

Enlargement of the EU may have serious consequences for Russian exporters by erecting trade barriers against them (anti-dumping taxes, product-certification requirements, etc.) The CEE countries' producers are among Russia's main competitors in EU markets. This applies to the Czech Republic, Poland and Latvia for timber and wooden products, the same three countries and Bulgaria for fertilizers, the Czech Republic, Poland, Slovakia and Romania for iron and steel products. Hungary is a competitor for most Russian manufactures in the EU markets.

Russia has tried several times to conclude free-trade agreements with CEE countries, but except from Slovakia, it has met with a consistent refusal. The CEE countries do not want to establish such relations until Russia has such a deal with the EU, for fear of impeding their progress towards EU membership.

The new round of WTO agreements may improve Russia's access to EU markets. Russia will endeavour to join the WTO before the EU enlargement takes place, but this will require further liberalization of Russia's foreign-trade regulations. Eastern enlargement of the EU may have restrictive effects on re-export activities. On the other hand, there may be a positive impact on trade between Russia and the CEE countries if financing problems can be alleviated (better credit opportunities, an export credit-insurance system, etc.)

## 6) THE ECONOMIC AND FINANCIAL CRISIS IN RUSSIA

---

Geographical proximity means that any economic or financial crisis in Russia has had almost immediate effects on the CEE countries during the last decade.

### The effects

---

These appeared mainly in the CEE countries' export performance, very strongly in some countries. Although reliance on Russia as a supplier has lessened considerably since the transition began, Russia is still the main market for some important exports. For instance, Russia accounted for about half the Baltic states' exports of food, beverages and agricultural products, while for the Czech Republic and Hungary, the share was more than 15 per cent and for Poland about 30 per cent.

After each economic crisis in Russia, trade with the CEE countries plummeted, as devaluation of the rouble hiked the costs of imports and other effects of recession exerted themselves on effective demand. Each wave of financial turmoil in Russia led to difficulties for CEE exporters in obtaining payment for deliveries to Russian firms. Furthermore, it was often difficult to find alternative buyers in Western markets, which are very competitive and sometimes protected (for instance for agricultural products). However, evidence suggests that even if CEE exporters are unable to divert their sales to more profitable markets, they withdraw from the Russian market if they have encountered difficulties with obtaining payments for deliveries.

The issue of payment arrears for exports underlines the problems of export credit and insurance facilities that affect trade relations between CEE countries and Russia. Both financial instruments are still in their infancy in the CEE countries, and relative rarely cover high-risk markets such as Russia. Long payment delays or instances of non-payment may lead to liquidity shortages

that hamper business in CEE export sectors. The problem is particularly severe in countries such as Romania and Bulgaria, where the domestic credit system has scarcely developed.

The most strongly affected are likely to be exporters in labour-intensive sectors, such as food processing and light industry. To avoid or alleviate social distress, the governments of several CEE countries took steps to resort to barter or arrange state-to-state export sales, through collateral loans guaranteed by the Russian government or another reliable institution. This all means that commercial relations between Russia and the CEE countries have yet to normalize and become standardized.

Overall trade between Russia and the CEE countries did not slow or contract during periods of economic and financial crisis in Russia, but there were marked declines within certain CEE countries. For instance, Romania's exports to Russia practically collapsed in 1998, while the exports of Latvia, Slovakia and Bulgaria declined significantly.

### Financial crises

---

Every financial crisis in Russia has proved to be contagious, spreading to the financial markets in the CEE countries. This is partly due to the attitudes of Western investors, who still treat the region as a unit. They failed to distinguish between Eastern European countries, or more especially between Russia and the CEE countries, despite evidence about economic fundamentals and differences in the progress of different countries with the transition process.

Other factors increased the financial troubles in the CEE countries over the decade. One was heavy exposure by the banking sector to the crisis-ridden Russian economy. This brought capital losses from exchange-rate movements and falls in asset prices that sometimes precipitated a banking crisis, with potential knock-on effects on economic activity and macroeconomic stability. Direct banking-sector exposure seems to have been a major risk only in Latvia,

where some banks were heavily exposed to the Russian GKO market, and the total exposure may have reached 10 per cent of banking assets. However, many banks in the region were hit by indirect exposure, through the reduction of trade-financing opportunities and the economic difficulties of borrowers engaged in exports to the Russian market.

Ironically, the financial crisis in Russia in 1998 actually helped some CEE countries in some respects. Until the crisis in Russia worsened the investment prospects in all emerging markets, there was concern in some CEE countries, such as Poland and Hungary, about excessive inward flows of 'hot money'. The amounts arriving (USD 9 billion in Poland's case) were enough to drive up the value of local currencies, some of which were nearing the ceiling of their trading band. Exporters became concerned overvaluation of the currency would choke off growth, while monetary policy-makers feared they would have to cut interest rates prematurely and jeopardize the struggle against inflation.

With the Russian crisis, so much 'hot money' left the region that the pressure to revalue the currencies concerned, such as the Polish PLN and the Hungarian HUF, was relieved and they settled comfortably into their trading bands again. The threat receded of having to take dispreferred measures, such as tighter currency controls to prevent the high currency flows from disrupting domestic interest rates. Under such conditions, interest rates could also be cut without fear of driving up inflation and monetary-policy measures could be applied again.

However, the adverse effects of the Russian financial crisis caused damages for the CEE economies. These were reflected in the movements of their stock-exchange indices. Over the decade, most CEE countries (notably Hungary and Poland) successfully uncoupled themselves from Russia, politically and economically, diminishing their trade and investment exposure and turning their economies towards the EU. Although

their microeconomic and macroeconomic fundamentals are not perfect, they are sound by comparison with Russia's, due to more consistent reforms. Nonetheless, foreign investors withdrew their money from CEE markets whenever the Russian economic crisis deepened. Usually the first to drop were the prices of stocks in companies with a heavy Russian exposure, but the mood of foreign investors soon led to a more general fall in share prices.

The explanation for this falls into two parts. On the one hand, foreign investors were still considering the CEE countries as a bloc that could be exposed to contagious effects. On the other, investments in the region were withdrawn to cover losses in markets in other regions of the world (the Asian crisis). Surprisingly, the effects of the Russian crisis were inversely proportional to the pace of reform in each CEE country. The more developed and liquid the capital market was, the harder the shock it sustained. (Share values dropped by 44% in Hungary, about 25% in Poland and the Czech Republic, and about 5% in Slovakia.)

## 7) CHANCES OF STRONGER ECONOMIC AND COMMERCIAL TIES

---

The Russian market is still uncertain and fragile, as the economic and financial crises have shown. These conditions impose several constraints and limitations on strengthening the CEE countries' economic and commercial relations with Russia.

### Commercial ties

---

When Russian importers failed to pay, deliveries from CEE countries were halted and export production reduced to limit the damage. Where the Russian market accounted for a significant part of a CEE producer's exports, its growth prospects were jeopardized. The listed companies in the CEE countries deemed to be the most exposed saw

their projected profits downgraded and their share prices plummet even faster than the region's stock-market indices. Food processors and pharmaceutical firms were hit particularly badly by the flight of investors from sectors heavily dependent on Russian trade.

Long-term strategies have to be drawn up to address the following problem. Should companies stick it out in Russia, despite the risks for several years to come, or should they base their strategies on redirecting their trade links elsewhere, losing their foothold in Russia and risking price wars in other markets? The choice is difficult, given the uncertainty about the future of the Russian market, and it becomes more complicated in the light of the CEE countries' continuing problems with penetrating world markets.

These problems are in many ways similar to the ones that occurred after the collapse of COMECON, when CEE firms managed to survive and mitigate their countries' macroeconomic problems of transition by finding Western markets. Only the same flexibility, entrepreneurship and sheer desperation can carry them through again.

The association agreements between the CEE countries and the EU have only partially opened the EU's agricultural markets to them. With the EU markets still restricted by import quotas and quality standards, the CEE countries saw Russia as a potentially lucrative market, where the conditions of entry were not onerous. Products sold to Russia would often be of lower quality than the EU market would accept. That means, of course, that these low-quality products proved almost impossible to sell elsewhere. Such a compromise with quality cannot remain a deliberate strategy in the long term, of course. Nor can CEE firms rely on Western producers being frightened away from the Russian market. However, the availability of export credits and insurance may become more limited or restricted for Western firms, which would make the sale of their subsidised food products more difficult and leave the field open for tougher CEE companies.

A more general lesson can be drawn from relations between the business cycle or crises in Russia and the business sector in CEE countries. The gloom among CEE firms exporting to Russia is not always due to financial or market losses. It may be influenced by a scenario in which all or most of their national and regional competitors redirect their products into other markets in the region or the world, which could spark a price war and insolvencies. Such events will certainly affect these companies' cash flows, which are often fragile, but in the long term, it could prove a good thing. The markets in most CEE countries are still in dire need of shake-outs, which the crises in Russia may provide, so speeding up needed business consolidation through 'creative destruction'.

Trade between the CEE countries and Russia has been hampered by several additional factors. They were the trade-policy measures introduced whenever the Russian economic situation worsened. For instance, temporary import surcharges were imposed, import duties were increased, and tax concessions on rolling arrangements (mainly aluminium smelters) were eliminated. All these measures lowered the competitiveness of the CEE countries in Russian markets. There were similar effects from the rouble devaluation and the moratorium on servicing the foreign debt of Russian commercial entities. These decisions also influenced the decisions by smaller CEE companies to suspend deliveries to Russia. Nonetheless, despite all these difficulties in the development of commercial and economic relations between Russia and the CEE countries, there are significant prerequisites and potentials for a considerable increase in turnover between them.

### Economic trends determining trade

---

Any positive trend towards stabilizing the Russian economy is a help to its traditional trading partners. The statistics show that Russia outstripped any other market with its 17 per cent import growth in 1997. The Visegrád Four were the only CEE countries to profit by increasing their exports to Rus-

sia. The other two sub-regions failed to do this.

Positive trade prospects may be assumed partly from the interdependence and complementary nature of the Russian and CEE economies, and to some extent from the long-term cooperation and experience with Russia accumulated by CEE firms over previous decades. Another argument often cited is based on the differences in levels of technical development. The technical and technological compatibility of the means of production in the CEE countries and Russia provide prospects of restoring and deepening industrial cooperation. Thus, the relatively low productivity and low quality of CEE products could be better suited to the relatively poor conditions and demand in Russia than more sophisticated Western products.

There may be truth in these points in the short term, but in the longer term they could be misleading. All these countries, including Russia, have already become more demanding markets in many ways. The old links and structures and their compatibility of these cannot provide a necessary and sufficient basis for future cooperation. It is important to treat the new Russia as a new market. The general view that the old links give the CEE countries their main edge over their competitors trading in Russia is not sustainable in all cases or forever.

The shifts in consumption and investment patterns in Russia have brought uncertainty about what the CEE countries can sell to Russia in the next decade. As consumer spending rises, food products are likely to maintain their shares. A general increase in spending may cause imports of other consumer goods to grow as well. However, CEE suppliers will face intense competition in the Russian market. Their success will depend less on their sectors than on how well the suppliers can exploit the perceived gap between quality Western imports and cheaper, predominantly Asian imports. The sales figures will reflect how far CEE firms have managed to improve their products, pare their costs and shake up their corporate management.

## Structural pattern

---

Trade figures show that the CEE countries' large, heavy industrial companies with their established product links are already waning. Most of them are still state-owned. The large CEE companies in a position to succeed in Russia are those that are succeeding elsewhere (for instance, the Hungarian drug company Richter and the Czech carmaker VW-Skoda). These are already privatized. Small and medium-sized companies have been benefiting from trade with Russia, as the engines behind the exports. These too are almost all privately owned.

One obstacle for small and medium-sized CEE companies seeking to penetrate the Russian market is the lack of reliable distribution networks. The old networks are not always trustworthy or have been replaced by unstable private firms that have only recently started to develop into reputable businesses.

Companies in all parts of Central and Eastern Europe have been seeking to develop their sales in Russia. Apart from a shake-up of products, this calls for reorganization of each company's distribution network in Russia. Small and medium-sized companies cannot do this alone. They have to wait until new, reliable Russian distribution networks develop and spread, if they are to penetrate beyond the competitive Moscow region into the remoter provinces.

After almost a decade of determined economic restructuring, most CEE countries are already remarkably detached from Russia's troubled economy. The leading economies in Central Europe enjoy healthy growth, while Russia continues to stagnate. So the region's basic trading patterns have undergone profound changes in recent years. The leading countries of the former COMECON block (Poland, Hungary and the Czech Republic) already sell two-thirds of their exports to the EU. Exports to Russia are equivalent to less than 2 per cent of their GDP.

When the Russian market ceased to decline steeply during 1993 and 1994, it

brought to a premature halt the process of company restructuring in several CEE countries, especially the Baltic states and countries in the Balkans. Many companies initially forced by the collapse of COMECON to improve the quality of their products and seek other markets returned to an easier and more familiar market. The sectors concerned here range from Bulgarian wine producers to Czech engineering, Polish food producers to Hungarian pharmaceuticals. Certainly,

the repeated collapse of the Russian market has forced CEE companies in the last ten years to look for new markets and re-evaluate their product range and strategy. This process continues. The main question for the future is whether CEE companies follow a promising scenario, in which they have the determination, the capital, and the market access to follow up their new leads, or whether, in a bad scenario, they simply wait for the Russian economy to revive.

\* \* \* \* \*

## BIBLIOGRAPHY

---

Baldwin, R. E. (1993), *The Potential for Trade between the Countries of EFTA and Central and Eastern Europe*, EFTA Occasional Paper No. 44, June.

*Barley*, various issues.

Bergstrand, J. H. (1985), 'The Gravity Equation in International Trade – Some Microeconomic Foundations and Empirical Evidence', *Review of Economics and Statistics*, Vol. 67, pp. 474–81.

Bergstrand, J. H. (1989), 'The Generalised Gravity Equation, Monopolistic Competition, and the Factor-Proportions Theory in International Trade', *Review of Economics and Statistics*, Vol. 71, pp. 143–53.

*The Economist*, various issues.

*Euromoney*, various issues.

European Parliament (1999), *Russia and the Enlargement of the EU*, Briefing No. 14, February 23, Strasbourg: European Parliament.

Krugmann, P. (1979), 'Increasing Returns, Monopolistic Competition and International Trade', *Journal of International Economics*, No. 9, pp. 469–79.

Schumacher, Dieter (1996), *Perspektiven des Aussenhandels zwischen West- und Osteuropa: ein Gravitationsansatz*, Berlin: DIW.

Šurubović, A. (1998), *Die Wirtschaftsbeziehungen Rußlands mit den Ländern Mittel- und Osteuropas 1992-1995*, No. 13, Vienna: WIIW.

## APPENDIX

Table 1  
Russia's global exports and exports to the CEE countries, 1989–98  
(USD mn)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
World	109172	104177		39931	44047	63078	77595	83979	85078	69730
<i>CEE</i>	<i>42866</i>	<i>38724</i>		<i>9237</i>	<i>8034</i>	<i>7477</i>	<i>10342</i>	<i>12464</i>	<i>13323</i>	<i>10340</i>
Czech Republic					1379	1378	2073	1743	1823	1380
Slovakia					932	735	1194	1865	1740	1368
Czechoslovakia	9934	8699		2598	2311	2113	3267	3608	3563	2748
Hungary	6651	6189		1506	2098	1173	1609	1802	1854	1472
Poland	9165	7066		1648	1311	1129	1605	2122	2514	2167
<i>Visegrád 4</i>	<i>25750</i>	<i>21954</i>		<i>5752</i>	<i>5720</i>	<i>4415</i>	<i>6481</i>	<i>7532</i>	<i>7931</i>	<i>6387</i>
Estonia				107	83	337	408	489	553	506
Latvia				143	180	627	788	1039	1223	663
Lithuania				433	299	775	1024	1132	1323	1047
<i>Baltic</i>				<i>683</i>	<i>562</i>	<i>1739</i>	<i>2220</i>	<i>2660</i>	<i>3099</i>	<i>2216</i>
Albania									1	2
Bulgaria	9799	9409		1165	942	473	670	915	914	594
Romania	4258	4227		605	475	459	627	776	739	563
	<i>14057</i>	<i>13636</i>		<i>1770</i>	<i>1417</i>	<i>932</i>	<i>1297</i>	<i>1691</i>	<i>1654</i>	<i>1159</i>
Bosnia-Herzegovina					36	116	89	25	13	14
Croatia					106	129	102	181	165	168
Macedonia						22	35	9	9	18
Slovenia					166	105	117	127	128	119
FRY						13				
Not specified				253	27	6	1	239	324	259
SFRY	3059	3134		1032	335	391	344	581	639	578
<i>Balkans</i>	<i>17116</i>	<i>16770</i>		<i>2802</i>	<i>1752</i>	<i>1323</i>	<i>1641</i>	<i>2272</i>	<i>2293</i>	<i>1737</i>

Sources: IMF Direction of Trade Statistics, UN International Financial Statistics and WIIW (Vienna).

Notes: The figures from different statistical sources often vary significantly. Precise figures for 1991 are not available. Italics denote sub-totals. Figures underlined denote the Soviet Union instead of Russia.



Table 2  
Shares of the CEE countries in Russia's global exports, 1989–98  
(%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
World										
<i>CEE</i>	<i>39.26</i>	<i>37.17</i>		<i>23.13</i>	<i>18.24</i>	<i>11.85</i>	<i>13.33</i>	<i>14.84</i>	<i>15.66</i>	<i>14.83</i>
Czech Republic					3.13	2.18	2.67	2.08	2.14	1.98
Slovakia					2.12	1.17	1.54	2.22	2.05	1.96
Czechoslovakia	9.10	8.35		6.51	<i>5.25</i>	<i>3.35</i>	<i>4.21</i>	<i>4.30</i>	<i>4.19</i>	<i>3.94</i>
Hungary	6.09	5.94		3.77	4.76	1.86	2.07	2.15	2.18	2.11
Poland	8.40	6.78		4.13	2.98	1.79	2.07	2.53	2.95	3.11
<i>Visegrád 4</i>	<i>23.59</i>	<i>21.07</i>		<i>14.40</i>	<i>12.99</i>	<i>7.00</i>	<i>8.35</i>	<i>8.97</i>	<i>9.32</i>	<i>9.16</i>
Estonia				0.27	0.19	0.53	0.53	0.58	0.65	0.73
Latvia				0.36	0.41	0.99	1.02	1.24	1.44	0.95
Lithuania				1.08	0.68	1.23	1.32	1.35	1.56	1.50
<i>Baltic</i>				<i>1.71</i>	<i>1.28</i>	<i>2.76</i>	<i>2.86</i>	<i>3.17</i>	<i>3.64</i>	<i>3.18</i>
Albania				0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bulgaria	8.98	9.03		2.92	2.14	0.75	0.86	1.09	1.07	0.85
Romania	3.90	4.06		1.52	1.08	0.73	0.81	0.92	0.87	0.81
	<i>12.88</i>	<i>13.09</i>		<i>4.43</i>	<i>3.22</i>	<i>1.48</i>	<i>1.67</i>	<i>2.01</i>	<i>1.94</i>	<i>1.66</i>
Bosnia-Herzegovina					0.08	0.18	0.11	0.03	0.02	0.02
Croatia					0.24	0.20	0.13	0.22	0.19	0.24
Macedonia					0.00	0.03	0.05	0.01	0.01	0.03
Slovenia					0.38	0.17	0.15	0.15	0.15	0.17
FRY					0.00	0.02	0.00	0.00	0.00	0.00
Not specified				0.63	0.06	0.01	0.00	0.28	0.38	0.37
SFRY	<i>2.80</i>	<i>3.01</i>		2.58	<i>0.76</i>	<i>0.62</i>	<i>0.44</i>	<i>0.69</i>	<i>0.75</i>	<i>0.83</i>
<i>Balkans</i>	<i>15.68</i>	<i>16.10</i>		<i>7.02</i>	<i>3.98</i>	<i>2.10</i>	<i>2.11</i>	<i>2.71</i>	<i>2.70</i>	<i>2.49</i>

Source: See Table 1.

Table 3  
Russia's global imports and imports from the CEE countries, 1989–97  
(USD mn)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
World	114567	120651		34981	26751	38600	46399	44504	52403	42476
<i>CEE</i>	<i>49287</i>	<i>49088</i>		<i>5529</i>	<i>2793</i>	<i>4026</i>	<i>5139</i>	<i>3949</i>	<i>5009</i>	<i>3779</i>
Czech Republic					461	428	438	531	586	511
Slovakia					168	209	294	263	286	191
Czechoslovakia	10498	10652		1020	<i>629</i>	<i>637</i>	<i>732</i>	<i>794</i>	<i>872</i>	<i>702</i>
Hungary	7644	7566		1089	622	745	842	655	920	603
Poland	11768	13553		1230	529	946	1322	919	1066	1025
<i>Visegrád 4</i>	<i>29910</i>	<i>31771</i>		<i>3339</i>	<i>1780</i>	<i>2328</i>	<i>2896</i>	<i>2368</i>	<i>2858</i>	<i>2330</i>
Estonia				52	41	198	275	146	252	149
Latvia				117	77	197	381	233	305	203
Lithuania				163	53	274	387	255	457	319
<i>Baltic</i>				<i>332</i>	<i>171</i>	<i>669</i>	<i>1043</i>	<i>634</i>	<i>1014</i>	<i>671</i>
Albania									1	2
Bulgaria	11605	10525		584	245	345	472	244	261	162
Romania	3952	3044		431	102	146	132	135	202	89
	<i>15557</i>	<i>13569</i>		<i>1015</i>	<i>347</i>	<i>491</i>	<i>604</i>	<i>379</i>	<i>464</i>	<i>253</i>
Bosnia-Herzegovina					11	6			9	1
Croatia					105	124	141	118	152	152
Macedonia						88	106	50	32	32
Slovenia					232	229	341	277	323	222
FRY						41				
Not specified					147	50	8	123	157	118
SFRY	3820	3748		843	<i>495</i>	<i>538</i>	<i>596</i>	<i>568</i>	<i>673</i>	<i>525</i>
<i>Balkans</i>	<i>19377</i>	<i>17317</i>		<i>1858</i>	<i>842</i>	<i>1029</i>	<i>1200</i>	<i>947</i>	<i>1137</i>	<i>778</i>

Source: See Table 1.

Table 4  
Shares of the CEE countries in Russia's global imports, 1989–97  
(%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
World										
<i>CEE</i>	<i>43.02</i>	<i>40.69</i>		<i>15.81</i>	<i>10.44</i>	<i>10.43</i>	<i>11.08</i>	<i>8.87</i>	<i>9.56</i>	<i>8.90</i>
Czech Republic					1.72	1.11	0.94	1.19	1.12	1.20
Slovakia					0.63	0.54	0.63	0.59	0.55	0.45
Czechoslovakia	9.16	8.83		2.92	<i>2.35</i>	<i>1.65</i>	<i>1.58</i>	<i>1.78</i>	<i>1.66</i>	<i>1.65</i>
Hungary	6.67	6.27		3.11	2.33	1.93	1.81	1.47	1.76	1.42
Poland	10.27	11.23		3.52	1.98	2.45	2.85	2.06	2.03	2.41
<i>Visegrád 4</i>	<i>26.11</i>	<i>26.33</i>		<i>9.55</i>	<i>6.65</i>	<i>6.03</i>	<i>6.24</i>	<i>5.32</i>	<i>5.45</i>	<i>5.49</i>
Estonia				0.15	0.15	0.51	0.59	0.33	0.48	0.35
Latvia				0.33	0.29	0.51	0.82	0.52	0.58	0.48
Lithuania				0.47	0.20	0.71	0.83	0.57	0.87	0.75
<i>Baltic</i>				<i>0.95</i>	<i>0.64</i>	<i>1.73</i>	<i>2.25</i>	<i>1.42</i>	<i>1.94</i>	<i>1.58</i>
Albania				0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bulgaria	10.13	8.72		1.67	0.92	0.89	1.02	0.55	0.50	0.38
Romania	3.45	2.52		1.23	0.38	0.38	0.28	0.30	0.39	0.21
	<i>13.58</i>	<i>11.25</i>		<i>2.90</i>	<i>1.30</i>	<i>1.27</i>	<i>1.30</i>	<i>0.85</i>	<i>0.89</i>	<i>0.60</i>
Bosnia-Herzegovina					0.04	0.02	0.00	0.00	0.02	0.00
Croatia					0.39	0.32	0.30	0.27	0.29	0.36
Macedonia					0.00	0.23	0.23	0.11	0.06	0.08
Slovenia					0.87	0.59	0.73	0.62	0.62	0.52
FRY					0.00	0.11	0.00	0.00	0.00	0.00
Not specified					0.55	0.13	0.02	0.28	0.30	0.28
SFRY	3.33	3.11		2.41	<i>1.85</i>	<i>1.39</i>	<i>1.28</i>	<i>1.28</i>	<i>1.28</i>	<i>1.24</i>
<i>Balkans</i>	<i>16.91</i>	<i>14.35</i>		<i>5.31</i>	<i>3.15</i>	<i>2.67</i>	<i>2.59</i>	<i>2.13</i>	<i>2.17</i>	<i>1.83</i>

Source: See Table 1.

Table 5  
Exports of the CEE countries to Russia, 1989–98 (USD mn), and the shares of  
these in the CEE countries' global exports  
(%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
<i>CEE</i>	<i>25291</i>	<i>19836</i>	<i>10287</i>	<i>4379</i>	<i>4073</i>	<i>4784</i>	<i>5460</i>	<i>5989</i>	<i>6614</i>	<i>5100</i>
%	<i>39.05</i>	<i>34.71</i>	<i>17.76</i>	<i>7.92</i>	<i>6.66</i>	<i>6.38</i>	<i>5.76</i>	<i>5.86</i>	<i>5.88</i>	<i>4.06</i>
Czech Republic					448	559	597	693	736	656
%					3.91	3.99	3.51	3.16	3.27	2.49
Slovakia					256	278	331	308	333	203
%					4.69	4.15	3.86	3.49	3.45	1.89
Czechoslovakia	<u>4413</u>	<u>3016</u>	<u>2118</u>	588	<u>704</u>	<u>837</u>	<u>928</u>	<u>1001</u>	<u>1069</u>	<u>859</u>
%	<u>31.31</u>	<u>25.91</u>	<u>19.44</u>	4.77	<u>4.16</u>	<u>4.05</u>	<u>3.63</u>	<u>3.26</u>	<u>3.33</u>	<u>2.32</u>
Hungary	<u>2418</u>	<u>1936</u>	<u>1200</u>	<u>1404</u>	<u>1204</u>	807	823	777	968	640
%	<u>24.99</u>	<u>20.18</u>	<u>12.03</u>	<u>13.09</u>	<u>14.00</u>	7.62	6.40	5.91	5.07	2.80
Poland	<u>2813</u>	<u>2081</u>	<u>1637</u>	723	654	935	1274	1654	2155	1597
%	<u>20.80</u>	<u>15.27</u>	<u>10.98</u>	5.66	4.62	5.42	5.56	6.77	8.37	5.66
<i>Visegrád 4</i>	<i>9644</i>	<i>7033</i>	<i>4955</i>	<i>2715</i>	<i>2562</i>	<i>2579</i>	<i>3025</i>	<i>3432</i>	<i>4192</i>	<i>3096</i>
%	<i>25.86</i>	<i>20.18</i>	<i>13.85</i>	<i>7.58</i>	<i>6.46</i>	<i>5.32</i>	<i>4.93</i>	<i>5.02</i>	<i>5.44</i>	<i>3.51</i>
Estonia					182	302	325	341	550	432
%					22.61	23.02	17.66	16.42	18.76	13.32
Latvia				202	297	278	320	330	350	219
%				26.10	28.56	28.08	24.92	23.17	20.93	12.09
Lithuania				228	49	573	552	781	415	613
%				33.09	4.25	28.24	20.40	23.80	14.04	16.52
<i>Baltic</i>				<i>430</i>	<i>528</i>	<i>1153</i>	<i>1197</i>	<i>1452</i>	<i>1315</i>	<i>1264</i>
%				<i>23.65</i>	<i>17.61</i>	<i>26.62</i>	<i>20.53</i>	<i>21.41</i>	<i>17.40</i>	<i>14.42</i>
Albania										1
%										0.39
Bulgaria	<u>10573</u>	<u>8600</u>	<u>1908</u>	819	222	314	536	480	339	232
%	<u>379.37</u>	<u>414.46</u>	<u>93.03</u>	33.51	9.78	9.35	10.27	10.04	7.88	5.71
Romania	<u>2375</u>	<u>1481</u>	<u>982</u>	415	220	207	158	150	248	78
%	<u>21.43</u>	<u>25.24</u>	<u>23.00</u>	9.50	4.50	3.36	1.96	1.96	2.96	0.96
	<u>12948</u>	<u>10081</u>	<u>2890</u>	<u>1234</u>	<u>442</u>	<u>521</u>	<u>694</u>	<u>630</u>	<u>587</u>	<u>311</u>
	<u>93.36</u>	<u>126.93</u>	<u>45.73</u>	<u>18.12</u>	<u>6.17</u>	<u>5.47</u>	<u>5.23</u>	<u>5.07</u>	<u>4.63</u>	<u>2.50</u>
Bosnia-Herzegovina					10	6				1
%					11.76	16.67				0.20
Croatia				<u>145</u>	<u>167</u>	146	152	131	164	164
%				<u>3.15</u>	<u>4.24</u>	3.43	3.28	2.90	3.79	3.71
Macedonia					115	76	87	46	29	29
%					10.90	7.00	7.24	4.07	2.79	2.43
Slovenia				201	249	265	305	298	327	235
%				3.01	3.99	3.66	3.64	3.59	3.91	2.60
FRY						38				
%						82.61				
SFRY	<u>2699</u>	<u>2722</u>	<u>2442</u>		<u>541</u>	<u>531</u>	<u>544</u>	<u>475</u>	<u>520</u>	<u>429</u>
%	<u>19.85</u>	<u>18.97</u>	<u>15.44</u>		<u>4.78</u>	<u>4.19</u>	<u>3.80</u>	<u>3.25</u>	<u>3.42</u>	<u>2.65</u>
<i>Balkans</i>	<i>15647</i>	<i>12803</i>	<i>5332</i>	<i>1234</i>	<i>983</i>	<i>1052</i>	<i>1238</i>	<i>1105</i>	<i>1107</i>	<i>740</i>
%	<i>56.97</i>	<i>57.44</i>	<i>24.09</i>	<i>6.98</i>	<i>5.32</i>	<i>4.74</i>	<i>4.49</i>	<i>4.09</i>	<i>3.97</i>	<i>2.58</i>

Source: See Table 1.

Table 6  
Global exports of the CEE countries, 1989–98  
(USD mn)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
World										
<i>CEE</i>	<i>64761</i>	<i>57147</i>	<i>57915</i>	<i>55299</i>	<i>61132</i>	<i>75027</i>	<i>94763</i>	<i>102128</i>	<i>112433</i>	<i>125529</i>
Czech Republic					11448	13998	17004	21908	22504	26315
Slovakia					5460	6691	8579	8831	9639	10720
Czechoslovakia	14096	11640	10896	12319	<i>16908</i>	<i>20689</i>	<i>25583</i>	<i>30739</i>	<i>32143</i>	<i>37035</i>
Hungary	9674	9593	9972	10728	8598	10588	12861	13145	19100	22850
Poland	13527	13624	14913	12766	14143	17240	22895	24440	25751	28228
<i>Visegrád 4</i>	<i>37297</i>	<i>34857</i>	<i>35781</i>	<i>35813</i>	<i>39649</i>	<i>48517</i>	<i>61339</i>	<i>68324</i>	<i>76994</i>	<i>88113</i>
Estonia				355	805	1312	1840	2077	2931	3243
Latvia				774	1040	990	1284	1424	1672	1812
Lithuania				689	1154	2029	2706	3281	2955	3711
<i>Baltic</i>				<i>1818</i>	<i>2999</i>	<i>4331</i>	<i>5830</i>	<i>6782</i>	<i>7558</i>	<i>8766</i>
Albania										255
Bulgaria	2787	2075	2051	2444	2271	3359	5220	4782	4303	4064
Romania	11082	5867	4269	4367	4892	6160	8061	7645	8385	8128
	<i>13869</i>	<i>7942</i>	<i>6320</i>	<i>6811</i>	<i>7163</i>	<i>9519</i>	<i>13281</i>	<i>12427</i>	<i>12688</i>	<i>12447</i>
Bosnia-Herzegovina					85	36	52	180	373	497
Croatia				4596	3937	4260	4632	4512	4330	4420
Macedonia					1055	1086	1202	1129	1040	1192
Slovenia				6680	6241	7232	8389	8312	8372	9034
FRY					3	46	38	462	1078	1060
SFRY	13595	14348	15814	10857	<i>11321</i>	<i>12660</i>	<i>14313</i>	<i>14595</i>	<i>15193</i>	<i>16203</i>
<i>Balkans</i>	<i>27464</i>	<i>22290</i>	<i>22134</i>	<i>17668</i>	<i>18484</i>	<i>22179</i>	<i>27594</i>	<i>27022</i>	<i>27881</i>	<i>28650</i>

Source: See Table 1.

Table 7  
The CEE countries' imports from Russia, 1989–98 (USD mn)  
and the shares of these in the CEE countries' global imports  
(%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
<i>CEE</i>	<i>21789</i>	<i>18643</i>	<i>11864</i>	<i>6086</i>	<i>9565</i>	<i>8999</i>	<i>12253</i>	<i>13841</i>	<i>13578</i>	<i>11572</i>
%	<i>34.39</i>	<i>29.44</i>	<i>18.79</i>	<i>9.63</i>	<i>12.43</i>	<i>10.06</i>	<i>10.48</i>	<i>9.98</i>	<i>8.81</i>	<i>6.85</i>
Czech Republic					1344	1216	1832	2061	1828	1585
%					10.71	8.23	8.83	7.39	6.77	5.50
Slovakia					1237	1191	1456	1933	1625	1363
%					19.53	18.02	16.60	17.68	13.87	10.43
Czechoslovakia	<u>4661</u>	<u>3150</u>	<u>3172</u>	803	<u>2581</u>	<u>2407</u>	<u>3288</u>	<u>3994</u>	<u>3453</u>	<u>2948</u>
%	<u>13.67</u>	<u>11.26</u>	<u>11.14</u>	10.29	<u>8.92</u>	<u>11.26</u>	<u>11.14</u>	<u>10.29</u>	<u>8.92</u>	<u>7.04</u>
Hungary	<u>1959</u>	<u>1644</u>	<u>1590</u>	<u>1863</u>	<u>2592</u>	1746	1840	2021	1963	1666
%	<u>22.05</u>	<u>12.08</u>	<u>11.88</u>	<u>12.47</u>	<u>9.24</u>	12.08	11.88	12.47	9.24	6.48
Poland	2055	1780	2412	1293	1271	1453	1960	2526	2685	2372
%	<u>18.09</u>	<u>19.84</u>	<u>14.12</u>	8.50	6.75	6.74	6.75	6.80	6.35	5.04
<i>Visegrád 4</i>	<i>8675</i>	<i>6574</i>	<i>7174</i>	<i>3959</i>	<i>6444</i>	<i>5606</i>	<i>7088</i>	<i>8541</i>	<i>8101</i>	<i>6986</i>
%	<i>25.26</i>	<i>21.02</i>	<i>18.68</i>	<i>10.15</i>	<i>12.86</i>	<i>9.77</i>	<i>9.57</i>	<i>9.27</i>	<i>7.92</i>	<i>6.09</i>
Estonia					154	277	410	431	641	531
%					17.19	16.65	16.10	13.43	14.45	11.09
Latvia				205	270	292	356	426	386	341
%				29.67	28.13	23.51	21.63	20.28	15.60	11.76
Lithuania				465	329	925	1139	1145	1455	1225
%				76.23	23.91	39.31	31.21	26.00	25.05	21.14
<i>Baltic</i>				<i>670</i>	<i>753</i>	<i>1494</i>	<i>1905</i>	<i>2002</i>	<i>2482</i>	<i>2097</i>
%				<i>36.51</i>	<i>23.30</i>	<i>28.41</i>	<i>24.30</i>	<i>20.61</i>	<i>19.51</i>	<i>15.56</i>
Albania										3
%										0.35
Bulgaria	8022	7394	1304	1010	1036	521	1584	1694	1030	951
%	<u>155.92</u>	<u>213.33</u>	<u>48.03</u>	23.25	23.53	11.16	28.96	34.64	26.61	21.00
Romania	<u>2848</u>	<u>2207</u>	<u>884</u>		695	894	1117	1144	1233	958
%	<u>31.51</u>	<u>23.60</u>	<u>16.99</u>		11.72	13.83	11.83	12.63	12.17	9.02
	<i>10870</i>	<i>9601</i>	<i>2188</i>	<i>1010</i>	<i>1731</i>	<i>1415</i>	<i>2701</i>	<i>2838</i>	<i>2263</i>	<i>1912</i>
	<i>76.64</i>	<i>74.90</i>	<i>27.63</i>	<i>10.17</i>	<i>16.76</i>	<i>12.71</i>	<i>18.11</i>	<i>20.35</i>	<i>16.16</i>	<i>11.94</i>
Bosnia-Herzegovina					39	128	98	27	15	15
%					9.20	16.52	10.32	1.40	0.63	0.59
Croatia				<u>202</u>	<u>258</u>	148	157	214	457	364
%				<u>4.53</u>	<u>5.46</u>	2.83	2.09	2.75	5.02	4.62
Macedonia					138	46	63	10	10	20
%					11.51	3.10	3.69	0.51	0.50	0.97
Slovenia				245	202	147	241	209	250	178
%				3.99	2.94	1.83	2.50	2.22	2.67	1.77
FRY						15				
%						0.19				
SFRY	<u>2244</u>	<u>2468</u>	<u>2502</u>	<u>447</u>	<u>637</u>	<u>484</u>	<u>559</u>	<u>460</u>	<u>732</u>	<u>577</u>
%	<u>15.13</u>	<u>12.84</u>	<u>14.87</u>	<u>3.60</u>	<u>4.79</u>	<u>3.08</u>	<u>2.78</u>	<u>2.02</u>	<u>2.91</u>	<u>2.33</u>
<i>Balkans</i>	<i>13114</i>	<i>12069</i>	<i>4690</i>	<i>1457</i>	<i>2368</i>	<i>1899</i>	<i>3260</i>	<i>3298</i>	<i>2995</i>	<i>2489</i>
%	<i>45.20</i>	<i>37.67</i>	<i>18.96</i>	<i>6.52</i>	<i>10.02</i>	<i>7.08</i>	<i>9.31</i>	<i>8.97</i>	<i>7.65</i>	<i>6.11</i>

Source: See Table 1.

Table 8  
Global imports of the CEE countries, 1989–98  
(USD mn)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
<i>CEE</i>	<i>63357</i>	<i>63324</i>	<i>63139</i>	<i>63168</i>	<i>76968</i>	<i>89481</i>	<i>116927</i>	<i>138652</i>	<i>154112</i>	<i>168885</i>
Czech Republic					12550	14767	20752	27896	26988	28797
Slovakia					6334	6611	8770	10936	11720	13073
Czechoslovakia	14105	13690	10233	12675	<i>18884</i>	<i>21378</i>	<i>29522</i>	<i>38832</i>	<i>38708</i>	<i>41870</i>
Hungary	8883	8618	11082	11110	12387	14449	15483	16209	21234	25719
Poland	11357	8974	17084	15204	18834	21569	29050	37137	42307	47053
<i>Visegrád 4</i>	<i>34345</i>	<i>31282</i>	<i>38399</i>	<i>38989</i>	<i>50105</i>	<i>57396</i>	<i>74055</i>	<i>92178</i>	<i>102249</i>	<i>114642</i>
Estonia				534	896	1664	2546	3209	4437	4786
Latvia				691	960	1242	1646	2101	2474	2900
Lithuania				610	1376	2353	3649	4404	5809	5794
<i>Baltic3</i>				<i>1835</i>	<i>3232</i>	<i>5259</i>	<i>7841</i>	<i>9714</i>	<i>12720</i>	<i>13480</i>
Albania										865
Bulgaria	5145	3466	2715	4345	4402	4670	5469	4891	3871	4528
Romania	9038	9352	5203	5582	5929	6466	9443	9058	10131	10615
	<i>14183</i>	<i>12818</i>	<i>7918</i>	<i>9927</i>	<i>10331</i>	<i>11136</i>	<i>14912</i>	<i>13949</i>	<i>14002</i>	<i>16008</i>
Bosnia-Herzegovina					424	775	950	1922	2377	2528
Croatia				4460	4724	5229	7510	7787	9099	7887
Macedonia					1199	1484	1708	1942	2008	2063
Slovenia				6135	6866	8026	9645	9429	9358	10068
FRY					87	176	306	1731	2299	2209
SFRY	14829	19224	16822	12417	<i>13300</i>	<i>15690</i>	<i>20119</i>	<i>22811</i>	<i>25141</i>	<i>24755</i>
<i>Balkans</i>	<i>29012</i>	<i>32042</i>	<i>24740</i>	<i>22344</i>	<i>23631</i>	<i>26826</i>	<i>35031</i>	<i>36760</i>	<i>39143</i>	<i>40763</i>

Source: See Table 1.

Table 9  
The balance of trade between Russia and the CEE countries  
(USD mn)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Balance of trade of Russia with the world and with CEE countries										
World	-5395	-16474		4950	17296	24478	31196	39475	32675	27254
CEE	-6421	-10364		3708	5241	3451	5203	8515	8314	6561
V-4	-4160	-9817		2413	3940	2087	3585	5164	5073	4057
Baltic				351	391	1070	1177	2026	2085	1545
Balkans	-2261	-547		944	910	294	441	1325	1156	959
as %										
CEE/world	119.02	62.91		74.91	30.30	14.10	16.68	21.57	25.44	24.07
V-4/CEE	64.79	94.72		65.08	75.18	60.48	68.90	60.65	61.02	61.84
Baltic/CEE				9.47	7.46	31.01	22.62	23.79	25.08	23.55
Balkans/CEE	35.21	5.28		25.46	17.36	8.52	8.48	15.56	13.90	14.62
Balance of trade of CEE with the world										
CEE	1404	-6177	-5224	-7869	-15836	-14454	-22164	-36524	-41679	-43356
V-4	2952	3575	-2618	-3176	-10456	-8879	-12716	-23854	-25255	-26529
Baltic				-17	-233	-928	-2011	-2932	-5162	-4714
Balkans	-1548	-9752	-2606	-4676	-5147	-4647	-7437	-9738	-11262	-12113
Balance of trade of CEE with Russia										
CEE	3502	1193	-1577	-1707	-5492	-4215	-6793	-7852	-6964	-6472
V-4	969	459	-2219	-1244	-3882	-3027	-4063	-5109	-3909	-3890
Baltic				-240	-225	-341	-708	-550	-1167	-833
Balkans	2533	734	642	-223	-1385	-847	-2022	-2193	-1888	-1749

Source: See Table 1.



Table 10  
The CEE countries' global exports and exports to Russia  
by main commodity groups, 1994–7  
(% of totals)

	Shares of groups in global exports		Shares of groups in ex- ports to Russia	
	1994	1997	1994	1997
<i>Czech Republic</i>	4	3	100	100
Food, beverages and agricultural products (SITC 0+1+4)	11	15	19	22
Raw materials and fuels (SITC 2+3)	0	1	1	1
Chemical products and intermediates (SITC 5+6)	2	3	17	27
Machinery and transport equipment (SITC 7)	5	3	33	31
Other manufactured goods (SITC 8+9)	8	4	31	18
<i>Estonia</i>	18	19	100	100
Food, beverages and agricultural products (SITC 0+1+4)	36	46	33	40
Raw materials and fuels (SITC 2+3)	11	12	12	11
Chemical products and intermediates (SITC 5+6)	13	9	20	13
Machinery and transport equipment (SITC 7)	23	24	26	31
Other manufactured goods (SITC 8+9)	8	6	9	5
<i>Hungary</i>	8	5	100	100
Food, beverages and agricultural products (SITC 0+1+4)	16	16	41	44
Raw materials and fuels (SITC 2+3)	1	0	1	0
Chemical products and intermediates (SITC 5+6)	5	6	18	24
Machinery and transport equipment (SITC 7)	9	3	31	25
Other manufactured goods (SITC 8+9)	4	2	9	6
<i>Latvia</i>	28	21	100	100
Food, beverages and agricultural products (SITC 0+1+4)	51	53	22	35
Raw materials and fuels (SITC 2+3)	4	3	3	4
Chemical products and intermediates (SITC 5+6)	18	18	21	26
Machinery and transport equipment (SITC 7)	52	41	38	22
Other manufactured goods (SITC 8+9)	29	16	16	13
<i>Lithuania</i>	28	25	100	100
Food, beverages and agricultural products (SITC 0+1+4)	47	37	37	23
Raw materials and fuels (SITC 2+3)	18	23	14	23
Chemical products and intermediates (SITC 5+6)	17	16	17	16
Machinery and transport equipment (SITC 7)	37	35	20	29
Other manufactured goods (SITC 8+9)	27	14	11	9
<i>Poland</i>	5	8	100	100
Food, beverages and agricultural products (SITC 0+1+4)	21	30	46	44
Raw materials and fuels (SITC 2+3)	1	1	2	1
Chemical products and intermediates (SITC 5+6)	3	7	21	28
Machinery and transport equipment (SITC 7)	4	4	17	10
Other manufactured goods (SITC 8+9)	4	7	14	18
<i>Romania</i>	3	3	100	100
Food, beverages and agricultural products (SITC 0+1+4)	17	14	31	33
Raw materials and fuels (SITC 2+3)	0	2	2	7
Chemical products and intermediates (SITC 5+6)	1	1	14	12
Machinery and transport equipment (SITC 7)	6	6	25	26
Other manufactured goods (SITC 8+9)	3	2	28	22
<i>Slovakia</i>	4	4	100	100
Food, beverages and agricultural products (SITC 0+1+4)	9	6	12	7
Raw materials and fuels (SITC 2+3)	1	0	1	0
Chemical products and intermediates (SITC 5+6)	2	3	27	36
Machinery and transport equipment (SITC 7)	6	4	26	26
Other manufactured goods (SITC 8+9)	10	9	34	30
<i>Slovenia</i>	4	4	100	100
Food, beverages and agricultural products (SITC 0+1+4)	5	5	6	5
Raw materials and fuels (SITC 2+3)	1	0	0	0
Chemical products and intermediates (SITC 5+6)	5	6	47	56
Machinery and transport equipment (SITC 7)	4	3	29	29
Other manufactured goods (SITC 8+9)	3	2	17	10

Source: UN/ECE Secretariat, based on UN COMTRADE database and national foreign-trade statistics.

Table 11  
Gravity model hypothetical trade turnover between CEE countries  
and Russia in 1996  
(mn USD)

	Hypothetical				Actual			
	Bilateral exports	Bilateral imports	Exports	Imports	Bilateral exports	Bilateral imports	Exports	Imports
			as % of total				as % of total	
CEE trade statistics								
Czech Republic	202.7	289.9	1.1	0.84	693	2061	3.16	7.39
Hungary	195.9	289.7	1.53	1.26	777	2021	5.91	12.47
Poland	546.2	1340	2.21	1.85	1654	2526	6.77	6.80
Slovakia	77.16	102.5	1.15	0.94	308	1933	3.49	17.68
Visegrád 4	1022	2022			3432	8541	5.02	9.27
Estonia	38.41	37.72	2.99	2.66	341	431	16.42	13.43
Latvia	43.55	55.39	3.19	2.81	330	426	23.17	20.28
Lithuania	61.37	87.91	3.21	2.83	781	1145	23.80	26.00
Baltic	143.3	181			1452	2002	21.41	20.61
Bulgaria	28.12	61.2	1.77	1.48	480	1694	10.04	34.64
Rumania	109.4	288.9	2.13	1.8	150	1144	1.96	12.63
Slovenia	99.42	69.25	1.07	0.83	298	209	3.59	2.22
others								
Balkans					1105	3298	4.09	8.97
Russia's trade statistics								
Czech Republic.	207.5	525.6	0.59	0.32	1743	531	2.08	1.19
Hungary	206.4	514.6	0.58	0.31	1802	655	2.15	1.47
Poland	561.2	1787	1.59	1.08	2122	919	2.53	2.06
Slovakia	93.1	190.1	0.26	0.12	1865	263	2.22	0.59
Visegrád 4	1068	3017	3.02%	1.83%	7532	2368	8.97	5.32
Estonia	53.79	83.91	0.15	0.05	489	146	0.58	0.33
Latvia	63.83	105.2	0.18	0.06	1039	233	1.24	0.52
Lithuania	87.03	156.3	0.25	0.09	1132	255	1.35	0.57
Baltic	204.7	345.5	0.58%	0.21%	2660	634	3.17	1.42
Bulgaria	45.66	81.26	0.13	0.05	915	244	1.09	0.55
Romania	147.7	352.1	0.42	0.21	776	135	0.92	0.30
Slovenia	95.29	193	0.27	0.12	127	277	0.15	0.62
others								
Balkans					2272	947	2.71	2.13

Source: Own calculations and Table 1-8.