

EXPORT OF FRUITS AND FRUIT PRODUCTS FROM REPUBLIC OF SERBIA – STATE AND POSSIBILITIES FOR DEVELOPMENT¹

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Abstract: Main goal of research was to analyse present trends and structure of fresh fruits export and export of fruit products from Republic of Serbia. Research results indicate that fresh fruits and fruit products represent significant export products. Authors say that export of these products represent important potential of the country and to be used well, larger investments in production are important as well as application of marketing concept of business. In observed period, positive foreign trade balance of total export of fresh fruits and products based on fruit processing was accomplished. In the paper authors indicate at importance of CEFTA application on further development of export of mentioned products from Republic of Serbia. Beside mentioned, it is indicated at importance of Agreement on stabilisation and accession with EU for intensification of fresh fruit export and export of fruit products as well as importance of larger participation of products of higher processing phase in export, which enables favorable export structure and higher level of competitiveness.

Key words: *fresh fruits, fruit products, export*

1. INTRODUCTION

Production and processing of fruits have great importance for economy of Republic of Serbia. Through fruits, basis for diversification in production of large number of

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products is being provided. Fruit production stimulates employment and development of commodity production in agriculture. It enables accomplishment of large production value on a relatively small area. This production connects influence of natural resources and technical-technological achievements in creation of gross domestic product, which enables that fruit becomes significant factor of regional development. Products included in group of products fresh fruits and products based on fruits have significant participation in total export of agro food products of Republic of Serbia.

2. MATERIAL AND METHODS

Main research goal is to give an overview of basic export characteristics of fresh fruits and fruit products from Republic of Serbia for period 2006-2008. Besides that, exchange with Bosnia and Herzegovina was particularly analyzed, because it represents important foreign trade partner from the aspect of fruit and fruit products trade as well as from the aspect of total trade of agro food products. Research was based on available data, using „Desk research” method. Source of data is publication “Foreign trade statistics” of Republic Statistical Office - Belgrade, for selected years. Standard statistical-mathematical methods were applied, and the most significant things were presented through tables and graphs.

3. RESULTS AND DISCUSSION

3.1. Export of fruits and fruit products from Republic of Serbia

In observed three years period, export of fresh fruits and fruit products from Republic of Serbia was 336 million US dollars. Export had a growth tendency, which was confirmed by increment of value in 2008 for 52%, in compare to the first year of observed period. Export was divided in three groups of products which differed, among other, by the rate of processing in compare to primary product. The largest participation in export, almost 2/3 had group of fruits and products (this group does not include juices). Then, there were products within group of fresh and dried fruits, as well as products from the group of juices (*table 1*).

Table 1. Fruit export from Republic of Serbia, by groups of products (2006-2008), 000\$

	Average value (000 \$)	Structure total= 100%
Fresh or dried fruits	64.822	19,3
Fruits and products (except juices)	227.840	67,8
Juices	43.213	12,9
Total	335.876	100,0

Source: Calculation based on data of Republic Statistical Office, Belgrade

Certain products had dominant position in export. The largest value was achieved thanks to raspberry export and associated products (blackberry, mulberry, blackcurrant

and gooseberry) according to standard international trade classification. Export of mentioned products was averagely 166 million US dollars annually. In compare to the first year of observed period, export of these products in 2008 was increased for 65%. Importance of raspberry, blackberry and similar products for export is large, which is indicated by the data that mentioned products participated in total export of fruits and fruit products with 49,5%. It is noticed the increment of export of fresh berries. In compare to 2006, in the last year of observed period the export of mentioned fruit was increased for 115%, as well as export of fresh stone fruits, which was increased from 9,0 to 24,4 million US dollars. Also, significant export growth was noticed in the case of jams and similar products, from 2,3 to 8,4 million US dollars in observed period.

If we observe export of fruits and fruit products from the aspect of the destination, we can notice that certain countries dominate. The largest export value was at the market of Germany. Export of fruits and fruit products in this country was 81 million US dollars, which represents almost quarter of total export of fruits and fruit products from Republic of Serbia (*table 2*). In compare to the first year of observed period, in 2008, export of fruits and fruit products in mentioned country was increased for 64%. One of the reasons of high participation of German market in realization of export of fresh and minimally processed fruits, in compare to products based on fruits, was that imported raw material was processed in products of higher processing phase which gives higher value and therefore re-export.

Table 2. Export of fruits and fruit products from Republic of Serbia, by countries (2006-2008), 000\$

Country	Average value (000\$)	Interval of variation		Structure total= 100%
		Min	Max	
Germany	80.564	57.957	95.187	24,0
France	45.005	30.158	57.388	13,4
Austria	44.682	34.313	51.163	13,3
Russian Federation	27.626	14.187	38.337	8,2
Belgium	17.426	12.714	21.865	5,2
Total	335.876	251.930	383.250	100,0

Source: Foreign trade statistics, Republic statistical office, Belgrade

Next to Germany, significant importers of fruits and fruit products are France and Austria which in total export participate with 13,4, i.e. 13,3%. In mentioned countries (Germany, France, Austria) annually is exported over half (50,7%) of total value of fruits and fruit products which are sell at international market. Besides the fact that France and Austria have important share in total export of fruits and fruit products from Republic of Serbia, value of products which are dedicated to these markets is growing. In compare to the first year of observed period, value of export to France was increased for 90% in 2008. It is important to mention the Russian Federation as a market which is perspective from the aspect of selling of fruits and fruit products from Republic of Serbia. In observed three years period, value of export of fruits and fruit products in

the last year was larger for 170% in compare to value achieved in 2006.

If we analyse factors which impact and can impact the increment of fruit and fruit products export from Serbia, it is necessary to first identify and define those factors.

1) Serbia does not have Regional strategy of development, which should clearly define regions which have comparative advantages for production of certain agro food products. 2) Serbia does not have balances of more important agro food products. 3) Serbia is poor country and its export incentives are very modest. 4) In Serbia there is no serious specialisation, organisation and cooperation in agriculture. 5) Serbian export companies do not have very important influence on international marketing mix, they are unorganized and they are not relatively specialized for leading of active politics of direction of international businesses. 6) Realization of Agreement on stabilization and accession, in which are clearly defined concessions of EU toward products from Serbia and concessions of Serbia for products from EU.⁵

Signing of an Agreement on autonomous trade measures represents the possibility for development of agriculture in Serbia, and therefore fruit production, trough intensification of export at the market of EU (In year 2000 European Council brought the decision that asymmetrical trade liberalisation precedes the Contracts on stabilisation and accession with countries of Western Balkan)⁶. Agreement considers possibility of preferential export from Serbia at EU market of about 85% of agricultural products with predominanty domestic origin (export without quantitative limitations, customs and equivalent effect measures). Fruit products belong to agricultural products within this percent, while export of certain agricultural products (baby beef, sugar and wine) is defined by tariff quotes. In this way we can expect intensificaation of export from Republic of Serbia and growth concurency of domestic fruits and products based on fruits at international market.

It is important to mention that fruits and fruit products from Republic of Serbia can be competitive by quality and price. Competitive by quality in export are⁷: fresh raspberry, frozen raspberry (rolend, griz, blok and original), frozen raspberry (blok and konfitura), cherries rolend withouth stone, cherry juice, fresh strawberries, strawberries provissionaly preserved, fresh apples, dried apples, concentrated apple juice, fresh apricot, preserved peach, fresh and dried plums. Competitive by price in export are: fresh raspberry, frozen raspberry (griz blok, original and other), raspberry (frozen, blok and other), fresh cherries, preserved and frozen rolend and blok withouth stone, apples, peaches, apricots, plums, melons, cherries and other fruits temporarily preserved, fruit jams, fruit puree and fruit paste, plum marmelade, apple juice, cherry juice, grape juice etc.

5 Vlahović, B., Cvijanović, D., Milić, D. (2008): Proizvodnja i izvoz voća iz Srbije, XIII kongres voćara i vinogradara Srbije, Novi Sad.

6 Council Regulation (EC) No 2007/2000 of 18. September 2000; Council Regulation (EC) No 2563/2000 of 20 November 2000.

7 Popović, Vesna, Katić, B. (2007): Uvozna zaštita i podrška izvozu poljoprivrede Srbije u procesu pristupanja STO i EU, Institut za ekonomiku poljoprivrede, Beograd.

In the structure of fruits and fruit products export from Republic of Serbia, dominant position have domestic primary products or minimally processed products. Countries which have developed market and larger purchasing power of the population, are characterized by the need for highly improved products, while sale of primary products i.e. products of lower processing phase is somewhat difficult.

To increase export of fruits from Republic of Serbia it is necessary to⁸:

Dynamize growth of production – it is necessary to stimulate production of fruits and fruit products through adequate economic measures, which is necessary precondition of export.

Redefine agrarian politics – it is important that agrarian politics become oriented toward export. To consider suitable price politics, land politics, tax system and import-export protection,

Stabilize primary production – instability in production is transferred to area of foreign trade exchange. It is necessary to create stable export surpluses which will satisfy the needs of foreign buyers regarding quantity and quality,

Change production structure – to try to have more products of higher processing phase in export, which makes export more profitable,

Maintain and improve quality of fruits for export – this is important because at the international market there are very sharp criteria regarding quality of products,

Make segmentation of foreign market – it is necessary to create those segments which are of especial importance for fruit export, especially products based on fruits. It is necessary to adjust products to selected market segment (regarding quality, packaging etc.),

Create recognizable “trade mark” - “Made in”, that is “Product of” which will guarantee high quality of products, which will make it knowable by foreign consumers,

Stimulate export – since export is largely determined by economy-systems solutions and measures of economic politics, the assistance of the country is necessary which will facilitate overcoming of created barriers in international trade,

Export organically produced fruits – world trend of organic production of agro food products, with goal of receiving healthy safe food, it is necessary to use it for the purpose of export of these plants,

Harmonize standards and regulations with standards and regulations of countries importers – this considers implementation of system of safety and quality of agro food products (GlobalGAP, ISO, HACCP)

Marketing approach to export – this approach to export considers research of foreign market and production of such products which will satisfy the needs of foreign consumers (regarding quality, assortment, package size, package design etc.), i.e. it considers leading of politics which will result in optimal combining of all elements of marketing mix, product, price, promotion, distribution, to satisfy foreign market and accomplish wanted profit.

⁸ Modified by Vlahović B. (2003): Tržište poljoprivredno prehrambenih proizvoda, specijalni deo knjiga II, Novi Sad.

CONCLUSIONS

In observed period export of fruits and fruit products was averagely 336 million US dollars annually and it had growth tendency. The most significant export products were raspberries and accompanied products which, in total export of fruits and fruit products from Republic of Serbia, participate with 49,5%. Countries which are foreign trade partners of the largest importance are: Germany, France and Austria. Over half of total export of fruits and fruit products are being sold at those markets (50,7%).

From the aspect of export of fruits and fruit products, EU countries represent important foreign trade partner of Republic of Serbia. For the purpose of export growth on the market of European Union the most important activity should be permanent improvement of products quality. Export structure is unfavorable because the largest share have raw materials or products of lower procesing phase. Production of agro food products in Republic of Serbia must be directed toward needs and demands of consumers in EU. Besides EU countries, CEFTA countries are also important for export of products. It can be expected that intensive application of CEFTA agreement will enable larger concurency of fruits and fruit products and that it will positively influence at growth of foreign trade exchange with countries signatories.

LITERATURE

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