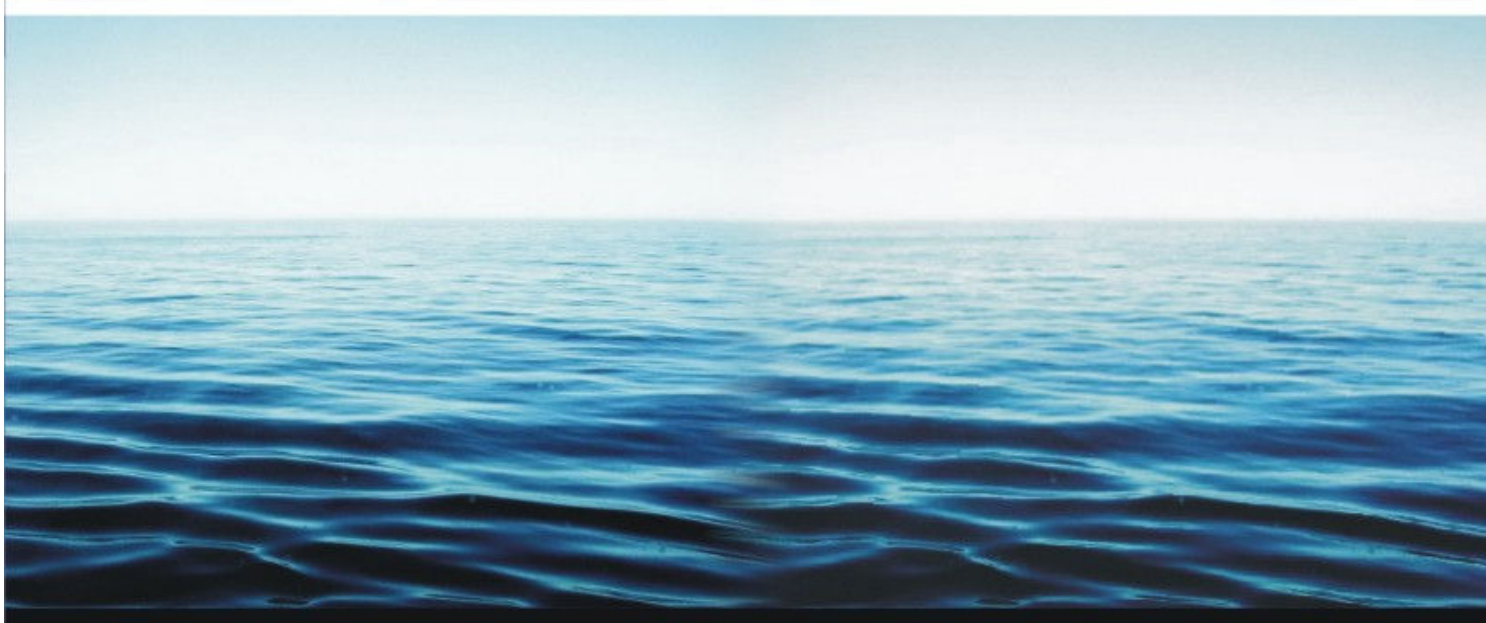


# Black Sea Economic Cooperation: Study on Trade and Investment Potential



Final Report  
8 October 2007



# Black Sea Economic Cooperation: Study on Trade and Investment Potential

## Countries which are members of the BSEC are:

This study has been prepared by Mr Paul Baker, a consultant working under the coordination of the UNDP regional bureau for Europe and the CIS (RBEC). The study is expected to assist the UNDP in defining subsequent trade and promotion activities to support regional economic integration among the Member States of the Black Sea Economic Cooperation region (BSEC). The author would like to thank Mr Mathieu Lamolle for outstanding research assistance and for preparing the databases. The author would also like to sincerely thank Dr Jean-Michel Pasteels, Mr Mondher Minouni and Ms Marion Philippe for assistance with data mining questions. Assistance on sending data on WTO commitments from the WTO Secretariat is gratefully acknowledged. Finally the author is grateful to Mr Giuseppe Belsito for his guidance during the process of writing the study. All interpretations made and remaining errors are the sole responsibility of the author.



- Albania
- Armenia
- Azerbaijan
- Bulgaria
- Georgia
- Greece
- Moldova
- Romania
- Russia
- Serbia
- Turkey
- Ukraine

The views reported therein do not necessarily reflect those of the UNDP but those of the author

# Study on Trade and Investment Potential



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## Abbreviations

|          |  |
|----------|--|
| BSEC     | Black Sea Economic Cooperation                       |
| EBRD     | European Bank for Reconstruction and Development     |
| EU       | European Union of 27 Member States                   |
| EUROSTAT | European Statistical Office                          |
| FDI      | Foreign Direct Investment                            |
| GDP      | Gross Domestic Product                               |
| GFCF     | Gross Fixed Capital Formation                        |
| HS       | Harmonised System                                    |
| IMF      | International Monetary Fund                          |
| IIT      | Intra-industry Trade (index)                         |
| ITC      | International Trade Centre UNCTAD/WTO                |
| MFN      | Most Favoured Nation                                 |
| OECD     | Organisation of Economic Cooperation and Development |
| RCA      | Revealed Comparative Advantage                       |
| TC       | Trade Complementarity (index)                        |
| TI       | Trade Intensity (index)                              |
| TradeSim | Trade Simulation Model developed by ITC              |
| UNDP     | United Nations Development Programme                 |
| UNSD     | United Nations Statistical Division                  |
| WTO      | World Trade Organisation                             |



## Executive Summary

The BSEC region has experienced significant macroeconomic, political, institutional and regulatory reforms in the last decade, with the effect of dramatically altering the business environment in which firms operate and creating an enabling framework for fostering foreign investment in emerging manufacturing and service sectors.

The Member States of the Black Sea Economic Cooperation (BSEC) are diverse in terms of population size, economic power, production and export structures, as well as the depth and breadth of trade and investment policies. The performance of trade is equally disparate, with Russia, Turkey and Greece dominating trade flows, owing in particular to their economic size since they account for over four fifths of the GDP of BSEC, but also due to the diversification of their production base. Member States remain predominantly entrenched in merchandise trade. Total trade in goods represents between 33 percent (Greece) and 120 percent of GDP (Moldova), while total trade in services represents between 8 percent of GDP (Russia) and 30 percent of GDP (Moldova). Thus the outward orientation varies between countries though all countries trade more in goods than services.

The study on trade and investment potential for the BSEC is a quantitative analysis of trade and investment flows amongst Member States, and identifies a number of sectors in which trade between Member States is underperforming according to the estimated potentials. The study draws on a number of trade indicators which are used to calculate trade complementarity in intra and inter industry trade, as well as more classical theoretical economic models to identify underperformance of trade.

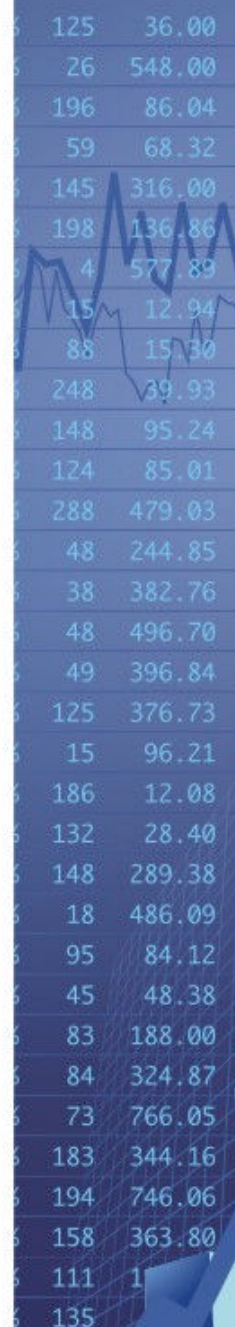
The study identifies a number of sectors in which trade between Member States is underperforming

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

According to the indicators computed in the study, the highest levels of trade complementarity exist between Azerbaijan (exporter) and Ukraine (importer), Greece (exporter) and Bulgaria (importer), Romania (exporter) and Ukraine (importer), Russia (exporter) and Romania (importer) and Ukraine (importer), and Ukraine (exporter) and Russia (importer). The level of intra-industry intra-regional trade for Bulgaria, Romania, Greece, Russia and Turkey is relatively high, whereas it is very low for Albania, Armenia, Azerbaijan, Serbia and Montenegro, and Ukraine.

Using an econometric model for estimating bilateral untapped potential, a number of key sectors which present opportunities for intra-regional trade appear to be under exploited. The econometric model, referred to as a gravity equation, estimates the value of expected bilateral trade based on the size of these economies, the tariff rate applied between them, the proximity of their markets, their cultural ties, etc. The sectors identified as having a high potential based on this model are the textiles, clothing and leather sector, food and beverages, metal products, agricultural products and machinery and equipment (see table below). Using the same simulation model, those countries which are estimated to have the highest untapped trade potential are Romania, Ukraine, Greece, Serbia and Montenegro, Russia, Turkey and Bulgaria.



|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
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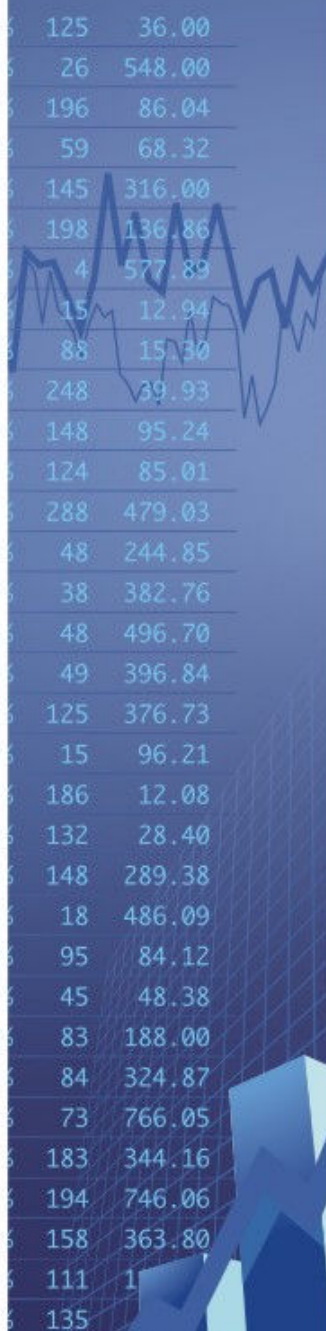
# Black Sea Economic Cooperation: Study on Trade and Investment Potential

For BSEC as a whole, the indicative trade potential is at US\$96 billion

| Sectors                             | Exporting countries |          |     |     |     |     |      |      |     |      |     |          |
|-------------------------------------|---------------------|----------|-----|-----|-----|-----|------|------|-----|------|-----|----------|
|                                     | ALB                 | ARM      | AZE | BGR | GEO | GRC | MDA  | ROM  | RUS | SEM  | TUR | UKR      |
| Agriculture and hunting             | ☆                   |          | ☆☆  | ☆   | ☆☆  | ☆☆  | ☆    | ☆☆☆☆ |     | ☆    | ☆☆  | ☆☆☆<br>☆ |
| Forestry and Fishing                |                     |          |     |     |     | ☆☆☆ |      | ☆    | ☆☆☆ |      | ☆☆☆ | ☆        |
| Food and beverages                  | ☆                   | ☆☆☆<br>☆ | ☆☆  | ☆   | ☆☆☆ | ☆☆☆ | ☆☆☆  | ☆☆   | ☆☆  | ☆☆☆☆ | ☆☆☆ | ☆        |
| Machinery and equipment             | ☆                   | ☆        | ☆   | ☆   | ☆   | ☆   | ☆    | ☆☆☆☆ | ☆☆  | ☆☆   |     | ☆☆       |
| Electrical and electronic equipment | ☆                   | ☆        |     | ☆   |     | ☆   | ☆    | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆        |
| Precision instruments               |                     |          |     | ☆   |     | ☆☆  | ☆    | ☆☆   | ☆☆  | ☆    | ☆   | ☆☆       |
| Motor vehicles & other trans equip. |                     |          | ☆   | ☆   | ☆   | ☆☆  | ☆    | ☆☆☆☆ | ☆☆  | ☆    | ☆   | ☆☆       |
| Other manufacturing                 |                     | ☆☆☆<br>☆ |     | ☆☆  |     | ☆   |      | ☆☆☆  | ☆   | ☆☆   |     | ☆☆       |
| Recycling                           | ☆                   | ☆        |     | ☆☆  | ☆   | ☆   | ☆    | ☆    | ☆   | ☆    | ☆   | ☆        |
| Textiles, clothing and leather      | ☆☆☆<br>☆            | ☆☆☆      | ☆   | ☆☆☆ | ☆   | ☆☆☆ | ☆☆☆☆ | ☆☆☆☆ | ☆☆☆ | ☆☆☆  | ☆☆  | ☆☆☆<br>☆ |
| Wood and wood products              | ☆                   |          |     | ☆   | ☆   | ☆   | ☆☆   | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆☆       |
| Publishing, print. & recorded media |                     |          | ☆   | ☆   |     | ☆   |      | ☆☆   | ☆☆  | ☆☆   | ☆   | ☆☆       |
| Chemicals and chemical products     | ☆                   | ☆        | ☆   |     | ☆   | ☆   | ☆    | ☆☆   | ☆   | ☆    | ☆   | ☆        |
| Rubber and plastic products         | ☆☆☆                 |          |     | ☆   | ☆   | ☆☆  |      | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆        |
| Non-metallic mineral products       |                     | ☆        |     | ☆☆  | ☆   | ☆☆  | ☆☆   | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆☆       |
| Metal and metal products            |                     | ☆☆☆      | ☆☆☆ | ☆☆  | ☆   | ☆   | ☆    | ☆☆☆  | ☆☆  | ☆☆☆☆ | ☆☆☆ |          |

Note: Untapped export potential to up to 2 countries (☆); up to 4 countries (☆☆); up to 6 countries (☆☆☆); over 6 countries (☆☆☆☆); Source: ITC *TradeSim*, 2006

Applying a static trade flow analysis approach to estimate intra-regional trade potential (by matching the exports of one member state with the imports of the rest of the region), the study identified trade potential between each country and the rest of BSEC Member States at a very detailed product specific level. The study thus estimated that for BSEC as a whole, the indicative trade potential is at US\$96 billion, with a number of products at only around half their



# Black Sea Economic Cooperation: Study on Trade and Investment Potential

potential. At an individual country level, the estimated indicative export potential is given in the table below (expressed in US\$ millions)<sup>1</sup>.

|                     | Indicative Trade Potential | Current Country exports to BSEC | Current Country exports to World | Current BSEC imports from World |
|---------------------|----------------------------|---------------------------------|----------------------------------|---------------------------------|
| Albania             | 613                        | 86                              | 662                              | 385,169                         |
| Armenia             | 674                        | 166                             | 937                              | 386,112                         |
| Azerbaijan          | 4,326                      | 1,121                           | 4,347                            | 383,592                         |
| Bulgaria            | 10,733                     | 2,970                           | 11,699                           | 369,675                         |
| Georgia             | 861                        | 499                             | 866                              | 385,312                         |
| Greece              | 14,728                     | 3,362                           | 17,418                           | 332,923                         |
| Moldova             | 1,067                      | 608                             | 1,091                            | 385,510                         |
| Romania             | 23,094                     | 4,418                           | 27,479                           | 348,057                         |
| Russia              | 84,693                     | 25,430                          | 241,244                          | 289,227                         |
| Serbia & Montenegro | 4,545                      | 1,466                           | 4,703                            | 378,571                         |
| Turkey              | 45,662                     | 8,300                           | 73,028                           | 273,774                         |
| Ukraine             | 27,097                     | 11,952                          | 34,228                           | 351,681                         |

Source: Author's calculations based on UNSD Comtrade Database, using 2005 data

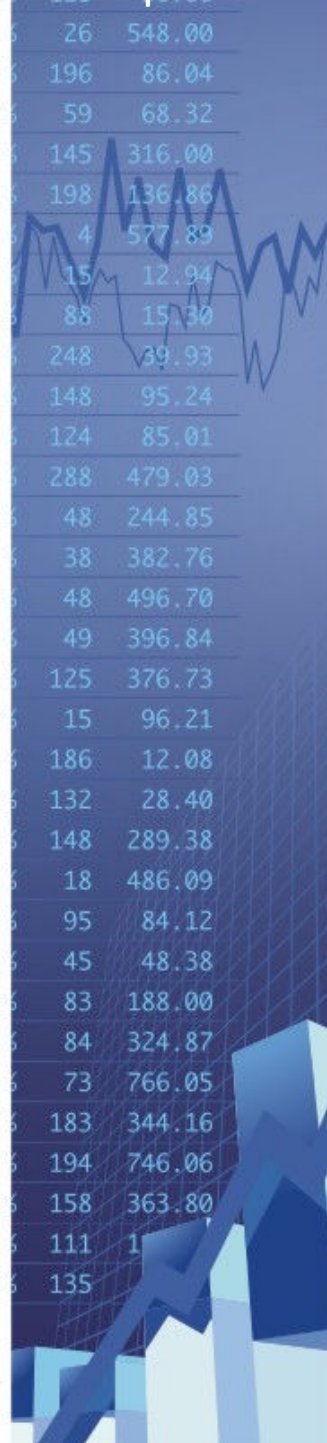
The products which displayed the highest indicative trade potential are textiles, clothing, leather, agro-processing, beverages, wood, rubber, paper and printer material, agricultural and metal products<sup>2</sup>. Specific products were identified in the study in each of the product clusters and can be found in section II.2. The level of tariffs applied by countries across the region with the rest of the world are relatively high, so that lower tariffs between members of BSEC are expected to lead to substantial trade creation amongst member states.

The study also focused on trade in services, which have performed far better for many member countries than the world trends. Moreover Greece, Turkey and Ukraine export more services than they import. Based on an assessment of the

<sup>1</sup>The value of the indicative trade potential differs between the sum of countries and the region since the regional potential has been calculated using the aggregate figures of all 12 Member States rather than adding the individual potential of each country.

<sup>2</sup> Energy products and motor vehicles also recorded a high indicative trade potential but are outside the scope of this study since they refer to larger multinational trade.

The products which displayed the highest indicative trade potential are textiles, clothing, leather, agro-processing, beverages, wood, rubber, paper and printer material, agricultural and metal products



# Study on Trade and Investment Potential



Travel services have the highest potential for intra-regional growth in the region

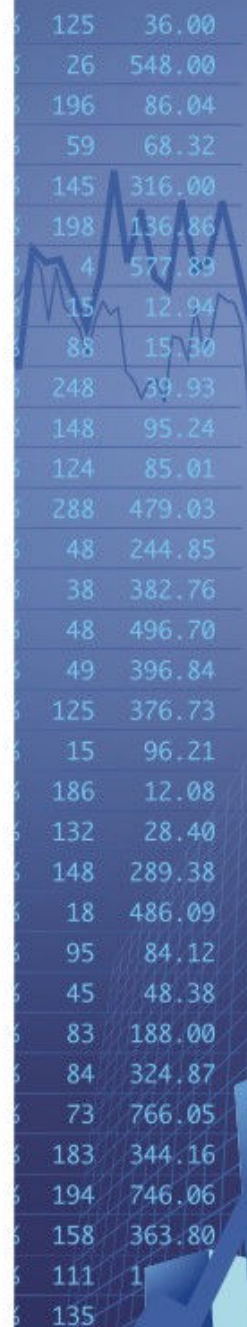
level of competitiveness, the indicative trade potential and the commitments made by BSEC countries in the WTO to liberalise trade in services, the study proposes a number of service sectors which presents opportunities for intra-BSEC trade promotion. In this regard, travel services have the highest potential for intra-regional growth in the region. Export of travel services in the region have generally outperformed the world market and commitments made by the WTO members of BSEC suggest that in the area of Market Access, there are relatively few limitations in cross border supply (mode 1), consumption abroad (mode 2) and commercial presence (mode 3) – see table below for an example of different modes of supply. Countries have also made commitments to predominantly not discriminate against service suppliers from abroad (national treatment principle) in modes 1-3. Overall travel services present large opportunities for intra-regional trade promotion.

### Definition and examples of modes of supply for exporting services

| Mode | Scope of coverage of mode   |
|------|---|
| 1    | Cross-border supply which does not require a physical movement from supplier to consumer (e.g. consultancy services, distance learning, etc.) |
| 2    | Movement of the consumer to the country of the supplier (e.g. tourism, education abroad or attending health care abroad)                      |
| 3    | Services provided to the consumers of a foreign country through commercial presence (e.g. hotel or bank establishing abroad)                  |
| 4    | Services provided through the temporary movement of natural persons (e.g. consultant or health worker)  |

Source: WTO (2006) *The General Agreement on Trade in Services: An introduction*, Geneva, March

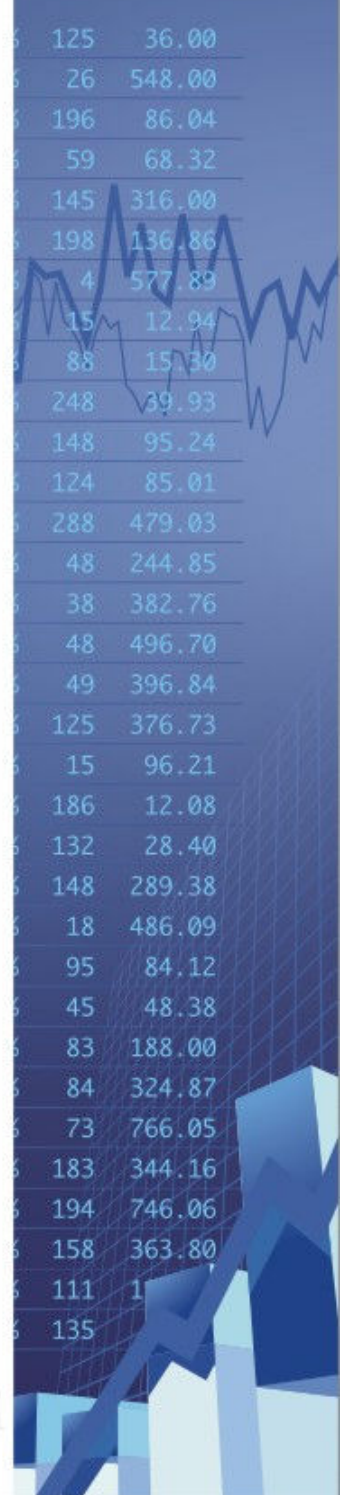
The second largest intra-regional trade potential was identified as being in transportation services. Exports of transportation services have outperformed the world market for many countries. Market Access in modes 2 and 3 is virtually entirely liberalised. However, in mode 1, all countries apply a number of restrictions for around half the subsectors. Typically, all countries apply



restrictions on the temporary movement of natural persons (mode 4). Overall transportation services present some important opportunities for intra-regional trade promotion, but significant restrictions and impediments to trade apply which need to be addressed in order to fully benefit from the regional market.

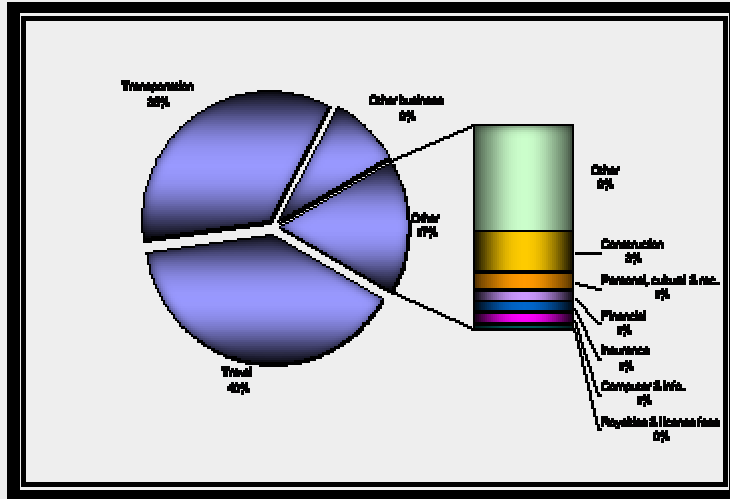
Other commercial services (which exclude construction, personal/cultural, financial, insurance, royalties and computer services) have a large potential for the region. All WTO members of BSEC have liberalised other business services in mode 2 and most of the subsectors in mode 3. Moreover, with the exception of Greece and Turkey most of the subsectors have been liberalised in mode 1. Most countries have unbound restrictions for mode 4 supply. For National Treatment, few restrictions exist in modes 1-3. Albania, Romania and Turkey have few restrictions in mode 4, while Armenia, Georgia and Greece have unbound limitations for mode 4. Overall, it appears that other business services presents a high intra-regional trade potential since the sector is extremely dynamic in the region and restrictions are relatively limited for market access and national treatment.

Other significant trade potential exists for computer and information services. Computer and information services have been performing far better than world trends for all countries in the region for both imports and exports (except for Russia for imports). Moreover most countries have no limitations on market access or national treatment for communication services, except in mode 4. Distribution services have few restrictions on market access and national treatment in modes 1-3 and thus indicate an important channel for cross-border trade in these modes of supply (mode 4 remains unbound for Armenia, Georgia and Greece, and partly unbound for Romania and Turkey). The chart below illustrates the breakdown of potential according to the different service sectors covered by this study.



The study identifies a number of sectors which present opportunities for foreign direct investment in the BSEC region

## Indicative potential for trade in services in BSEC (sectoral share of total trade potential)



Source: Authors' calculations based on 2005 statistics from ITC, WTO, IMF

Finally the study identifies a number of sectors which present opportunities for foreign direct investment in the BSEC region. The methodology employed is to identify bottlenecks to investment in the policy environment and analyse the level of FDI inflows, the FDI inward stock and foreign affiliates activities. The table below highlights the relatively low level of FDI in BSEC countries.

Investment inflows and outflows in BSEC Countries (2005)

|                       | Inflow (\$Mio) | Per capita in US\$ | Inward stock (\$ Mio) | Outflow (\$Mio) | Per capita in US\$ | Outward stock (\$ Mio) |
|-----------------------|----------------|--------------------|-----------------------|-----------------|--------------------|------------------------|
| Albania               | 260            | 83                 | 1,680                 |                 |                    | 82                     |
| Armenia               | 155            | 51                 | 1,024                 | 7               | 2                  | 32                     |
| Azerbaijan            | 1,392          | 170                | 13,876                | 1,221           | 146                | 3,686                  |
| Bulgaria              | 2,224          | 287                | 9,173                 | 316             | 41                 | 127                    |
| Georgia               | 450            | 101                | 2,320                 | -90             | -20                |                        |
| Greece                | 662            | 60                 | 22,455                | 46              | 4                  | 12,339                 |
| Moldova               | 225            | 54                 | 1,129                 | 0               | 0                  | 28.1                   |
| Romania               | 6,437          | 297                | 25,918                | -13             | -1                 | 242                    |
| Russia                | 13,072         | 91                 | 20,351                | 13,126          | 92                 | 120,417                |
| Turkey                | 8,546          | 118                | 63,285                | 1,086           | 15                 | 8,315                  |
| Ukraine               | 1,497          | 32                 | 8,364                 | 275             | 6                  | 466                    |
| Serbia and Montenegro | 1,481          | 181                | 5,428                 | 5               | 1                  |                        |

Source: ITC Investment Map, 2007

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
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| 248 | 39.93  |
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| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

The study then proceeds to select sectors already identified previously as having a high intra-regional trade potential for the manufacturing sector. For investment opportunities in the services sector, the study takes into account commitments made by countries in the WTO GATS Agreement in market access and national treatment with regard to establishing a foreign commercial presence in their country. The dynamism of the sector in the region, as well as the size of current service trade flows is also taken into account. The manufacturing sectors of textiles and clothing, food and beverages, metal products and wood products are identified as having a high investment potential. The service sectors of travel, distribution, communication, environment, education, health, recreational, cultural and personal, and other commercial services have a high indicative investment potential. Nonetheless, Turkey, Greece and Romania have certain limitations in establishing a foreign presence in their territory in subsectors of these services.

The study has identified a number of key strategic sectors for intra regional trade and investment promotion based on quantitative tools. The results need to be further refined with enterprise surveys and on the ground evaluation of the conditions for trade and investment. The use of buyers and sellers meetings, trade forums and improved communication of trade and investment conditions will be important channels through which to exploit more fully the untapped trade and investment potential of the Black Sea Economic Cooperation.

## I. BSEC Economic Performance and Trade Cooperation

### I.1. Trade and Investment Context

The BSEC represents a huge market of some 350 million people with a foreign trade capacity of over US\$ 300 billion annually, an area of nearly 20 million square kilometres and rich in natural resources, and one of the European Union's major energy supplier. Owing to its geographical location, the markets in the region could quite easily be integrated to the important markets of Europe, Central Asia and/or the Middle East. The BSEC region is a sizeable

The manufacturing sectors of textiles and clothing, food and beverages, metal products and wood products are identified as having a high investment potential. The service sectors of travel, distribution, communication, environment, education, health, recreational, cultural and personal, and other commercial services have a high indicative investment potential

The BSEC represents a huge market of some 350 million people with a foreign trade capacity of over US\$ 300 billion annually



|     |        |
|-----|--------|
| 73  | 766.05 |
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| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

# Study on Trade and Investment Potential



# Black Sea Economic Cooperation: Study on Trade and Investment Potential

market by any criteria, and as such, is an attractive destination for both trade and investment in several obvious areas such as transportation, communications, energy and tourism.

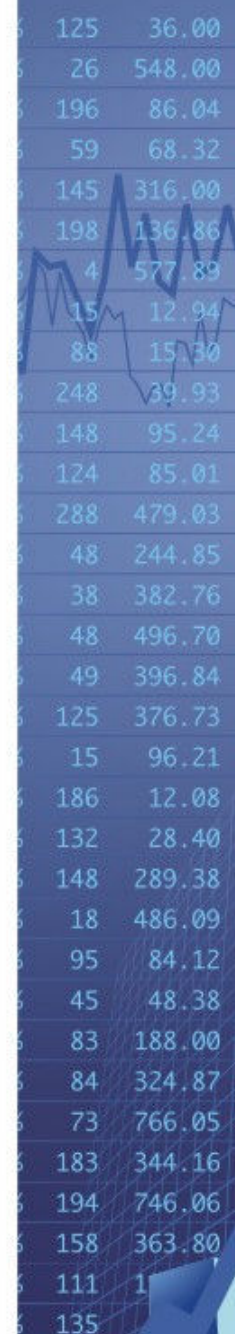
The most populous country in BSEC is the Russian Federation with 143 million inhabitants, followed by Turkey (73 million) and Ukraine (47 million). The populations of the BSEC countries add up to 350 million, which is around three quarters of the size of the population of the European Union (460 million) but significantly larger than the USA (297 million). In terms of land area, the Russian Federation accounts for the largest surface area (17.1 million square kilometres), followed by Turkey (0.8 million square kilometres) and Ukraine (0.6 million square kilometres). However most of the surface area in Russia is not arable, in comparison to Turkey and Ukraine which have higher relative shares of arable land.

The size of the BSEC market is significant, at around US\$ 1.6 trillion in 2005. However, there are major disparities in the size of economies across the region. Three countries, Greece, the Russian Federation and Turkey, alone constitute 83 % of BSEC's GDP. On the other hand, five countries contribute less than 1% of BSEC's GDP (Albania, Armenia, Azerbaijan, Georgia and Moldova). The estimated growth rate in 2006 for the region is high, with the highest annual growth rate of GDP originating in Azerbaijan (25 %). Armenia is estimated to have recorded 8.5% growth in 2006, followed by Georgia with 7.5%. The lowest economic growth has been recorded for Moldova (3.5%)<sup>3</sup>. Figure 1 highlights some of the basic macroeconomic indicators of the region and illustrates the great diversity of economies in the region, both in terms of GDP and in current account performance.

Price stability has generally been maintained in the region, although three countries still face double digit inflation rates: Moldova, Serbia and the Russian

<sup>3</sup> EBRD Statistics

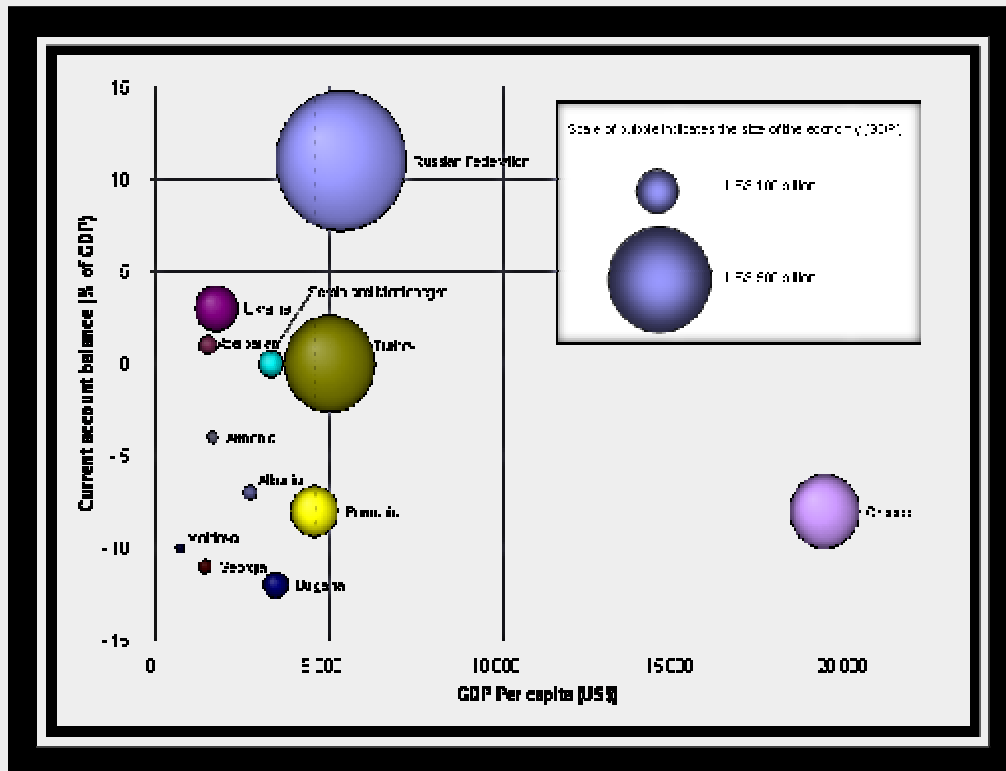
The size of the BSEC market is significant, at around US\$ 1.6 trillion in 2005



# Black Sea Economic Cooperation: Status and Investment Potential

Federation (13%, 13% and 10% respectively in 2006). Azerbaijan and the Ukraine have experienced an 8% increase in their consumer price index, and most other countries in BSEC have low and stable inflation.

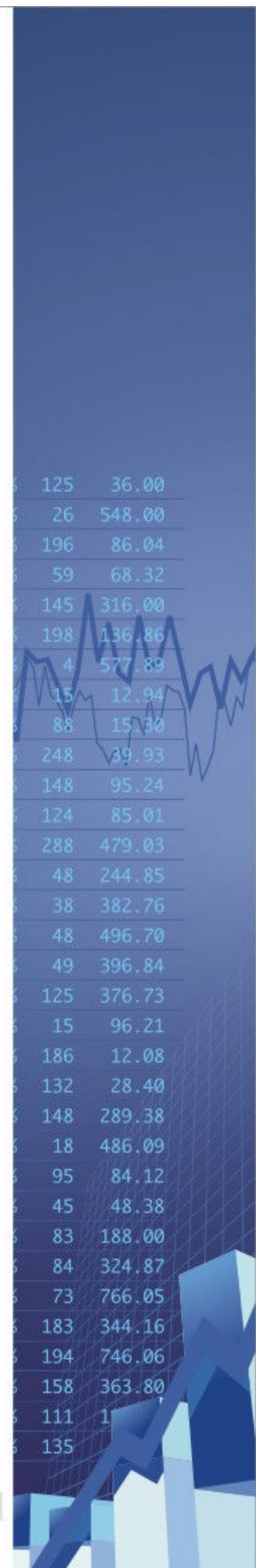
**Figure 1. Basic economic indicators of the BSEC (2005 or latest available year)**



Note: Dashed lines indicate estimated BSEC averages

Source: Estimations from author and World Bank *World Development Indicators database*, 2007

The share of trade in the national economy dropped sharply after the fall of communism but has since gradually regained prominence and in some cases, surpassed pre-market economy levels. Trade flows among countries are in theory a function of the comparative advantages belonging to these countries and the differences in their resources. Bilateral trade between BSEC countries is highly dependant on historical factors which shaped the complementarity of their structures of production. A slow diversification process has taken place throughout the region. The share of trade which is directed to transition economies has declined and has reached between 50 percent in the case of Ukraine to less than 20 percent in the case of Albania.



## Study on Trade and Investment Potential

The financial sector reforms in a number of BSEC countries have created a more enabling environment for business,

The relative increase in the share destined to non-transition economies is indicative of a significant increase in the competitiveness of these economies.

Table 1 presents some interesting indicators related to private sector, trade and infrastructure development. The share of the private sector in the national economy varies from 55 percent in the case of Serbia to 75 percent in the cases of Albania and Armenia. The private sector accounts for the largest share of employment, though in general this corresponds approximately to the ratio of the private sector in GDP.

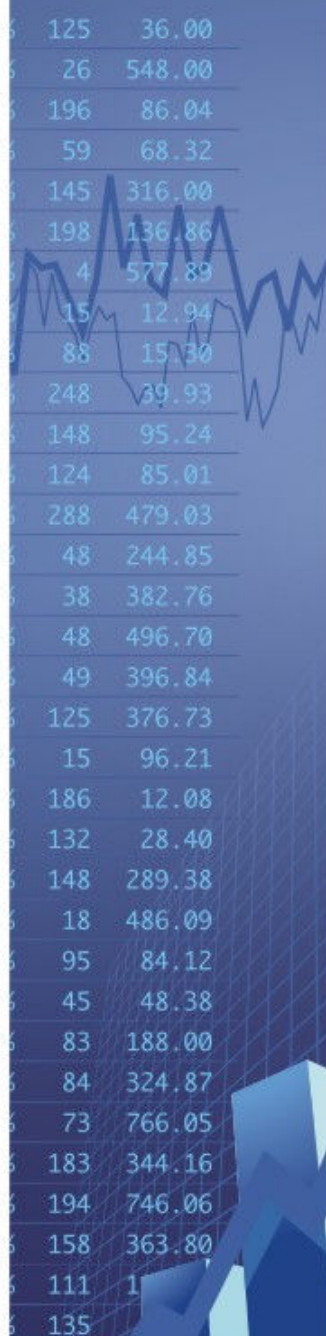
Table 1. Basic structural indicators of transition BSEC economies, 2005

|   | Albania   | Armenia     | Azerbaijan | Bulgaria    | Georgia     | Moldova     | Romania     | Russia      | Serbia      | Ukraine     |
|---|-----------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Macroeconomic</b>                                      |           |             |            |             |             |             |             |             |             |             |
| Private sector share in GDP (%)                           | 75.0      | 75.0        | 60.0       | 75.0        | 65.0        | 60.0        | 70.0        | 65.0        | 55.0        | 65.0        |
| Private sector share in employment (%)                    | 80.0      | na          | 68.1       | 71.0        | 77.7        | 60.0        | na          | na          | na          | na          |
| Investment/GDP (%)  | 26.6      | 23.2        | 56.1       | 28.0        | 26.3        | 29.8        | 22.7        | 20.9        | na          | 22.2        |
| <b>International Trade</b>                                |           |             |            |             |             |             |             |             |             |             |
| Share of trade with non-transition countries (%)          | 87.4      | 69.2        | 65.7       | 75.0        | 57.2        | 37.7        | 77.3        | 73.2        | na          | 48.6        |
| <b>Finance</b>  |           |             |            |             |             |             |             |             |             |             |
| Non-performing loans (in per cent of total loans)         | 23        | 2.1         | 14.9       | 3.8         | 3.8         | 5.3         | 61          | 2.8         | 23.8        | 19.0        |
| Domestic credit to private sector (% of GDP)              | 10.3      | 8.0         | 6.2        | 26.0        | 14.8        | 25.4        | 10.2        | 25.7        | na          | 35.2        |
| <b>Telecommunications</b>                                 |           |             |            |             |             |             |             |             |             |             |
| Fixedline (mobile) penetration rate (per 100 inhabitants) | 86 (39.5) | 19.3 (10.6) | 130 (26.7) | 32.1 (80.8) | 15.1 (32.6) | 22.1 (25.9) | 20.2 (61.5) | 27.9 (83.6) | 32.9 (64.0) | 25.8 (37.0) |
| Internet penetration rate (per 100 inhabitants)           | 1.7       | 6.3         | 0.4        | 8.7         | 14.0        | 31.2        | 22.6        | 59.4        | 33.8        | 27.7        |

Source : EBRD Transition Report 2006

The financial sector reforms in a number of BSEC countries have created a more enabling environment for business, in particular for bridging inter-temporal consumption-investment constraints. However, the share of non-performing loans remains significant for a number of economies in the region and is of concern to the stability of the financial sector.

Figure 2 presents the inflows and outflows of FDI in BSEC countries. Outflows signify more often than not, disinvestment in the country as opposed to new investment abroad. Azerbaijan is by far the largest recipient of FDI as a proportion of GDP in the region, which is entirely absorbed by the energy



sector. Other countries enjoy far smaller levels of FDI though these tend to be more evenly distributed across sectors of the economy. The larger economies tend to be far smaller recipients of FDI, in part because the national contribution to gross fixed capital formation is large and in part because BSEC's ability to attract FDI outside of the energy sector is relatively limited.

Gross Fixed Capital Formation (GFCF) ranges from 17 percent in Serbia and Montenegro to 30 percent in Armenia. GFCF is exceptionally high in Azerbaijan owing to Azerbaijan's singularity with exceptionally high FDI in the energy sector. In absolute terms, Russia's domestic investment dwarfs other members of BSEC, since it accounts for half of all BSEC's GFCF.

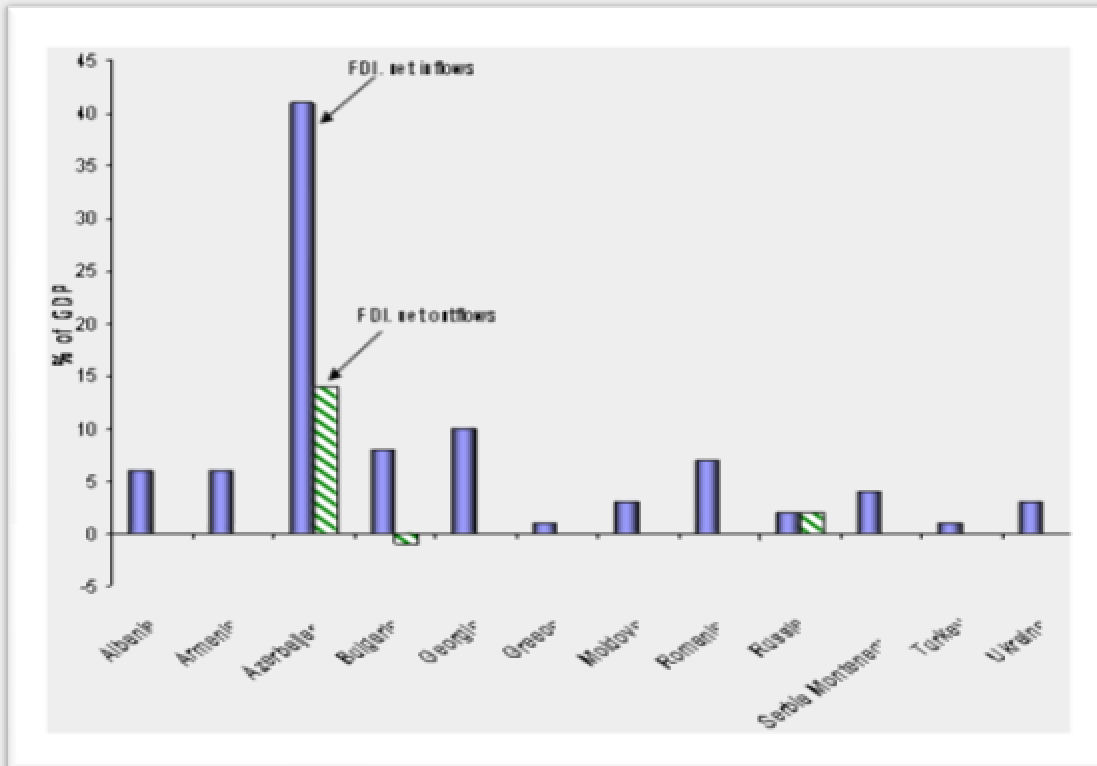
The dynamism of the private sector is a major determinant as to the competitiveness of the economy and its long term growth potential. The number of patent applications from residents provides an insight into the dynamism of the private sector within the country to be innovative, while the number of patent applications from non-residents provides an insight into the interest of foreign companies operating within BSEC. Ukraine has an exceptionally high number of patent applications from residents (4,086 patent applications) in comparison with the other countries of the region. Serbia and Montenegro has the highest number of patent applications from non-residents (658 patent applications) (see Table 2).

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
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| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |



The services sector tends to show robust growth across the region

Figure 2 Foreign direct investment flows in BSEC (2004)



Source: World Bank *World Development Indicators* database, 2007

In terms of the contribution of each economic sector to growth, each country exhibits remarkably different properties. The trends change considerably from one country to the other, but the services sector tends to show robust growth across the region, except for Ukraine where it stagnated in the last five years. Industrial growth in Armenia and Azerbaijan has been significant, at 19 and 13 percent respectively (see Table 2).

Trade is very significant for most countries in BSEC, in particular Azerbaijan, Bulgaria, Moldova and Ukraine, whose trade exceeds one hundred percent of its GDP<sup>4</sup>. The least open economies are Greece and Russia, where trade accounts for only around half of GDP (though this is double the relative size of trade for the USA).

<sup>4</sup> Trade is defined as the sum of exports and imports of goods and services.

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
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| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

Although the economies of the region are open, they are not necessarily self sufficient and with the exception of the Russian Federation and Ukraine, all register deficits in the balance of trade in goods and services. Interestingly Greece, Turkey and Ukraine have positive balances for trade in goods, with transportation and tourism services accounting for the largest surplus for Greece.

Table 2. Indicators of performance of BSEC (2005)

|   | ALB  | ARM   | AZE  | BGR  | GEO  | GRE   | MOL  | ROM   | RUS   | SEM   | TUR    | UKR   |
|---|------|-------|------|------|------|-------|------|-------|-------|-------|--------|-------|
| <b>Investment and Gross Fixed Capital Formation</b> |      |       |      |      |      |       |      |       |       |       |        |       |
| FDI, net inflows (% of GDP)                         | 6    | 6     | 41   | 8    | 10   | 1     | 3    | 7     | 2     | 4     | 1      | 3     |
| FDI, net outflows (% of GDP)                        | 0    | 0     | 14   | -1   | 0    | 0     | 0    | 0     | 2     | ..    | 0      | 0     |
| GFCF (Billion US\$)                                 | 2.1  | 1.5   | 5*   | 7.5  | 1.7  | 52*   | 0.6  | 23.6  | 159.5 | 4.5   | 90.0   | 15.9  |
| GFCF (% of GDP)                                     | 25   | 30    | 53*  | 28   | 27   | 26*   | 20   | 24    | 21    | 17    | 25     | 19    |
| GFCF (% growth p.a.)                                | 10   | 25    | 16*  | 23   | 13   | 5*    | 2    | 5     | 11    | 8     | 10     | 9     |
| <b>Patents</b>                                      |      |       |      |      |      |       |      |       |       |       |        |       |
| Patent applications, non-residents                  | n.a. | 2*    | n.a. | 5*   | 10*  | 27*   | n.a. | 37*   | 2*    | 658** | 42**   | 269*  |
| Patent applications, residents                      | n.a. | 151** | n.a. | 263* | 248* | 487*  | 297* | 937*  | 23*   | 381** | 465**  | 4086* |
| <b>Composition of Growth</b>                        |      |       |      |      |      |       |      |       |       |       |        |       |
| Industry, value added (% growth p.a.)               | 4*   | 19    | 13*  | 7    | 15   | 1*    | 5    | 4     | 4     | 4     | 9      | 2     |
| Manufacturing, value added (% growth p.a.)          | n.a. | 7     | 11*  | 10   | 11   | 3**   | 4*   | 4     | n.a.  | n.a.  | 6      | 15*   |
| Agriculture, value added (% growth p.a.)            | 3*   | 11    | 5*   | -9   | 12   | 10*   | 3    | 4     | 1     | 2     | 6      | 2     |
| Services, etc., value added (% growth p.a.)         | 8*   | 11    | 9*   | 7    | 7    | 5*    | 6    | 4     | 8     | 3     | 7      | 0     |
| <b>External Sector</b>                              |      |       |      |      |      |       |      |       |       |       |        |       |
| Trade (% of GDP)                                    | 70   | 67    | 121* | 138  | 87   | 50*   | 135  | 84    | 57    | 78    | 61     | 115*  |
| Trade in services (% of GDP)                        | 30   | 15    | 27   | 29   | 21   | 23    | 30   | 10*   | 8     | n.a.  | 12*    | 21    |
| Exports of goods & services (% growth p.a.)         | 19.0 | 16.0  | 11.0 | 7.0  | 5.0  | 10.0  | 8.0  | 4.0   | 6.0   | 30.0  | 9.0    | 3.0   |
| Imports of goods & services (% growth p.a.)         | 22   | 12    | 23*  | 15   | 5    | 8*    | 8    | 4     | 16    | 8     | 12     | 14    |
| Merchandise trade (% of GDP)                        | 39   | 55    | 68   | 112  | 53   | 33    | 117  | 69    | 48    | 62    | 52     | 86    |
| Net trade in goods (Billion US\$)                   | -1.8 | -0.6  | 3.3  | -5.4 | -1.2 | -34.3 | -1.2 | -6.7* | 118.3 | n.a.  | -23.9* | -1.1  |
| Net trade in services (Billion US\$)                | -0.2 | -0.1  | -2.0 | 0.8  | 0.1  | 19.4  | 0.0  | -0.2* | -14.7 | n.a.  | 12.7*  | 1.8   |
| Net trade in goods & services (Billion US\$)        | -2.0 | -0.6  | 1.3  | -4.6 | -1.1 | -14.8 | -1.2 | -6.9* | 103.6 | n.a.  | -11.2* | 0.7   |

Note: \*: 2004 statistics; \*\*: 2003 statistics; Growth over a five year period  
Source: World Bank *World Development Indicators database*, 2007

## I.2. Background to Trade and Investment Cooperation in the BSEC region

The Black Sea Economic Cooperation (BSEC) came into existence on the 25<sup>th</sup> of June 1992 with the signature of the "Summit Declaration on Black Sea Economic Cooperation" and the "Bosphorus Statement" by the Heads of State of eleven countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. Its

Charter became effective on the 1<sup>st</sup> of May 1999, and the BSEC was transformed into an international legal entity as a regional economic organisation: the “Organization of the Black Sea Economic Cooperation”. Serbia and Montenegro joined the Organization in April 2004. The regional organisation bases its cooperation on the Summit Declaration and Bosphorus Statement, and on other declarations signed in subsequent meetings (Bucharest, Moscow, etc).

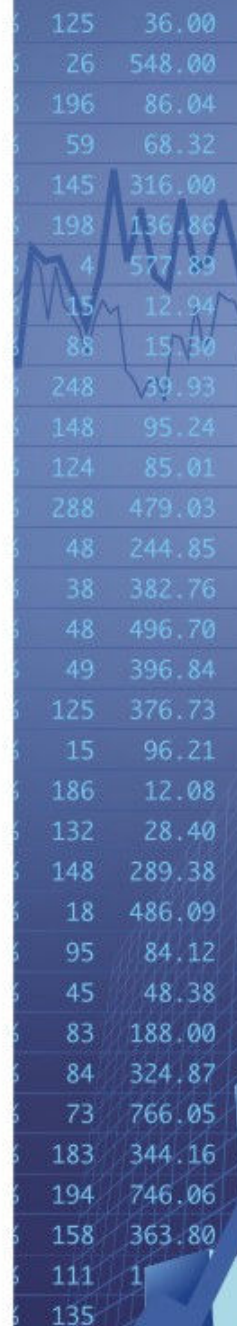
Owing to its geographical location, the Black Sea region could easily be integrated into the markets of Europe, Central Asia and/or the Middle East (see box 1). The region has long been seen as a very challenging economic area for both political and economic reasons. The initial purpose of the BSEC was to gradually expand intra-regional trade and investment and identify the key milestones for trade potential in the sub-region. The Organization of the BSEC has progressively been recognized since its foundation to be a key actor in promoting the region as an area of peace, cooperation and prosperity.

### Box 1. BSEC Configuration and the EU

Whilst being part of the BSEC, a number of countries are already Members of the EU, are candidate countries, or aspire to become Members of the EU in due course. The political and economic incentives related to joining the EU have led to a trade policy shift towards the EU and away from traditional markets. Greece is a Member State of the EU since 1981, while Romania and Bulgaria acceded to the EU on 1 January 2007. Turkey was formally recognised as a candidate country in 1999, and is still undergoing negotiations for accession.

The BSEC institutional structure is based on four main pillars comprising the governments, parliaments, private sectors and local administrations of

The Black Sea region could easily be integrated into the markets of Europe, Central Asia and/or the Middle East



Member States. The highest decision making organ of the BSEC is the Meeting of the Ministers of Foreign Affairs (MMFA). The Parliamentary Assembly of the BSEC (PABSEC) adds another dimension so that national parliaments can pass legislation in line with the decisions of the MMFA. The Black Sea Economic Council, which represents the business communities of the Member States, has been established to give directions to the development of cooperation and trade of goods and services between the member countries, and the Black Sea Trade and Development Bank has been set up to finance such regional projects.

Six of the member countries had been part of the Soviet Union, and some inter-relations among BSEC countries remain sensitive. There are also significant differences between the economies of the BSEC countries, which are divergent in terms of their production capacities, availability of factors of production, natural resources, and market size. However, despite the fact that the region has been the scene of tensions in the past, the end of the Cold War has given a way to new opportunities for cooperation and more open democratic systems.

The member countries have committed themselves to serve the purpose of cooperation towards a “free trade zone” where commodities, services and factors of production would be exchanged freely. The Organization of the Black Sea Economic Cooperation has generated a dialogue between member countries and generated political and institutional adjustments, and regional trade integration projects towards a sustainable growth for the region. The existing political tensions between some member countries and the socio-economic differences in the region have led to the creation of a flexible organizational structure with no legal commitment but a concentration on concrete cooperation projects.

This kind of approach aims at action-oriented objectives: it envisages to promote both intra-regional trade and extra-regional trade, with a progressive integration of the newly independent states into the World economy, and it envisages to produce jointly



the public goods and services that may be too costly for individual Members, such as education projects, training research and development, infrastructure, environment, energy management and communication. The scope of cooperation involves several areas such as transport and communication, infrastructure, exchange of statistical data, standardisation and certification, security and creation of a stable and attractive pool of investment and trade<sup>5</sup>.

## II. Trade Potential and Opportunities for Growth

### II.1. Salient features of intra-BSEC trade in goods

A limited number of key sectors account for most of the intra-regional trade flows in the BSEC region. In particular, 15 sectors alone represent respectively 83% and 72% of total intra regional exports and imports. Out of these 15 sectors, 10 are identified as of vital importance in both exports and imports based on the size flows (see table 3). A number of limitations exist with analysing trade data in the region. These primarily concern the misclassification of trade flows, unreported data and informal trade. Box 2 provides a summary of some of the problems encountered in analysing the trade statistics for the region.

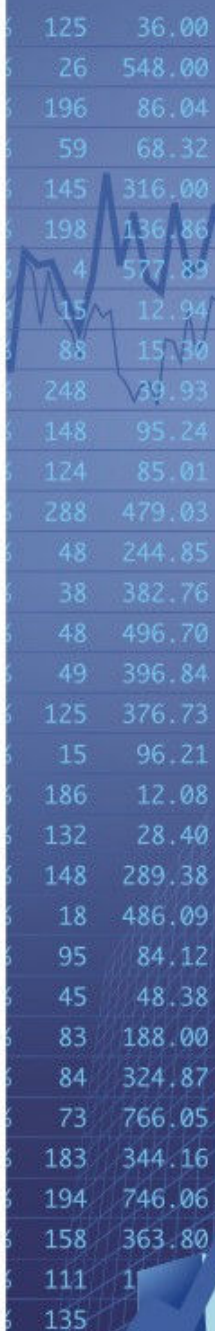
Table 3. Selection of 10 key sectors for intra-regional trade flows (2005)

| Rank | HS Chapter | Description   | Intra-BSEC Exports (Billion US\$) | Intra-BSEC Imports (Billion US\$) |
|------|------------|---|-----------------------------------|-----------------------------------|
| 1    | 27         | Mineral fuels, oils, distillation products, etc       | 37.95                             | 12.07                             |
| 2    | 72         | Iron and steel  | 7.3                               | 6.46                              |
| 3    | 85         | Electrical or electronic machinery and equipment      | 1.32                              | 1.51                              |
| 4    | 87         | Vehicles other than Railway, Parts and Accessories    | 1.91                              | 1.48                              |
| 5    | 84         | Machinery and Mechanical Appliances, including parts  | 2.52                              | 2.37                              |
| 6    | 44         | Wood and articles of wood, wood charcoal              | 1.46                              | 1.04                              |
| 7    | 73         | Articles of Iron and Steel                            | 1.14                              | 1.64                              |
| 8    | 48         | Paper & paperboard, articles of pulp, paper and board | 2.94                              | 1.78                              |
| 9    | 39         | Plastics and articles thereof                         | 1.66                              | 1.64                              |
| 10   | 60         | Knitted or crocheted fabric                           | 0.91                              | 0.84                              |

Source: UNSD COMTRADE (2007)

<sup>5</sup> Information sources from the Organisation of Black Sea Economic Cooperation

**15 sectors alone represent respectively 83% and 72% of total intra regional exports and imports**



In Annex 1, a number of tables display the major exports destination and import origin for each BSEC country and the major exports and imports by product group for each country. Not surprisingly, the Russian Federation is the leading country for most of the sectors, followed by Turkey, Greece and Ukraine. Russia and Turkey are the leading exporters for the top ten sectors. Azerbaijan is a significant exporter for regional fuels, while Serbia and Montenegro is a significant exporter for paper.

### Box 2. Note on the quality of trade data used in this study

Trade data in general can never provide a complete and accurate picture of traded values and quantities. This is particularly the case for BSEC where a number of countries do not report data or where data is wrongly reported, omitted or misclassified. Trade statistics can also be affected by informal trade, cross border smuggling, the re-exportation or re-importation of products, etc. However, trade flows and the indicators presented in this chapter provide a useful order of magnitude of actual trade flows and represent a valid point of departure for research. According to quality determinants, one may decide that trade data are reliable or not.

While transactions are recorded in both the exporting and the importing country by the customs offices, it is then instructive to analyse the discrepancies between the export statistics of a country and the import statistics of its partners (mirror statistics). A good sign of data reliability is a relative match of these trade and mirror statistics. Imports figures are generally slightly higher than the exports figures, as they include freight and insurance costs. A difference of around 10% is generally observed as the norm. Discrepancy measures are defined as  $(M-T)/(T+M)$  where T is reported trade and M is for mirror estimate. These are presented in the tables below. For example, when Georgia reports its imports from BSEC Member States, it systematically over reports except for its trade with Armenia (under reports by 23% on average) and Russia (approximately accurate reporting based on both declarations).

Table on Data Discrepancy in imports of BSEC countries

| REPORTER   | TOTAL | ALB  | ARM  | AZE  | BGR   | GEO   | GRC   | MOL  | ROM   | RUS  | TUR   |
|------------|-------|------|------|------|-------|-------|-------|------|-------|------|-------|
| ALBANIA    | 5.2   |      | n.a. | n.a. | 15.6  | n.a.  | 2.1   | n.a. | 1.9   | 18.4 | 3.4   |
| ARMENIA    | 13.1  | n.a. |      | n.a. | 47.5  | -19   | 10.6  | 1.4  | 89.5  | 26.9 | 100   |
| AZERBAIJAN | -7.1  | n.a. | n.a. |      | -20   | -23.7 | -20.2 | n.a. | 3.5   | -3.2 | -23.3 |
| BULGARIA   | 3.4   | n.a. | n.a. | n.a. |       | n.a.  | -8.8  | n.a. | -11.2 | -7.4 | 3.6   |
| GEORGIA    | -13.5 | n.a. | 23.2 | -8.7 | -40.1 |       | -13.9 | n.a. | -70.8 | 0.8  | -15.6 |
| GREECE     | 6.8   | n.a. | n.a. | n.a. | -27.3 | 91.3  |       | n.a. | 1.8   | 61.6 | -2.1  |
| MOLDOVA    | -3.2  | n.a. | n.a. | n.a. | 18.4  | n.a.  | 7.6   |      | -17   | 1.2  | 1.3   |
| RUSSIA     | -19.1 | n.a. | n.a. | n.a. | n.a.  | n.a.  | n.a.  | 13.6 | n.a.  |      | -19.1 |
| TURKEY     | 7.7   | n.a. | n.a. | n.a. | 5.1   | n.a.  | -10.9 | n.a. | 0.6   | 7.9  |       |

Note: Bilateral discrepancy defined as  $100*(T-M)/(T+M)$ , T reported trade, M mirror estimate for 2003. Varies between -100% and +100%; n.a. refers to data not available; no data reported for Romania, Serbia and Montenegro and Ukraine  
Source: International Trade Center, based on COMTRADE Data of the UNSD

Table on Data Discrepancy for exports of BSEC countries

| REPORTER   | TOTAL | ALB  | ARM  | AZE   | BGR   | GEO   | GRC   | MOL  | ROM  | RUS   | TUR   |
|------------|-------|------|------|-------|-------|-------|-------|------|------|-------|-------|
| ALBANIA    | 3.2   |      | n.a. | n.a.  | 17.7  | n.a.  | -49.9 | n.a. | -100 | 46.4  | 10.5  |
| ARMENIA    | 5.7   | n.a. |      | n.a.  | 80.5  | 23.2  | -63.7 | -2.6 | n.a. | -6.2  | n.a.  |
| AZERBAIJAN | -13.5 | n.a. | n.a. |       | -99.7 | -8.7  | -29.6 | n.a. | -7.2 | -23.3 | 6.8   |
| BULGARIA   | 3.7   | 15.6 | n.a. | n.a.  |       | -40.1 | -27.3 | 18.4 | 0.8  | 21.4  | 5.1   |
| GEORGIA    | 40.2  | n.a. | -19  | -23.7 | n.a.  |       | 91.3  | -9.4 | 37.9 | -     | 53.8  |
| GREECE     | -3    | 2.1  | n.a. | n.a.  | -8.8  | n.a.  |       | n.a. | -3.8 | -41.5 | -10.9 |
| MOLDOVA    | 15.9  | n.a. | 1.4  | 6.4   | 8.1   | -3.9  | 62.4  |      | -2.2 | 13.6  | 19.7  |
| RUSSIA     | 16.1  | n.a. | n.a. | -3.2  | -7.4  | n.a.  | 61.6  | n.a. | 50.3 |       | 7.9   |
| TURKEY     | 4.5   | n.a. | n.a. | -23.3 | 3.6   | -15.6 | -2.1  | n.a. | 3.3  | -19.1 |       |

Note: Bilateral discrepancy defined as  $100 \cdot (T-M)/(T+M)$ , T reported trade, M mirror estimate for 2003. Varies between -100% and +100%; n.a. refers to data not available; no data reported for Romania, Serbia and Montenegro and Ukraine

Source : International Trade Center, based on COMTRADE Data of the UNSD

As mentioned earlier, the major exporters in the region are Russia and Turkey, who dominate the exports of the region in the ten most important export sectors of the region. Russia tends to be a more significant exporter of heavy manufacturing activities, while Turkey is more concentrated in technology or labour intensive industries. Bulgaria is an important exporter for wood and paper products, while Greece is an important exporter of electrical appliances and textiles. Both Turkey and Greece dominate exports of plastics and clothing.

Table 4. Major exporters in BSEC for key sectors (2005)

|    | HS Chapter | Description                                     | 1st Exporter | 2nd Exporter  | 3rd Exporter    |
|----|------------|---|--------------|---------------|-----------------|
| 1  | 27         | Mineral fuels, oils, distillation products, etc | Russia (79%) | Romania (7%)  | Azerbaijan (4%) |
| 2  | 72         | Iron and steel                                  | Russia (42%) | Ukraine (27%) | Romania (15%)   |
| 3  | 85         | Electrical or electronic machinery & equip.     | Turkey (36%) | Russia (27%)  | Greece (14%)    |
| 4  | 87         | Vehicles other than railway, parts/access.      | Russia (54%) | Turkey (42%)  | Rom/Gre (5%)    |
| 5  | 84         | Machinery and Mechanical App., incl. parts      | Russia (54%) | Turkey (24%)  | Greece (7%)     |
| 6  | 44         | Wood and articles of wood, wood charcoal        | Russia (43%) | Ukraine (14%) | Rom/ Bgr (14%)  |
| 7  | 73         | Articles of Iron and Steel                      | Turkey (35%) | Russia (30%)  | Ukraine (15%)   |
| 8  | 48         | Paper & paperboard, articles of pulp, etc       | Russia (47%) | Turkey (20%)  | Gre/Bgr* (7%)   |
| 9  | 39         | Plastics and articles thereof                   | Turkey (29%) | Greece (19%)  | Russia (16%)    |
| 10 | 60         | Knitted or crocheted fabric                     | Turkey (75%) | Greece (25%)  | None            |

Note: Shares of total regional exports are given in brackets; \* Also in third place is Romania, Serbia, Ukraine  
Source: UNSD Comtrade Statistics, 2007

The same countries, Russia and Turkey equally dominate the imports of BSEC. However, in the case of imports, Romania plays a more prominent role and is the second largest importer in the region for most product groups. Serbia is a major importer of wood products, while Romania, Bulgaria and Turkey are major importers of paper products.

Table 5. Major importers in BSEC for key sectors (2005)

| Rank | HS Chapter | Description                                     | 1st Importer   | 2nd Importer   | 3rd Importer  |
|------|------------|---|----------------|----------------|---------------|
| 1    | 27         | Mineral fuels, oils, distillation products, etc | Turkey (27%)   | Bulgaria (16%) | Greece (12%)  |
| 2    | 72         | Iron and steel                                  | Turkey (49%)   | Russia (26%)   | Bulgaria (9%) |
| 3    | 85         | Electrical or electronic machinery & equip.     | Russia (36%)   | Romania (15%)  | Greece (10%)  |
| 4    | 87         | Vehicles other than railway, parts/access.      | Russia (39%)   | Romania (29%)  | Greece (8%)   |
| 5    | 84         | Machinery and Mechanical App., incl. parts      | Russia (53%)   | Romania (11%)  | Bulgaria (8%) |
| 6    | 44         | Wood and articles of wood, wood charcoal        | Turkey (44%)   | Greece (19%)   | Serbia (13%)  |
| 7    | 73         | Articles of Iron and Steel                      | Russia (55%)   | Romania (11%)  | Bulgaria (7%) |
| 8    | 48         | Paper & paperboard, articles of pulp, etc       | Russia (48%)   | Romania (10%)  | Bgr/Tur (10%) |
| 9    | 39         | Plastics and articles thereof                   | Turkey (29%)   | Russia (19%)   | Romania (14%) |
| 10   | 60         | Knitted or crocheted fabric                     | Bulgaria (50%) | Romania (25%)  | Russia (25%)  |

Note: Shares of total regional imports are given in brackets

Source: UNSD Comtrade Statistics, 2007

It is interesting to note that a number of countries in the region tend to import products for which a different country in the region is an exporter, indicating some trade complementarity between countries in BSEC. A number of indicators exist to test the complementarity between countries, as well as to test how intensively the countries trade amongst each other and test the overall opportunities for not only exchange different goods but also goods within a similar industry (called intra-industry trade). The chapter therefore proceeds to provide an overview of key indicators for identifying trade complementarity and opportunities across the region.

### *II.1.1 Trade complementarity between BSEC Member States*

The trade complementarity index (TC) between the BSEC countries highlights how well the structures of one country's imports and matches another country's exports. The TC between countries k and j is defined as follows:

$$TC_{ij} = 1 - \sum \left( \frac{|m_{ik} - x_{ij}|}{2} \right)$$

Where  $m_{ik}$  is the share of good i in all imports of country k from BSEC and  $x_{ij}$  is the share of good i in global exports of country j to BSEC. The index is zero percent when



no goods are exported by one country or imported by the other and 100 percent when the export and import shares of each country exactly match<sup>6</sup>.

Table 6 displays the TC index between all countries of the BSEC region. It can be read horizontally or vertically. Horizontally (reading from each row), the value for the TC is the share of imports of a country relative to the exports of another country. Vertically (reading from each column), the value of the TC is given for the share of exports of a country that matches with imports of another country.

The TC index reveals that Ukraine's imports match very closely the exports of Russia (85%). Similarly, the imports of Russia match relatively well the exports from the Ukraine (75%). Greece's exports are a close match with Bulgaria's imports (70%). However, only Bulgaria exports of goods do not correlate closely with the import demand from Greece (44%).

There are certain countries which do not seem to currently display a very high level of complementarity. These includes Moldova's exports and Turkey's imports (though Turkey's exports match closely Moldova's imports), Armenian exports and Turkey imports, Albania exports and Ukraine's imports.

Table 6. Trade Complementarity in BSEC (2005)

|                     |            | Exports Perspective |     |     |     |     |     |     |     |     |     |     |     |
|---------------------|------------|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                     |            | ALB                 | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | SEM | TUR | UKR |
| Imports Perspective | Albania    |                     | 31% | 38% | 56% | 37% | 65% | 36% | 61% | 52% | 64% | 49% | 47% |
|                     | Armenia    | 22%                 |     | 33% | 42% | 30% | 55% | 32% | 50% | 50% | 62% | 50% | 49% |
|                     | Azerbaijan | 23%                 | 30% |     | 44% | 35% | 45% | 30% | 39% | 38% | 58% | 57% | 56% |
|                     | Bulgaria   | 40%                 | 23% | 33% |     | 39% | 70% | 29% | 65% | 56% | 62% | 56% | 55% |
|                     | Georgia    | 23%                 | 28% | 46% | 44% |     | 56% | 32% | 60% | 61% | 61% | 45% | 46% |
|                     | Greece     | 30%                 | 20% | 65% | 44% | 29% |     | 23% | 62% | 83% | 44% | 31% | 36% |
|                     | Moldova    | 30%                 | 27% | 47% | 50% | 26% | 60% |     | 65% | 62% | 58% | 48% | 47% |
|                     | Romania    | 24%                 | 21% | 63% | 44% | 29% | 54% | 24% |     | 79% | 48% | 47% | 41% |
|                     | Russia     | 30%                 | 30% | 18% | 49% | 42% | 46% | 38% | 45% |     | 62% | 57% | 75% |
|                     | S&M        | 29%                 | 29% | 34% | 53% | 33% | 62% | 31% | 56% | 51% |     | 56% | 56% |
|                     | Turkey     | 25%                 | 13% | 41% | 42% | 39% | 38% | 12% | 74% | 57% | 37% |     | 49% |
|                     | Ukraine    | 21%                 | 24% | 64% | 40% | 26% | 49% | 22% | 60% | 85% | 46% | 40% |     |

Source: UNSD Comtrade Statistics, 2006

<sup>6</sup> It should be remembered that the indicator is static and only represent current trade complementarity as opposed to possible future complementarity

## II.1.2 Revealed Comparative Advantage between BSEC Member States

The assessment of a country's export potential is strongly influenced by the degree of its revealed comparative advantage (RCA). Countries with similar RCA profiles are less likely to have high bilateral trade intensities unless intra-industry trade is involved. This is because both are specialised in similar product segments. RCA measures, if estimated at high levels of product disaggregation, can highlight non-traditional products that could be successfully exploited. The RCA index of country  $i$  for product  $j$  is measured by the product's share in the country's exports in relation to its share in BSEC trade:

$$RCA_{ij} = \left[ \frac{x_{ij} / \sum_i x_{ij}}{\sum_i x_{ij} / \sum_j \sum_i x_{ij}} \right]$$

Where  $i$  and  $j$  indicate industry and home country, respectively. On the numerator,  $x_{ij}$  represents exports of industry  $i$  in country  $j$  to the world. On the denominator the sum of all countries in BSEC is used for comparative purposes. Thus a comparison is made between the structure of trade for one BSEC member country, vis-à-vis the structure of all other BSEC member countries. Therefore,  $RCA_{ij} > 1$  means that industry  $i$  in country  $j$  has a comparative advantage (compared with the BSEC average) while if  $RCA_{ij} < 1$  means that industry  $i$  in country  $j$  has a comparative disadvantage.

Table A5 in annex 1 displays the RCA index for each country for each of the sectors identified at the HS2 level to provide a disaggregated view of the regions comparative advantage in nearly 100 sectors. Table 7 displays the RCA index for each country for each of the ten key sectors identified previously.

Table 7. Revealed Comparative Advantage for Selected Industries in BSEC (2005)

| HS2 |   | ALB | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | SEM | TUR | UKR |
|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 27  | Mineral fuels, oils, distillation products, etc | 0.0 | 0.2 | 2.2 | 0.3 | 0.2 | 0.5 | 0.0 | 1.0 | 1.9 | 0.3 | 0.0 | 0.2 |
| 72  | Iron and steel                                  | 0.7 | 0.1 | 0.0 | 0.9 | 1.5 | 0.3 | 0.0 | 1.7 | 0.8 | 0.8 | 0.4 | 1.9 |
| 85  | Electrical or electronic machinery & equip.     | 0.6 | 1.5 | 0.0 | 0.8 | 0.1 | 1.7 | 0.7 | 0.9 | 0.4 | 1.2 | 2.4 | 1.3 |
| 87  | Vehicles other than railway, parts/access.      | 0.0 | 0.1 | 0.0 | 0.2 | 1.2 | 0.6 | 0.4 | 0.8 | 1.0 | 1.1 | 2.7 | 0.4 |
| 84  | Machinery and Mechanical App., incl. parts      | 0.1 | 0.4 | 0.1 | 0.7 | 0.2 | 0.9 | 0.7 | 0.6 | 0.8 | 0.8 | 1.4 | 1.5 |
| 44  | Wood and articles of wood, wood charcoal        | 1.4 | 0.0 | 0.0 | 2.8 | 2.0 | 0.8 | 0.1 | 2.1 | 0.9 | 0.9 | 0.5 | 0.9 |
| 73  | Articles of Iron and Steel                      | 0.3 | 0.1 | 0.0 | 0.5 | 0.1 | 0.7 | 0.2 | 0.5 | 0.4 | 1.6 | 1.7 | 2.3 |
| 48  | Paper & paperboard, articles of pulp, etc       | 2.7 | 0.5 | 0.1 | 0.9 | 0.1 | 1.0 | 0.9 | 0.6 | 0.8 | 1.3 | 1.2 | 1.5 |
| 39  | Plastics and articles thereof                   | 0.5 | 0.1 | 1.4 | 1.6 | 0.0 | 2.8 | 0.4 | 1.6 | 0.3 | 1.6 | 2.4 | 0.7 |
| 60  | Knitted or crocheted fabric                     | 0.1 | 0.2 | 0.0 | 0.3 | 0.0 | 2.9 | 0.1 | 0.1 | 0.0 | 0.0 | 5.8 | 0.1 |

Source: Authors calculation based on UNSD *Comtrade Statistics*, 2006

As can be seen from the table, Albania has a high RCA for paper products and wood articles. Overall, four countries have a revealed comparative advantage in wood products in the region, namely Albania, Bulgaria, Georgia and Romania. Four countries have a revealed comparative advantage for paper products, namely Albania, Serbia and Montenegro, Turkey and Ukraine. Turkey has a major RCA in fabrics, with this sector's share in Turkey's exports representing six times more than is the case for BSEC as a whole.

### ***II.1.3 Intra-industry trade between BSEC Member States***

Although trade flows are determined by differences in comparative advantages, a wide range of other factors also influence the success or failure of efforts to promote industrialization and growth. In the context of globalization of supply chain management and assembly operations, there is a growing level of intra-industry trade (IIT), which plays an important positive role in the success of economic growth. Theory suggests that intra-industry exchange produces extra gains from international trade over and above those associated with comparative advantage because it allows a country to take advantage of larger markets through specialization.

The IIT index ranges between zero and one (or 0 percent and 100 percent), with larger values indicating a greater level of trade between firms in the same industry. Higher IIT ratios suggest that net gains from specialization in different products are being exploited and that the participating country is increasing its integration into the world economy. In the context of this study, this suggests that both intra-industry trade opportunities are high and that the export sector has become relatively sophisticated. The IIT index within the BSEC region is calculated as

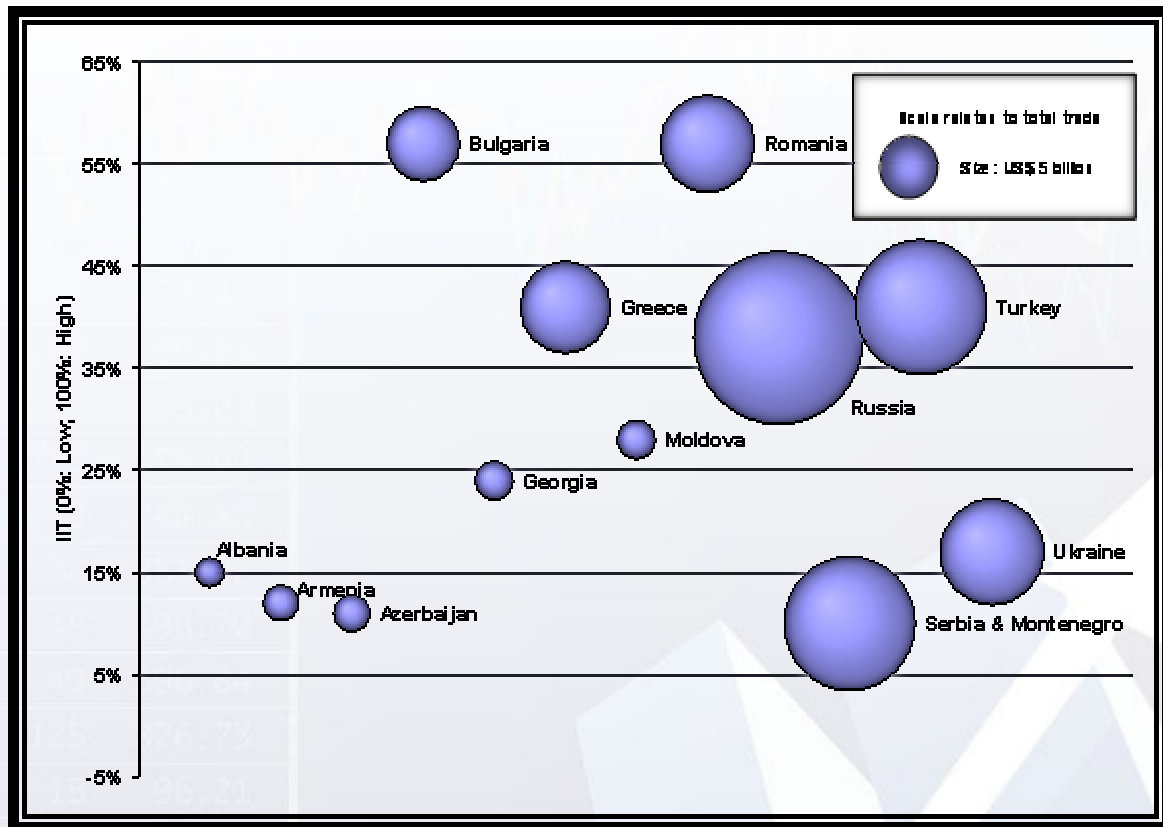
$$IIT_{jk} = 1 - \frac{\sum_i |x_{ijk} - m_{ijk}|}{\sum_i (x_{ijk} + m_{ijk})}$$

Where  $i$ ,  $j$  and  $k$  indicate industry, home country and partner country, respectively.  $X_{ijk}$  and  $M_{ijk}$  represent exports and imports of industry  $i$  in country  $j$  to country  $k$ , respectively. Figure 3 displays the overall IIT index for each country with regards to the BSEC and the total trade within the region for each country. One can note that the highest levels of IIT are recorded for Romania and Bulgaria while the lowest levels relate to Albania, Armenia, Azerbaijan, Serbia and Montenegro, and Ukraine.

Based on the results, it seems that Romania and Bulgaria have the highest integration in supply chains, and Greece, Russia and Turkey also displaying relatively high levels of intra-industry trade. It should be noted that the IIT can also be influenced by other factors such as the aggregation of statistics with the result that often distinct production processes are classified under the same chapter heading. For the purposes of this study, the two digit level was used. The detailed results of the IIT are given in Annex 1 in Table A6.



Figure 3. Intra-industry trade between BSEC member states in 2005



Source: Calculations by author based on UNSD *Comtrade Statistics*, 2006

### 11.1.4 Intensity of trade between BSEC Member States

The trade intensity index (TI) is used to determine whether the value of trade between two countries is greater or smaller than would be expected on the basis of their significance in world trade. It is defined as the share of one country's exports going to a partner divided by the share of world exports going to the partner. Trade intensity in the BSEC region is calculated as:

$$T_{ij} = \frac{\left( \frac{x_{ij}}{\sum_j x_{ij}} \right)}{\left( \frac{x_{wj}}{\sum_j x_{wj}} \right)}$$

Where  $x_{ij}$  is the value of exports of BSEC ( $i$ ) to BSEC ( $j$ );  
 $x_{wj}$  is the value of world exports to BSEC ( $j$ );  
 $\sum_j x_{ij}$  is the value of total exports of BSEC ( $i$ );  
 $\sum_j x_{wj}$  is the value of total world exports.

An index of more (less) than one indicates a bilateral trade flow that is larger (smaller) than expected, given the partner country's importance in world trade. Thus, the trade intensity index for each individual BSEC Member State gives an interesting insight into the value of trade of the country within the region in comparison with what should be expected on the basis of its importance in the region.

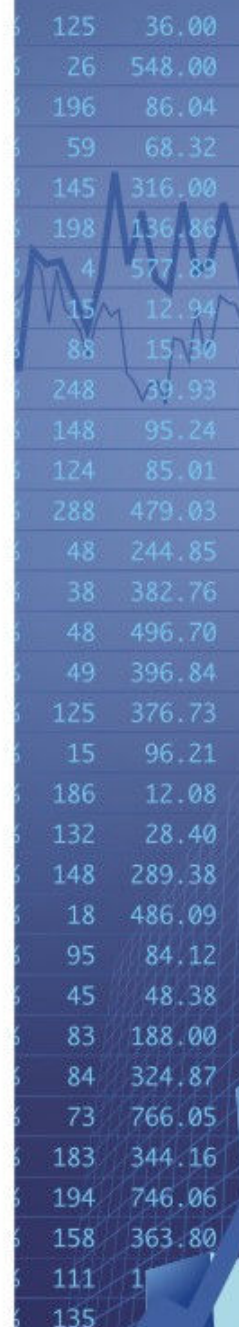
Table 8 below displays the results from Trade Intensity index in the BSEC region at the regional level, and demonstrates a high level of intra-regional trade flow in many sectors (sectors are identified at HS2 level). There is a particularly high concentration of trade in BSEC in fabrics and plastic products. Table A7 in annex 1 gives the trade intensity index values at the level of each individual country. The highest level of trade intensity is recorded for vegetable and fruit for Azerbaijan, beverages in Georgia and Moldova, and animal and vegetable fats in Azerbaijan.

Table 8. Trade intensity for Selected Industries in BSEC (2005)

| HS2 |   | Trade Intensity |
|-----|---|-----------------|
| 27  | Mineral fuels, oils, distillation products, etc       | 4.0             |
| 72  | Iron and steel  | 3.5             |
| 85  | Electrical or electronic machinery and equipment      | 5.3             |
| 87  | Vehicles other than Railway, Parts and Accessories    | 4.2             |
| 84  | Machinery and Mechanical Appliances, including parts  | 6.5             |
| 44  | Wood and articles of wood, wood charcoal              | 3.4             |
| 73  | Articles of Iron and Steel                            | 5.2             |
| 48  | Paper & paperboard, articles of pulp, paper and board | 6.8             |
| 39  | Plastics and articles thereof                         | 8.1             |
| 60  | Knitted or crocheted fabric                           | 10.8            |

Source: Authors calculation based on UNSD *Comtrade Statistics*, 2006

There is a particularly high concentration of trade in BSEC in fabrics and plastic products



There are many key sectors which exhibit an untapped export potential

## II.2. Actual and potential intra-BSEC trade in goods

A gravity equation is used to identify bilateral untapped trade potential based on the size of the respective economies, their geographical proximity and other factors such as language, historical ties, bilateral applied tariff rates, etc. Annex 2 provides an overview of the model and its uses and limitations. Using a gravity equation we find that there are many key sectors which exhibit an untapped export potential. Ranked by order of the highest untapped export potential, the top sectors are:

1. Textiles, clothing and leather
2. Food and beverage
3. Metal and metal products
4. Agriculture and hunting
5. Machinery and equipment
6. Non-metallic mineral products
7. Vehicles

The country which has the highest untapped opportunities by far is Romania. In other words, Romania seems to be very much under trading with other BSEC member countries. A number of other countries also exhibit under performance in terms of the trade flows which would theoretically be expected. The ranking of countries are given in Table 9.

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

Table 9. Bilateral untapped trade potential for in BSEC (2005)

| Very High untapped trade potential in many markets | High untapped trade potential in many markets | Opportunities mainly in niche or limited markets |
|--|---|--|
| Romania  | Ukraine                                       | Armenia  |
|  | Greece  | Moldova  |
|  | Serbia and Montenegro                         | Albania  |
|  | Russia  | Georgia  |
|  | Turkey  | Azerbaijan                                       |
|  | Bulgaria                                      |  |

Source: ITC *TradeSim*, 2006

Table 10 provides a summary of the results of the gravity equation, detailed by principal exporting sectors and for each individual country in BSEC. The results suggest that a large number of countries in the region are not exporting as much as would theoretically be expected. For example, Serbia and Montenegro are very much under exporting food and beverage products to the BSEC, while Ukraine has the potential to export far more agricultural products to BSEC. Reasons for which countries in the region may be under exporting in these sectors might include a lack of trade information, supply side constraints, non-tariff barriers and transportation issues. Nevertheless, these are sectors which should be further investigated and promoted for intra-regional trade since if trade facilitation measures were to be adopted, one would expect a large increase in trade in these sectors.



Table 10. Summary of intra-regional trade potential by sectors using gravity equation

| Sectors                             | Exporting countries |      |     |     |     |     |      |      |     |      |     |      |
|-------------------------------------|---------------------|------|-----|-----|-----|-----|------|------|-----|------|-----|------|
|                                     | ALB                 | ARM  | AZE | BGR | GEO | GRC | MDA  | ROM  | RUS | SEM  | TUR | UKR  |
| Agriculture and hunting             | ☆                   |      | ☆☆  | ☆   | ☆☆  | ☆☆  | ☆    | ☆☆☆☆ |     | ☆    | ☆☆  | ☆☆☆☆ |
| Forestry and Fishing                |                     |      |     |     |     | ☆☆☆ |      | ☆    | ☆☆☆ |      | ☆☆☆ | ☆    |
| Food and beverages                  | ☆                   | ☆☆☆☆ | ☆☆  | ☆   | ☆☆☆ | ☆☆☆ | ☆☆☆  | ☆☆   | ☆☆  | ☆☆☆☆ | ☆☆☆ | ☆    |
| Machinery and equipment             | ☆                   | ☆    | ☆   | ☆   | ☆   | ☆   | ☆    | ☆☆☆☆ | ☆☆  | ☆☆   |     | ☆☆   |
| Electrical and electronic equipment | ☆                   | ☆    |     | ☆   |     | ☆   | ☆    | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆    |
| Precision instruments               |                     |      |     | ☆   |     | ☆☆  | ☆    | ☆☆   | ☆☆  | ☆    | ☆   | ☆☆   |
| Motor vehicles & other trans equip. |                     |      | ☆   | ☆   | ☆   | ☆☆  | ☆    | ☆☆☆☆ | ☆☆  | ☆    | ☆   | ☆☆   |
| Other manufacturing                 |                     | ☆☆☆☆ |     | ☆☆  |     | ☆   |      | ☆☆☆  | ☆   | ☆☆   |     | ☆☆   |
| Recycling                           | ☆                   | ☆    |     | ☆☆  | ☆   | ☆   | ☆    | ☆    | ☆   | ☆    | ☆   | ☆    |
| Textiles, clothing and leather      | ☆☆☆☆                | ☆☆☆  | ☆   | ☆☆☆ | ☆   | ☆☆☆ | ☆☆☆☆ | ☆☆☆☆ | ☆☆☆ | ☆☆☆  | ☆☆  | ☆☆☆☆ |
| Wood and wood products              | ☆                   |      |     | ☆   | ☆   | ☆   | ☆☆   | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆☆   |
| Publishing, print. & recorded media |                     |      | ☆   | ☆   |     | ☆   |      | ☆☆   | ☆☆  | ☆☆   | ☆   | ☆☆   |
| Chemicals and chemical products     | ☆                   | ☆    | ☆   |     | ☆   | ☆   | ☆    | ☆☆   | ☆   | ☆    | ☆   | ☆    |
| Rubber and plastic products         | ☆☆☆                 |      |     | ☆   | ☆   | ☆☆  |      | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆    |
| Non-metallic mineral products       |                     | ☆    |     | ☆☆  | ☆   | ☆☆  | ☆☆   | ☆☆☆☆ | ☆   | ☆    | ☆   | ☆☆   |
| Metal and metal products            |                     | ☆☆☆  | ☆☆☆ | ☆☆  | ☆   | ☆   | ☆    | ☆☆☆  | ☆☆  | ☆☆☆☆ | ☆☆☆ |      |

Note: Untapped export potential to: Source: ITC *TradeSim*, 2006

☆: Up to 2 countries

☆☆: Up to 4 countries

☆☆☆: Up to 6 countries

☆☆☆☆: Above 6 countries

A more detailed analysis of the indicative intra-regional trade potential can be undertaken using a trade flow analysis. The trade flow analysis computes the sub-regional exports to the world and imports from the world for each country in the region at the most detailed level of classification available<sup>7</sup>. Thus for over 5,000 product groups, the indicative trade potential has been calculated when one country is an exporter of the product group, while another country is an importer of that same product group. Since the level of disaggregation is relatively high, the complementarity for trading between partner countries is considered to be relatively high.

Obviously, even at this detailed level, products may not be perfect substitutes,

<sup>7</sup> The six digit level of the harmonised system of trade classification has been used (referred to as HS6). This is the most detailed level possible for cross country comparison

but are considered to be closely approximate substitutes (see Annex 2.2 for details on the methodology for trade flow analyses).

The indicative trade potential has been computed for the 5,000 product group and ranked from the highest to the lowest. The twenty five products which display the highest intra-regional trade potential are given in Table 11. The comparison is also made between what is currently traded between member states of BSEC and what the intra-regional trade potential actually is (indicated as relative indicative trade potential). In the case of motor vehicles (HS87421) for example, the intra-regional trade potential is calculated as US\$2.2 billion. However, the region only trades around 5% of this amount so that the relative indicative trade potential is 95%. In the case of Copper, the intra-regional trade potential is calculated as \$1.1 billion, which is mainly exported by Russia and Bulgaria. The region’s principal importers of this product group are Turkey and Greece (see Annex 2.3 and 2.4 for detailed tables of results for the 300 highest ranking products).

The highest indicative trade potential is primarily in the heavy and high technology manufacturing sectors owing to the large size of trade flows in this area. Russia and Turkey dominate intra-regional export potential while Romania and Ukraine primarily dominate intra-regional import potential. However, other smaller countries such as Serbia and Montenegro and Bulgaria have a high indicative export potential. Based on the results of both the gravity equation and the trade flow analysis, there appear to be an enormous untapped intra-regional trade potential which should be the focus of efforts by trade promotion organisations in the BSEC region.

The highest indicative trade potential is primarily in the heavy and high technology manufacturing sectors

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

Table 11. Twenty five products with the highest indicative intra-regional trade potential (US\$ Millions)

| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%) |
|------|--------|--|----------------------------|---|
|      |        | <b>All Products</b>  | <b>96,110</b>              |   |
| 1    | 870421 | Motor vehicles for the transport of goods, with compression-ignition           | 2,170                      | 95                                      |
| 2    | 870323 | Motor cars and other motor vehicles principally designed for the transport     | 1,635                      | 75                                      |
| 3    | 870332 | Motor cars and other motor vehicles principally designed for the transport     | 1,556                      | 97                                      |
| 4    | 740311 | Copper, refined, in the form of cathodes and sections of cathodes              | 1,098                      | 91                                      |
| 5    | 720449 | Waste and scrap of iron or steel "ECSC" (excl. slag, scale and other           | 1,056                      | 43                                      |
| 6    | 852812 | Television receivers, colour, whether or not incorporating radio-broadcast     | 1,004                      | 34                                      |
| 7    | 890190 | Vessels for the transport of goods and vessels for the transport of            | 912                        | 58                                      |
| 8    | 300490 | Medicaments consisting of mixed or unmixed products for therapeutic            | 880                        | 86                                      |
| 9    | 870899 | Parts and accessories, for tractors, motor vehicles for the transport          | 814                        | 85                                      |
| 10   | 870322 | Motor cars and other motor vehicles principally designed for the transport     | 733                        | 69                                      |
| 11   | 890120 | Tankers  | 732                        | 96                                      |
| 12   | 401110 | New pneumatic tyres, of rubber, of a kind used for motor cars, including       | 669                        | 79                                      |
| 13   | 260112 | Agglomerated iron ores and concentrates "ECSC" (excl. roasted iron             | 585                        | 61                                      |
| 14   | 260111 | Non-agglomerated iron ores and concentrates "ECSC" (excl. roasted              | 533                        | 87                                      |
| 15   | 730890 | Structures and parts of structures, of iron or steel, n.e.s. (excl. bridges    | 511                        | 77                                      |
| 16   | 840999 | Parts suitable for use solely or principally with compression-ignition         | 510                        | 53                                      |
| 17   | 870829 | Parts and accessories of bodies for tractors, motor vehicles for the transport | 483                        | 86                                      |
| 18   | 870331 | Motor cars and other motor vehicles principally designed for the transport     | 467                        | 78                                      |
| 19   | 870210 | Motor vehicles for the transport of >= 10 persons, incl. driver, with          | 434                        | 54                                      |
| 20   | 940360 | Wooden furniture (excl. for offices, kitchens and bedrooms, and similar        | 406                        | 45                                      |
| 21   | 845011 | Fully-automatic household or laundry-type washing machines                     | 390                        | 79                                      |
| 22   | 732690 | Articles of iron or steel, n.e.s. (excl. cast articles or articles of iron     | 385                        | 88                                      |
| 23   | 401120 | New pneumatic tyres, of rubber, of a kind used for buses and lorries           | 370                        | 63                                      |
| 24   | 480100 | Newsprint, in rolls of a width > 15 cm or in square or rectangular sheets      | 349                        | 57                                      |
| 25   | 760612 | Plates, sheets and strip, of non-alloy aluminium, of a thickness of            | 325                        | 85                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

To summarise the sectors which show the highest intra-regional trade potential, based on the results of both the gravity simulation model and the trade flow analysis, are the food and agro-based industries, beverages, paper and printed materials, wood and wood articles, textiles and garments, vehicles, metallic products and rubber products. Many other important product groups which should be further investigated include pharmaceutical products (in particular medicaments for prophylactic or therapeutic purposes, medicaments containing alkaloids and medicaments containing antibiotics) and household electrical appliances (such as ovens).

- Food and food processing industry, in particular

| HS6    | Product Description   | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|---|---------------------------------------|---|
| 210690 | Food preparations n.e.s.  | 209                                   | 66                                      |
| 170199 | Cane or beet sugar and chemically pure sucrose, in solid form (excl. sugar confectionery)     | 208                                   | 77                                      |
| 080610 | Fresh grapes  | 161                                   | 70                                      |
| 190590 | Bread, pastry, cakes, biscuits and other bakers' wares, whether or not filled                 | 141                                   | 68                                      |
| 170490 | Sugar confectionery not containing cocoa, incl. white chocolate (excluding filled)            | 133                                   | 58                                      |
| 080510 | Fresh or dried oranges  | 101                                   | 56                                      |
| 030420 | Frozen fish fillets   | 77                                    | 98                                      |
| 180632 | Chocolate and other preparations containing cocoa, in blocks, slabs, tablets or similar forms | 64                                    | 59                                      |
| 151620 | Vegetable fats and oils and their fractions, partly or wholly hydrogenated                    | 51                                    | 53                                      |
| 100110 | Durum wheat   | 48                                    | 50                                      |
| 070960 | Fresh or chilled fruits of the genus Capsicum or Pimenta                                      | 43                                    | 55                                      |
| 151790 | Edible mixtures or preparations of animal or vegetable fats or oils                           | 42                                    | 51                                      |
| 050400 | Guts, bladders and stomachs of animals (other than fish), whole or in parts                   | 41                                    | 96                                      |
| 100510 | Maize seed  | 41                                    | 79                                      |
| 200110 | Cucumbers and gherkins, prepared or preserved by vinegar or acetic acid                       | 39                                    | 65                                      |
| 071340 | Dried, shelled lentils, whether or not skinned or split                                       | 37                                    | 53                                      |
| 040310 | Yogurt, whether or not flavoured or containing added sugar or other ingredients               | 34                                    | 70                                      |
| 210500 | Ice cream and other edible ice, whether or not containing cocoa                               | 34                                    | 70                                      |
| 040630 | Processed cheese, not grated or powdered  | 33                                    | 79                                      |
| 030379 | Frozen freshwater and saltwater fish (excl. salmonidae, flat fish, turbot)                    | 32                                    | 85                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Beverages, in particular

| HS6    | Product Description   | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|---|---------------------------------------|---|
| 220421 | Wine of fresh grapes, incl. fortified wines, and grape must whose alcoholic strength by volume is not less than 12% | 148                                   | 33                                      |
| 220300 | Beer made from malt   | 96                                    | 39                                      |
| 220210 | Waters, incl. mineral and aerated, with added sugar, sweetener or other ingredients                                 | 77                                    | 78                                      |
| 220890 | Ethyl alcohol of an alcoholic strength of < 80% vol, not denatured; whether or not coloured                         | 51                                    | 35                                      |
| 220860 | Vodka   | 42                                    | 22                                      |
| 220290 | Non-alcoholic beverages (excl. water, fruit or vegetable juices and other beverages)                                | 35                                    | 46                                      |
| 220820 | Spirits obtained by distilling grape wine or grape marc   | 32                                    | 18                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007



- Wood and wood products, in particular

| HS6    | Product Description  | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|--|---------------------------------------|---|
| 440920 | Uncoated paper and paperboard, of a kind used for writing, printing    | 138                                   | 59                                      |
| 480421 | Particle board and similar board, of wood, whether or not agglomerated | 125                                   | 57                                      |
| 441890 | Semi-bleached or bleached non-coniferous chemical wood pulp, sorted    | 113                                   | 58                                      |
| 940360 | Wooden furniture (excl. for offices, kitchens and bedrooms, and seats) | 104                                   | 45                                      |
| 440890 | Veneer sheets and sheets for plywood, whether or not spliced, and      | 87                                    | 69                                      |
| 442190 | Semi-bleached or bleached coniferous chemical wood pulp, soda          | 59                                    | 90                                      |
| 491199 | Builders' joinery and carpentry, of wood, incl. cellular wood panels   | 48                                    | 52                                      |
| 440710 | Wood, incl. strips and friezes for parquet flooring, not assembled     | 44                                    | 77                                      |
| 481840 | Other articles of wood n.e.s.  | 39                                    | 26                                      |
| 940350 | Wooden furniture for bedrooms (excl. seats)                            | 35                                    | 61                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Textiles, garments and footwear, in particular

| HS6    | Product Description   | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|---|---------------------------------------|---|
| 520942 | Denim, containing >= 85% cotton by weight and weighing > 200 g            | 302                                   | 92                                      |
| 640399 | Footwear with outer soles of rubber, plastics or composition leather      | 271                                   | 44                                      |
| 520100 | Cotton, neither carded nor combed   | 203                                   | 49                                      |
| 620342 | Men's or boys' trousers, bib and brace overalls, breeches and shorts      | 201                                   | 13                                      |
| 610910 | T-shirts, singlets and other vests of cotton, knitted or crocheted        | 187                                   | 7                                       |
| 620462 | Women's or girls' trousers, bib and brace overalls, breeches and shorts   | 155                                   | 10                                      |
| 611030 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of man    | 152                                   | 28                                      |
| 621210 | Brassieres of all types of textile materials, whether or not elasticated  | 115                                   | 46                                      |
| 611020 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton | 110                                   | 12                                      |
| 640610 | Uppers and parts thereof (excl. stiffeners and general parts made of      | 105                                   | 17                                      |
| 600230 | Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5      | 102                                   | 69                                      |
| 620520 | Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts) | 101                                   | 14                                      |
| 551511 | Woven fabrics containing predominantly, but < 85% polyester staple        | 93                                    | 44                                      |
| 640391 | Footwear with outer soles of rubber, plastics or composition leather      | 93                                    | 30                                      |
| 640359 | Footwear with outer soles and uppers of leather (excl. covering the       | 91                                    | 93                                      |
| 611010 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool   | 89                                    | 33                                      |
| 600292 | Fabrics, knitted or crocheted, of a width of > 30 cm, of cotton (excl.    | 87                                    | 35                                      |
| 540761 | Woven fabrics of yarn containing >= 85% by weight of non-textured         | 85                                    | 69                                      |
| 540233 | Textured filament yarn of polyester (excl. that put up for retail sale)   | 84                                    | 87                                      |
| 520512 | Single cotton yarn, of uncombed fibres, containing >= 85% cotton          | 73                                    | 79                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Leather products, in particular

| HS6    | Product Description  | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|--|---------------------------------------|---|
| 410422 | Bovine leather, dehaired, mineral or synthetic pre-tanned only, wh     | 100                                   | 56                                      |
| 410431 | Full grains and full grain splits of bovine and equine animals, deha   | 66                                    | 87                                      |
| 410439 | Bovine and equine leather, dehaired, prepared after tanning, incl.     | 55                                    | 90                                      |
| 420221 | Handbags, whether or not with shoulder straps, incl. those without     | 42                                    | 49                                      |
| 420310 | Articles of apparel, of leather or composition leather (excl. clothing | 72                                    | 28                                      |
| 420500 | Articles of leather or composition leather (excl. saddlery and hame    | 40                                    | 97                                      |
| 430310 | Articles of apparel and clothing accessories of furskin (excl. gloves  | 36                                    | 10                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Rubber products, in particular

| HS6    | Product Description  | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|--|---------------------------------------|---|
| 401110 | New pneumatic tyres, of rubber, of a kind used for motor cars, inc   | 669                                   | 79                                      |
| 401120 | New pneumatic tyres, of rubber, of a kind used for buses and lorri   | 370                                   | 63                                      |
| 401699 | Articles of vulcanized rubber other than hard rubber n.e.s.          | 191                                   | 92                                      |
| 400219 | Styrene-butadiene rubber "SBR": carboxylated styrene-butadiene       | 85                                    | 38                                      |
| 401191 | New pneumatic tyres, of rubber, with lug, herringbone or similar tr  | 64                                    | 35                                      |
| 400950 | Tubes, pipes and hoses, of vulcanized rubber other than hard rub     | 58                                    | 86                                      |
| 401199 | Pneumatic tyres, new, of rubber (excl. having a "herring-bone" or s  | 53                                    | 82                                      |
| 401693 | Gaskets, washers and other seals, of vulcanized rubber other than    | 47                                    | 80                                      |
| 401012 | Conveyor belts or belting, of vulcanized rubber, reinforced only wit | 43                                    | 82                                      |
| 400920 | Tubes, pipes and hoses, of vulcanized rubber other than hard rub     | 43                                    | 91                                      |
| 400930 | Tubes, pipes and hoses, of vulcanized rubber other than hard rub     | 36                                    | 70                                      |
| 400239 | Halobutene-isoprene rubber "CIIR" or "BIIR", in primary forms        | 32                                    | 88                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Paper and Printed material, in particular

| HS6    | Product Description   | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|---|---------------------------------------|---|
| 481910 | Newsprint, in rolls of a width > 15 cm or in square or rectangular s  | 349                                   | 57                                      |
| 470321 | Sanitary towels and tampons, napkins and napkin for babies and s      | 170                                   | 70                                      |
| 480300 | Printed books, brochures and similar printed matter (excl. those in   | 132                                   | 79                                      |
| 481139 | Paper and paperboard, coated, impregnated or covered with artifi      | 104                                   | 48                                      |
| 490199 | Doors and their frames and thresholds, of wood                        | 74                                    | 79                                      |
| 441820 | Toilet or facial tissue stock, towel or napkin stock and similar pape | 52                                    | 61                                      |
| 491191 | Cartons, boxes and cases, of corrugated paper or paperboard           | 50                                    | 61                                      |
| 441121 | Unbleached kraftliner, uncoated, in rolls of a width > 15 cm          | 50                                    | 80                                      |
| 470329 | Sacks and bags, incl. cones, of paper, paperboard, cellulose wadd     | 47                                    | 81                                      |
| 490110 | Fibreboard of wood or other ligneous materials, whether or not ag     | 43                                    | 58                                      |
| 480252 | Printed books, brochures and similar printed matter, in single shee   | 41                                    | 80                                      |
| 481920 | Newspapers, journals and periodicals, whether or not illustrated o    | 39                                    | 51                                      |
| 441019 | Unbleached sack kraft paper, uncoated, in rolls of a width > 15 cm    | 36                                    | 25                                      |
| 480560 | Paper and paperboard, uncoated, in rolls of a width > 15 cm or in     | 35                                    | 64                                      |
| 480411 | Pictures, prints and photographs n.e.s.                               | 34                                    | 98                                      |
| 480100 | Printed matter n.e.s.   | 33                                    | 80                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Metal products, in particular

| HS6    | Product Description  | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|--|---------------------------------------|---|
| 740311 | Copper, refined, in the form of cathodes and sections of cathodes          | 1,098                                 | 91                                      |
| 720449 | Waste and scrap of iron or steel "ECSC" (excl. slag, scale and oth         | 1,056                                 | 43                                      |
| 730890 | Structures and parts of structures, of iron or steel, n.e.s. (excl. brid   | 511                                   | 77                                      |
| 732690 | Articles of iron or steel, n.e.s. (excl. cast articles or articles of iron | 385                                   | 88                                      |
| 760612 | Plates, sheets and strip, of non-alloy aluminium, of a thickness of        | 325                                   | 85                                      |
| 720839 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 294                                   | 10                                      |
| 721049 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 259                                   | 48                                      |
| 760120 | Unwrought aluminium alloys   | 231                                   | 18                                      |
| 730410 | Line pipe of a kind used for oil or gas pipelines, seamless, of iron       | 213                                   | 90                                      |
| 721391 | Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-     | 208                                   | 19                                      |
| 720851 | Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm      | 190                                   | 9                                       |
| 720838 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 189                                   | 22                                      |
| 721012 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 173                                   | 77                                      |
| 720917 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 162                                   | 20                                      |
| 732111 | Appliances for baking, frying, grilling and cooking and plate warme        | 138                                   | 69                                      |
| 760110 | Aluminium, not alloyed, unwrought  | 135                                   | 4                                       |
| 732219 | Radiators for central heating, not electrically heated, and parts the      | 133                                   | 49                                      |
| 720712 | Semi-finished products of iron or non-alloy steel containing, by we        | 131                                   | 4                                       |
| 760429 | Bars, rods and solid profiles, of aluminium alloys, n.e.s.                 | 113                                   | 18                                      |
| 720837 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600      | 112                                   | 20                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007

- Vehicles and vehicle parts, in particular

| HS6    | Product Description   | Indicative Trade Potential (US\$ Mio) | Relative Indicative Trade Potential (%) |
|--------|---|---------------------------------------|---|
| 870421 | Motor vehicles for the transport of goods, with compression-ignitio     | 2,170                                 | 95                                      |
| 870323 | Motor cars and other motor vehicles principally designed for the tr     | 1,635                                 | 75                                      |
| 870332 | Motor cars and other motor vehicles principally designed for the tr     | 1,556                                 | 97                                      |
| 852812 | Television receivers, colour, whether or not incorporating radio-bro    | 1,004                                 | 34                                      |
| 870899 | Parts and accessories, for tractors, motor vehicles for the transpo     | 814                                   | 85                                      |
| 870322 | Motor cars and other motor vehicles principally designed for the tr     | 733                                   | 69                                      |
| 840999 | Parts suitable for use solely or principally with compression-ignitio   | 510                                   | 53                                      |
| 870829 | Parts and accessories of bodies for tractors, motor vehicles for th     | 483                                   | 86                                      |
| 870331 | Motor cars and other motor vehicles principally designed for the tr     | 467                                   | 78                                      |
| 870210 | Motor vehicles for the transport of >= 10 persons, incl. driver, with   | 434                                   | 54                                      |
| 845011 | Fully-automatic household or laundry-type washing machines              | 390                                   | 79                                      |
| 841480 | Air pumps, air or other gas compressors and ventilating or cyclin       | 323                                   | 78                                      |
| 848180 | Appliances for pipes, boiler shells, tanks, vats or the like (excl. pre | 295                                   | 75                                      |
| 854459 | Electric conductors, for a voltage > 80 V but <= 1,000 V, not fitted    | 279                                   | 43                                      |
| 851660 | Electric ovens, cookers, cooking plates and boiling rings; electric c   | 272                                   | 82                                      |
| 870870 | Road wheels and parts and accessories thereof, for tractors, mot        | 268                                   | 74                                      |
| 870120 | Road tractors for semi-trailers   | 233                                   | 88                                      |
| 843149 | Parts of machinery of headings 8426, 8429 and 8430 n.e.s.               | 219                                   | 57                                      |
| 852520 | Transmission apparatus incorporating reception apparatus, for rad       | 215                                   | 94                                      |
| 853710 | Boards, cabinets and similar combinations of apparatus for electri      | 208                                   | 79                                      |

Source: Author calculations based on UNSD *Comtrade statistics*, 2007



## II.3. Trade preferences in BSEC

The Organization of the Black Sea Economic Cooperation has promoted a departure from previously protectionist and import-substitution policies existing in the region into a more open outward-looking export oriented paradigm. Countries in the region have undergone structural adjustment programmes, gradually moved to a market economy and encouraged international competitiveness. By analysing the tariff structure of the region, several characteristics can be highlighted to evaluate the level of openness and attractiveness for trade and investment in the region. In particular, with trade integration efforts, barriers to trade existing between member countries (tariff and non-tariff) are expected to fall while those with the outside world are expected to remain constant (or phased down in line with multilateral trade negotiations).

There is currently no common external tariff for the region. The BSEC envisages the free flow of goods and services, factors of production and capital, and encourages interaction between Member States and private sector organizations, but it does not aim to form a customs union at this stage. Three countries (Greece, Bulgaria and Romania) belong to the European Union and have therefore adopted the same tariff structure as the EU. The other countries apply their own individual tariff rates.

The current tariff structure is quite different from one country to another. The dispersion for the Most Favoured Nation (MFN) tariff rates can range from 0 percent to 1,000 percent and the differences between the countries' tariff structures are sometimes very pronounced. For instance, Armenia has an MFN rate of 1,000 percent on cigars, cheroots and cigarillos containing tobacco, while other countries in BSEC apply a tariff rate between 0 percent and 60 percent.

Countries in the region have undergone structural adjustment programmes, gradually moved to a market economy and encouraged international competitiveness

|     |        |
|-----|--------|
| 125 | 58.00  |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |



The regional economic cooperation has adopted a strategy which allows Member States to progress at different speeds into the liberalisation process, and permit them to have bilateral preferences with partners that share common interests in specific sectors. This approach has the advantage of conferring flexibility for member states and also to formulate independently from others their trade policy. However, this also can lead to trade deviation effects and inefficiencies.

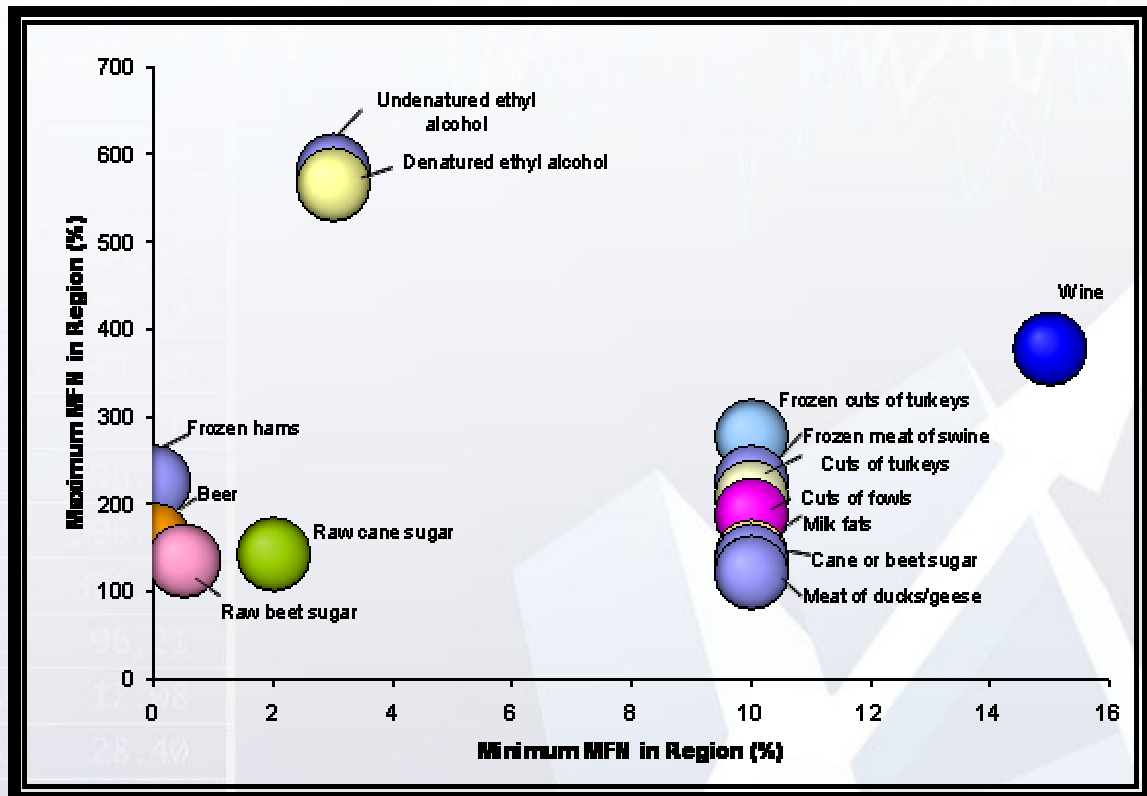
Figure 4 provides a summary of the principal tariff peaks which exist in the region and the dispersion between the highest and lowest tariff for a given good across BSEC. Tariffs have sometimes been converted from specific tariffs to ad-valorem equivalent tariffs in order to make cross country comparisons.

This can sometimes lead to different ad valorem equivalent tariffs despite the fact that two countries may apply the exact same specific tariff but to different valued goods. In Figure 4, alcohol is subject to a maximum tariff rate of around 600 percent for one country in BSEC (Ukraine) while it only is subject to a tariff rate of 3 percent in Turkey. In this case, and in the event that tariffs between Turkey and Ukraine are nil (as expected in a free trade area), one would expect it to be highly beneficial for Turkey to supply the Ukrainian market since it benefits from a 600 percent preferential margin over countries with which Ukraine has not signed a free trade agreement.

|      |
|------|
| +21% |
| -17% |
| +15% |
| +4%  |
| +9%  |
| -14% |
| +2%  |
| -8%  |
| -3%  |
| +12% |
| -15% |
| +7%  |
| -1%  |
| +12% |
| +18% |
| +12% |
| +16% |
| +7%  |

|     |        |
|-----|--------|
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

Figure 4. Selection of tariff Peaks in the BSEC Region, 2006



Source: ITC MacMaps

Table 12 has listed the principal products at the HS6 digit level which are subject to tariff peaks. These include primarily meats and agricultural produce. Armenia and Albania tend to have the lowest tariff rates in these selected products (which range from 0-15 percent) while Turkey, Ukraine, Romania and Bulgaria have a significant number of peaks (ranging from 60 to 581 percent).

|      |     |        |
|------|-----|--------|
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 1      |
| +7%  | 135 |        |

**Table 12. Selected Peaks, Maxima and Minima Tariffs in BSEC, 2006**

| HS6    | Description  | No of BSEC countries presenting a peak | Max MFN in BSEC | Country with max MFN | Min MFN in BSEC | Country with min MFN |
|--------|--|--|-----------------|----------------------|-----------------|----------------------|
| 220429 | Wine of fresh grapes, incl. fortified wines        | 9                                      | 378             | Ukraine              | 15              | Albania              |
| 220710 | Unden. ethyl alcohol, alcoholic strength >= 80%    | 9                                      | 581             | Ukraine              | 3               | Turkey               |
| 020714 | Frozen cuts and edible offal of fowls              | 8                                      | 75              | Bulgaria             | 10              | Armenia              |
| 160232 | Meat or offal of fowls, prepared or preserved      | 8                                      | 122             | Turkey               | 10              | Armenia              |
| 160239 | Meat of ducks, geese and guinea fowls              | 8                                      | 122             | Turkey               | 10              | Armenia              |
| 160242 | Prepared shoulders and cuts thereof, of swine      | 8                                      | 122             | Turkey               | 10              | Armenia              |
| 170111 | Raw cane sugar                                     | 8                                      | 142             | Ukraine              | 2               | Albania              |
| 170199 | Cane or beet sugar and chemically pure sucrose     | 8                                      | 135             | Turkey               | 10              | Albania              |
| 220600 | Cider, perry, mead                                 | 7                                      | 80              | Azerbaijan           | 5               | Albania              |
| 220720 | Denatured ethyl alcohol and other spirits          | 7                                      | 565             | Ukraine              | 3               | Turkey               |
| 220840 | Rum and tafia                                      | 7                                      | 95              | Ukraine              | 0               | Turkey               |
| 220850 | Gin and Geneva                                     | 7                                      | 101             | Ukraine              | 0               | Turkey               |
| 220870 | Liqueurs and cordials                              | 7                                      | 65              | Ukraine              | 0               | Turkey               |
| 220890 | Ethyl alcohol of an alcoholic strength of < 80%    | 7                                      | 84              | Azerbaijan           | 0               | Turkey               |
| 020311 | Fresh or chilled carcasses/half-carcasses of swine | 7                                      | 225             | Turkey               | 10              | Armenia              |
| 020312 | Hams, shoulders and cuts thereof of swine          | 7                                      | 225             | Turkey               | 10              | Armenia              |
| 020319 | Fresh or chilled meat of swine                     | 7                                      | 225             | Turkey               | 10              | Armenia              |
| 020321 | Frozen carcasses and half-carcasses of swine       | 7                                      | 225             | Turkey               | 10              | Armenia              |
| 020322 | Frozen hams  | 7                                      | 225             | Turkey               | 0               | Armenia              |
| 020329 | Frozen meat of swine nes                           | 7                                      | 225             | Turkey               | 10              | Armenia              |
| 020711 | Fresh or chilled fowls                             | 7                                      | 68              | Bulgaria             | 10              | Albania              |
| 020712 | Frozen fowls                                       | 7                                      | 68              | Bulgaria             | 10              | Albania              |
| 020713 | Fresh or chilled cuts and edible offal of fowls    | 7                                      | 187             | Ukraine              | 10              | Albania              |
| 020726 | Fresh or chilled cuts and edible offal of turkeys  | 7                                      | 208             | Ukraine              | 10              | Albania              |
| 020727 | Frozen cuts and edible offal of turkeys            | 7                                      | 277             | Ukraine              | 10              | Albania              |
| 040510 | Butter (excl. dehydrated butter and ghee)          | 7                                      | 140             | Turkey               | 10              | Armenia              |
| 040590 | Fats and oils derived from milk                    | 7                                      | 140             | Turkey               | 10              | Armenia              |
| 040900 | Natural honey                                      | 7                                      | 40              | Bulgaria             | 10              | Albania              |
| 160100 | Sausages and similar products                      | 7                                      | 96              | Turkey               | 10              | Armenia              |
| 160231 | Meat or offal of turkeys, prepared or preserved    | 7                                      | 122             | Turkey               | 8.5             | Greece               |
| 160241 | Hams and cuts thereof, prepared or preserved       | 7                                      | 122             | Turkey               | 10              | Albania              |
| 170112 | Raw beet sugar                                     | 7                                      | 135             | Turkey               | 0.5             | Azerbaijan           |
| 220300 | Beer made from malt                                | 7                                      | 159             | Russia               | 0               | Greece               |
| 220430 | Grape must   | 7                                      | 60              | Romania              | 0.5             | Azerbaijan           |
| 240310 | Smoking tobacco                                    | 7                                      | 98              | Romania              | 0               | Armenia              |
| 240399 | Chewing tobacco                                    | 7                                      | 98              | Romania              | 0               | Armenia              |

Note: n.e.s. Not elsewhere specified; a peak is defined as a tariff which exceeds three times the average tariff for all goods.

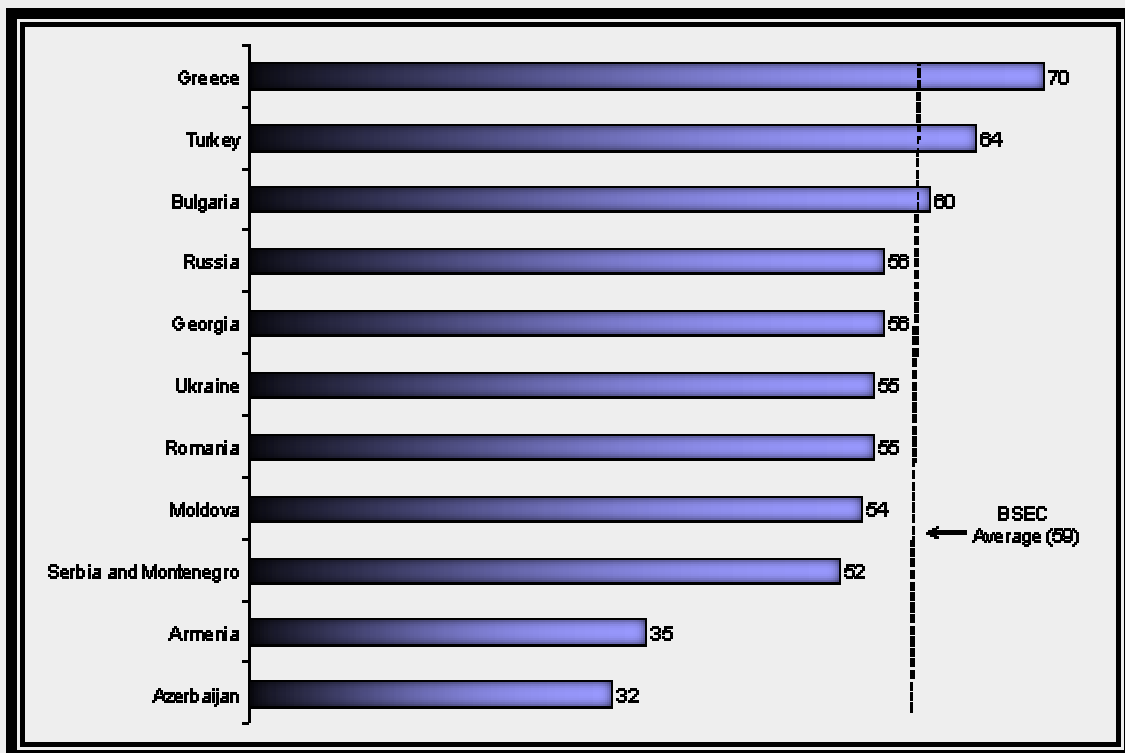
Source: ITC *MacMaps*, 2007

The average size of the service sector in the BSEC region is around 59% of GDP

## II.4. Services

With the exception of Azerbaijan and Armenia, which are primarily agricultural based economies, the BSEC region is characterised by an important services sector, which accounts for the bulk of economic activity (see Figure 5). Greece has the largest relative service sector, owing to its large shipping and tourism sectors. The average size of the service sector in the BSEC region is around 59% of GDP.

Figure 5 Share of services in GDP in BSEC (2005)



Note: No data available for Albania

Source: Estimations from author and World Bank *World Development Indicators database*, 2007

BSEC countries have also managed to successfully compete in the international trading system in the area of services. This is particularly the case for countries like Albania, Bulgaria and Moldova, where trade in services represents over 25 percent of GDP. Moreover, most countries in BSEC register a positive trade balance for services. Greece has the largest surplus (at around US\$20 billion),

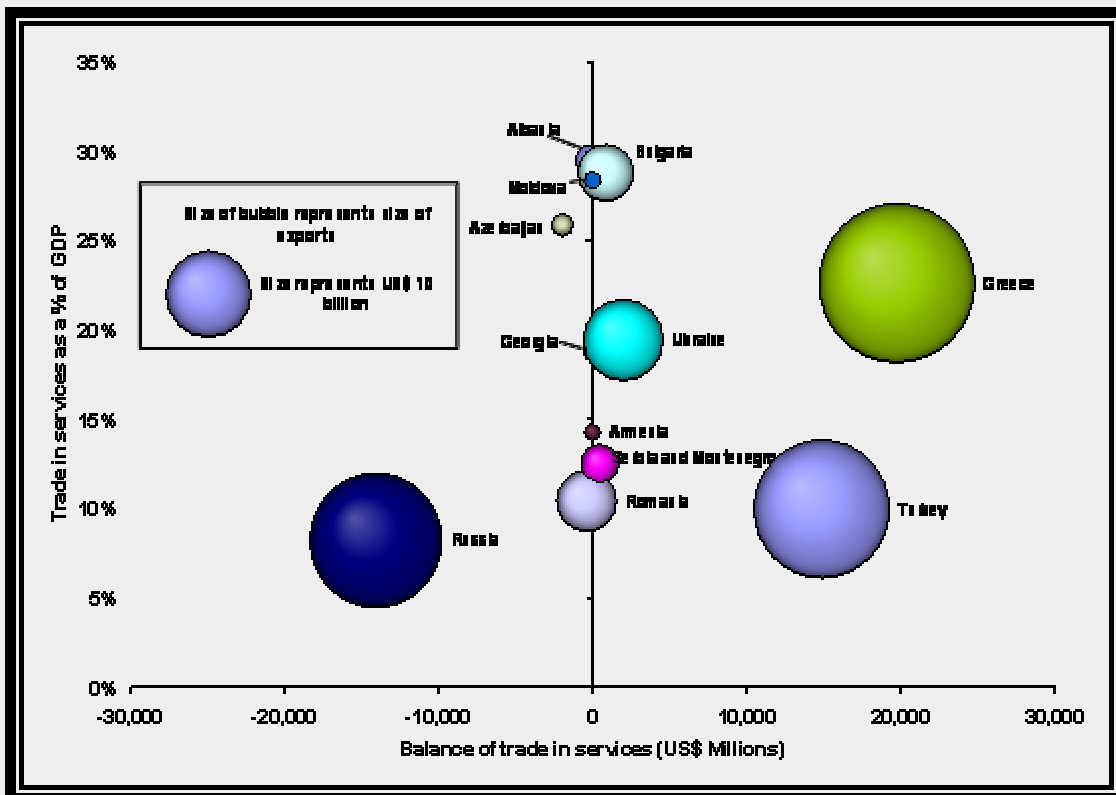
|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |



# Black Sea Economic Cooperation: Status and Investment Potential

followed by Turkey (around US\$ 15 billion). Russia has the largest deficit in services, at around (US\$14 billion) (see Figure 6).

Figure 6. Relative and absolute importance of exports in commercial services



Source: WTO *International Trade Statistics 2006*, Geneva

Countries in the region have performed extremely well vis-à-vis the world market. Table 13 summarises the performance for BSEC broken down into major service sectors. In insurance services, BSEC countries have almost all performed better than the world market, except for Georgia and Romania, who both experienced lower growth than the world trend. BSEC countries have also tended to perform well in computer and related services, where growth has been above world trends. Azerbaijan's exports of services outperformed the world market in 9 out of 10 service sector between 2003 and 2005. A similar performance was matched by Russia and Ukraine. Weaker performance has been recorded in construction and personal, cultural and recreational services.

BSEC countries have tended to perform well in computer and related services, where growth has been above world trends

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 151.30 |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

# Study on Trade and Investment Potential

**Table 13. Performance of trade in services in BSEC (2003-05)**

| Description                       | ALB |   | ARM |   | AZE |   | BGR |   | GEO |   | GRE |   | ROM |   | RUS |   | TUR |   | UKR |   |   |
|-----------------------------------|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|-----|---|---|
|                                   | M   | X | M   | X | M   | X | M   | X | M   | X | M   | X | M   | X | M   | X | M   | X | M   | X |   |
| Transportation                    | -   | + | -   | - | +   | - | +   | + | +   | - | -   | - | +   | - | +   | + | +   | + | +   | + | - |
| Travel                            | +   | + | -   | + | +   | + | -   | - | -   | - | -   | - | +   | + | +   | + | -   | + | +   | + | + |
| Construction                      | -   | - | -   | - | +   | + | -   | - | -   | + | -   | + | +   | + | +   | + | -   | - | -   | - | + |
| Insurance                         | +   | + | +   | + | +   | + | -   | + | +   | - | +   | + | -   | - | +   | + | +   | + | -   | + | + |
| Financial                         | +   | - | -   | + | +   | + | +   | - | +   | + | -   | - | +   | + | +   | + | -   | + | +   | + | + |
| Computer & information            | +   | + | +   | + | +   | + | +   | + | +   | + | +   | + | +   | + | -   | + | +   | + | +   | + | + |
| Royalties and license fees        | -   | - | +   | + | -   | + | +   | - | -   | + | -   | + | +   | + | +   | - | +   | + | +   | + | + |
| Other business                    | +   | + | +   | + | -   | + | +   | + | -   | - | +   | - | +   | + | -   | + | -   | - | -   | - | + |
| Personal, cultural & recreational | +   | + | -   | + | -   | + | -   | - | +   | + | -   | - | -   | - | +   | + | -   | - | +   | + | + |
| Other                             | +   | + | +   | + | +   | + | -   | - | +   | + | -   | - | -   | - | +   | + | -   | - | +   | + | + |

Note: M denotes import performance vis-à-vis world import growth, while X denotes export performance vis-à-vis world export growth. + denotes a performance which outstrips world growth, while “-” denotes a performance which is worse than world growth. Source: Calculation by the author based on statistics from ITC, WTO and IMF

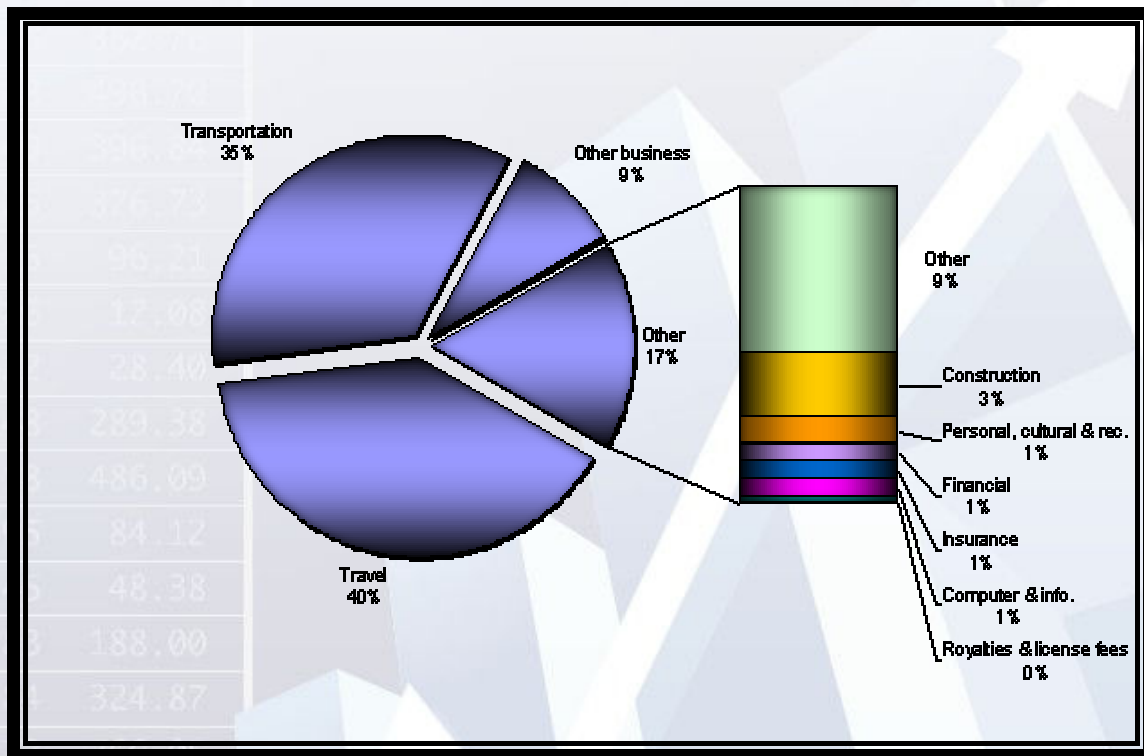
Using the same methodology employed for the trade flow analysis of goods, namely comparing the export of services for one country with the import of services of another country, one can compute an approximate indicative trade potential between two countries. A major limitation of this approach is that the level of aggregation of services is relatively high, leading to an overestimation bias. Moreover, services are far more differentiated than goods, and thus this methodology needs to be further corroborated with qualitative information in the respective countries. Finally, the statistics for trade in services are far less reliable than is the case for goods (see box 3).

### Box 3. Source of statistics on trade in services and data availability

The data on Services used in our analysis are based on WTO, IMF, OECD and Eurostat data, at different levels of detail and aggregation. No data are available for Moldova and Serbia & Montenegro, while all the other BSEC countries reported data on trade flow and growth in all key sectors in Services for the last 5 years. Eurostat sources for 2005 for the sector “Other Services” corresponds to 2004 figures, and WTO sources for 2005 are not updated for Armenia and Georgia in three sectors (Transportation, Travel and Other commercial services). For these three sectors, 2004 estimates are used.

The result for the BSEC region as a whole is that there is a major overlap of trade flows and that the current export capacity in services could be absorbed by BSEC member states which import those same services. The breakdown of services suggests that the highest intra-regional trade potential lies in travel and transportation services which account for three quarters of all the potential (see Figure 7). Nevertheless, there exists potential in other smaller sectors, such as cultural and recreational services (US\$1.5 billion), financial and insurance services (US\$1 billion each) and computer services (US\$1 billion).

Figure 7 Indicative potential for trade in services in BSEC



Source: Authors' calculations based on 2005 statistics from ITC, WTO, IMF

The breakdown of trade potential at the individual country level is provided in Tables 14a-14j. Most countries record the highest trade potential in travel and transportation, with the exception of Azerbaijan, Romania and Russia. Most countries do not have sufficiently large export potential to satisfy all the regional

demand for service imports. For example, Albania exports US\$16 million of financial services to the world, yet the BSEC region has a total demand of some US\$1.8 billion from abroad which could theoretically be provided by the region.

**Table 14a. Indicative Service Export Potential for Albania to the BSEC region (2005) (US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Albania exports to World | Current BSEC 10 (less Albania) imports from World |
|-----|------------------------------------|----------------|----------------------------|----------------------------------|---|
|     |                                    |                | (A) = min (i, ii)          | (i)                              | (ii)  |
|     | <b>All Services</b>                |                | <b>1,260,803</b>           | <b>1,260,803</b>                 | <b>109,687,243</b>                                |
| 236 | Travel                             | WTO            | 883,160                    | 883,160                          | 26,922,762  |
| 20S | Other commercial services          | WTO            | 146,880                    | 146,880                          | 30,244,032  |
| 205 | Transportation                     | WTO            | 128,010                    | 128,010                          | 25,000,292  |
| 268 | Other business services            | IMF            | 56,558                     | 56,558                           | 11,378,704  |
| 287 | Personal, cultural & rec. services | IMF            | 18,122                     | 18,122                           | 955,252   |
| 260 | Financial services                 | IMF            | 15,985                     | 15,985                           | 1,818,083   |
| 253 | Insurance services                 | IMF            | 5,728                      | 5,728                            | 3,254,359   |
| 262 | Computer & info. services          | IMF            | 3,149                      | 3,149                            | 1,214,040   |
| 249 | Construction services              | IMF            | 2,706                      | 2,706                            | 5,749,595   |
| 266 | Royalties & license fees           | IMF            | 505                        | 505                              | 3,150,124   |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                             | n.a.  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14b. Indicative Service Export Potential for Armenia to the BSEC region (2005) (US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Armenia exports to World | Current BSEC 10 (less Armenia) imports from World |
|-----|------------------------------------|----------------|----------------------------|----------------------------------|---|
|     |                                    |                | (A) = min (i, ii)          | (i)                              | (ii)  |
|     | <b>All Services</b>                |                | <b>300,813</b>             | <b>300,813</b>                   | <b>107,708,595</b>                                |
| 236 | Travel                             | WTO            | 85,470                     | 85,470                           | 27,672,264  |
| 20S | Other commercial services          | WTO            | 79,356                     | 79,356                           | 30,380,164  |
| 205 | Transportation                     | WTO            | 73,558                     | 73,558                           | 25,054,816  |
| 262 | Computer & info. services          | IMF            | 22,443                     | 22,443                           | 1,215,908   |
| 253 | Insurance services                 | IMF            | 11,889                     | 11,889                           | 3,261,187   |
| 249 | Construction services              | IMF            | 10,560                     | 10,560                           | 5,748,402   |
| 268 | Other business services            | IMF            | 9,530                      | 9,530                            | 11,489,595  |
| 287 | Personal, cultural & rec. services | IMF            | 4,780                      | 4,780                            | 1,052,622   |
| 260 | Financial services                 | IMF            | 3,227                      | 3,227                            | 1,833,637   |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                             | n.a.  |
| 266 | Royalties & license fees           | IMF            | 0                          | n.a.                             | n.a.  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat



**Table 14c. Indicative Service Export Potential for Azerbaijan to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Azerbaijan exports to World | Current BSEC 10 (less Azerbaijan) imports from World |
|-----|------------------------------------|----------------|----------------------------|-------------------------------------|--|
|     |                                    |                | (A) = min (i, ii)          | (i)                                 | (ii)   |
|     | <b>All Services</b>                |                | <b>847,983</b>             | <b>847,983</b>                      | <b>106,606,825</b>                                   |
| 20S | Other commercial services          | WTO            | 277,004                    | 277,004                             | 28,466,058   |
| 268 | Other business services            | IMF            | 251,695                    | 251,695                             | 10,993,054   |
| 205 | Transportation                     | WTO            | 218,904                    | 218,904                             | 24,837,558   |
| 236 | Travel                             | WTO            | 79,880                     | 79,880                              | 27,562,710   |
| 249 | Construction services              | IMF            | 9,430                      | 9,430                               | 4,252,352  |
| 253 | Insurance services                 | IMF            | 7,841                      | 7,841                               | 3,244,295  |
| 287 | Personal, cultural & rec. services | IMF            | 3,000                      | 3,000                               | 1,054,282  |
| 262 | Computer & info. services          | IMF            | 127                        | 127                                 | 1,217,140  |
| 260 | Financial services                 | IMF            | 96                         | 96                                  | 1,825,094  |
| 266 | Royalties & license fees           | IMF            | 6                          | 6                                   | 3,154,282  |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                                | n.a.   |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14d. Indicative Service Export Potential for Bulgaria to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Bulgaria exports to World | Current BSEC 10 (less Bulgaria) imports from World |
|-----|------------------------------------|----------------|----------------------------|-----------------------------------|--|
|     |                                    |                | (A) = min (i, ii)          | (i)                               | (ii)   |
|     | <b>All Services</b>                |                | <b>5,478,159</b>           | <b>5,478,159</b>                  | <b>115,644,106</b>                                 |
| 236 | Travel                             | WTO            | 2,381,190                  | 2,381,190                         | 26,705,354   |
| 205 | Transportation                     | WTO            | 1,361,464                  | 1,361,464                         | 23,341,514   |
| 20S | Other commercial services          | WTO            | 690,904                    | 690,904                           | 29,493,150   |
| 981 | Other Services                     | Eurostat       | 427,534                    | 427,534                           | 9,178,357  |
| 268 | Other business services            | IMF            | 403,304                    | 403,304                           | 10,933,152   |
| 249 | Construction services              | IMF            | 90,130                     | 90,130                            | 5,698,834  |
| 287 | Personal, cultural & rec. services | IMF            | 39,143                     | 39,143                            | 1,042,894  |
| 262 | Computer & info. services          | IMF            | 31,989                     | 31,989                            | 1,178,594  |
| 253 | Insurance services                 | IMF            | 29,414                     | 29,414                            | 3,191,644  |
| 260 | Financial services                 | IMF            | 18,159                     | 18,159                            | 1,803,769  |
| 266 | Royalties & license fees           | IMF            | 4,928                      | 4,928                             | 3,076,844  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14e. Indicative Service Export Potential for Georgia to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Georgia exports to World | Current BSEC 10 (less Georgia) imports from World |
|-----|------------------------------------|----------------|----------------------------|----------------------------------|---|
|     |                                    |                | (A) = min (i, ii)          | (i)                              | (ii)  |
|     | <b>All Services</b>                |                | <b>543,376</b>             | <b>546,541</b>                   | <b>109,618,561</b>                                |
| 205 | Transportation                     | WTO            | 249,724                    | 249,724                          | 25,028,680  |
| 236 | Travel                             | WTO            | 176,606                    | 176,606                          | 27,589,578  |
| 20S | Other commercial services          | WTO            | 65,574                     | 65,574                           | 30,356,298  |
| 260 | Financial services                 | IMF            | 20,269                     | 20,269                           | 1,833,346   |
| 253 | Insurance services                 | IMF            | 10,955                     | 10,955                           | 3,227,199   |
| 268 | Other business services            | IMF            | 10,835                     | 10,835                           | 11,482,135  |
| 266 | Royalties & license fees           | IMF            | 9,294                      | 9,294                            | 3,149,008   |
| 262 | Computer & info. services          | IMF            | 119                        | 119                              | 1,216,348   |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                             | n.a.  |
| 249 | Construction services              | IMF            | 0                          | n.a.                             | 5,735,969   |
| 287 | Personal, cultural & rec. services | IMF            | 0                          | 3,165                            | n.a.  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14f. Indicative Service Export Potential for Greece to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Greece exports to World | Current BSEC 10 (less Greece) imports from World |
|-----|------------------------------------|----------------|----------------------------|---------------------------------|--|
|     |                                    |                | (A) = min (i, ii)          | (i)                             | (ii)   |
|     | <b>All Services</b>                |                | <b>40,690,141</b>          | <b>40,690,141</b>               | <b>99,297,997</b>                                |
| 205 | Transportation                     | WTO            | 17,266,234                 | 17,266,234                      | 17,465,664                                       |
| 236 | Travel                             | WTO            | 13,581,712                 | 13,581,712                      | 24,692,152                                       |
| 981 | Other Services                     | Eurostat       | 3,836,886                  | 3,836,886                       | 5,574,073  |
| 20S | Other commercial services          | WTO            | 3,211,934                  | 3,211,934                       | 26,934,166                                       |
| 268 | Other business services            | IMF            | 1,736,730                  | 1,736,730                       | 10,084,065                                       |
| 249 | Construction services              | IMF            | 286,495                    | 286,495                         | 5,652,428  |
| 253 | Insurance services                 | IMF            | 264,031                    | 264,031                         | 2,552,856  |
| 262 | Computer & info. services          | IMF            | 173,472                    | 173,472                         | 995,820  |
| 287 | Personal, cultural & rec. services | IMF            | 165,681                    | 165,681                         | 874,758  |
| 260 | Financial services                 | IMF            | 106,736                    | 106,736                         | 1,759,411  |
| 266 | Royalties & license fees           | IMF            | 60,230                     | 60,230                          | 2,712,604  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14g. Indicative Service Export Potential for Romania to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Romania exports to World | Current BSEC 10 (less Romania) imports from World |
|-----|------------------------------------|----------------|----------------------------|----------------------------------|---|
|     |                                    |                | (A) = min (i, ii)          | (i)                              | (ii)  |
|     | <b>All Services</b>                |                | <b>8,312,980</b>           | <b>8,312,980</b>                 | <b>111,344,421</b>                                |
| 20S | Other commercial services          | WTO            | 2,519,850                  | 2,519,850                        | 27,779,730  |
| 981 | Other Services                     | Eurostat       | 1,547,326                  | 1,547,326                        | 7,765,124   |
| 205 | Transportation                     | WTO            | 1,425,938                  | 1,425,938                        | 23,249,118  |
| 236 | Travel                             | WTO            | 1,037,656                  | 1,037,656                        | 26,898,506  |
| 268 | Other business services            | IMF            | 1,012,650                  | 1,012,650                        | 10,454,485  |
| 262 | Computer & info. services          | IMF            | 312,190                    | 312,190                          | 876,628   |
| 249 | Construction services              | IMF            | 195,120                    | 195,120                          | 5,554,142   |
| 260 | Financial services                 | IMF            | 102,500                    | 102,500                          | 1,674,062   |
| 287 | Personal, cultural & rec. services | IMF            | 93,070                     | 93,070                           | 954,592   |
| 266 | Royalties & license fees           | IMF            | 45,620                     | 45,620                           | 2,981,988   |
| 253 | Insurance services                 | IMF            | 21,060                     | 21,060                           | 3,156,046   |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14h. Indicative Service Export Potential for Russia to the BSEC region (2005)  
(US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Russia exports to World | Current BSEC 10 (less Russia) imports from World |
|-----|------------------------------------|----------------|----------------------------|---------------------------------|--|
|     |                                    |                | (A) = min (i, ii)          | (i)                             | (ii)   |
|     | <b>All Services</b>                |                | <b>32,929,399</b>          | <b>33,389,622</b>               | <b>58,881,831</b>                                |
| 20S | Other commercial services          | WTO            | 9,954,538                  | 9,954,538                       | 15,471,194                                       |
| 205 | Transportation                     | WTO            | 9,143,748                  | 9,143,748                       | 20,159,380                                       |
| 236 | Travel                             | WTO            | 5,191,056                  | 5,191,056                       | 10,218,764                                       |
| 268 | Other business services            | IMF            | 5,058,145                  | 5,309,030                       | 5,058,145  |
| 249 | Construction services              | IMF            | 1,999,552                  | 2,208,890                       | 1,999,552  |
| 262 | Computer & info. services          | IMF            | 421,610                    | 421,610                         | 735,518  |
| 260 | Financial services                 | IMF            | 390,050                    | 390,050                         | 943,252  |
| 253 | Insurance services                 | IMF            | 323,060                    | 323,060                         | 2,115,616  |
| 266 | Royalties & license fees           | IMF            | 260,200                    | 260,200                         | 1,561,118  |
| 287 | Personal, cultural & rec. services | IMF            | 187,440                    | 187,440                         | 619,292  |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                            | n.a.   |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14i. Indicative Service Export Potential for Turkey to the BSEC region (2005)**  
(US\$ Thousands)

|     | Service Description                | Source of data | Indicative Trade Potential | Current Turkey exports to World | Current BSEC 10 (less Turkey) imports from World |
|-----|------------------------------------|----------------|----------------------------|---------------------------------|--|
|     |                                    |                | (A) = min (i, ii)          | (i)                             | (ii)   |
|     | <b>All Services</b>                |                | <b>34,124,963</b>          | <b>34,233,681</b>               | <b>102,053,500</b>                               |
| 236 | Travel                             | WTO            | 18,362,480                 | 18,362,480                      | 24,959,564                                       |
| 20S | Other commercial services          | WTO            | 4,989,108                  | 4,989,108                       | 26,648,648                                       |
| 205 | Transportation                     | WTO            | 4,130,742                  | 4,130,742                       | 19,843,586                                       |
| 981 | Other Services                     | Eurostat       | 3,790,351                  | 3,790,351                       | 6,281,597  |
| 287 | Personal, cultural & rec. services | IMF            | 970,282                    | 1,079,000                       | 970,282  |
| 249 | Construction services              | IMF            | 882,000                    | 882,000                         | 5,743,182  |
| 260 | Financial services                 | IMF            | 345,000                    | 345,000                         | 1,449,522  |
| 268 | Other business services            | IMF            | 332,000                    | 332,000                         | 11,046,905                                       |
| 253 | Insurance services                 | IMF            | 323,000                    | 323,000                         | 2,394,886  |
| 266 | Royalties & license fees           | IMF            | 0                          | n.a.                            | 2,715,328  |
| 262 | Computer & info. services          | IMF            | 0                          | n.a.                            | n.a.   |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat

**Table 14j. Indicative Service Export Potential for Ukraine to the BSEC region (2005) (US\$ Thousands)**

|     | Service Description                | Source of data | Indicative Trade Potential | Current Ukraine exports to World | Current BSEC 10 (less Ukraine) imports from World |
|-----|------------------------------------|----------------|----------------------------|----------------------------------|---|
|     |                                    |                | (A) = min (i, ii)          | (i)                              | (ii)  |
|     | <b>All Services</b>                |                | <b>8,182,838</b>           | <b>8,182,838</b>                 | <b>103,526,229</b>                                |
| 205 | Transportation                     | WTO            | 4,408,736                  | 4,408,736                        | 23,120,640  |
| 236 | Travel                             | WTO            | 1,498,228                  | 1,498,228                        | 26,410,824  |
| 20S | Other commercial services          | WTO            | 1,171,874                  | 1,171,874                        | 28,199,232  |
| 268 | Other business services            | IMF            | 846,000                    | 846,000                          | 10,650,905  |
| 249 | Construction services              | IMF            | 115,000                    | 115,000                          | 5,626,182   |
| 262 | Computer & info. services          | IMF            | 44,000                     | 44,000                           | 1,089,428   |
| 260 | Financial services                 | IMF            | 36,000                     | 36,000                           | 1,579,522   |
| 253 | Insurance services                 | IMF            | 25,000                     | 25,000                           | 3,165,886   |
| 266 | Royalties & license fees           | IMF            | 22,000                     | 22,000                           | 2,733,328   |
| 287 | Personal, cultural & rec. services | IMF            | 16,000                     | 16,000                           | 950,282   |
| 981 | Other Services                     | Eurostat       | 0                          | n.a.                             | n.a.  |

Source: Author's calculations based on data from ITC, WTO, IMF and Eurostat



The commitments made by BSEC Member States who are members of the WTO provide an important indication of the potential for cross border services trade between BSEC countries. The countries which are members of the WTO have made commitments to liberalise their services sector to cross border according to the mode of supply for delivering the service. Thus members of the WTO are party to the General Agreement on Trade in Services which applies to four modes of supply:

- Mode 1: Cross border supply which does not require a physical movement from supplier or consumer.
- Mode 2: Movement of the consumer to the country of the supplier.
- Mode 3: Services provided to the consumers of a foreign country through commercial presence
- Mode 4: Services provided through the temporary movement of natural persons.

Subscribing to the GATS principles, BSEC Member States must apply a non-discriminatory trade policy in the area of services to other WTO members thereby providing an equal treatment for all WTO members, undertaking to not discriminate between local and foreign firms, promoting a stable trade environment which should increase cross-border trade in services.

The GATS schedule of commitments provides for commitments to be made in Market Access, National Treatment and any additional commitments. National Treatment (Art XVII GATS) refers to the commitment to provide a treatment no less favourable than that accorded to domestic service providers. Market Access refers to the conditions for accessing the market and cover six principal

The commitments made by BSEC Member States who are members of the WTO provide an important indication of the potential for cross border services trade between BSEC countries

|     |        |
|-----|--------|
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.30  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

types of market restrictions, namely (i) number of service suppliers allowed; (ii) value of transactions or assets; (iii) total quantity of service output; (iv) number of natural persons that may be employed; (v) the type of legal entity through which a service supplier may supply a service.; and (vi) limitations on the level of foreign equity allowed by the service provider. GATS Members are entitled to make limitations in these areas.

GATS provides some policy space for submitting a list of exemptions to non discrimination in market access and National Treatment. The schedule is thus detailed within the areas of Market Access, National Treatment, and other commitments, and each of these areas is divided by each mode of supply, for which three options are available. A Member can make No limitation on conditions for Market Access or National Treatment (None - N); make an unbound commitment in this area so that the country retains the policy space to change its commitments in these areas (Unbound – U); or countries can make some a bound commitment in the services sector which means that it will make a commitment to allow some access to its market (or provide some national treatment) but with exceptions (Bound – B).

Tables 15a-15f provide a summary of the commitments made by each country in the BSEC region with regard to limitations on Market Access and National treatment<sup>8</sup>. The tables present the percentage of commitments made in each subsector of the services activity according to whether the commitment is none (N), bound (B) or unbound (U). Furthermore, the table makes the distinction between each mode of supply. Only six countries are members of the WTO and thus data could only be collected for these six countries.

In Market Access, very few limitations are made in modes 1-3, except in financial services which for obvious regulatory reasons are considered more sensitive.

<sup>8</sup> The commitments made at the horizontal level have not been incorporated into the tables

Transport services are also relatively restricted and many subsectors remain unbound (for example, in mode 1, 45% of transport service subsectors have no limitations for market access, while the remaining subsectors (55%) have unbound commitments). Mode 4 remains heavily protected mainly as a result of immigration policies of the countries concerned. In National Treatment, and in mode 1, Albania, Armenia, Georgia and Romania have relatively few restrictions in subsectors. Exceptions include construction services, environmental services, financial services and tourism services. Turkey has a number of restrictions for subsectors of business and communications services. Greece has maintained limitations business, construction, distribution, environmental, health, tourism, recreational and cultural, and transport services. In modes 2-3, nearly all countries have no limitation on National Treatment in all subsectors with the exception of Turkey, especially in financial services, business services and tourism services. Mode 4 tends to be unbound for most countries indicating that the temporary movement of natural persons remains restricted. Nevertheless, Albania, Romania and Turkey have a number of subsectors which have no limitations in National Treatment for the temporary movement of natural persons.

**Table 15a. Albania's Commitments in trade in services at the WTO**

|                |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Albania</b> |                                |               |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 88            | 3   | 9   | 100    | 0   | 0   | 97     | 3   | 0   | 0      | 3   | 97  |
| 02             | Communication Services         | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 8      | 0   | 92  |
| 03             | Construction Services          | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | 60            | 0   | 40  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 06             | Environmental Services         | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 56            | 0   | 44  | 94     | 0   | 6   | 94     | 0   | 6   | 0      | 0   | 100 |
| 08             | Health Services                | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09             | Tourism and Travel Services    | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | 60            | 0   | 40  | 80     | 0   | 20  | 100    | 0   | 0   | 0      | 0   | 100 |
| 11             | Transport Services             | 62            | 0   | 38  | 85     | 0   | 15  | 100    | 0   | 0   | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

|                |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Albania</b> |                                |                    |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 91                 | 0   | 9   | 100    | 0   | 0   | 97     | 0   | 3   | 97     | 0   | 3   |
| 02             | Communication Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 03             | Construction Services          | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 04             | Distribution Services          | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 05             | Educational Services           | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 06             | Environmental Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 07             | Financial Services             | 94                 | 0   | 6   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 08             | Health Services                | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 09             | Tourism and Travel Services    | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 10             | Recreational, Cultural & Sport | 80                 | 0   | 20  | 80     | 0   | 20  | 100    | 0   | 0   | 100    | 0   | 0   |
| 11             | Transport Services             | 69                 | 0   | 31  | 92     | 0   | 8   | 100    | 0   | 0   | 100    | 0   | 0   |
| 12             | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

Table 15b. Armenia's Commitments in trade in services at the WTO

|                |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Armenia</b> |                                |               |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 91            | 0   | 9   | 100    | 0   | 0   | 94     | 6   | 0   | 0      | 0   | 100 |
| 02             | Communication Services         | 64            | 0   | 36  | 100    | 0   | 0   | 71     | 0   | 29  | 0      | 0   | 100 |
| 03             | Construction Services          | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 06             | Environmental Services         | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 42            | 0   | 58  | 100    | 0   | 0   | 92     | 8   | 0   | 0      | 0   | 100 |
| 08             | Health Services                | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09             | Tourism and Travel Services    | 67            | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11             | Transport Services             | 44            | 0   | 56  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|                |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Armenia</b> |                                |                    |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 91                 | 0   | 9   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 02             | Communication Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 03             | Construction Services          | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 06             | Environmental Services         | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 42                 | 0   | 58  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 08             | Health Services                | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09             | Tourism and Travel Services    | 67                 | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11             | Transport Services             | 33                 | 11  | 56  | 100    | 0   | 0   | 89     | 11  | 0   | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |



Table 15c. Georgia's Commitments in trade in services at the WTO

|                |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Georgia</b> |                                |               |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 89            | 0   | 11  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 02             | Communication Services         | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 03             | Construction Services          | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 06             | Environmental Services         | 14            | 0   | 86  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 87            | 8.7 | 4.3 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 08             | Health Services                | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09             | Tourism and Travel Services    | 67            | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11             | Transport Services             | 27            | 0   | 73  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|                |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
|                |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| <b>Georgia</b> |                                |                    |     |     |        |     |     |        |     |     |        |     |     |
| 01             | Business Services              | 89                 | 0   | 11  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 02             | Communication Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 03             | Construction Services          | 0                  | 0   | 100 | 100    | 0   | 0   | 20     | 80  | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 06             | Environmental Services         | 14                 | 0   | 86  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 91                 | 0   | 8.7 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 08             | Health Services                | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09             | Tourism and Travel Services    | 67                 | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11             | Transport Services             | 50                 | 0   | 50  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|      |     |        |
|------|-----|--------|
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 1      |
| +7%  | 135 |        |

Table 15d. Greece's Commitments in trade in services at the WTO

|               |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|---------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|               |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Greece</b> |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01            | Business Services              | 65            | 0   | 35  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 27  | 73  |
| 02            | Communication Services         | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 03            | Construction Services          | 0             | 0   | 100 | 100    | 0   | 0   | 0      | 100 | 0   | 0      | 100 | 0   |
| 04            | Distribution Services          | 75            | 0   | 25  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05            | Educational Services           | 100           | 0   | 0   | 100    | 0   | 0   | 75     | 0   | 25  | 0      | 50  | 50  |
| 06            | Environmental Services         | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07            | Financial Services             | 100           | 0   | 0   | 50     | 50  | 0   | 0      | 100 | 0   | 0      | 100 | 0   |
| 08            | Health Services                | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 50  | 50  |
| 09            | Tourism and Travel Services    | 67            | 0   | 33  | 100    | 0   | 0   | 67     | 33  | 0   | 0      | 67  | 33  |
| 10            | Recreational, Cultural & Sport | 67            | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11            | Transport Services             | 45            | 0   | 55  | 100    | 0   | 0   | 82     | 0   | 18  | 0      | 0   | 100 |
| 12            | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|               |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|---------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|               |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Greece</b> |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01            | Business Services              | 65                 | 0   | 35  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 02            | Communication Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 03            | Construction Services          | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04            | Distribution Services          | 75                 | 0   | 25  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05            | Educational Services           | 100                | 0   | 0   | 100    | 0   | 0   | 50     | 50  | 0   | 0      | 0   | 100 |
| 06            | Environmental Services         | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07            | Financial Services             | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 08            | Health Services                | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09            | Tourism and Travel Services    | 67                 | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10            | Recreational, Cultural & Sport | 67                 | 0   | 33  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 11            | Transport Services             | 36                 | 9.1 | 55  | 100    | 0   | 0   | 64     | 9.1 | 27  | 0      | 0   | 100 |
| 12            | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

Table 15e. Romania's Commitments in trade in services at the WTO

|                |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Romania</b> |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01             | Business Services              | 100           | 0   | 0   | 100    | 0   | 0   | 90     | 0   | 10  | 0      | 0   | 100 |
| 02             | Communication Services         | 88            | 12  | 0   | 100    | 0   | 0   | 82     | 18  | 0   | 0      | 0   | 100 |
| 03             | Construction Services          | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 04             | Distribution Services          | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 05             | Educational Services           | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 06             | Environmental Services         | 100           | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 07             | Financial Services             | 47            | 6.7 | 47  | 40     | 20  | 40  | 60     | 40  | 0   | 0      | 0   | 100 |
| 08             | Health Services                | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 09             | Tourism and Travel Services    | 50            | 0   | 50  | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 10             | Recreational, Cultural & Sport | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 11             | Transport Services             | 50            | 0   | 50  | 100    | 0   | 0   | 50     | 25  | 25  | 0      | 0   | 100 |
| 12             | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|                |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|----------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|                |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Romania</b> |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01             | Business Services              | 100                | 0   | 0   | 100    | 0   | 0   | 90     | 0   | 10  | 90     | 0   | 10  |
| 02             | Communication Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 41     | 0   | 59  |
| 03             | Construction Services          | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 04             | Distribution Services          | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 05             | Educational Services           | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 06             | Environmental Services         | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 07             | Financial Services             | 53                 | 0   | 47  | 60     | 0   | 40  | 100    | 0   | 0   | 100    | 0   | 0   |
| 08             | Health Services                | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 09             | Tourism and Travel Services    | 50                 | 0   | 50  | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 10             | Recreational, Cultural & Sport | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 11             | Transport Services             | 50                 | 0   | 50  | 100    | 0   | 0   | 75     | 0   | 25  | 100    | 0   | 0   |
| 12             | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|      |     |        |
|------|-----|--------|
| +7%  | 84  | 324.87 |
| -1%  | 73  | 766.05 |
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 1      |
| +7%  | 135 |        |

Table 15f. Turkey's Commitments in trade in services at the WTO

|               |                                | Market Access |     |     |        |     |     |        |     |     |        |     |     |
|---------------|--------------------------------|---------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|               |                                | Mode 1        |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Turkey</b> |                                | N             | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01            | Business Services              | 57            | 29  | 14  | 100    | 0   | 0   | 71     | 29  | 0   | 86     | 0   | 14  |
| 02            | Communication Services         | 15            | 85  | 0   | 100    | 0   | 0   | 7.7    | 92  | 0   | 7.7    | 0   | 92  |
| 03            | Construction Services          | 100           | 0   | 0   | 100    | 0   | 0   | 0      | 100 | 0   | 100    | 0   | 0   |
| 04            | Distribution Services          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 05            | Educational Services           | 50            | 50  | 0   | 100    | 0   | 0   | 0      | 100 | 0   | 50     | 50  | 0   |
| 06            | Environmental Services         | 0             | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 07            | Financial Services             | 63            | 5.7 | 31  | 69     | 5.7 | 26  | 23     | 77  | 0   | 60     | 8.6 | 17  |
| 08            | Health Services                | 0             | 0   | 100 | 100    | 0   | 0   | 0      | 100 | 0   | 0      | 0   | 100 |
| 09            | Tourism and Travel Services    | 0             | 50  | 50  | 100    | 0   | 0   | 100    | 0   | 0   | 50     | 50  | 0   |
| 10            | Recreational, Cultural & Sport | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 11            | Transport Services             | 67            | 22  | 11  | 100    | 0   | 0   | 44     | 56  | 0   | 78     | 22  | 0   |
| 12            | Other Services n.e.s.          | ...           | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |

|               |                                | National Treatment |     |     |        |     |     |        |     |     |        |     |     |
|---------------|--------------------------------|--------------------|-----|-----|--------|-----|-----|--------|-----|-----|--------|-----|-----|
|               |                                | Mode 1             |     |     | Mode 2 |     |     | Mode 3 |     |     | Mode 4 |     |     |
| <b>Turkey</b> |                                | N                  | B   | U   | N      | B   | U   | N      | B   | U   | N      | B   | U   |
| 01            | Business Services              | 71                 | 14  | 14  | 86     | 14  | 0   | 71     | 29  | 0   | 86     | 14  | 0   |
| 02            | Communication Services         | 62                 | 38  | 0   | 100    | 0   | 0   | 62     | 38  | 0   | 31     | 0   | 69  |
| 03            | Construction Services          | 0                  | 100 | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 04            | Distribution Services          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 05            | Educational Services           | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 06            | Environmental Services         | 0                  | 0   | 100 | 100    | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   |
| 07            | Financial Services             | 74                 | 2.9 | 23  | 74     | 2.9 | 23  | 97     | 2.9 | 0   | 83     | 0   | 17  |
| 08            | Health Services                | 100                | 0   | 0   | 100    | 0   | 0   | 100    | 0   | 0   | 0      | 0   | 100 |
| 09            | Tourism and Travel Services    | 50                 | 50  | 0   | 100    | 0   | 0   | 50     | 50  | 0   | 100    | 0   | 0   |
| 10            | Recreational, Cultural & Sport | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |
| 11            | Transport Services             | 56                 | 33  | 11  | 89     | 11  | 0   | 100    | 0   | 0   | 89     | 11  | 0   |
| 12            | Other Services n.e.s.          | ...                | ... | ... | ...    | ... | ... | ...    | ... | ... | ...    | ... | ... |



Travel services have the highest potential for intra-regional growth in the region

Based on the competitiveness assessment, the indicative trade potential for services and the commitments made by BSEC countries in the WTO to liberalise trade in services, the study proposes a number of service sectors which presents opportunities for intra-BSEC trade promotion.

According to the indicative intra-regional trade potential, **travel services** have the highest potential for intra-regional growth in the region. Export of travel services in the region have generally outperformed the world market indicating competitiveness for Albania, Armenia, Azerbaijan, Romania, Russia, Turkey and Ukraine. Furthermore, commitments made by the WTO members of BSEC suggest that in the area of Market Access, there are relatively few limitations to accessing the market in modes 1-3. This therefore assumes that establishing a commercial presence is also relatively unrestricted which should foster investment. Countries have also made commitments to predominantly not discriminate against foreign service providers in modes 1-3 in travel services. A notable exception includes Turkey. Mode 4 tends to be unbound making this form of delivery unlikely to have much potential. Overall travel services present large opportunities for intra-regional trade promotion.

The second largest intra-regional trade potential was identified as being in **Transportation services**. Exports of transportation services have outperformed the world market for Albania, Bulgaria, Russia and Turkey. Moreover, growth in imports for Azerbaijan, Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine has outperformed the world market, indicating a vibrant market for exporting. Market Access in modes 2 and 3 are virtually entirely liberalised for WTO members of BSEC (with the exception of Albania which has some restrictions for mode 2 subsectors, and Romania and Turkey who have unbound commitments in mode 3). In mode 1, all countries apply a number of restrictions for around half the subsectors of transportation. Typically, all countries apply mode 4 restrictions, with the exception of Turkey which has no limitations on



The second largest intra-regional trade potential was identified as being in Transportation services

market access for 78% of the subsectors in transportation. In terms of National Treatment, most countries have liberalised all sub sectors for modes 2 and 3 (except Greece and Romania for commercial presence). Most countries maintain unbound limitations on National Treatment for mode 1 for a significant amount of subsectors of transportation services. Armenia, Georgia and Greece maintain unbound limitations for mode 4, while Albania, Romania and to a lesser extent Turkey, have no restriction on mode 4 trade. Overall transportation services present some important opportunities for intra-regional trade promotion, but significant restrictions and impediments to trade apply which need to be addressed in order to fully benefit from the regional market.

**Other commercial services** (which exclude construction, personal/cultural, financial, insurance, royalties and computer services) have a large potential for the region and account for around one tenth of the potential for exporting to the region. Exports of other commercial services have outperformed world trade growth for Albania, Armenia, Azerbaijan, Bulgaria, Romania, Russia and Ukraine. Moreover, import demand has been very dynamic in Albania, Armenia, Bulgaria, Greece, and Romania. All WTO members of BSEC have liberalised other business services for mode 2 channel of supply and most of the subsectors of mode 3 supply (except for Turkey). Moreover, with the exception of Greece and Turkey most of the subsectors have been liberalised in mode 1 channel of supply. Most countries have unbound restrictions for mode 4 supply. For National Treatment, except for the case of Turkey (in modes 1-3) and Greece (in mode 1), few restrictions exist in modes 1-3. Albania, Romania and Turkey have few restrictions in mode 4, while Armenia, Georgia and Greece have unbound limitations for mode 4. Overall, it appears that other business services presents a high intra-regional trade potential since the sector is extremely dynamic in the region and restrictions are relatively limited for Market Access and National Treatment.

Other significant trade potential exists for **computer and information services**. Computer and information services have been performing far better than world trends for all countries in the region for both imports and exports (except for Russia for imports). Moreover most countries have no limitations on Market Access or National Treatment for communication services, except in mode 4. **Distribution services** have few restrictions on Market Access and National Treatment in modes 1-3 and thus indicate an important channel for cross-border trade in these modes of supply (mode 4 remains unbound for Armenia, Georgia and Greece, and partly unbound for Romania and Turkey).

Opportunities for intra-regional trade promotion are more limited for **financial and insurance services** owing to the severe restrictions existing in most countries of the BSEC region, despite significant growth, particularly for insurance services where imports have outstripped world growth for 70% of the countries in the region. **Construction services** are also restricted and thus make it more difficult to promote intra-regional trade.

### III. Investment Potential

#### III.1. Investment in the BSEC

The Black Sea region is a strategic region to foreign investors, though it has primarily attracted investment in the energy sector and in the privatisation of former state enterprises. The analysis of the performance of FDI reveals however that the region presents great opportunities that remain mostly unutilized because of several factors, including administrative barriers and the lack of legal security for trade and investment.

The region's principal assets to attract foreign investments are its richness in natural resources, its position at the crossroads of continents, and its large market size. However, these characteristics must be further complemented by other factors to

create an attractive pool for investments, such as confidence in avoiding a government policy reversal with regard to nationalization, expropriation, taxation policy, trade policy, etc.

The global investment climate in the BSEC countries has progressively been improved by offering assurances and specific mechanisms that protect and promote the foreign investment. Multilateral, regional and bilateral instruments have been enacted to that effect, and each country has progressively directed its legislation to the attraction and protection of investments in the last decade.

Tables 16 and 17 display the trends in FDI net inflows and outflows between 2001 and 2004. Even though a growth in net inflows of FDI is generally observed, the inflows remain low and sometimes even unimpressive in comparison to the size of the economy. This is the case for example of a large economy like Russia, for which FDI corresponds to only 2% of GDP. Other countries have only experienced a drop in investment over the years, such as Moldova. Statistics show, however, higher levels in most of the other BSEC countries, with a considerable increase for Azerbaijan between 2001 and 2004 in both FDI net inflows and FDI net outflows.

Table 16 Foreign direct investment, net inflows (% of GDP)

|                       | 2001 | 2002 | 2003 | 2004 |
|-----------------------|------|------|------|------|
| Albania               | 5    | 3    | 3    | 6    |
| Armenia               | 3    | 5    | 4    | 6    |
| Azerbaijan            | 4    | 22   | 45   | 41   |
| Bulgaria              | 6    | 6    | 11   | 8    |
| Georgia               | 3    | 5    | 8    | 10   |
| Greece                | 1    | 0    | 0    | 1    |
| Moldova               | 4    | 8    | 4    | 3    |
| Romania               | 3    | 2    | 3    | 7    |
| Russia                | 1    | 1    | 2    | 2    |
| Serbia and Montenegro | 1    | 1    | 7    | 4    |
| Turkey                | 2    | 1    | 1    | 1    |
| Ukraine               | 2    | 2    | 3    | 3    |



Table 17 Foreign direct investment, net outflows (% of GDP)

|                       | 2001 | 2002 | 2003 | 2004 |
|-----------------------|------|------|------|------|
| Albania               | 0    | 0    | 0    | ...  |
| Armenia               | ...  | 0    | 0    | 0    |
| Azerbaijan            | 0    | 5    | 13   | 14   |
| Bulgaria              | 0    | 0    | 0    | -1   |
| Georgia               | 0    | 0    | 0    | 0    |
| Greece                | 1    | 1    | 0    | 0    |
| Moldova               | 0    | 0    | 0    | 0    |
| Romania               | 0    | 0    | 0    | 0    |
| Russia                | 1    | 1    | 2    | 2    |
| Serbia and Montenegro | ...  | ...  | ...  | ...  |
| Turkey                | 0    | 0    | 0    | 0    |
| Ukraine               | 0    | 0    | 0    | 0    |

Note: (...) denotes data is not available; Compound growth calculated on an annual basis.

Source: World Bank *World Development Indicators database*, 2007

Each country in the Black Sea region is at a different stage of economic development, and investors do not only target one country at the exclusion of its neighbours, so that an attractive climate for investment in different BSEC member states is expected to benefit the whole region. A regional approach is often considered by investors, namely in sectors such as infrastructure development, energy supplies, telecommunications and transportation. The tariff rates across the region, the commitments made by the country in the WTO for liberalisation of services, a stable macroeconomic environment and a predictable legal and institutional environment are all key determinants to investments in the region. Section III.3 considers some of these conditions to identify investment potential.

### III.2. Climate for investment

The predictability of government policy in the areas of monetary, fiscal and trade policy are major determinants in investors' decisions to invest. In this regard, the countries of BSEC have undertaken major market reforms and undertaken fiscal reforms and increased transparency in their government policies. Another major area of importance is the government's policies with respect to the flow of capitals, the

ability for foreigners to invest in the economy and the regulations governing the labour market. Table 18 presents some principal characteristics of the countries in the region concerning the government's policies in the areas of current account convertibility, investment controls, exchange rate regime, interest policies, wage regulations and land ownership rights to foreign investors. All countries have fully liberalised the current account transactions and interest rates, and only two countries (Azerbaijan and Russia) still apply restrictions on foreign direct investment. Wage regulations are maintained in five countries. Restrictions are maintained by virtually all countries on land ownership (except in the case of Moldova), and only five countries maintain a market determined exchange rate.

**Table 18. Regulations governing international and national transactions**

|            | Current account convertibility | Controls on inward direct investment | Interest rate liberalisation | Exchange rate regime | Wage regulation | Tradability of land    |
|------------|--------------------------------|--------------------------------------|------------------------------|----------------------|-----------------|------------------------|
| Albania    | full                           | No                                   | full                         | managed float        | no              | limited de facto       |
| Armenia    | full                           | No                                   | full                         | floating             | no              | full except foreigners |
| Azerbaijan | full                           | Yes                                  | full                         | managed float        | no              | limited de jure        |
| Bulgaria   | full                           | No                                   | full                         | currency board       | yes             | full except foreigners |
| Georgia    | full                           | No                                   | full                         | floating             | no              | limited for foreigners |
| Greece     | full                           | No                                   | full                         | floating             | yes             | n.a.                   |
| Moldova    | full                           | No                                   | full                         | floating             | yes             | full                   |
| Romania    | full                           | No                                   | full                         | managed float        | yes             | limited de facto       |
| Russia     | full                           | Yes                                  | full                         | managed float        | no              | limited de facto       |
| Serbia     | full                           | No                                   | full                         | managed float        | no              | limited de jure        |
| Turkey     | full                           | No                                   | full                         | floating             | yes             | n.a.                   |
| Ukraine    | full                           | No                                   | full                         | managed float        | no              | limited de facto       |

Source: EBRD Transition Report 2006; OECD Economic Studies No36, 2003/1; UHY Doing business in Greece, July 2006;

In terms of existence of a legal framework for business transactions and the enforcement of the law and the quality of corporate governance law, there are wide disparities between countries in the region. Moldova is the only country in the region which does not have a competition policy enforcement organisation.

The quality of insolvency laws is considered by the EBRD to be very low in Azerbaijan, Georgia and Ukraine, but high (equal to OECD country standards such as Turkey or Greece) for Albania, Bulgaria, Moldova, Romania and Serbia.

The transactions law of some countries in the region is considered to be equal to that of a standard OECD country (Albania, Bulgaria and Romania). Moldova, Serbia and Ukraine have a functioning transactions law but this does not fully cover the spectrum of areas to make it compatible with an OECD country. Meanwhile, Armenia, Azerbaijan, Georgia and Russia have a malfunctioning transactions law. Finally, the quality of corporate governance law is considered high in just Armenia, Moldova and Russia, while being low in Azerbaijan, Georgia, Romania and Ukraine. A summary of these indicators is given in Table 19.

Table 19. Legal framework in transition economies

|            | Existence of a Competition office | Quality of insolvency law | Secured transactions law | Quality of corporate governance law |
|------------|-----------------------------------|---------------------------|--------------------------|-------------------------------------|
| Albania    | ✓                                 | high                      | advanced                 | medium                              |
| Armenia    | ✓                                 | medium                    | malfunctioning           | high                                |
| Azerbaijan | ✓                                 | low                       | malfunctioning           | very low                            |
| Bulgaria   | ✓                                 | high                      | advanced                 | medium                              |
| Georgia    | ✓                                 | low                       | malfunctioning           | low                                 |
| Moldova    | ✗                                 | high                      | some defects             | high                                |
| Romania    | ✓                                 | high                      | advanced                 | low                                 |
| Russia     | ✓                                 | medium                    | malfunctioning           | high                                |
| Serbia     | ✓                                 | high                      | some defects             | medium                              |
| Ukraine    | ✓                                 | very low                  | some defects             | very low                            |

Source: EBRD Transition Report 2006

The depth of economic reform in BSEC countries is best reflected by a series of indicators on the scale of privatisation and enterprise restructuring, independence of monetary policy and elimination of price fixing, foreign exchange liberalisation and strength of competition policy. The EBRD compiles a series of transition indicators

which capture these elements of economic and trade policy reforms, which are summarised in Table 20.

Both small scale and large scale privatisation has been undertaken in many countries of the BSEC, presenting significant opportunities for investment and a more competitive trading environment. Nevertheless, Azerbaijan, Serbia, Albania, Russia and Ukraine have significant reforms still pending in this area. The restructuring of enterprises in most BSEC countries remains quite weak, particularly in the cases of Azerbaijan, Moldova, Montenegro and Ukraine. Competition policy remains weakly implemented by countries that even have a competition office.

Montenegro, Serbia, Azerbaijan, Georgia and Moldova have particularly weak legislation in this regard.

In terms of price liberalisation, all countries have made significant strides to undertake reforms and price liberalisation is considered to be extremely advanced across BSEC. The foreign exchange rate has been fully liberalised and made convertible in all countries except in Montenegro, Russia, Serbia and Ukraine where restrictions still apply.

Overall, the institutional and legal framework governing economic, trade and competition policy has dramatically improved and has created a more enabling environment for investment. In particular, Albania, Bulgaria, Greece, Moldova, Romania, and Turkey have implemented a number of reforms which make these countries particularly interesting environments in which to invest.

|      |     |        |
|------|-----|--------|
| +1%  | 17  | 17.00  |
| +10% | 18  | 18.00  |
| +4%  | 19  | 19.00  |
| +9%  | 20  | 20.00  |
| -14% | 21  | 21.00  |
| +2%  | 22  | 22.00  |
| -8%  | 23  | 23.00  |
| -3%  | 24  | 24.00  |
| +12% | 25  | 25.00  |
| -15% | 26  | 26.00  |
| +7%  | 84  | 324.87 |
| -1%  | 73  | 766.05 |
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 111.00 |
| +7%  | 135 | 135.00 |



Table 20. Transition Indicators

|                | Large scale privatisation | Small scale privatisation | Enterprise restructuring | Price liberalisation | Trade & Forex system | Competition Policy |
|----------------|---------------------------|---------------------------|--------------------------|----------------------|----------------------|--------------------|
| Albania        | 3.00                      | 4.00                      | 2.33                     | 4.33                 | 4.33                 | 2.00               |
| Armenia        | 3.67                      | 4.00                      | 2.33                     | 4.33                 | 4.33                 | 2.33               |
| Azerbaijan     | 2.00                      | 3.67                      | 2.00                     | 4.00                 | 4.00                 | 2.00               |
| Bulgaria       | 4.00                      | 4.00                      | 2.67                     | 4.33                 | 4.33                 | 2.67               |
| Georgia        | 3.67                      | 4.00                      | 2.33                     | 4.33                 | 4.33                 | 2.00               |
| Moldova        | 3.00                      | 3.67                      | 2.00                     | 4.00                 | 4.33                 | 2.00               |
| Montenegro     | 3.33                      | 3.00                      | 2.00                     | 4.00                 | 3.33                 | 1.00               |
| Romania        | 3.67                      | 3.67                      | 2.67                     | 4.33                 | 4.33                 | 2.67               |
| Russia         | 3.00                      | 4.00                      | 2.33                     | 4.00                 | 3.33                 | 2.33               |
| Serbia         | 2.67                      | 3.67                      | 2.33                     | 4.00                 | 3.33                 | 1.67               |
| <b>Ukraine</b> | 3.00                      | 4.00                      | 2.00                     | 4.00                 | 3.67                 | 2.33               |

Note: Scores range from 1 to 4+, where 1 denotes weak market economic environment or lack of legislation and 4 denoting performance commensurate with a typical advanced industrialised economy. See Annex 3 for more explanations on the methodology

Source: EBRD Transition Report 2006

## III.3. Sectoral opportunities

BSEC countries have achieved substantial success in attracting foreign direct investment in a number of key sectors. Based on past performance, FDI inflows have ranged from US\$155 million in Armenia to US\$13 billion in Russia (see Table 21). However the per capita level of FDI inflows indicate that Bulgaria and Romania have achieved the best performance in the region, with per capita inflows reaching \$287 and \$297 respectively, while the worst performance was achieved by Ukraine (\$32). In terms of inward stock, Turkey has the largest stock of FDI. Only Azerbaijan, Russia and Turkey have recorded significant FDI outflows.

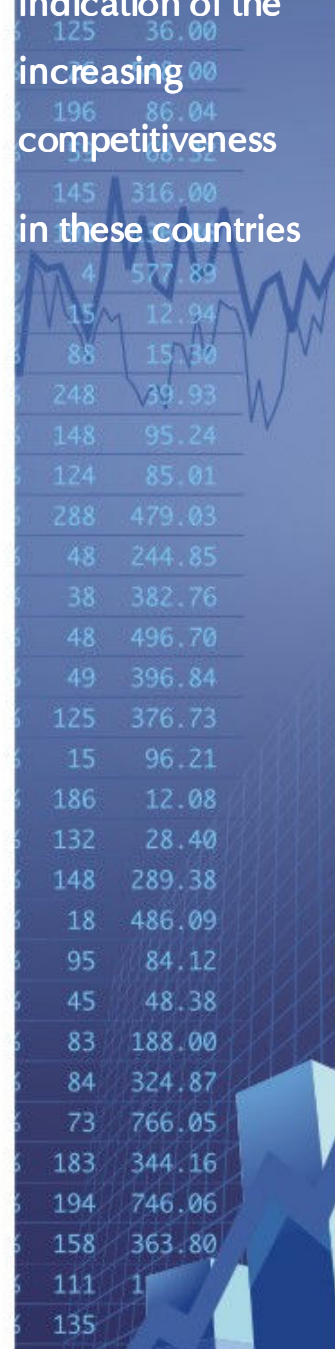
Table 21. Investment inflows and outflows in BSEC Countries (2005)

|                       | Inflow<br>(\$Mio) | Per capita<br>in US\$ | Inward stock<br>(\$ Mio) | Outflow<br>(\$Mio) | Per capita<br>in US\$ | Outward stock<br>(\$ Mio) |
|-----------------------|-------------------|-----------------------|--------------------------|--------------------|-----------------------|---------------------------|
| Albania               | 260               | 83                    | 1,680                    |                    |                       | 82                        |
| Armenia               | 155               | 51                    | 1,024                    | 7                  | 2                     | 32                        |
| Azerbaijan            | 1,392             | 170                   | 13,876                   | 1,221              | 146                   | 3,686                     |
| Bulgaria              | 2,224             | 287                   | 9,173                    | 316                | 41                    | 127                       |
| Georgia               | 450               | 101                   | 2,320                    | -90                | -20                   |                           |
| Greece                | 662               | 60                    | 22,455                   | 46                 | 4                     | 12,339                    |
| Moldova               | 225               | 54                    | 1,129                    | 0                  | 0                     | 28.1                      |
| Romania               | 6,437             | 297                   | 25,918                   | -13                | -1                    | 242                       |
| Russia                | 13,072            | 91                    | 20,351                   | 13,126             | 92                    | 120,417                   |
| Turkey                | 8,546             | 118                   | 63,285                   | 1,086              | 15                    | 8,315                     |
| Ukraine               | 1,497             | 32                    | 8,364                    | 275                | 6                     | 466                       |
| Serbia and Montenegro | 1,481             | 181                   | 5,428                    | 5                  | 1                     |                           |

Source: ITC Investment Map, 2007

Table 22 presents data on foreign affiliates in selected BSEC countries and gives the information on the leading investing country, in terms of affiliates in the country. Russia is by the far the most successful country in attracting foreign

The establishment of foreign affiliates in BSEC countries is an indication of the success in pulling in foreign enterprises and also an indication of the increasing competitiveness in these countries



affiliates, followed by Turkey and the Ukraine. Nevertheless Turkey has the largest workforce employed in foreign affiliates, with over twice the number of employees in comparison to Russia. The leading investor country is Germany for Russia, Turkey, Ukraine and Serbia and Montenegro. The Russia Federation is the leading investor country for Armenia due to its interest in the energy sector.

Table 22. Data on foreign affiliates in the BSEC countries (2005)

|                       | Number | Number of parents | Sales   | Employees | No of Recently established | Leading home country |
|-----------------------|--------|-------------------|---------|-----------|----------------------------|----------------------|
| Albania               | 13     | 12                | 913     | 1,889     | 2                          | Switzerland          |
| Armenia               | 15     | 15                | 15      | 2,097     | ...                        | Russian Federation   |
| Azerbaijan            | 27     | 26                | ...     | 3,596     | 1                          | United States        |
| Georgia               | 16     | 13                | ...     | 981       | 3                          | United States        |
| Moldova               | 21     | 17                | 2,900   | ...       | 3                          | Spain                |
| Russian Federation    | 1510   | 1030              | 718,404 | 509,255   | 257                        | Germany              |
| Turkey                | 990    | 728               | 223,349 | 1,175,455 | 334                        | Germany              |
| Ukraine               | 419    | 342               | 69,561  | 150,127   | 90                         | Germany              |
| Serbia and Montenegro | 193    | 162               | 29,658  | 42,669    | 67                         | Germany              |

Note: ... Data not available; Sales in US\$ '000.  
Source: ITC *Investment Map*, 2007

The following tables summarise the industries which have attracted FDI in a selection of the BSEC Member States, which provides a broad indication of sectors which have the potential to attract FDI in each country. Tables 23a-23g display for each country the total FDI inflows in absolute terms and in relative terms, the total inward stock in 2005 and the percentage change in inflows since 2002.

It is interesting to note that whereas Armenia traditionally attracted FDI in the energy sector (where FDI stock amounts to US\$198 million), it has recently experienced an increase in high technology sectors such as precision instruments, and services. FDI in Bulgaria has been targeted at service industries such as finance, business services, construction and transportation. FDI in Greece has been primarily directed at the energy sector, transportation services, business services and agro-processing.

Romania has experienced a large inflow of FDI in the energy sector, followed by services (retail and financial) and heavy manufacturing (metallurgy).

Russia has also received a substantial inflow of FDI in the energy sector. Other areas which have received a large amount of FDI include services (business, retail, finance), as well as light manufacturing (agro-processing and wood). Turkey is atypical in so far that most of its FDI inflows have been directed at services (finance and transportation) and to a lesser extent, manufacturing (textiles and chemicals). Finally, the Ukraine has attracted most FDI in the service sector (retail, business and finance), as well as some manufacturing activities (chemicals and agro-processing).

**Table 23a. FDI in Armenia (2005)**

| Industry                            | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Precision instruments               | 57.0              | 19                 | 58.5                         | 39.3              |
| Food, beverages and tobacco         | 13.8              | 5                  | 100.5                        | 0.2               |
| Transport, storage & comm.          | 13.7              | 5                  | 164.9                        | 0.1               |
| Mining and quarrying                | 12.2              | 4                  | 59.2                         | 0.3               |
| Business activities                 | 11.3              | 4                  | 56.4                         | 0.3               |
| Unspecified tertiary                | 8.7               | 3                  | 18.4                         | 0.9               |
| Wholesale and retail trade          | 6.8               | 2                  | 64.9                         | 0.1               |
| Metal and metal products            | 6.4               | 2                  | 13.2                         | 0.9               |
| Electrical and electronic equipment | 6.0               | 2                  | 8.6                          | 2.3               |
| Construction                        | 5.2               | 2                  | 19.2                         | 0.4               |
| Electricity, gas and water          | 3.8               | 1                  | 198.4                        | 0.0               |
| Finance                             | 3.5               | 1                  | 16.3                         | 0.3               |
| Hotels and restaurants              | 1.4               | 0                  | 24.6                         | 0.1               |
| Rubber and plastic products         | 1.3               | 0                  | 1.6                          | 4.6               |
| Other manufacturing                 | 1.2               | 0                  | 10.1                         | 0.1               |
| Education                           | 0.6               | 0                  | 5.6                          | 0.1               |
| Wood and wood products              | 0.3               | 0                  | 2.6                          | 0.1               |
| Chemicals and chemical products     | 0.3               | 0                  | 14.8                         | 0.0               |
| Community, social activities        | 0.1               | 0                  | 3.8                          | 0.0               |
| Other services                      | ...               | ...                | 1.3                          | 0.0               |
| Non-metallic mineral products       | ...               | ...                | 5.2                          | 0.0               |
| Health and social services          | ...               | ...                | 0.3                          | 0.0               |
| Publishing, print. & reproduction   | ...               | ...                | 0.1                          | 0.0               |
| Textiles, clothing and leather      | ...               | ...                | 0.6                          | 0.0               |
| Machinery and equipment             | ...               | ...                | 0.5                          | 0.0               |

Source: ITC *Investment Map*, 2007; UNCTAD *World Investment Report*, Various years



Table 23b. FDI in Bulgaria (2005)

| Industry                        | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|---------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Finance                         | 763.6             | 99                 | ...                          | ...               |
| Business activities             | 508.5             | 66                 | ...                          | ...               |
| Construction                    | 214.7             | 28                 | ...                          | ...               |
| Transport, storage & comm.      | 205.6             | 27                 | ...                          | ...               |
| Wholesale and retail trade      | 192.5             | 25                 | ...                          | ...               |
| Unspecified secondary           | 182.8             | 24                 | ...                          | ...               |
| Hotels and restaurants          | 64.0              | 8                  | ...                          | ...               |
| Mining and quarrying            | 25.7              | 3                  | ...                          | ...               |
| Community, social activities    | 18.8              | 2                  | ...                          | ...               |
| Electricity, gas and water      | 10.9              | 1                  | ...                          | ...               |
| Agriculture and hunting         | 4.5               | 1                  | ...                          | ...               |
| Forestry and Fishing (PRODUCTS) | 0.1               | 0                  | ...                          | ...               |
| Health and social services      | 0.1               | 0                  | ...                          | ...               |

Source: ITC *Investment Map*, 2007; UNCTAD *World Investment Report*, Various years

Table 23c. FDI in Greece (2005)

| Industry                            | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Coke, petroleum & fuel              | 366.0             | 33                 | 1,546.3                      | 0.7               |
| Transport, storage & comm.          | 334.2             | 30                 | 4,804.9                      | 0.4               |
| Business activities                 | 209.2             | 19                 | 373.9                        | 0.4               |
| Food, beverages and tobacco         | 120.1             | 11                 | 3,447.3                      | 0.4               |
| Wholesale and retail trade          | 91.3              | 8                  | 2,397.0                      | 0.5               |
| Unspecified secondary               | 27.7              | 3                  | 441.6                        | 0.0               |
| Machinery and equipment             | 19.4              | 2                  | 197.9                        | 0.7               |
| Textiles, clothing and leather      | 17.2              | 2                  | 55.4                         | 0.3               |
| Construction                        | 15.9              | 1                  | 574.2                        | 1.2               |
| Other services                      | 14.9              | 1                  | 309.8                        | 0.3               |
| Motor vehicles/transport equip.     | 13.1              | 1                  | 12.4                         | 0.3               |
| Wood and wood products              | 10.7              | 1                  | 196.2                        | -0.1              |
| Metal and metal products            | 6.7               | 1                  | 866.5                        | 0.2               |
| Rubber and plastic products         | 5.0               | 0                  | 117.9                        | 0.0               |
| Hotels and restaurants              | 2.3               | 0                  | 852.6                        | 0.3               |
| Agriculture and hunting             | 0.9               | 0                  | 2.6                          | 0.4               |
| Petroleum                           | 0.3               | 0                  | ...                          | ...               |
| Electricity, gas and water          | 0.1               | 0                  | 13.1                         | 3.5               |
| Chemicals and chemical products     | -129.9            | -12                | 900.4                        | 0.3               |
| Electrical and electronic equipment | -207.8            | -19                | 109.9                        | 0.1               |
| Finance                             | -392.7            | -36                | 4,843.2                      | 0.5               |
| Mining and quarrying                | ...               | ...                | 390.8                        | 39.3              |

Source: ITC Investment Map, 2007; UNCTAD World Investment Report, Various years

Table 23d. FDI in Romania (2005)

| Industry                            | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Petroleum                           | 1,535.2           | 71                 | ...                          | ...               |
| Wholesale and retail trade          | 924.1             | 43                 | 3,883.2                      | ...               |
| Finance                             | 878.2             | 40                 | 3,761.3                      | ...               |
| Metal and metal products            | 782.5             | 36                 | 2,121.0                      | ...               |
| Transport, storage & comm.          | 547.8             | 25                 | 3,179.8                      | ...               |
| Unspecified secondary               | 465.8             | 21                 | 352.9                        | ...               |
| Motor vehicles/transport equip.     | 402.4             | 19                 | 1,316.9                      | ...               |
| Wood and wood products              | 177.6             | 8                  | 728.3                        | ...               |
| Food, beverages and tobacco         | 142.8             | 7                  | 1,690.0                      | ...               |
| Business activities                 | 136.6             | 6                  | 1,988.4                      | ...               |
| Textiles, clothing and leather      | 95.6              | 4                  | 681.0                        | ...               |
| Construction                        | 84.5              | 4                  | 212.0                        | ...               |
| Machinery and equipment             | 67.1              | 3                  | 412.1                        | ...               |
| Chemicals and chemical products     | 57.1              | 3                  | 1,061.1                      | ...               |
| Other services                      | 48.4              | 2                  | ...                          | ...               |
| Hotels and restaurants              | 34.8              | 2                  | 49.7                         | ...               |
| Electrical and electronic equipment | 33.5              | 2                  | 478.5                        | ...               |
| Agriculture and hunting             | 31.1              | 1                  | ...                          | ...               |
| Electricity, gas and water          | 26.1              | 1                  | 1,086.0                      | ...               |
| Rubber and plastic products         | 18.6              | 1                  | ...                          | ...               |
| Mining and quarrying                | 1.2               | 0                  | 1,897.2                      | ...               |
| Coke, petroleum & fuel              | -53.4             | -2                 | ...                          | ...               |
| Non-metallic mineral products       | ...               | ...                | 833.7                        | ...               |

Source: ITC *Investment Map*, 2007; UNCTAD *World Investment Report*, Various years

Table 23e. FDI in Russia (2005)

| Industry                            | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Petroleum                           | 3,913.0           | 27                 | 3273                         | 0.0               |
| Coke, petroleum & fuel              | 3,555.0           | 25                 | 20                           | 0.0               |
| Business activities                 | 930.0             | 6                  | ...                          | ...               |
| Wholesale and retail trade          | 767.0             | 5                  | 2512                         | 0.0               |
| Unspecified secondary               | 613.0             | 4                  | 205                          | 0.0               |
| Finance                             | 589.0             | 4                  | 1362                         | 0.0               |
| Food, beverages and tobacco         | 550.0             | 4                  | 3064                         | 0.0               |
| Wood and wood products              | 424.0             | 3                  | 646                          | 0.0               |
| Non-metallic mineral products       | 397.0             | 3                  | ...                          | ...               |
| Transport, storage & comm.          | 245.0             | 2                  | 5086                         | 0.0               |
| Chemicals and chemical products     | 229.0             | 2                  | 503                          | 0.0               |
| Motor vehicles/transport equip.     | 217.0             | 2                  | ...                          | ...               |
| Metal and metal products            | 173.0             | 1                  | 477                          | 0.0               |
| Machinery and equipment             | 166.0             | 1                  | 973                          | 0.0               |
| Rubber and plastic products         | 154.0             | 1                  | ...                          | ...               |
| Electricity, gas and water          | 149.0             | 1                  | 72                           | 0.0               |
| Agriculture and hunting             | 118.0             | 1                  | ...                          | ...               |
| Construction                        | 117.0             | 1                  | 301                          | 0.0               |
| Mining and quarrying                | 99.0              | 1                  | 17                           | 0.0               |
| Community, social activities        | 83.0              | 1                  | 119                          | 0.0               |
| Electrical and electronic equipment | 71.0              | 0                  | ...                          | ...               |
| Textiles, clothing and leather      | 29.0              | 0                  | ...                          | ...               |
| Hotels and restaurants              | 21.0              | 0                  | ...                          | ...               |
| Health and social services          | 12.0              | 0                  | ...                          | ...               |
| Forestry and Fishing (PRODUCTS)     | 1.0               | 0                  | ...                          | ...               |
| Education                           | 0.1               | 0                  | ...                          | ...               |
| Public administration and defense   | 0.0               | 0                  | 0.1                          | 0.0               |

Source: ITC Investment Map, 2007; UNCTAD World Investment Report, Various years

+12% 183 344.16  
 +18% 194 746.06  
 +12% 158 363.80  
 +16% 111 15  
 +7% 135



Table 23f. FDI in Turkey (2005)

| Industry                            | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|-------------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Finance                             | 4,016.0           | 55                 | 12,355.0                     | 0.9               |
| Transport, storage & comm.          | 3,285.0           | 45                 | 14,053.0                     | 1.2               |
| Textiles, clothing and leather      | 187.0             | 3                  | 656.0                        | 0.4               |
| Chemicals and chemical products     | 174.0             | 2                  | 2,527.0                      | 0.5               |
| Metal and metal products            | 139.0             | 2                  | 752.0                        | 0.4               |
| Motor vehicles/transport equip.     | 106.0             | 1                  | 6,399.0                      | 0.4               |
| Construction                        | 92.0              | 1                  | 101.0                        | -0.4              |
| Other services                      | 86.0              | 1                  | 241.0                        | 0.6               |
| Health and social services          | 74.0              | 1                  | 441.0                        | 0.1               |
| Wholesale and retail trade          | 68.0              | 1                  | 5,865.0                      | 0.6               |
| Food, beverages and tobacco         | 68.0              | 1                  | 3,760.0                      | 0.3               |
| Non-metallic mineral products       | 53.0              | 1                  | 2,360.0                      | 1.1               |
| Hotels and restaurants              | 42.0              | 1                  | 1,289.0                      | 1.1               |
| Mining and quarrying                | 40.0              | 1                  | 1,972.0                      | 1.1               |
| Business activities                 | 29.0              | 0                  | 1,856.0                      | ...               |
| Wood and wood products              | 23.0              | 0                  | 650.0                        | 0.4               |
| Education                           | 17.0              | 0                  | 64.0                         | ...               |
| Machinery and equipment             | 13.0              | 0                  | 1,103.0                      | 0.1               |
| Electrical and electronic equipment | 13.0              | 0                  | 1,142.0                      | 0.4               |
| Rubber and plastic products         | 8.0               | 0                  | 1,113.0                      | 0.3               |
| Agriculture and hunting             | 5.0               | 0                  | 319.0                        | 1.3               |
| Other manufacturing                 | 4.0               | 0                  | 33.0                         | -0.6              |
| Electricity, gas and water          | 4.0               | 0                  | 3,468.0                      | 0.3               |
| Unspecified secondary               | ...               | ...                | ...                          | ...               |
| Coke, petroleum & fuel              | ...               | ...                | 761.0                        | 0.3               |
| Forestry and Fishing (PRODUCTS)     | ...               | ...                | 5.0                          | ...               |

Source: ITC Investment Map, 2007; UNCTAD World Investment Report, Various years

|      |     |        |
|------|-----|--------|
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 1...   |
| +7%  | 135 |        |

Table 23g. FDI in Ukraine (2005)

| Industry                        | Inflow (US\$ Mio) | Per capita in US\$ | Inward stock 2005 (US\$ Mio) | % Chg p.a. 2002-5 |
|---------------------------------|-------------------|--------------------|------------------------------|-------------------|
| Wholesale and retail trade      | 423.0             | 9                  | 1,569.4                      | 0.3               |
| Business activities             | 193.4             | 4                  | 589.9                        | 0.6               |
| Finance                         | 178.7             | 4                  | 688.4                        | 0.3               |
| Chemicals and chemical products | 151.0             | 3                  | 472.5                        | 0.3               |
| Food, beverages and tobacco     | 107.9             | 2                  | 1,125.1                      | 0.1               |
| Transport, storage & comm.      | 93.2              | 2                  | 630.4                        | 0.3               |
| Hotels and restaurants          | 68.9              | 1                  | 258.0                        | 0.3               |
| Machinery and equipment         | 67.3              | 1                  | 677.2                        | 0.2               |
| Unspecified tertiary            | 55.1              | 1                  | 163.2                        | 0.4               |
| Construction                    | 48.1              | 1                  | 247.2                        | 0.2               |
| Wood and wood products          | 45.0              | 1                  | 153.1                        | 0.3               |
| Coke, petroleum & fuel          | 28.3              | 1                  | 213.9                        | 0.0               |
| Non-metallic mineral products   | 24.6              | 1                  | 173.0                        | 0.2               |
| Textiles, clothing and leather  | 20.4              | 0                  | 120.0                        | 0.2               |
| Health and social services      | 17.7              | 0                  | 156.0                        | 0.1               |
| Unspecified secondary           | 13.4              | 0                  | 259.0                        | 0.2               |
| Electricity, gas and water      | -14.3             | 0                  | 36.0                         | -0.4              |
| Metal and metal products        | -31.8             | -1                 | 425.9                        | 0.2               |

Source: ITC *Investment Map*, 2007; UNCTAD *World Investment Report*, Various years

Investment opportunities will reflect a number of the conditions that have been reviewed such as the institutional framework, the enforcement of regulations, the predictability of government policy, the level of economic growth and the opportunities for trade. The level of protection will be a major determinant for opportunities at the manufacturing level, while the commitments made by countries in the WTO GATS Agreement under mode 3 (commercial presence) will be a major determinant of the opportunities for investment in service sectors.

In this light, sectoral opportunities for FDI in goods reflect the opportunities for export potential provided for in section II.2., while FDI opportunities in services are present in mode 3 liberalisation commitments which vary from country to country but generally few limitations for market access or national treatment exist for business services (except Romania and Turkey), distribution services, communication services (except Armenia and Turkey) environmental services,

educational services (except Greece, Romania and Turkey), health services (except Turkey), tourism (except Greece) and recreational, cultural and personal services (except Romania and Turkey). Financial and insurance services, construction and transportation services have more limitation on market access and national treatment and this may present less opportunities for establishing a commercial presence.

## IV. Conclusion

The study has undertaken a major evaluation of available quantitative indicators to identify sectors which exhibit strong intra-regional trade or investment potential. As highlighted previously, an important caveat to the analysis is that further information needs to be collected at the enterprise level in order to corroborate the findings of the study. In the absence of this firm level information, the study has attempted to use the latest trade indicators available to identify key strategic sectors for the region.

Based on a comparison of actual trade flows and trade flows one would expect based on the size, proximity and other indicators of the respective economies of BSEC, the study identifies a number of sectors where countries are undertrading. The existence of untapped trade potential can reflect structural impediments to each country's ability to trade but can also indicate the existence of asymmetric information whereby countries are unaware of opportunities of trade between them. This study attempts to provide an answer to the latter using indicators such as the revealed comparative advantage, intra-industry trade index, intensity and complementarity of trade indices, and other trade performance indices.

The key strategic sectors in the manufacturing sector identified according to the gravity equation and trade flow analysis are:

- Textiles and clothing (in particular HS Chapters 52, 54, 55, 60, 61, 62 and 64)
- Food and beverages (in particular HS Chapters 17, 18, 19, 21 and 22)
- Metal products (in particular HS Chapters 72, 73, 74 and 76)
- Agricultural products (in particular HS chapters (03 and 08)
- Wood products (in particular HS chapters 44, 48, 49 and 94)

In the services sector, a number of countries have exhibited growth rates in the in exports of services which have outperformed the world performance. Moreover the region has a number of sectors which have a high and dynamic import demand. The sectors which have exhibited the highest trade potential are travel, transportation and other commercial services. The greatest potential for trade lies in sectors where countries have made commitments to limit restriction on market access and national treatment. In this regard, the study identifies the following sectors as those with the highest indicative trade potential, based on a combination of trade in services performance, absolute export capacity and commitments made in the WTO GATS Agreement:

- Travel services (High potential)
- Computer and information services (High potential)
- Distribution services (High potential)
- Other commercial and business services (High potential)
- Insurance services (Medium potential)
- Transport services (Medium potential)
- Financial services (Low potential)
- Construction services (Low potential)

Finally the study seeks to identify opportunities for investment in the BSEC region and does so by first identifying bottlenecks to investment in the policy environment



in order to identify the countries with the highest investment potential. The study also analyses the level of FDI inflows, the FDI inward stock and foreign affiliates activities. It then selects sectors already identified previously as having a high intra-regional trade potential for the manufacturing sector. Sectors have been further identified when countries have made commitments in specific sectors so as to not limit market access or national treatment with regard to establishing a foreign commercial presence in their country. Thus the following sectors have been identified as having a high investment potential:

➤ Manufacturing Sector:

- Textiles and clothing, Food and beverages, Metal products and Wood products

➤ Services Sector:

- Travel services, distribution services, communication services, environmental services, educational services, health services, recreational, cultural and personal services, and other commercial services. Nonetheless, Turkey, Greece and Romania have a certain amount of limitations to establishing a foreign presence in their territory in subsectors of these services.

In sum, this study has highlighted that a number of significant opportunities exist for both trade in services and trade in goods, as well as investment. Improving information and bringing importers and exporters together, as well as informing potential investors of these opportunities would be important channels to promote intra-regional trade and investment flows.

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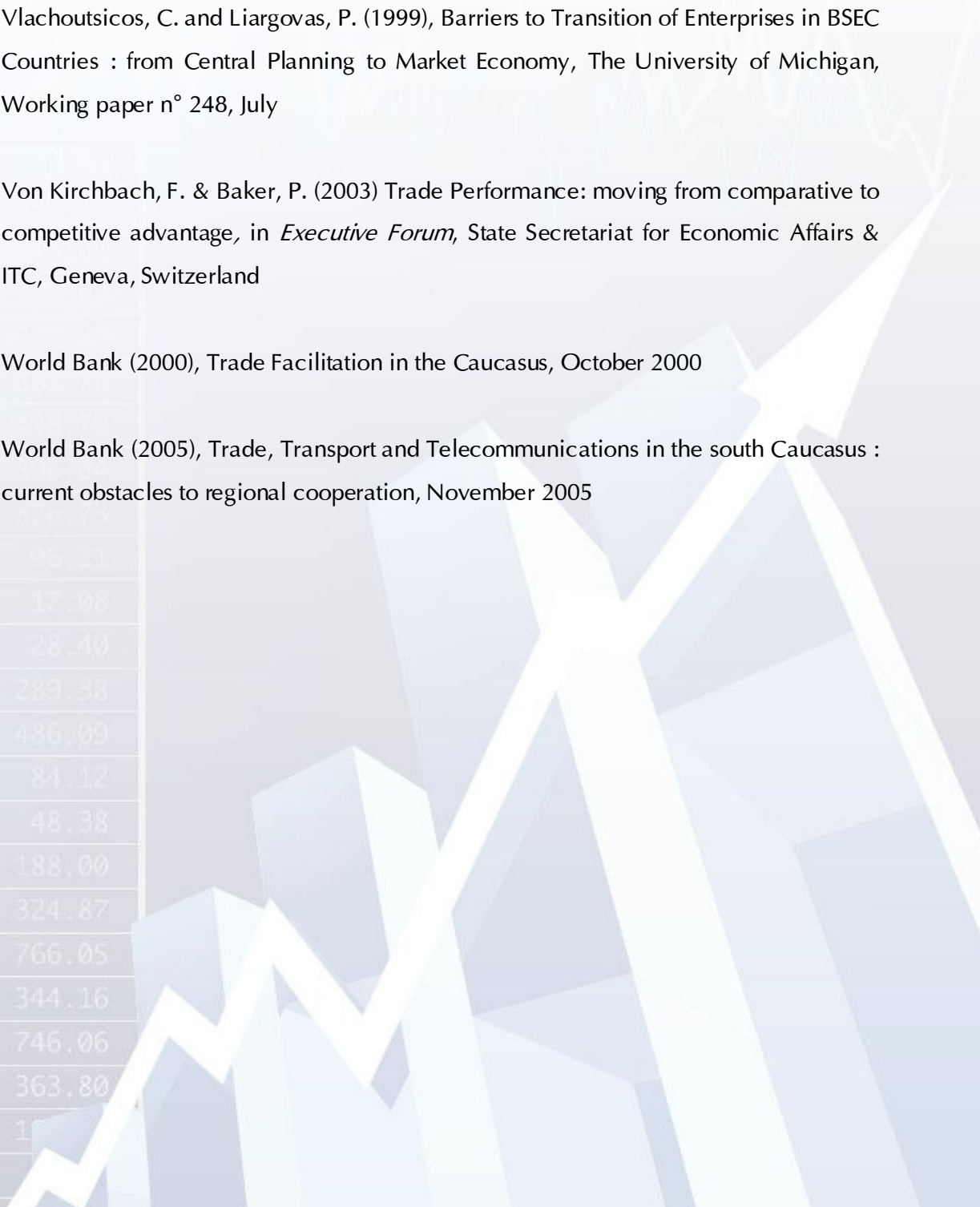
# Black Sea Economic Cooperation: Study on Trade and Investment Potential

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|      |     |        |
|------|-----|--------|
| +21% | 48  | 394.70 |
| +17% | 40  | 324.77 |
| +1%  | 125 | 378.77 |
| +4%  | 15  | 96.21  |
| +9%  | 136 | 17.08  |
| -14% | 132 | 28.40  |
| +2%  | 148 | 289.38 |
| -8%  | 18  | 486.09 |
| -3%  | 95  | 84.12  |
| +12% | 45  | 48.38  |
| -15% | 83  | 188.00 |
| +7%  | 84  | 324.87 |
| -1%  | 73  | 766.05 |
| +12% | 183 | 344.16 |
| +18% | 194 | 746.06 |
| +12% | 158 | 363.80 |
| +16% | 111 | 1      |
| +7%  | 135 |        |

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## Annex 1. Trade Indicators

Table A1. Major Export Partners for BSEC countries  
Percentage share of total exports in 2005

|                | Albania | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | Serbia and Montenegro | Turkey | Ukraine |
|----------------|---------|---------|------------|----------|---------|--------|---------|---------|--------|-----------------------|--------|---------|
| Armenia        |         |         |            |          | 5.3%    |        |         |         |        |                       |        |         |
| Austria        |         |         |            |          |         |        |         | 5.0%    |        | 7.4%                  |        |         |
| Belarus        |         |         |            |          |         |        | 4.3%    |         |        |                       |        |         |
| Belgium        |         | 16.8%   |            | 6.4%     |         |        |         |         |        |                       |        |         |
| Bulgaria       |         |         |            |          |         | 6.5%   |         |         |        |                       |        |         |
| Canada         | 4.4%    |         |            |          |         |        |         |         |        |                       |        |         |
| China          |         |         |            |          |         |        |         |         | 6.4%   |                       |        |         |
| Czech Republic |         |         | 14.5%      |          |         |        |         |         |        |                       |        |         |
| France         |         |         | 4.9%       |          |         | 4.2%   | 6.9%    | 7.3%    |        |                       | 5.8%   |         |
| Georgia        |         |         | 5.3%       |          |         |        |         |         |        |                       |        |         |
| Germany        |         | 11.4%   | 9.4%       | 11.5%    |         | 13.3%  | 9.5%    | 15.4%   | 8.4%   | 16.6%                 | 13.9%  | 4.1%    |
| Greece         | 6.3%    |         |            | 6.1%     | 5.0%    |        |         |         |        | 7.1%                  |        |         |
| Iran           |         | 9.9%    |            |          |         |        |         |         |        |                       |        |         |
| Israel         |         | 14.3%   |            |          |         |        |         |         |        |                       |        |         |
| Italy          | 71.0%   |         | 31.1%      | 13.2%    |         | 10.2%  | 10.7%   | 20.9%   | 5.4%   | 30.1%                 | 7.4%   | 5.4%    |
| Netherlands    |         |         |            |          |         |        |         |         | 6.7%   |                       |        |         |
| Romania        |         |         |            |          |         |        | 9.4%    |         |        |                       |        |         |
| Russia         |         | 14.2%   |            |          | 9.7%    |        | 31.4%   |         |        |                       |        | 17.4%   |
| Slovenia       |         |         |            |          |         |        |         |         |        | 4.2%                  |        |         |
| Spain          |         |         |            |          | 7.9%    |        |         |         |        |                       | 4.2%   |         |
| Turkey         |         |         | 6.1%       | 9.7%     | 28.1%   | 4.6%   |         | 7.0%    | 4.5%   |                       |        | 7.1%    |
| Turkmenistan   |         |         |            |          | 7.5%    |        |         |         |        |                       |        |         |
| United Kingdom |         |         |            |          |         | 7.6%   |         | 6.1%    |        |                       | 8.8%   |         |
| Ukraine        |         |         |            |          |         |        | 5.8%    |         | 5.7%   |                       |        |         |
| United States  |         | 7.8%    |            | 5.6%     | 7.1%    | 5.2%   |         |         | 5.8%   | 4.1%                  | 7.7%   |         |

Sources: National Statistical Offices, Black Sea Economic Cooperation Business Council

Table A2. Major Import Partners for BSEC countries  
Percentage share of total imports in 2005

|                      | Albania | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | Serbia and Montenegro | Turkey | Ukraine |
|----------------------|---------|---------|------------|----------|---------|--------|---------|---------|--------|-----------------------|--------|---------|
| Austria              |         |         |            |          |         |        |         | 5.5%    |        | 9.0%                  |        |         |
| Azerbaijan           |         |         |            |          | 6.2%    |        |         |         |        |                       |        |         |
| Belgium              |         | 10.3%   |            |          |         |        |         |         |        |                       |        |         |
| Bulgaria             |         |         |            |          |         |        |         |         |        | 4.3%                  |        |         |
| China                |         |         | 5.0%       |          |         |        |         |         | 7.1%   |                       | 4.6%   |         |
| Finland              |         |         |            |          |         |        |         |         | 5.0%   |                       |        |         |
| France               |         |         |            | 6.1%     |         | 6.6%   |         | 7.2%    | 4.5%   | 5.1%                  | 6.4%   |         |
| Germany              | 5.5%    |         | 8.0%       | 15.3%    | 7.5%    | 13.3%  | 12.5%   | 17.9%   | 16.7%  | 20.2%                 | 12.9%  | 11.9%   |
| Greece               | 20.4%   |         |            |          |         |        |         |         |        | 4.2%                  |        |         |
| Hungary              |         |         |            |          |         |        |         | 6.1%    |        |                       |        |         |
| Iran                 |         | 10.2%   |            |          |         |        |         |         |        |                       |        |         |
| Israel               |         | 8.6%    |            |          |         |        |         |         |        |                       |        |         |
| Italy                | 36.0%   |         |            | 9.6%     |         | 12.6%  | 8.0%    | 18.3%   | 5.9%   | 18.1%                 | 7.1%   | 4.5%    |
| Japan                |         |         |            |          |         |        |         |         | 4.5%   |                       |        |         |
| Netherlands          |         |         | 5.3%       |          |         | 5.4%   |         |         |        |                       |        |         |
| Netherlands          |         |         |            |          |         |        |         |         |        | 4.4%                  |        |         |
| Romania              |         |         |            |          |         |        | 5.3%    |         |        |                       |        |         |
| Russia               |         | 9.8%    | 13.1%      | 19.9%    | 11.0%   | 5.4%   | 14.7%   | 5.7%    |        |                       | 9.3%   | 31.9%   |
| Slovenia             |         |         |            |          |         |        |         |         |        | 6.1%                  |        |         |
| South Korea          |         |         |            |          |         | 4.6%   |         |         |        |                       |        |         |
| Turkey               | 8.1%    |         | 11.5%      |          | 13.6%   |        |         | 4.3%    |        |                       |        |         |
| Turkmenistan         |         |         |            |          |         |        |         |         |        |                       |        | 5.8%    |
| United Arab Emirates |         | 6.2%    |            |          |         |        |         |         |        |                       |        |         |
| United Kingdom       |         |         | 13.9%      |          | 6.5%    |        |         |         |        |                       | 4.4%   |         |
| Ukraine              |         |         |            |          | 5.3%    |        | 16.8%   |         | 6.7%   |                       |        |         |
| United States        |         | 7.7%    | 4.7%       |          | 14.8%   | 4.4%   |         |         |        |                       | 4.8%   |         |

Sources: National Statistical Offices, Black Sea Economic Cooperation Business Council



Table A3. Major Export by Product Group for BSEC countries

|                            | Albania | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | Serbia and Montenegro | Turkey | Ukraine |
|----------------------------|---------|---------|------------|----------|---------|--------|---------|---------|--------|-----------------------|--------|---------|
| Crude Oil                  | X       |         |            |          |         |        |         |         |        |                       |        |         |
| Oil and Gas                |         |         | X          |          |         |        |         |         |        |                       |        |         |
| Energy                     |         | X       |            |          |         |        |         |         |        |                       |        |         |
| Petroleum products         |         |         |            |          |         | X      |         |         | X      |                       |        | X       |
| Minerals and fuels         |         |         |            | X        |         |        |         | X       |        |                       |        |         |
| Fuel re-export             |         |         |            |          | X       |        |         |         |        |                       |        | X       |
| Natural Gas                |         |         |            |          |         |        |         |         | X      |                       |        |         |
| Chemicals                  |         |         |            | X        | X       | X      |         | X       | X      |                       |        | X       |
| Machinery & transp. equip. |         |         | X          | X        | X       |        | X       | X       |        |                       | X      | X       |
| Asphalt                    | X       |         |            |          |         |        |         |         |        |                       |        |         |
| Metals and metal products  | X       |         |            |          |         |        |         | X       | X      |                       | X      | X       |
| Scrap metal                |         |         |            |          | X       |        |         |         |        |                       |        |         |
| Iron and Steel             |         |         |            | X        |         |        |         |         |        |                       |        |         |
| Mineral products           |         | X       |            |          |         |        |         |         |        |                       |        |         |
| Diamonds                   |         | X       |            |          |         |        |         |         |        |                       |        |         |
| Raw materials              |         |         |            |          |         |        |         |         |        | X                     |        |         |
| Wood and wood products     |         |         |            |          |         |        |         |         | X      |                       |        |         |
| Manufactured goods         |         |         |            |          |         | X      |         |         |        | X                     | X      |         |
| Textiles and footwear      | X       |         |            | X        |         | X      | X       | X       |        |                       | X      |         |
| Agricultural products      |         |         |            |          |         |        |         | X       |        |                       |        |         |
| Vegetables, Fruits         | X       |         |            |          |         |        |         |         |        |                       |        |         |
| Tobacco                    | X       |         |            |          |         |        |         |         |        |                       |        |         |
| Foodstuffs                 |         | X       | X          |          |         | X      | X       |         |        | X                     | X      | X       |
| Cotton                     |         |         | X          |          |         |        |         |         |        |                       |        |         |
| Citrus fruit               |         |         |            |          | X       |        |         |         |        |                       |        |         |
| Tea                        |         |         |            |          | X       | X      |         |         |        |                       |        |         |
| Wine                       |         |         |            |          | X       | X      |         |         |        |                       |        |         |
| Live animals               |         |         |            |          |         |        |         |         |        | X                     |        |         |

Sources: National Statistical Offices, Black Sea Economic Cooperation Business Council

Table A4. Major Import by Product Group for BSEC countries

|                           | Albania | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | Serbia and Montenegro | Turkey | Ukraine |
|---------------------------|---------|---------|------------|----------|---------|--------|---------|---------|--------|-----------------------|--------|---------|
| Natural Gas               |         | X       |            |          |         |        |         |         |        |                       |        | X       |
| Petroleum                 |         | X       |            |          |         |        |         |         |        |                       |        | X       |
| Oil products              |         |         | X          |          |         |        |         |         |        |                       |        |         |
| Fuels                     |         |         |            | X        | X       | X      | X       | X       |        | X                     | X      |         |
| Chemicals                 | X       |         | X          | X        |         | X      | X       | X       |        | X                     | X      | X       |
| Metals                    |         |         | X          |          |         |        |         | X       | X      |                       |        |         |
| Minerals and raw material |         |         |            | X        |         |        | X       | X       |        |                       |        |         |
| Machinery & transp. Equip | X       |         | X          | X        | X       | X      | X       | X       | X      | X                     | X      | X       |
| Pharmaceuticals           |         |         |            |          | X       |        |         |         | X      |                       |        |         |
| Manufactured goods        |         |         |            |          |         |        |         |         |        | X                     |        |         |
| Textiles                  | X       |         |            | X        |         |        | X       | X       | X      |                       |        |         |
| Foodstuffs                | X       | X       | X          |          |         | X      |         |         | X      |                       |        |         |
| Tobacco products          |         | X       |            |          |         |        |         |         |        |                       |        |         |
| Grain and other foods     |         |         |            |          | X       |        |         |         |        |                       |        |         |
| Meat                      |         |         |            |          |         |        |         |         | X      |                       |        |         |
| Sugar                     |         |         |            |          |         |        |         |         | X      |                       |        |         |
| Live animals              |         |         |            |          |         |        |         |         |        | X                     |        |         |

Sources: National Statistical Offices, Black Sea Economic Cooperation Business Council

Table A5. Revealed Comparative Advantage for BSEC Member States

| HS2 | Albania                         | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | S&M | Turkey | Ukraine |     |
|-----|---------------------------------|---------|------------|----------|---------|--------|---------|---------|--------|-----|--------|---------|-----|
| 01  | LIVE ANIMALS                    | 1.1     | 0.2        | 0.0      | 2.3     | 0.0    | 0.5     | 0.1     | 10.6   | 0.0 | 1.0    | 0.3     | 0.1 |
| 02  | MEAT AND EDIBLE MEAT            | 0.1     | 0.8        | 0.0      | 2.2     | 0.2    | 0.6     | 0.7     | 0.5    | 0.0 | 1.4    | 0.3     | 3.7 |
| 03  | FISH AND CRUSTACEANS            | 6.8     | 3.5        | 0.5      | 0.5     | 2.2    | 4.4     | 0.2     | 0.1    | 0.5 | 0.9    | 2.9     | 0.2 |
| 04  | DAIRY PRODUCE; BIRDS            | 0.0     | 2.3        | 0.1      | 0.9     | 0.1    | 0.1     | 1.2     | 0.3    | 0.2 | 0.8    | 0.1     | 4.0 |
| 05  | PRODUCTS OF ANIMAL OR           | 20.4    | 0.0        | 2.4      | 5.2     | 0.0    | 0.3     | 0.2     | 1.5    | 0.4 | 5.5    | 0.0     | 1.2 |
| 06  | LIVE TREES AND OTHER            | 0.5     | 0.2        | 0.9      | 0.6     | 5.6    | 1.5     | 1.3     | 0.1    | 0.0 | 13.1   | 3.4     | 0.1 |
| 07  | EDIBLE VEGETABLES               | 3.4     | 0.1        | 7.6      | 0.7     | 0.7    | 0.7     | 1.1     | 0.0    | 0.0 | 1.5    | 5.0     | 0.1 |
| 08  | EDIBLE FRUIT AND NUT            | 0.0     | 0.2        | 6.1      | 0.2     | 4.3    | 2.9     | 3.0     | 0.3    | 0.0 | 1.1    | 4.1     | 0.2 |
| 09  | COFFEE, TEA, MATÉ               | 1.4     | 36.9       | 10.4     | 0.1     | 5.3    | 0.5     | 0.6     | 0.6    | 1.1 | 1.3    | 0.3     | 0.1 |
| 10  | CEREALS                         | 0.0     | 0.0        | 0.0      | 0.9     | 2.1    | 0.1     | 2.3     | 0.3    | 1.5 | 5.8    | 0.0     | 0.5 |
| 11  | PRODUCTS OF THE MILLING         | 0.0     | 0.0        | 1.0      | 0.5     | 1.7    | 0.9     | 0.5     | 0.2    | 0.7 | 4.6    | 1.8     | 1.2 |
| 12  | OIL SEEDS AND OLEAGINOUS        | 4.3     | 0.0        | 0.7      | 9.4     | 1.0    | 0.9     | 6.1     | 1.2    | 0.2 | 1.1    | 0.6     | 0.6 |
| 13  | LAC; GUMS, RESINS               | 0.0     | 0.0        | 0.0      | 1.0     | 1.1    | 11.2    | 0.0     | 1.6    | 0.1 | 1.6    | 0.2     | 0.4 |
| 14  | VEGETABLE PLAITING MATERIALS    | 0.0     | 0.0        | 6.5      | 9.2     | 6.1    | 0.4     | 0.0     | 0.0    | 0.0 | 10.6   | 0.5     | 0.0 |
| 15  | ANIMAL OR VEGETABLE             | 0.0     | 0.0        | 7.4      | 0.7     | 0.1    | 0.9     | 5.3     | 1.3    | 0.4 | 2.4    | 0.2     | 1.8 |
| 16  | PREPARATIONS OF MEAT            | 3.8     | 2.3        | 0.5      | 0.0     | 0.0    | 0.9     | 0.6     | 0.1    | 1.3 | 6.6    | 0.1     | 1.0 |
| 17  | SUGARS AND SUGAR CONFECTION     | 0.0     | 0.1        | 0.0      | 0.8     | 17.8   | 0.6     | 3.6     | 0.0    | 0.4 | 2.9    | 1.4     | 1.6 |
| 18  | COCOA AND COCOA PREP            | 0.0     | 0.1        | 0.0      | 0.4     | 0.3    | 0.1     | 0.5     | 0.0    | 0.6 | 3.2    | 1.1     | 2.5 |
| 19  | PREPARATIONS OF CEREALS         | 0.0     | 0.2        | 0.0      | 1.6     | 0.0    | 0.9     | 0.5     | 0.6    | 0.6 | 7.0    | 1.2     | 1.2 |
| 20  | PREPARATIONS OF VEGETABLE       | 1.3     | 6.4        | 1.8      | 1.4     | 0.4    | 2.5     | 7.9     | 0.1    | 0.2 | 2.0    | 2.1     | 1.1 |
| 21  | MISCELLANEOUS EDIBLE PREP       | 0.0     | 0.4        | 0.0      | 0.7     | 0.2    | 1.1     | 0.2     | 0.5    | 0.9 | 5.1    | 1.3     | 0.9 |
| 22  | BEVERAGES, SPIRITS              | 0.0     | 27.2       | 0.5      | 0.9     | 15.2   | 0.3     | 24.8    | 0.2    | 0.2 | 2.6    | 0.0     | 1.7 |
| 23  | RESIDUES AND WASTE              | 0.5     | 0.0        | 0.3      | 2.1     | 0.8    | 1.4     | 3.3     | 1.2    | 0.8 | 3.4    | 0.1     | 1.3 |
| 24  | TOBACCO                         | 8.8     | 0.9        | 2.4      | 1.3     | 0.1    | 3.8     | 1.9     | 0.0    | 1.0 | 0.2    | 0.8     | 0.6 |
| 25  | SALT; SULPHUR; EARTH            | 1.2     | 8.8        | 0.2      | 1.1     | 4.7    | 1.2     | 3.5     | 0.2    | 0.5 | 0.3    | 1.7     | 1.6 |
| 26  | ORES, SLAG AND ASH              | 4.3     | 0.0        | 0.0      | 0.1     | 7.1    | 0.5     | 0.0     | 0.8    | 0.6 | 0.2    | 0.8     | 2.3 |
| 27  | MINERAL FUELS, MINERAL          | 0.0     | 0.2        | 2.2      | 0.3     | 0.2    | 0.5     | 0.0     | 1.0    | 1.9 | 0.3    | 0.0     | 0.2 |
| 28  | INORGANIC CHEMICALS;            | 0.2     | 0.1        | 0.2      | 1.9     | 0.3    | 0.5     | 0.0     | 1.6    | 0.5 | 0.2    | 0.2     | 2.5 |
| 29  | ORGANIC CHEMICALS               | 0.0     | 0.1        | 1.1      | 1.6     | 0.0    | 0.2     | 0.1     | 3.5    | 1.0 | 0.7    | 0.1     | 1.0 |
| 30  | PHARMACEUTICAL PRODUCTS         | 0.1     | 1.3        | 0.1      | 2.8     | 1.2    | 1.2     | 1.1     | 1.3    | 0.7 | 5.5    | 0.6     | 0.8 |
| 31  | FERTILIZERS                     | 0.0     | 0.0        | 0.0      | 0.6     | 2.1    | 0.2     | 0.2     | 2.1    | 1.1 | 0.9    | 0.0     | 1.5 |
| 32  | TANNING OR DYEING EXTRACT       | 0.0     | 0.1        | 0.1      | 0.6     | 0.0    | 4.8     | 0.1     | 0.4    | 0.2 | 2.6    | 2.0     | 1.4 |
| 33  | ESSENTIAL OILS AND RESINOID     | 0.0     | 0.3        | 0.0      | 1.6     | 2.7    | 2.6     | 1.5     | 1.3    | 0.7 | 0.7    | 2.0     | 0.3 |
| 34  | SOAP, ORGANIC SURFACE           | 0.0     | 0.2        | 0.1      | 0.7     | 0.3    | 0.7     | 0.1     | 1.1    | 0.6 | 2.6    | 3.1     | 0.4 |
| 35  | ALBUMINOIDAL SUBSTANCES         | 0.0     | 0.8        | 0.0      | 3.7     | 0.0    | 4.3     | 0.1     | 0.6    | 0.2 | 2.3    | 2.4     | 0.3 |
| 36  | EXPLOSIVES; PYROTECHNIC         | 0.0     | 0.0        | 0.1      | 0.1     | 0.3    | 0.2     | 0.0     | 0.0    | 1.4 | 5.3    | 1.2     | 0.5 |
| 37  | PHOTOGRAPHIC OR CINEMATOGRAPHIC | 0.0     | 0.0        | 0.0      | 11.4    | 0.0    | 3.2     | 0.0     | 0.2    | 0.3 | 0.9    | 0.4     | 0.2 |
| 38  | MISCELLANEOUS CHEMICAL PRODUCTS | 0.0     | 0.1        | 0.7      | 0.5     | 0.2    | 2.8     | 0.1     | 0.8    | 0.8 | 2.4    | 1.4     | 0.7 |
| 39  | PLASTICS AND ARTICLES           | 0.5     | 0.1        | 1.4      | 1.6     | 0.0    | 2.8     | 0.4     | 1.6    | 0.3 | 1.6    | 2.4     | 0.7 |
| 40  | RUBBER AND ARTICLES             | 0.0     | 3.6        | 0.0      | 0.5     | 0.0    | 0.1     | 0.3     | 0.5    | 1.4 | 2.5    | 0.8     | 0.9 |
| 41  | RAW HIDES AND SKINS             | 8.6     | 0.0        | 0.8      | 1.3     | 1.2    | 2.5     | 5.4     | 0.6    | 0.1 | 4.6    | 0.8     | 2.1 |
| 42  | ARTICLES OF LEATHER             | 0.0     | 0.1        | 0.1      | 0.6     | 0.3    | 0.7     | 10.5    | 0.4    | 0.1 | 1.1    | 5.1     | 0.1 |
| 43  | FURSKINS AND ARTIFICIAL FUR     | 0.6     | 0.0        | 0.0      | 0.0     | 0.0    | 12.0    | 0.0     | 0.0    | 0.0 | 0.0    | 2.2     | 0.0 |
| 45  | CORK AND ARTICLES OF CORK       | 0.0     | 108.6      | 0.0      | 10.9    | 2.0    | 0.3     | 4.8     | 0.2    | 0.1 | 0.5    | 0.1     | 0.1 |
| 46  | MANUFACTURES OF STRAW           | 1.1     | 0.0        | 0.0      | 1.3     | 0.2    | 4.0     | 0.0     | 0.4    | 0.0 | 1.7    | 4.4     | 0.1 |

Table A5. Revealed Comparative Advantage for BSEC Member States (cont'd)

| HS2 |                                      | Albania | Armenia | Azerbaijan | Bulgaria | Georgia | Greece | Moldova | Romania | Russia | S&M  | Turkey | Ukraine |
|-----|--------------------------------------|---------|---------|------------|----------|---------|--------|---------|---------|--------|------|--------|---------|
| 47  | PULP OF WOOD OR OF OTHER             | 0.4     | 0.0     | 0.0        | 3.9      | 0.0     | 1.1    | 0.4     | 0.3     | 1.6    | 1.8  | 0.0    | 0.0     |
| 48  | PAPER AND PAPERBOARD; ART            | 2.7     | 0.5     | 0.1        | 0.9      | 0.1     | 1.0    | 0.9     | 0.6     | 0.8    | 1.3  | 1.2    | 1.5     |
| 49  | PRINTED BOOKS, NEWSPAPERS            | 0.0     | 0.7     | 0.1        | 0.5      | 0.2     | 1.3    | 0.8     | 0.9     | 0.8    | 6.0  | 0.8    | 1.2     |
| 50  | SILK                                 | 0.0     | 0.0     | 0.0        | 0.2      | 0.8     | 5.9    | 0.0     | 0.7     | 0.0    | 0.0  | 4.4    | 0.0     |
| 51  | WOOL, FINE OR COARSE ANIMAL HAIR     | 0.2     | 0.0     | 0.0        | 4.5      | 0.1     | 1.2    | 0.5     | 2.5     | 0.3    | 0.4  | 2.9    | 0.0     |
| 52  | COTTON                               | 0.0     | 0.1     | 3.9        | 0.6      | 0.0     | 6.9    | 0.1     | 0.1     | 0.2    | 0.2  | 2.8    | 0.1     |
| 53  | OTHER VEGETABLE TEXTILE              | 0.0     | 0.0     | 0.0        | 0.3      | 0.0     | 1.4    | 0.0     | 0.2     | 1.7    | 0.1  | 1.0    | 0.3     |
| 54  | MAN-MADE FILAMENTS                   | 0.1     | 0.0     | 0.7        | 0.8      | 0.0     | 0.8    | 0.1     | 0.3     | 0.1    | 0.2  | 5.4    | 0.5     |
| 55  | MAN-MADE STAPLE FIBRES               | 0.0     | 0.0     | 0.0        | 1.4      | 0.1     | 0.5    | 1.8     | 1.6     | 0.4    | 0.2  | 4.3    | 0.1     |
| 56  | WADDING, FELT AND NONWOVEN           | 0.0     | 0.7     | 0.8        | 0.5      | 0.0     | 1.9    | 0.3     | 2.4     | 0.4    | 0.9  | 3.1    | 0.3     |
| 57  | CARPETS AND OTHER TEXTILE            | 0.0     | 0.1     | 0.0        | 0.1      | 0.0     | 0.4    | 6.5     | 0.1     | 0.0    | 1.4  | 5.6    | 0.4     |
| 58  | SPECIAL WOVEN FABRICS                | 0.0     | 0.0     | 0.0        | 0.1      | 0.0     | 1.1    | 0.0     | 0.2     | 0.0    | 0.1  | 6.6    | 0.0     |
| 59  | IMPREGNATED, COATED                  | 0.0     | 0.0     | 0.0        | 0.1      | 0.0     | 0.3    | 0.1     | 0.1     | 0.4    | 0.2  | 4.8    | 0.6     |
| 60  | KNITTED OR CROCHETED FABRICS         | 0.1     | 0.2     | 0.0        | 0.3      | 0.0     | 2.9    | 0.1     | 0.1     | 0.0    | 0.0  | 5.8    | 0.1     |
| 61  | ARTICLES OF APPAREL AND CLOTHING     | 20.6    | 1.0     | 0.0        | 8.3      | 0.0     | 5.2    | 2.7     | 0.5     | 0.0    | 0.3  | 1.4    | 0.0     |
| 62  | ARTICLES OF APPAREL AND CLOTHING     | 22.5    | 0.4     | 0.0        | 5.5      | 1.4     | 2.8    | 1.6     | 0.7     | 0.1    | 1.5  | 2.8    | 0.0     |
| 63  | OTHER MADE-UP TEXTILE ARTICLES       | 5.0     | 2.0     | 2.2        | 1.0      | 0.1     | 0.4    | 0.7     | 0.3     | 0.0    | 0.8  | 5.4    | 0.3     |
| 64  | FOOTWEAR, GAITERS                    | 1.8     | 0.1     | 0.1        | 1.2      | 0.1     | 1.9    | 3.9     | 1.1     | 0.1    | 3.9  | 3.4    | 0.5     |
| 65  | HEADGEAR AND PARTS THEREOF           | 2.9     | 1.2     | 0.0        | 0.5      | 0.1     | 1.0    | 0.4     | 0.2     | 0.1    | 3.4  | 2.3    | 2.3     |
| 66  | UMBRELLAS, SUN UMBRELLAS             | 0.0     | 0.0     | 0.0        | 2.6      | 0.4     | 1.7    | 0.7     | 0.4     | 0.1    | 1.1  | 2.8    | 1.5     |
| 67  | PREPARED FEATHERS AND DOWN           | 0.0     | 0.0     | 0.0        | 0.6      | 0.1     | 10.4   | 0.0     | 0.3     | 0.0    | 0.7  | 2.5    | 0.0     |
| 68  | ARTICLES OF STONE, PLASTER           | 1.9     | 0.7     | 0.0        | 0.2      | 0.1     | 1.0    | 0.6     | 0.6     | 0.9    | 1.0  | 1.9    | 1.0     |
| 69  | CERAMIC PRODUCTS                     | 1.5     | 0.0     | 0.0        | 0.9      | 0.2     | 1.9    | 0.7     | 0.6     | 0.3    | 3.1  | 2.9    | 1.0     |
| 70  | GLASS AND GLASSWARE                  | 0.1     | 3.6     | 0.0        | 3.4      | 0.2     | 0.6    | 4.0     | 0.7     | 0.5    | 1.4  | 2.3    | 0.6     |
| 71  | NATURAL OR CULTURED PEARL            | 0.0     | 32.5    | 0.0        | 0.0      | 0.2     | 0.1    | 0.0     | 0.0     | 0.4    | 0.3  | 4.4    | 0.5     |
| 72  | IRON AND STEEL                       | 0.7     | 0.1     | 0.0        | 0.9      | 1.5     | 0.3    | 0.0     | 1.7     | 0.8    | 0.8  | 0.4    | 1.9     |
| 73  | ARTICLES OF IRON OR STEEL            | 0.3     | 0.1     | 0.0        | 0.5      | 0.1     | 0.7    | 0.2     | 0.5     | 0.4    | 1.6  | 1.7    | 2.3     |
| 74  | COPPER AND ARTICLES THEREOF          | 3.2     | 0.3     | 0.4        | 7.0      | 0.8     | 0.8    | 0.0     | 0.2     | 0.8    | 2.3  | 0.6    | 0.4     |
| 75  | NICKEL AND ARTICLES THEREOF          | 0.0     | 0.0     | 0.0        | 0.0      | 0.0     | 0.0    | 0.0     | 0.0     | 2.0    | 0.1  | 0.1    | 0.7     |
| 76  | ALUMINIUM AND ARTICLES THEREOF       | 2.5     | 0.0     | 0.5        | 0.6      | 1.1     | 2.9    | 1.1     | 1.5     | 1.0    | 0.8  | 1.1    | 0.4     |
| 78  | LEAD AND ARTICLES THEREOF            | 0.0     | 0.0     | 0.0        | 11.2     | 0.9     | 0.9    | 0.0     | 1.8     | 0.3    | 0.1  | 0.0    | 0.6     |
| 79  | ZINC AND ARTICLES THEREOF            | 0.2     | 0.0     | 0.0        | 11.8     | 0.0     | 0.1    | 0.0     | 1.2     | 0.7    | 1.1  | 0.0    | 0.0     |
| 80  | TIN AND ARTICLES THEREOF             | 0.0     | 0.0     | 0.0        | 0.0      | 0.0     | 6.1    | 0.0     | 0.0     | 1.4    | 2.6  | 0.1    | 0.0     |
| 81  | OTHER BASE METALS; CERMETS           | 0.0     | 0.5     | 0.0        | 0.0      | 0.0     | 0.0    | 0.0     | 0.0     | 1.3    | 0.5  | 0.2    | 2.0     |
| 82  | TOOLS, IMPLEMENTS, CUTLERY           | 0.1     | 0.4     | 0.1        | 0.5      | 0.1     | 1.1    | 2.7     | 0.2     | 1.3    | 1.5  | 0.9    | 0.8     |
| 83  | MISCELLANEOUS ARTICLES OF BASE METAL | 0.2     | 0.0     | 0.0        | 0.8      | 0.1     | 2.4    | 0.3     | 0.5     | 0.3    | 1.3  | 3.5    | 0.8     |
| 84  | NUCLEAR REACTORS, BOILERS            | 0.1     | 0.4     | 0.1        | 0.7      | 0.2     | 0.9    | 0.7     | 0.6     | 0.8    | 0.8  | 1.4    | 1.5     |
| 85  | ELECTRICAL MACHINERY                 | 0.6     | 1.5     | 0.0        | 0.8      | 0.1     | 1.7    | 0.7     | 0.9     | 0.4    | 1.2  | 2.4    | 1.3     |
| 86  | RAILWAY OR TRAMWAY LOCOMOTIVE        | 0.2     | 0.6     | 0.1        | 0.4      | 0.3     | 0.0    | 0.1     | 0.5     | 0.4    | 0.3  | 0.0    | 3.9     |
| 87  | VEHICLES OTHER THAN RAILWAY          | 0.0     | 0.1     | 0.0        | 0.2      | 1.2     | 0.6    | 0.4     | 0.8     | 1.0    | 1.1  | 2.7    | 0.4     |
| 88  | AIRCRAFT, SPACECRAFT                 | 0.0     | 0.1     | 0.1        | 0.2      | 32.0    | 0.0    | 1.4     | 0.3     | 0.8    | 0.1  | 0.0    | 1.8     |
| 89  | SHIPS, BOATS                         | 0.0     | 0.0     | 0.0        | 3.2      | 0.1     | 0.5    | 0.0     | 1.3     | 0.9    | 0.2  | 0.5    | 1.2     |
| 90  | OPTICAL, PHOTOGRAPHIC                | 0.3     | 1.9     | 0.3        | 0.3      | 0.3     | 0.8    | 1.8     | 0.2     | 1.0    | 1.2  | 0.8    | 1.7     |
| 91  | CLOCKS AND WATCHES                   | 0.0     | 33.0    | 0.0        | 0.3      | 1.1     | 0.4    | 0.5     | 1.0     | 1.4    | 1.8  | 0.8    | 0.2     |
| 92  | MUSICAL INSTRUMENTS;                 | 0.0     | 0.1     | 0.2        | 2.2      | 0.6     | 5.0    | 0.0     | 1.6     | 0.0    | 6.9  | 1.2    | 0.7     |
| 93  | ARMS AND AMMUNITION;                 | 0.0     | 0.0     | 0.0        | 0.0      | 0.5     | 0.8    | 0.0     | 0.0     | 0.5    | 26.2 | 0.8    | 0.0     |
| 94  | FURNITURE; BEDDING, MATTRESS         | 2.2     | 0.1     | 0.2        | 1.2      | 0.1     | 1.5    | 2.2     | 1.5     | 0.2    | 2.7  | 3.1    | 0.8     |
| 95  | TOYS, GAMES AND SPORTS               | 1.2     | 0.4     | 0.0        | 1.8      | 0.3     | 2.7    | 4.6     | 0.9     | 0.4    | 2.5  | 1.2    | 1.3     |
| 96  | MISCELLANEOUS MANUFACTURE            | 7.6     | 0.2     | 0.0        | 2.0      | 0.7     | 1.6    | 8.1     | 0.8     | 0.1    | 2.4  | 3.9    | 0.1     |
| 97  | WORKS OF ART                         | 0.2     | 0.0     | 0.1        | 0.4      | 0.1     | 0.4    | 0.2     | 0.0     | 1.3    | 13.2 | 0.6    | 0.1     |

Source: Authors calculation based on UNSD *Comtrade Statistics*, 2006



Table A6. Intra-industry trade in BSEC (2005)

| HS | Description               | ALB  | ARM  | AZE  | BGR  | GEO  | GRE  | MOL  | ROM  | RUS  | SEM  | TUR  | UKR  |
|----|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| 01 | LIVE ANIMALS              | 0.97 | 0.86 | 0.90 | 0.40 | 0.93 | 0.91 | 0.61 | 0.90 | 0.70 | 0.86 | 0.53 | 0.72 |
| 02 | MEAT AND EDIBLE MEAT      | 0.96 | 0.79 | 1.00 | 0.53 | 0.07 | 0.62 | 0.48 | 0.86 | 0.99 | 0.99 | 0.21 | 0.89 |
| 03 | FISH AND CRUSTACEANS      | 0.38 | 0.31 | 0.88 | 0.15 | 0.04 | 0.30 | 0.77 | 0.62 | 0.53 | 0.55 | 0.19 | 0.51 |
| 04 | DAIRY PRODUCE; BIRDS      | 1.00 | 0.46 | 1.00 | 0.44 | 0.95 | 0.81 | 0.13 | 0.32 | 0.80 | 0.37 | 0.50 | 1.00 |
| 05 | PRODUCTS OF ANIMAL OR     | 0.63 | 1.00 | 0.78 | 0.69 | 0.96 | 0.80 | 0.89 | 0.08 | 0.21 | 0.52 | 0.98 | 0.23 |
| 06 | LIVE TREES AND OTHER      | 0.95 | 0.98 | 0.49 | 0.29 | 0.56 | 0.22 | 0.43 | 0.92 | 0.97 | 0.62 | 0.25 | 0.97 |
| 07 | EDIBLE VEGETABLES         | 0.73 | 0.97 | 0.90 | 0.38 | 0.52 | 0.60 | 0.39 | 0.94 | 0.94 | 0.80 | 0.98 | 0.66 |
| 08 | EDIBLE FRUIT AND NUT      | 1.00 | 0.42 | 0.99 | 0.59 | 0.88 | 0.24 | 0.61 | 0.60 | 0.99 | 0.07 | 0.70 | 0.89 |
| 09 | COFFEE, TEA, MATÉ         | 0.59 | 0.90 | 0.05 | 0.82 | 0.24 | 0.43 | 0.58 | 0.47 | 0.69 | 0.96 | 0.82 | 0.03 |
| 10 | CEREALS                   | 1.00 | 1.00 | 1.00 | 0.88 | 0.76 | 0.95 | 0.86 | 0.11 | 0.83 | 0.30 | 0.85 | 0.88 |
| 11 | PRODUCTS OF THE MILLING   | 1.00 | 1.00 | 0.28 | 0.25 | 0.95 | 0.98 | 0.82 | 0.02 | 0.48 | 0.82 | 0.78 | 0.71 |
| 12 | OIL SEEDS AND OLEAGINOUS  | 0.79 | 1.00 | 1.00 | 0.94 | 0.20 | 0.44 | 0.74 | 0.24 | 0.22 | 0.94 | 0.54 | 0.98 |
| 13 | LAC; GUMS, RESINS         | 1.00 | ...  | 1.00 | 0.05 | 0.66 | 0.63 | 1.00 | 0.14 | 0.52 | 0.78 | 0.94 | 0.86 |
| 14 | VEGETABLE PLAITING MAT.   | 1.00 | 1.00 | 0.98 | 0.85 | 0.43 | 0.17 | 1.00 | 1.00 | 0.74 | 0.08 | 0.35 | 1.00 |
| 15 | ANIMAL OR VEGETABLE       | 1.00 | 1.00 | 0.96 | 0.15 | 0.99 | 0.16 | 0.68 | 0.52 | 0.21 | 0.66 | 0.19 | 0.85 |
| 16 | PREPARATIONS OF MEAT      | 0.82 | 0.77 | 0.76 | 0.45 | 0.99 | 0.58 | 0.70 | 0.59 | 0.46 | 0.99 | 0.91 | 0.44 |
| 17 | SUGARS AND CONFECTION     | 1.00 | 1.00 | 0.98 | 0.07 | 0.56 | 0.38 | 0.38 | 0.92 | 0.16 | 0.09 | 0.76 | 0.01 |
| 18 | COCOA AND COCOA PREP      | 1.00 | 0.98 | 0.95 | 0.18 | 0.92 | 0.42 | 0.67 | 0.92 | 0.29 | 0.99 | 0.07 | 0.86 |
| 19 | PREPARATIONS OF CEREALS   | 1.00 | 0.97 | 0.98 | 0.10 | 1.00 | 0.17 | 0.79 | 0.27 | 0.24 | 0.98 | 0.05 | 0.68 |
| 20 | PREP. OF VEGETABLE        | 0.85 | 0.28 | 0.58 | 0.03 | 0.74 | 0.47 | 0.56 | 0.83 | 0.57 | 0.63 | 0.41 | 0.46 |
| 21 | MISCELLANEOUS EDIBLE PREP | 1.00 | 0.89 | 0.97 | 0.15 | 0.93 | 0.21 | 0.91 | 0.02 | 0.44 | 0.98 | 0.16 | 0.08 |
| 22 | BEVERAGES, SPIRITS        | 0.99 | 0.73 | 0.39 | 0.79 | 0.86 | 0.56 | 0.85 | 0.45 | 0.85 | 0.92 | 0.89 | 0.98 |
| 23 | RESIDUES AND WASTE        | 0.88 | 1.00 | 0.93 | 0.67 | 0.59 | 0.27 | 0.50 | 0.52 | 0.64 | 0.81 | 0.88 | 0.13 |
| 24 | TOBACCO                   | 0.62 | 0.91 | 0.91 | 0.95 | 0.96 | 0.88 | 0.64 | 0.94 | 0.17 | 0.20 | 0.43 | 0.19 |
| 25 | SALT; SULPHUR; EARTH      | 0.97 | 0.68 | 0.96 | 0.10 | 0.06 | 0.02 | 0.02 | 0.70 | 0.12 | 0.87 | 0.01 | 0.77 |
| 26 | ORES, SLAG AND ASH        | 0.99 | 1.00 | 1.00 | 0.98 | 1.00 | 0.66 | 0.93 | 0.63 | 0.14 | 0.90 | 0.44 | 0.15 |
| 27 | MINERAL FUELS, MINERAL    | 0.99 | 0.77 | 0.99 | 0.45 | 0.89 | 0.75 | 0.99 | 0.45 | 0.98 | 0.96 | 0.98 | 0.98 |
| 28 | INORGANIC CHEMICALS;      | 0.85 | 0.97 | 0.56 | 0.73 | 0.56 | 0.35 | 1.00 | 0.41 | 0.41 | 0.97 | 0.56 | 0.92 |
| 29 | ORGANIC CHEMICALS         | 1.00 | 0.89 | 0.45 | 0.48 | 0.74 | 0.71 | 0.56 | 0.42 | 0.74 | 0.92 | 0.83 | 0.37 |
| 30 | PHARMACEUTICAL PRODUCTS   | 0.99 | 0.81 | 0.87 | 0.87 | 0.83 | 0.91 | 0.70 | 0.00 | 0.30 | 0.92 | 0.64 | 0.30 |
| 31 | FERTILIZERS               | 1.00 | 1.00 | 1.00 | 0.12 | 0.87 | 0.67 | 0.80 | 0.36 | 0.99 | 0.95 | 0.95 | 0.85 |
| 32 | TANNING OR DYEING EXTRACT | 0.99 | 0.98 | 0.91 | 0.43 | 0.99 | 0.92 | 0.95 | 0.51 | 0.64 | 0.16 | 0.51 | 0.83 |
| 33 | ESSENTIAL OILS & RESINOID | 1.00 | 0.94 | 0.99 | 0.42 | 0.31 | 0.92 | 0.20 | 0.32 | 0.23 | 0.09 | 0.00 | 0.17 |
| 34 | SOAP, ORGANIC SURFACE     | 1.00 | 0.98 | 0.16 | 0.42 | 0.89 | 0.77 | 0.94 | 0.09 | 0.15 | 0.40 | 0.28 | 0.83 |
| 35 | ALBUMINODAL SUBSTANCES    | 1.00 | 0.85 | 0.99 | 0.13 | 1.00 | 0.84 | 0.95 | 0.35 | 0.10 | 0.62 | 0.51 | 0.11 |
| 36 | EXPLOSIVES; PYROTECHNIC   | 1.00 | 1.00 | 0.64 | 0.62 | 0.94 | 0.81 | 0.97 | 0.99 | 0.94 | 0.69 | 0.39 | 0.36 |
| 37 | PHOTO. / CINEMATOGRAPHIC  | 1.00 | 0.98 | 1.00 | 0.95 | 1.00 | 0.58 | 1.00 | 0.64 | 0.62 | 0.76 | 0.60 | 0.96 |
| 38 | MISC. CHEMICAL PRODUCTS   | 0.99 | 0.99 | 0.57 | 0.62 | 0.87 | 0.74 | 0.96 | 0.21 | 0.40 | 0.08 | 0.17 | 0.43 |
| 39 | PLASTICS AND ARTICLES     | 0.92 | 0.94 | 0.58 | 0.10 | 0.98 | 0.51 | 0.76 | 0.01 | 0.13 | 0.73 | 0.39 | 0.86 |
| 40 | RUBBER AND ARTICLES       | 1.00 | 0.51 | 0.20 | 0.35 | 0.99 | 0.78 | 0.75 | 0.28 | 0.47 | 0.08 | 0.60 | 0.99 |
| 41 | RAW HIDES AND SKINS       | 0.91 | 1.00 | 0.51 | 0.10 | 0.40 | 0.86 | 0.76 | 0.17 | 0.33 | 0.51 | 0.55 | 0.96 |
| 42 | ARTICLES OF LEATHER       | 1.00 | 0.86 | 0.33 | 0.14 | 0.83 | 0.64 | 0.88 | 0.67 | 0.59 | 0.19 | 0.90 | 0.93 |
| 43 | FURSKINS & ARTIFICIAL FUR | 0.01 | 1.00 | 1.00 | 0.22 | 1.00 | 0.91 | 0.71 | 0.09 | 0.75 | 0.88 | 0.96 | 0.96 |
| 44 | WOOD AND ARTICLES OF WOD  | 0.85 | 1.00 | 0.66 | 0.58 | 0.10 | 0.64 | 0.93 | 0.59 | 0.83 | 0.92 | 0.09 | 1.00 |

# Black Sea Economic Cooperation Investment

| HS | Description                | ALB  | ARM  | AZE  | BGR  | GEO  | GRE  | MOL  | ROM  | RUS  | SEM  | TUR  | UKR  |
|----|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| 45 | CORK AND ARTICLES OF CORK  | 1.00 | 0.98 | 1.00 | 1.00 | 0.85 | 0.93 | 0.34 | 0.12 | 0.76 | 0.37 | 0.01 | 0.30 |
| 46 | MANUFACTURES OF STRAW      | 0.89 | 1.00 | ...  | 0.36 | 0.94 | 0.26 | 1.00 | 0.63 | 1.00 | 0.87 | 0.87 | 0.78 |
| 47 | PULP OF WOOD OR OF OTHER   | 0.51 | 1.00 | 0.99 | 0.34 | 1.00 | 0.22 | 0.80 | 0.14 | 1.00 | 0.77 | 1.00 | 0.97 |
| 48 | PAPER & PAPERBOARD; ART    | 0.58 | 0.89 | 0.31 | 0.26 | 0.97 | 0.02 | 0.58 | 0.24 | 0.02 | 0.72 | 0.12 | 0.91 |
| 49 | PRINTED BOOKS/ NEWSPAP.    | 1.00 | 0.97 | 0.99 | 0.39 | 0.88 | 0.68 | 0.86 | 0.26 | 0.14 | 0.59 | 0.34 | 0.98 |
| 50 | SILK                       | 1.00 | 1.00 | 1.00 | 0.91 | 0.60 | 0.94 | ...  | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 |
| 51 | WOOL, ANIMAL HAIR          | 0.76 | 1.00 | 1.00 | 0.25 | 0.10 | 0.59 | 0.72 | 0.25 | 0.42 | 0.93 | 0.60 | 0.97 |
| 52 | COTTON                     | 1.00 | 0.45 | 1.00 | 0.71 | 1.00 | 0.72 | 0.56 | 0.96 | 0.00 | 0.98 | 0.59 | 0.97 |
| 53 | OTHER VEGETABLE TEXTILE    | 1.00 | 1.00 | 0.99 | 0.66 | 1.00 | 0.83 | 0.91 | 0.78 | 0.87 | 0.99 | 0.11 | 0.08 |
| 54 | MAN-MADE FILAMENTS         | 0.98 | 0.91 | 0.89 | 0.46 | 1.00 | 0.36 | 0.84 | 0.78 | 0.70 | 0.92 | 0.89 | 0.87 |
| 55 | MAN-MADE STAPLE FIBRES     | 1.00 | 0.91 | 1.00 | 0.49 | 0.81 | 0.53 | 0.25 | 0.53 | 0.07 | 0.96 | 0.87 | 0.44 |
| 56 | WADDING, FELT & NONWOVEN   | 1.00 | 0.62 | 0.61 | 0.65 | 0.98 | 0.02 | 0.63 | 0.29 | 0.28 | 0.16 | 0.49 | 0.78 |
| 57 | CARPETS AND OTHER TEXTILE  | 1.00 | 0.87 | 0.18 | 0.71 | 1.00 | 0.69 | 0.84 | 0.84 | 0.95 | 0.54 | 0.81 | 0.89 |
| 58 | SPECIAL WOVEN FABRICS      | 1.00 | 0.92 | 0.70 | 0.87 | 0.97 | 0.03 | 0.96 | 0.52 | 0.97 | 0.24 | 0.88 | 1.00 |
| 59 | IMPREGNATED, COATED        | 1.00 | 1.00 | 0.96 | 0.87 | 1.00 | 0.09 | 0.81 | 0.95 | 0.03 | 0.14 | 0.55 | 0.92 |
| 60 | KNITTED OR CROCHETED FAB.  | 0.98 | 0.17 | 1.00 | 0.89 | 1.00 | 0.53 | 0.68 | 0.91 | 0.93 | 0.93 | 0.95 | 0.24 |
| 61 | ART. OF APPAREL & CLOTHING | 0.01 | 0.87 | 0.81 | 0.24 | 0.93 | 0.63 | 0.49 | 0.32 | 0.92 | 0.39 | 0.63 | 0.34 |
| 62 | ART. OF APPAREL & CLOTHING | 0.12 | 0.84 | 0.44 | 0.37 | 0.32 | 0.01 | 0.20 | 0.50 | 0.63 | 0.34 | 0.51 | 0.09 |
| 63 | OTHER MADE-UP TEXTILE ART. | 0.52 | 0.39 | 0.87 | 0.13 | 0.95 | 0.80 | 0.90 | 0.62 | 0.91 | 0.10 | 0.84 | 0.16 |
| 64 | FOOTWEAR, GAITERS          | 0.80 | 0.93 | 0.66 | 0.36 | 0.96 | 0.18 | 0.13 | 0.30 | 0.65 | 0.36 | 0.72 | 0.97 |
| 65 | HEADGEAR & PARTS THEREOF   | 0.56 | 0.54 | 0.99 | 0.33 | 0.99 | 0.40 | 0.61 | 0.81 | 0.69 | 0.68 | 0.41 | 0.22 |
| 66 | UMBRELLAS, SUN UMBRELLAS   | 1.00 | 1.00 | 0.97 | 0.07 | 0.90 | 0.25 | 0.87 | 0.56 | 0.78 | 0.49 | 0.90 | 0.92 |
| 67 | PREPARED FEATHERS &DOWN    | 1.00 | 1.00 | 1.00 | 0.80 | 0.95 | 0.97 | 1.00 | 0.76 | 1.00 | 0.27 | 0.95 | 1.00 |
| 68 | ARTICLES OF STONE, PLASTER | 0.42 | 0.95 | 0.84 | 0.83 | 0.96 | 0.13 | 0.84 | 0.45 | 0.33 | 0.48 | 0.07 | 0.65 |
| 69 | CERAMIC PRODUCTS           | 0.93 | 1.00 | 0.99 | 0.42 | 0.93 | 0.12 | 0.58 | 0.18 | 0.35 | 0.77 | 0.43 | 0.36 |
| 70 | GLASS AND GLASSWARE        | 0.99 | 0.56 | 0.98 | 0.37 | 0.94 | 0.59 | 0.03 | 0.52 | 0.12 | 0.47 | 0.32 | 0.95 |
| 71 | NATURAL /CULTURED PEARL    | 1.00 | 0.68 | 0.64 | 0.95 | 0.27 | 0.66 | 1.00 | 0.43 | 0.98 | 0.88 | 0.05 | 0.77 |
| 72 | IRON AND STEEL             | 0.85 | 0.97 | 0.88 | 0.19 | 0.44 | 0.65 | 0.93 | 0.50 | 0.31 | 0.94 | 0.24 | 0.97 |
| 73 | ARTICLES OF IRON OR STEEL  | 0.90 | 0.45 | 0.75 | 0.47 | 0.93 | 0.20 | 0.77 | 0.69 | 0.46 | 0.22 | 0.31 | 1.00 |
| 74 | COPPER & ARTICLES THEREOF  | 0.56 | 0.99 | 1.00 | 0.59 | 0.70 | 0.67 | 0.90 | 1.00 | 0.82 | 0.82 | 0.17 | 1.00 |
| 75 | NICKEL & ARTICLES THEREOF  | 1.00 | 1.00 | 0.13 | 1.00 | 1.00 | 0.66 | 1.00 | 0.09 | 0.68 | 0.99 | 0.99 | 0.67 |
| 76 | ALUMINIUM AND ARTICLES     | 0.82 | 0.48 | 1.00 | 0.68 | 0.15 | 0.36 | 0.03 | 0.82 | 0.76 | 0.94 | 0.28 | 1.00 |
| 78 | LEAD AND ARTICLES THEREOF  | 1.00 | 1.00 | 1.00 | 0.49 | 0.92 | 0.21 | 1.00 | 0.01 | 0.59 | 1.00 | 0.42 | 0.87 |
| 79 | ZINC AND ARTICLES THEREOF  | 0.07 | 1.00 | 1.00 | 0.99 | 0.79 | 0.88 | 1.00 | 0.99 | 1.00 | 0.93 | 0.94 | 0.11 |
| 80 | TIN AND ARTICLES THEREOF   | 1.00 | 1.00 | 0.28 | 1.00 | 1.00 | 0.96 | 1.00 | 1.00 | 0.99 | 1.00 | 0.94 | 1.00 |
| 81 | OTHER BASE METALS          | ...  | 0.90 | 0.78 | 0.75 | 1.00 | 1.00 | 1.00 | 0.73 | 0.11 | 0.60 | 0.91 | 0.55 |
| 82 | TOOLS, IMPLEMENTS, CUTLERY | 0.99 | 0.96 | 0.95 | 0.31 | 0.91 | 0.65 | 0.16 | 0.70 | 0.44 | 0.70 | 0.50 | 0.53 |
| 83 | MISC ARTICLES (BASE METAL) | 0.96 | 1.00 | 0.63 | 0.49 | 0.95 | 0.57 | 0.87 | 0.24 | 0.30 | 0.23 | 0.64 | 0.65 |
| 84 | NUCLEAR REACTORS/BOILERS   | 0.97 | 0.93 | 0.94 | 0.29 | 0.85 | 0.17 | 0.34 | 0.31 | 0.03 | 0.16 | 0.21 | 0.81 |
| 85 | ELECTRICAL MACHINERY       | 0.94 | 0.32 | 0.54 | 0.30 | 0.95 | 0.04 | 0.45 | 0.66 | 0.28 | 0.27 | 0.32 | 0.95 |
| 86 | RAILWAY LOCOMOTIVE         | 0.39 | 0.98 | 0.96 | 0.01 | 0.07 | 0.94 | 0.18 | 0.49 | 0.70 | 0.72 | 0.94 | 0.83 |
| 87 | VEHICLES O/T RAILWAY       | 1.00 | 0.97 | 0.94 | 0.68 | 0.46 | 0.12 | 0.47 | 0.51 | 0.30 | 0.34 | 0.08 | 0.93 |
| 88 | AIRCRAFT, SPACECRAFT       | 0.74 | 1.00 | 1.00 | 0.42 | 0.12 | 0.36 | 0.19 | 0.94 | 0.81 | 0.80 | 0.99 | 0.67 |
| 89 | SHIPS, BOATS               | 1.00 | 1.00 | 0.32 | 0.31 | 0.87 | 0.21 | 1.00 | 0.52 | 0.07 | 0.98 | 0.48 | 0.17 |
| 90 | OPTICAL, PHOTOGRAPHIC      | 0.95 | 0.82 | 0.99 | 0.54 | 0.89 | 0.52 | 0.00 | 0.58 | 0.15 | 0.35 | 0.53 | 0.92 |
| 91 | CLOCKS AND WATCHES         | 1.00 | 1.00 | 0.17 | 0.19 | 0.45 | 0.09 | 0.80 | 0.84 | 0.64 | 0.76 | 0.67 | 0.41 |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

|           |                             |      |      |      |      |      |      |      |      |      |      |      |      |
|-----------|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>92</b> | MUSICAL INSTRUMENTS;        | 1.00 | 1.00 | 0.17 | 0.95 | 0.59 | 0.21 | 1.00 | 0.13 | 0.84 | 0.80 | 0.62 | 0.77 |
| <b>93</b> | ARMS AND AMMUNITION;        | 1.00 | 0.58 | 0.92 | 1.00 | 0.99 | 0.04 | 0.32 | 0.25 | 0.91 | 0.92 | 0.90 | 0.39 |
| <b>94</b> | FURNITURE;BEDDING, MATTRESS | 0.77 | 0.83 | 0.94 | 0.19 | 0.96 | 0.35 | 0.14 | 0.53 | 0.56 | 0.65 | 0.94 | 0.11 |
| <b>95</b> | TOYS, GAMES AND SPORTS      | 0.92 | 1.00 | 0.06 | 0.22 | 0.87 | 0.55 | 0.38 | 0.70 | 0.49 | 0.37 | 0.62 | 0.28 |
| <b>96</b> | MISC. MANUFACTURE           | 0.67 | 1.00 | 0.73 | 0.36 | 0.77 | 0.18 | 0.53 | ...  | 0.78 | 0.45 | 0.94 | 0.89 |
| <b>97</b> | WORKS OF ART                | 0.98 | 1.00 | ...  | 0.71 | 0.94 | 0.66 | 1.00 | ...  | 0.93 | 0.72 | 1.00 | 0.20 |

Source: Authors calculation based on UNSD *Comtrade Statistics*, 2006

|      |     |         |
|------|-----|---------|
| +21% | 38  | 498.76  |
| +17% | 43  | 596.84  |
| +16% | 125 | 326.73  |
| +4%  | 15  | 96.21   |
| +9%  | 136 | 12.08   |
| -14% | 132 | 28.40   |
| +2%  | 148 | 289.38  |
| -8%  | 18  | 486.09  |
| -3%  | 95  | 84.12   |
| +12% | 45  | 48.38   |
| -15% | 83  | 188.00  |
| +7%  | 84  | 324.87  |
| -1%  | 73  | 766.05  |
| +12% | 183 | 344.16  |
| +18% | 194 | 746.06  |
| +12% | 158 | 363.80  |
| +16% | 111 | 1000.00 |
| +7%  | 135 | 1000.00 |



# Back Sea Econ Cooperation: Strategy and Investment

Table A7 Trade intensity in BSEC (2005)

| HS | Description               | ALB  | ARM  | AZE   | BGR  | GEO   | GRE   | MOL   | ROM  | RUS  | SEM  | TUR  | UKR  |
|----|---------------------------|------|------|-------|------|-------|-------|-------|------|------|------|------|------|
| 01 | LIVE ANIMALS              | 4.9  | 0.2  | 0.3   | 19.3 | 0.5   | 3.2   | 1.3   | 56.3 | 0.0  | 10.1 | 1.0  | 1.1  |
| 02 | MEAT AND EDIBLE MEAT      | 0.1  | 0.2  | 0.0   | 3.8  | 1.0   | 0.8   | 2.8   | 0.6  | 0.0  | 3.0  | 0.2  | 8.9  |
| 03 | FISH AND CRUSTACEANS      | 4.7  | 0.7  | 3.2   | 0.7  | 6.7   | 4.4   | 0.7   | 0.1  | 0.3  | 1.5  | 1.7  | 0.4  |
| 04 | DAIRY PRODUCE; BIRDS      | 0.0  | 4.1  | 3.1   | 10.2 | 2.5   | 1.1   | 30.4  | 1.9  | 0.9  | 11.2 | 0.8  | 64.9 |
| 05 | PRODUCTS OF ANIMAL OR     | 11.1 | 0.0  | 12.1  | 5.4  | 0.0   | 0.3   | 0.5   | 1.0  | 0.2  | 7.1  | 0.0  | 1.8  |
| 06 | LIVE TREES AND OTHER      | 0.4  | 0.1  | 7.0   | 0.9  | 20.3  | 1.8   | 4.6   | 0.1  | 0.0  | 25.4 | 2.4  | 0.2  |
| 07 | EDIBLE VEGETABLES         | 12.1 | 0.1  | 246.7 | 4.6  | 10.4  | 3.6   | 17.0  | 0.2  | 0.1  | 12.6 | 15.4 | 1.2  |
| 08 | EDIBLE FRUIT AND NUT      | 0.1  | 0.3  | 270.9 | 2.2  | 91.6  | 21.1  | 62.6  | 1.9  | 0.0  | 12.3 | 17.1 | 2.0  |
| 09 | COFFEE, TEA, MATÉ         | 2.7  | 20.6 | 181.2 | 0.3  | 44.3  | 1.5   | 4.7   | 1.4  | 1.7  | 6.0  | 0.5  | 0.6  |
| 10 | CEREALS                   | 0.0  | 0.0  | 0.0   | 11.6 | 60.8  | 1.1   | 66.2  | 2.3  | 8.3  | 91.8 | 0.0  | 9.5  |
| 11 | PRODUCTS OF THE MILLING   | 0.2  | 0.0  | 47.2  | 5.2  | 40.3  | 6.9   | 10.6  | 1.3  | 2.8  | 57.0 | 8.1  | 16.7 |
| 12 | OIL SEEDS AND OLEAGINOUS  | 18.9 | 0.0  | 26.4  | 79.5 | 18.6  | 5.9   | 113.5 | 6.4  | 0.7  | 11.6 | 2.4  | 6.8  |
| 13 | LAC; GUMS, RESINS         | 0.0  | 0.0  | 0.0   | 0.4  | 0.9   | 3.1   | 0.0   | 0.4  | 0.0  | 0.7  | 0.0  | 0.2  |
| 14 | VEGETABLE PLAITING MAT.   | 0.0  | 0.0  | 124.1 | 37.0 | 55.4  | 1.3   | 0.0   | 0.0  | 0.1  | 52.1 | 1.0  | 0.2  |
| 15 | ANIMAL OR VEGETABLE       | 0.0  | 0.0  | 350.2 | 7.0  | 1.1   | 6.6   | 116.1 | 8.0  | 1.7  | 29.2 | 1.1  | 25.3 |
| 16 | PREPARATIONS OF MEAT      | 18.8 | 3.4  | 21.4  | 0.4  | 0.8   | 6.5   | 12.9  | 0.9  | 5.0  | 78.1 | 0.6  | 13.8 |
| 17 | SUGARS AND CONFECTION     | 0.0  | 0.1  | 0.6   | 4.0  | 199.0 | 2.3   | 39.1  | 0.1  | 0.8  | 17.6 | 3.1  | 10.8 |
| 18 | COCOA AND COCOA PREP      | 0.0  | 0.2  | 1.0   | 4.6  | 7.2   | 0.8   | 11.3  | 0.1  | 2.8  | 44.0 | 5.9  | 39.0 |
| 19 | PREPARATIONS OF CEREALS   | 0.0  | 0.3  | 0.4   | 18.6 | 0.4   | 8.2   | 12.8  | 4.1  | 2.9  | 97.7 | 6.0  | 18.5 |
| 20 | PREP. OF VEGETABLE        | 7.0  | 9.7  | 84.5  | 14.0 | 8.6   | 19.1  | 175.1 | 0.7  | 1.0  | 25.0 | 9.6  | 15.1 |
| 21 | MISCELLANEOUS EDIBLE PREP | 0.0  | 0.3  | 0.8   | 3.5  | 2.2   | 4.0   | 2.3   | 1.5  | 1.9  | 30.2 | 2.8  | 5.8  |
| 22 | BEVERAGES, SPIRITS        | 0.4  | 74.1 | 39.7  | 17.1 | 620.7 | 3.9   | 981.5 | 1.8  | 1.2  | 56.4 | 0.3  | 42.3 |
| 23 | RESIDUES AND WASTE        | 0.9  | 0.0  | 5.5   | 7.4  | 6.4   | 3.8   | 25.7  | 2.7  | 1.1  | 14.9 | 0.1  | 6.5  |
| 24 | TOBACCO                   | 32.2 | 0.9  | 81.1  | 9.4  | 1.5   | 20.7  | 29.6  | 0.1  | 2.8  | 1.7  | 2.5  | 6.2  |
| 25 | SALT; SULPHUR; EARTH      | 9.3  | 19.3 | 12.0  | 15.7 | 157.0 | 13.4  | 112.3 | 2.0  | 3.0  | 5.8  | 11.1 | 31.1 |
| 26 | ORES, SLAG AND ASH        | 13.7 | 0.0  | 0.0   | 0.4  | 98.9  | 2.3   | 0.1   | 3.0  | 1.7  | 1.8  | 2.3  | 19.4 |
| 27 | MINERAL FUELS, MINERAL    | 0.2  | 0.5  | 170.2 | 5.0  | 6.5   | 7.0   | 0.3   | 10.5 | 12.9 | 5.6  | 0.2  | 5.5  |
| 28 | INORGANIC CHEMICALS;      | 1.3  | 0.2  | 12.6  | 21.9 | 8.4   | 4.2   | 0.0   | 11.6 | 2.6  | 2.5  | 0.9  | 39.1 |
| 29 | ORGANIC CHEMICALS         | 0.0  | 0.1  | 29.9  | 9.2  | 0.5   | 0.7   | 0.8   | 12.6 | 2.3  | 4.9  | 0.4  | 7.6  |
| 30 | PHARMACEUTICAL PRODUCTS   | 0.0  | 0.2  | 0.3   | 2.1  | 2.0   | 0.7   | 1.7   | 0.6  | 0.2  | 5.0  | 0.2  | 0.8  |
| 31 | FERTILIZERS               | 0.0  | 0.0  | 0.0   | 12.9 | 103.7 | 3.0   | 10.6  | 28.4 | 10.0 | 23.4 | 0.2  | 45.6 |
| 32 | TANNING OR DYEING EXTRACT | 0.1  | 0.1  | 1.0   | 2.5  | 0.2   | 14.2  | 0.6   | 1.0  | 0.3  | 12.3 | 3.5  | 7.4  |
| 33 | ESSENTIAL OILS & RESINOID | 0.0  | 0.1  | 0.1   | 5.6  | 20.9  | 6.8   | 10.8  | 2.8  | 1.0  | 2.9  | 3.0  | 1.3  |
| 34 | SOAP, ORGANIC SURFACE     | 0.0  | 0.2  | 4.6   | 5.3  | 5.2   | 4.0   | 1.4   | 5.6  | 2.2  | 25.2 | 11.4 | 4.3  |
| 35 | ALBUMINOIDAL SUBSTANCES   | 0.0  | 0.3  | 0.0   | 8.3  | 0.0   | 7.2   | 0.3   | 0.8  | 0.2  | 6.3  | 2.3  | 0.8  |
| 36 | EXPLOSIVES; PYROTECHNIC   | 0.0  | 0.0  | 2.6   | 1.4  | 7.3   | 1.2   | 1.0   | 0.1  | 6.1  | 68.5 | 5.7  | 7.4  |
| 37 | PHOTO. / CINEMATOGRAPHIC  | 0.0  | 0.0  | 0.0   | 16.0 | 0.0   | 3.4   | 0.0   | 0.2  | 0.2  | 1.5  | 0.2  | 0.3  |
| 38 | MISC. CHEMICAL PRODUCTS   | 0.0  | 0.0  | 7.0   | 1.0  | 1.1   | 4.4   | 0.5   | 1.1  | 0.7  | 6.2  | 1.3  | 2.2  |
| 39 | PLASTICS AND ARTICLES     | 1.3  | 0.1  | 32.0  | 7.6  | 0.3   | 10.5  | 4.6   | 4.8  | 0.6  | 9.4  | 5.2  | 4.5  |
| 40 | RUBBER AND ARTICLES       | 0.0  | 3.6  | 0.1   | 3.3  | 0.3   | 0.5   | 4.2   | 1.9  | 3.7  | 20.0 | 2.2  | 8.2  |
| 41 | RAW HIDES AND SKINS       | 15.6 | 0.0  | 13.8  | 4.5  | 9.8   | 6.6   | 42.0  | 1.3  | 0.1  | 19.7 | 1.2  | 10.0 |
| 42 | ARTICLES OF LEATHER       | 0.0  | 0.0  | 0.8   | 2.1  | 2.3   | 1.6   | 74.0  | 0.8  | 0.2  | 4.4  | 7.3  | 0.4  |
| 43 | FURSKINS & ARTIFICIAL FUR | 7.1  | 0.0  | 0.0   | 0.9  | 0.0   | 192.9 | 0.8   | 0.4  | 0.4  | 1.2  | 20.8 | 0.9  |
| 44 | WOOD AND ARTICLES OF WOD  | 8.2  | 0.0  | 1.6   | 32.3 | 53.3  | 7.2   | 2.3   | 15.2 | 4.2  | 12.4 | 2.9  | 14.6 |
| 45 | CORK AND ARTICLES OF CORK | 0.0  | 33.3 | 0.0   | 22.1 | 9.4   | 0.4   | 21.4  | 0.3  | 0.1  | 1.2  | 0.1  | 0.2  |
| 46 | MANUFACTURES OF STRAW     | 0.2  | 0.0  | 0.0   | 0.4  | 0.1   | 1.0   | 0.0   | 0.1  | 0.0  | 0.7  | 0.7  | 0.1  |



# Black Sea Economic Cooperation Investment

| HS | Description                 | ALB   | ARM | AZE   | BGR   | GEO   | GRE  | MOL   | ROM  | RUS | SEM   | TUR  | UKR   |
|----|-----------------------------|-------|-----|-------|-------|-------|------|-------|------|-----|-------|------|-------|
| 47 | PULP OF WOOD OR OF OTHER    | 1.4   | 0.0 | 1.1   | 29.0  | 0.0   | 6.4  | 6.0   | 1.5  | 4.8 | 16.5  | 0.0  | 0.4   |
| 48 | PAPER & PAPERBOARD; ART     | 8.3   | 0.4 | 3.0   | 5.3   | 0.9   | 4.6  | 12.0  | 2.1  | 2.0 | 9.7   | 3.4  | 12.7  |
| 49 | PRINTED BOOKS/ NEWSPAP.     | 0.0   | 0.5 | 1.2   | 2.2   | 2.4   | 4.7  | 7.9   | 2.7  | 1.5 | 33.9  | 1.7  | 8.0   |
| 50 | SILK                        | 0.0   | 0.0 | 0.0   | 0.1   | 0.8   | 2.0  | 0.0   | 0.2  | 0.0 | 0.0   | 0.9  | 0.0   |
| 51 | WOOL, ANIMAL HAIR           | 0.2   | 0.0 | 0.0   | 9.8   | 0.6   | 2.0  | 2.5   | 3.5  | 0.2 | 1.0   | 2.8  | 0.0   |
| 52 | COTTON                      | 0.0   | 0.1 | 103.7 | 3.3   | 0.0   | 29.7 | 1.9   | 0.3  | 0.6 | 1.0   | 7.2  | 0.4   |
| 53 | OTHER VEGETABLE TEXTILE     | 0.0   | 0.0 | 0.0   | 1.6   | 0.0   | 4.8  | 0.3   | 0.6  | 3.1 | 0.6   | 2.0  | 1.7   |
| 54 | MAN-MADE FILAMENTS          | 0.2   | 0.0 | 16.4  | 3.9   | 0.0   | 3.3  | 0.9   | 1.1  | 0.1 | 1.1   | 12.5 | 3.6   |
| 55 | MAN-MADE STAPLE FIBRES      | 0.0   | 0.0 | 0.0   | 5.5   | 0.6   | 1.4  | 15.4  | 4.1  | 0.6 | 1.1   | 7.8  | 0.5   |
| 56 | WADDING, FELT & NONWOVEN    | 0.1   | 0.4 | 14.3  | 2.0   | 0.2   | 5.4  | 2.8   | 5.8  | 0.6 | 4.2   | 5.3  | 1.7   |
| 57 | CARPETS AND OTHER TEXTILE   | 0.0   | 0.2 | 0.5   | 1.2   | 0.0   | 5.2  | 247.9 | 1.2  | 0.1 | 30.7  | 44.1 | 9.8   |
| 58 | SPECIAL WOVEN FABRICS       | 0.0   | 0.0 | 0.4   | 1.1   | 0.1   | 8.8  | 0.6   | 1.2  | 0.0 | 1.6   | 32.6 | 0.0   |
| 59 | IMPREGNATED, COATED         | 0.0   | 0.0 | 0.2   | 0.3   | 0.0   | 1.1  | 1.2   | 0.2  | 0.8 | 1.3   | 9.6  | 3.9   |
| 60 | KNITTED OR CROCHETED FAB.   | 0.7   | 0.4 | 0.0   | 4.6   | 0.0   | 36.3 | 4.5   | 1.1  | 0.1 | 0.6   | 41.9 | 1.2   |
| 61 | ART. OF APPAREL & CLOTHING  | 164.6 | 2.4 | 0.8   | 129.2 | 1.1   | 62.0 | 91.6  | 5.0  | 0.0 | 6.1   | 9.5  | 0.6   |
| 62 | ART. OF APPAREL & CLOTHING  | 85.2  | 0.4 | 0.7   | 40.3  | 23.6  | 15.7 | 25.5  | 3.1  | 0.2 | 13.6  | 9.4  | 0.4   |
| 63 | OTHER MADE-UP TEXTILE ART.  | 20.9  | 2.4 | 84.4  | 8.0   | 1.4   | 2.5  | 12.0  | 1.7  | 0.1 | 7.5   | 19.5 | 3.8   |
| 64 | FOOTWEAR, GAITERS           | 1.9   | 0.0 | 0.8   | 2.5   | 0.6   | 2.9  | 17.9  | 1.5  | 0.1 | 9.9   | 3.2  | 1.4   |
| 65 | HEADGEAR & PARTS THEREOF    | 2.9   | 0.4 | 0.1   | 0.9   | 0.3   | 1.5  | 1.8   | 0.3  | 0.1 | 8.0   | 2.0  | 6.1   |
| 66 | UMBRELLAS, SUN UMBRELLAS    | 0.0   | 0.0 | 0.0   | 5.7   | 2.2   | 2.9  | 3.3   | 0.6  | 0.1 | 3.1   | 2.8  | 4.5   |
| 67 | PREPARED FEATHERS &DOWN     | 0.0   | 0.0 | 0.0   | 0.1   | 0.0   | 1.6  | 0.0   | 0.0  | 0.0 | 0.2   | 0.2  | 0.0   |
| 68 | ARTICLES OF STONE, PLASTER  | 7.3   | 0.8 | 1.1   | 1.7   | 1.6   | 5.8  | 10.5  | 2.9  | 2.8 | 8.6   | 6.4  | 10.4  |
| 69 | CERAMIC PRODUCTS            | 4.7   | 0.0 | 0.1   | 5.5   | 2.3   | 8.8  | 9.6   | 2.2  | 0.8 | 23.1  | 7.9  | 8.7   |
| 70 | GLASS AND GLASSWARE         | 0.2   | 4.1 | 0.7   | 25.9  | 2.7   | 3.6  | 65.9  | 3.4  | 1.6 | 13.0  | 7.7  | 6.7   |
| 71 | NATURAL /CULTURED PEARL     | 0.0   | 5.0 | 1.3   | 0.0   | 0.5   | 0.1  | 0.0   | 22.4 | 0.2 | 0.4   | 2.0  | 0.8   |
| 72 | IRON AND STEEL              | 7.4   | 0.2 | 1.0   | 18.1  | 71.8  | 4.1  | 0.9   | 3.1  | 7.2 | 21.3  | 3.5  | 54.4  |
| 73 | ARTICLES OF IRON OR STEEL   | 1.7   | 0.2 | 21.9  | 5.5   | 1.9   | 5.8  | 5.4   | 1.2  | 1.8 | 20.7  | 8.4  | 34.1  |
| 74 | COPPER & ARTICLES THEREOF   | 18.9  | 0.5 | 0.0   | 79.3  | 21.2  | 6.8  | 0.2   | 0.0  | 4.0 | 31.1  | 3.0  | 6.9   |
| 75 | NICKEL & ARTICLES THEREOF   | 0.0   | 0.0 | 29.1  | 0.0   | 0.0   | 0.0  | 0.0   | 11.8 | 2.9 | 0.3   | 0.1  | 3.5   |
| 76 | ALUMINIUM AND ARTICLES      | 16.2  | 0.1 | 0.0   | 7.1   | 31.9  | 27.8 | 30.2  | 18.3 | 5.4 | 11.7  | 6.0  | 7.5   |
| 78 | LEAD AND ARTICLES THEREOF   | 0.0   | 0.0 | 0.0   | 179.6 | 31.4  | 11.1 | 0.0   | 14.0 | 1.9 | 1.2   | 0.3  | 14.1  |
| 79 | ZINC AND ARTICLES THEREOF   | 1.6   | 0.0 | 0.0   | 222.2 | 0.3   | 1.4  | 0.0   | 0.0  | 5.5 | 25.5  | 0.1  | 0.0   |
| 80 | TIN AND ARTICLES THEREOF    | 0.0   | 0.0 | 0.9   | 0.0   | 0.0   | 2.7  | 0.0   | 0.0  | 0.3 | 1.8   | 0.0  | 0.0   |
| 81 | OTHER BASE METALS           | 0.0   | 0.5 | 0.7   | 0.2   | 0.0   | 0.0  | 0.0   | 0.4  | 3.3 | 3.6   | 0.5  | 16.3  |
| 82 | TOOLS, IMPLEMENTS, CUTLERY  | 0.2   | 0.1 | 0.5   | 1.4   | 0.4   | 2.3  | 15.5  | 1.5  | 1.4 | 4.8   | 1.1  | 3.0   |
| 83 | MISC ARTICLES (BASE METAL)  | 0.6   | 0.0 | 1.4   | 3.6   | 1.0   | 8.6  | 2.7   | 1.1  | 0.5 | 7.2   | 7.4  | 5.4   |
| 84 | NUCLEAR REACTORS/BOILERS    | 0.1   | 0.2 | 0.4   | 2.0   | 1.1   | 2.0  | 4.6   | 1.1  | 1.0 | 3.1   | 1.9  | 6.5   |
| 85 | ELECTRICAL MACHINERY        | 0.7   | 0.5 | 9.2   | 1.8   | 0.5   | 2.7  | 3.2   | 7.8  | 0.4 | 3.2   | 2.3  | 3.8   |
| 86 | RAILWAY LOCOMOTIVE          | 2.2   | 2.2 | 0.3   | 11.0  | 20.6  | 0.0  | 6.8   | 1.3  | 4.0 | 8.8   | 0.4  | 142.8 |
| 87 | VEHICLES O/T RAILWAY        | 0.0   | 0.0 | 0.6   | 0.5   | 7.3   | 1.2  | 2.1   | 0.3  | 1.1 | 3.5   | 3.2  | 1.6   |
| 88 | AIRCRAFT, SPACECRAFT        | 0.0   | 0.0 | 0.0   | 0.3   | 110.9 | 0.0  | 4.8   | 1.5  | 0.5 | 0.2   | 0.0  | 3.8   |
| 89 | SHIPS, BOATS                | 0.0   | 0.0 | 1.6   | 5.6   | 0.4   | 0.7  | 0.0   | 0.2  | 0.7 | 0.5   | 0.4  | 3.0   |
| 90 | OPTICAL, PHOTOGRAPHIC       | 0.2   | 0.4 | 0.0   | 0.5   | 1.0   | 0.9  | 5.2   | 0.4  | 0.5 | 1.9   | 0.5  | 3.2   |
| 91 | CLOCKS AND WATCHES          | 0.0   | 3.0 | 0.6   | 0.2   | 1.5   | 0.2  | 0.7   | 0.7  | 0.3 | 1.3   | 0.2  | 0.2   |
| 92 | MUSICAL INSTRUMENTS;        | 0.0   | 0.0 | 5.4   | 1.5   | 0.9   | 2.6  | 0.0   | 4.9  | 0.0 | 5.7   | 0.4  | 0.7   |
| 93 | ARMS AND AMMUNITION;        | 0.0   | 0.1 | 0.0   | 0.0   | 10.2  | 5.2  | 25.0  | 0.6  | 1.6 | 271.5 | 3.2  | 5.7   |
| 94 | FURNITURE;BEDDING, MATTRESS | 5.7   | 0.1 | 0.1   | 5.9   | 1.1   | 5.7  | 11.2  | 0.7  | 0.4 | 16.6  | 7.0  | 2.1   |

| HS | Description            | ALB | ARM | AZE | BGR | GEO | GRE | MOL  | ROM | RUS | SEM  | TUR | UKR |
|----|------------------------|-----|-----|-----|-----|-----|-----|------|-----|-----|------|-----|-----|
| 95 | TOYS, GAMES AND SPORTS | 0.7 | 0.0 | 0.6 | 2.0 | 0.7 | 2.3 | 25.0 | 0.1 | 0.2 | 3.4  | 0.6 | 0.3 |
| 96 | MISC. MANUFACTURE      | 5.4 | 0.0 | 1.3 | 2.8 | 2.3 | 1.7 | 0.4  | ... | 0.0 | 4.2  | 2.5 | 0.1 |
| 97 | WORKS OF ART           | 0.2 | 0.0 | ... | 0.5 | 0.2 | 0.4 | 0.0  | ... | 0.6 | 19.5 | 0.3 | 0.3 |

Source: Authors calculation based on UNSD *Comtrade Statistics*, 2006

## Annex 2. Methodology for calculating trade potential and results

### Annex 2.1. Methodological aspects of Gravity Equations

The Trade potential calculated using the gravity equation is obtained from the International Trade Centre's TradeSim model. TradeSim takes into account a number of factors such as market size, conflicts, tariffs, cultural proximity, distance between cities, etc. The TradeSim model calculates the expected trade that would take place between countries based on these variables. Formally, the equation is given as:

$$X_{ijk} = \alpha_{ik} + \alpha_{jk} + \beta_{0k} + \beta_{1k} \ln D_{ij} + \beta_{2k} \ln T_{ijk} + \beta_{3k} \ln B_{ij} + \beta_{4k} \ln L_{ij} + \beta_{5k} \ln C_{ij} + \beta_{6k} G_{ij} + \varepsilon_{ijk}$$

Where  $i$ : exporting country;  $j$ : importing country;  $k$ : sector

$X_{ijk}$ : Trade in sector  $k$  from country  $i$  to country  $j$

$D_{ij}$ : Distance between country  $i$  and country  $j$

$B_{ij}$ : Border between country  $i$  and country  $j$  (Equals 1 if bordering; 0 otherwise)

$T_{ijk}$ : Tariff between country  $i$  and country  $j$  in sector  $k$

$L_{ij}$ : Language common to country  $i$  and country  $j$  (Equals 1 if the same; 0 otherwise)

$C_{ij}$ : Existence of conflict between country  $i$  and country  $j$  (Equals 1 if conflict; 0 otherwise)

$G_{ij}$ : Bilateral measure of geographical location

$\alpha_{ik}, \alpha_{jk}$ : Multilateral resistance terms

With only minor exceptions (for example for energy products), the model yields the expected results from economic theory, namely that tariffs ( $\beta_2$ ) impact negatively on bilateral trade, as do conflicts ( $\beta_5$ ) and transport costs – measured by distances between major trading cities ( $\beta_1$ ). On the other hand, the economic size of trading

partners (measured by GDP) ( $\beta_0$ ), bordering countries ( $\beta_1$ ), and common languages ( $\beta_4$ ) have a positive influence on bilateral trade flows. The bilateral measure of geographical location ( $\beta_3$ ) captures country specific characteristics based on the assumption that countries with similar geographical characteristics are likely to have similar comparative advantages and thus trade less. The bilateral location variable is captured using the country's latitude, taking a value of 1 if both countries belong to the same hemisphere, using a 20° latitude line as division criterion, and 0 otherwise.

Trade data is constructed from UNSD Comtrade Database for averages of 2002-03 data. Tariff data is obtained from MacMaps and sectors are defined according to the ISIC 19 industrial sectors. Distances are calculated according to the great circle distance between country *i* and country *j*'s capital (or main) cities. Conflict data is obtained from the Heidelberg Institute for International Conflict Research. With respect to languages, if two countries share a common main language, a value of 1 is given to the dummy variable; if two countries share a common language which is the main language of one and a second language for the other, then a value of 0.5 is given; and if both countries share a common second language, a value of 0.25 is given. The data on a country's latitude is obtained from the CEPII database. The TradeSim model is described in detail in Helmers and Pasteels (2005).

The export potential is calculated using the regressions for all 19 sectors and for all BSEC countries. The following notation is given to indicate the level of trade potential which exists in each sector between each partner country.

- ↗↗: Very strong untapped trade potential;
- ↗: Strong untapped trade potential
- ↔: Good fit;
- ↔↔: Good fit or low values
- ↘↘: Very strong current trade;



☞: Strong current trade

The following abbreviations for countries have been used:

- ALB: Albania
- ARM: Armenia
- AZE: Azerbaijan
- BGR: Bulgaria
- GEO: Georgia
- GRC: Greece
- MDA: Republic of Moldova
- ROM: Romania
- RUS: Russia
- S-M: Serbia-Montenegro
- TUR: Turkey
- UKR: Ukraine

The limitation of the model is that it is based on a conditional general equilibrium framework which does not capture dynamic effects nor cross country linkages. The static nature of the equation therefore leads to the omission of second round effects from trade liberalisation. The omission of countries or variables in the model will have an important effect on the model results. Moreover, the model fails to capture sufficiently well trade complementarity effects in weakly diversified economies (which are by their very nature specialized in just a few commodities and therefore appear to over trade in some sectors and under trade in other sectors).

## Annex 2.2. Methodological aspects of Trade Flow Analysis

The trade flow analysis computes the sub-regional exports to the world and imports from the world for each country in the region at the most detailed level of classification available<sup>9</sup>. The data used comes from the UNSD Comtrade Database using 2005 data. Missing country data has been constructed using bilateral (mirror) statistics. Thus for over 5,000 product groups, the indicative export potential has



been calculated when one country is an exporter of a product group to the world, while the rest of BSEC member countries are importers of that same product group.

The indicative import potential of a country is calculated when one country is an importer of a product group from the world and the rest of BSEC is an exporter of that same product group to the world. The indicative potential is calculated as the lower value between the two. Formally, the indicator is calculated as:

$I = \min(X_{ik}, M_{jk}) - X_{ijk}$  where  $X_{ik}$  and  $M_{jk}$  represent exports of country  $i$  and imports of country  $j$  respectively in product  $k$ .

The trade flow analysis is used to provide an *indication* of the potential for trade between a country and the rest of the region. Since the level of disaggregation is relatively high, the complementarity for trading between partner countries is considered to be relatively high. Obviously, even at this detailed level, products may not be perfect substitutes, but are considered to be closely approximate substitutes<sup>10</sup>. The indicative trade potential has been computed for the 5,000 product group and ranked from the highest to the lowest.

<sup>9</sup>The six digit level of the harmonised system of trade classification has been used (referred to as HS6). This is the most detailed level possible for cross country comparison

<sup>10</sup> Helmers and Pasteels (2006) provide a study on the uses and limitations of assessing bilateral trade potential at the Commodity level.

The trade flow analysis is used to provide an indication of the potential for trade between a country and the rest of the region

|     |        |
|-----|--------|
| 125 | 36.00  |
| 26  | 548.00 |
| 196 | 86.04  |
| 59  | 68.32  |
| 145 | 316.00 |
| 198 | 136.86 |
| 4   | 577.89 |
| 15  | 12.94  |
| 88  | 15.50  |
| 248 | 39.93  |
| 148 | 95.24  |
| 124 | 85.01  |
| 288 | 479.03 |
| 48  | 244.85 |
| 38  | 382.76 |
| 48  | 496.70 |
| 49  | 396.84 |
| 125 | 376.73 |
| 15  | 96.21  |
| 186 | 12.08  |
| 132 | 28.40  |
| 148 | 289.38 |
| 18  | 486.09 |
| 95  | 84.12  |
| 45  | 48.38  |
| 83  | 188.00 |
| 84  | 324.87 |
| 73  | 766.05 |
| 183 | 344.16 |
| 194 | 746.06 |
| 158 | 363.80 |
| 111 | 1      |
| 135 |        |

## Annex 2.3. Results of Gravity Equation Trade Simulations

### Albania

| Sector / Exports to                 | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Machinery and equipment             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Metal and metal products            | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |

### Armenia

| Sector / Exports to                 | ALB | AZE | BGR | GEO | GRC | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Machinery and equipment             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Metal and metal products            | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

## Azerbaijan

| Sector / Exports to                 | ALB | ARM | BGR | GEO | GRC | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↗↗  | ↗↗  | ↘   | ↗↗  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔↔  | ↗↗  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↗↗  |
| Machinery and equipment             | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↔↔  | ↘   | ↘↘  | ↘↘  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Metal and metal products            | ↔↔  | ↗↗  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↗↗  | ↗↗  | ↘↘  | ↗↗  | ↔↔  |

## Bulgaria

| Sector / Exports to                 | ALB | ARM | AZE | GEO | GRC | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↘↘  | ↔↔  | ↘   | ↗↗  | ↔   | ↘↘  | ↘   | ↘   | ↔   | ↗↗  | ↘   |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↘   | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↘↘  | ↘↘  | ↘   | ↘↘  | ↘↘  | ↘↘  | ↗   | ↘↘  | ↘↘  | ↗   | ↘↘  |
| Machinery and equipment             | ↘   | ↘↘  | ↘↘  | ↘↘  | ↔   | ↘↘  | ↗   | ↘↘  | ↗↗  | ↘↘  | ↘↘  |
| Electrical and electronic equipment | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↗   | ↘↘  | ↘↘  | ↘↘  | ↘   | ↘↘  | ↘↘  |
| Precision instruments               | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↘↘  | ↘   | ↔↔  | ↗↗  | ↘↘  | ↘↘  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  |
| Other manufacturing                 | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↗↗  | ↘   | ↗↗  | ↗↗  | ↘↘  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↗↗  |
| Textiles, clothing and leather      | ↗↗  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↗↗  | ↗   | ↗↗  | ↗↗  | ↔   |
| Wood and wood products              | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗   | ↔   | ↘↘  | ↗↗  | ↘↘  |
| Publishing, print. & recorded media | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  |
| Chemicals and chemical products     | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  |
| Rubber and plastic products         | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔   | ↘↘  | ↗   | ↘↘  | ↗↗  | ↘↘  | ↘↘  |
| Non-metallic mineral products       | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘   | ↘↘  | ↔   | ↘   | ↗↗  | ↗↗  | ↘   |
| Metal and metal products            | ↘   | ↘↘  | ↗↗  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↗↗  | ↔   | ↗↗  | ↘↘  |

# Black Sea Economic Cooperation: Study on Trade and Investment Potential

## Georgia

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GRC | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔↔  | ↗   | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↘↘  | ↔   | ↘↘  | ↗↗  |
| Machinery and equipment             | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↗↗  | ↘   | ↔↔  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↘↘  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↗↗  | ↘↘  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↗   | ↔↔  | ↔↔  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↔↔  |
| Metal and metal products            | ↔↔  | ↘↘  | ↗↗  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔   | ↘↘  | ↗↗  | ↔↔  |

## Greece

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | MDA | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘   | ↘↘  | ↘↘  |
| Forestry and Fishing                | ↘↘  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  |
| Food, beverages and tobacco         | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗   | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  |
| Machinery and equipment             | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔   | ↗↗  | ↘↘  | ↘↘  |
| Electrical and electronic equipment | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↘   | ↗   | ↘↘  | ↘↘  |
| Precision instruments               | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  |
| Motor vehicles & other trans equip. | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↔   | ↗   | ↗↗  | ↗↗  | ↘↘  |
| Other manufacturing                 | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↗   | ↔↔  | ↘↘  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↘↘  |
| Wood and wood products              | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  |
| Publishing, print. & recorded media | ↘↘  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  |
| Chemicals and chemical products     | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↔   | ↘   | ↘↘  |
| Rubber and plastic products         | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↘↘  | ↗   | ↔   | ↘↘  |
| Non-metallic mineral products       | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↘   | ↘↘  | ↗↗  | ↘   | ↘↘  |
| Metal and metal products            | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↔   | ↘↘  |



## Moldova

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | ROM | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↘↘  | ↗↗  | ↘↘  | ↔↔  | ↘↘  | ↔   | ↘↘  | ↗↗  | ↘   | ↘   |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↗↗  | ↘↘  | ↔↔  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  | ↘   | ↘   | ↗↗  |
| Machinery and equipment             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘   | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↔↔  | ↘↘  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↔↔  | ↘↘  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↗↗  | ↔↔  | ↗↗  | ↗↗  | ↔↔  | ↗↗  | ↗↗  | ↔   | ↗↗  | ↗↗  | ↗↗  |
| Wood and wood products              | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↘↘  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  |
| Metal and metal products            | ↘↘  | ↔↔  | ↗↗  | ↔↔  | ↘↘  | ↘↘  | ↘   | ↘↘  | ↗↗  | ↔   | ↔↔  |

## Romania

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | MDA | RUS | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↗↗  | ↗↗  | ↗↗  | ↗   | ↗↗  | ↘↘  | ↘   | ↗↗  | ↘   | ↗↗  | ↗↗  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↔↔  |
| Food, beverages and tobacco         | ↗↗  | ↗↗  | ↔↔  | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↗   |
| Machinery and equipment             | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↘↘  | ↔↔  | ↗↗  | ↗   | ↘   |
| Electrical and electronic equipment | ↘   | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↗↗  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  |
| Motor vehicles & other trans equip. | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↔↔  | ↗↗  | ↔↔  | ↗   | ↗↗  | ↔   | ↘↘  |
| Other manufacturing                 | ↗↗  | ↔↔  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↔   | ↗↗  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↘   | ↗   | ↗↗  | ↘↘  | ↔↔  | ↔   |
| Textiles, clothing and leather      | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  |
| Wood and wood products              | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↘   | ↘↘  | ↗↗  | ↗   | ↗↗  | ↔   |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  |
| Chemicals and chemical products     | ↘↘  | ↗↗  | ↗↗  | ↘↘  | ↗↗  | ↔   | ↘↘  | ↔   | ↘↘  | ↔   | ↘↘  |
| Rubber and plastic products         | ↗↗  | ↔↔  | ↗↗  | ↗↗  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↗   |
| Non-metallic mineral products       | ↘   | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↔   | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↔↔  |
| Metal and metal products            | ↗   | ↗↗  | ↘   | ↗↗  | ↗↗  | ↘↘  | ↘   | ↘   | ↘   | ↗↗  | ↘↘  |

## Russia

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | MDA | ROM | TUR | UKR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   |
| Machinery and equipment             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔   | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   |
| Metal and metal products            | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |

## Serbia-Montenegro

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | TUR | UKR |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Food, beverages and tobacco         | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  |
| Machinery and equipment             | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Electrical and electronic equipment | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Motor vehicles & other trans equip. | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Textiles, clothing and leather      | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Wood and wood products              | ↔   | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Chemicals and chemical products     | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |
| Rubber and plastic products         | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  |
| Non-metallic mineral products       | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  |
| Metal and metal products            | ↔↔  | ↔↔  | ↔↔  | ↔   | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  |

## Turkey

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | SM | UKR |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|-----|
| Agriculture and hunting             | ↗↗  | ↗↗  | ↘   | ↗↗  | ↘↘  | ↗↗  | ↘   | ↔   | ↘↘  | ↘↘ | ↘↘  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↗↗  | ↗↗ | ↗↗  |
| Food, beverages and tobacco         | ↘↘  | ↘↘  | ↘↘  | ↗   | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↔   | ↘↘ | ↗   |
| Machinery and equipment             | ↘↘  | ↘↘  | ↘↘  | ↔   | ↘↘  | ↔   | ↘↘  | ↘↘  | ↘↘  | ↘  | ↘   |
| Electrical and electronic equipment | ↘↘  | ↘   | ↘↘  | ↘↘  | ↘↘  | ↗   | ↘↘  | ↘↘  | ↘↘  | ↘↘ | ↘↘  |
| Precision instruments               | ↘↘  | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↔↔  | ↘↘  | ↘↘  | ↔↔ | ↘↘  |
| Motor vehicles & other trans equip. | ↘↘  | ↘↘  | ↘↘  | ↗   | ↘↘  | ↗↗  | ↔   | ↘↘  | ↘↘  | ↘↘ | ↔   |
| Other manufacturing                 | ↘↘  | ↘↘  | ↘↘  | ↔   | ↘↘  | ↔   | ↘↘  | ↘   | ↘↘  | ↘↘ | ↔   |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↗↗  | ↔↔  | ↔↔  | ↔↔ | ↔↔  |
| Textiles, clothing and leather      | ↔   | ↘↘  | ↔   | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘  | ↗   |
| Wood and wood products              | ↘↘  | ↘↘  | ↘↘  | ↘   | ↘↘  | ↗   | ↘↘  | ↘↘  | ↘↘  | ↘  | ↘↘  |
| Publishing, print. & recorded media | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↔   | ↘↘  | ↘   | ↘↘  | ↔↔ | ↔↔  |
| Chemicals and chemical products     | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘  | ↘↘  |
| Rubber and plastic products         | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘   | ↘↘  | ↔  | ↘↘  |
| Non-metallic mineral products       | ↘   | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘↘  | ↗  | ↘   |
| Metal and metal products            | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗   | ↘↘  | ↔   | ↘↘  | ↔  | ↗↗  |

## Ukraine

| Sector / Exports to                 | ALB | ARM | AZE | BGR | GEO | GRC | MDA | ROM | RUS | TUR | S-M |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agriculture and hunting             | ↗↗  | ↘↘  | ↗↗  | ↗↗  | ↗↗  | ↘   | ↗↗  | ↗↗  | ↗↗  | ↗   | ↗↗  |
| Forestry and Fishing                | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↔↔  |
| Food, beverages and tobacco         | ↘   | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↔   | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↗↗  |
| Machinery and equipment             | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↗↗  |
| Electrical and electronic equipment | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘   |
| Precision instruments               | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↗↗  |
| Motor vehicles & other trans equip. | ↗↗  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↔   | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↗↗  |
| Other manufacturing                 | ↔↔  | ↔↔  | ↔↔  | ↔↔  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↔↔  |
| Recycling                           | ↔↔  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↔↔  | ↗↗  | ↘↘  | ↔↔  |
| Textiles, clothing and leather      | ↗↗  | ↗   | ↗↗  | ↘↘  | ↔↔  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  | ↗↗  |
| Wood and wood products              | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↘↘  |
| Publishing, print. & recorded media | ↔↔  | ↔↔  | ↘↘  | ↔↔  | ↔↔  | ↗↗  | ↘↘  | ↗↗  | ↘↘  | ↗↗  | ↔↔  |
| Chemicals and chemical products     | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗   | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗   |
| Rubber and plastic products         | ↔↔  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘↘  | ↔↔  |
| Non-metallic mineral products       | ↗↗  | ↘↘  | ↗   | ↘↘  | ↘↘  | ↗↗  | ↘↘  | ↘↘  | ↘↘  | ↘   | ↘   |
| Metal and metal products            | ↘↘  | ↘↘  | ↘   | ↘↘  | ↘   | ↗↗  | ↘↘  | ↘   | ↘↘  | ↘↘  | ↘↘  |







| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%)<br>(iv) | Share of exports to EU (%)<br>(v) | Share of exports to ROW (%)<br>(vi) | BSEC Max MFN (%)<br>(vii) | BSEC Min MFN (%)<br>(viii) | 1st           |     | 2nd           |     |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|-----|---------------|-----|
|      |        |   |                            |   |                              |                             |                               |                                      |                                   |                                     |                           |                            | BSEC Exporter | 2nd | BSEC Importer | 2nd |
| 31   | 720839 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 | 294                        | 10  | 794                          | 2,083                       | 294                           | 27.6                                 | 19.5                              | 52.9                                | 20.0                      | 0.0                        | UKR           | RUS | TUR           | GRE |
| 32   | 710231 | Non-industrial diamonds unworked or simply sawn, cleaved or b         | 287                        | 17  | 14                           | 1,657                       | 287                           | 0.8                                  | 80.0                              | 19.2                                | 15.0                      | 0.0                        | RUS           | ARM | ARM           | UKR |
| 33   | 854459 | Electric conductors, for a voltage > 80 V but <= 1 000 V, not fit     | 279                        | 43  | 98                           | 546                         | 279                           | 15.2                                 | 49.8                              | 35.0                                | 20.0                      | 0.0                        | UKR           | RUS | RUS           | S&M |
| 34   | 851660 | Electric ovens, cookers, cooking plates and boiling rings; elect      | 272                        | 82  | 59                           | 272                         | 305                           | 17.9                                 | 56.1                              | 26.0                                | 15.7                      | 2.7                        | TUR           | GRE | RUS           | GRE |
| 35   | 640399 | Footwear with outer soles of rubber, plastics or composition leat     | 271                        | 44  | 16                           | 594                         | 271                           | 2.6                                  | 88.8                              | 8.6                                 | 27.4                      | 8.0                        | TUR           | S&M | GRE           | RUS |
| 36   | 870870 | Road wheels and parts and accessories thereof, for tractors, md       | 268                        | 74  | 57                           | 304                         | 268                           | 15.9                                 | 64.6                              | 19.5                                | 12.0                      | 0.0                        | UKR           | RUS | RUS           | UKR |
| 37   | 890520 | Floating or submersible drilling or production platforms              | 265                        | 100   | 1                            | 265                         | 454                           | 0.5                                  | 0.0                               | 99.5                                | 20.0                      | 0.0                        | BUL           | AZE | AZE           | BUL |
| 38   | 721049 | Flat-rolled products of iron or non-alloy steel, of a width of >= 60  | 259                        | 48  | 283                          | 259                         | 565                           | 52.2                                 | 22.4                              | 25.4                                | 10.0                      | 0.0                        | UKR           | TUR | RUS           | TUR |
| 39   | 300440 | Medicaments containing alkaloids or derivatives thereof, not con      | 248                        | 94  | 15                           | 248                         | 548                           | 5.8                                  | 78.6                              | 15.6                                | 15.0                      | 0.0                        | RUS           | GRE | RUS           | UKR |
| 40   | 340220 | Surface-active preparations, washing preparations, auxiliary was      | 236                        | 88  | 168                          | 236                         | 505                           | 41.6                                 | 16.8                              | 41.6                                | 19.8                      | 0.0                        | RUS           | TUR | UKR           | RUS |
| 41   | 870120 | Road tractors for semi-trailers                                       | 233                        | 58  | 32                           | 233                         | 1,531                         | 12.1                                 | 56.5                              | 31.5                                | 30.0                      | 0.0                        | TUR           | RUS | ROM           | RUS |
| 42   | 880240 | Aeroplanes and other powered aircraft of an of an unladen weight      | 231                        | 40  | 9                            | 574                         | 231                           | 1.5                                  | 70.7                              | 27.9                                | 20.0                      | 0.0                        | RUS           | UKR | RUS           | BUL |
| 43   | 760120 | Unwrought aluminium alloys  | 231                        | 18  | 137                          | 1,129                       | 231                           | 10.8                                 | 29.1                              | 60.0                                | 15.0                      | 0.0                        | RUS           | UKR | TUR           | GRE |
| 44   | 281820 | Aluminium oxide (excl. artificial corundum)                           | 228                        | 41  | 322                          | 228                         | 845                           | 58.6                                 | 17.7                              | 23.7                                | 5.1                       | 0.0                        | UKR           | ROM | RUS           | S&M |
| 45   | 843149 | Parts of machinery of headings 8426, 8429 and 8430 n.e.s.             | 219                        | 57  | 32                           | 349                         | 219                           | 8.3                                  | 77.2                              | 14.5                                | 15.0                      | 0.0                        | UKR           | RUS | RUS           | UKR |
| 46   | 852520 | Transmission apparatus incorporating reception apparatus, for r       | 215                        | 94  | 15                           | 215                         | 4,886                         | 6.5                                  | 69.3                              | 24.2                                | 5.0                       | 0.0                        | GRE           | ROM | GEO           | ARM |
| 47   | 940600 | Prefabricated buildings, whether or not complete or already ass       | 214                        | 86  | 35                           | 214                         | 313                           | 14.2                                 | 33.2                              | 52.6                                | 20.0                      | 0.0                        | GRE           | TUR | ROM           | BUL |
| 48   | 730410 | Line pipe of a kind used for oil or gas pipelines, seamless, of ir    | 213                        | 90  | 25                           | 213                         | 219                           | 10.3                                 | 18.4                              | 71.2                                | 15.0                      | 0.0                        | UKR           | RUS | RUS           | AZE |
| 49   | 210690 | Food preparations n.e.s.  | 209                        | 66  | 108                          | 209                         | 765                           | 34.1                                 | 26.5                              | 39.5                                | 30.0                      | 0.0                        | RUS           | UKR | UKR           | GRE |
| 50   | 721391 | Bars and rods, hot-rolled, in irregularly wound coils, of iron or no  | 208                        | 19  | 154                          | 934                         | 208                           | 14.1                                 | 22.5                              | 63.3                                | 20.0                      | 0.0                        | UKR           | TUR | BUL           | ROM |
| 51   | 170199 | Cane or beet sugar and chemically pure sucrose, in solid form (       | 208                        | 77  | 64                           | 208                         | 270                           | 23.5                                 | 17.8                              | 58.7                                | 135.0                     | 10.0                       | GEO           | RUS | AZE           | ARM |
| 52   | 853710 | Boards, cabinets and similar combinations of apparatus for elec       | 208                        | 79  | 56                           | 208                         | 557                           | 21.1                                 | 21.3                              | 57.6                                | 10.0                      | 0.0                        | RUS           | TUR | RUS           | UKR |
| 53   | 711319 | Articles of jewellery and parts thereof, of precious metal other th   | 207                        | 26  | 70                           | 725                         | 207                           | 8.8                                  | 40.7                              | 50.5                                | 30.0                      | 2.5                        | TUR           | UKR | UKR           | MOL |
| 54   | 100190 | Wheat and meslin (excl. durum wheat)                                  | 204                        | 10  | 241                          | 1,738                       | 204                           | 12.2                                 | 18.3                              | 69.6                                | 30.0                      | 0.0                        | RUS           | S&M | AZE           | GRE |
| 55   | 520100 | Cotton, neither carded nor combed                                     | 203                        | 49  | 211                          | 203                         | 450                           | 50.9                                 | 16.4                              | 32.8                                | 5.0                       | 0.0                        | GRE           | AZE | TUR           | RUS |
| 56   | 620342 | Men's or boys' trousers, bib and brace overalls, breeches and sl      | 201                        | 13  | 148                          | 1,377                       | 201                           | 9.7                                  | 74.6                              | 15.8                                | 30.0                      | 10.0                       | BUL           | TUR | BUL           | ROM |
| 57   | 260300 | Copper ores and concentrates  | 198                        | 72  | 76                           | 198                         | 578                           | 27.7                                 | 24.3                              | 48.1                                | 12.0                      | 0.0                        | GEO           | TUR | BUL           | TUR |
| 58   | 870423 | Motor vehicles for the transport of goods, with compression-ignit     | 196                        | 83  | 39                           | 196                         | 546                           | 16.7                                 | 10.8                              | 72.4                                | 22.0                      | 0.0                        | RUS           | UKR | UKR           | RUS |
| 59   | 401699 | Articles of vulcanized rubber other than hard rubber n.e.s.           | 191                        | 92  | 16                           | 191                         | 193                           | 7.9                                  | 69.5                              | 22.6                                | 15.0                      | 0.0                        | TUR           | RUS | UKR           | ROM |
| 60   | 720851 | Flat-rolled products of iron or non-alloy steel, of a width >= 600    | 190                        | 9   | 453                          | 1,550                       | 190                           | 22.6                                 | 16.8                              | 60.6                                | 20.0                      | 0.0                        | UKR           | ROM | TUR           | RUS |

| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |   | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |     |     |
| 61   | 720838 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 | 189                        | 22                                      | 376                          | 468                         | 189                           | 44.5                         | 22.2                       | 33.3                        | 20.0             | 0.0              | UKR           | ROM           | TUR | RUS |
| 62   | 610910 | T-shirts, singlets and other vests of cotton, knitted or crocheted    | 187                        | 7                                       | 126                          | 2,492                       | 187                           | 4.8                          | 86.6                       | 8.6                         | 30.0             | 10.0             | BUL           | TUR           | BUL | ROM |
| 63   | 940190 | Parts of seats n.e.s.   | 186                        | 85                                      | 18                           | 200                         | 186                           | 8.3                          | 82.6                       | 9.1                         | 20.0             | 0.0              | TUR           | UKR           | ROM | RUS |
| 64   | 854441 | Electric conductors, for a voltage <= 80 V, insulated, fitted with    | 180                        | 72                                      | 17                           | 233                         | 180                           | 6.8                          | 90.2                       | 3.0                         | 15.0             | 0.0              | TUR           | BUL           | BUL | TUR |
| 65   | 180690 | Chocolate and other preparations containing cocoa, in contained       | 176                        | 40                                      | 240                          | 201                         | 176                           | 54.5                         | 8.2                        | 37.3                        | 45.0             | 8.3              | UKR           | RUS           | RUS | UKR |
| 66   | 721012 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 | 173                        | 77                                      | 53                           | 173                         | 265                           | 23.3                         | 26.8                       | 49.9                        | 10.0             | 0.0              | RUS           | S&M           | UKR | TUR |
| 67   | 852990 | Parts suitable for use solely or principally with transmission and    | 172                        | 94                                      | 12                           | 172                         | 765                           | 6.4                          | 61.2                       | 32.4                        | 15.0             | 0.0              | UKR           | GRE           | RUS | GEO |
| 68   | 847330 | Parts and accessories for automatic data-processing machines          | 170                        | 96                                      | 7                            | 170                         | 941                           | 4.2                          | 83.5                       | 12.3                        | 5.0              | 0.0              | GRE           | TUR           | S&M | GRE |
| 69   | 481840 | Sanitary towels and tampons, napkins and napkin for babies and        | 170                        | 70                                      | 72                           | 170                         | 693                           | 29.9                         | 7.2                        | 63.0                        | 15.0             | 0.0              | TUR           | ROM           | ROM | GEO |
| 70   | 392690 | Articles of plastics and articles of other materials of headings 35   | 168                        | 75                                      | 56                           | 168                         | 876                           | 25.0                         | 48.3                       | 26.7                        | 20.0             | 0.0              | TUR           | GRE           | ROM | RUS |
| 71   | 040690 | Cheese (excl. fresh cheese, incl. whey cheese, not fermented,         | 165                        | 33                                      | 328                          | 165                         | 594                           | 66.6                         | 25.0                       | 8.5                         | 140.0            | 8.0              | UKR           | BUL           | RUS | GRE |
| 72   | 392020 | Plates, sheets, film, foil and strip, of non-cellular polymers of eth | 163                        | 73                                      | 62                           | 163                         | 265                           | 27.4                         | 51.9                       | 20.7                        | 20.0             | 0.0              | TUR           | GRE           | ROM | RUS |
| 73   | 870422 | Motor vehicles for the transport of goods, with compression-ignit     | 163                        | 75                                      | 56                           | 163                         | 569                           | 25.4                         | 10.8                       | 63.9                        | 30.0             | 0.0              | RUS           | TUR           | UKR | AZE |
| 74   | 720917 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 | 162                        | 20                                      | 165                          | 657                         | 162                           | 20.0                         | 43.8                       | 36.2                        | 20.0             | 0.0              | RUS           | ROM           | TUR | GRE |
| 75   | 850300 | Parts suitable for use solely or principally with electric motors a   | 161                        | 91                                      | 14                           | 162                         | 161                           | 8.1                          | 60.3                       | 31.6                        | 8.0              | 0.0              | RUS           | UKR           | UKR | RUS |
| 76   | 080610 | Fresh grapes  | 161                        | 70                                      | 56                           | 172                         | 161                           | 24.6                         | 69.2                       | 6.2                         | 74.0             | 5.0              | TUR           | GRE           | RUS | S&M |
| 77   | 854430 | Ignition wiring sets and other wiring sets for vehicles, aircraft or  | 160                        | 12                                      | 15                           | 1,372                       | 160                           | 1.1                          | 98.6                       | 0.4                         | 20.0             | 0.0              | BUL           | ROM           | BUL | UKR |
| 78   | 940390 | Parts of furniture n.e.s. (excl. seats)                               | 159                        | 77                                      | 24                           | 184                         | 159                           | 11.4                         | 78.2                       | 10.3                        | 22.2             | 0.0              | TUR           | BUL           | ROM | GRE |
| 79   | 620462 | Women's or girls' trousers, bib and brace overalls, breeches and      | 155                        | 10                                      | 47                           | 1,459                       | 155                           | 3.2                          | 86.6                       | 10.2                        | 30.0             | 10.0             | TUR           | BUL           | RUS | GRE |
| 80   | 611030 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of    | 152                        | 28                                      | 17                           | 526                         | 152                           | 3.2                          | 89.1                       | 7.7                         | 30.0             | 10.0             | TUR           | BUL           | UKR | ROM |
| 81   | 220421 | Wine of fresh grapes, incl. fortified wines, and grape must whos      | 148                        | 33                                      | 304                          | 148                         | 169                           | 67.3                         | 23.7                       | 9.0                         | 80.9             | 2.4              | MOL           | GEO           | RUS | UKR |
| 82   | 330499 | Beauty or make-up preparations and preparations for the care of       | 148                        | 70                                      | 63                           | 148                         | 602                           | 29.8                         | 34.0                       | 36.2                        | 20.0             | 0.0              | RUS           | GRE           | UKR | RUS |
| 83   | 870839 | Brakes and servo-brakes and parts thereof for tractors, motor vel     | 146                        | 88                                      | 20                           | 146                         | 353                           | 12.1                         | 57.2                       | 30.8                        | 12.0             | 0.0              | UKR           | RUS           | UKR | RUS |
| 84   | 841821 | Household refrigerators, compression-type                             | 145                        | 19                                      | 94                           | 690                         | 145                           | 12.0                         | 68.1                       | 19.9                        | 20.0             | 1.5              | TUR           | UKR           | GRE | BUL |
| 85   | 390110 | Polyethylene with a specific gravity of < 0.94, in primary forms      | 142                        | 55                                      | 117                          | 142                         | 785                           | 45.2                         | 24.2                       | 30.6                        | 15.0             | 0.0              | RUS           | AZE           | TUR | UKR |
| 86   | 290531 | Ethylene glycol 'ethanediol'  | 141                        | 74                                      | 48                           | 143                         | 141                           | 25.2                         | 72.8                       | 2.0                         | 20.0             | 0.0              | RUS           | BUL           | TUR | UKR |
| 87   | 190590 | Bread, pastry, cakes, biscuits and other bakers' wares, whether       | 141                        | 68                                      | 67                           | 141                         | 146                           | 32.1                         | 27.3                       | 40.6                        | 56.0             | 0.0              | RUS           | TUR           | ALB | UKR |
| 88   | 840991 | Parts suitable for use solely or principally with spark-ignition inte | 141                        | 76                                      | 43                           | 141                         | 382                           | 23.6                         | 21.4                       | 55.0                        | 5.0              | 0.0              | RUS           | UKR           | UKR | ROM |
| 89   | 841810 | Combined refrigerators-freezers, with separate external doors         | 139                        | 58                                      | 99                           | 139                         | 342                           | 41.8                         | 38.6                       | 19.6                        | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 90   | 732111 | Appliances for baking, frying, grilling and cooking and plate warm    | 138                        | 69                                      | 52                           | 149                         | 138                           | 25.8                         | 44.2                       | 30.0                        | 20.0             | 0.0              | TUR           | UKR           | RUS | ROM |



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|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|----------|----------|----------|----------|
|      |        |   |                            |   |                              |                             |                               |                                      |                                   |                                     |                           |                            | Exporter | Importer | Exporter | Importer |
| 91   | 480252 | Uncoated paper and paperboard, of a kind used for writing, printing, etc.                                 | 138                        | 59  | 95                           | 138                         | 440                           | 40.7                                 | 20.6                              | 38.7                                | 15.0                      | 0.0                        | RUS      | TUR      | UKR      | TUR      |
| 92   | 392010 | Plates, sheets, film, foil and strip, of non-cellular plastics, not reinforced                            | 137                        | 76  | 44                           | 137                         | 276                           | 24.2                                 | 50.1                              | 25.7                                | 20.0                      | 0.0                        | TUR      | GRE      | RUS      | BUL      |
| 93   | 760110 | Aluminium, not alloyed, unwrought   | 135                        | 4   | 221                          | 3,366                       | 135                           | 6.1                                  | 60.1                              | 33.8                                | 15.0                      | 0.0                        | RUS      | UKR      | TUR      | GRE      |
| 94   | 841850 | Refrigerated or freezing chests, cabinets, display counters, show cases                                   | 135                        | 62  | 82                           | 135                         | 205                           | 37.7                                 | 41.5                              | 20.8                                | 20.0                      | 2.2                        | TUR      | UKR      | RUS      | UKR      |
| 95   | 732219 | Radiators for central heating, not electrically heated, and parts thereof                                 | 133                        | 49  | 83                           | 188                         | 133                           | 30.5                                 | 62.7                              | 6.8                                 | 20.0                      | 0.0                        | TUR      | BUL      | ROM      | GRE      |
| 96   | 170490 | Sugar confectionery not containing cocoa, incl. white chocolate   | 133                        | 58  | 80                           | 149                         | 133                           | 35.0                                 | 25.2                              | 39.8                                | 42.8                      | 10.0                       | UKR      | TUR      | RUS      | AZE      |
| 97   | 490199 | Printed books, brochures and similar printed matter (excl. those of paper)                                | 132                        | 79  | 34                           | 132                         | 211                           | 20.5                                 | 32.7                              | 46.8                                | 10.0                      | 0.0                        | RUS      | GRE      | UKR      | RUS      |
| 98   | 720712 | Semi-finished products of iron or non-alloy steel containing, by weight, not less than 0.005% of vanadium | 131                        | 4   | 591                          | 2,357                       | 131                           | 20.0                                 | 36.7                              | 43.2                                | 22.4                      | 0.0                        | RUS      | UKR      | TUR      | S&M      |
| 99   | 870590 | Special purpose motor vehicles, other than those principally designed for the transport of passengers     | 130                        | 83  | 26                           | 130                         | 282                           | 16.9                                 | 6.2                               | 76.9                                | 30.0                      | 0.0                        | TUR      | RUS      | GEO      | RUS      |
| 100  | 840310 | Central heating boilers, non-electric (excl. vapour generating boilers)                                   | 128                        | 79  | 33                           | 128                         | 451                           | 20.6                                 | 71.6                              | 7.8                                 | 15.0                      | 0.0                        | TUR      | UKR      | ROM      | RUS      |
| 101  | 853890 | Parts suitable for use solely or principally with the apparatus of heading 85.01 to 85.38                 | 128                        | 85  | 23                           | 128                         | 407                           | 15.0                                 | 62.7                              | 22.2                                | 15.0                      | 0.0                        | RUS      | TUR      | RUS      | UKR      |
| 102  | 310530 | Diammonium hydrogenorthophosphate   | 127                        | 44  | 31                           | 256                         | 127                           | 10.8                                 | 26.9                              | 62.3                                | 10.0                      | 0.0                        | RUS      | UKR      | TUR      | UKR      |
| 103  | 841199 | Parts of gas turbines, n.e.s.   | 127                        | 92  | 11                           | 127                         | 208                           | 8.1                                  | 80.7                              | 11.2                                | 10.0                      | 0.0                        | UKR      | RUS      | RUS      | UKR      |
| 104  | 441019 | Particle board and similar board, of wood, whether or not agglomerated                                    | 125                        | 57  | 94                           | 125                         | 332                           | 43.0                                 | 13.8                              | 43.2                                | 20.5                      | 0.0                        | BUL      | TUR      | TUR      | RUS      |
| 105  | 190530 | Sweet biscuits, waffles and wafers, whether or not containing cocoa                                       | 124                        | 34  | 105                          | 257                         | 124                           | 29.1                                 | 22.2                              | 48.8                                | 60.0                      | 2.0                        | UKR      | S&M      | RUS      | ALB      |
| 106  | 853650 | Switches for a voltage <= 1,000 V (excl. relays and automatic circuit breakers)                           | 121                        | 80  | 30                           | 121                         | 298                           | 19.6                                 | 58.6                              | 21.8                                | 15.0                      | 0.0                        | TUR      | UKR      | RUS      | UKR      |
| 107  | 710812 | Gold, incl. gold plated with platinum, unwrought, for non-monetary use                                    | 120                        | 100   | 0                            | 120                         | 3,540                         | 0.0                                  | 2.0                               | 98.0                                | 20.0                      | 0.0                        | TUR      | ARM      | TUR      | ARM      |
| 108  | 854449 | Electric conductors, for a voltage <= 80 V, insulated, not fitted with terminals                          | 119                        | 83  | 24                           | 119                         | 376                           | 16.7                                 | 27.5                              | 55.8                                | 20.0                      | 0.0                        | TUR      | GRE      | BUL      | ROM      |
| 109  | 841950 | Heat exchange units (excl. instantaneous heaters, storage water heaters)                                  | 119                        | 77  | 35                           | 119                         | 334                           | 22.9                                 | 17.2                              | 59.9                                | 11.7                      | 0.0                        | UKR      | RUS      | RUS      | UKR      |
| 110  | 290250 | Styrene   | 117                        | 38  | 50                           | 258                         | 117                           | 16.3                                 | 80.3                              | 3.5                                 | 7.5                       | 0.0                        | RUS      | BUL      | TUR      | UKR      |
| 111  | 848210 | Ball bearings   | 116                        | 79  | 32                           | 116                         | 171                           | 21.3                                 | 48.9                              | 29.8                                | 15.0                      | 0.0                        | UKR      | RUS      | RUS      | UKR      |
| 112  | 621210 | Brassieres of all types of textile materials, whether or not elastic                                      | 115                        | 46  | 11                           | 239                         | 115                           | 4.4                                  | 84.8                              | 10.8                                | 30.0                      | 6.5                        | BUL      | TUR      | ROM      | BUL      |
| 113  | 760429 | Bars, rods and solid profiles, of aluminium alloys, n.e.s.  | 113                        | 18  | 173                          | 452                         | 113                           | 27.7                                 | 56.4                              | 15.9                                | 15.0                      | 0.0                        | RUS      | ROM      | ROM      | BUL      |
| 114  | 470329 | Semi-bleached or bleached non-coniferous chemical wood pulp, unwrought                                    | 113                        | 58  | 23                           | 170                         | 113                           | 12.2                                 | 78.0                              | 9.8                                 | 15.0                      | 0.0                        | BUL      | RUS      | TUR      | UKR      |
| 115  | 720837 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm                                  | 112                        | 20  | 212                          | 356                         | 112                           | 37.4                                 | 20.4                              | 42.2                                | 20.0                      | 0.0                        | ROM      | UKR      | TUR      | GRE      |
| 116  | 390120 | Polyethylene with a specific gravity of >= 0.94, in primary forms   | 110                        | 56  | 88                           | 110                         | 876                           | 44.3                                 | 39.9                              | 15.9                                | 20.0                      | 0.0                        | UKR      | RUS      | UKR      | RUS      |
| 117  | 611020 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton                                 | 110                        | 12  | 27                           | 881                         | 110                           | 3.0                                  | 89.4                              | 7.6                                 | 30.0                      | 10.0                       | TUR      | BUL      | RUS      | BUL      |
| 118  | 851790 | Parts of electrical apparatus for line telephony or line telegraphy                                       | 109                        | 65  | 60                           | 109                         | 747                           | 35.5                                 | 42.5                              | 22.0                                | 5.0                       | 0.0                        | GRE      | ROM      | GRE      | AZE      |
| 119  | 940350 | Wooden furniture for bedrooms (excl. seats)   | 108                        | 61  | 27                           | 151                         | 108                           | 15.3                                 | 57.9                              | 26.8                                | 52.5                      | 0.0                        | TUR      | ROM      | RUS      | GRE      |
| 120  | 690392 | Motorboats and motor yachts, for pleasure or sports, other than those of the motor launch type            | 108                        | 96  | 5                            | 108                         | 121                           | 4.0                                  | 29.5                              | 66.5                                | 1.0                       | 0.0                        | TUR      | S&M      | RUS      | GRE      |

| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           |               | 2nd           |               |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|---------------|---------------|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer | BSEC Exporter | BSEC Importer |
|      |        |  | (A) = min (ii, iii)        | (i)   | (ii)                         | (iii)                       | (iv)                          | (v)                          | (vi)                       | (vii)                       | (viii)           |                  |               |               |               |               |
| 121  | 392321 | Sacks and bags, incl. cones, of polymers of ethylene   | 105                        | 78  | 29                           | 105                         | 21.6                          | 62.3                         | 16.1                       | 20.0                        | 0.0              | 0.0              | TUR           | BUL           | S&M           | GRE           |
| 122  | 640610 | Uppers and parts thereof (excl. stiffeners and general parts made of iron or steel)                            | 105                        | 17  | 21                           | 611                         | 3.4                           | 89.2                         | 7.4                        | 12.0                        | 0.0              | 0.0              | GRE           | TUR           | BUL           | ROM           |
| 123  | 481139 | Paper and paperboard, coated, impregnated or covered with artificial or mineral matter                         | 104                        | 48  | 113                          | 104                         | 51.9                          | 24.1                         | 24.1                       | 10.0                        | 0.0              | 0.0              | UKR           | S&M           | RUS           | S&M           |
| 124  | 848310 | Transmission shafts - incl. cam shafts and crank shafts - and crankshafts                                      | 102                        | 80  | 25                           | 102                         | 19.7                          | 51.6                         | 28.7                       | 5.0                         | 0.0              | 0.0              | RUS           | UKR           | RUS           | UKR           |
| 125  | 600230 | Knitted or crocheted fabrics, of a width of > 30 cm, containing > 5% of wool                                   | 102                        | 69  | 45                           | 102                         | 30.8                          | 54.1                         | 15.1                       | 25.0                        | 0.0              | 0.0              | TUR           | GRE           | BUL           | GRE           |
| 126  | 620520 | Men's or boys' shirts of cotton (excl. knitted or crocheted, nightgowns)                                       | 101                        | 14  | 35                           | 673                         | 4.9                           | 85.9                         | 9.2                        | 30.0                        | 10.0             | 10.0             | TUR           | GRE           | GRE           | RUS           |
| 127  | 080510 | Fresh or dried oranges   | 101                        | 56  | 80                           | 101                         | 44.2                          | 36.9                         | 19.0                       | 54.0                        | 3.0              | 3.0              | TUR           | GRE           | RUS           | ROM           |
| 128  | 890600 | Vessels, incl. warships and lifeboats (excl. rowing boats and other boats)                                     | 100                        | 83  | 14                           | 107                         | 11.6                          | 50.7                         | 37.7                       | 20.0                        | 0.0              | 0.0              | UKR           | BUL           | TUR           | RUS           |
| 129  | 410422 | Bovine leather, dehaired, mineral or synthetic pre-tanned only, whether or not further worked than hot-pressed | 100                        | 56  | 3                            | 174                         | 1.4                           | 90.5                         | 8.1                        | 12.0                        | 3.0              | 3.0              | RUS           | ROM           | ROM           | TUR           |
| 130  | 841112 | Turbo-jets of a thrust > 25 kN   | 99                         | 51  | 12                           | 183                         | 6.4                           | 55.2                         | 38.4                       | 10.0                        | 0.0              | 0.0              | UKR           | RUS           | RUS           | S&M           |
| 131  | 870431 | Motor vehicles for the transport of goods, with spark-ignition internal combustion engines                     | 99                         | 43  | 131                          | 99                          | 57.0                          | 21.8                         | 21.2                       | 30.0                        | 0.0              | 0.0              | RUS           | TUR           | UKR           | GRE           |
| 132  | 761699 | Articles of aluminium, n.e.s.  | 98                         | 75  | 33                           | 98                          | 25.4                          | 46.4                         | 28.2                       | 30.0                        | 0.0              | 0.0              | MOL           | GRE           | ROM           | BUL           |
| 133  | 721420 | Bars and rods, of iron or non-alloy steel, with indentations, ribs, grooves or other surface markings          | 97                         | 3   | 282                          | 2,960                       | 8.7                           | 13.6                         | 77.7                       | 20.0                        | 0.0              | 0.0              | TUR           | UKR           | RUS           | BUL           |
| 134  | 730429 | Casing and tubing of a kind used in drilling for oil or gas, seamless or welded                                | 97                         | 19  | 150                          | 364                         | 29.2                          | 7.3                          | 63.6                       | 15.0                        | 0.0              | 0.0              | UKR           | RUS           | RUS           | AZE           |
| 135  | 440710 | Coniferous wood sawn or chipped lengthwise, sliced or barked, whether or not further worked than hot-pressed   | 97                         | 5   | 155                          | 1,977                       | 7.3                           | 45.3                         | 47.4                       | 15.0                        | 0.0              | 0.0              | RUS           | ROM           | GRE           | S&M           |
| 136  | 870190 | Tractors (excl. those of heading 8709, pedestrian-controlled tractors)   | 97                         | 57  | 74                           | 97                          | 43.3                          | 7.0                          | 49.7                       | 22.0                        | 0.0              | 0.0              | UKR           | S&M           | RUS           | S&M           |
| 137  | 220300 | Beer made from malt  | 96                         | 39  | 126                          | 121                         | 50.8                          | 8.7                          | 40.5                       | 159.0                       | 0.0              | 0.0              | UKR           | S&M           | RUS           | UKR           |
| 138  | 390720 | Polyethers, in primary forms (excl. polyacetals)   | 96                         | 74  | 34                           | 96                          | 26.2                          | 60.6                         | 13.2                       | 12.0                        | 0.0              | 0.0              | ROM           | RUS           | UKR           | TUR           |
| 139  | 853690 | Electrical apparatus for switching electrical circuits, or for making or breaking electric circuits            | 96                         | 85  | 17                           | 96                          | 15.1                          | 53.5                         | 31.4                       | 15.0                        | 0.0              | 0.0              | TUR           | BUL           | RUS           | UKR           |
| 140  | 320611 | Pigments and preparations based on titanium dioxide of a kind used in printing                                 | 96                         | 59  | 66                           | 96                          | 40.8                          | 27.1                         | 32.1                       | 15.0                        | 0.0              | 0.0              | UKR           | TUR           | RUS           | TUR           |
| 141  | 843143 | Parts for boring or sinking machinery of subheadings 84.30.41 or 84.30.42                                      | 95                         | 77  | 29                           | 95                          | 23.1                          | 33.8                         | 43.0                       | 15.0                        | 0.0              | 0.0              | ROM           | UKR           | RUS           | GEO           |
| 142  | 750210 | Nickel, not alloyed, unwrought   | 95                         | 3   | 0                            | 3,195                       | 0.0                           | 42.9                         | 57.1                       | 5.0                         | 0.0              | 0.0              | RUS           | TUR           | UKR           | ROM           |
| 143  | 880330 | Parts of aeroplanes or helicopters, n.e.s. (excl. those for gliders)   | 95                         | 51  | 12                           | 173                         | 6.6                           | 61.6                         | 31.8                       | 6.0                         | 0.0              | 0.0              | GEO           | UKR           | AZE           | S&M           |
| 144  | 841182 | Gas turbines of a power > 5,000 kW (excl. turbo-jets and turbo-propellers)                                     | 94                         | 38  | 113                          | 135                         | 45.7                          | 9.2                          | 45.2                       | 15.0                        | 0.0              | 0.0              | UKR           | RUS           | RUS           | BUL           |
| 145  | 100590 | Maize (excl. seed)   | 94                         | 17  | 66                           | 483                         | 12.1                          | 28.9                         | 59.0                       | 130.0                       | 0.0              | 0.0              | S&M           | UKR           | TUR           | RUS           |
| 146  | 390210 | Polypropylene, in primary forms  | 93                         | 30  | 222                          | 93                          | 70.4                          | 18.1                         | 11.5                       | 12.0                        | 0.0              | 0.0              | GRE           | BUL           | TUR           | RUS           |
| 147  | 551511 | Woven fabrics containing predominantly, but < 85% polyester staple fibers                                      | 93                         | 44  | 49                           | 162                         | 23.1                          | 35.2                         | 41.7                       | 25.0                        | 0.0              | 0.0              | TUR           | ROM           | ROM           | BUL           |
| 148  | 310520 | Mineral or chemical fertilizers containing the three fertilizing elements                                      | 93                         | 32  | 72                           | 221                         | 24.6                          | 36.4                         | 39.0                       | 10.0                        | 0.0              | 0.0              | RUS           | ROM           | UKR           | ROM           |
| 149  | 640391 | Footwear with outer soles of rubber, plastics or composition leather   | 93                         | 30  | 12                           | 299                         | 3.8                           | 89.6                         | 6.7                        | 25.0                        | 8.0              | 8.0              | TUR           | S&M           | RUS           | ROM           |
| 150  | 721632 | Sections of iron or non-alloy steel, not further worked than hot-pressed                                       | 92                         | 38  | 71                           | 169                         | 29.7                          | 8.1                          | 62.2                       | 20.0                        | 0.0              | 0.0              | UKR           | ROM           | RUS           | TUR           |



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|------|--------|---|---|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |   |   |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
| 151  | 847490 | Parts of machinery for working mineral substances of heading 84.01                                | 92  | 76  | 30                           | 92                          | 126                           | 24.4                         | 29.0                       | 46.5                        | 10.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 152  | 841490 | Parts of air or vacuum pumps, air or other gas compressors, fans, blowers, etc.                   | 92  | 81  | 22                           | 92                          | 294                           | 19.0                         | 48.9                       | 32.1                        | 5.0              | 0.0              | UKR           | RUS           | AZE | RUS |
| 153  | 640359 | Footwear with outer soles and uppers of leather (excl. covering of leather)                       | 91  | 93  | 4                            | 93                          | 91                            | 3.9                          | 77.6                       | 18.5                        | 29.5             | 5.0              | TUR           | S&M           | GRE | ROM |
| 154  | 741110 | Tubes and pipes of refined copper   | 90  | 36  | 25                           | 224                         | 90                            | 10.1                         | 72.7                       | 17.2                        | 15.0             | 0.0              | GRE           | RUS           | ROM | TUR |
| 155  | 903180 | Instruments, appliances and machines for measuring or checking                                    | 90  | 87  | 14                           | 90                          | 248                           | 13.4                         | 15.1                       | 71.5                        | 5.0              | 0.0              | RUS           | UKR           | RUS | UKR |
| 156  | 870821 | Safety seat belts for motor vehicles  | 89  | 46  | 2                            | 193                         | 89                            | 1.0                          | 94.7                       | 4.3                         | 12.0             | 0.0              | TUR           | ROM           | RUS | S&M |
| 157  | 251020 | Natural calcium phosphates and natural aluminium calcium phosphates                               | 89  | 51  | 1                            | 172                         | 89                            | 0.6                          | 53.7                       | 45.8                        | 12.0             | 0.0              | RUS           | BUL           | BUL | UKR |
| 158  | 611010 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton                         | 89  | 33  | 11                           | 254                         | 89                            | 4.3                          | 91.4                       | 4.3                         | 30.0             | 10.0             | TUR           | BUL           | ROM | RUS |
| 159  | 731210 | Stranded wire, ropes and cables, of iron or steel (excl. electrical cables)                       | 88  | 47  | 34                           | 155                         | 88                            | 18.0                         | 48.2                       | 33.8                        | 15.0             | 0.0              | RUS           | UKR           | RUS | UKR |
| 160  | 847989 | Machines and mechanical appliances n.e.s.   | 88  | 78  | 25                           | 88                          | 918                           | 21.8                         | 27.9                       | 50.3                        | 5.0              | 0.0              | TUR           | UKR           | RUS | S&M |
| 161  | 732393 | Table kitchen or other household articles, and parts thereof of plastic                           | 88  | 86  | 15                           | 88                          | 98                            | 14.3                         | 47.6                       | 38.2                        | 15.0             | 0.0              | TUR           | GRE           | ROM | GRE |
| 162  | 760711 | Aluminium foil, not backed, rolled but not further worked, of a thickness not exceeding 0.2 mm    | 87  | 41  | 17                           | 198                         | 87                            | 7.8                          | 73.8                       | 18.4                        | 20.0             | 0.0              | RUS           | GRE           | UKR | TUR |
| 163  | 600292 | Fabrics, knitted or crocheted, of a width of > 30 cm, of cotton (excl. of cotton blends)          | 87  | 35  | 147                          | 102                         | 87                            | 59.1                         | 17.7                       | 23.2                        | 25.0             | 0.0              | TUR           | GRE           | BUL | RUS |
| 164  | 853620 | Automatic circuit breakers for a voltage <= 1 000 V   | 87  | 91  | 8                            | 87                          | 166                           | 8.8                          | 78.7                       | 12.5                        | 15.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 165  | 440890 | Veneer sheets and sheets for plywood, whether or not spliced, of wood                             | 87  | 69  | 13                           | 113                         | 87                            | 10.1                         | 77.3                       | 12.6                        | 15.0             | 0.0              | ROM           | TUR           | BUL | GRE |
| 166  | 853720 | Boards, cabinets and similar combinations of apparatus for electrical use                         | 86  | 72  | 33                           | 86                          | 154                           | 27.7                         | 11.9                       | 60.4                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 167  | 722830 | Bars and rods of alloy steel other than stainless, not further worked                             | 86  | 39  | 68                           | 154                         | 86                            | 30.7                         | 32.7                       | 36.6                        | 20.0             | 0.0              | UKR           | RUS           | ROM | UKR |
| 168  | 400219 | Styrene-butadiene rubber "SBR"; carboxylated styrene-butadiene rubber                             | 85  | 38  | 54                           | 168                         | 85                            | 24.5                         | 46.8                       | 28.7                        | 15.0             | 0.0              | RUS           | BUL           | UKR | TUR |
| 169  | 392190 | Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, whether or not textured | 85  | 53  | 77                           | 85                          | 416                           | 47.4                         | 28.8                       | 23.9                        | 20.0             | 0.0              | GRE           | TUR           | RUS | UKR |
| 170  | 540761 | Woven fabrics of yarn containing >= 85% by weight of non-vegetable fibres                         | 85  | 69  | 39                           | 85                          | 157                           | 31.4                         | 32.0                       | 36.6                        | 20.0             | 0.0              | TUR           | GRE           | GRE | RUS |
| 171  | 540233 | Textured filament yarn of polyester (excl. that put up for retail sale)                           | 84  | 87  | 13                           | 84                          | 129                           | 13.4                         | 79.9                       | 6.7                         | 15.0             | 0.0              | TUR           | RUS           | GRE | BUL |
| 172  | 290122 | Propene "propylene"   | 84  | 43  | 3                            | 193                         | 84                            | 1.4                          | 73.2                       | 25.4                        | 11.3             | 0.0              | TUR           | UKR           | ROM | AZE |
| 173  | 841370 | Centrifugal pumps, power-driven (excl. those of subheadings 84.13.10 and 84.13.20)                | 83  | 62  | 51                           | 83                          | 423                           | 37.9                         | 14.5                       | 47.5                        | 11.7             | 0.0              | UKR           | RUS           | RUS | UKR |
| 174  | 848340 | Gears and gearing for machinery, incl. speed changers and torque converters                       | 83  | 82  | 18                           | 83                          | 175                           | 17.6                         | 44.8                       | 37.5                        | 5.0              | 0.0              | RUS           | UKR           | RUS | UKR |
| 175  | 853400 | Printed circuits  | 82  | 98  | 1                            | 82                          | 101                           | 1.5                          | 82.6                       | 15.9                        | 15.0             | 0.0              | BUL           | S&M           | RUS | ROM |
| 176  | 730630 | Tubes, pipes and hollow profiles, welded, having a circular cross-section                         | 82  | 21  | 73                           | 313                         | 82                            | 18.8                         | 43.9                       | 37.2                        | 15.0             | 0.0              | TUR           | UKR           | RUS | ROM |
| 177  | 280300 | Carbon "carbon blacks and other forms of carbon" n.e.s.   | 80  | 45  | 21                           | 157                         | 80                            | 12.0                         | 73.8                       | 14.3                        | 5.5              | 0.0              | RUS           | UKR           | TUR | ROM |
| 178  | 761090 | Structures and parts of structures, of aluminium, n.e.s., and plates, sheets, coils, etc.         | 80  | 53  | 41                           | 112                         | 80                            | 26.8                         | 44.1                       | 29.0                        | 20.0             | 0.0              | TUR           | GRE           | BUL | ROM |
| 179  | 850440 | Static converters   | 80  | 76  | 26                           | 80                          | 344                           | 24.2                         | 42.4                       | 33.4                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 180  | 290919 | Acyclic ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives             | 80  | 52  | 44                           | 111                         | 80                            | 28.4                         | 61.8                       | 9.8                         | 8.0              | 0.0              | RUS           | ROM           | UKR | BUL |

| Rank | HS6    | Product Description  | Indicative Trade Potential<br>(A) = min (ii, iii) | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st             |                 | 2nd         |         |
|------|--------|--|---|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|-----------------|-----------------|-------------|---------|
|      |        |  |   |   |                              |                             |                               |                              |                            |                             |                  |                  | Exporter        | Importer        |             |         |
| 181  | 850152 | AC motors, multi-phase, of an output > 750 W but <= 75 kW                | 80  | 73  | 30                           | 80                          | 82                            | 27.1                         | 55.8                       | 17.1                        | 11.9             | 0.0              | UKR RUS RUS UKR | RUS             | UKR         |         |
| 182  | 940320 | Metal furniture (excl. for offices, seats and medical, surgical, dental) | 79  | 85  | 13                           | 79                          | 143                           | 14.6                         | 59.3                       | 26.1                        | 21.0             | 0.0              | TUR BUL ROM RUS | BUL             | ROM RUS     |         |
| 183  | 903289 | Regulating or controlling instruments and apparatus (excl. hydraulic)    | 79  | 54  | 67                           | 79                          | 329                           | 45.9                         | 23.0                       | 31.1                        | 5.0              | 0.0              | UKR RUS UKR RUS | RUS             | UKR RUS     |         |
| 184  | 100300 | Barley   | 78  | 10  | 24                           | 743                         | 78                            | 3.1                          | 7.0                        | 89.9                        | 28.0             | 0.0              | RUS BUL GRE ROM | BUL             | GRE ROM     |         |
| 185  | 080530 | Fresh or dried lemons "Citrus limon, Citrus limonum" and limes           | 78  | 45  | 96                           | 78                          | 80                            | 55.4                         | 20.1                       | 24.5                        | 54.0             | 3.0              | TUR GRE RUS GRE | GRE             | RUS GRE     |         |
| 186  | 030420 | Frozen fish filets   | 77  | 98  | 1                            | 77                          | 113                           | 1.8                          | 85.9                       | 12.3                        | 30.0             | 0.0              | UKR RUS RUS S&M | RUS             | RUS S&M     |         |
| 187  | 220210 | Waters, incl. mineral and aerated, with added sugar, sweetener           | 77  | 78  | 22                           | 77                          | 111                           | 22.1                         | 37.4                       | 40.6                        | 40.0             | 9.6              | RUS ROM S&M MOL | RUS             | S&M MOL     |         |
| 188  | 722540 | Flat-rolled products of alloy steel other than stainless, of a width     | 77  | 22  | 272                          | 77                          | 82                            | 78.0                         | 1.8                        | 20.2                        | 20.0             | 0.0              | UKR RUS RUS TUR | RUS             | RUS TUR     |         |
| 189  | 841391 | Parts of pumps for liquids n.e.s.  | 77  | 76  | 24                           | 77                          | 161                           | 23.5                         | 36.7                       | 39.8                        | 5.0              | 0.0              | RUS UKR RUS UKR | UKR             | RUS UKR     |         |
| 190  | 890110 | Cruise ships, excursion boats and similar vessels principally de         | 76  | 91  | 7                            | 76                          | 178                           | 8.8                          | 37.4                       | 53.8                        | 20.0             | 0.0              | ROM GRE GEO ALB | GRE             | GEO ALB     |         |
| 191  | 880212 | Helicopters of an unladen weight > 2 000 kg                              | 76  | 41  | 9                            | 176                         | 76                            | 5.1                          | 14.6                       | 80.3                        | 20.0             | 0.0              | RUS UKR ARM GEO | UKR             | ARM GEO     |         |
| 192  | 870893 | Clutches and parts thereof, for tractors, motor vehicles for the tr      | 75  | 75  | 25                           | 75                          | 119                           | 25.4                         | 48.3                       | 26.4                        | 12.0             | 0.0              | TUR RUS RUS UKR | RUS             | RUS UKR     |         |
| 193  | 710813 | Gold, incl. gold plated with platinum, in semi-manufactured form         | 75  | 100   | 0                            | 75                          | 479                           | 0.0                          | 3.1                        | 96.9                        | 20.0             | 0.0              | S&M ARM UKR ARM | ARM             | UKR ARM     |         |
| 194  | 340213 | Non-ionic organic surface-active agents, whether or not put up in        | 75  | 86  | 12                           | 75                          | 149                           | 13.7                         | 76.6                       | 9.7                         | 19.8             | 0.0              | RUS TUR TUR UKR | TUR             | TUR UKR     |         |
| 195  | 730660 | Tubes, pipes and hollow profiles, welded, having a non-circular c        | 75  | 18  | 55                           | 358                         | 75                            | 13.3                         | 69.9                       | 16.8                        | 15.0             | 0.0              | TUR UKR GRE ROM | UKR             | GRE ROM     |         |
| 196  | 441820 | Doors and their frames and thresholds, of wood                           | 74  | 79  | 10                           | 84                          | 74                            | 10.2                         | 58.6                       | 31.2                        | 20.0             | 0.0              | TUR UKR TUR UKR | UKR             | TUR UKR     |         |
| 197  | 843351 | Combine harvester-threshers  | 74  | 75  | 24                           | 74                          | 343                           | 24.5                         | 5.8                        | 69.7                        | 10.0             | 0.0              | RUS GRE UKR MOL | GRE             | UKR MOL     |         |
| 198  | 940161 | Upholstered seats, with wooden frames (excl. convertible into be         | 74  | 56  | 19                           | 111                         | 74                            | 14.9                         | 57.3                       | 27.8                        | 39.1             | 0.0              | S&M TUR S&M RUS | TUR             | S&M RUS     |         |
| 199  | 392410 | Tableware and kitchenware, of plastics                                   | 73  | 59  | 21                           | 102                         | 73                            | 17.2                         | 50.2                       | 32.6                        | 24.4             | 6.5              | TUR RUS RUS ROM | TUR             | RUS ROM     |         |
| 200  | 290243 | p-Xylene   | 73  | 57  | 0                            | 127                         | 73                            | 0.0                          | 98.1                       | 1.9                         | 20.0             | 0.0              | BUL GRE BUL GRE | GRE             | BUL GRE     |         |
| 201  | 520512 | Single cotton yarn, of uncombed fibres, containing >= 85% cott           | 73  | 79  | 20                           | 73                          | 110                           | 21.3                         | 60.6                       | 18.1                        | 8.7              | 0.0              | TUR AZE BUL GRE | AZE             | BUL GRE     |         |
| 202  | 854230 | Electronic integrated circuits, monolithic, analog or analog/digit       | 72  | 98  | 2                            | 72                          | 238                           | 2.0                          | 45.9                       | 52.0                        | 10.0             | 0.0              | ROM TUR ROM RUS | TUR             | ROM RUS     |         |
| 203  | 710239 | Diamonds, worked, but not mounted or set (excl. industrial diam          | 72  | 26  | 12                           | 268                         | 72                            | 4.2                          | 50.3                       | 45.5                        | 20.0             | 0.0              | ARM UKR ARM UKR | ARM             | UKR ARM     |         |
| 204  | 610990 | T-shirts, singlets and other vests of textile materials, knitted or c    | 72  | 10  | 44                           | 660                         | 72                            | 6.3                          | 84.4                       | 9.4                         | 30.0             | 10.0             | BUL GRE BUL UKR | BUL             | GRE BUL UKR |         |
| 205  | 420310 | Articles of apparel, of leather or composition leather (excl. clothc     | 72  | 28  | 35                           | 220                         | 72                            | 13.6                         | 76.9                       | 9.5                         | 20.0             | 4.0              | TUR BUL GRE ROM | BUL             | BUL GRE ROM |         |
| 206  | 852821 | Video monitors, colour   | 71  | 51  | 2                            | 138                         | 71                            | 1.7                          | 93.6                       | 4.7                         | 42.0             | 0.0              | TUR RUS GRE ROM | RUS             | GRE ROM     |         |
| 207  | 330510 | Shampoos   | 71  | 70  | 31                           | 71                          | 246                           | 30.3                         | 20.9                       | 48.8                        | 20.0             | 0.0              | RUS ROM UKR AZE | ROM             | UKR AZE     |         |
| 208  | 854451 | Electric conductors, for a voltage > 80 V but <= 1 000 V fitted w        | 71  | 49  | 7                            | 139                         | 71                            | 4.7                          | 81.0                       | 14.3                        | 20.0             | 0.0              | TUR ROM TUR RUS | ROM             | TUR RUS     |         |
| 209  | 850490 | Parts of electrical transformers and inductors n.e.s.                    | 71  | 95  | 4                            | 71                          | 98                            | 5.2                          | 70.4                       | 24.4                        | 10.0             | 0.0              | UKR RUS GRE RUS | RUS             | GRE RUS     |         |
| 210  | 720852 | Flat-rolled products of iron or non-alloy steel, of a width of >= 60     | 71  | 7   | 234                          | 837                         | 71                            | 21.8                         | 11.5                       | 66.6                        | 1                | 20.0             | 0.0             | UKR ROM TUR RUS | ROM         | TUR RUS |



| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st             |                 | 2nd |  |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|-----------------|-----------------|-----|--|
|      |        |   |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter   | BSEC Importer   |     |  |
| 211  | 720916 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm  | 71                         | 18  | 114                          | 271                         | 71                            | 29.6                         | 39.6                       | 30.8                        | 20.0             | 0.0              | UKR ROM TUR RUS | UKR ROM TUR RUS |     |  |
| 212  | 760611 | Plates, sheets and strip, of non-alloy aluminium, of a thickness >= 0.2 mm  | 71                         | 47  | 17                           | 134                         | 71                            | 11.2                         | 46.0                       | 42.8                        | 20.0             | 0.0              | GRE RUS UKR GRE | GRE RUS UKR GRE |     |  |
| 213  | 731815 | Threaded screws and bolts, of iron or steel, whether or not with washers  | 71                         | 79  | 19                           | 71                          | 189                           | 21.3                         | 50.9                       | 27.8                        | 15.0             | 0.0              | UKR TUR RUS UKR | UKR TUR RUS UKR |     |  |
| 214  | 740811 | Wire of refined copper, with a maximum cross-sectional dimension >= 2 mm  | 71                         | 6   | 226                          | 987                         | 71                            | 18.6                         | 70.9                       | 10.5                        | 15.0             | 0.0              | RUS UKR TUR GRE | RUS UKR TUR GRE |     |  |
| 215  | 730900 | Reservoirs, tanks, vats and similar containers, of iron or steel, fitted with a maximum cross-sectional dimension >= 2 mm | 70                         | 80  | 18                           | 70                          | 89                            | 20.2                         | 25.1                       | 54.8                        | 15.0             | 0.0              | BUL TUR RUS ROM | BUL TUR RUS ROM |     |  |
| 216  | 870880 | Suspension shock absorbers for tractors, motor vehicles for the transport of goods or persons                             | 70                         | 89  | 8                            | 70                          | 182                           | 10.7                         | 78.0                       | 11.3                        | 15.0             | 0.0              | BUL TUR RUS ROM | BUL TUR RUS ROM |     |  |
| 217  | 847160 | Input or output units for digital automatic data-processing machines  | 70                         | 92  | 6                            | 70                          | 848                           | 10.6                         | 77.8                       | 11.6                        | 5.0              | 0.0              | GRE UKR S&M TUR | GRE UKR S&M TUR |     |  |
| 218  | 852190 | Video recording or reproducing apparatus, whether or not incorporating magnetic tape                                      | 70                         | 92  | 6                            | 70                          | 192                           | 8.0                          | 88.5                       | 3.5                         | 42.0             | 0.0              | TUR S&M GRE S&M | TUR S&M GRE S&M |     |  |
| 219  | 730439 | Tubes, pipes and hollow profiles seamless, of circular cross-section, of iron or non-alloy steel                          | 70                         | 11  | 168                          | 440                         | 70                            | 27.7                         | 34.0                       | 38.3                        | 15.0             | 0.0              | UKR RUS TUR     | UKR RUS TUR     |     |  |
| 220  | 720230 | Ferro-silico-manganese  | 69                         | 12  | 283                          | 313                         | 69                            | 47.5                         | 24.2                       | 28.3                        | 7.0              | 0.0              | UKR GEO RUS TUR | UKR GEO RUS TUR |     |  |
| 221  | 200799 | Jams, jellies, marmalades, purees or pastes of fruit, obtained by mechanical means  | 69                         | 33  | 14                           | 192                         | 69                            | 6.7                          | 85.4                       | 7.9                         | 58.5             | 6.0              | GRE UKR RUS UKR | GRE UKR RUS UKR |     |  |
| 222  | 845530 | Rolls for metal-rolling mills   | 69                         | 53  | 62                           | 69                          | 118                           | 47.2                         | 23.5                       | 29.3                        | 15.0             | 0.0              | UKR RUS ROM     | UKR RUS ROM     |     |  |
| 223  | 842211 | Dish-washing machines, of the household type  | 68                         | 96  | 3                            | 68                          | 140                           | 3.7                          | 78.2                       | 18.1                        | 15.0             | 0.0              | TUR GRE RUS GRE | TUR GRE RUS GRE |     |  |
| 224  | 848390 | Parts of transmission shafts, ball screws, couplings and other parts of machines  | 68                         | 81  | 15                           | 69                          | 68                            | 18.2                         | 60.4                       | 21.4                        | 5.7              | 0.0              | UKR RUS TUR     | UKR RUS TUR     |     |  |
| 225  | 851680 | Electric heating resistors (excl. those of agglomerated coal and graphite)  | 67                         | 47  | 10                           | 133                         | 67                            | 7.0                          | 87.3                       | 5.7                         | 15.0             | 0.0              | ROM TUR TUR ROM | ROM TUR TUR ROM |     |  |
| 226  | 282530 | Vanadium oxides and hydroxides  | 67                         | 74  | 0                            | 90                          | 67                            | 0.0                          | 98.7                       | 1.3                         | 20.0             | 0.0              | BUL AZE AZE BUL | BUL AZE AZE BUL |     |  |
| 227  | 701339 | Glassware for table or kitchen purposes (excl. glass having a linear edge)  | 66                         | 80  | 12                           | 71                          | 66                            | 14.2                         | 49.1                       | 36.6                        | 30.0             | 10.0             | TUR RUS RUS BUL | TUR RUS RUS BUL |     |  |
| 228  | 720836 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm  | 66                         | 69  | 30                           | 67                          | 66                            | 30.8                         | 13.8                       | 55.3                        | 20.0             | 0.0              | RUS S&M TUR GRE | RUS S&M TUR GRE |     |  |
| 229  | 410431 | Full grains and full grain splits of bovine and equine animals, delivered in skins  | 66                         | 87  | 10                           | 66                          | 331                           | 12.9                         | 66.1                       | 21.0                        | 15.0             | 0.0              | TUR RUS BUL ROM | TUR RUS BUL ROM |     |  |
| 230  | 871639 | Trailers and semi-trailers for the transport of goods, not designed for the transport of motor vehicles                   | 66                         | 88  | 9                            | 66                          | 487                           | 12.5                         | 32.8                       | 54.7                        | 30.0             | 0.0              | RUS UKR UKR RUS | RUS UKR UKR RUS |     |  |
| 231  | 640699 | Parts of footwear (excl. outer soles and heels of rubber or plastic)  | 66                         | 96  | 3                            | 66                          | 176                           | 4.3                          | 90.4                       | 5.3                         | 20.0             | 0.0              | TUR BUL ROM RUS | TUR BUL ROM RUS |     |  |
| 232  | 843139 | Parts of machinery of heading 8428 n.e.s.   | 66                         | 74  | 24                           | 66                          | 114                           | 26.5                         | 32.7                       | 40.8                        | 15.0             | 0.0              | RUS UKR UKR RUS | RUS UKR UKR RUS |     |  |
| 233  | 611511 | Panty hose and tights of synthetic fibres, knitted or crocheted, of a width of >= 60 mm                                   | 66                         | 49  | 21                           | 113                         | 66                            | 15.9                         | 52.2                       | 31.8                        | 36.2             | 10.0             | GRE BUL BUL ALB | GRE BUL BUL ALB |     |  |
| 234  | 850140 | AC motors, single-phase, of an output > 37.5 W  | 64                         | 84  | 12                           | 64                          | 79                            | 15.7                         | 77.2                       | 7.1                         | 11.9             | 0.0              | ROM UKR TUR RUS | ROM UKR TUR RUS |     |  |
| 235  | 180632 | Chocolate and other preparations containing cocoa, in blocks, sheets or slabs   | 64                         | 59  | 40                           | 69                          | 64                            | 36.6                         | 15.3                       | 48.0                        | 74.0             | 8.3              | RUS TUR RUS UKR | RUS TUR RUS UKR |     |  |
| 236  | 940510 | Chandeliers and other electric ceiling or wall lighting fittings (excluding those of heading 8538)                        | 64                         | 72  | 24                           | 64                          | 139                           | 27.7                         | 43.5                       | 28.8                        | 20.0             | 0.0              | TUR TUR ROM UKR | TUR TUR ROM UKR |     |  |
| 237  | 730840 | Equipment for scaffolding, shuttering, propping or pit-propping (excluding those of heading 8424)                         | 64                         | 79  | 17                           | 64                          | 101                           | 21.0                         | 34.0                       | 45.0                        | 15.0             | 0.0              | UKR TUR RUS ROM | UKR TUR RUS ROM |     |  |
| 238  | 401191 | New pneumatic tyres, of rubber, with lug, herringbone or similar tread pattern  | 64                         | 35  | 63                           | 121                         | 64                            | 34.4                         | 41.2                       | 24.4                        | 30.0             | 0.0              | UKR S&M RUS UKR | UKR S&M RUS UKR |     |  |
| 239  | 721070 | Flat products of iron or non-alloy steel, of a width of >= 600 mm   | 64                         | 52  | 58                           | 64                          | 286                           | 47.6                         | 34.6                       | 17.8                        | 20.0             | 0.0              | RUS TUR UKR TUR | RUS TUR UKR TUR |     |  |
| 240  | 840820 | Compression-ignition internal combustion piston engines, diesel   | 64                         | 63  | 37                           | 64                          | 1,661                         | 37.1                         | 34.6                       | 28.3                        | 15.0             | 0.0              | RUS S&M UKR BUL | RUS S&M UKR BUL |     |  |

| Rank | HS6    | Product Description  | Indicative Trade Potential<br>(A) = min (ii, iii) | Relative Indicative Trade Potential<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC<br>(i) | Current BSEC exports to ROW<br>(ii) | Current BSEC imports from ROW<br>(iii) | Share of exports to BSEC (%)<br>(iv) | Share of exports to EU (%)<br>(v) | Share of exports to ROW (%)<br>(vi) | BSEC Max MFN (%)<br>(vii) | BSEC Min MFN (%)<br>(viii) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|---|---|-------------------------------------|-------------------------------------|--|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)                               | (B) = (A)/(i+ii)  | (i)                                 | (ii)                                | (iii)                                  | (iv)                                 | (v)                               | (vi)                                | (vii)                     | (viii)                     | BSEC Exporter | BSEC Importer |     |     |
| 241  | 846694 | Parts and accessories for machine-tools for working metal with       | 64  | 90  | 7                                   | 64                                  | 75                                     | 10.0                                 | 76.2                              | 13.9                                | 5.0                       | 0.0                        | UKR           | TUR           | RUS | S&M |
| 242  | 854411 | Winding wire for electrical purposes, of copper, insulated           | 63  | 76  | 20                                  | 63                                  | 66                                     | 24.1                                 | 38.9                              | 37.0                                | 10.0                      | 0.0                        | TUR           | RUS           | ROM | BUL |
| 243  | 390760 | Polyethylene terephthalate, in primary forms                         | 63  | 77  | 19                                  | 63                                  | 721                                    | 23.0                                 | 61.2                              | 15.8                                | 12.0                      | 0.0                        | GRE           | TUR           | BUL | TUR |
| 244  | 701092 | Carboys, bottles, flasks, jars, pots, phials and other containers    | 63  | 37  | 105                                 | 63                                  | 215                                    | 62.5                                 | 13.4                              | 24.1                                | 12.0                      | 10.0                       | BUL           | RUS           | ROM | S&M |
| 245  | 511211 | Woven fabrics containing >= 85% combed wool or combed fine           | 63  | 82  | 13                                  | 63                                  | 172                                    | 17.5                                 | 43.5                              | 38.9                                | 17.4                      | 0.0                        | TUR           | GRE           | BUL | ROM |
| 246  | 890400 | Tugs and pusher craft  | 63  | 63  | 3                                   | 97                                  | 63                                     | 2.6                                  | 63.9                              | 33.5                                | 20.0                      | 0.0                        | BUL           | TUR           | RUS | BUL |
| 247  | 630790 | Made up articles of textile materials, incl. dress patterns, n.e.s.  | 62  | 93  | 4                                   | 62                                  | 81                                     | 6.6                                  | 82.6                              | 10.8                                | 20.0                      | 10.0                       | TUR           | MOL           | MOL | RUS |
| 248  | 850710 | Lead-acid accumulators for starting piston engines "starter batte    | 61  | 49  | 64                                  | 61                                  | 120                                    | 50.9                                 | 21.7                              | 27.4                                | 15.9                      | 0.0                        | TUR           | UKR           | RUS | UKR |
| 249  | 870510 | Crane lorries (excl. breakdown lorries)                              | 61  | 85  | 11                                  | 61                                  | 103                                    | 15.1                                 | 1.3                               | 83.6                                | 30.0                      | 0.0                        | RUS           | UKR           | UKR | AZE |
| 250  | 620630 | Women's or girls' blouses, shirts and shirt-blouses of cotton (ex    | 61  | 20  | 10                                  | 294                                 | 61                                     | 3.4                                  | 86.9                              | 9.8                                 | 30.0                      | 10.0                       | TUR           | BUL           | BUL | RUS |
| 251  | 390410 | Polyvinyl chloride, in primary forms, not mixed with any other su    | 60  | 30  | 139                                 | 60                                  | 537                                    | 69.8                                 | 13.3                              | 16.9                                | 20.0                      | 0.0                        | ROM           | RUS           | TUR | UKR |
| 252  | 701329 | Drinking glasses (excl. glasses of glass-ceramics or of lead cry     | 60  | 30  | 31                                  | 169                                 | 60                                     | 15.4                                 | 50.2                              | 34.4                                | 30.0                      | 10.0                       | TUR           | BUL           | RUS | GRE |
| 253  | 070200 | Tomatoes, fresh or chilled   | 60  | 36  | 106                                 | 60                                  | 142                                    | 64.1                                 | 20.9                              | 15.0                                | 77.5                      | 10.0                       | TUR           | AZE           | RUS | S&M |
| 254  | 080520 | Fresh or dried mandarins incl. tangerines and satsumas, clemes       | 60  | 43  | 78                                  | 60                                  | 122                                    | 56.6                                 | 21.1                              | 22.3                                | 54.0                      | 3.0                        | TUR           | GRE           | RUS | UKR |
| 255  | 470321 | Semi-bleached or bleached coniferous chemical wood pulp, sod         | 59  | 90  | 7                                   | 59                                  | 98                                     | 9.9                                  | 62.9                              | 27.2                                | 15.0                      | 0.0                        | UKR           | GRE           | GRE | UKR |
| 256  | 840690 | Parts of steam and other vapour turbines n.e.s.                      | 59  | 55  | 30                                  | 77                                  | 59                                     | 28.2                                 | 13.5                              | 58.2                                | 10.0                      | 0.0                        | UKR           | RUS           | RUS | AZE |
| 257  | 030269 | Fresh or chilled freshwater and saltwater fish (excl. salmonidae     | 59  | 16  | 23                                  | 345                                 | 59                                     | 6.2                                  | 91.6                              | 2.2                                 | 30.0                      | 0.0                        | TUR           | GRE           | GRE | BUL |
| 258  | 400950 | Tubes, pipes and hoses, of vulcanized rubber other than hard rub     | 58  | 86  | 10                                  | 58                                  | 98                                     | 14.4                                 | 61.9                              | 23.7                                | 15.8                      | 0.0                        | S&M           | UKR           | RUS | UKR |
| 259  | 840734 | Spark-ignition reciprocating piston engines, of a kind used for ve   | 58  | 55  | 47                                  | 58                                  | 395                                    | 44.8                                 | 22.9                              | 32.3                                | 10.0                      | 0.0                        | RUS           | ROM           | UKR | RUS |
| 260  | 691090 | Ceramic sinks, wash basins, wash basin pedestals, baths, bidet       | 57  | 34  | 23                                  | 147                                 | 57                                     | 13.3                                 | 67.9                              | 18.8                                | 27.0                      | 7.0                        | TUR           | S&M           | RUS | S&M |
| 261  | 200570 | Olives, prepared or preserved otherwise than by vinegar or acetic    | 57  | 33  | 38                                  | 133                                 | 57                                     | 22.4                                 | 48.5                              | 29.1                                | 39.0                      | 10.0                       | TUR           | GRE           | ROM | BUL |
| 262  | 870840 | Gear boxes for tractors, motor vehicles for the transport of ten or  | 57  | 78  | 16                                  | 57                                  | 746                                    | 21.5                                 | 18.6                              | 59.9                                | 30.0                      | 0.0                        | ROM           | RUS           | UKR | RUS |
| 263  | 852439 | Discs, recorded, for laser reading systems, for reproducing sou      | 57  | 88  | 8                                   | 57                                  | 241                                    | 12.3                                 | 43.1                              | 44.6                                | 15.0                      | 0.0                        | RUS           | S&M           | ROM | GRE |
| 264  | 848190 | Parts of valves and similar articles for pipes, boiler shells, tanks | 57  | 82  | 13                                  | 57                                  | 121                                    | 18.3                                 | 62.2                              | 19.5                                | 15.0                      | 0.0                        | BUL           | UKR           | RUS | S&M |
| 265  | 761290 | Casks, drums, cans, boxes and similar containers, incl. rigid or     | 56  | 43  | 20                                  | 109                                 | 56                                     | 15.8                                 | 34.0                              | 50.3                                | 20.0                      | 0.0                        | UKR           | GRE           | RUS | ALB |
| 266  | 520812 | Plain woven fabrics of cotton, containing >= 85% cotton by weigh     | 56  | 89  | 7                                   | 56                                  | 112                                    | 11.4                                 | 84.9                              | 3.8                                 | 25.0                      | 0.0                        | RUS           | TUR           | TUR | ROM |
| 267  | 870894 | Steering wheels, steering columns and steering boxes for tract       | 56  | 84  | 10                                  | 56                                  | 209                                    | 15.7                                 | 67.5                              | 16.8                                | 30.0                      | 0.0                        | TUR           | ROM           | UKR | ROM |
| 268  | 841899 | Parts of refrigerating or freezing equipment and heat pumps n.e.     | 56  | 61  | 36                                  | 56                                  | 146                                    | 39.5                                 | 40.6                              | 19.9                                | 20.0                      | 0.0                        | TUR           | RUS           | GRE | ROM |
| 269  | 846693 | Parts and accessories for machine-tools for working metal by re      | 56  | 72  | 4                                   | 73                                  | 56                                     | 5.3                                  | 51.9                              | 42.8                                | 5.0                       | 0.0                        | S&M           | UKR           | RUS | UKR |
| 270  | 691110 | Tableware and kitchenware, of porcelain or china (excl. ornamen      | 55  | 70  | 23                                  | 55                                  | 62                                     | 29.7                                 | 61.8                              | 8.4                                 | 25.5                      | 10.0                       | UKR           | ROM           | RUS | GRE |



| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |   |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
| 271  | 260800 | Zinc ores and concentrates  | 55                         | 77  | 16                           | 55                          | 122                           | 22.6                         | 39.0                       | 38.4                        | 12.0             | 0.0              | TUR           | ROM           | BUL | ROM |
| 272  | 853630 | Apparatus for protecting electrical circuits for a voltage <= 1,000   | 55                         | 76  | 3                            | 69                          | 55                            | 3.7                          | 90.5                       | 5.8                         | 15.0             | 0.0              | MOL           | RUS           | RUS | S&M |
| 273  | 410439 | Bovine and equine leather, dehaired, prepared after tanning, incl     | 55                         | 90  | 6                            | 55                          | 494                           | 9.7                          | 76.9                       | 13.3                        | 15.0             | 0.0              | TUR           | UKR           | ROM | UKR |
| 274  | 848220 | Tapered roller bearings, incl. cone and tapered roller assemblies     | 55                         | 56  | 26                           | 71                          | 55                            | 27.0                         | 46.7                       | 26.3                        | 15.0             | 0.0              | RUS           | UKR           | RUS | UKR |
| 275  | 850431 | Transformers, other than liquid dielectric, having a power handl      | 55                         | 92  | 5                            | 55                          | 94                            | 7.7                          | 58.2                       | 34.1                        | 20.0             | 0.0              | RUS           | TUR           | RUS | UKR |
| 276  | 550320 | Staple fibres of polyesters, not carded, combed or otherwise pr       | 55                         | 91  | 5                            | 55                          | 120                           | 8.9                          | 83.2                       | 7.8                         | 8.8              | 0.0              | TUR           | ROM           | BUL | ROM |
| 277  | 730210 | Rails of iron or steel, for railway or tramway track (excl. check-r   | 54                         | 46  | 18                           | 99                          | 54                            | 15.3                         | 10.9                       | 73.8                        | 15.0             | 0.0              | UKR           | RUS           | RUS | AZE |
| 278  | 852910 | Aerials and aerial reflectors of all kinds; parts suitable for use th | 54                         | 86  | 9                            | 54                          | 151                           | 13.7                         | 62.9                       | 23.4                        | 15.0             | 0.0              | TUR           | GRE           | S&M | AZE |
| 279  | 850213 | Generating sets with compression-ignition internal combustion e       | 54                         | 93  | 4                            | 54                          | 141                           | 7.0                          | 10.0                       | 83.0                        | 8.2              | 0.0              | TUR           | UKR           | GRE | RUS |
| 280  | 300410 | Medicaments containing penicillins or derivatives thereof with a      | 54                         | 91  | 5                            | 54                          | 172                           | 8.9                          | 57.5                       | 33.6                        | 15.0             | 0.0              | UKR           | S&M           | ROM | MOL |
| 281  | 330590 | Preparations for use on the hair (excl. shampoos, preparations f      | 54                         | 62  | 33                           | 54                          | 305                           | 37.9                         | 18.7                       | 43.4                        | 20.0             | 0.0              | BUL           | RUS           | RUS | UKR |
| 282  | 722220 | Other bars and rods of stainless steel, not further worked than c     | 54                         | 55  | 44                           | 54                          | 69                            | 45.1                         | 52.3                       | 2.6                         | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 283  | 830990 | Stoppers, caps and lids, incl. screw caps and pouring stoppers        | 54                         | 57  | 40                           | 54                          | 161                           | 42.8                         | 15.4                       | 41.7                        | 20.0             | 0.0              | UKR           | TUR           | RUS | TUR |
| 284  | 846229 | Bending, folding, straightening or flattening machines -including     | 54                         | 82  | 12                           | 54                          | 79                            | 17.9                         | 43.7                       | 38.5                        | 10.0             | 0.0              | TUR           | ROM           | BUL | RUS |
| 285  | 251990 | Fused magnesia; dead-burned "sintered" magnesia, whether or           | 53                         | 59  | 37                           | 53                          | 71                            | 40.9                         | 53.0                       | 6.1                         | 12.0             | 0.0              | RUS           | TUR           | UKR | ROM |
| 286  | 843131 | Parts of lifts, skip hoists or escalators n.e.s.                      | 53                         | 71  | 22                           | 53                          | 73                            | 29.2                         | 32.9                       | 37.8                        | 15.0             | 0.0              | GRE           | TUR           | TUR | BUL |
| 287  | 391620 | Monofilament of which any cross-sectional dimension > 1 mm,           | 53                         | 38  | 87                           | 53                          | 382                           | 62.0                         | 4.3                        | 33.6                        | 20.0             | 0.0              | TUR           | ROM           | ROM | RUS |
| 288  | 780110 | Unwrought lead, refined   | 53                         | 56  | 42                           | 53                          | 68                            | 44.4                         | 44.5                       | 11.1                        | 5.0              | 0.0              | BUL           | UKR           | TUR | GRE |
| 289  | 740200 | Copper, unrefined; copper anodes for electrolytic refining            | 53                         | 7   | 182                          | 587                         | 53                            | 23.6                         | 72.7                       | 3.7                         | 10.0             | 0.0              | BUL           | TUR           | TUR | ROM |
| 290  | 830140 | Locks of base metal (excl. padlocks and locks for motor vehicle       | 53                         | 77  | 9                            | 53                          | 53                            | 12.5                         | 49.6                       | 37.9                        | 20.0             | 0.0              | TUR           | RUS           | ROM | UKR |
| 291  | 401199 | Pneumatic tyres, new, of rubber (excl. having a "herring-bone" o      | 53                         | 82  | 12                           | 53                          | 54                            | 18.5                         | 30.9                       | 50.7                        | 30.0             | 0.0              | RUS           | S&M           | RUS | UKR |
| 292  | 640419 | Footwear with outer soles of rubber or plastics and uppers of tex     | 52                         | 74  | 11                           | 60                          | 52                            | 15.1                         | 75.5                       | 9.4                         | 27.4             | 8.0              | TUR           | UKR           | RUS | GRE |
| 293  | 391740 | Fittings, e.g. joints, elbows, flanges, of plastics, for tubes, pipes | 52                         | 60  | 34                           | 52                          | 95                            | 39.5                         | 18.2                       | 42.3                        | 10.0             | 0.0              | TUR           | GRE           | RUS | ROM |
| 294  | 730431 | Tubes, pipes and hollow profiles seamless, of circular cross-sec      | 52                         | 40  | 40                           | 90                          | 52                            | 30.5                         | 37.5                       | 32.0                        | 15.0             | 0.0              | UKR           | RUS           | TUR | TUR |
| 295  | 720221 | Ferro-silicon, containing by weight > 55% of silicon                  | 52                         | 30  | 36                           | 138                         | 52                            | 20.9                         | 63.9                       | 15.2                        | 5.7              | 0.0              | UKR           | RUS           | TUR | RUS |
| 296  | 841581 | Air conditioning machines incorporating a refrigerating unit, and     | 52                         | 78  | 15                           | 52                          | 162                           | 22.2                         | 15.5                       | 62.3                        | 15.0             | 0.0              | GRE           | TUR           | GEO | AZE |
| 297  | 300390 | Medicaments consisting of two or more constituents mixed toge         | 52                         | 99  | 1                            | 52                          | 259                           | 1.1                          | 89.2                       | 9.7                         | 5.0              | 0.0              | TUR           | GRE           | S&M | ALB |
| 298  | 480300 | Toilet or facial tissue stock, towel or napkin stock and similar p    | 52                         | 61  | 33                           | 52                          | 72                            | 38.8                         | 26.3                       | 34.9                        | 15.0             | 0.0              | TUR           | GRE           | S&M | GRE |
| 299  | 901890 | Instruments and appliances used in medical, surgical, dental or       | 51                         | 83  | 10                           | 51                          | 782                           | 16.7                         | 46.7                       | 36.6                        | 10.0             | 0.0              | RUS           | TUR           | UKR | S&M |
| 300  | 220890 | Ethyl alcohol of an alcoholic strength of < 80% vol., not denatur     | 51                         | 35  | 95                           | 51                          | 58                            | 65.2                         | 28.2                       | 6.7                         | 84.2             | 0.0              | UKR           | GRE           | RUS | S&M |

Note: Excludes energy and tobacco products  
Source: Calculations by author based on UNSD COMTRADE Statistics, 2006; ITC MacMap, 2007

Annex 2.5. Results of Trade Flow Analysis for top 500 products with the highest trade potential  
(Ranked by the HS code)

| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st Exporter  | 2nd Exporter  | 1st Importer | 2nd Importer |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|--------------|--------------|
|      |        |   | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |              |              |
|      |        | <b>All Products</b>   | <b>96,110</b>              |   | <b>60,468</b>                | <b>331,343</b>              | <b>281,784</b>                | <b>15.4</b>                  | <b>48.7</b>                | <b>35.8</b>                 |                  |                  |               |               |              |              |
| 257  | 030269 | Fresh or chilled freshwater and saltwater fish (excl. salmonidae)   | 59                         | 16                                      | 23                           | 345                         | 59                            | 6.2                          | 91.6                       | 2.2                         | 30.0             | 0.0              | TUR           | GRE           | GRE          | BUL          |
| 487  | 030379 | Frozen freshwater and saltwater fish (excl. salmonidae, flat fish)  | 32                         | 85                                      | 6                            | 32                          | 121                           | 15.4                         | 25.6                       | 59.1                        | 30.0             | 0.0              | RUS           | GRE           | UKR          | S&M          |
| 186  | 030420 | Frozen fish filets  | 77                         | 98                                      | 1                            | 77                          | 113                           | 1.8                          | 85.9                       | 12.3                        | 30.0             | 0.0              | UKR           | RUS           | RUS          | S&M          |
| 340  | 040210 | Milk and cream in solid forms, of a fat content by weight of <= 1   | 45                         | 36                                      | 50                           | 75                          | 45                            | 40.1                         | 8.4                        | 51.5                        | 150.0            | 10.0             | UKR           | MOL           | RUS          | BUL          |
| 452  | 040310 | Yogurt, whether or not flavoured or containing added sugar or oil   | 34                         | 70                                      | 7                            | 43                          | 34                            | 13.5                         | 73.4                       | 13.1                        | 170.0            | 10.0             | RUS           | S&M           | UKR          | MOL          |
| 475  | 040630 | Processed cheese, not grated or powdered                            | 33                         | 79                                      | 9                            | 33                          | 64                            | 20.6                         | 3.2                        | 76.2                        | 140.0            | 5.0              | RUS           | UKR           | UKR          | RUS          |
| 71   | 040690 | Cheese (excl. fresh cheese, incl. whey cheese, not fermented, <     | 165                        | 33                                      | 328                          | 165                         | 594                           | 66.6                         | 25.0                       | 8.5                         | 140.0            | 8.0              | UKR           | BUL           | RUS          | GRE          |
| 378  | 050400 | Guts, bladders and stomachs of animals (other than fish), whole     | 41                         | 96                                      | 2                            | 41                          | 54                            | 4.0                          | 90.4                       | 5.6                         | 15.0             | 0.0              | BUL           | UKR           | TUR          | RUS          |
| 253  | 070200 | Tomatoes, fresh or chilled  | 60                         | 36                                      | 106                          | 60                          | 142                           | 64.1                         | 20.9                       | 15.0                        | 77.5             | 10.0             | TUR           | AZE           | RUS          | S&M          |
| 358  | 070960 | Fresh or chilled fruits of the genus Capsicum or Pimenta            | 43                         | 55                                      | 13                           | 65                          | 43                            | 16.2                         | 76.9                       | 7.8                         | 75.0             | 7.2              | TUR           | GRE           | GRE          | BUL          |
| 411  | 071340 | Dried, shelled lentils, whether or not skinned or split             | 37                         | 53                                      | 1                            | 71                          | 37                            | 0.8                          | 20.2                       | 79.0                        | 104.6            | 0.0              | TUR           | RUS           | ARM          | RUS          |
| 127  | 080510 | Fresh or dried oranges  | 101                        | 56                                      | 80                           | 101                         | 204                           | 44.2                         | 36.9                       | 19.0                        | 54.0             | 3.0              | TUR           | GRE           | RUS          | ROM          |
| 254  | 080520 | Fresh or dried mandarins incl. tangerines and satsumas, clemes      | 60                         | 43                                      | 78                           | 60                          | 122                           | 56.6                         | 21.1                       | 22.3                        | 54.0             | 3.0              | TUR           | GRE           | RUS          | UKR          |
| 185  | 080530 | Fresh or dried lemons "Citrus limon, Citrus limonum" and limes      | 78                         | 45                                      | 96                           | 78                          | 80                            | 55.4                         | 20.1                       | 24.5                        | 54.0             | 3.0              | TUR           | GRE           | RUS          | GRE          |
| 76   | 080610 | Fresh grapes  | 161                        | 70                                      | 56                           | 172                         | 161                           | 24.6                         | 69.2                       | 6.2                         | 74.0             | 5.0              | TUR           | GRE           | RUS          | S&M          |
| 382  | 080620 | Dried grapes  | 41                         | 14                                      | 4                            | 280                         | 41                            | 1.6                          | 84.1                       | 14.3                        | 54.9             | 0.0              | TUR           | GRE           | RUS          | TUR          |
| 494  | 080920 | Fresh cherries  | 32                         | 29                                      | 8                            | 102                         | 32                            | 6.9                          | 89.8                       | 3.3                         | 55.0             | 5.0              | TUR           | AZE           | RUS          | BUL          |
| 459  | 080930 | Fresh peaches, incl. nectarines                                     | 34                         | 40                                      | 44                           | 40                          | 34                            | 52.1                         | 33.5                       | 14.4                        | 55.0             | 5.0              | GRE           | TUR           | RUS          | ROM          |
| 325  | 100110 | Durum wheat   | 48                         | 50                                      | 9                            | 87                          | 48                            | 9.0                          | 58.6                       | 32.4                        | 30.0             | 0.0              | S&M           | GEO           | ARM          | ALB          |
| 54   | 100190 | Wheat and meslin (excl. durum wheat)                                | 204                        | 10                                      | 241                          | 1,738                       | 204                           | 12.2                         | 18.3                       | 69.6                        | 30.0             | 0.0              | RUS           | S&M           | AZE          | GRE          |
| 184  | 100300 | Barley  | 78                         | 10                                      | 24                           | 743                         | 78                            | 3.1                          | 7.0                        | 89.9                        | 28.0             | 0.0              | RUS           | BUL           | GRE          | ROM          |
| 381  | 100510 | Maize seed  | 41                         | 79                                      | 11                           | 41                          | 80                            | 21.3                         | 54.3                       | 24.5                        | 30.0             | 0.0              | S&M           | ROM           | UKR          | RUS          |
| 145  | 100590 | Maize (excl. seed)  | 94                         | 17                                      | 66                           | 483                         | 94                            | 12.1                         | 28.9                       | 59.0                        | 130.0            | 0.0              | S&M           | UKR           | TUR          | RUS          |
| 327  | 120600 | Sunflower seeds, whether or not broken                              | 48                         | 15                                      | 167                          | 154                         | 48                            | 52.0                         | 40.6                       | 7.4                         | 20.0             | 0.0              | BUL           | RUS           | TUR          | ROM          |
| 476  | 151219 | Sunflower-seed or safflower oil and their fractions, whether or not | 33                         | 14                                      | 156                          | 75                          | 33                            | 67.4                         | 4.6                        | 27.9                        | 31.0             | 0.0              | UKR           | MOL           | RUS          | GEO          |
| 301  | 151620 | Vegetable fats and oils and their fractions, partly or wholly hydro | 51                         | 53                                      | 44                           | 51                          | 104                           | 46.7                         | 5.9                        | 47.4                        | 23.0             | 0.0              | AZE           | GRE           | BUL          | RUS          |
| 406  | 151710 | Margarine (excl. liquid)  | 38                         | 39                                      | 23                           | 76                          | 38                            | 23.5                         | 4.0                        | 72.5                        | 124.6            | 0.0              | TUR           | UKR           | GEO          | RUS          |
| 366  | 151790 | Edible mixtures or preparations of animal or vegetable fats or oil  | 42                         | 51                                      | 41                           | 42                          | 106                           | 49.1                         | 2.9                        | 48.1                        | 116.4            | 0.0              | AZE           | UKR           | UKR          | RUS          |
| 51   | 170199 | Cane or beet sugar and chemically pure sucrose, in solid form (i    | 208                        | 77                                      | 64                           | 208                         | 270                           | 23.5                         | 17.8                       | 58.7                        | 135.0            | 10.0             | GEO           | RUS           | AZE          | ARM          |
| 96   | 170490 | Sugar confectionery not containing cocoa, incl. white chocolate     | 133                        | 58                                      | 80                           | 149                         | 133                           | 35.0                         | 25.2                       | 39.8                        | 42.8             | 10.0             | UKR           | TUR           | RUS          | AZE          |



| Rank | HS6    | Product Description  | Indicative Trade Potential<br>(A) = min (ii, iii) | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC<br>(i) | Current BSEC exports to ROW<br>(ii) | Current BSEC imports from ROW<br>(iii) | Share of exports to BSEC (%)<br>(iv) | Share of exports to EU (%)<br>(v) | Share of exports to ROW (%)<br>(vi) | BSEC Max MFN (%)<br>(vii) | BSEC Min MFN (%)<br>(viii) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|---|---|-------------------------------------|-------------------------------------|--|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|---------------|-----|-----|
|      |        |  |   |   |                                     |                                     |  |                                      |                                   |                                     |                           |                            | BSEC Exporter | BSEC Importer |     |     |
| 390  | 180631 | Chocolate and other preparations containing cocoa, in blocks, s    | 40  | 46  | 48                                  | 40                                  | 86                                     | 54.5                                 | 3.2                               | 42.3                                | 74.0                      | 8.3                        | RUS           | S&M           | UKR | GEO |
| 235  | 180632 | Chocolate and other preparations containing cocoa, in blocks, s    | 64  | 59  | 40                                  | 69                                  | 64                                     | 36.6                                 | 15.3                              | 48.0                                | 74.0                      | 8.3                        | RUS           | TUR           | RUS | UKR |
| 65   | 180690 | Chocolate and other preparations containing cocoa, in contain      | 176   | 40  | 240                                 | 201                                 | 176                                    | 54.5                                 | 8.2                               | 37.3                                | 45.0                      | 8.3                        | UKR           | RUS           | RUS | UKR |
| 496  | 190219 | Uncooked pasta, not stuffed or otherwise prepared, not containi    | 32  | 36  | 16                                  | 72                                  | 32                                     | 18.1                                 | 25.8                              | 56.1                                | 60.0                      | 7.7                        | TUR           | GRE           | ALB | UKR |
| 105  | 190530 | Sweet biscuits, waffles and wafers, whether or not containing co   | 124   | 34  | 105                                 | 257                                 | 124                                    | 29.1                                 | 22.2                              | 48.8                                | 60.0                      | 2.0                        | UKR           | S&M           | RUS | ALB |
| 87   | 190590 | Bread, pastry, cakes, biscuits and other bakers' wares, whether    | 141   | 68  | 67                                  | 141                                 | 146                                    | 32.1                                 | 27.3                              | 40.6                                | 56.0                      | 0.0                        | RUS           | TUR           | ALB | UKR |
| 403  | 200110 | Cucumbers and gherkins, prepared or preserved by vinegar or ac     | 39  | 65  | 10                                  | 50                                  | 39                                     | 16.1                                 | 78.3                              | 5.6                                 | 40.0                      | 10.0                       | UKR           | TUR           | RUS | GRE |
| 447  | 200290 | Tomatoes, prepared or preserved otherwise than by vinegar or ac    | 35  | 16  | 25                                  | 187                                 | 35                                     | 11.9                                 | 35.7                              | 52.4                                | 135.9                     | 10.0                       | TUR           | GRE           | RUS | UKR |
| 261  | 200570 | Olives, prepared or preserved otherwise than by vinegar or aceti   | 57  | 33  | 38                                  | 133                                 | 57                                     | 22.4                                 | 48.5                              | 29.1                                | 39.0                      | 10.0                       | TUR           | GRE           | ROM | BUL |
| 221  | 200799 | Jams, jellies, marmalades, purees or pastes of fruit, obtained by  | 69  | 33  | 14                                  | 192                                 | 69                                     | 6.7                                  | 85.4                              | 7.9                                 | 58.5                      | 6.0                        | GRE           | UKR           | RUS | UKR |
| 428  | 200819 | Nuts and other seeds, incl. mixtures, prepared or preserved (exc   | 36  | 6   | 43                                  | 519                                 | 36                                     | 7.6                                  | 82.5                              | 9.8                                 | 58.5                      | 7.0                        | TUR           | BUL           | RUS | ROM |
| 360  | 210210 | Active yeasts  | 43  | 35  | 31                                  | 92                                  | 43                                     | 24.9                                 | 9.7                               | 65.4                                | 63.0                      | 0.0                        | TUR           | S&M           | RUS | RUS |
| 457  | 210500 | Ice cream and other edible ice, whether or not containing cocoa    | 34  | 70  | 15                                  | 34                                  | 53                                     | 29.9                                 | 15.8                              | 54.2                                | 48.2                      | 5.0                        | UKR           | RUS           | RUS | UKR |
| 49   | 210690 | Food preparations n.e.s.   | 209   | 66  | 108                                 | 209                                 | 765                                    | 34.1                                 | 26.5                              | 39.5                                | 30.0                      | 0.0                        | RUS           | UKR           | UKR | GRE |
| 187  | 220210 | Waters, incl. mineral and aerated, with added sugar, sweetener,    | 77  | 78  | 22                                  | 77                                  | 111                                    | 22.1                                 | 37.4                              | 40.6                                | 40.0                      | 9.6                        | RUS           | ROM           | S&M | MOL |
| 436  | 220290 | Non-alcoholic beverages (excl. water, fruit or vegetable juices an | 35  | 46  | 42                                  | 35                                  | 85                                     | 54.4                                 | 12.8                              | 32.8                                | 153.8                     | 9.6                        | S&M           | UKR           | UKR | RUS |
| 137  | 220300 | Beer made from malt  | 96  | 39  | 126                                 | 121                                 | 96                                     | 50.8                                 | 8.7                               | 40.5                                | 159.0                     | 0.0                        | UKR           | S&M           | RUS | UKR |
| 81   | 220421 | Wine of fresh grapes, incl. fortified wines, and grape must whos   | 148   | 33  | 304                                 | 148                                 | 169                                    | 67.3                                 | 23.7                              | 9.0                                 | 80.9                      | 2.4                        | MOL           | GEO           | RUS | UKR |
| 493  | 220820 | Spirits obtained by distilling grape wine or grape marc            | 32  | 18  | 141                                 | 32                                  | 149                                    | 81.6                                 | 11.0                              | 7.4                                 | 60.0                      | 0.0                        | ARM           | MOL           | RUS | UKR |
| 374  | 220860 | Vodka  | 42  | 22  | 148                                 | 42                                  | 50                                     | 78.0                                 | 12.5                              | 9.5                                 | 123.1                     | 0.0                        | UKR           | RUS           | RUS | ARM |
| 300  | 220890 | Ethyl alcohol of an alcoholic strength of < 80% vol. not denatur   | 51  | 35  | 95                                  | 51                                  | 58                                     | 65.2                                 | 28.2                              | 6.7                                 | 84.2                      | 0.0                        | UKR           | GRE           | RUS | S&M |
| 386  | 250100 | Salts, incl. table salt and denatured salt, and pure sodium chlor  | 40  | 52  | 35                                  | 43                                  | 40                                     | 44.8                                 | 36.0                              | 19.3                                | 15.0                      | 0.0                        | UKR           | GRE           | RUS | ROM |
| 157  | 251020 | Natural calcium phosphates and natural aluminium calcium pho       | 89  | 51  | 1                                   | 172                                 | 89                                     | 0.6                                  | 53.7                              | 45.8                                | 12.0                      | 0.0                        | RUS           | BUL           | BUL | UKR |
| 285  | 251990 | Fused magnesia, dead-burned "sintered" magnesia, whether or        | 53  | 59  | 37                                  | 53                                  | 71                                     | 40.9                                 | 53.0                              | 6.1                                 | 12.0                      | 0.0                        | RUS           | TUR           | UKR | ROM |
| 489  | 252310 | Cement clinkers  | 32  | 18  | 48                                  | 133                                 | 32                                     | 26.7                                 | 48.8                              | 24.6                                | 20.0                      | 1.7                        | RUS           | GEO           | AZE | TUR |
| 319  | 252329 | Portland cement (excl. white, whether or not artificially colour   | 48  | 8   | 73                                  | 534                                 | 48                                     | 12.0                                 | 34.7                              | 53.3                                | 20.0                      | 1.7                        | UKR           | TUR           | ALB | AZE |
| 14   | 260111 | Non-agglomerated iron ores and concentrates "ECSC" (excl. roa      | 533   | 87  | 78                                  | 533                                 | 631                                    | 12.7                                 | 82.3                              | 5.0                                 | 12.0                      | 0.0                        | RUS           | UKR           | UKR | S&M |
| 13   | 260112 | Agglomerated iron ores and concentrates "ECSC" (excl. roaste       | 585   | 61  | 250                                 | 717                                 | 585                                    | 25.8                                 | 67.5                              | 6.6                                 | 12.0                      | 0.0                        | UKR           | UKR           | RUS | ROM |
| 57   | 260300 | Copper ores and concentrates                                       | 198   | 72  | 76                                  | 198                                 | 578                                    | 27.7                                 | 24.3                              | 48.1                                | 12.0                      | 0.0                        | GEO           | TUR           | BUL | TUR |
| 271  | 260800 | Zinc ores and concentrates   | 55  | 77  | 16                                  | 55                                  | 122                                    | 22.6                                 | 39.0                              | 38.4                                | 12.0                      | 0.0                        | TUR           | ROM           | BUL | ROM |





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|------|--------|--|---|---|-------------------------------------|-------------------------------------|--|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)                               | (B) = (A)/(i+ii)  | (i)                                 | (ii)                                | (iii)                                  | (iv)                                 | (v)                               | (vi)                                | (vii)                     | (viii)                     | BSEC Exporter | BSEC Importer |     |     |
| 281  | 330590 | Preparations for use on the hair (excl. shampoos, preparations for hair dyes, hair lotions, hair creams, hair conditioners, hair styling preparations, hair sprays, hair mousses, hair waxes, hair oils, hair serums, hair gels, hair foams, hair shampoos, hair conditioners, hair lotions, hair creams, hair styling preparations, hair sprays, hair mousses, hair waxes, hair oils, hair serums, hair gels, hair foams) | 54  | 62  | 33                                  | 54                                  | 305                                    | 37.9                                 | 18.7                              | 43.4                                | 20.0                      | 0.0                        | BUL           | RUS           | RUS | UKR |
| 450  | 330720 | Personal deodorants and antiperspirants  | 35  | 68  | 16                                  | 35                                  | 143                                    | 31.5                                 | 17.2                              | 51.3                                | 20.0                      | 0.0                        | RUS           | TUR           | UKR | ROM |
| 194  | 340213 | Non-ionic organic surface-active agents, whether or not put up in primary forms  | 75  | 86  | 12                                  | 75                                  | 149                                    | 13.7                                 | 76.6                              | 9.7                                 | 19.8                      | 0.0                        | RUS           | TUR           | TUR | UKR |
| 40   | 340220 | Surface-active preparations: washing preparations; auxiliary wash preparations   | 236   | 58  | 168                                 | 236                                 | 505                                    | 41.6                                 | 16.8                              | 41.6                                | 19.8                      | 0.0                        | RUS           | TUR           | UKR | RUS |
| 372  | 381400 | Organic composite solvents and thinners n.e.s.; prepared paint preparations  | 42  | 82  | 9                                   | 42                                  | 58                                     | 17.9                                 | 67.5                              | 14.7                                | 12.9                      | 0.0                        | TUR           | AZE           | UKR | ROM |
| 320  | 382490 | Products, preparations and residual products of the chemical or organic industry, n.e.s.   | 48  | 66  | 25                                  | 48                                  | 823                                    | 34.4                                 | 30.7                              | 35.0                                | 6.5                       | 0.0                        | RUS           | TUR           | S&M | UKR |
| 85   | 390110 | Polyethylene with a specific gravity of < 0.94, in primary forms   | 142   | 55  | 117                                 | 142                                 | 785                                    | 45.2                                 | 24.2                              | 30.6                                | 15.0                      | 0.0                        | RUS           | AZE           | UKR | UKR |
| 116  | 390120 | Polyethylene with a specific gravity of >= 0.94, in primary forms  | 110   | 56  | 88                                  | 110                                 | 876                                    | 44.3                                 | 39.9                              | 15.9                                | 20.0                      | 0.0                        | UKR           | RUS           | UKR | RUS |
| 146  | 390210 | Polypropylene, in primary forms  | 93  | 30  | 222                                 | 93                                  | 933                                    | 70.4                                 | 18.1                              | 11.5                                | 12.0                      | 0.0                        | GRE           | BUL           | TUR | RUS |
| 251  | 390410 | Polyvinyl chloride, in primary forms, not mixed with any other substance   | 60  | 30  | 139                                 | 60                                  | 537                                    | 69.8                                 | 13.3                              | 16.9                                | 20.0                      | 0.0                        | ROM           | RUS           | TUR | UKR |
| 318  | 390690 | Acrylic polymers, in primary forms (excl. polymethyl methacrylate)   | 48  | 76  | 16                                  | 48                                  | 318                                    | 24.4                                 | 31.1                              | 44.5                                | 12.0                      | 0.0                        | TUR           | RUS           | UKR | RUS |
| 138  | 390720 | Polyethers, in primary forms (excl. polyacetals)   | 96  | 74  | 34                                  | 96                                  | 336                                    | 26.2                                 | 60.6                              | 13.2                                | 12.0                      | 0.0                        | ROM           | RUS           | UKR | TUR |
| 243  | 390760 | Polyethylene terephthalate, in primary forms   | 63  | 77  | 19                                  | 63                                  | 721                                    | 23.0                                 | 61.2                              | 15.8                                | 12.0                      | 0.0                        | GRE           | TUR           | BUL | TUR |
| 337  | 390810 | Polyamides -6, -11, -12, -6,6, -6,9, -6,10 or -6,12, in primary forms  | 45  | 85  | 8                                   | 45                                  | 131                                    | 14.8                                 | 63.0                              | 22.1                                | 20.0                      | 0.0                        | RUS           | UKR           | TUR | UKR |
| 287  | 391620 | Monofilament of which any cross-sectional dimension > 1 mm, in primary forms   | 53  | 38  | 87                                  | 53                                  | 382                                    | 62.0                                 | 4.3                               | 33.6                                | 20.0                      | 0.0                        | TUR           | ROM           | ROM | RUS |
| 379  | 391721 | Rigid tubes, pipes and hoses, and fittings therefor, of polymers of ethylene   | 41  | 43  | 54                                  | 41                                  | 53                                     | 56.8                                 | 14.5                              | 28.6                                | 20.0                      | 0.0                        | UKR           | ROM           | MOL | BUL |
| 332  | 391732 | Flexible tubes, pipes and hoses of plastics, not reinforced or otherwise   | 47  | 73  | 18                                  | 47                                  | 103                                    | 27.3                                 | 41.1                              | 31.7                                | 20.0                      | 0.0                        | RUS           | GRE           | UKR | BUL |
| 293  | 391740 | Fittings, e.g. joints, elbows, flanges, of plastics, for tubes, pipes and hoses  | 52  | 60  | 34                                  | 52                                  | 95                                     | 39.5                                 | 18.2                              | 42.3                                | 10.0                      | 0.0                        | TUR           | GRE           | RUS | ROM |
| 471  | 391810 | Floor coverings, whether or not self-adhesive, in rolls or in the form of sheets   | 33  | 64  | 19                                  | 33                                  | 160                                    | 36.2                                 | 19.6                              | 44.2                                | 22.5                      | 0.0                        | TUR           | UKR           | RUS | UKR |
| 92   | 392010 | Plates, sheets, film, foil and strip, of non-cellular plastics, not reinforced   | 137   | 76  | 44                                  | 137                                 | 276                                    | 24.2                                 | 50.1                              | 25.7                                | 20.0                      | 0.0                        | TUR           | GRE           | RUS | BUL |
| 72   | 392020 | Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene   | 163   | 73  | 62                                  | 163                                 | 265                                    | 27.4                                 | 51.9                              | 20.7                                | 20.0                      | 0.0                        | TUR           | GRE           | ROM | RUS |
| 169  | 392190 | Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, whether or not reinforced  | 85  | 53  | 77                                  | 85                                  | 416                                    | 47.4                                 | 28.8                              | 23.9                                | 20.0                      | 0.0                        | GRE           | TUR           | RUS | UKR |
| 407  | 392310 | Boxes, cases, crates and similar articles for the conveyance of goods  | 38  | 64  | 22                                  | 38                                  | 99                                     | 36.4                                 | 41.6                              | 22.0                                | 20.0                      | 0.0                        | TUR           | GRE           | S&M | TUR |
| 121  | 392321 | Sacks and bags, incl. cones, of polymers of ethylene   | 105   | 78  | 29                                  | 105                                 | 109                                    | 21.6                                 | 62.3                              | 16.1                                | 20.0                      | 0.0                        | TUR           | BUL           | S&M | GRE |
| 329  | 392329 | Sacks and bags, incl. cones, of plastics (excl. those of polyethylene)   | 48  | 74  | 17                                  | 48                                  | 87                                     | 26.3                                 | 54.7                              | 19.0                                | 20.0                      | 0.0                        | TUR           | GRE           | ROM | RUS |
| 417  | 392330 | Carboys, bottles, flasks and similar articles for the conveyance of liquids  | 36  | 50  | 36                                  | 36                                  | 118                                    | 49.9                                 | 11.3                              | 38.8                                | 20.0                      | 0.0                        | TUR           | GRE           | RUS | ROM |
| 347  | 392350 | Stoppers, lids, caps and other closures, of plastics   | 44  | 59  | 30                                  | 44                                  | 185                                    | 40.7                                 | 17.8                              | 41.5                                | 16.6                      | 0.0                        | TUR           | BUL           | ROM | UKR |
| 446  | 392390 | Articles for the conveyance or packaging of goods, of plastics (excl. tableware and kitchenware, of plastics)  | 35  | 64  | 20                                  | 35                                  | 68                                     | 36.3                                 | 39.6                              | 24.1                                | 20.0                      | 0.0                        | TUR           | BUL           | BUL | UKR |
| 199  | 392410 | Tableware and kitchenware, of plastics   | 73  | 59  | 21                                  | 102                                 | 73                                     | 17.2                                 | 50.2                              | 32.6                                | 24.4                      | 6.5                        | TUR           | RUS           | RUS | ROM |
| 439  | 392490 | Household articles and toilet articles, of plastics (excl. tableware and kitchenware, of plastics)   | 35  | 58  | 25                                  | 35                                  | 80                                     | 41.8                                 | 33.1                              | 25.1                                | 20.0                      | 6.5                        | TUR           | GRE           | ROM | RUS |

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|------|--------|---|---|---|------------------------------|-----------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|---------------|-----|-----|
|      |        |   |   |   | (i)                          | (ii)                        | (iii)                         | (iv)                                 | (v)                               | (vi)                                | (vii)                     | (viii)                     | BSEC Exporter | BSEC Importer |     |     |
| 357  | 392590 | Building elements for the manufacture of floors, walls, partition:  | 43  | 61  | 27                           | 43                          | 174                           | 38.5                                 | 23.1                              | 38.4                                | 20.0                      | 2.0                        | TUR           | UKR           | ROM | RUS |
| 70   | 392690 | Articles of plastics and articles of other materials of headings 39 | 168   | 75  | 56                           | 168                         | 876                           | 25.0                                 | 48.3                              | 26.7                                | 20.0                      | 0.0                        | TUR           | GRE           | ROM | RUS |
| 168  | 400219 | Styrene-butadiene rubber "SBR", carboxylated styrene-butadien       | 85  | 38  | 54                           | 168                         | 85                            | 24.5                                 | 46.8                              | 28.7                                | 15.0                      | 0.0                        | RUS           | BUL           | UKR | TUR |
| 500  | 400239 | Halo-isobutene-isoprene rubber "CIIR" or "BIR", in primary form     | 32  | 88  | 5                            | 32                          | 37                            | 12.5                                 | 86.0                              | 1.6                                 | 12.0                      | 0.0                        | RUS           | BUL           | UKR | ROM |
| 361  | 400920 | Tubes, pipes and hoses, of vulcanized rubber other than hard ru     | 43  | 91  | 4                            | 43                          | 46                            | 8.7                                  | 63.5                              | 27.8                                | 15.8                      | 0.0                        | RUS           | TUR           | UKR | GRE |
| 430  | 400930 | Tubes, pipes and hoses, of vulcanized rubber other than hard ru     | 36  | 70  | 8                            | 43                          | 36                            | 15.2                                 | 59.1                              | 25.7                                | 15.8                      | 0.0                        | RUS           | TUR           | UKR | MOL |
| 258  | 400950 | Tubes, pipes and hoses, of vulcanized rubber other than hard ru     | 58  | 86  | 10                           | 58                          | 98                            | 14.4                                 | 61.9                              | 23.7                                | 15.8                      | 0.0                        | S&M           | UKR           | RUS | UKR |
| 355  | 401012 | Conveyor belts or belting, of vulcanized rubber, reinforced only    | 43  | 82  | 10                           | 43                          | 55                            | 18.1                                 | 47.4                              | 34.6                                | 15.0                      | 0.0                        | RUS           | TUR           | UKR | ARM |
| 12   | 401110 | New pneumatic tyres, of rubber, of a kind used for motor cars, of   | 669   | 79  | 108                          | 742                         | 669                           | 12.7                                 | 58.1                              | 29.2                                | 30.0                      | 4.5                        | RUS           | UKR           | RUS | UKR |
| 23   | 401120 | New pneumatic tyres, of rubber, of a kind used for buses and lo     | 370   | 63  | 139                          | 444                         | 370                           | 23.9                                 | 38.9                              | 37.2                                | 30.0                      | 0.0                        | RUS           | UKR           | UKR | RUS |
| 238  | 401191 | New pneumatic tyres, of rubber, with lug, herringbone or simil      | 64  | 35  | 63                           | 121                         | 64                            | 34.4                                 | 41.2                              | 24.4                                | 30.0                      | 0.0                        | UKR           | S&M           | RUS | UKR |
| 291  | 401199 | Pneumatic tyres, new, of rubber (excl. having a "herring-bone" or   | 53  | 82  | 12                           | 53                          | 54                            | 18.5                                 | 30.9                              | 50.7                                | 30.0                      | 0.0                        | RUS           | S&M           | RUS | UKR |
| 334  | 401693 | Gaskets, washers and other seals, of vulcanized rubber other th     | 47  | 80  | 12                           | 47                          | 171                           | 19.8                                 | 38.2                              | 42.0                                | 15.0                      | 0.0                        | RUS           | TUR           | ROM | UKR |
| 59   | 401699 | Articles of vulcanized rubber other than hard rubber n.e.s.         | 191   | 92  | 16                           | 191                         | 193                           | 7.9                                  | 69.5                              | 22.6                                | 15.0                      | 0.0                        | TUR           | RUS           | UKR | ROM |
| 129  | 410422 | Bovine leather, deaired, mineral or synthetic pre-tanned only, y    | 100   | 56  | 3                            | 174                         | 100                           | 1.4                                  | 90.5                              | 8.1                                 | 12.0                      | 3.0                        | RUS           | ROM           | ROM | TUR |
| 229  | 410431 | Full grains and full grain splits of bovine and equine animals, de  | 66  | 87  | 10                           | 66                          | 331                           | 12.9                                 | 66.1                              | 21.0                                | 15.0                      | 0.0                        | TUR           | RUS           | BUL | ROM |
| 273  | 410439 | Bovine and equine leather, deaired, prepared after tanning, incl    | 55  | 90  | 6                            | 55                          | 494                           | 9.7                                  | 76.9                              | 13.3                                | 15.0                      | 0.0                        | TUR           | UKR           | ROM | UKR |
| 367  | 420221 | Handbags, whether or not with shoulder straps, incl. those with     | 42  | 49  | 1                            | 86                          | 42                            | 1.5                                  | 89.3                              | 9.2                                 | 25.0                      | 0.0                        | TUR           | S&M           | GRE | RUS |
| 205  | 420310 | Articles of apparel, of leather or composition leather (excl. cloth | 72  | 28  | 35                           | 220                         | 72                            | 13.6                                 | 76.9                              | 9.5                                 | 20.0                      | 4.0                        | TUR           | BUL           | GRE | RUS |
| 391  | 420500 | Articles of leather or composition leather (excl. saddlery and hat  | 40  | 97  | 1                            | 40                          | 70                            | 2.8                                  | 94.4                              | 2.8                                 | 25.0                      | 2.5                        | TUR           | S&M           | GEO | ROM |
| 425  | 430310 | Articles of apparel and clothing accessories of fur/skin (excl. glo | 36  | 10  | 193                          | 166                         | 36                            | 53.7                                 | 25.0                              | 21.2                                | 30.0                      | 3.7                        | GRE           | TUR           | RUS | TUR |
| 135  | 440710 | Coniferous wood sawn or chipped lengthwise, sliced or barked, i     | 97  | 5   | 155                          | 1,977                       | 97                            | 7.3                                  | 45.3                              | 47.4                                | 15.0                      | 0.0                        | RUS           | ROM           | GRE | S&M |
| 165  | 440890 | Veneer sheets and sheets for plywood, whether or not spliced, a     | 87  | 69  | 13                           | 113                         | 87                            | 10.1                                 | 77.3                              | 12.6                                | 15.0                      | 0.0                        | ROM           | TUR           | BUL | GRE |
| 345  | 440920 | Wood, incl. strips and friezes for parquet flooring, not assembl    | 44  | 77  | 13                           | 45                          | 44                            | 22.3                                 | 59.8                              | 17.9                                | 30.0                      | 0.0                        | ROM           | BUL           | GRE | S&M |
| 104  | 441019 | Particle board and similar board, of wood, whether or not agglom    | 125   | 57  | 94                           | 125                         | 332                           | 43.0                                 | 13.8                              | 43.2                                | 20.5                      | 0.0                        | BUL           | TUR           | TUR | RUS |
| 363  | 441121 | Fibreboard of wood or other ligneous materials, whether or not a    | 43  | 58  | 30                           | 43                          | 85                            | 41.6                                 | 21.3                              | 37.1                                | 15.0                      | 0.0                        | ROM           | TUR           | TUR | GRE |
| 196  | 441820 | Doors and their frames and thresholds, of wood                      | 74  | 79  | 10                           | 84                          | 74                            | 10.2                                 | 58.6                              | 31.2                                | 20.0                      | 0.0                        | TUR           | RUS           | TUR | UKR |
| 323  | 441890 | Builders' joinery and carpentry, of wood, incl. cellular wood pane  | 48  | 52  | 13                           | 79                          | 48                            | 13.9                                 | 38.4                              | 47.6                                | 20.0                      | 0.0                        | TUR           | RUS           | UKR | RUS |
| 395  | 442190 | Other articles of wood n.e.s.                                       | 39  | 26  | 4                            | 144                         | 39                            | 2.7                                  | 80.5                              | 16.8                                | 25.0                      | 0.0                        | S&M           | TUR           | GRE | RUS |
| 255  | 470321 | Semi-bleached or bleached coniferous chemical wood pulp, sod        | 59  | 90  | 7                            | 59                          | 98                            | 9.9                                  | 62.9                              | 27.2                                | 15.0                      | 0.0                        | RUS           | GRE           | GRE | UKR |



| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |     |     |
| 114  | 470329 | Semi-bleached or bleached non-coniferous chemical wood pulp.           | 113                        | 58                                      | 23                           | 170                         | 113                           | 12.2                         | 78.0                       | 9.8                         | 15.0             | 0.0              | BUL           | RUS           | TUR | UKR |
| 24   | 480100 | Newsprint, in rolls of a width > 15 cm or in square or rectangular     | 349                        | 57                                      | 156                          | 455                         | 349                           | 25.5                         | 33.1                       | 41.4                        | 15.0             | 0.0              | RUS           | ROM           | TUR | UKR |
| 91   | 480252 | Uncoated paper and paperboard, of a kind used for writing, printing    | 138                        | 59                                      | 95                           | 138                         | 440                           | 40.7                         | 20.6                       | 38.7                        | 15.0             | 0.0              | RUS           | TUR           | UKR | TUR |
| 298  | 480300 | Toilet or facial tissue stock, towel or napkin stock and similar paper | 52                         | 61                                      | 33                           | 52                          | 72                            | 38.8                         | 26.3                       | 34.9                        | 15.0             | 0.0              | TUR           | GRE           | S&M | GRE |
| 310  | 480411 | Unbleached kraftliner, uncoated, in rolls of a width > 15 cm or        | 50                         | 80                                      | 13                           | 50                          | 51                            | 20.5                         | 50.8                       | 28.7                        | 15.0             | 0.0              | RUS           | ROM           | TUR | GRE |
| 421  | 480421 | Unbleached sack kraft paper, uncoated, in rolls of a width > 15 cm or  | 36                         | 25                                      | 32                           | 115                         | 36                            | 21.6                         | 37.6                       | 40.8                        | 15.0             | 0.0              | RUS           | BUL           | TUR | UKR |
| 451  | 480560 | Paper and paperboard, uncoated, in rolls of a width > 15 cm or         | 35                         | 64                                      | 20                           | 35                          | 91                            | 36.2                         | 51.3                       | 12.5                        | 0.0              | 0.0              | UKR           | TUR           | S&M | UKR |
| 123  | 481139 | Paper and paperboard, coated, impregnated or covered with anti-        | 104                        | 48                                      | 113                          | 104                         | 311                           | 51.9                         | 24.1                       | 24.1                        | 10.0             | 0.0              | UKR           | S&M           | RUS | S&M |
| 69   | 481840 | Sanitary towels and tampons, napkins and napkin for babies and         | 170                        | 70                                      | 72                           | 170                         | 693                           | 29.9                         | 7.2                        | 63.0                        | 15.0             | 0.0              | TUR           | ROM           | ROM | GEO |
| 307  | 481910 | Cartons, boxes and cases, of corrugated paper or paperboard            | 50                         | 61                                      | 32                           | 50                          | 100                           | 38.7                         | 33.4                       | 27.9                        | 20.0             | 0.0              | UKR           | TUR           | RUS | BUL |
| 497  | 481920 | Folding cartons, boxes and cases, of non-corrugated paper or paper     | 32                         | 40                                      | 47                           | 32                          | 321                           | 59.6                         | 18.3                       | 22.1                        | 20.0             | 0.0              | UKR           | TUR           | RUS | UKR |
| 331  | 481940 | Sacks and bags, incl. cones, of paper, paperboard, cellulose wad       | 47                         | 81                                      | 11                           | 47                          | 52                            | 19.3                         | 55.7                       | 25.0                        | 19.4             | 0.0              | TUR           | BUL           | GRE | BUL |
| 376  | 490110 | Printed books, brochures and similar printed matter, in single sheets  | 41                         | 80                                      | 10                           | 41                          | 101                           | 19.6                         | 42.5                       | 37.8                        | 10.0             | 0.0              | TUR           | UKR           | AZE | RUS |
| 97   | 490199 | Printed books, brochures and similar printed matter (excl. those       | 132                        | 79                                      | 34                           | 132                         | 211                           | 20.5                         | 32.7                       | 46.8                        | 10.0             | 0.0              | RUS           | GRE           | UKR | RUS |
| 398  | 490290 | Newspapers, journals and periodicals, whether or not illustrated,      | 39                         | 51                                      | 38                           | 39                          | 252                           | 49.1                         | 24.4                       | 26.5                        | 10.0             | 0.0              | UKR           | RUS           | RUS | S&M |
| 467  | 491191 | Pictures, prints and photographs n.e.s.                                | 34                         | 98                                      | 1                            | 34                          | 42                            | 2.5                          | 12.4                       | 85.1                        | 15.0             | 0.0              | RUS           | GRE           | RUS | UKR |
| 472  | 491199 | Printed matter n.e.s.  | 33                         | 80                                      | 8                            | 33                          | 98                            | 19.7                         | 31.3                       | 49.0                        | 15.0             | 0.0              | UKR           | RUS           | AZE | ARM |
| 302  | 510710 | Yarn of combed wool containing >= 85% wool by weight (excl. that       | 51                         | 75                                      | 1                            | 67                          | 51                            | 1.6                          | 92.3                       | 6.1                         | 15.0             | 0.0              | BUL           | TUR           | TUR | ROM |
| 429  | 510720 | Yarn of combed wool containing predominantly, but < 85% wool           | 36                         | 82                                      | 4                            | 39                          | 36                            | 10.1                         | 86.0                       | 3.9                         | 15.0             | 0.0              | BUL           | TUR           | ROM | TUR |
| 245  | 511211 | Woven fabrics containing >= 85% combed wool or combed fine             | 63                         | 82                                      | 13                           | 63                          | 172                           | 17.5                         | 43.5                       | 38.9                        | 17.4             | 0.0              | TUR           | GRE           | BUL | ROM |
| 55   | 520100 | Cotton, neither carded nor combed                                      | 203                        | 49                                      | 211                          | 203                         | 450                           | 50.9                         | 16.4                       | 32.8                        | 5.0              | 0.0              | GRE           | AZE           | TUR | RUS |
| 201  | 520512 | Single cotton yarn, of uncombed fibres, containing >= 85% cotton       | 73                         | 79                                      | 20                           | 73                          | 110                           | 21.3                         | 60.6                       | 18.1                        | 8.7              | 0.0              | TUR           | AZE           | BUL | GRE |
| 266  | 520812 | Plain woven fabrics of cotton, containing >= 85% cotton by weight      | 56                         | 89                                      | 7                            | 56                          | 112                           | 11.4                         | 84.9                       | 3.8                         | 25.0             | 0.0              | RUS           | TUR           | TUR | ROM |
| 335  | 520842 | Plain woven fabrics of cotton, containing >= 85% cotton by weight      | 47                         | 95                                      | 2                            | 47                          | 124                           | 4.7                          | 47.5                       | 47.8                        | 25.0             | 0.0              | TUR           | RUS           | ROM | BUL |
| 324  | 520849 | Woven fabrics of cotton, containing >= 85% cotton by weight and        | 48                         | 90                                      | 6                            | 48                          | 91                            | 10.5                         | 38.2                       | 51.3                        | 25.0             | 0.0              | TUR           | GRE           | ROM | BUL |
| 483  | 520932 | Woven fabrics of cotton, containing >= 85% cotton by weight and        | 33                         | 78                                      | 9                            | 33                          | 100                           | 22.4                         | 26.2                       | 51.3                        | 25.0             | 0.0              | TUR           | RUS           | UKR | BUL |
| 393  | 520939 | Woven fabrics of cotton, containing >= 85% cotton by weight and        | 40                         | 76                                      | 13                           | 40                          | 100                           | 24.2                         | 44.7                       | 31.1                        | 25.0             | 0.0              | TUR           | RUS           | ROM | BUL |
| 29   | 520942 | Denim, containing >= 85% cotton by weight and weighing > 200           | 302                        | 92                                      | 26                           | 302                         | 404                           | 7.9                          | 44.8                       | 47.2                        | 25.0             | 0.0              | TUR           | GRE           | ROM | BUL |
| 362  | 540110 | Sewing thread of synthetic filaments, whether or not put up for retail | 43                         | 79                                      | 12                           | 43                          | 73                            | 21.3                         | 58.9                       | 19.8                        | 15.0             | 0.0              | GRE           | TUR           | BUL | UKR |
| 464  | 540210 | High tenacity filament yarn of nylon or other polyamides (excl. staple | 34                         | 38                                      | 3                            | 85                          | 34                            | 3.7                          | 63.1                       | 33.2                        | 20.0             | 0.0              | TUR           | ROM           | GRE | TUR |

| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |     |     |
| 171  | 540233 | Textured filament yarn of polyester (excl. that put up for retail sale)                              | 84                         | 87                                      | 13                           | 84                          | 129                           | 13.4                         | 79.9                       | 6.7                         | 15.0             | 0.0              | TUR           | RUS           | GRE | BUL |
| 423  | 540241 | Filament yarn of nylon or other polyamides, incl. monofilament of > 67 decitex, of > 1.68 mm         | 36                         | 78                                      | 10                           | 36                          | 89                            | 21.8                         | 45.3                       | 32.9                        | 15.0             | 0.0              | UKR           | ROM           | RUS | TUR |
| 412  | 540242 | Filament yarn of polyester, incl. monofilament of < 67 decitex, of < 1.68 mm                         | 37                         | 99                                      | 0                            | 37                          | 59                            | 0.9                          | 54.0                       | 45.2                        | 15.0             | 0.0              | ROM           | TUR           | GRE | S&M |
| 369  | 540752 | Woven fabrics of yarn containing >= 85% by weight of textured fibres                                 | 42                         | 63                                      | 25                           | 42                          | 149                           | 36.8                         | 32.0                       | 31.2                        | 20.0             | 0.0              | TUR           | BUL           | RUS | ROM |
| 170  | 540761 | Woven fabrics of yarn containing >= 85% by weight of non-textured fibres                             | 85                         | 69                                      | 39                           | 85                          | 157                           | 31.4                         | 32.0                       | 36.6                        | 20.0             | 0.0              | TUR           | GRE           | GRE | RUS |
| 276  | 550320 | Staple fibres of polyesters, not carded, combed or otherwise prepared                                | 55                         | 91                                      | 5                            | 55                          | 120                           | 8.9                          | 83.2                       | 7.8                         | 8.8              | 0.0              | TUR           | ROM           | BUL | ROM |
| 147  | 551511 | Woven fabrics containing predominantly, but < 85% polyester staple fibres                            | 93                         | 44                                      | 49                           | 162                         | 93                            | 23.1                         | 35.2                       | 41.7                        | 25.0             | 0.0              | TUR           | ROM           | BUL | ROM |
| 458  | 551513 | Woven fabrics containing predominantly, but < 85% polyester staple fibres                            | 34                         | 80                                      | 8                            | 34                          | 94                            | 19.9                         | 50.1                       | 30.1                        | 25.0             | 0.0              | BUL           | TUR           | ROM | BUL |
| 341  | 570110 | Carpets and other textile floor coverings, of wool or fine animal hair                               | 45                         | 85                                      | 1                            | 52                          | 45                            | 2.7                          | 23.6                       | 73.8                        | 40.0             | 8.0              | ROM           | TUR           | TUR | ROM |
| 499  | 570242 | Carpets and other floor coverings, of man-made textile materials                                     | 32                         | 40                                      | 19                           | 60                          | 32                            | 24.0                         | 24.2                       | 51.8                        | 40.0             | 8.0              | TUR           | MOL           | RUS | UKR |
| 315  | 570330 | Carpets and other floor coverings, of man-made textile materials                                     | 49                         | 12                                      | 138                          | 266                         | 49                            | 34.1                         | 10.7                       | 55.2                        | 35.5             | 8.0              | TUR           | UKR           | RUS | GRE |
| 474  | 590210 | Tyre cord fabric of high tenacity yarn of nylon or other polyamide fibres                            | 33                         | 33                                      | 21                           | 79                          | 33                            | 20.8                         | 49.7                       | 29.4                        | 20.0             | 0.0              | UKR           | TUR           | RUS | UKR |
| 125  | 600230 | Knitted or crocheted fabrics, of a width of > 30 cm, containing > 5% by weight of elastomeric fibres | 102                        | 69                                      | 45                           | 102                         | 147                           | 30.8                         | 54.1                       | 15.1                        | 25.0             | 0.0              | UKR           | GRE           | BUL | GRE |
| 163  | 600292 | Fabrics, knitted or crocheted, of a width of > 30 cm, of cotton (excluding blends)                   | 87                         | 35                                      | 147                          | 102                         | 87                            | 59.1                         | 17.7                       | 23.2                        | 25.0             | 0.0              | TUR           | GRE           | BUL | RUS |
| 309  | 600293 | Fabrics, knitted or crocheted, of a width of > 30 cm, of man-made fibres                             | 50                         | 58                                      | 37                           | 50                          | 89                            | 42.4                         | 34.7                       | 22.9                        | 25.0             | 0.0              | TUR           | GRE           | ROM | BUL |
| 465  | 610610 | Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted                  | 34                         | 5                                       | 174                          | 445                         | 34                            | 28.1                         | 64.7                       | 7.2                         | 30.0             | 10.0             | BUL           | GRE           | BUL | ALB |
| 396  | 610822 | Women's or girls' briefs and panties of man-made fibres, knitted or crocheted                        | 39                         | 27                                      | 15                           | 128                         | 39                            | 10.5                         | 76.2                       | 13.3                        | 30.0             | 10.0             | BUL           | GRE           | BUL | UKR |
| 62   | 610910 | T-shirts, singlets and other vests of cotton, knitted or crocheted                                   | 187                        | 7                                       | 126                          | 2,492                       | 187                           | 4.8                          | 86.6                       | 8.6                         | 30.0             | 10.0             | BUL           | TUR           | BUL | ROM |
| 204  | 610990 | T-shirts, singlets and other vests of textile materials, knitted or crocheted                        | 72                         | 10                                      | 44                           | 660                         | 72                            | 6.3                          | 84.4                       | 9.4                         | 30.0             | 10.0             | BUL           | GRE           | BUL | UKR |
| 158  | 611010 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres                   | 89                         | 33                                      | 11                           | 254                         | 89                            | 4.3                          | 91.4                       | 4.3                         | 30.0             | 10.0             | TUR           | BUL           | ROM | RUS |
| 117  | 611020 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool                              | 110                        | 12                                      | 27                           | 881                         | 110                           | 3.0                          | 89.4                       | 7.6                         | 30.0             | 10.0             | TUR           | BUL           | RUS | BUL |
| 80   | 611030 | Jerseys, pullovers, cardigans, waistcoats and similar articles, of synthetic fibres                  | 152                        | 28                                      | 17                           | 526                         | 152                           | 3.2                          | 89.1                       | 7.7                         | 30.0             | 10.0             | TUR           | BUL           | UKR | ROM |
| 233  | 611511 | Panty hose and tights of synthetic fibres, knitted or crocheted                                      | 66                         | 49                                      | 21                           | 113                         | 66                            | 15.9                         | 52.2                       | 31.8                        | 36.2             | 10.0             | GRE           | BUL           | BUL | ALB |
| 441  | 611593 | Full-length or knee-length stockings, socks and other hosiery, of man-made fibres                    | 35                         | 62                                      | 8                            | 49                          | 35                            | 13.3                         | 71.0                       | 15.7                        | 30.0             | 5.0              | BUL           | TUR           | BUL | UKR |
| 388  | 620193 | Men's or boys' anoraks, windcheaters, wind jackets and similar articles                              | 40                         | 43                                      | 2                            | 93                          | 40                            | 1.6                          | 91.5                       | 6.9                         | 30.0             | 10.0             | TUR           | GRE           | UKR | ROM |
| 394  | 620311 | Men's or boys' suits of wool or fine animal hair (excl. knitted or crocheted)                        | 39                         | 17                                      | 22                           | 209                         | 39                            | 9.4                          | 73.9                       | 16.6                        | 30.0             | 10.0             | TUR           | BUL           | TUR | GRE |
| 56   | 620342 | Men's or boys' trousers, bib and brace overalls, breeches and shorts (excl. knitted or crocheted)    | 201                        | 13                                      | 148                          | 1,377                       | 201                           | 9.7                          | 74.6                       | 15.8                        | 30.0             | 10.0             | BUL           | TUR           | BUL | ROM |
| 468  | 620343 | Men's or boys' trousers, bib and brace overalls, breeches and shorts (excl. knitted or crocheted)    | 34                         | 14                                      | 8                            | 224                         | 34                            | 3.3                          | 87.5                       | 9.2                         | 30.0             | 10.0             | ROM           | TUR           | UKR | ROM |
| 498  | 620432 | Women's or girls' jackets and blazers of cotton (excl. knitted or crocheted)                         | 32                         | 11                                      | 5                            | 273                         | 32                            | 1.6                          | 92.7                       | 5.6                         | 30.0             | 10.0             | TUR           | BUL           | RUS | TUR |
| 350  | 620452 | Women's or girls' skirts and divided skirts of cotton (excl. knitted or crocheted)                   | 44                         | 16                                      | 9                            | 274                         | 44                            | 3.2                          | 86.6                       | 10.2                        | 30.0             | 10.0             | TUR           | BUL           | RUS | ROM |



| Rank | HS6    | Product Description  | Indicative Trade Potential<br>(A) = min (ii, iii) | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%)<br>(iv) | Share of exports to EU (%)<br>(v) | Share of exports to ROW (%)<br>(vi) | BSEC Max MFN (%)<br>(vii) | BSEC Min MFN (%)<br>(viii) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|---|---|------------------------------|-----------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------|----------------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)                               | (B) = (A)/(i+ii)  | (i)                          | (ii)                        | (iii)                         | (iv)                                 | (v)                               | (vi)                                | (vii)                     | (viii)                     | BSEC Exporter | BSEC Importer |     |     |
| 79   | 620462 | Women's or girls' trousers, bib and brace overalls, breeches and       | 155   | 10  | 47                           | 1,459                       | 155                           | 3.2                                  | 86.6                              | 10.2                                | 30.0                      | 10.0                       | TUR           | BUL           | RUS | GRE |
| 419  | 620463 | Women's or girls' trousers, bib and brace overalls, breeches and       | 36  | 9   | 10                           | 410                         | 36                            | 2.4                                  | 91.2                              | 6.4                                 | 30.0                      | 10.0                       | GRE           | TUR           | RUS | UKR |
| 126  | 620520 | Men's or boys' shirts of cotton (excl. knitted or crocheted, night     | 101   | 14  | 35                           | 673                         | 101                           | 4.9                                  | 85.9                              | 9.2                                 | 30.0                      | 10.0                       | TUR           | GRE           | UKR | RUS |
| 250  | 620630 | Women's or girls' blouses, shirts and shirt-blouses of cotton (ex      | 61  | 20  | 10                           | 294                         | 61                            | 3.4                                  | 86.9                              | 9.8                                 | 30.0                      | 10.0                       | TUR           | BUL           | BUL | RUS |
| 336  | 620640 | Women's or girls' blouses, shirts and shirt-blouses of man-made        | 46  | 12  | 8                            | 380                         | 46                            | 2.2                                  | 87.2                              | 10.6                                | 30.0                      | 10.0                       | TUR           | BUL           | GRE | UKR |
| 112  | 621210 | Brassieres of all types of textile materials, whether or not elasti    | 115   | 46  | 11                           | 239                         | 115                           | 4.4                                  | 84.8                              | 10.8                                | 30.0                      | 6.5                        | BUL           | TUR           | ROM | BUL |
| 426  | 630260 | Toilet linen and kitchen linen, of terry towelling or similar terry fa | 36  | 8   | 33                           | 407                         | 36                            | 7.6                                  | 80.9                              | 11.5                                | 30.0                      | 10.0                       | TUR           | RUS           | RUS | GRE |
| 247  | 630790 | Made up articles of textile materials, incl. dress patterns, n.e.s     | 62  | 93  | 4                            | 62                          | 81                            | 6.6                                  | 82.6                              | 10.8                                | 20.0                      | 10.0                       | TUR           | MOL           | MOL | RUS |
| 342  | 640299 | Footwear with outer soles and uppers of rubber or plastics (excl.      | 45  | 81  | 11                           | 45                          | 81                            | 19.2                                 | 51.8                              | 29.1                                | 31.7                      | 10.0                       | TUR           | ROM           | BUL | GRE |
| 306  | 640319 | Sports footwear, with outer soles of rubber, plastics, leather or o    | 50  | 46  | 4                            | 106                         | 50                            | 3.6                                  | 94.3                              | 2.1                                 | 29.0                      | 8.0                        | ROM           | TUR           | MOL | ROM |
| 346  | 640351 | Footwear with outer soles and uppers of leather, covering the an       | 44  | 63  | 7                            | 63                          | 44                            | 9.5                                  | 70.9                              | 19.7                                | 25.0                      | 8.0                        | TUR           | BUL           | S&M | ROM |
| 153  | 640359 | Footwear with outer soles and uppers of leather (excl. covering t      | 91  | 93  | 4                            | 93                          | 91                            | 3.9                                  | 77.6                              | 18.5                                | 29.5                      | 5.0                        | TUR           | S&M           | GRE | ROM |
| 149  | 640391 | Footwear with outer soles of rubber, plastics or composition leat      | 93  | 30  | 12                           | 299                         | 93                            | 3.8                                  | 89.6                              | 6.7                                 | 25.0                      | 8.0                        | TUR           | S&M           | GRE | ROM |
| 35   | 640399 | Footwear with outer soles of rubber, plastics or composition leat      | 271   | 44  | 16                           | 594                         | 271                           | 2.6                                  | 88.8                              | 8.6                                 | 27.4                      | 8.0                        | TUR           | S&M           | GRE | RUS |
| 292  | 640419 | Footwear with outer soles of rubber or plastics and uppers of tex      | 52  | 74  | 11                           | 60                          | 52                            | 15.1                                 | 75.5                              | 9.4                                 | 27.4                      | 8.0                        | TUR           | UKR           | RUS | GRE |
| 122  | 640610 | Uppers and parts thereof (excl. stiffeners and general parts mad       | 105   | 17  | 21                           | 611                         | 105                           | 3.4                                  | 89.2                              | 7.4                                 | 12.0                      | 0.0                        | GRE           | TUR           | BUL | ROM |
| 470  | 640620 | Outer soles and heels, of rubber or plastics                           | 34  | 71  | 14                           | 34                          | 193                           | 28.8                                 | 54.7                              | 16.5                                | 20.0                      | 0.0                        | TUR           | UKR           | RUS | ROM |
| 231  | 640699 | Parts of footwear (excl. outer soles and heels of rubber or plasti     | 66  | 96  | 3                            | 66                          | 176                           | 4.3                                  | 90.4                              | 5.3                                 | 20.0                      | 0.0                        | TUR           | BUL           | ROM | RUS |
| 402  | 680710 | Articles of asphalt or of similar materials, e.g. petroleum bitume     | 39  | 59  | 27                           | 39                          | 55                            | 40.8                                 | 30.4                              | 28.8                                | 15.0                      | 0.0                        | RUS           | GRE           | UKR | BUL |
| 354  | 690220 | Refractory bricks, blocks, tiles and similar refractory ceramic co     | 43  | 65  | 23                           | 43                          | 70                            | 34.8                                 | 24.4                              | 40.7                                | 20.0                      | 0.0                        | UKR           | RUS           | RUS | UKR |
| 28   | 690890 | Glazed ceramic flags and paving, hearth or wall tiles (excl. of sil    | 312   | 77  | 91                           | 312                         | 566                           | 22.6                                 | 44.3                              | 33.1                                | 24.0                      | 6.0                        | TUR           | RUS           | GRE | UKR |
| 348  | 691010 | Ceramic sinks, wash basins, wash basin pedestals, baths, bidet         | 44  | 41  | 24                           | 85                          | 44                            | 21.7                                 | 64.2                              | 14.0                                | 24.3                      | 7.0                        | UKR           | BUL           | RUS | GRE |
| 260  | 691090 | Ceramic sinks, wash basins, wash basin pedestals, baths, bidet         | 57  | 34  | 23                           | 147                         | 57                            | 13.3                                 | 67.9                              | 18.8                                | 27.0                      | 7.0                        | TUR           | S&M           | RUS | S&M |
| 270  | 691110 | Tableware and kitchenware, of porcelain or china (excl. ornamen        | 55  | 70  | 23                           | 55                          | 62                            | 29.7                                 | 61.8                              | 8.4                                 | 25.5                      | 10.0                       | UKR           | ROM           | ROM | GRE |
| 383  | 691200 | Tableware, kitchenware, other household articles and toilet artic      | 41  | 67  | 11                           | 50                          | 41                            | 17.6                                 | 78.1                              | 4.3                                 | 25.0                      | 5.0                        | ROM           | UKR           | RUS | GRE |
| 244  | 701092 | Carboys, bottles, flasks, jars, pots, phials and other containe        | 63  | 37  | 105                          | 63                          | 215                           | 62.5                                 | 13.4                              | 24.1                                | 12.0                      | 10.0                       | BUL           | RUS           | ROM | S&M |
| 252  | 701329 | Drinking glasses (excl. glasses of glass-ceramics or of lead cry       | 60  | 30  | 31                           | 169                         | 60                            | 15.4                                 | 50.2                              | 34.4                                | 30.0                      | 10.0                       | TUR           | BUL           | RUS | GRE |
| 227  | 710139 | Glassware for table or kitchen purposes (excl. glass having a lin      | 66  | 80  | 12                           | 71                          | 66                            | 14.2                                 | 49.1                              | 36.6                                | 30.0                      | 10.0                       | TUR           | RUS           | RUS | BUL |
| 32   | 710231 | Non-industrial diamonds unworked or simply sawn, cleaved or bl         | 287   | 17  | 14                           | 1,657                       | 287                           | 0.8                                  | 80.0                              | 19.2                                | 15.0                      | 0.0                        | RUS           | ARM           | ARM | UKR |
| 203  | 710239 | Diamonds, worked, but not mounted or set (excl. industrial diam        | 72  | 26  | 12                           | 268                         | 72                            | 4.2                                  | 50.3                              | 45.5                                | 20.0                      | 0.0                        | ARM           | UKR           | ARM | UKR |

| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |   | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |     |     |
| 107  | 710812 | Gold, incl. gold plated with platinum, unwrought, for non-monetary use  | 120                        | 100                                     | 0                            | 120                         | 3,540                         | 0.0                          | 2.0                        | 98.0                        | 20.0             | 0.0              | TUR           | ARM           | TUR | ARM |
| 193  | 710813 | Gold, incl. gold plated with platinum, in semi-manufactured form  | 75                         | 100                                     | 0                            | 75                          | 479                           | 0.0                          | 3.1                        | 96.9                        | 20.0             | 0.0              | S&M           | ARM           | UKR | ARM |
| 53   | 711319 | Articles of jewellery and parts thereof, of precious metal other than platinum  | 207                        | 26                                      | 70                           | 725                         | 207                           | 8.8                          | 40.7                       | 50.5                        | 30.0             | 2.5              | TUR           | UKR           | UKR | MOL |
| 295  | 720221 | Ferro-silicon, containing by weight > 55% of silicon  | 52                         | 30                                      | 36                           | 138                         | 52                            | 20.9                         | 63.9                       | 15.2                        | 5.7              | 0.0              | UKR           | RUS           | TUR | RUS |
| 220  | 720230 | Ferro-silico-manganese  | 69                         | 12                                      | 283                          | 313                         | 69                            | 47.5                         | 24.2                       | 28.3                        | 7.0              | 0.0              | UKR           | GEO           | RUS | TUR |
| 488  | 720292 | Ferro-vanadium  | 32                         | 11                                      | 55                           | 248                         | 32                            | 18.2                         | 81.7                       | 0.1                         | 5.0              | 0.0              | RUS           | S&M           | UKR | ROM |
| 5    | 720449 | Waste and scrap of iron or steel "ECSC" (excl. slag, scale and dross)   | 1,056                      | 43                                      | 1,396                        | 1,056                       | 1,309                         | 56.9                         | 16.4                       | 26.6                        | 10.0             | 0.0              | RUS           | ROM           | TUR | GRE |
| 98   | 720712 | Semi-finished products of iron or non-alloy steel containing, by weight, not less than 0.005% of vanadium                                     | 131                        | 4                                       | 591                          | 2,357                       | 131                           | 20.0                         | 36.7                       | 43.2                        | 22.4             | 0.0              | RUS           | UKR           | TUR | S&M |
| 415  | 720720 | Semi-finished products of iron or non-alloy steel containing, by weight, not less than 0.005% of vanadium and not less than 0.005% of niobium | 37                         | 1                                       | 224                          | 2,253                       | 37                            | 9.0                          | 3.0                        | 88.0                        | 22.4             | 0.0              | UKR           | RUS           | TUR | BUL |
| 228  | 720836 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness >= 4.75 mm   | 66                         | 69                                      | 30                           | 67                          | 66                            | 30.8                         | 13.8                       | 55.3                        | 20.0             | 0.0              | RUS           | S&M           | TUR | GRE |
| 115  | 720837 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm  | 112                        | 20                                      | 212                          | 356                         | 112                           | 37.4                         | 20.4                       | 42.2                        | 20.0             | 0.0              | ROM           | UKR           | TUR | GRE |
| 61   | 720838 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                | 189                        | 22                                      | 376                          | 488                         | 189                           | 44.5                         | 22.2                       | 33.3                        | 20.0             | 0.0              | UKR           | ROM           | TUR | RUS |
| 31   | 720839 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, cold-rolled                               | 294                        | 10                                      | 794                          | 2,083                       | 294                           | 27.6                         | 19.5                       | 52.9                        | 20.0             | 0.0              | UKR           | RUS           | TUR | GRE |
| 60   | 720851 | Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                   | 190                        | 9                                       | 453                          | 1,550                       | 190                           | 22.6                         | 16.8                       | 60.6                        | 20.0             | 0.0              | UKR           | ROM           | TUR | RUS |
| 210  | 720852 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, cold-rolled                               | 71                         | 7                                       | 234                          | 837                         | 71                            | 21.8                         | 11.5                       | 66.6                        | 20.0             | 0.0              | UKR           | ROM           | TUR | RUS |
| 211  | 720916 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                | 71                         | 18                                      | 114                          | 271                         | 71                            | 29.6                         | 39.6                       | 30.8                        | 20.0             | 0.0              | UKR           | ROM           | TUR | RUS |
| 74   | 720917 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, cold-rolled                               | 162                        | 20                                      | 165                          | 657                         | 162                           | 20.0                         | 43.8                       | 36.2                        | 20.0             | 0.0              | RUS           | ROM           | TUR | GRE |
| 479  | 720918 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                | 33                         | 29                                      | 56                           | 56                          | 33                            | 50.0                         | 28.0                       | 22.0                        | 20.0             | 0.0              | BUL           | RUS           | TUR | GRE |
| 400  | 720927 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, cold-rolled                               | 39                         | 17                                      | 107                          | 127                         | 39                            | 45.9                         | 7.3                        | 46.8                        | 20.0             | 0.0              | UKR           | ROM           | RUS | TUR |
| 66   | 721012 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                | 173                        | 77                                      | 53                           | 173                         | 265                           | 23.3                         | 26.8                       | 49.9                        | 10.0             | 0.0              | RUS           | S&M           | UKR | TUR |
| 38   | 721049 | Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, cold-rolled                               | 259                        | 48                                      | 283                          | 259                         | 565                           | 52.2                         | 22.4                       | 25.4                        | 10.0             | 0.0              | UKR           | TUR           | RUS | TUR |
| 239  | 721070 | Flat products of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm, hot-rolled                                       | 64                         | 52                                      | 58                           | 64                          | 286                           | 47.6                         | 34.6                       | 17.8                        | 20.0             | 0.0              | RUS           | TUR           | UKR | TUR |
| 50   | 721391 | Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of a width of >= 600 mm, of a thickness < 4.75 mm          | 208                        | 19                                      | 154                          | 934                         | 208                           | 14.1                         | 22.5                       | 63.3                        | 20.0             | 0.0              | UKR           | TUR           | BUL | ROM |
| 133  | 721420 | Bars and rods, of iron or non-alloy steel, with indentations, ribs, grooves or other surface markings, hot-rolled                             | 97                         | 3                                       | 282                          | 2,960                       | 97                            | 8.7                          | 13.6                       | 77.7                        | 20.0             | 0.0              | TUR           | UKR           | RUS | BUL |
| 311  | 721499 | Bars and rods, of iron or non-alloy steel, only hot-rolled, only hot-rolled   | 49                         | 14                                      | 58                           | 288                         | 49                            | 16.8                         | 38.0                       | 45.2                        | 20.0             | 0.0              | UKR           | TUR           | ALB | UKR |
| 150  | 721632 | I sections of iron or non-alloy steel, not further worked than hot-rolled   | 92                         | 38                                      | 71                           | 169                         | 92                            | 29.7                         | 8.1                        | 62.2                        | 20.0             | 0.0              | UKR           | ROM           | RUS | TUR |
| 305  | 721650 | Sections of iron or non-alloy steel, not further worked than hot-rolled   | 50                         | 16                                      | 74                           | 233                         | 50                            | 24.0                         | 9.8                        | 66.2                        | 20.0             | 0.0              | UKR           | TUR           | RUS | GRE |
| 462  | 721710 | Wire of iron or non-alloy steel, in coils, not plated or coated, with a diameter >= 600 mm  | 34                         | 15                                      | 54                           | 178                         | 34                            | 23.4                         | 49.4                       | 27.3                        | 10.0             | 0.0              | UKR           | RUS           | RUS | GRE |
| 365  | 721934 | Flat-rolled products of stainless steel, of a width of >= 600 mm, of a thickness < 4.75 mm  | 43                         | 75                                      | 14                           | 43                          | 280                           | 24.8                         | 57.2                       | 18.0                        | 20.0             | 0.0              | ROM           | TUR           | RUS | UKR |
| 448  | 722020 | Flat-rolled products of stainless steel, of a width of < 600 mm, of a thickness < 4.75 mm   | 35                         | 86                                      | 6                            | 35                          | 122                           | 13.7                         | 71.4                       | 14.9                        | 20.0             | 0.0              | ROM           | RUS           | TUR | UKR |



| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC Imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  | (A) = min (ii, iii)        | (B) = (A)/(i+ii)                        | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           | BSEC Exporter | BSEC Importer |     |     |
| 282  | 722220 | Other bars and rods of stainless steel, not further worked than G        | 54                         | 55                                      | 44                           | 54                          | 69                            | 45.1                         | 52.3                       | 2.6                         | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 188  | 722540 | Flat-rolled products of alloy steel other than stainless, of a width     | 77                         | 22                                      | 272                          | 77                          | 82                            | 78.0                         | 1.8                        | 20.2                        | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 167  | 722830 | Bars and rods of alloy steel other than stainless, not further wor       | 86                         | 39                                      | 68                           | 154                         | 86                            | 30.7                         | 32.7                       | 36.6                        | 20.0             | 0.0              | UKR           | RUS           | ROM | UKR |
| 431  | 722850 | Bars and rods of alloy steel other than stainless, not further wor       | 36                         | 13                                      | 32                           | 241                         | 36                            | 11.6                         | 82.2                       | 6.1                         | 20.0             | 0.0              | RUS           | UKR           | TUR | UKR |
| 277  | 730210 | Rails of iron or steel, for railway or tramway track (excl. check-r      | 54                         | 46                                      | 18                           | 99                          | 54                            | 15.3                         | 10.9                       | 73.8                        | 15.0             | 0.0              | UKR           | RUS           | RUS | AZE |
| 48   | 730410 | Line pipe of a kind used for oil or gas pipelines, seamless, of iron     | 213                        | 90                                      | 25                           | 213                         | 219                           | 10.3                         | 18.4                       | 71.2                        | 15.0             | 0.0              | UKR           | RUS           | RUS | AZE |
| 134  | 730429 | Casing and tubing of a kind used in drilling for oil or gas, seamle      | 97                         | 19                                      | 150                          | 364                         | 97                            | 29.2                         | 7.3                        | 63.6                        | 15.0             | 0.0              | UKR           | RUS           | RUS | AZE |
| 294  | 730431 | Tubes, pipes and hollow profiles seamless, of circular cross-sec         | 52                         | 40                                      | 40                           | 90                          | 52                            | 30.5                         | 37.5                       | 32.0                        | 15.0             | 0.0              | UKR           | RUS           | RUS | TUR |
| 219  | 730439 | Tubes, pipes and hollow profiles seamless, of circular cross-sec         | 70                         | 11                                      | 168                          | 440                         | 70                            | 27.7                         | 34.0                       | 38.3                        | 15.0             | 0.0              | UKR           | RUS           | RUS | TUR |
| 392  | 730511 | Line pipe of a kind used for oil or gas pipelines, having circular c     | 40                         | 7                                       | 269                          | 275                         | 40                            | 49.4                         | 0.6                        | 50.0                        | 15.0             | 0.0              | UKR           | RUS           | RUS | AZE |
| 176  | 730630 | Tubes, pipes and hollow profiles, welded, having a circular cross        | 82                         | 21                                      | 73                           | 313                         | 82                            | 18.8                         | 43.9                       | 37.2                        | 15.0             | 0.0              | TUR           | UKR           | RUS | ROM |
| 195  | 730660 | Tubes, pipes and hollow profiles, welded, having a non-circular c        | 75                         | 18                                      | 55                           | 358                         | 75                            | 13.3                         | 69.9                       | 16.8                        | 15.0             | 0.0              | TUR           | UKR           | GRE | ROM |
| 237  | 730840 | Equipment for scaffolding, shuttering, propping or pit-propping (ex      | 64                         | 79                                      | 17                           | 64                          | 101                           | 21.0                         | 34.0                       | 45.0                        | 15.0             | 0.0              | UKR           | TUR           | RUS | ROM |
| 15   | 730890 | Structures and parts of structures, of iron or steel, n.e.s. (excl.      | 511                        | 77                                      | 153                          | 511                         | 682                           | 23.0                         | 29.8                       | 47.1                        | 15.0             | 0.0              | TUR           | GRE           | RUS | BUL |
| 215  | 730900 | Reservoirs, tanks, vats and similar containers, of iron or steel, fi     | 70                         | 80                                      | 18                           | 70                          | 89                            | 20.2                         | 25.1                       | 54.8                        | 15.0             | 0.0              | BUL           | TUR           | RUS | ROM |
| 385  | 731029 | Tanks, casks, drums, cans, boxes and similar containers, of iron         | 40                         | 82                                      | 9                            | 40                          | 42                            | 18.3                         | 63.4                       | 18.3                        | 20.0             | 0.0              | BUL           | TUR           | ROM | GRE |
| 316  | 731100 | Containers of iron or steel, for compressed or liquefied gas (excl       | 49                         | 78                                      | 14                           | 49                          | 69                            | 22.1                         | 34.7                       | 43.1                        | 15.0             | 0.0              | TUR           | RUS           | ROM | BUL |
| 159  | 731210 | Stranded wire, ropes and cables, of iron or steel (excl. electrical      | 88                         | 47                                      | 34                           | 155                         | 88                            | 18.0                         | 48.2                       | 33.8                        | 15.0             | 0.0              | RUS           | UKR           | RUS | UKR |
| 213  | 731815 | Threaded screws and bolts, of iron or steel, whether or not with         | 71                         | 79                                      | 19                           | 71                          | 189                           | 21.3                         | 50.9                       | 27.8                        | 15.0             | 0.0              | UKR           | TUR           | RUS | UKR |
| 90   | 732111 | Appliances for baking, frying, grilling and cooking and plate warm       | 138                        | 69                                      | 52                           | 149                         | 138                           | 25.8                         | 44.2                       | 30.0                        | 20.0             | 0.0              | TUR           | UKR           | RUS | ROM |
| 95   | 732219 | Radiators for central heating, not electrically heated, and parts t      | 133                        | 49                                      | 83                           | 188                         | 133                           | 30.5                         | 62.7                       | 6.8                         | 20.0             | 0.0              | TUR           | BUL           | ROM | GRE |
| 161  | 732393 | Table, kitchen or other household articles, and parts thereof, of        | 88                         | 86                                      | 15                           | 88                          | 98                            | 14.3                         | 47.6                       | 38.2                        | 15.0             | 0.0              | TUR           | GRE           | ROM | GRE |
| 485  | 732410 | Sinks and wash basins, of stainless steel                                | 32                         | 42                                      | 30                           | 47                          | 32                            | 39.1                         | 38.8                       | 22.2                        | 15.0             | 0.0              | TUR           | GRE           | RUS | ROM |
| 495  | 732619 | Articles of iron or steel, forged or stamped, but not further worke      | 32                         | 57                                      | 10                           | 46                          | 32                            | 17.1                         | 53.2                       | 29.6                        | 15.0             | 0.0              | S&M           | RUS           | UKR | RUS |
| 22   | 732690 | Articles of iron or steel, n.e.s. (excl. cast articles or articles of ir | 385                        | 88                                      | 52                           | 385                         | 578                           | 12.0                         | 57.5                       | 30.5                        | 15.0             | 0.0              | TUR           | S&M           | RUS | ROM |
| 289  | 740200 | Copper, unrefined; copper anodes for electrolytic refining               | 53                         | 7                                       | 182                          | 587                         | 53                            | 23.6                         | 72.7                       | 3.7                         | 10.0             | 0.0              | BUL           | TUR           | TUR | ROM |
| 4    | 740311 | Copper, refined, in the form of cathodes and sections of cathode         | 1,098                      | 91                                      | 103                          | 1,098                       | 1,184                         | 8.5                          | 27.9                       | 63.5                        | 10.0             | 0.0              | RUS           | BUL           | TUR | GRE |
| 481  | 740400 | Waste and scrap, of copper (excl. ingots or other similar unwrou         | 33                         | 37                                      | 21                           | 69                          | 33                            | 23.2                         | 40.6                       | 36.2                        | 10.0             | 0.0              | ROM           | GEO           | BUL | TUR |
| 443  | 740721 | Bars, rods and profiles, of copper-zinc base alloys "brass", n.e.s.      | 35                         | 50                                      | 26                           | 54                          | 35                            | 22.4                         | 55.6                       | 22.0                        | 10.0             | 0.0              | RUS           | UKR           | TUR | UKR |
| 214  | 740811 | Wire of refined copper, with a maximum cross-sectional dimensl           | 71                         | 6                                       | 226                          | 987                         | 71                            | 18.6                         | 70.9                       | 10.5                        | 15.0             | 0.0              | RUS           | UKR           | TUR | GRE |



| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st                 | 2nd           | 1st | 2nd  |       |        |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------------|---------------|-----|------|-------|--------|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter       | BSEC Importer |     |      |       |        |
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | (A) = min (ii, iii) | (iv)          | (v) | (vi) | (vii) | (viii) |
| 154  | 741110 | Tubes and pipes of refined copper  | 90                         | 36  | 25                           | 224                         | 90                            | 10.1                         | 72.7                       | 17.2                        | 15.0             | 0.0              | GRE                 | RUS           | ROM | TUR  |       |        |
| 142  | 750210 | Nickel, not alloyed, unwrought   | 95                         | 3   | 0                            | 3,195                       | 95                            | 0.0                          | 42.9                       | 57.1                        | 5.0              | 0.0              | RUS                 | TUR           | UKR | ROM  |       |        |
| 93   | 760110 | Aluminium, not alloyed, unwrought  | 135                        | 4   | 221                          | 3,366                       | 135                           | 6.1                          | 60.1                       | 33.8                        | 15.0             | 0.0              | RUS                 | UKR           | TUR | GRE  |       |        |
| 43   | 760120 | Unwrought aluminium alloys   | 231                        | 18  | 137                          | 1,129                       | 231                           | 10.8                         | 29.1                       | 60.0                        | 15.0             | 0.0              | RUS                 | UKR           | TUR | GRE  |       |        |
| 478  | 760200 | Waste and scrap, of aluminium (excl. slags, scale and the like)  | 33                         | 29  | 22                           | 90                          | 33                            | 19.6                         | 48.8                       | 31.6                        | 15.0             | 0.0              | GEO                 | BUL           | TUR | GRE  |       |        |
| 113  | 760429 | Bars, rods and solid profiles, of aluminium alloys, n.e.s.   | 113                        | 18  | 173                          | 452                         | 113                           | 27.7                         | 56.4                       | 15.9                        | 15.0             | 0.0              | RUS                 | ROM           | ROM | BUL  |       |        |
| 212  | 760611 | Plates, sheets and strip, of non-alloy aluminium, of a thickness >= 3 mm                                     | 71                         | 47  | 17                           | 134                         | 71                            | 11.2                         | 46.0                       | 42.8                        | 20.0             | 0.0              | GRE                 | RUS           | UKR | GRE  |       |        |
| 25   | 760612 | Plates, sheets and strip, of non-alloy aluminium, of a thickness < 3 mm                                      | 325                        | 85  | 34                           | 348                         | 325                           | 8.9                          | 47.9                       | 43.2                        | 20.0             | 0.0              | RUS                 | GRE           | UKR | BUL  |       |        |
| 162  | 760711 | Aluminium foil, not backed, rolled but not further worked, of a thickness >= 0.2 mm                          | 87                         | 41  | 17                           | 198                         | 87                            | 7.8                          | 73.8                       | 18.4                        | 20.0             | 0.0              | RUS                 | GRE           | UKR | TUR  |       |        |
| 321  | 760719 | Aluminium foil, not backed, rolled and further worked, of a thickness >= 0.2 mm                              | 48                         | 77  | 6                            | 57                          | 48                            | 9.4                          | 72.8                       | 17.8                        | 20.0             | 0.0              | RUS                 | TUR           | S&M | UKR  |       |        |
| 178  | 761090 | Structures and parts of structures, of aluminium, n.e.s., and plates, sheets and strip, of aluminium, n.e.s. | 80                         | 53  | 41                           | 112                         | 80                            | 26.8                         | 44.1                       | 29.0                        | 20.0             | 0.0              | TUR                 | GRE           | BUL | ROM  |       |        |
| 265  | 761290 | Casks, drums, cans, boxes and similar containers, incl. rigid or flexible                                    | 56                         | 43  | 20                           | 109                         | 56                            | 15.8                         | 34.0                       | 50.3                        | 20.0             | 0.0              | UKR                 | GRE           | RUS | ALB  |       |        |
| 440  | 761519 | Table, kitchen or other household articles, parts thereof, of aluminium                                      | 35                         | 72  | 13                           | 35                          | 53                            | 27.6                         | 44.4                       | 28.0                        | 30.0             | 0.0              | TUR                 | RUS           | UKR | RUS  |       |        |
| 132  | 761699 | Articles of aluminium, n.e.s.  | 98                         | 75  | 33                           | 98                          | 202                           | 25.4                         | 46.4                       | 28.2                        | 30.0             | 0.0              | MOL                 | GRE           | ROM | BUL  |       |        |
| 288  | 780110 | Unwrought lead, refined  | 53                         | 56  | 42                           | 53                          | 68                            | 44.4                         | 44.5                       | 11.1                        | 5.0              | 0.0              | BUL                 | UKR           | TUR | GRE  |       |        |
| 339  | 790111 | Unwrought zinc, not alloyed, containing by weight >= 99.99% of zinc  | 45                         | 33  | 94                           | 45                          | 50                            | 67.5                         | 15.2                       | 17.3                        | 5.0              | 0.0              | BUL                 | RUS           | TUR | GRE  |       |        |
| 432  | 790112 | Unwrought zinc, not alloyed, containing by weight < 99.99% of zinc   | 36                         | 37  | 60                           | 36                          | 107                           | 62.8                         | 28.1                       | 9.1                         | 5.0              | 0.0              | RUS                 | BUL           | TUR | ROM  |       |        |
| 486  | 820719 | Rock drilling or earth boring tools, interchangeable, and parts thereof                                      | 32                         | 49  | 18                           | 49                          | 32                            | 26.9                         | 33.0                       | 40.1                        | 14.0             | 0.0              | RUS                 | UKR           | UKR | RUS  |       |        |
| 444  | 820730 | Interchangeable tools for pressing, stamping or punching   | 35                         | 97  | 1                            | 35                          | 62                            | 3.1                          | 22.9                       | 74.0                        | 25.0             | 0.0              | TUR                 | S&M           | ROM | RUS  |       |        |
| 290  | 830140 | Locks of base metal (excl. padlocks and locks for motor vehicles)  | 53                         | 77  | 9                            | 60                          | 53                            | 12.5                         | 49.6                       | 37.9                        | 20.0             | 0.0              | TUR                 | RUS           | ROM | UKR  |       |        |
| 424  | 830241 | Base metal mountings and fittings suitable for buildings (excl. locks)                                       | 36                         | 57  | 27                           | 36                          | 185                           | 43.0                         | 31.6                       | 25.3                        | 20.0             | 0.0              | TUR                 | GRE           | ROM | RUS  |       |        |
| 283  | 830990 | Stoppers, caps and lids, incl. screw caps and pouring stoppers   | 54                         | 57  | 40                           | 54                          | 161                           | 42.8                         | 15.4                       | 41.7                        | 20.0             | 0.0              | UKR                 | TUR           | RUS | TUR  |       |        |
| 433  | 831110 | Coated electrodes of base metal, for electric arc-welding  | 35                         | 70  | 15                           | 35                          | 42                            | 30.0                         | 20.6                       | 49.4                        | 20.0             | 0.0              | TUR                 | ROM           | ROM | MOL  |       |        |
| 404  | 840290 | Parts of vapour generating boilers and super-heated water boiler   | 39                         | 67  | 19                           | 39                          | 74                            | 33.1                         | 32.1                       | 34.9                        | 15.0             | 0.0              | RUS                 | UKR           | UKR | BUL  |       |        |
| 100  | 840310 | Central heating boilers, non-electric (excl. vapour generating boilers)                                      | 128                        | 79  | 33                           | 128                         | 461                           | 20.6                         | 71.6                       | 7.8                         | 15.0             | 0.0              | TUR                 | UKR           | ROM | RUS  |       |        |
| 256  | 840690 | Parts of steam and other vapour turbines, n.e.s.   | 59                         | 55  | 30                           | 77                          | 59                            | 28.2                         | 13.5                       | 58.2                        | 10.0             | 0.0              | UKR                 | RUS           | RUS | AZE  |       |        |
| 259  | 840734 | Spark-ignition reciprocating piston engines, of a kind used for vehicles                                     | 58                         | 55  | 47                           | 58                          | 395                           | 44.8                         | 22.9                       | 32.3                        | 10.0             | 0.0              | RUS                 | ROM           | UKR | RUS  |       |        |
| 240  | 840820 | Compression-ignition internal combustion piston engines, diesel  | 64                         | 63  | 37                           | 64                          | 1,661                         | 37.1                         | 34.6                       | 28.3                        | 15.0             | 0.0              | RUS                 | S&M           | UKR | BUL  |       |        |
| 389  | 840890 | Compression-ignition internal combustion piston engines, diesel  | 40                         | 74  | 14                           | 40                          | 168                           | 25.8                         | 54.1                       | 20.1                        | 10.0             | 0.0              | RUS                 | BUL           | UKR | TUR  |       |        |
| 88   | 840991 | Parts suitable for use solely or principally with spark-ignition internal combustion engines                 | 141                        | 76  | 43                           | 141                         | 382                           | 23.6                         | 21.4                       | 55.0                        | 5.0              | 0.0              | RUS                 | UKR           | UKR | ROM  |       |        |

| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
|      |        |  | (A) = min (ii, iii)        |   | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           |               |               |     |     |
| 16   | 840999 | Parts suitable for use solely or principally with compression-ignition engines   | 510                        | 53  | 49                           | 921                         | 510                           | 5.1                          | 63.8                       | 31.1                        | 15.0             | 0.0              | RUS           | UKR           | UKR | AZE |
| 130  | 841112 | Turbo-jets of a thrust > 25 kN   | 99                         | 51  | 12                           | 183                         | 99                            | 6.4                          | 55.2                       | 38.4                        | 10.0             | 0.0              | UKR           | RUS           | RUS | S&M |
| 144  | 841182 | Gas turbines of a power > 5,000 kW (excl. turbo-jets and turbo-propellers n.e.s.)                                      | 94                         | 38  | 113                          | 135                         | 94                            | 45.7                         | 9.2                        | 45.2                        | 15.0             | 0.0              | UKR           | RUS           | RUS | BUL |
| 422  | 841191 | Parts of turbo-jets or turbo-propellers n.e.s.   | 36                         | 42  | 16                           | 70                          | 36                            | 18.7                         | 10.1                       | 71.2                        | 10.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 103  | 841199 | Parts of gas turbines n.e.s.   | 127                        | 92  | 11                           | 127                         | 208                           | 8.1                          | 80.7                       | 11.2                        | 10.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 308  | 841221 | Hydraulic power engines and motors, linear acting, "cylinders"   | 50                         | 54  | 7                            | 86                          | 50                            | 7.7                          | 75.1                       | 17.2                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 449  | 841229 | Hydraulic power engines and motors (excl. hydraulic turbines and pumps)  | 35                         | 74  | 12                           | 35                          | 53                            | 25.6                         | 47.5                       | 27.0                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 375  | 841360 | Rotary positive displacement pumps, power-driven (excl. those of subheadings 8412.10 and 8412.20)                      | 42                         | 64  | 24                           | 42                          | 94                            | 36.2                         | 27.4                       | 36.4                        | 11.7             | 0.0              | UKR           | RUS           | RUS | UKR |
| 173  | 841370 | Centrifugal pumps, power-driven (excl. those of subheadings 8412.10 and 8412.20)                                       | 83                         | 62  | 51                           | 83                          | 423                           | 37.9                         | 14.5                       | 47.5                        | 11.7             | 0.0              | UKR           | RUS           | RUS | UKR |
| 189  | 841391 | Parts of pumps for liquids n.e.s.  | 77                         | 76  | 24                           | 77                          | 161                           | 23.5                         | 36.7                       | 39.8                        | 5.0              | 0.0              | RUS           | UKR           | RUS | UKR |
| 26   | 841480 | Air pumps, air or other gas compressors and ventilating or recirculating fans  | 323                        | 78  | 91                           | 323                         | 488                           | 22.1                         | 52.3                       | 25.6                        | 5.0              | 0.0              | UKR           | RUS           | RUS | AZE |
| 152  | 841490 | Parts of air or vacuum pumps, air or other gas compressors, fans or blowers  | 92                         | 81  | 22                           | 92                          | 294                           | 19.0                         | 48.9                       | 32.1                        | 5.0              | 0.0              | UKR           | RUS           | AZE | RUS |
| 427  | 841510 | Window or wall air conditioning machines, self-contained   | 36                         | 85  | 6                            | 36                          | 105                           | 14.7                         | 56.9                       | 28.4                        | 15.0             | 0.0              | TUR           | GRE           | BUL | ROM |
| 296  | 841581 | Air conditioning machines incorporating a refrigerating unit and a compressor  | 52                         | 78  | 15                           | 52                          | 162                           | 22.2                         | 15.5                       | 62.3                        | 15.0             | 0.0              | GRE           | TUR           | GEO | AZE |
| 455  | 841590 | Parts of air conditioning machines, comprising a motor-driven fan or blower  | 34                         | 89  | 4                            | 34                          | 98                            | 11.1                         | 69.8                       | 19.1                        | 5.0              | 0.0              | TUR           | UKR           | BUL | UKR |
| 351  | 841790 | Parts of industrial or laboratory furnaces, non-electric, incl. incinerators   | 44                         | 66  | 22                           | 44                          | 63                            | 33.7                         | 27.5                       | 38.9                        | 10.0             | 0.0              | UKR           | ROM           | RUS | UKR |
| 89   | 841810 | Combined refrigerators-freezers, with separate external doors  | 139                        | 58  | 99                           | 139                         | 342                           | 41.8                         | 38.6                       | 19.6                        | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 84   | 841821 | Household refrigerators, compression-type  | 145                        | 19  | 94                           | 690                         | 145                           | 12.0                         | 68.1                       | 19.9                        | 20.0             | 1.5              | TUR           | UKR           | GRE | BUL |
| 94   | 841850 | Refrigerated or freezing chests, cabinets, display counters, shot-blasters   | 135                        | 62  | 82                           | 135                         | 205                           | 37.7                         | 41.5                       | 20.8                        | 20.0             | 2.2              | TUR           | UKR           | RUS | UKR |
| 268  | 841899 | Parts of refrigerating or freezing equipment and heat pumps n.e.s.   | 56                         | 61  | 36                           | 56                          | 146                           | 39.5                         | 40.6                       | 19.9                        | 20.0             | 0.0              | TUR           | RUS           | GRE | ROM |
| 109  | 841950 | Heat exchange units (excl. instantaneous heaters, storage water heaters, radiators, heat exchangers, heat pumps, etc.) | 119                        | 77  | 35                           | 119                         | 334                           | 22.9                         | 17.2                       | 59.9                        | 11.7             | 0.0              | UKR           | RUS           | RUS | UKR |
| 416  | 841990 | Parts of machinery, plant and laboratory equipment whether or not electrically operated                                | 37                         | 79  | 9                            | 37                          | 93                            | 20.5                         | 35.6                       | 43.9                        | 5.0              | 0.0              | RUS           | UKR           | UKR | RUS |
| 223  | 842211 | Dish-washing machines, of the household type   | 68                         | 96  | 3                            | 68                          | 140                           | 3.7                          | 78.2                       | 18.1                        | 15.0             | 0.0              | TUR           | GRE           | RUS | GRE |
| 353  | 842952 | Self-propelled mechanical shovels with a 360° revolving superstructure   | 44                         | 60  | 29                           | 44                          | 747                           | 40.3                         | 5.8                        | 53.9                        | 15.0             | 0.0              | RUS           | UKR           | UKR | AZE |
| 410  | 843120 | Parts of machinery of heading 8427 n.e.s.  | 37                         | 55  | 9                            | 37                          | 37                            | 13.1                         | 65.6                       | 21.3                        | 15.0             | 0.0              | BUL           | UKR           | RUS | BUL |
| 286  | 843131 | Parts of lifts, skip hoists or escalators n.e.s.   | 53                         | 71  | 22                           | 53                          | 73                            | 29.2                         | 32.9                       | 37.8                        | 15.0             | 0.0              | GRE           | TUR           | TUR | BUL |
| 232  | 843139 | Parts of machinery of heading 8428 n.e.s.  | 66                         | 74  | 24                           | 66                          | 114                           | 26.5                         | 32.7                       | 40.8                        | 15.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 141  | 843143 | Parts for boring or sinking machinery of subheadings 8430.41 or 8430.42  | 95                         | 77  | 29                           | 95                          | 541                           | 23.1                         | 33.8                       | 43.0                        | 15.0             | 0.0              | ROM           | UKR           | RUS | GEO |
| 45   | 843149 | Parts of machinery of headings 8426, 8429 and 8430 n.e.s.  | 219                        | 57  | 32                           | 349                         | 219                           | 8.3                          | 77.2                       | 14.5                        | 15.0             | 0.0              | UKR           | UKR           | RUS | UKR |
| 197  | 843351 | Combine harvester-threshers  | 74                         | 75  | 24                           | 74                          | 343                           | 24.5                         | 5.8                        | 69.7                        | 10.0             | 0.0              | RUS           | GRE           | UKR | MOL |



| Rank | HS6    | Product Description   | Indicative Trade Potential | Relative Indicative Trade Potential (%) | Current BSEC Exports to BSEC | Current BSEC exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st  | 2nd |      |       |      |     |                  |                     |
|------|--------|---|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|------|-----|------|-------|------|-----|------------------|---------------------|
|      |        |   |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |      |     |      |       |      |     |                  |                     |
|      |        |   |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | (viii)        | (vii)         | (vi) | (v) | (iv) | (iii) | (ii) | (i) | (B) = (A)/(i+ii) | (A) = min (ii, iii) |
| 343  | 843780 | Machinery used in the milling industry or for the working of cereals  | 45                         | 78                                      | 13                           | 45                          | 72                            | 22.2                         | 7.3                        | 70.5                        | 10.0             | 0.0              | TUR           | UKR           | RUS  | AZE |      |       |      |     |                  |                     |
| 21   | 845011 | Fully-automatic household or laundry-type washing machines            | 390                        | 79                                      | 101                          | 390                         | 763                           | 20.6                         | 64.6                       | 14.8                        | 20.0             | 0.0              | TUR           | RUS           | RUS  | UKR |      |       |      |     |                  |                     |
| 473  | 845140 | Machines for washing, bleaching or dyeing textile yarns, fabrics      | 33                         | 95                                      | 2                            | 33                          | 94                            | 4.8                          | 1.8                        | 93.4                        | 11.0             | 0.0              | TUR           | ROM           | TUR  | BUL |      |       |      |     |                  |                     |
| 222  | 845530 | Rolls for metal-rolling mills   | 69                         | 53                                      | 62                           | 69                          | 118                           | 47.2                         | 23.5                       | 29.3                        | 15.0             | 0.0              | UKR           | RUS           | RUS  | ROM |      |       |      |     |                  |                     |
| 437  | 846210 | Forging or die-stamping machines -including presses- and hammers      | 35                         | 82                                      | 8                            | 35                          | 58                            | 18.4                         | 59.2                       | 22.4                        | 20.0             | 0.0              | RUS           | BUL           | TUR  | GRE |      |       |      |     |                  |                     |
| 284  | 846229 | Bending, folding, straightening or flattening machines -including     | 54                         | 82                                      | 12                           | 54                          | 79                            | 17.9                         | 43.7                       | 38.5                        | 10.0             | 0.0              | TUR           | ROM           | BUL  | RUS |      |       |      |     |                  |                     |
| 304  | 846239 | Shearing machines -including presses- not numerically controlled      | 50                         | 88                                      | 7                            | 50                          | 60                            | 12.4                         | 23.6                       | 64.0                        | 20.0             | 0.0              | TUR           | UKR           | RUS  | BUL |      |       |      |     |                  |                     |
| 269  | 846693 | Parts and accessories for machine-tools for working metal by re-      | 56                         | 72                                      | 4                            | 73                          | 56                            | 5.3                          | 51.9                       | 42.8                        | 5.0              | 0.0              | S&M           | UKR           | RUS  | UKR |      |       |      |     |                  |                     |
| 241  | 846694 | Parts and accessories for machine-tools for working metal with        | 64                         | 90                                      | 7                            | 64                          | 75                            | 10.0                         | 76.2                       | 13.9                        | 5.0              | 0.0              | UKR           | TUR           | RUS  | S&M |      |       |      |     |                  |                     |
| 217  | 847160 | Input or output units for digital automatic data-processing machi-    | 70                         | 89                                      | 8                            | 70                          | 848                           | 10.6                         | 77.8                       | 11.6                        | 5.0              | 0.0              | GRE           | UKR           | S&M  | TUR |      |       |      |     |                  |                     |
| 68   | 847330 | Parts and accessories for automatic data-processing machines          | 170                        | 96                                      | 7                            | 170                         | 941                           | 4.2                          | 83.5                       | 12.3                        | 5.0              | 0.0              | GRE           | TUR           | S&M  | GRE |      |       |      |     |                  |                     |
| 492  | 847420 | Crushing or grinding machines for solid mineral substances            | 32                         | 76                                      | 14                           | 32                          | 139                           | 31.0                         | 12.6                       | 56.4                        | 10.0             | 0.0              | UKR           | RUS           | UKR  | RUS |      |       |      |     |                  |                     |
| 151  | 847490 | Parts of machinery for working mineral substances of heading 84       | 92                         | 66                                      | 30                           | 92                          | 126                           | 24.4                         | 29.0                       | 46.5                        | 10.0             | 0.0              | UKR           | RUS           | RUS  | UKR |      |       |      |     |                  |                     |
| 160  | 847989 | Machines and mechanical appliances n.e.s.                             | 88                         | 78                                      | 25                           | 88                          | 918                           | 21.8                         | 27.9                       | 50.3                        | 5.0              | 0.0              | TUR           | UKR           | RUS  | S&M |      |       |      |     |                  |                     |
| 368  | 847990 | Parts of machines and mechanical appliances n.e.s.                    | 42                         | 74                                      | 15                           | 42                          | 185                           | 26.0                         | 55.2                       | 18.8                        | 5.0              | 0.0              | RUS           | TUR           | UKR  | RUS |      |       |      |     |                  |                     |
| 370  | 848049 | Moulds for metal or metal carbides (excl. moulds of graphite or of    | 42                         | 90                                      | 4                            | 42                          | 53                            | 9.5                          | 73.6                       | 16.8                        | 10.0             | 0.0              | TUR           | GRE           | RUS  | ROM |      |       |      |     |                  |                     |
| 420  | 848071 | Injection or compression type moulds for rubber or plastics           | 36                         | 85                                      | 7                            | 36                          | 197                           | 15.5                         | 67.1                       | 17.5                        | 5.0              | 0.0              | TUR           | BUL           | RUS  | S&M |      |       |      |     |                  |                     |
| 30   | 848180 | Appliances for pipes, boiler shells, tanks, vats or the like (excl.   | 295                        | 75                                      | 100                          | 295                         | 857                           | 25.3                         | 30.4                       | 44.2                        | 15.0             | 0.0              | RUS           | UKR           | UKR  | RUS |      |       |      |     |                  |                     |
| 264  | 848190 | Parts of valves and similar articles for pipes, boiler shells, tanks, | 57                         | 82                                      | 13                           | 57                          | 121                           | 18.3                         | 62.2                       | 19.5                        | 15.0             | 0.0              | BUL           | UKR           | RUS  | S&M |      |       |      |     |                  |                     |
| 111  | 848210 | Ball bearings   | 116                        | 79                                      | 32                           | 116                         | 171                           | 21.3                         | 48.9                       | 29.8                        | 15.0             | 0.0              | UKR           | RUS           | RUS  | UKR |      |       |      |     |                  |                     |
| 274  | 848220 | Tapered roller bearings, incl. cone and tapered roller assemblies     | 55                         | 56                                      | 26                           | 71                          | 55                            | 27.0                         | 46.7                       | 26.3                        | 15.0             | 0.0              | RUS           | UKR           | RUS  | UKR |      |       |      |     |                  |                     |
| 482  | 848299 | Parts of ball or roller bearings (excl. balls, needles and rollers) n | 33                         | 43                                      | 2                            | 73                          | 33                            | 3.2                          | 90.3                       | 6.5                         | 15.0             | 0.0              | BUL           | RUS           | UKR  | ROM |      |       |      |     |                  |                     |
| 124  | 848310 | Transmission shafts - incl. cam shafts and crank shafts - and of      | 102                        | 80                                      | 25                           | 102                         | 123                           | 19.7                         | 51.6                       | 28.7                        | 5.0              | 0.0              | RUS           | UKR           | RUS  | UKR |      |       |      |     |                  |                     |
| 174  | 848340 | Gears and gearing for machinery, incl. speed changers and torq        | 83                         | 82                                      | 18                           | 83                          | 175                           | 17.6                         | 44.8                       | 37.5                        | 5.0              | 0.0              | RUS           | UKR           | RUS  | UKR |      |       |      |     |                  |                     |
| 224  | 848390 | Parts of transmission shafts, ball screws, couplings and other a      | 68                         | 81                                      | 15                           | 69                          | 68                            | 18.2                         | 60.4                       | 21.4                        | 5.7              | 0.0              | UKR           | RUS           | RUS  | UKR |      |       |      |     |                  |                     |
| 484  | 848590 | Parts of machinery of chapter 84, not intended for a specific pur     | 33                         | 93                                      | 2                            | 33                          | 63                            | 6.6                          | 74.4                       | 19.0                        | 10.0             | 0.0              | UKR           | TUR           | BUL  | RUS |      |       |      |     |                  |                     |
| 234  | 850140 | AC motors, single-phase, of an output > 37.5 W                        | 64                         | 84                                      | 12                           | 64                          | 79                            | 15.7                         | 77.2                       | 7.1                         | 11.9             | 0.0              | ROM           | UKR           | TUR  | RUS |      |       |      |     |                  |                     |
| 181  | 850152 | AC motors, multi-phase, of an output > 750 W but <= 75 kW             | 80                         | 73                                      | 30                           | 80                          | 82                            | 27.1                         | 55.8                       | 17.1                        | 11.9             | 0.0              | UKR           | RUS           | RUS  | UKR |      |       |      |     |                  |                     |
| 435  | 850153 | AC motors, multi-phase, of an output > 75 kW                          | 35                         | 61                                      | 23                           | 35                          | 63                            | 39.2                         | 20.4                       | 40.4                        | 10.0             | 0.0              | RUS           | UKR           | UKR  | RUS |      |       |      |     |                  |                     |
| 405  | 850164 | AC generators "alternators", of an output > 750 kVA                   | 39                         | 49                                      | 7                            | 72                          | 39                            | 8.5                          | 22.6                       | 68.9                        | 11.9             | 0.0              | RUS           | UKR           | GRE  | RUS |      |       |      |     |                  |                     |



| Rank | HS6    | Product Description  | Indicative Trade Potential | Relative Indicative Trade Potential (%)<br>(B) = (A)/(i+ii) | Current BSEC Exports to BSEC | Current BSEC Exports to ROW | Current BSEC imports from ROW | Share of exports to BSEC (%) | Share of exports to EU (%) | Share of exports to ROW (%) | BSEC Max MFN (%) | BSEC Min MFN (%) | 1st           | 2nd           | 1st | 2nd |
|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
|      |        |  | (A) = min (ii, iii)        |   | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           |               |               |     |     |
| 463  | 850212 | Generating sets with compression-ignition internal combustion engines        | 34                         | 87  | 5                            | 34                          | 56                            | 12.9                         | 12.0                       | 75.0                        | 8.2              | 0.0              | TUR           | GRE           | ROM | UKR |
| 279  | 850213 | Generating sets with compression-ignition internal combustion engines        | 54                         | 93  | 4                            | 54                          | 141                           | 7.0                          | 10.0                       | 83.0                        | 8.2              | 0.0              | TUR           | UKR           | GRE | RUS |
| 75   | 850300 | Parts suitable for use solely or principally with electric motors            | 161                        | 91  | 14                           | 162                         | 161                           | 8.1                          | 60.3                       | 31.6                        | 8.0              | 0.0              | RUS           | UKR           | UKR | RUS |
| 408  | 850421 | Liquid dielectric transformers having a power handling capacity              | 38                         | 63  | 23                           | 38                          | 43                            | 37.2                         | 22.1                       | 40.7                        | 15.0             | 0.0              | UKR           | MOL           | RUS | ROM |
| 445  | 850423 | Liquid dielectric transformers, having a power handling capacity             | 35                         | 15  | 60                           | 180                         | 35                            | 24.9                         | 15.6                       | 59.6                        | 15.0             | 0.0              | UKR           | BUL           | RUS | AZE |
| 275  | 850431 | Transformers, other than liquid dielectric, having a power handling capacity | 55                         | 92  | 5                            | 55                          | 94                            | 7.7                          | 58.2                       | 34.1                        | 20.0             | 0.0              | RUS           | TUR           | RUS | UKR |
| 179  | 850440 | Static converters  | 80                         | 76  | 26                           | 80                          | 344                           | 24.2                         | 42.4                       | 33.4                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 209  | 850490 | Parts of electrical transformers and inductors n.e.s.                        | 71                         | 95  | 4                            | 71                          | 98                            | 5.2                          | 70.4                       | 24.4                        | 10.0             | 0.0              | UKR           | RUS           | GRE | RUS |
| 248  | 850710 | Lead-acid accumulators for starting piston engines "starter batteries"       | 61                         | 49  | 64                           | 61                          | 120                           | 50.9                         | 21.7                       | 27.4                        | 15.9             | 0.0              | TUR           | UKR           | RUS | UKR |
| 359  | 850720 | Lead acid accumulators (excl. spent and starter batteries)                   | 43                         | 82  | 10                           | 43                          | 85                            | 18.4                         | 34.0                       | 47.6                        | 15.9             | 0.0              | BUL           | GRE           | RUS | UKR |
| 380  | 850910 | Domestic vacuum cleaners with self-contained electric motor                  | 41                         | 92  | 4                            | 41                          | 200                           | 8.2                          | 64.8                       | 27.1                        | 20.0             | 2.2              | TUR           | GRE           | ROM | S&M |
| 491  | 851220 | Electrical lighting or visual signalling equipment for motor vehicles        | 32                         | 78  | 9                            | 32                          | 174                           | 21.9                         | 41.8                       | 36.3                        | 15.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 460  | 851629 | Electric space heating and soil heating apparatus and the like               | 34                         | 76  | 11                           | 34                          | 47                            | 24.1                         | 14.2                       | 61.6                        | 19.4             | 0.0              | TUR           | BUL           | RUS | GRE |
| 34   | 851660 | Electric ovens, cookers, cooking plates and boiling rings, electric          | 272                        | 82  | 59                           | 272                         | 305                           | 17.9                         | 56.1                       | 26.0                        | 15.7             | 2.7              | TUR           | GRE           | RUS | GRE |
| 225  | 851680 | Electric heating resistors (excl. those of agglomerated coal and             | 67                         | 47  | 10                           | 133                         | 67                            | 7.0                          | 87.3                       | 5.7                         | 15.0             | 0.0              | ROM           | TUR           | TUR | ROM |
| 414  | 851750 | Apparatus for carrier-current line systems or digital line systems           | 37                         | 74  | 13                           | 37                          | 544                           | 25.5                         | 59.6                       | 14.9                        | 15.0             | 0.0              | ROM           | GRE           | ROM | S&M |
| 118  | 851790 | Parts of electrical apparatus for line telephony or line telegraphy          | 109                        | 65  | 60                           | 109                         | 747                           | 35.5                         | 42.5                       | 22.0                        | 5.0              | 0.0              | GRE           | ROM           | GRE | AZE |
| 218  | 852190 | Video recording or reproducing apparatus, whether or not incorp              | 70                         | 92  | 6                            | 70                          | 192                           | 8.0                          | 88.5                       | 3.5                         | 42.0             | 0.0              | TUR           | S&M           | GRE | S&M |
| 263  | 852439 | Discs, recorded, for laser reading systems, for reproducing sou              | 57                         | 88  | 8                            | 57                          | 241                           | 12.3                         | 43.1                       | 44.6                        | 15.0             | 0.0              | RUS           | S&M           | ROM | GRE |
| 46   | 852520 | Transmission apparatus incorporating reception apparatus, for ra             | 215                        | 94  | 15                           | 215                         | 4,886                         | 6.5                          | 69.3                       | 24.2                        | 5.0              | 0.0              | GRE           | ROM           | GEO | ARM |
| 6    | 852812 | Television receivers, colour, whether or not incorporating radio-b           | 1,004                      | 34  | 186                          | 2,746                       | 1,004                         | 6.3                          | 89.7                       | 4.0                         | 42.0             | 5.0              | TUR           | RUS           | ROM | GRE |
| 206  | 852821 | Video monitors, colour   | 71                         | 51  | 2                            | 138                         | 71                            | 1.7                          | 93.6                       | 4.7                         | 42.0             | 0.0              | TUR           | RUS           | GRE | ROM |
| 278  | 852910 | Aerials and aerial reflectors of all kinds, parts suitable for use th        | 54                         | 86  | 9                            | 54                          | 151                           | 13.7                         | 62.9                       | 23.4                        | 15.0             | 0.0              | TUR           | GRE           | S&M | AZE |
| 67   | 852990 | Parts suitable for use solely or principally with transmission and           | 172                        | 94  | 12                           | 172                         | 765                           | 6.4                          | 61.2                       | 32.4                        | 15.0             | 0.0              | UKR           | GRE           | RUS | GEO |
| 434  | 853110 | Burglar or fire alarms and similar apparatus                                 | 35                         | 82  | 8                            | 35                          | 95                            | 17.8                         | 56.9                       | 25.3                        | 10.0             | 0.0              | GRE           | BUL           | UKR | RUS |
| 377  | 853190 | Parts of electric sound or visual signalling apparatus, n.e.s.               | 41                         | 98  | 1                            | 41                          | 77                            | 2.5                          | 82.3                       | 15.2                        | 15.0             | 0.0              | TUR           | GRE           | S&M | ROM |
| 413  | 853225 | Fixed electrical capacitors, dielectric of paper or plastics (excl.          | 37                         | 92  | 1                            | 39                          | 37                            | 3.5                          | 94.2                       | 2.3                         | 5.0              | 0.0              | RUS           | BUL           | UKR | MOL |
| 175  | 853400 | Printed circuits   | 82                         | 98  | 1                            | 82                          | 101                           | 1.5                          | 82.6                       | 15.9                        | 15.0             | 0.0              | BUL           | S&M           | RUS | ROM |
| 164  | 853620 | Automatic circuit breakers for a voltage <= 1,000 V                          | 87                         | 91  | 8                            | 87                          | 166                           | 8.8                          | 78.7                       | 12.5                        | 15.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 272  | 853630 | Apparatus for protecting electrical circuits for a voltage <= 1,000          | 55                         | 76  | 3                            | 69                          | 55                            | 3.7                          | 90.5                       | 5.8                         | 15.0             | 0.0              | MOL           | RUS           | RUS | S&M |

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|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
|      |        |  | (A) = min (ii, iii)        |   | (i)                          | (ii)                        | (iii)                         | (iv)                         | (v)                        | (vi)                        | (vii)            | (viii)           |               |               |     |     |
| 106  | 853660 | Switches for a voltage ≤ 1 000 V (excl. relays and automatic circuit breakers)   | 121                        | 80  | 30                           | 121                         | 298                           | 19.6                         | 58.6                       | 21.8                        | 15.0             | 0.0              | TUR           | UKR           | RUS | UKR |
| 338  | 853669 | Plugs and sockets for a voltage ≤ 1000 V (excl. lamp-holders)  | 45                         | 54  | 39                           | 45                          | 115                           | 46.0                         | 34.5                       | 19.5                        | 15.0             | 0.0              | TUR           | UKR           | RUS | TUR |
| 139  | 853690 | Electrical apparatus for switching electrical circuits, or for making or breaking electric circuits, or for making or breaking contact | 96                         | 85  | 17                           | 96                          | 500                           | 15.1                         | 53.5                       | 31.4                        | 15.0             | 0.0              | TUR           | BUL           | RUS | UKR |
| 52   | 853710 | Boards, cabinets, and similar combinations of apparatus for electrical circuits  | 208                        | 79  | 56                           | 208                         | 557                           | 21.1                         | 21.3                       | 57.6                        | 10.0             | 0.0              | RUS           | TUR           | RUS | UKR |
| 166  | 853720 | Boards, cabinets and similar combinations of apparatus for electrical circuits   | 86                         | 72  | 33                           | 86                          | 154                           | 27.7                         | 11.9                       | 60.4                        | 15.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 101  | 853890 | Parts suitable for use solely or principally with the apparatus of heading 85.36 to 85.48  | 128                        | 85  | 23                           | 128                         | 407                           | 15.0                         | 62.7                       | 22.2                        | 15.0             | 0.0              | RUS           | TUR           | RUS | UKR |
| 456  | 854213 | Monolithic digital integrated circuits, as metal oxide semiconductor devices   | 34                         | 95  | 2                            | 34                          | 646                           | 5.3                          | 46.3                       | 48.3                        | 10.0             | 0.0              | GRE           | S&M           | S&M | ROM |
| 202  | 854230 | Electronic integrated circuits, monolithic, analog or analog/digital   | 72                         | 98  | 2                            | 72                          | 238                           | 2.0                          | 45.9                       | 52.0                        | 10.0             | 0.0              | ROM           | TUR           | ROM | RUS |
| 242  | 854411 | Winding wire for electrical purposes, of copper, insulated   | 63                         | 76  | 20                           | 63                          | 66                            | 24.1                         | 38.9                       | 37.0                        | 10.0             | 0.0              | TUR           | RUS           | ROM | BUL |
| 356  | 854420 | Co-axial cable and other co-axial electric conductors, insulated   | 43                         | 85  | 8                            | 43                          | 94                            | 15.0                         | 63.5                       | 21.5                        | 15.0             | 0.0              | TUR           | GRE           | RUS | ALB |
| 77   | 854430 | Ignition wiring sets and other wiring sets for vehicles, aircraft or spacecraft  | 160                        | 12  | 15                           | 1372                        | 160                           | 1.1                          | 98.6                       | 0.4                         | 20.0             | 0.0              | BUL           | ROM           | BUL | UKR |
| 64   | 854441 | Electric conductors, for a voltage ≤ 80 V, insulated, fitted with terminals  | 180                        | 72  | 17                           | 233                         | 180                           | 6.8                          | 90.2                       | 3.0                         | 15.0             | 0.0              | TUR           | BUL           | BUL | TUR |
| 108  | 854449 | Electric conductors, for a voltage ≤ 80 V, insulated, not fitted with terminals  | 119                        | 83  | 24                           | 119                         | 326                           | 16.7                         | 27.5                       | 55.8                        | 20.0             | 0.0              | TUR           | GRE           | BUL | ROM |
| 208  | 854451 | Electric conductors, for a voltage > 80 V but ≤ 1 000 V fitted with terminals  | 71                         | 49  | 7                            | 139                         | 71                            | 4.7                          | 81.0                       | 14.3                        | 20.0             | 0.0              | TUR           | ROM           | TUR | RUS |
| 33   | 854459 | Electric conductors, for a voltage > 80 V but ≤ 1 000 V, not fitted with terminals   | 279                        | 43  | 98                           | 546                         | 279                           | 15.2                         | 49.8                       | 35.0                        | 20.0             | 0.0              | UKR           | RUS           | RUS | S&M |
| 303  | 854460 | Electric conductors, for a voltage > 1 000 V, n.e.s.   | 51                         | 24  | 35                           | 175                         | 51                            | 16.5                         | 27.5                       | 55.9                        | 20.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 314  | 854511 | Electrodes of graphite or other carbon, for electric furnaces  | 49                         | 68  | 23                           | 49                          | 137                           | 32.2                         | 40.5                       | 27.4                        | 15.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 333  | 860719 | Axles, assembled or not, wheels and parts thereof for railway or tramway rolling stock   | 47                         | 15  | 148                          | 161                         | 47                            | 47.8                         | 13.9                       | 38.2                        | 20.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 41   | 870120 | Road tractors for semi-trailers  | 233                        | 88  | 32                           | 233                         | 1531                          | 12.1                         | 56.5                       | 31.5                        | 30.0             | 0.0              | TUR           | RUS           | ROM | RUS |
| 136  | 870190 | Tractors (excl. those of heading 8709, pedestrian-controlled tractors)   | 97                         | 57  | 74                           | 97                          | 443                           | 43.3                         | 7.0                        | 49.7                        | 22.0             | 0.0              | UKR           | S&M           | RUS | S&M |
| 19   | 870210 | Motor vehicles for the transport of >= 10 persons, incl. driver, with or without trailer   | 434                        | 54  | 115                          | 693                         | 434                           | 14.3                         | 39.6                       | 46.2                        | 30.0             | 0.0              | TUR           | RUS           | ROM | RUS |
| 10   | 870322 | Motor cars and other motor vehicles principally designed for the transport of persons  | 733                        | 69  | 336                          | 733                         | 3450                          | 31.4                         | 40.0                       | 28.5                        | 30.0             | 2.0              | TUR           | RUS           | RUS | ROM |
| 2    | 870323 | Motor cars and other motor vehicles principally designed for the transport of goods  | 1635                       | 75  | 555                          | 1635                        | 9146                          | 25.4                         | 49.7                       | 25.0                        | 30.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 18   | 870331 | Motor cars and other motor vehicles principally designed for the transport of goods  | 467                        | 78  | 130                          | 467                         | 882                           | 21.8                         | 66.9                       | 11.3                        | 30.0             | 2.0              | TUR           | GRE           | ROM | BUL |
| 3    | 870332 | Motor cars and other motor vehicles principally designed for the transport of goods  | 1556                       | 97  | 56                           | 1556                        | 2825                          | 3.5                          | 86.5                       | 10.0                        | 30.0             | 2.0              | S&M           | TUR           | ROM | BUL |
| 1    | 870421 | Motor vehicles for the transport of goods, with compression-ignition engine  | 2170                       | 95  | 123                          | 2170                        | 2387                          | 5.4                          | 88.6                       | 6.0                         | 30.0             | 0.0              | TUR           | RUS           | ROM | TUR |
| 73   | 870422 | Motor vehicles for the transport of goods, with compression-ignition engine  | 163                        | 75  | 56                           | 163                         | 569                           | 25.4                         | 10.8                       | 63.9                        | 30.0             | 0.0              | RUS           | TUR           | UKR | AZE |
| 58   | 870423 | Motor vehicles for the transport of goods, with compression-ignition engine  | 196                        | 83  | 39                           | 196                         | 546                           | 16.7                         | 10.8                       | 72.4                        | 22.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 131  | 870431 | Motor vehicles for the transport of goods, with spark-ignition internal combustion engine  | 99                         | 43  | 131                          | 99                          | 166                           | 57.0                         | 21.8                       | 21.2                        | 30.0             | 0.0              | RUS           | TUR           | UKR | GRE |
| 249  | 870510 | Crane lorries (excl. breakdown lorries)  | 61                         | 85  | 11                           | 61                          | 103                           | 15.1                         | 1.3                        | 83.6                        | 30.0             | 0.0              | RUS           | UKR           | UKR | AZE |



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|------|--------|--|----------------------------|---|------------------------------|-----------------------------|-------------------------------|------------------------------|----------------------------|-----------------------------|------------------|------------------|---------------|---------------|-----|-----|
|      |        |  |                            |   |                              |                             |                               |                              |                            |                             |                  |                  | BSEC Exporter | BSEC Importer |     |     |
| 99   | 870590 | Special purpose motor vehicles, other than those principally des     | 130                        | 83  | 26                           | 130                         | 282                           | 16.9                         | 6.2                        | 76.9                        | 30.0             | 0.0              | TUR           | RUS           | GEO | RUS |
| 156  | 870821 | Safety seat belts for motor vehicles                                 | 89                         | 46  | 2                            | 193                         | 89                            | 1.0                          | 94.7                       | 4.3                         | 12.0             | 0.0              | TUR           | ROM           | RUS | S&M |
| 17   | 870829 | Parts and accessories of bodies for tractors, motor vehicles for     | 483                        | 86  | 78                           | 483                         | 1,472                         | 13.9                         | 65.7                       | 20.3                        | 30.0             | 1.0              | RUS           | ROM           | UKR | RUS |
| 83   | 870839 | Brakes and servo-brakes and parts thereof for tractors, motor ve     | 146                        | 88  | 20                           | 146                         | 353                           | 12.1                         | 57.2                       | 30.8                        | 12.0             | 0.0              | UKR           | RUS           | UKR | RUS |
| 262  | 870840 | Gear boxes for tractors, motor vehicles for the transport of ten o   | 57                         | 78  | 16                           | 57                          | 746                           | 21.5                         | 18.6                       | 59.9                        | 30.0             | 0.0              | ROM           | RUS           | UKR | RUS |
| 330  | 870860 | Non-driving axles and parts thereof for tractors, motor vehicles id  | 47                         | 92  | 4                            | 47                          | 228                           | 8.2                          | 58.2                       | 33.6                        | 12.0             | 0.0              | ROM           | RUS           | UKR | ROM |
| 36   | 870870 | Road wheels and parts and accessories thereof for tractors, mo       | 268                        | 74  | 57                           | 304                         | 268                           | 15.9                         | 64.6                       | 19.5                        | 12.0             | 0.0              | UKR           | RUS           | RUS | UKR |
| 216  | 870880 | Suspension shock absorbers for tractors, motor vehicles for the      | 70                         | 89  | 8                            | 70                          | 182                           | 10.7                         | 78.0                       | 11.3                        | 15.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 317  | 870891 | Radiators for tractors, motor vehicles for the transport of ten or f | 49                         | 79  | 13                           | 49                          | 107                           | 20.6                         | 57.6                       | 21.9                        | 12.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 192  | 870893 | Clutches and parts thereof for tractors, motor vehicles for the tr   | 75                         | 75  | 25                           | 75                          | 119                           | 25.4                         | 48.3                       | 26.4                        | 12.0             | 0.0              | TUR           | RUS           | RUS | UKR |
| 267  | 870894 | Steering wheels, steering columns and steering boxes, for tract      | 56                         | 84  | 10                           | 56                          | 209                           | 15.7                         | 67.5                       | 16.8                        | 30.0             | 0.0              | TUR           | ROM           | UKR | RUS |
| 9    | 870899 | Parts and accessories, for tractors, motor vehicles for the trans    | 814                        | 85  | 147                          | 814                         | 1,755                         | 15.3                         | 56.9                       | 27.8                        | 30.0             | 0.0              | RUS           | TUR           | UKR | RUS |
| 230  | 871639 | Trailers and semi-trailers for the transport of goods, not designe   | 66                         | 88  | 9                            | 66                          | 487                           | 12.5                         | 32.8                       | 54.7                        | 30.0             | 0.0              | RUS           | UKR           | UKR | RUS |
| 454  | 871640 | Trailers and semi-trailers, not designed for running on rails (excl  | 34                         | 96  | 1                            | 34                          | 57                            | 4.2                          | 36.3                       | 59.5                        | 30.0             | 0.0              | TUR           | RUS           | ROM | AZE |
| 397  | 871690 | Parts of trailers and semi-trailers and other vehicles not mechan    | 39                         | 92  | 3                            | 39                          | 94                            | 8.0                          | 75.5                       | 16.4                        | 30.0             | 0.0              | GRE           | TUR           | RUS | BUL |
| 191  | 880212 | Helicopters of an unladen weight > 2 000 kg                          | 76                         | 41  | 9                            | 176                         | 76                            | 5.1                          | 14.6                       | 80.3                        | 20.0             | 0.0              | RUS           | UKR           | ARM | GEO |
| 352  | 880230 | Aeroplanes and other powered aircraft of an unladen weight > 2       | 44                         | 71  | 18                           | 44                          | 233                           | 28.8                         | 0.7                        | 70.6                        | 20.0             | 0.0              | GEO           | UKR           | AZE | UKR |
| 42   | 880240 | Aeroplanes and other powered aircraft of an of an unladen weight     | 231                        | 40  | 9                            | 574                         | 231                           | 1.5                          | 70.7                       | 27.9                        | 20.0             | 0.0              | RUS           | UKR           | RUS | BUL |
| 143  | 880330 | Parts of aeroplanes or helicopters, n.e.s. (excl. those for gliders, | 95                         | 51  | 12                           | 173                         | 95                            | 6.6                          | 61.6                       | 31.8                        | 6.0              | 0.0              | GEO           | UKR           | AZE | S&M |
| 190  | 890110 | Cruise ships, excursion boats and similar vessels principally de     | 76                         | 91  | 7                            | 76                          | 178                           | 8.8                          | 37.4                       | 53.8                        | 20.0             | 0.0              | ROM           | GRE           | GEO | ALB |
| 11   | 890120 | Tankers  | 732                        | 96  | 30                           | 732                         | 1,269                         | 3.9                          | 36.6                       | 59.5                        | 20.0             | 0.0              | RUS           | UKR           | AZE | RUS |
| 7    | 890190 | Vessels for the transport of goods and vessels for the transport     | 912                        | 58  | 56                           | 1,506                       | 912                           | 3.6                          | 64.3                       | 32.1                        | 20.0             | 0.0              | BUL           | UKR           | BUL | TUR |
| 120  | 890392 | Motorboats and motor yachts, for pleasure or sports, other than      | 108                        | 96  | 5                            | 108                         | 121                           | 4.0                          | 29.5                       | 66.5                        | 20.0             | 0.0              | BUL           | S&M           | RUS | GRE |
| 246  | 890400 | Tugs and pusher craft  | 63                         | 63  | 3                            | 97                          | 63                            | 2.6                          | 63.9                       | 33.5                        | 20.0             | 0.0              | BUL           | TUR           | RUS | BUL |
| 37   | 890520 | Floating or submersible drilling or production platforms             | 265                        | 100   | 1                            | 265                         | 454                           | 0.5                          | 0.0                        | 99.5                        | 20.0             | 0.0              | BUL           | AZE           | AZE | BUL |
| 128  | 890600 | Vessels, incl. warships and lifeboats (excl. rowing boats and ot     | 100                        | 83  | 14                           | 107                         | 100                           | 11.6                         | 50.7                       | 37.7                        | 20.0             | 0.0              | UKR           | BUL           | TUR | RUS |
| 299  | 901890 | Instruments and appliances used in medical, surgical, dental or      | 51                         | 83  | 10                           | 51                          | 782                           | 16.7                         | 46.7                       | 36.6                        | 10.0             | 0.0              | RUS           | TUR           | UKR | S&M |
| 453  | 902519 | Thermometers and pyrometers, not combined with other instrum         | 34                         | 93  | 2                            | 35                          | 34                            | 5.6                          | 82.2                       | 12.2                        | 8.3              | 0.0              | RUS           | UKR           | RUS | UKR |
| 469  | 902830 | Electricity meters, incl. calibrating meters therefor                | 34                         | 48  | 12                           | 58                          | 34                            | 17.4                         | 56.8                       | 25.8                        | 20.0             | 0.0              | RUS           | GRE           | UKR | GEO |
| 387  | 903120 | Test benches for motors, generators, pumps, etc.                     | 40                         | 95  | 2                            | 40                          | 46                            | 4.9                          | 16.8                       | 78.4                        | 10.0             | 0.0              | UKR           | RUS           | RUS | UKR |



| Rank | HS6    | Product Description  | Indicative Trade Potential (A) = min (ii, iii) | Relative Indicative Trade Potential (%) (B) = (A)/(i+ii) | Current BSEC Exports to BSEC (i) | Current BSEC exports to ROW (ii) | Current BSEC imports from ROW (iii) | Share of exports to BSEC (%) (iv) | Share of exports to EU (%) (v) | Share of exports to ROW (%) (vi) | BSEC Max MFN (%) (vii) | BSEC Min MFN (%) (viii) | 1st           | 2nd           | 1st           | 2nd           |
|------|--------|--|--|--|----------------------------------|----------------------------------|-------------------------------------|-----------------------------------|--------------------------------|----------------------------------|------------------------|-------------------------|---------------|---------------|---------------|---------------|
|      |        |  |  |  |                                  |                                  |                                     |                                   |                                |                                  |                        |                         | BSEC Exporter | BSEC Importer | BSEC Exporter | BSEC Importer |
| 155  | 903180 | Instruments, appliances and machines for measuring or checking           | 90   | 87   | 14                               | 90                               | 248                                 | 13.4                              | 15.1                           | 71.5                             | 5.0                    | 0.0                     | RUS           | UKR           | RUS           | UKR           |
| 183  | 903289 | Regulating or controlling instruments and apparatus (excl. hydraulic)    | 79   | 54   | 67                               | 79                               | 329                                 | 45.9                              | 23.0                           | 31.1                             | 5.0                    | 0.0                     | UKR           | RUS           | UKR           | RUS           |
| 328  | 903300 | Parts and accessories for machines, appliances, instruments or           | 48   | 93   | 1                                | 50                               | 48                                  | 1.8                               | 94.6                           | 3.6                              | 10.0                   | 0.0                     | RUS           | UKR           | UKR           | AZE           |
| 384  | 940120 | Seats for motor vehicles   | 41   | 44   | 8                                | 85                               | 41                                  | 8.7                               | 81.0                           | 10.4                             | 20.5                   | 0.0                     | TUR           | RUS           | UKR           | ROM           |
| 198  | 940161 | Upholstered seats, with wooden frames (excl. convertible into beds)      | 74   | 56   | 19                               | 111                              | 74                                  | 14.9                              | 57.3                           | 27.8                             | 39.1                   | 0.0                     | S&M           | TUR           | S&M           | RUS           |
| 477  | 940169 | Seats, with wooden frames (excl. upholstered)                            | 33   | 32   | 6                                | 97                               | 33                                  | 5.8                               | 74.9                           | 19.3                             | 29.0                   | 0.0                     | TUR           | BUL           | GRE           | RUS           |
| 442  | 940180 | Seats n.e.s.   | 35   | 69   | 9                                | 42                               | 35                                  | 17.8                              | 51.6                           | 30.6                             | 32.4                   | 0.0                     | TUR           | ROM           | ROM           | BUL           |
| 63   | 940190 | Parts of seats n.e.s.  | 186  | 85   | 18                               | 200                              | 186                                 | 8.3                               | 82.6                           | 9.1                              | 20.0                   | 0.0                     | TUR           | UKR           | ROM           | RUS           |
| 349  | 940310 | Metal furniture for offices (excl. seats)                                | 44   | 73   | 4                                | 56                               | 44                                  | 7.4                               | 79.6                           | 13.0                             | 21.4                   | 0.0                     | TUR           | RUS           | UKR           | BUL           |
| 182  | 940320 | Metal furniture (excl. for offices, seats and medical, surgical, dental) | 79   | 85   | 13                               | 79                               | 143                                 | 14.6                              | 59.3                           | 26.1                             | 21.0                   | 0.0                     | TUR           | BUL           | ROM           | RUS           |
| 371  | 940330 | Wooden furniture for offices (excl. seats)                               | 42   | 81   | 10                               | 42                               | 94                                  | 19.4                              | 32.2                           | 48.4                             | 27.9                   | 0.0                     | TUR           | UKR           | ROM           | BUL           |
| 119  | 940350 | Wooden furniture for bedrooms (excl. seats)                              | 108  | 61   | 27                               | 151                              | 108                                 | 15.3                              | 57.9                           | 26.8                             | 52.5                   | 0.0                     | TUR           | ROM           | RUS           | GRE           |
| 20   | 940360 | Wooden furniture (excl. for offices, kitchens and bedrooms, and          | 406  | 45   | 87                               | 811                              | 406                                 | 9.7                               | 76.7                           | 13.6                             | 49.2                   | 0.0                     | TUR           | ROM           | GRE           | RUS           |
| 78   | 940390 | Parts of furniture n.e.s. (excl. seats)                                  | 159  | 77   | 24                               | 184                              | 159                                 | 11.4                              | 78.2                           | 10.3                             | 22.2                   | 0.0                     | TUR           | BUL           | ROM           | GRE           |
| 438  | 940490 | Articles of bedding and similar furnishing, fitted with springs or       | 35   | 67   | 4                                | 49                               | 35                                  | 7.6                               | 81.5                           | 10.9                             | 30.7                   | 0.0                     | TUR           | RUS           | RUS           | GRE           |
| 236  | 940510 | Chandeliers and other electric ceiling or wall lighting fittings, (excl. | 64   | 72   | 24                               | 64                               | 139                                 | 27.7                              | 43.5                           | 28.8                             | 20.0                   | 0.0                     | TUR           | RUS           | ROM           | UKR           |
| 373  | 940540 | Electric lamps and lighting fittings n.e.s.                              | 42   | 65   | 22                               | 42                               | 95                                  | 34.6                              | 30.5                           | 34.9                             | 15.0                   | 3.7                     | TUR           | UKR           | RUS           | UKR           |
| 47   | 940600 | Prefabricated buildings, whether or not complete or already assembled    | 214  | 86   | 35                               | 214                              | 313                                 | 14.2                              | 33.2                           | 52.6                             | 20.0                   | 0.0                     | GRE           | TUR           | ROM           | BUL           |
| 480  | 950320 | Scale model assembly kits, whether or not working models (excl. toys)    | 33   | 98   | 1                                | 33                               | 34                                  | 2.3                               | 95.9                           | 1.9                              | 15.0                   | 0.0                     | TUR           | RUS           | UKR           | ROM           |
| 326  | 950390 | Toys n.e.s.  | 48   | 80   | 3                                | 56                               | 48                                  | 4.8                               | 89.3                           | 5.9                              | 15.0                   | 0.0                     | UKR           | TUR           | S&M           | RUS           |

Note: Excludes energy and tobacco products  
Source: Calculations by author based on UNSD COMTRADE Statistics, 2006; ITC MacMap, 2007

## Annex 3. Transition Indicators computed by the EBRD

The principal sources of data have been the World Bank, IMF and EBRD databases. The EBRD constructs a number of indices which provide an interpretation of the level of implementation of market reforms. The explanation of the scoring system used by the EBRD is given below.

| Score | Large scale privatisation   | Small scale privatisation  | Enterprise restructuring  | Price liberalisation   | Trade & Forex system   | Competition Policy  |
|-------|---|--|---|--|--|---|
| 1     | Little private ownership  | Little private ownership   | Soft budget restraints  | Most prices controlled by gvt  | Widespread import/export controls  | No competition policy or institutions                                   |
| 2     | Comprehensive scheme almost ready for implementation; some sales completed  | Substantial share privatised   | Moderately tight credit and subsidy policy but weak enforcement of bankruptcy legislation                 | Some lifting of price administration   | Some liberalisation of imports/export controls   | Competition legislation set up and some reduction of entry restrictions |
| 3     | More than 25% of large-scale enterprise assets in private hands or in the process of being privatised, but possibly with major unresolved issues regarding corporate governance | Comprehensive programme almost ready for implementation                  | Significant and sustained actions to harden budget constraints and promote efficient corporate governance | Significant price liberalisation but state procurement at non-market prices is substantial | Removal of almost all quantitative and administrative restrictions; almost full current account convertibility                   | Some enforcement actions to reduce abusive practices                    |
| 4     | More than 50 % of state-owned enterprise and farm assets in private ownership and significant progress with corporate governance of these enterprises                           | Complete privatisation of small companies with tradable ownership rights | Substantial improvement in corporate governance and significant new investment at the enterprise level    | Comprehensive price liberalisation; only small number of administered prices               | Removal of all quantitative and qualitative restrictions and all significant export tariffs. Full current account convertibility | Significant enforcement actions to reduce abuse of market dominance     |
| 4+    | Standards and performance typical of advanced economies   | Standards and performance typical of advanced economies                  | Standards and performance typical of advanced economies   | Standards and performance typical of advanced economies                                    | Standards and performance typical of advanced economies  | Standards and performance typical of advanced economies                 |

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