

Importance of the CIS Countries to the Development of Foreign Trade Relations of Slovakia¹

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Abstract

This submission is focused on examination of foreign trade relations development between Slovakia and the CIS countries. It highlights the importance of these countries in the Slovak foreign trade. Slovakia is a country that is highly dependent on the international exchange of goods. On the one hand, Slovak developed manufacturing industry demands raw materials, and on the other hand is being forced to seek an outlet for its production. Although the most important business partners of Slovakia are the EU countries, CIS countries represent an important and sufficiently perspective market. Significant part of solved issue consists of examination of the Slovak foreign trade development and analysis of the Slovak foreign trade relations with the CIS countries. The result of the assessment is evaluation and identification of further opportunities for penetration of Slovak exports to those markets and potential improvement of mutual investment relations in the context of current geopolitical changes in the international business.

Key words

CIS, Foreign trade, foreign markets, Slovakia

JEL Classification: F21, F14

Introduction

An important indicator of economic growth, largely affecting the efficient functioning of the whole economy is a very positive development of foreign trade. It has a significant position in the Slovak economy, since it largely contributes to the economic growth of the country, gross domestic product, and it is an essential part of foreign exchange revenue. One of the basic objectives of economic policy is to increase the economic performance and competitiveness of Slovak economy. In fact, foreign trade is an important tool to achieve such an objective.

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Slovakia is a country that is highly dependent on the international exchange of goods. Developed manufacturing industry on the one hand needs raw materials (own resources are minimal), on the other hand is being forced to seek an outlet for its production abroad. Although the most important business partners of Slovakia are the countries of the EU, the Commonwealth of Independent States represents an important and promising market.

Commonwealth of Independent States (CIS) is an organization that consists of ten republics (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, Uzbekistan) out of the fifteen constituent republics of the former Soviet Union. Three Baltic countries of the former Fifteen have become members of the European Union (Lithuania, Latvia and Estonia). Turkmenistan (August, 2005) and Georgia (August, 2009) withdrew from the CIS. The founding treaty of the CIS was signed on December 21, 1991 in Alma-Ata (Kazakhstan). Georgia was initially not one of the founding states of the CIS, but in consequence of the external influences of the Russian Federation (RF) became a member in 1993. Subsequently, in August 2008 under the influence of the military conflict in South Ossetia, Georgian parliament approved its withdrawal from the CIS.

The organization itself does not have much supranational competency. Its significance is more symbolic in terms of following the former Soviet Union. The scope of the CIS is limited more or less to coordinate common business, financial, legal and security issues. The seat of the CIS is Minsk (Belarus) and the official language of the organization is Russian (CIS, 2015).

1 Methodology

The aim of this paper is to examine the current development of Slovak foreign trade with CIS countries and to suggest other possibilities for penetration of Slovak export to these foreign markets.

To achieve the aim, we used a number of theoretical methods in form of general methods (abstraction, analysis, synthesis, deduction and induction). At the same time, we used empirical methods, especially methods of revealed comparative advantages and comparison to compare countries and examined commodities and achievements. To streamline the data of foreign trade we used special methods, especially exact or graphic display.

For this research, as a source of statistics serve the Statistical Office of Slovak republic and Eurostat, that provided the data used for the analysis of foreign trade between the Slovak Republic and CIS countries. Commodity structure of foreign trade has been classified under the Standard International Trade Classification SITC.

The results of the research are focused on exploration of mutual integration of the CIS countries, the development of territorial focus of Slovak foreign trade and analysis of foreign trade between the Slovak Republic and CIS countries.

2 Results and discussion

Trade relations of Slovakia and the CIS countries are significantly influenced by their involvement in partnerships with the other countries. In case of Slovakia, we talk about the EU, which is the deepest integration grouping in the world. Integration tendencies have also been among the CIS countries, however, they have not reached such a deep integration so far.

2.1 Integration of the CIS countries

Integration tendencies among the post-soviet countries have started shortly after the collapse of Soviet Union. The main motivation of a new integration was Russian effort to maintain its influence in this region as well as effort to create integration similar to the European one. Some of the post-soviet countries are important trade partners of Slovakia and integration tendencies among them may have a significant effect on foreign-trade relations between Slovakia and them.

Integration of post-soviet countries started when Russian Federation (RF) and Ukraine signed a package of economic agreements that concerned the creation of a free trade zone between these two countries on June 24, 1993. This was the first step towards the liberalization of bilateral trade and abolition of trade barriers at commodity exchange. A subsequent step can be fully compared with documents and agreements concluded by the European Community (EC), concerning the creation of a single market in the 80s of the 20th century. However, disagreements between Ukraine and RF particularly at the issue of liberalization of the energy market and the Ukrainian-Russian trade in natural gas resulted into non-ratification of these agreements by the RF. This fact contributed to negotiations on tariff concessions on selected goods, of which number in the mid-90s of the 20th century grew to about 2,000 between the countries. (Drieniková & Zubaľová, 2013)

In September 1993, the Agreement establishing the CIS Economic Union was adopted in Moscow (RF). Agreement was initially signed by eight countries, namely: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan and Ukraine on the basis of associated membership. A precondition of the contract was the gradual integration from a free trade area through customs, payment and monetary union to creation of a single economic area with four freedoms, following the principles of market economy, equal opportunities and guarantees for all economic operators. Hereby was also included the environmental dimension of the integration itself. (Euractiv, 2009)

Agreement about completion of the first phase of integration in April 1994 was signed by 12 republics of the former Soviet Union, but ratified by only six of them. It can be noted that signature of the contract itself did not contribute to an increase in mutual trade among the CIS countries. On the one hand, prices in the CIS approached the to the world ones and on the other hand, free-standing countries have started to look for new business partners, whether in Europe or elsewhere. Thereby they started re-orientation and adaption to business conditions of those foreign markets. Way out of this regional crisis became the Agreement establishing the Economic Union signed on 24 December 1998, which, in response to newly created customs union should be

the ultimate objective of the voluntary establishment of a single economic space with the free movement of goods and services, capital and labour.

It is obvious that since the creation of the CIS, there have already been signed more than 1,000 agreements by the Community and only a fraction of them entered into force. Countries such as Georgia and Ukraine were trying to avoid the ratification of the agreements. For example, Georgia has withdrawn from more than 400 such agreements since 1993. Despite ratification of some agreements, the actual mechanism of implementation of the agreements is so weak and unsuccessful, that hardly any CIS country proceeds to application of accepted provisions.

Abortion of achieving the priority objectives of the countries integrated in the CIS (creation of a single economic area with four freedoms) led to a reduction of the number of member states participating in integration processes. This led to a multi-speed integration. Proof of this is the adoption of a document on the establishment of Eurasian Economic Community (EEC) which was signed on 10 October 2000 in Astana (Kazakhstan). In this document, the representatives of Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan have adopted the aim to create a free trade area between the parties, which would create conditions for higher degree of integration in the form of a customs union and then ultimately the formation of a single economic area. Document establishing EEC entered into force in May 2001. Taking into account the African Union and NAFTA, EEC became the third largest economic group in the world. Two years after its inception, it has gained observer status at the United Nations General Assembly (UN). In 2002, Russian Ministry of Economic Development and Trade declared, that the creation of a free trade zone between Russia and Ukraine is not in the interest of the countries. In March 2006, Uzbekistan acceded to the Community and Armenia, Moldova and Ukraine obtained an observer status.

In Central Asia, in parallel with the EEC had functioned the Central Asian Cooperation Organization (CACO), which was founded back in 1991 by four Central Asian republics: Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan. The aim of the organization was to speed up the integration process and strengthen political, economic, cultural and scientific-technical ties between the countries of the region. This group was created because of Uzbekistan's reluctance to integrate into organizations in which Russia dominated. The actual economic potential of Turkmenistan, which was gradually losing interest in integration with CIS also influenced Uzbekistan's decision to withdraw from this organization.

After several years of suspended membership (due to civil unrest), Tajikistan succeeded to enter the CACO in 1998. Russia gained this membership in 2004. On the contrary, Uzbekistan requested the withdrawal from the grouping in 2006 and subsequently entered the EEC. It can be said that both organizations followed quite similar goals. Their efforts to unification became more real in October 2005, when the inter-governmental summit agreed on a merger of EEC and CACO. These organisations merged on 25 January 2006.

Objectives of EEC included realisation of: (Kaš'áková, 2010)

- free trade regime;
- uniform customs tariffs;
- unified system of non-tariff regulations;
- reconciliation of the positions of Member States in relation to WTO;

- establishment of a common customs area with a unified system of customs control and unified management of customs services.

The idea to revive the creation of a Single Economic Space (SES) with four freedoms came from Russia, Belarus, Kazakhstan and Ukraine in February 2003. In connection with the gas conflicts between the Russian Federation and Ukraine in December 2006 and between the Russian Federation and Belarus in January 2007, when Russia agreed to higher prices of gas supplied to these territories, Ukraine withdrew from the idea of SES. The remaining three countries (Belarus, Kazakhstan and the Russian Federation) decided for customs union without the participation of Ukraine and signed the Agreement on creation of a Single Economic Space in September 2003. This agreement sought to complete the mutual single market and a single currency at the latest by 2010. On the present Ukraine does not approach other integration processes in the CIS. On the contrary, since its accession to the WTO, it leads talks on creating a free trade zone with the EU. According to I. Kosír (2008), Ukraine is looking for its strategic position through integration into various international organizations.

Another attempt to establish a customs union within the EEC was a meeting of Belarus, Kazakhstan and Russia, which took place on January 25, 2008 in Moscow (RF). It culminated into signature of 9 documents, in which countries reaffirmed their will to create a customs union. Signed documents were primarily related to changes in tariff rates, which should contribute to the unification of tariffs and subsequently establishing of a functioning customs union in 2010. In those documents was also contained the concept of unified social policy, which is based on certain social standards and thereby contributes to the creation of a common labour market and the free movement of labour in the EEC. The main points of agreement between the three countries address the issues of monetary policy, investment protection and tariffs for energy supplies.

The culmination became at the meeting of the presidents of Russia, Belarus and Kazakhstan in Almaty (Kazakhstan) on December 19, 2009. Presidents signed an agreement to create a Single Economic Space by 2012. In November 2009 Russia, Belarus and Kazakhstan reached the Agreement on customs union which has created a common market for 165 million people. The Customs Union among the three countries began operating from 1 January 2010. It has established a single customs administration under the Customs Code (in force since 2011). Customs Union has enabled to reduce transit delay of materials for their producers, increased the volume of trade, improved competitiveness of goods and national economies of involved states.

The Eurasian Economic Union (EEU) has entered into force on 1 January 2015. It has brought the principle of the four freedoms in the three countries according to the example of the EU. EEU members are Armenia, Belarus, Kazakhstan, Russia, and Kirgizstan since May 2015. EEU Union expects the introduction of free movement of goods, services, people and capital. The introduction of the single currency and the creation of a single energy market is not being expected in the meantime.

2.2 Slovakia as a part of the EU

Slovak accession to the EU brought changes to the development of foreign trade and to foreign trade relations of Slovakia. Slovakia has started to apply the principles

of the common commercial and agricultural policies of the EU and the European Economic Area (EEA), but also expanded the free market for Slovak exporters in relation to non-member countries.

Slovak accession to the EU has largely modified the contractual and autonomous foreign trade relations of Slovakia. Imports of goods from third countries are subject to EU tariffs, either general, contractual, or preferential, in the amount determined by the Common Customs Tariff of the EU, which is available in TARIC. General rates are highest and are applied to the goods without the country of origin, or if a country is not subject to contractual and preferential tariffs. Contractual rate burdens import only from some developed member countries of the WTO (Kašťáková & Ružeková, 2014). For other territories are applied more favourable preferential tariff rates. Development of Slovak foreign trade in the period after accession to the EU is shown in detail in table 1.

Table 1 Foreign trade of Slovakia in years 2005 – 2014 (bn. EUR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Export	35,5	37,7	47,2	49,5	39,7	48,3	56,4	62,1	64,4	64,8
Import	37,7	40,4	47,9	50,3	38,8	47,5	54,0	58,6	60,1	60,2
Total	73,2	78,1	95,1	99,8	78,5	95,8	110,4	120,7	124,5	125,0
Balance	-2,2	-2,6	-0,7	-0,8	0,9	0,8	2,4	3,5	4,3	4,6

Source: own processing based on data of the Ministry of Economy (2016)

Since the Slovak accession to the EU till 2008, Slovak foreign trade had grown by an average of 13.3%. In 2009, there was a decline of almost 21.3% compared to the previous year, which was driven by sluggish world economy and the global financial and economic crisis, which, to a lesser extent, continues to this day. On the contrary, Slovak foreign trade has grown on average by 9.23% since 2010. The dynamics of Slovak exports over the period averaged 10.8% increase, which was bigger than the growth rate of Slovak imports, which reached an average of 8.83% in the monitored period. Drop in imports but also exports were recorded in 2009. In 2014, exports grew by only 1% and imports by 0.4% compared to 2013 (MoE SR, 2015).

Throughout the period from accession to the EU till 2008, the balance of Slovak foreign trade had been passive (see Table 1). The largest deficit was recorded in 2006 (-2.6 bn. EUR). This fact was caused by the influence of South Korean investments in the automotive and electronics industries in Slovakia (mainly KIA and Samsung). Since 2007 there was a significant increase in Slovak exports, which was positively reflected on foreign trade balance and in 2009 reached the positive value that has successfully maintained in the next years. This fact was influenced by a large increase in exports of electrical goods and automobile industry in Slovakia.

Slovak accession to the EU has changed the territorial structure of Slovak foreign trade. Through the last eight years our most important partners in exports have still been the EU countries, whose share on the total Slovak exports in 2014 increased by 2.6% compared to 2013 and accounted for 84.1% (MoE SR, 2015). Imports from EU countries in the same year also increased by 2.9% compared to the previous year, and accounted for 63.7% of the total import of the Slovakia. Another phenomenon that affects the territorial structure of foreign trade is that Slovakia, by joining the EU, has

lost the benefit under the Generalized System of Preferences (GSP) for developing countries unilaterally provided by US, Canada and Japan. This fact has complicated the access of Slovak goods into these territories. It has reflected on the dynamics of export of Slovakia to the US, particularly on a decrease in exports of cars (Volkswagen Touareg).

Since Slovakia has joined the EU, first three spots of the most important trading partners are: Germany, Czech Republic and Russia. Other positions are derived from the actual development of foreign trade. Among the most important trade partners in 2014 were Germany with a share of 18.6% of the total foreign trade of Slovakia, Czech Republic (11.7%), Poland (6.5%), Russia (5.6%), Hungary (5.4%), China (4.8%) and Austria (4.4%) (MoE SR, 2015).

2.3 Development of foreign trade between Slovakia and the CIS countries

Slovakia ranks among highly open economies due to heavy reliance on foreign trade and considerable sensitivity to the global economic environment. The export performance of the Slovak economy (measured by the share of exports of goods and services on GDP) reached 98% in 2013. Compared with the previous year, export performance increased by only 0.3%. Import intensity (share of imports of goods and services on GDP) increased by 5.4% and reached 91% in the same year. The openness of the Slovak economy (the share of foreign trade turnover on GDP) reached the value of 189% (NBS, 2015). This indicator confirms the high level of external openness of the Slovak economy, which was the third highest in the EU. A higher degree of openness of the economy like Slovakia has reported only Luxembourg and Ireland.

The CIS countries are among the countries of priority interest within the scope of the Strategy of Foreign Economic Relations of the Slovak Republic for the period 2014 - 2020. Focusing on these countries correspond with the Strategy objectives of commodity and territorial diversification of Slovak foreign trade. However, Commonwealth of Independent States (CIS) does not belong to the most important trading partners of Slovakia. Since our entry into the EU, the majority of our business focuses on the member countries of the European Union. A detailed overview of the share of CIS countries and the EU on Slovak foreign trade is shown in table 2.

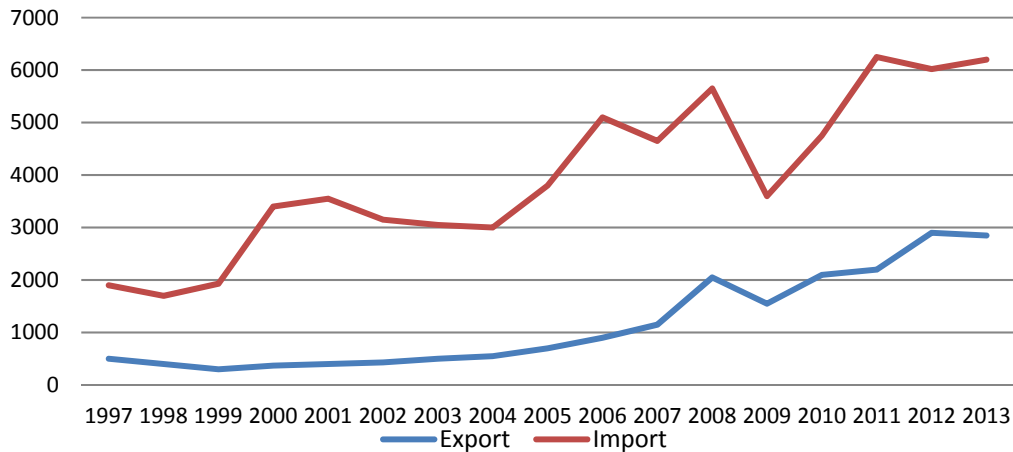
Table 2 Share of the EU and CIS countries on Slovak foreign trade in 2014
(in mil. EUR)

	Foreign trade of Slovakia	Foreign trade between Slovakia and the EU	Foreign trade between Slovakia and the CIS
Total	124 953.2	92 812.2	8 212.4
Share of total (%)	100.0	74.3	6.6
Export	64 800.9	54 493.1	2 665.9
Share of export (%)	100.0	84.1	4.1
Import	60 152.2	38 319.2	5 546.5
Share of import (%)	100.0	63.7	9.2
Balance	4 648.7	16 173.9	-2 880.6

Source: processed by the authors according to data of Statistical office of Slovak republic

In 2014, majority of the total Slovak foreign trade (74.3%) took place just in the EU. CIS countries accounted for 6.57% of the total foreign trade. Detailed development of foreign trade between the Slovak Republic and CIS countries in the period of 1997 - 2013 is shown in figure 1.

Figure 1 Development of foreign trade between Slovakia and CIS countries in period 1997 - 2013 (mil. EUR)



Source: processed by authors according to data of Statistical office of Slovak republic (2015)

Figure 1 shows that Slovak import from CIS countries almost doubly exceeds the Slovak export to the markets of CIS countries. The largest decline in imports and exports were recorded in 2009. In 2013, exports amounted to nearly 3 billion. EUR, imports more than 6 billion.

In 2014, the most important trade partners of Slovakia among the CIS countries were: Russia, Ukraine, Belarus and Kazakhstan. Their share accounted for 99% of Slovak foreign trade with CIS countries. A detailed overview of the development of Slovak foreign trade with CIS countries in 2014 is shown in table 3.

Table 3 Foreign trade of Slovakia with CIS countries in 2014 (in thousand EUR)

	CIS country	Total	Export	Import	Balance
1.	Russia	6 990 329	2 076 921	4 913 408	-2 836 437
2.	Ukraine	881 201	326 203	554 998	-228 795
3.	Belarus	157 342	103 774	53 568	50 206
4.	Kazakhstan	106 422	93 626	12 796	80 830
5.	Moldova	34 150	23 062	11 088	11 974
6.	Azerbaijan	20 463	20 446	17	20 429
7.	Uzbekistan	15 651	15 376	275	15 101
8.	Armenia	4 933	4 596	337	4 259
9.	Kirgizstan	1 349	1 303	46	1 257
10.	Tajikistan	590	586	4	582
	CIS total	8 212 430	2 665 892	5 546 538	-2 880 646

Source: processed by authors according to data of the Ministry of Economy (2015)

Table 3 shows that Slovakia had a negative overall trade balance with CIS countries. In the monitored period, Slovakia had negative trade balance only with Russia and Ukraine. Trade balance with other CIS countries was positive. In 2014, there was an average 20% decrease of trade exchange with key trading partners in the CIS compared to 2013. This was caused by the Ukrainian crisis. Export to Russia decreased by 18%, Ukraine 32%, Belarus 17%, while export to Kazakhstan increased by 11%. Slovak import from Russia decreased by 20%, Ukraine by 11% and Kazakhstan by 6%, however, with Belarus increased by 5%.

2.4 Commodity structure of foreign trade between Slovakia and CIS countries

In view of the examination of foreign trade between Slovakia and CIS countries it is also important to know its commodity structure, which is listed in the following table. Individual items of the commodity structure are sorted according to basic groups of the Standard International Trade Classification (SITC).

Table 4 Commodity structure of foreign trade between Slovakia and CIS countries in 2014 according to SITC (in thou. EUR)

SITC	Export to CIS	%	Import from CIS	%
0 – Food and live animals	42 992.3	1.61	5 546.81	0.1
1 – Beverages and tobacco	2 881.5	0.11	2 244.60	0.04
2 – Crude materials, except fuels	48 191.1	1.81	523 090.43	9.4
3 – Mineral fuels, lubricants	14 396.6	0.54	4 389 908.27	79.2
4 – Animal and vegetable oils	35.8	0.00	1 564.65	0.03
5 – Chemicals and related products	110 552.9	4.15	88 629.67	1.6
6 – Manufactured goods	269 489.2	10.11	239 366.04	4.3
7 – Machinery and transport equipment	1 885 725.3	70.74	228 182.32	4.1
8 – Miscellaneous manufactured articles	290 699.2	10.90	67 403.22	1.2
9 – Not classified	928.1	0.03	602.10	0.01
Total	2 665 892	100	5 546 538	100

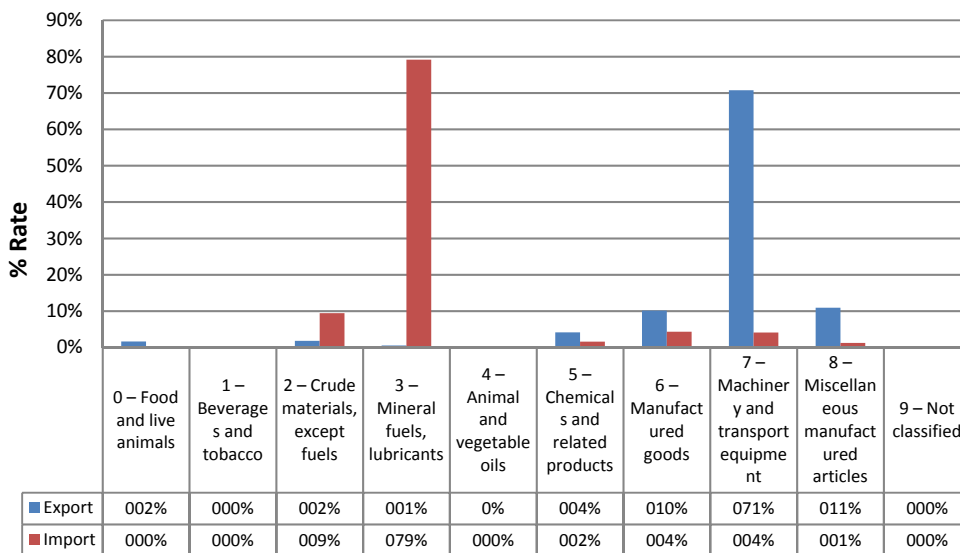
Source: processed by authors according to data of Eurostat (2016)

Table 4 shows the commodity structure of foreign trade between Slovakia and CIS countries in 2014. Group 7 - Machinery and transport equipment was the largest Slovak export item. Total volume of exported goods amounted to 1 885 725.29 thousand EUR and this group accounted more than 70% share on total export. The second largest export item represented Group 8 - Industrial Products, totalling 290 699.16

thousand EUR (10.9%). In third place were items of Group 6 - Market products (269 489.17 thousand EUR; 10.11%). Other important export items were chemicals (4.15%), raw materials (1.81%), food (1.61%), and the others. The largest Slovak import item in 2014 was Group 3 - Mineral fuels, totalling 4 389 908.27 thousand EUR, which represented almost 80% of total imports of Slovakia. Followed by the items of Group 2 - Raw materials that accounted only 9.43% share (523 090.43 thousand EUR). Other important import items included Market products (4.32%), Machinery and transport equipment (4.11%), Chemicals (1.59%) and industrial products (1.22%) and the others.

When we look at the commodity structure of foreign trade between the Slovak Republic and CIS countries, we can say that mutual trade is not sufficiently diversified. Slovak export traditionally consists of machinery and transportation equipment, industrial goods and market products, which make up 92% of Slovak exports. Slovak import is even less diversified, as in the case of export - Slovakia imports from the CIS countries mainly raw materials, such as natural gas, oil, coal and iron ore. These account for almost 90% on the total import.

Figure 2 Comparison of the commodity structure of export and import between Slovakia and CIS countries



Source: processed by authors according to data of Eurostat (2015)

Figure 2 shows the share of individual groups of trade flows between Slovakia and CIS countries in 2014. It graphically illustrates the fact that the major export items of Slovakia were the commodity groups 7 - Machinery and transport equipment, 8 - Industrial Products and 6 - Manufactured goods (by SITC) and the largest import items were goods of group 3 - Mineral fuels and 2 - Raw materials (by SITC). Such a structure of trade flows comes out of nature of the Slovak economy. Supply side of the Slovak economy is represented mainly by automobile, mechanical and electrical industry.

On the demand side of Slovak economy stand mineral fuels and raw materials due to their shortage in the Slovak economy.

Table 5 The most important goods traded between Slovakia and CIS countries in 2014 (according to SITC)

Export			Import		
SITC division	mil. EUR	%	SITC division	mil. EUR	%
Road vehicles – 78	929.59	34.9	Petroleum, petroleum products and related materials – 33	2 856.25	51.5
Telecommunications and sound-recording and reproducing apparatus and equipment - 76	434.57	16.3	Gas, natural and manufactured – 34	1 276.25	23.0
Power-generating machinery and equipment - 71	238.76	9.0	Metalliferous ores and metal scrap - 28	425.11	7.7
General industrial machinery and equipment - 74	123.15	4.6	Iron and steel - 67	161.79	2.9
Electrical machinery, apparatus and appliances - 77	87.48	3.3	Coal, coke and briquettes - 32	132.25	2.4

Source: processed by authors according to data of Eurostat (2015)

Table 5 shows the five most important types of goods, in more detailed breakdown by individual divisions in the SITC classification, which were the subject of foreign trade between the Slovak Republic and CIS countries in 2014. On the side of Slovak exports was the most important traded item division 78 - Road vehicles, totalling 929.59 mil. EUR and with 34% share on Slovak exports. The second most important export item was Telecommunications and sound-recording and reproducing apparatus and equipment (434.57 mil. EUR; 16.3%). The most important Slovak export items also included the Power-generating machinery and equipment (238.76 mil. EUR; 9.0%), General industrial machinery and equipment (12.15 mil. EUR; 4.6%) and Electrical machinery, apparatus and appliances (87.48 mil. EUR; 3.3%). Among the CIS countries, most of these items were exported to Russia and Ukraine. SITC division 33 - Petroleum, petroleum products and related materials dominated the Slovak imports totalling 2 856.25 mil. EUR and with share of 51.5%. More than 99% of the oil was imported from Russia. On the second place was division 34 - Gas, natural and manufactured, with total volume of 1 276.25 mil. EUR and a 23.0% share. Just as compared with oil, even here was Russia the largest trading partner (99%). Next important items were: Metalliferous ores and metal scrap (425,11 mil. EUR; 7.7%), Iron and steel (161.79

mil. EUR; 2.9%) and Coal, coke and briquettes (132.25 mil. EUR; 2.4%). In addition to Russia another important import partners of Slovakia were Ukraine, Belarus and Kazakhstan.

Conclusion

Integration tendencies in the CIS region could potentially influence the foreign trade relations between Slovakia and CIS countries. From conducted research on Slovak foreign trade with CIS countries and the analysis of foreign trade, we have come to certain conclusions and recommendations.

The CIS countries do not belong to most important trading partners of Slovakia. Their share on the Slovak foreign trade amounts only 6.6%, compared with the EU countries, whose share amounts almost 74.3%. The most important trading partners among the CIS countries are Russia, Ukraine, Belarus and Kazakhstan. Their share accounts for more than 99% of total Slovakia's foreign trade with CIS countries.

Further development of foreign trade relations between Slovakia and CIS countries can be profitable for both sides. The main prospects of the deepening cooperation consist in increased volume of mutual trade and its diversification. Diversification of mutual trade is the actual problem. Majority of goods traded consist of Mineral fuels and Machinery.

Based on the adopted Strategy of Foreign Economic Relations of the Slovak Republic for the period 2014 - 2020, the priority in the field of trade-political objectives is growth of export, rise of number of exporters and also assecuration of stable supply of strategic goods to Slovakia. In consideration of the dominant position of the EU countries in Slovak foreign trade (74.3%), Slovakia should focus on promoting exports to non-EU countries. Among these, the CIS countries have the privileged position, especially Russia, Ukraine, Belarus, Azerbaijan, Kazakhstan, Tajikistan and Uzbekistan.

An important role in the support of Slovak exports also features promotion of our interests when concluding new free trade agreements and economic partnership agreements within the framework of the Eastern Partnership. Improving of Slovak foreign trade with CIS countries is being expected after the end of the military conflict in Ukraine, removing autonomous barriers to trade with Russia and after the entry of deep and comprehensive free trade agreement between the EU and Ukraine into force, which is scheduled for January 2016.

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