



FACULTY OF INTERNATIONAL RELATIONS
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CHINA-V4 TRADE RELATIONS: A SLOVAK PERSPECTIVE

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Outline

- 1. Aims of the research***
- 2. History of mutual trade***
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Aims

- *to analyze historical development of Slovak-Chinese bilateral trade*
- *to identify each partner's comparative advantage*
- *to predict possible future trends in mutual trade*



Trade openness in 2012

Rank	Country / area	Trade openness
1.	Hong Kong SAR	435 %
2.	Singapore	388 %
3.	Luxembourg	265 %
4.	Seychelles	239 %
5.	Maldives	221 %
6.	Malta	204 %
7.	Estonia	195 %
8.	Ireland	192 %
9.	Slovakia	186 %
10.	United Arab Emirates	184 %



Sino-Slovak trade in times

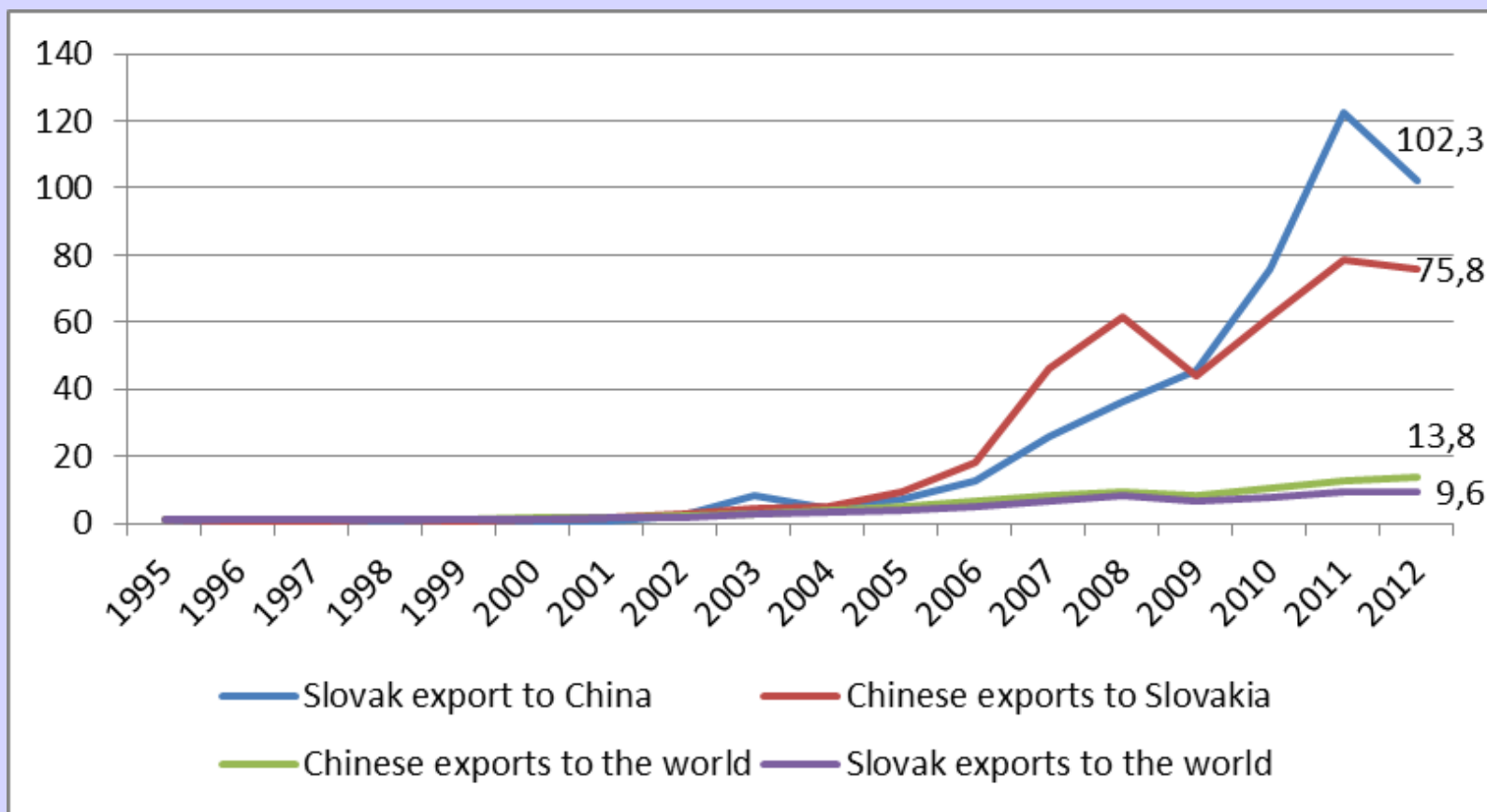
	1995	1998	2001	2004	2007	2010	2012
Slovak exports	17.0	4.2	12.6	77.9	439.9	1287.9	1733.8
Chinese exports	31.9	32.2	61.4	159.9	1470.7	1958.5	2423.1
Trade balance	-14.9	-28.0	-48.8	-82.0	-1030.8	-670.6	-689.3

Note: Trade flows in mil. USD.

Source: UNCTAD (2013).



Trade growth indices



Slovak exports to China

1995			2012		
No.	Item	Share	No.	Item	Share
1.	[781] Motor vehicles for the transport of persons	60.2%	1.	[781] Motor vehicles for the transport of persons	80.8%
2.	[673] Flat-rolled prod., iron, non-alloy steel, not coated	18.5%	2.	[728] Other machinery for particular industries, n.e.s.	5.5%
3.	[737] Metalworking machinery (excl. machine-tools) & parts	6.4%	3.	[743] Pumps (excluding liquid), gas compressors & fans; centr.	1.6%
4.	[713] Internal combustion piston engines, parts, n.e.s.	3.9%	4.	[851] Footwear	1.4%
5.	[675] Flat-rolled products of alloy steel	3.2%	5.	[821] Furniture & parts	1.2%
6.	[582] Plates, sheets, films, foil & strip, of plastics	1.6%	6.	[748] Transmis. shafts	0.8%
7.	[723] Civil engineering & contractors' plant & equipment	1.6%	7.	[776] Cathode valves & tubes	0.6%
8.	[718] Other power generating machinery & parts, n.e.s.	1.0%	8.	[764] Telecommunication equipment, n.e.s.; & parts, n.e.s.	0.6%
9.	[874] Measuring, analysing & controlling apparatus, n.e.s.	0.7%	9.	[772] Apparatus for electrical circuits; board, panels	0.5%
10.	[665] Glassware	0.6%	10.	[598] Miscellaneous chemical products, n.e.s.	0.4%



Chinese exports to Slovakia

1995			2012		
No.	Item	Share	No.	Item	Share
1.	[841] Men's clothing of textile fabrics, not knitted	27.8%	1.	[871] Optical instruments & apparatus, n.e.s.	25.5%
2.	[845] Articles of apparel, of textile fabrics, n.e.s.	25.6%	2.	[752] Automatic data processing machines, n.e.s.	13.8%
3.	[844] Women's clothing, of textile, knitted or crocheted	9.1%	3.	[764] Telecommunication equipment, n.e.s.; & parts, n.e.s.	8.3%
4.	[671] Pig iron & spiegeleisen, sponge iron, powder & granu	5.6%	4.	[771] Electric power machinery, and parts thereof	5.1%
5.	[842] Women's clothing, of textile fabrics	5.6%	5.	[751] Office machines	4.2%
6.	[843] Men's or boy's clothing, of textile, knitted, croche.	5.2%	6.	[784] Parts & accessories of vehicles of 722, 781, 782, 783	3.0%
7.	[846] Clothing accessories, of textile fabrics	4.9%	7.	[778] Electrical machinery & apparatus, n.e.s.	2.9%
8.	[851] Footwear	3.9%	8.	[763] Sound recorders or reproducers	2.7%
9.	[541] Medicinal and pharmaceutical products	3.7%	9.	[759] Parts, accessories for machines of groups 751, 752	2.5%
10.	[689] Miscellaneous no-ferrous base metals for metallur.	1.4%	10.	[845] Articles of apparel, of textile fabrics, n.e.s.	2.2%



Trade concentration

	1995	1998	2001	2004	2007	2010	2012
Slovak exports to China							
Number of products	12	24	29	46	55	65	73
Concentration index	0.552	0.177	0.216	0.246	0.617	0.738	0.793
Chinese exports to SVK							
Number of products	16	28	41	88	122	133	132
Concentration index	0.305	0.283	0.229	0.150	0.411	0.284	0.261

Note: Number of products is based on SITC, Revision 3 commodity classification at 3-digit group level. The table includes only those products that are greater than 100,000 dollars or more than 0.3 per cent of the country's total exports to the other trading partner. Maximum number of products is 261.

Source: Own calculations based on UNCTAD (2013).



RCA in 2012

Slovakia			China		
No.	Item	RCA	No.	Item	RCA
1.	[761] Television receivers, whether or not combined	16.72	1.	[261] Silk	6.04
2.	[812] Sanitary, plumbing, heating fixtures, fittings, n.e.s.	9.87	2.	[666] Pottery	5.35
3.	[746] Ball or roller bearings	5.30	3.	[844] Women's clothing, of textile, knitted or crocheted	4.64
4.	[678] Wire of iron or steel	5.23	4.	[813] Lighting fixtures & fittings, n.e.s.	4.53
5.	[781] Motor vehicles for the transport of persons	4.66	5.	[843] Men's or boy's clothing, of textile, knitted, croche.	4.26
6.	[673] Flat-rolled prod., iron, non-alloy steel, not coated	4.57	6.	[752] Automatic data processing machines, n.e.s.	4.23
7.	[612] Manufactures of leather, n.e.s.; saddlery & harness	4.27	7.	[658] Made-up articles, of textile materials, n.e.s.	4.11
8.	[748] Transmission shafts	4.27	8.	[831] Travel goods, handbags & similar containers	4.08
9.	[674] Flat-rolled prod., iron, non-alloy steel, coated, clad	4.24	9.	[697] Household equipment of base metal, n.e.s.	3.97
10.	[873] Meters & counters, n.e.s.	4.09	10.	[846] Clothing accessories, of textile fabrics	3.84



Top 10 exports in 2012

Slovak exports			Chinese exports		
Item	SVK	CHN	Item	CHN	SVK
[781] Motor vehicles for the transport of persons	4.66	0.07	[871] Optical instruments & apparatus, n.e.s.	3.22	0.26
[728] Other machinery for particular industries, n.e.s.	0.59	0.57	[752] Automatic data processing machines, n.e.s.	4.23	0.56
[743] Pumps (excl. liquid), gas compressors & fans; centr.	1.54	1.03	[764] Telecommunication equipment, n.e.s.; & parts	1.91	3.14
[851] Footwear	2.16	3.57	[771] Electric power machinery, and parts thereof	2.29	1.41
[821] Furniture & parts	1.65	3.21	[751] Office machines	3.52	0.66
[748] Transmis. shafts	4.27	0.99	[784] Parts & accessories of vehicles of 722, 781, 782, 783	0.57	3.22
[776] Cathode valves & tubes	0.14	1.33	[778] Electrical machinery & apparatus, n.e.s.	1.85	0.71
[764] Telecommunication equipment, n.e.s.; & parts	1.91	3.14	[763] Sound recorders or reproducers	2.99	3.27
[772] Apparatus for electrical circuits; board, panels	0.69	1.32	[759] Parts, accessories for machines of groups 751, 752	1.84	0.43
[598] Miscellaneous chemical products, n.e.s.	0.31	0.58	[845] Articles of apparel, of textile fabrics, n.e.s.	2.92	0.59



Sino-Slovak trade 2015-2030

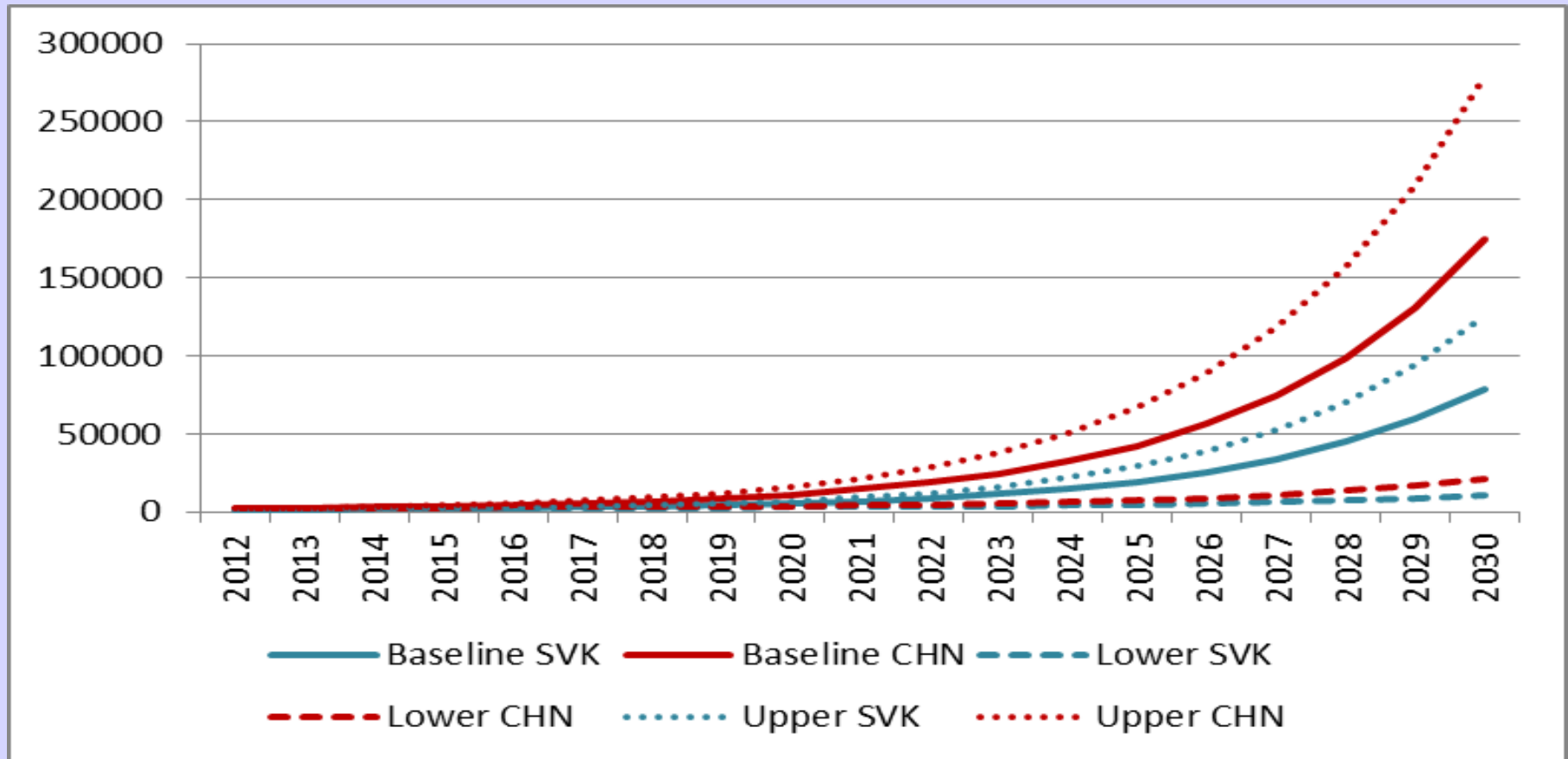
		Scenario 1 Baseline	Scenario 2 Lower bound	Scenario 3 Upper bound
Slovak exports	2015	2,342	2,298	2,238
	2020	5,467	3,039	7,005
	2025	19,455	4,575	29,525
	2030	78,992	10,967	125,449
Chinese exports	2015	3,812	2,877	4,356
	2020	11,235	3,888	16,118
	2025	42,619	7,288	66,677
	2030	174,290	21,671	278,834

Note: Scenarios are based on the following annual real GDP growth rates: Baseline: 2.56 % for Slovakia, 6.18 % for China; Lower: 1.33 % for Slovakia, 4.76 % for China; Upper: 3.52 % for Slovakia, 8.13 % for China. GDP growth predictions in individual years differ. Data in mil. USD.

Source: Own calculations based on UNCTAD (2013).



Sino-Slovak trade 2015-2030



Conclusions 1/2

- Between 1995 and 2012, Slovak exports to China increased more than 100-fold, while Chinese exports to Slovakia increased more than 50-fold; the majority of this growth took place in the first decade of the 21st century. The main factors behind this radical growth appear to be Chinese entry into the WTO and reforms taken by the Slovak government in 2002.
- Slovak exports to China are strongly dominated by motor vehicles with a share of more than 80 % on total exports. Chinese exports to Slovakia are relatively well diversified, led by optical instruments and automatic data processing machines. Their structure has completely changed in the last 15 years, from labor and resource-intensive goods to high-skill-and-technology intensive products.



Conclusions 2/2

- RCA index analysis has shown that Chinese exports to Slovakia are fully in line with her comparative advantages. Surprisingly – with the obvious exception of motor vehicles – this cannot be said about Slovak exports to China. This can be explained by intra-industry trade with intermediate products and trade based on differences in consumer preferences.
- The volume of Sino-Slovak trade will continue to rise rapidly in the next couple of years. We expect Slovak exports to China to increase 5 to 34-fold by 2030 and Chinese exports to Slovakia to increase 7 to 45-fold by 2030. The most accurate estimate will probably lie in the middle of these intervals.





Thank you for your attention!

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