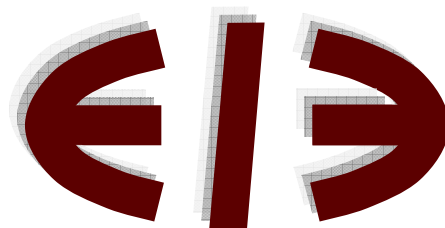


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Evidence for Agricultural Trade in Slovakia**

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Trade Creation and Diversion in the Enlarged EU Market: Evidence for Agricultural Trade in Slovakia¹

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Abstract

In the paper we analyze the changes in agricultural trade patterns in Slovakia influenced by the gradual trade liberalization that occurred prior to European Union enlargement in 2004. The results show a significant trade-diversion effect of the enlargement on Slovak agricultural trade. A one-percentage-point reduction in the agricultural tariff rate of Slovakia increases agricultural imports from EU15 and Central and East European countries (CEEC) by around 3 percent. Given that the average reduction in tariff rates was 10.4 percent, approximately 31.4 percent of the increase in agricultural imports from the EU15 and CEEC was the effect of EU accession.

Key words: trade liberalization, trade diversion and creation, EU accession.

JEL Classification: F14; F15; Q17.

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