

**Prof.dr.sc. Božo Matić,**  
Ekonomski fakultet Zagreb  
**Doc.dr.sc. Vlatka Bilas,**  
Ekonomski fakultet Zagreb  
**Mr.sc. Mario Čulina,**  
CSB Trade d.o.o., Široki Brijeg

## **PERSPECTIVES OF THE INTERNATIONAL TRADE BETWEEN CROATIA AND BOSNIA AND HERZEGOVINA AFTER CROATIAN JOINING THE EU**

*Review*

### **Abstract**

*As a result of joining some country to certain regional integration, there are effects occurring, not only for the joining country, or countries members of the regional integration, but also for third non members' countries. The main goal of this paper is to analyze the potential effects of Croatian joining the EU on the foreign trade between Croatia and Bosnia and Herzegovina (B&H) since it can be expected that Croatia will enter this regional integration much before B&H having in mind level of the negotiations and the development of these two economies. The main assumption is that Croatian entrance in the EU will have negative effect on the trade between Croatia and B&H since Croatia will lose its preferential treatment on B&H market and there is a fear of trade diversion to Serbia and Turkey. Similarly effects occurred after Slovenian entrance to the EU. To sustain its market share on the B&H market, Croatia should increase its level of competitiveness.*

**Keywords:** *international trade, Croatia, Bosnia and Herzegovina, European Union, competitiveness*