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Croatia's EU accession threatens farmers home and abroad

Sharing over 1,000 km of border, it's not surprising Croatia and Bosnia and Herzegovina (BiH) have historically strong trade ties. However, since Croatia joined the EU on July 1, those relations have once again been disrupted, and both look likely to suffer as a result.

Although disturbed by the brutal wars of the 1990s the trade ties between the pair were reaffirmed in 2006. That's when BiH, alongside the other countries of former Yugoslavia, followed Croatia into the Central European Free Trade Agreement (CEFTA); a common-market free trade agreement between the non-EU countries of South-East Europe.

"Traditionally our markets are very much connected, Croatian consumers are used to Bosnian products and vice versa" explains Vesna Malenica, a Policy Analyst at Sarajevo based think-tank Populari. "Of course before [the war] we were one country and one market."

Croatia's accession to the EU has meant the eradication of many tariffs and other trade barriers. However, despite increased access to the EU's vast market, with over 500m consumers in comparison to CEFTA's 27m, economic analysts are predicting Croatia's economy will suffer in the short-term. Joining the bloc will see the Croatian market open up to other EU member states, but close its membership in CEFTA, and the adjustment will likely be painful.

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