

GEOECONOMIC REVALUATION OF ŠIBENIK'S ROLE IN STRENGTHENING CROATIA'S POSITION IN CANTON 10 OF THE FEDERATION OF BOSNIA AND HERZEGOVINA - THE STRATEGIC IMPORTANCE OF THE CROATIAN REGIONAL CITY OF ŠIBENIK

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Abstract: This paper analyzes the necessity of transforming the perception of the city of Šibenik from a predominantly tourist center into a key logistical and distribution hub for the hinterland of Western Bosnia (Canton 10). In the context of 2026, marked by the intensification of Bosnia and Herzegovina's EU accession negotiations and the redefinition of global supply chains, Šibenik is positioned as the primary maritime exit for the resource-rich areas of Livno, Tomislavgrad, and Kupres. The central thesis, supported by the author's previous research on geoeconomic pressures from the Italy–Hungary–Serbia triangle, indicates that strengthening the Šibenik–Canton 10 axis is not merely an economic interest but a national security imperative. Utilizing PEST and SWOT analyses, the paper demonstrates how strategic control of the transport route via Knin and Strmica serves as a bulwark against attempts at the regional marginalization of Croatian ports and logistical corridors. Finally, the paper proposes the implementation of a "soft power" model through the development of cross-border economic zones, whereby Šibenik becomes an instrument for the deep integration of the Croatian economic space, ensuring the demographic survival of Croats in BiH and strengthening the overall geoeconomic resilience of the Republic of Croatia.

Key words: geoeconomics, Croatian city of Šibenik, Canton 10, logistical vertical, national security, regional cooperation 2026

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INTRODUCTION

Problem Definition: The Necessity of Revaluation in 2026

Entering the second half of the current decade, the geopolitical architecture of Southeast Europe has undergone significant transformations. In 2026, as Bosnia and Herzegovina intensifies its accession negotiations with the European Union, traditional views on borders are becoming secondary to functional economic connectivity. The problem addressed in this paper is the long-standing "touristification" of Šibenik's perception, which neglects its historical and natural role as the maritime gateway to the hinterland. Canton 10 (the Herzeg-Bosnia County), despite vast resources in the timber industry, mining, and energy, suffers from infrastructural isolation. Previous cooperation models relied primarily on political rhetoric, while actual geoeconomic integration lagged. Revaluation is necessary because, in 2026, transport flows are being redefined through the lens of green corridors and the need for supply chain diversification, where Šibenik offers the shortest path from the BiH interior to global markets.

The Concept and Definition of Geoeconomics

From a strategic perspective, geoeconomics is an emerging field of political economy that defines the geopolitical combat of the post-Cold War era through economic methods rather than military force (Luttwak, 1990; Blackwill & Harris, 2016). While political economy generally studies the relationship between politics and economic outcomes, geoeconomics focuses primarily on the international dimension. Specific geoeconomic studies analyze how international economic exchange influences global politics, particularly concerning conflict risks and the global balance of power. Geoeconomics strikes a balance between the political and economic factors of the international system, implementing them into international or cross-border political economy. Geoeconomics implies the "reassertion of state power in the name of strategy and security, to protect vital economic interests through geoeconomic defense, geoeconomic offensives, geoeconomic diplomacy, and geoeconomic intelligence" (Khasnabis, 2018). Geoeconomic analysis primarily encompasses the investigation of the relationship between politics and economics in international relations and the integration of the economy into state doctrine to achieve specific influence over a targeted region or nation. Building on this concept, contemporary geoeconomic thought introduces the doctrine of "economic infantry" (Sarić, 2026), which operationally defines the role of critical infrastructure and outsourcing as the first line of defense of national sovereignty in conditions of asymmetric regional pressures.

Objective of the Paper: Šibenik as a Strategic Logistical Outlet

The primary objective of this paper is to demonstrate that in 2026, Šibenik possesses the capacity to become the primary logistical and distribution hub for Western Bosnia. The paper seeks to deconstruct the myth of Šibenik as an exclusively tourist destination, repositioning it as a key point of Croatian "soft power" and economic influence. Through the analysis of port capacities, road routes (primarily via Knin and Strmica), and the economic needs of Canton 10, the objective is to show that strengthening this axis directly correlates with the strengthening of Croatia's position in BiH. A robust Šibenik as a port signifies a more economically viable Canton 10, which is a prerequisite for the demographic stability and political relevance of Croats in that area.

Research Methodology

The paper applies an integrated methodological approach combining qualitative and quantitative research methods for a comprehensive geoeconomic reevaluation of the observed area. To map the macroeconomic environment in 2026, a PEST analysis is utilized, systematically correlating the political, economic, social, and technological trends that determine the relations between the Republic of Croatia and Bosnia and Herzegovina. An internal assessment of the competitiveness of the Port of Šibenik and its associated logistical infrastructure in relation to rival routes is conducted via a SWOT analysis, identifying strategic advantages and barriers to integration processes. The implementation of these analytical frameworks follows established strategic management methodologies designed to systematically evaluate external environmental pressures and internal capabilities (Sammuto-Bonnici & Galea, 2015). Finally, geopolitical and geoeconomic analysis serves to critically examine the role of the state in fostering cross-border economic zones, treating them as instruments of national security and regional economic resilience. This triangulation approach enables an objective verification of the thesis regarding the need to strengthen the Šibenik – Canton 10 logistical vertical.

GEOPOLITICAL AND GEOECONOMIC FRAMEWORK

The Position of Croatian Šibenik in the Adriatic-Ionian Basin: Croatian Šibenik as a Hub

In the contemporary maritime system of 2026, Šibenik is being redefined as a specialized hub within the broader Adriatic-Ionian transport corridor. While major ports such as Rijeka or Trieste dominate container traffic, Šibenik occupies a geoeconomic niche as a "fast gateway" for specific cargo. Its advantage lies not in its size, but in its depth of penetration into the hinterland. This specific spatial advantage is clearly visualized in figure 1, which illustrates the geographical and strategic position of the Šibenik-Knin County within the Republic of Croatia. As shown on the map, the county acts as a natural coastal-hinterland bridge, utilizing its specific central maritime position to achieve the shortest physical distance between the open sea and the continental border area.

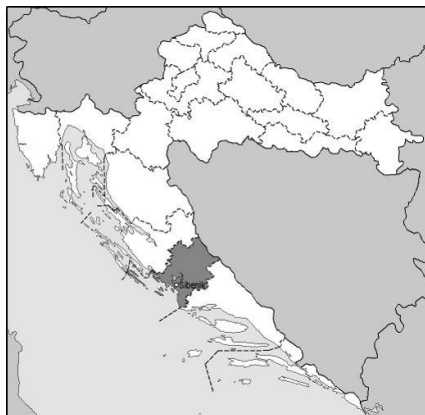


Figure 1. The geographical and strategic position of the Šibenik-Knin County within the Republic of Croatia

Thanks to the completion of modernization projects for key roadways in the Dalmatian Hinterland (Dalmatinska zagora), Šibenik in 2026 offers the fastest connection between the Adriatic Sea and the interior of southwestern Bosnia. As a point of convergence between maritime routes and the D1 and D33 road axes (via Knin), the city ceases to be merely a coastal center and becomes a key factor in the stability of supply chains for this part of Europe. The port's specialization for niche cargoes correlates with the National Port System Development Plan (Government of the Republic of Croatia, 2025), which identifies Šibenik as a critical point for the export of raw materials from the hinterland, thereby avoiding the congestion of larger container ports like Rijeka.

Canton 10 as a Strategic Hinterland: Analysis of Livno, Tomislavgrad, and Kupres

Canton 10, also known as the Herzeg-Bosnia County, is the spatially largest administrative unit in Bosnia and Herzegovina. This geographical dominance and its strategic cross-border positioning are clearly illustrated in Figure 2, which visualizes the precise location of Canton 10 within the territorial framework of the Federation of Bosnia and Herzegovina. As the map shows, the canton shares a massive, continuous western border with the Republic of Croatia, directly backing into the Šibenik-Knin County and making it the most immediate economic and logistical backyard for the Port of Šibenik.

In 2026, it is undergoing a transformation from a passive hinterland into a dynamic energy and raw material basin. Livno and Tomislavgrad have emerged as regional green energy centers with an installed capacity of wind farms exceeding 300 MW (IRENA, 2025). Such an energy surge requires specialized logistical support, which the Port of Šibenik can provide through terminals adapted for the handling and maintenance of specific components for renewable energy sources.

Simultaneously, the Kupres plateau, with its significant forest wealth and developed timber industry, naturally gravitates toward the Bay of Šibenik as a traditional export route for lumber. Geoeconomically observed, this canton forms a natural "gravitational funnel" that narrows toward the Strmica mountain pass. Without adequate integration with the Port of Šibenik, the economic potential of these towns remains trapped by high transport costs to more distant maritime centers, thereby reducing their export competitiveness within the single market of the European Union. From a strictly geomorphological perspective, Šibenik represents the most natural and shortest transversal outlet to the sea for the Livno plateau. The historical 'Dinaric barriers' are most easily bypassed through the Krka and Cetina river basins, where the natural indentation of the Šibenik bay provides a protected deep-water sanctuary. This natural geographical 'umbilical cord' between the Dinaric massif and the central Adriatic coast predestines Šibenik as the primary logistical gravity point for Canton 10, rendering any other transport alternative (such as more distant northern or southern ports) geographically and economically suboptimal.

Political Significance: Croatia's Role in Supporting BiH's EU Path in 2026

The year 2026 represents a turning point in the integration processes of Bosnia and Herzegovina, where the Republic of Croatia utilizes the Port of Šibenik as an instrument of active economic diplomacy. This support is manifested through the operational implementation of the "Green Lanes" initiative, which, in accordance with European Commission recommendations, enables digital data exchange and accelerated flow of goods at the Strmica and

Kamensko border crossings. Furthermore, active lobbying for cohesion funds through Interreg programs in 2026 directly encourages the development of logistical hubs in Šibenik's hinterland (Regional Development Agency, 2025).

The strategic connectivity between Šibenik and Canton 10 transcends purely economic interests. As stated in the updated National Security Strategy of the Republic of Croatia (2025), strengthening this economic axis ensures deep connectivity with the Croatian people in Bosnia and Herzegovina, creating a necessary resilience to external pressures. Šarić (2023; 2025) warns that the coordinated goeconomic actions of Italy, Hungary, and Serbia aim to marginalize the Croatian logistical space. In this context, the revitalization of the route toward the hinterland represents a critical response to attempts at creating an "external encirclement" intended to isolate Croatia from its natural geopolitical hinterland, thereby ensuring long-term stability and territorial cohesion in this part of Europe.



Figure 2. The position of the Hercegovina County / canton 10 within the Federation of Bosnia and Herzegovina

PEST ANALYSIS OF THE MACRO-ENVIRONMENT IN 2026

To assess the actual potential for the goeconomic revaluation of Šibenik, it is necessary to analyze the external factors shaping the relations between the Republic of Croatia and Bosnia and Herzegovina. The PEST analysis in Table 1 synthesizes the key determinants in 2026, focusing on political, economic, social, and technological parameters.

Table 1. PEST Analysis of the Croatian Šibenik – Canton 10 Axis

Source: Author's creation (2026) based on sources cited in the text

Political Factors

- Acceleration of BiH's EU integration and regulatory alignment (EU Council, 2025).
- Croatian Government Strategy: Investments in infrastructural connectivity (Gov. of Croatia, 2025).
- Schengen regime and implementation of "Green Lanes" at the border.

Economic Factors

- Šibenik's geographic advantage as a natural outlet for raw materials from Canton 10.
- Operationalization of Interreg VI-A IPA funds for cross-border infrastructure (2025).
- Development of wind and solar energy

- Response to geoeconomic pressure from the projects in the hinterland (IRENA, 2025). Italy-Hungary-Serbia triangle (Šarić, 2025).

Social Factors

- Strong demographic, historical, and family ties across the border. (MMPI, 2025).
- Labor migration challenges and the need for economic retention of youth (CBS, 2025).
- Interregional cooperation between the University of Applied Sciences in Šibenik and the University of Mostar. (2025).
- Need for joint economic growth strategies for demographic stabilization.

Technological Factors

- Digitalization of logistical processes and introduction of "Smart Borders" (MMPI, 2025).
- Modernization of port terminals for timber and bulk cargo.
- Modernization studies of the D1 route: Šibenik – Knin – Strmica (Hrvatske ceste, 2025).
- Revitalization of the rail route as a condition for the green transport transition.

The political dimension carries particular weight in 2026. The Strategy of the Croatian Government must account for the fact that the geoeconomic interests of neighboring countries, primarily Hungary and Serbia, actively seek alternative routes that bypass Croatian ports. Through an analysis of the Hungary-Serbia-Italy triangle (Šarić, 2025), a tendency toward redirecting cargo flows north and east has been proven. In this context, the revaluation of Šibenik as a "Southern Anchor" ceases to be a mere local economic issue and becomes a national security priority.

The synergy between the technological modernization of the port and the digitalization of customs procedures at the Strmica and Kamensko crossings allows Šibenik to become a key point of resistance to the aforementioned geoeconomic encirclement. This ensures that Canton 10 remains firmly tied to the Croatian logistical system, directly neutralizing attempts to marginalize the Adriatic route.

SWOT Analysis of Šibenik's Geoeconomic Potential

The SWOT analysis provides a strategic assessment of Šibenik's internal strengths and weaknesses, as well as external opportunities and threats, in the context of reevaluating its role toward Canton 10. This analysis builds upon the findings of the PEST analysis from the previous chapter and enables the definition of strategic measures.

Table 2. SWOT Matrix for Šibenik's Geoeconomic Role toward Canton 10 (BiH)
Source: Author's creation (2026) based on sources cited in the text

	STRENGTHS (S)	WEAKNESSES (W)
INTERNAL FACTORS	<p>Internal potentials of the Port of Šibenik and RC</p> <ul style="list-style-type: none"> • "Gateway to the Hinterland" position: In 2026, Šibenik is the shortest point of connection between Knin and the BiH interior and international corridors. • Port Specialization: The Port of Šibenik is adapted for specific cargoes (timber, aluminum) 	<p>Internal limitations and deficiencies</p> <ul style="list-style-type: none"> • Outdated Railway Infrastructure: Despite roads, the railway toward further into BiH does not meet modern transport demands (HŽ Infrastructure, 2024). • Limited Port Space: A lack of space for terminal expansion within the city limits restricts rapid traffic growth

(Port of Šibenik, 2025). (City of Šibenik Urban Plan, 2023).
• **Energy Hub:** Developed infrastructure for the reception and distribution of green energy from wind farms (HEP, 2025).
• **Slow Administrative Processes:** Coordination of strategies toward BiH often lags (The Institute of Economics, Zagreb, 2025).

OPPORTUNITIES (O)

THREATS (T)

EXTERNAL FACTORS

Environmental trends and conditions

Environmental challenges and risks

- **EU Funds (Interreg VI-A):** Massive availability of funds for cross-border cooperation (Regional Development Agency, 2025).
- **BiH's Accelerated EU Path:** Reduction of customs barriers enables faster flow of goods (EU Council, 2026).
- **Green Transition:** Opportunity to transform Šibenik into a "Green Port" for RES exports (IRENA, 2025).
- **Traffic Growth:** Confirmed increase in traffic on the D1 Šibenik-Knin route (Hrvatske ceste, 2025).

- **Competition from the Port of Ploče:** Ploče remains the primary outlet for most of BiH due to Corridor Vc (Port of Ploče, 2025).
- **Demographic Collapse of the Hinterland:** Continued depopulation in Canton 10 reduces the production base (BiH Agency for Statistics, 2025).
- **Geopolitical Instability:** Blockades of BiH institutions could halt infrastructure projects.
- **Geoeconomic Pressure from Italy-Hungary-Serbia (Šarić, 2025).**

The SWOT analysis confirms that Šibenik, despite internal weaknesses such as outdated railway infrastructure, possesses unique strengths derived from its geographical position and port specialization. The key opportunities lie in the withdrawal of EU funds and the accelerated EU integration of BiH. The greatest threat, aside from the strong competition from the Port of Ploče, is the broader geopolitical game of neighboring countries, which the paper (Šarić, 2025) has already warned about. This very threat necessitates urgent reevaluation and the implementation of strategic measures, which will be elaborated in Chapter 7. Similar to the Port of Constanța, which functions as the strategic anchor for the Danubian-Black Sea region despite regional competition, Šibenik must overcome its infrastructural bottlenecks to serve as the 'Southern Anchor' for the Dinaric hinterland.

**THE PORT OF ŠIBENIK AS A DRIVER OF DEVELOPMENT
Infrastructural Capacities and Specialization in 2026**

In 2026, the Port of Šibenik has been redefined as a strategic logistical hub specialized in general and bulk cargo, representing a complementary response to the economic needs of Canton 10. Unlike neighboring centers such as Split, which have primarily oriented themselves toward passenger traffic and nautical tourism, Šibenik has preserved and modernized its industrial identity. Particular significance is attributed to the timber terminals which, given the importance of the wood industry in Livno and Kupres, enable the efficient export of final products to North African and Middle Eastern markets via covered storage facilities. Furthermore, a long-standing tradition and equipment for handling minerals and fertilizers make this port a logical partner for the mining and processing resources

of the Bosnia and Herzegovina hinterland. In accordance with the Strategic Development Plan of the Port of Šibenik (2025), the modernization of operational quays allows for the reception of vessels carrying heavy equipment intended for the energy sector of the hinterland.

Comparative Advantage: Specifics Relative to Competing Routes

The geoeconomic reevaluation in 2026 highlights Šibenik's clear advantages for the Herzeg-Bosnia County. The primary advantage is geographic proximity; the Livno – Šibenik route via the Strmica or Kamensko border crossings offers the lowest transport costs per unit of cargo for the northern and central parts of Canton 10. Furthermore, the system allows for the avoidance of congestion characteristic of the Port of Ploče, which is primarily tied to Corridor Vc and metallurgical complexes in central Bosnia. In 2026, Šibenik functions as an agile "boutique port" that more easily adapts to small and medium-sized enterprises (SMEs), offering them personalized logistical solutions. According to World Bank research on the connectivity of secondary ports (World Bank, 2025), such systems offer faster commodity turnover for specific industrial niches.

Connectivity with the Hinterland and the Šibenik – Knin – Livno Intermodal Axis

The efficiency of the port is inseparable from its intermodal axis, which in 2026 has become the main cross-border transport vertical. The modernization of the road network through the Šibenik-Knin County has reduced travel time for freight vehicles from the interior to the coast by an estimated 20%. In this model, the city of Knin assumes the role of a dry port, positioning itself as a logistical base for customs clearance and cargo preparation before entering the port area. The dry port project, compliant with the Adriatic-Ionian Strategy (EUSAIR, 2026), allows for the decompression of the coastal belt. Additional value is provided by digital corridors and smart border surveillance systems which, according to European Union standards, allow for the passage of pre-cleared cargo without delays, making Šibenik the most economically viable exit route. The revitalized Šibenik – Knin – Livno axis serves as a functional lung for the Dinaric region, ensuring that the supply chain remains resilient to external geoeconomic shocks by providing a dedicated and decentralized logistical vertical.

Synergy with the Energy Sector and Regional Resilience

Within the framework of the Adriatic-Ionian Strategy (EUSAIR, 2026), secondary ports become generators of regional resilience through specialization in the green transition. Analyses by the WindEurope association (2025) highlight that logistical bottlenecks are the main risk for energy projects in Bosnia and Herzegovina, with Šibenik offering the optimal route for transporting components to Canton 10. By specializing in the logistics of renewable energy sources (RES), Šibenik secures its role as a key actor in the decarbonization of the regional economy, while simultaneously strengthening Croatian influence in the strategic energy hinterland.

STRENGTHENING THE CROATIAN POSITION IN CANTON 10

Economic Impact: Investment as a Guarantor of Survival

In 2026, the investment momentum directed from Šibenik and the rest of the Republic of Croatia toward Canton 10 contributes directly to the stabilization

of the Croatian population in that area. The revaluation of Šibenik's role is manifested primarily through the creation of joint value chains. Croatian companies in the timber and food industries no longer treat Canton 10 exclusively as a source of raw materials but actively invest in processing plants within local economic zones. This approach secures high-value-added jobs, which in 2026 proves to be a key factor in curbing the emigration of young families (CCE, 2025). According to the thesis by Šarić (2025), such integration not only generates economic profit but also secures the necessary strategic depth of the Croatian economic space. Furthermore, energy sovereignty becomes a shared goal; capital from the Republic of Croatia participates in the development of wind farms and solar fields in the Herzeg-Bosnia County, with the Port of Šibenik serving as the primary entry point for technological equipment. Finally, tourism synergy allows Šibenik, as a globally recognized brand, to promote a continental extension toward centers such as Kupres and Blidinje, creating a unique tourism product that ensures additional income for the local population in Bosnia and Herzegovina.

Institutional Connectivity and the Creation of a Functional Economic Region

Although it represents the external border of the European Union, the boundary between Croatia and Bosnia and Herzegovina in 2026 is becoming increasingly transparent at the institutional level through the concept of a cross-border functional region. The synergy between the Šibenik-Knin County and the Government of Canton 10 is manifested through joint lobbying toward European institutions, successfully securing funds from the Interreg HR-BA-ME programs for infrastructural and educational projects. The role of chambers of commerce in this process is indispensable; the Croatian Chamber of Economy (CCE) – Šibenik County Chamber and the Chamber of Economy of the Herzeg-Bosnia County have established an integrated information exchange system that facilitates entrepreneurs' access to port terminals and the market. Digital integration, spurred by the implementation of shared platforms such as e-Customs and e-Transport, practically eliminates the physical distance between business entities, creating a coherent economic region that functions according to Union standards even before Bosnia and Herzegovina's formal entry into full membership (Regional Development Agency of the RC, 2025; CCE, 2025).

The Concept of Soft Power through Deep Economic Integration

Strengthening the Croatian position in Canton 10 via the Šibenik logistical vertical represents the most effective form of soft power. When the economic prosperity of enterprises in Livno or Tomislavgrad correlates directly with the efficiency of the Port of Šibenik and the throughput of the transport route via Knin, political cooperation gains a stable and predictable framework. In 2026, Šibenik positions itself as a guarantor of Canton 10's survival within the European economic space. This deep economic integration and structural stabilization align with broader strategic frame-working where regional soft power serves to establish long-term economic resilience and mitigate competitive geopolitical overtures in the Western Balkans (Bastian, 2018). Such geoeconomic connectivity ensures the long-term strategic interests of the Republic of Croatia, making the border a point of connection rather than separation, thereby directly neutralizing external pressures on the Croatian logistical and political space.

PROPOSED STRATEGIC MEASURES

In 2026, strategic measures must focus on the systematic removal of physical and administrative barriers preventing the full geoeconomic potential of the Šibenik – Canton 10 axis. The key focus is on the modernization of transport infrastructure, where railway revitalization becomes an absolute priority aligned with the objectives of the European Green Deal.

Railway Infrastructure: Revitalization and Construction of the Knin – Livno Line

In 2026, the railway is recognized as the backbone of sustainable transport. To connect the Port of Šibenik with its natural hinterland, the design and construction of a new section, specifically a modern branch line from Knin (Strmica) toward Livno, is proposed. The primary objective of this intervention is to enable the mass transport of timber products, bulk cargo, and minerals directly to the Port of Šibenik terminals, thereby reducing logistical costs for the economy of Canton 10 by an estimated 35% to 40%. Within this axis, the city of Knin positions itself as an intermodal hub (dry port), serving as a logistical terminal for the transshipment of goods from road vehicles coming from Bosnia and Herzegovina onto rail compositions, significantly relieving the road network of the Šibenik-Knin County.

Detailed Assessment of Construction Costs in Karst Terrain

The realization of the aforementioned project in 2026 requires substantial capital investments necessitated by the demanding terrain configuration of the Dinaric Alps. According to recent studies by the European Commission (2024) and reports from HŽ Infrastructure (2025), the average cost of constructing or thoroughly modernizing railways in Europe ranges from 5 to 20 million euros per kilometer. While lowland routes are economically more favorable, mountainous-karst terrains dramatically increase the cost due to the necessity of complex engineering interventions, such as the construction of numerous tunnels and viaducts and the remediation of porous soil.

The specific nature of the Livno – Knin route dictates a cost in the higher range, estimated at 10 to 15 million euros per kilometer. Given that the actual length of the route, accounting for the terrain configuration, would range between 60 and 70 kilometers, the total investment projection ranges from a lower bound of 700 million euros to an upper bound of 1.05 billion euros. Šarić (2025) emphasizes that such an investment is necessary despite the high cost, as the primary motive is not exclusively commercial profit but rather the strengthening of national security through geoeconomic integration.

Multi-layered Project Financing Model

Given that the investment reaches the one-billion-euro threshold, the financial structure must be multi-layered and reliant on international sources. Key instruments include the Connecting Europe Facility (CEF) within the framework of the European Green Deal, which allows for the withdrawal of up to 60% in grants intended for transport decarbonization (European Commission, 2025). Furthermore, instruments such as IPA III and the Western Balkans Investment Framework (WBIF, 2025) provide support for projects fostering the cross-border integration of Bosnia and Herzegovina into the European market. Remaining funding gaps are planned to be covered through long-term strategic

loans from the European Investment Bank (EIB, 2025) and the European Bank for Reconstruction and Development (EBRD) (Sanfey & Milatović, 2018).

Complementary Economic and Energy Measures

Beyond infrastructural interventions, the implementation of technological solutions such as Smart Borders is essential. The introduction of e-customs systems at the Strmica and Kamensko crossings for certified exporters from Canton 10, in accordance with the plans of the Customs Administration (2026), is critical for eliminating delays. At the level of economic cooperation, a synergistic linkage is proposed between the Podi Industrial Zone in Šibenik and economic zones in Livno and Tomislavgrad through joint tax incentives defined by a Memorandum of Cooperation (2025).

Finally, energy integration through the use of electricity generated in the wind farms of Canton 10 to power port facilities in Šibenik creates a unique energy block. Although the investment in the Knin–Livno railway requires significant funding, in 2026, it represents the only realistic path for permanent geoeconomic integration. Without this intervention, Šibenik cannot fully realize its role as a strategic logistical outlet, while the economy of Canton 10 remains burdened by high road transport costs. The implementation of modern logistical solutions, including optimization via BPO (Business Process Outsourcing) services, significantly impacts the competitiveness of transport routes, as elaborated in recent research on the application of SEM (Structural Equation Modeling) in logistics (Šarić & Sternad, 2026).

CONCLUSION

Summary of Key Findings

The research conducted in this paper indicates that 2026 has brought a fundamental shift in the perception of the space between Šibenik and Canton 10. The PEST analysis confirmed that the political will of the Republic of Croatia and Bosnia and Herzegovina's progress toward full European Union membership create a unique environment for deep integration. Simultaneously, the SWOT analysis identified the Port of Šibenik as a vital but currently underutilized lever for regional development. The main findings confirm that the economic viability of Canton 10—with particular emphasis on the towns of Livno, Tomislavgrad, and Kupres—directly relies on the functionality of the Šibenik transport route. A key prerequisite for the full revaluation of this relationship is the modernization of the railway infrastructure on the Knin–Livno axis, which would reduce transport costs by an estimated third and position the Port of Šibenik as the primary logistical outlet for raw materials and energy from the hinterland.

Verification of the Hypothesis on Regional Stability

The paper verifies the initial hypothesis that the geoeconomic link between Šibenik and Canton 10 is not merely a matter of local trade exchange but a strategic imperative for regional stability and the strengthening of Croatia's position in Bosnia and Herzegovina. In 2026, Šibenik must not be viewed exclusively through the lens of tourism, but as a logistical generator that directly influences the demographic survival of the population through shared value chains. The economic dependence of the hinterland on Croatian infrastructure

bolsters the soft power of the Republic of Croatia and ensures the stability of its borders, while synergy in the renewable energy sector forms a unique energy block within the European framework.

Final Thought

The reevaluation of Šibenik's role in 2026 represents a return to the city's historical roots as a natural port for the Dinaric massif, integrated with modern technologies and European funding. Without a strong Šibenik–Knin–Livno economic axis, both areas remain on the periphery of economic developments. By implementing the proposed strategic measures, this route becomes a model for successful cross-border cooperation, transforming an administrative border into a point of convergence and mutual growth. In conclusion, the proven geoeconomic offensive of regional actors on the Italy–Hungary–Serbia axis necessitates the urgent strengthening of internal logistical verticals. Šibenik, functionally connected to Canton 10, represents a critical point of resistance to this strategic pressure. Ignoring this route would mean surrendering the hinterland to influences that previous works by Šarić (2025) have identified as a direct threat to Croatia's geoeconomic position in the 21st century.

Comparative Geoeconomic Perspectives: The Croatian-Romanian Analogy

Finally, this paper argues that the strategic framework for Croatia's engagement with the hinterland of Bosnia and Herzegovina (Canton 10) should mirror the successful Romanian geoeconomic model applied toward the Republic of Moldova. Just as Romania has secured its strategic depth and regional stability through the deep integration of the Constanța–Giurgulești axis and the institutionalization of shared cultural-linguistic identifiers, Croatia must recognize the Šibenik–Kanton 10 logistical vertical as its primary instrument of 'soft power'. By positioning Šibenik as a maritime gateway for the resource-rich areas of Livno, Tomislavgrad, and Kupres, Croatia does not only ensure the economic and demographic resilience of Croats in BiH but also neutralizes external geoeconomic pressures from the Italy–Hungary–Serbia triangle. In this context, the Šibenik–Kanton 10 axis serves as a bulwark for the Adriatic-Dinaric region, analogous to Romania's pivotal role as a geostrategic stabilizer in the Black Sea basin and the Danube delta.

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