



**REPUBLIC OF ALBANIA
MINISTRY OF ECONOMIC DEVELOPMENT, TOURISM, TRADE
AND ENTERPRENEURSHIP**

**CEFTA Joint Committee Meeting
9 December 2016**

“Expansion of CEFTA – Additional Protocols on Trade Facilitation and Services”

Distinguished Ministers,

Joint Committee members,

Ladies and Gentlemen,

It is a pleasure to be in Podgorica for this Joint Committee Meeting, especially after a long and successful year of CEFTA implementation. We have already achieved a lot this year though many challenges are ahead of us.

Our countries have a joint perspective toward EU integration and have shown commitment and dedication through years to balance national needs with regional development. We are small economies, fragmented markets, with few potential to benefit from the economies of scale unless we don't integrate together. Our countries are investing a lot to create a reliable and attractive environment for investors, to accelerate economic growth, boost trade and create conducive businesses environment, etc.

Politicians have tried hard to build regional confidence, yet to be strengthened though. We have all contributed to establish trust in the region by introducing favourable, liberal and transparent policies while cooperating to mitigate risks coming from different national perspectives. Yet, the policy coordination at regional level in other areas than trade policy is not reached.

Berlin process puts positive pressure on us to coordinate and the expectations before this process started were quite high. From Berlin to Paris we all witness the progress achieved and acknowledge the risks and potentials for regional integration.

CEFTA is important to Albania both in economic-commercial and political agenda. Although EU remains the main trading partner for Albania, representing 75% share in export and 61% in import, CEFTA importance is growing. Before CEFTA entry into force Albanian export to CEFTA represented 6,7% share in the total export of Albania and it doubled in 2015. Although tariff liberalization is completed, intra-regional trade is low, representing only 17% of export and 10% of import, exports still not very diversified and mainly in the low value chain.

CEFTA Parties have agreed to work on the establishment of the Regional Economic Area allowing for good, services and people to move without barriers. We request the CEFTA Secretariat to work on a consolidated Action Plan in this regard next year, a draft to be discussed extensively in CEFTA structures.

We are very pleased that Additional Protocol 5 of CEFTA is concluded and is now ready to be adopted by CEFTA Parties. Deepening of trade facilitation agenda through the implementation of the Additional Protocol 5 is very important for our economies. The implementation of the Joint Action Plan (JAP) on Trade Facilitation and Connectivity, developed with the support of the World Bank and adopted at the Paris Summit is a good basis although Albania considers that a comprehensive approach in this regard is needed.

The Albanian National Committee for trade policy coordination and facilitation is working to support the AP 5 implementation and therefore concrete steps are taken. Rules of procedures of the Committee and National Plan 2017-2020 is at final stage of preparation.

Deepen trade in services liberalization allowing trade creation in the region is very much appreciated. The successful finalization of the technical part of the negotiations on services trade is very welcome by Albania. We deem very

important though that international transport of goods, mainly road transport, should be completely free, eliminating all restrictions arising from bilateral agreements on road transport. This will make the life of our economic operators easier and contribute to the transport facilitation agenda.

The real integration of our countries cannot be complete without facilitating free movement of professionals. This can only be achieved by our joint commitment for mutual recognition of professional qualifications and diplomas, in order to create a unified market for all professionals based on quality and performance, irrespectively of their nationality. We are very pleased the discussions on the negotiations on some selected professions start next week in Tirana and we encourage our experts to be efficient and constructive in this process.

Berlin process engineered a new thinking and behaviour in the region, putting emphasis on regional integration and connectivity, while competing for new investments and cooperating to establish the concept of the regional “hub” for big investors. We can work together to make borders in this region become geographic concept only and orient our policies to boost intra-regional trade, increase FDI, specialize in sectors with a revealed comparative advantage, etc.

Boosting FDI in the region is a “must reform” for future sustainable economic development. FDI in Albania has grown yearly, with 5.3% in 2014 and 1.7% in 2015 and figures of 2016 show also an increase. The FDI share per GDP in the region is low and debate on policies to attract FDI should have a new regional approach. Albania is working to have a new consolidated foreign investment regime that will form the basis to engage in a regional investment policy initiative to be led by EU and IFC/World Bank

Dear Colleagues,

Albania remains very committed to deepen the regional integration agenda, with a view to establish in the near future the Regional Economic Area.

Let me conclude by congratulating Montenegro on its successful Chairmanship and wish all success to Serbia the 2017 Chairmanship.

Thank you