

‘Major Challenges for the Implementation of CEFTA in 2011’
Speech delivered by Mrs. Ivana Sučić, Director General,
Ministry of the Economy, Labour and Entrepreneurship of the Republic of Croatia
on occasion of the
Deputy Minister’s Meeting of the CEFTA 2006 Agreement
June 10, 2010, Belgrade

Dear State Secretary Mrs Arsić, Deputy Ministers, State Secretaries, Colleagues, Ladies and Gentlemen,

It is my great pleasure to greet you on behalf of the Ministry of the Economy, Labour and Entrepreneurship of the Republic of Croatia and in my personal name.

At the very beginning I would like to express my thanks to the Chair for the efforts invested in a very constructive way thus contributing to the successful implementation of CEFTA in 2010.

Dear Colleagues,

In 2009 the overall commodity exchange between Croatia and the CEFTA countries amounted to EUR 2.4 billion (decline of 28% if compared with the previous year).

In the first quarter of this year it amounted to approximately EUR 482 million (decline of 8.5% if compared with the same period in 2009).

The data clearly indicates that the crises have had an effect on intra CEFTA trade and one can assume that positive trends recorded in previous years would continue even more intensively had the crisis not arisen.

But we are convinced that our joint efforts would bring in the course of 2011 our commodity exchange back to more realistic frame.

Therefore, on this occasion again, we underline the benefit that the application of the agreed further liberalisation of trade in agricultural and food products would bring.

In this respect we support the signing of it in the shortest period, so as to start with its application on 1 January 2011 at the latest.

As we reported in September 2009 and again a week ago on the occasion of the third meeting of the Subcommittee on Agriculture, Croatia considers negotiations on further liberalisation in agriculture completed.

We achieved improved level of liberalisation with Albania, Moldova, Montenegro, Serbia and UNMIK/Kosovo.

Negotiations with Macedonia, in which we invested serious efforts, were concluded in the way that current concessions would not be changed.

Furthermore, I would like to mention another mechanism which will strongly contribute to the recovery of our economies. As you know, countries participating in the EU Stabilization and Association Process were invited to join the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin that is to be signed in Brussels on 30 June 2010.

Firmly convinced that this mechanism will bring benefits to all mentioned countries, Croatia invites the present signatories of the Convention to endeavour to complete their national ratification procedures in the manner that the Convention is applied from 1 January 2011.

Croatia actively participates in all CEFTA activities, hence demonstrates the importance of the international obligations that we assumed. The respect of international obligations is the clear signal to potential partners and “benchmark” that indicate if country could be a favourable partner on long term basis.

Yes, we are in an advanced stage of the EU accession negotiations and at this point we consider even more important issues of meeting of all obligations arising from the Agreement, adoption of all decisions and providing for appropriate financial framework for the following three years period.

I would like to point out that Croatia is satisfied with the previous application of the CEFTA which we consider as an example of successful regional cooperation.

Wishing to continue with such a successful cooperation in the future, this exchange of views on challenges ahead of us, as expressed in Serbia's opening, is particularly important.

Croatia has no doubts with respect to this issue – good relations and developed cooperation of all participants are a precondition for the stability of the whole region; correspondingly, we consider that the joint additional efforts have to be made in application of all opportunities already provided in the Agreement.

Having the longest experience within CEFTA, being pragmatic and solution oriented and having no prejudice to any potential solution on further functioning of the CEFTA 2006, **Croatia is proposing to consider possibility of applying new concessions on bilateral level and to find appropriate legal solution in this respect.**

We strongly believe that this proposal is a step forward from today's state of play and will indisputably give more volume to our trade and make the environment more favourable for further economic development.

In the spirit of CEFTA 2006, we are convinced that this proposal **would allow us to benefit while resolving other issues.**

Dear Colleagues,

I would like to take this opportunity to thank Serbia for the considerable efforts put in the realisation of their ambitious programme of presiding in 2010 within the anticipated time schedule. We are convinced that Serbia is going to successfully implement the remaining part of its programme until the end of this year.

Apart from this we would like to thank the Subcommittee for NTB and TBT and the Subcommittee for Agriculture and Sanitary and Phytosanitary Issues, as well as to the CEFTA Secretariat for the support provided to the CEFTA countries.

Thank you!