

MAJOR CHALLENGES FOR THE IMPLEMENTATION OF CEFTA IN 2012

Speech by Mr. Zoran Vodopija, Ambassador
on the occasion of Deputy Ministers' Meeting of CEFTA 2006 Agreement
Priština, 30 June 2011

Dear *Deputy Minister, Ambassador, Assistant Ministers,*

Ladies and gentlemen,

It is my pleasure and honour to greet you on behalf of the Croatian Government.

Today is a very important date for Croatia. At this very moment the last negotiating chapters are being closed in Brussels, and Croatia is today completing its negotiations with the EU. It is known now that Croatia will become the 28th member of the European Union on 1st July 2013. The process has been long and challenging, lasting for almost six years. Although Croatia will have to withdraw from the CEFTA Agreement on the very date of its accession to the EU, we would like to express our willingness to continue, as we have done so far, to provide assistance and knowledge to the CEFTA Parties, both on bilateral and multilateral level. In that respect we expect from the CEFTA Parties to express their specific interests, and accordingly we are prepared to transfer our experience gained in the process of EU accession.

When speaking about the implementation of CEFTA and the main challenges ahead, let me start with the present moment. I have to notice with regret that still now, we are not benefiting from the liberalisation of trade that was negotiated two years ago. So far, only two parties, Croatia and Albania, have finalised their internal procedures for the ratification of the Additional Protocol to the CEFTA 2006 Agreement. However, only Croatia and Montenegro succeeded to agree on provisional application of bilateral concessions from the Additional Protocol as of 1st July 2011. I urge all the signatories of the Additional Protocol to ratify it immediately so that our trade could benefit fully from the concessions agreed thus bringing credibility of the region.

If we speak in terms of trade, I have to say that CEFTA plays an important role in the Croatia's trade. In the first four months of this year, commodity exchange of Croatia with CEFTA totalled 774.7 million euro and in the same period CEFTA accounted for 10.24% of total trade exchange of Croatia. These figures also show that, after the global economic and financial crisis that had a strong influence on intra CEFTA trade in the previous period, our commodity exchange is slowly coming back on track.

As we see, there are at least two tools to further improving trade flows among CEFTA Parties and of CEFTA with the world, thus increasing also the credibility of the region. On the one hand, it is the implementation of the concessions agreed in the Additional Protocol and, on the other, reducing NTBs in the intra CEFTA trade.

As the chair of the Subcommittee on NTBs and TBTs in 2012, Croatia will pay a special attention to this area. In accordance with the Strategic Work Programme we will continue the work on the removal of the barriers that hinder intra CEFTA trade and enhancing transparency and improving information exchange. In addition to supporting the projects already started in the previous period, notably the work on the Multilateral Monitoring Framework for Elimination of NTBs in cooperation with the OECD, maintenance of CEFTA Trade Portal and its transfer to the CEFTA Parties in 2012 and resolving of issues from the Matrix, Croatia will intensify cooperation with business community through the Forum of Chambers of Commerce. Businesses are the first ones who face barriers when exporting to foreign markets, and therefore react quickly to the introduction of new trade barriers in the region.

We also see major challenges in the implementation of CEFTA in the areas such as public procurement, trade in services, state aid, investment and other new trade topics. Although we are aware that some of the Parties will need more time to fully implement these provisions we are convinced that CEFTA Parties have strength to do it.

Finally, let me thank the CEFTA Secretariat for their contribution in the successful implementation of the Agreement and to the donors who support our activities.

Thank you for your attention.