

Ladies and Gentlemen,

First of all allow me to apologise that Mr Denis Čajo, Head of State Office for Trade Policy is not here today. He has a very heavy schedule of duties at this period of time before the accession and he apologizes for not being in the position to be with us today.

It is my great pleasure to be here in Sarajevo today. This is the last CEFTA meeting before Croatia's accession to the European Union and therefore a meeting of a particular significance for Croatia. Membership in the EU marks a new date in our international relations.

As you know, and as it happened in CEFTA several times in the past, every Party acceding to the European Union has to withdraw from CEFTA. It happened with the 2004 enlargement for old CEFTA and with Romania and Bulgaria in 2007. Croatia will notify the Parties soon about its withdrawal to become the 28th EU Member State in about two weeks. The draft Government decision on withdrawal is expected to be adopted this week. This is fact of life, and the same will happen again in the future with all of you and I wish it to come rather sooner than later.

What has CEFTA meant for Croatia?

Let me remind you of the beginning of CEFTA which started in 1992 when Poland, Czechoslovakia and Hungary signed Central European Free Trade Agreement. Slovenia, Romania, Bulgaria joined CEFTA later followed by Croatia in December 2002 and Macedonia after. Croatia was a Party to that old CEFTA Agreement for four years.

CEFTA 2006 was the fresh start with new partners engaging in a modern and comprehensive multilateral free trade agreement.

The Parties concluded this agreement, which replaced a network of 32 bilateral free trade agreements, with the aim to eliminate obstacles to trade, create favourable conditions for the development and diversification of trade and contribute to the process of integration in Europe.

The objectives of the CEFTA include further fostering of investment and expanding trade in goods and services by means of fair, clear, stable and predictable rules, eliminating barriers to and distortions of trade and facilitating movement of goods and services, opening of government procurement markets, protection of intellectual property rights and contributing to harmonious development and expansion of world trade.

The fulfilment of these objectives of CEFTA has not always been an easy task, but rather a challenge for Croatia and all the other Parties.

Although the path has not always been easy, the pursuance of CEFTA objectives led to many positive developments in Croatia. Among other things, it contributed to reforms, helped improved our institutions and increased our competitiveness. This resulted in growth of exports of our goods and services and attraction of foreign investments to Croatia and Croatian investments to CEFTA. Finally, all these developments brought us closer to the European Union.

Moreover CEFTA has brought us, the CEFTA Parties, all closer together again, and its main political benefit, which was to contribute to the stability of the region and to its harmonious economic and trade development, has been achieved. As the CEFTA Parties are at different stages of development and alignment with the EU, CEFTA has served as a forum where differences were resolved through proactive engagement of all the Parties.

And finally, the implementation of the CEFTA and regional cooperation contributed to the Croatia's EU integration process.

What will CEFTA mean for Croatia in the future?

Croatia will as an EU Member State maintain contractual relations with all CEFTA Parties through Stabilisation and Association Agreements except Kosovo* and Moldova for some time. We would like to take this opportunity to congratulate Moldova for completing negotiations on Deep and Comprehensive Free Trade Agreement last week. Croatia will become a Party to this Agreement as an EU Member State.

On the top, to maintaining the contractual relations with each of you, Croatia will remain your neighbour and your close partner.

We will continue to support those of you who negotiate accession to the WTO and the EU. We are ready to share our experience with CEFTA as a whole and also when necessary to work or cooperate with each of you individually. Furthermore, Croatia would be open to participate in any future CEFTA project of any nature whenever it is compatible with our EU obligations.

In addition, we look forward to the finalisation of the SAA adaptations which will mark the beginning of new trade relations between Croatia and CEFTA. We see Croatia's future membership in the EU as an opportunity to increase, not to limit trade between the future EU of 28 states and CEFTA and I invite all of us to continue working on the removal of obstacles to this trade.

In the end, allow me to thank you, all CEFTA Parties for the fruitful cooperation during all these years, for the understanding and the support. It has been really nice working with you.

Let me thank also the CEFTA Secretariat and Ms Renata Vitez for their valuable help and assistance in the process that was always not easy for us.

I wish you a lot of success in the future work, to the B-H chair in office and Macedonia as future chair, and you can always rely on us.

This is not farewell but goodbye as your place is also in the European Union.