

CEFTA Deputy Ministers Meeting
Budva, May 27th 2009

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of Economy of Republic of Macedonia**

**Measurements regarding the influence of the global crisis on the trade within
CEFTA**

Dear Ladies and Gentlemen,

First allow me to express my gratitude for the participation at the meeting of Deputy Ministers of economy of CEFTA 2006 in the country which in this year's country chairman. At the same time I would like to thank the hosts for the warm welcome and hospitality during my stay in the touristic pearl Budva and in this wonderful ambient for business meetings.

We are having our meeting in a very sensitive period. Namely we are all faced with the global economic crisis which influenced our countries and within that it influences on the total trade exchange in the region. On 2007 Republic of Macedonia has achieved the highest growth of the gross domestic product of 5,9% while in 2008 this growth was 5,0%. The effects of the global economic crisis started to be felt in the forth quarter of 2008. That means that the trade exchange within CEFTA is already under significant influence of the crisis.

I can say for now that in our country it is reflected in the lower total exchange with the CEFTA signatories in the first quarter of this year for 28,4%, at which in the export this decrease was 30,2% and in the import 25,5%.

In order to alleviate the influences of the world economic crisis over Republic of Macedonia, the Government of Republic of Macedonia passed three sets of measures of which the first one in November 2008, the second in March 2009 and the third in April this year.

The measures from the 3rd set anti-crisis measures were in significant measure directed towards improvement of the trade, the flow of goods and services and the efficiency of the border controls and inspections.

Part of these measures should be applied from 30.06.2009 in order for its implementation to follow in the legislation. Namely, in order to alleviate the trade and the flow of goods on the border crossings, the Government accepted measures for:

- Constant daily presence of the inspection organs from the veterinary and phyto-sanitary office at the border crossings and their grouping at the controls.

- Introducing the principle of selection and analysis of risk at the execution of control by the veterinary and phyto-sanitary inspectors.
- Eliminating the double control at the entrance in RM and at the import collection of customs, by the veterinary inspectors.
- Increasing of the number of border crossing where there will be daily and during the whole week import and export collection of customs, as well as increasing the number of customs officers at the border crossings.
- Wider application of the simplified customs practices.
- Abolishing the administrative taxes for submitting customs declaration and issuing proof for the origin EUR 1.
- Electronic connection of the customs administration with other authorized institutions in order to avoid submitting the same documentation in more than one place.
- Decreasing the fees paid for veterinary sanitary inspection on the border crossing.
- Abolishing the exchange of customs information lists in paper form with the neighboring countries, and introducing electronic data exchange.
- Harmonizing the regime of goods transit on the border crossing in RM, as well as examination of the possibility for joint controls at import with the customs services of the neighboring countries.
- Introducing the possibility of deferred payment of VAT at the import.
- Decreasing or abolishing the customs rates for some repro materials especially for the food and shoes industry etc.

The Government proposed measures which refer to infrastructural investments in the conditions for work on the border crossings and standardization of the necessary equipment like on the border crossings in EU. Also other measures are proposed for improving the efficiency in the functioning of the services with which constant flow of the trade will be provided.

At the same time I want to positively evaluate the speed with which we fulfilled the obligations upon the Agreement with reference to the further liberalization in the trade with agricultural-food products. As it is known, bilaterally in the trade with this products Republic of Macedonia has agreed full liberalization with Republic of Albania. Also we have agreed full liberalization with Republic of Croatia except for the wine and cigarettes where we kept the existing quotas. With Republic of Moldova we have agreed liberalization of all other products except the wine where bilaterally we agreed quotas of 1000 hl within which the customs rate is 0 and outside of the quotas it is with MFN customs rate.

Having in mind the abovementioned, I hope that together with the other signatories of the Agreement, we will contribute to alleviate the influences of the global economic crisis over the total trade within CEFTA and the achieved results in the trade exchange within CEFTA will continue to be significant impulse over our economies.

Thank You,