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Main challenges for implementation of CEFTA in 2011

Dear colleagues,

First of all I would like to greet you on our regular annual meeting and to thank the host, Republic of Serbia for the nicely organized meetings and the hospitality during these two days.

Although we are still in the first half of 2010, even today we are facing the challenges for the implementation of CEFTA in 2011. Namely we are faced with the global economic crisis which inevitably affected our countries and within that influenced over the total trade exchange in the region.

By the end of 2008, the Government of Republic of Macedonia suggested several sets of anti-crisis measures which were significantly directed towards improving the trade and the flow of goods and services. I consider that these sets significantly influenced the intensifying of the trade exchange between Republic of Macedonia and the CEFTA countries as one of the main trade partners of Republic of Macedonia. Namely the trade exchange with the CEFTA countries in 2009 was 1,145 billion Euros or 20, 7% and in the first quarter of this year 227,7 million Euros or 18% of the total trade exchange of Republic of Macedonia which shows how important the CEFTA countries are for us as trade partners. I can emphasize that in the following year we are expecting GDP growth of 2% and low inflation of 2%. These projections are in compliance with the projection of IMF, EBRD and the rest of the international institutions.

In the past year we were actively included in the overcoming of all measures and barriers which would influence over the limitation of turnover of goods and services in the region, and these efforts will of course continue in 2011. Republic of Macedonia, with the other CEFTA members, according to the Agreement, is obliged to reveal and remove the constant technical barriers and to strive towards not introducing new technical barriers in the trade. I positively evaluate the activity for constant updating of the barrier matrix with which we are trying to overcome these problems. So far, Republic of Macedonia hasn't introduced safety measures like increased customs duties at import, nor conducts certain technical barriers which would prevent the import.

We positively evaluate the fulfillment of the obligations regarding the agreement for starting negotiations for liberalization in the agriculture. We express our pleasure for the complete liberalization in the trade of agricultural products with Republic of Albania as well as the liberalization in the trade with agricultural products with Republic of Moldova, except one product-the wine. Republic of Macedonia remains on its attitude that the complete liberalization of the trade with agricultural products with Republic of Croatia is the most suitable option for concrete realization of the economic benefit for both sides.

I would like to emphasize the progress regarding the fulfillment of the priorities and deadlines from CEFTA for the members, which refer to the public procurements and protection of competition. This regulation is completely liberalized and doesn't contain provisions which refer to certain discrimination treatment. Regarding the provisions for protection of competition and state aid, all articles of the Law on protection of competition are applied with its passing in 2005, as well as the State aid law of Republic of Macedonia which began to be applied in 2004. Both

laws are completely harmonized with the European legislation. The control and report for state aid are in the competence of the Commission for protection of competition. Considering that RM completely applies the appropriate CEFTA articles, it expects that the other members will conduct the same in accordance with the CEFTA deadlines.

In that direction we see the future of the CEFTA Secretariat as stimulating factor which would influence to intensify our bilateral economic relations and of course the multilateral activities and in direction of mutual participation in number of projects in order to promote the trade in the region. Also we consider that the priorities of the program for CEFTA implementation for this year will be timely realized , namely: liberalization of the market of services with the study for potentials for starting negotiations for liberalization of services between the CEFTA countries, creating conditions for establishing regional market for investments, opening government markets for public procurements and conducting the rules for competition.

We welcome the progress of the activities in the projects directed towards eliminating the non-tariff barriers and greater information of the business entities through the functioning of the web portal of GTZ. Also, I think that the fulfillment of the priorities of the Presidency Program will influence over the deepening of our cooperation within CEFTA.

Thank you.