

How to deepen the implementation of CEFTA in the framework of South East Europe Strategy 2020

Respected Deputy Prime Ministers,
Yours Excellences Ambassadors,
Representatives of CEFTA Structures,

It is my honour to greet you on the behalf of the Government of Montenegro.

First of all, I would like to emphasise that our cooperation with CEFTA Secretariat and CEFTA Structures was always professional and, beyond all, friendly. Since regional and European integrations are the most important foreign priorities of Montenegrin Government, having well organized and functional regional structure and initiatives is of great importance, not only for us, but for the entire Region. We think that this cooperation could only be more and more effective.

When speaking about SEE Strategy 2020 and resolving actual problems regarding global economic crisis, we think that most countries in SEE, especially the Western Balkans, have similar geographical and historical characteristics, similar economic and political situation meaning that they face and share the same challenges. Therefore, it would be necessary to focus on common problems in order to achieve common goals through the establishment of equal partnership with its neighbours. In the era of fast globalization, joint international acting is our only way to joint EU in its economic prosperity. Therefore, we strongly believe and have high expectations from this Strategy.

As a starting point for implementation of common projects, it is necessary that there is a political commitment of all countries in the Region for formalizing joint cooperation in the fields specified in the Strategy. There is no need to create new mechanisms but we should rely on and use positive results from existing regional initiatives. Bearing in mind the size of the regional countries, by establishing the regional partnerships, the conditions are acquired for a better and more effective participation in global economy.

Actual economic situation is one more motive for all countries to continue with improving competitiveness, strengthening economic cooperation, especially with neighbouring countries and optimizing recourses they have, wherever it is possible. In the same time, they should be focused on new markets as well as markets with minor crisis impact. We should all take advantage of IPA and bilateral donors' funds and we should make more efforts to eliminate all nontariff barriers in the Region. Regional clusters should be taken into consideration as one way of attracting foreign investments and increasing competitiveness of national economies.

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Regarding CEFTA 2006 Agreement, I wish to point out that one of the main objectives for the Government of Montenegro in the next 5 to 10 years, with respect to the CEFTA Agreement, is to remove non-tariff barriers which are one of the main problems that arise in trade between the Parties. To fulfill this aim, it is necessary to come to a mutual recognition of certificates, which for Montenegro has a special significance.

Furthermore, negotiations in the area of services on a regional basis are a very complex initiative which requires leadership, very good coordination and understanding of services importance for quality of life and economic prosperity.

The regional services market is not integrated, and the services markets of the individual CEFTA economies are under-developed, being below their economic potential. These markets have incompatibilities; there is a lack of policy focus and support; legal differences and market protection exist in certain sectors and other factors that prevent the development of an integrated regional services market. Each CEFTA economy has some specific feature or features in the area of services that makes their services regimes distinctive. On a sectoral basis there are differences in policy approaches. All CEFTA economies have specific sectoral interests in services resulting from the fact that economically they are in fact different.

Therefore, the governments should consequently increase their focus on services, aiming to create an integrated regional services market. The more compelling reasons for the services liberalization are the benefits themselves for the very large number of small and medium sized companies that need new market access opportunities in the CEFTA Parties, to create foundations for knowledge and experience sharing, business networking and clustering, for the companies in the CEFTA Region to be able to compete more efficiently in the European and global markets.

One of mechanism for economic recovering is connecting markets and regional entrepreneurs, eliminating trade and technical barriers and investing in huge infrastructure projects. The main aim must be creation of good competitive investment climate.

Therefore, we think that CEFTA 2006 implementation will be more effective when combined with the SEE 2020 Strategy and its pillar Integrated Growth. Its structure can only have positive impact on the improvement of free trade market through making goals in the respect of free flow of goods, services, investments and skilled labour.

Taking into account all above mentioned and a fact that our single markets are too small to attract greater investments, I wish to point out that it is obligatory for SEE and especially Balkan countries, to continue working hard on the establishing free trade market having CEFTA Agreement and SEE Strategy as umbrella documents. This is the only way for success in the EU integration process.