

CEFTA JOINT COMMITTEE

**Speech by Minister of Economy of the Republic of Macedonia, H.E. Bekim Neziri
Skopje, 21 November 2014, Holiday Inn**

Topic “Evolution of priorities in CEFTA in the framework of the SEE 2020 Strategy”

Dear excellences,
Dear colleagues

This year is of great honor within our Chairmanship of CEFTA, to start with implementation of the South-East Europe Strategy 2020 in all CEFTA Structures and projects that supports the CEFTA Agreement.

For us, the CEFTA Parties, of great importance is the First pillar “Integrated Growth” in the Strategy SEE 2020, for promotion of the regional trade and investment linkages and policies that are non-discriminatory, transparent, predictable and that enhance flow of goods, investment and services within the Region. This also contributes to further integration of the Region into the European and global economy through participation in the international supply chains, possibility to ground our national economies in the international competitiveness, to deepen the regional trade and to attract new investment. Republic of Macedonia has decided its Chairmanship Work Programme to adjust in integrating the four dimensions of the Integrated Growth Pillar, into its priorities. The priorities are focused on liberalization of trade with services and trade facilitation, policy of promotion and attracting of investments in the region, potentials for developing of chain values in industries of regional interest, and others.

As a very important achievement in realization of the priorities, allow me to state that the negotiations for the liberalisation of trade in services, has already started. Two rounds of negotiations were held. The improvement in the process of negotiation will continue in the upcoming period and should result by concluding of Protocol for trade with services in the region, thus the opening of the market with services should be higher than the liberalization of the countries committed within its membership or potential membership in the World Trade Organization, as well to enhance the intra-regional trade with services.

The second important priority is the possibility to improve the market access through completing a single diagonal cumulation zone under the Pan-European Mediterranean Convention (PEM). Republic of Macedonia in September this year has ratified the CEFTA Decision for rules of origin within the Convention, and in the process are the Protocols with EU, EFTA States and Republic of Turkey.

The next priority within Macedonia Chairmanship, attaches great importance in establishing an investment concept to enhance our participation in regional supply chains and global supply networks in order *to ensure* multi-dimensional synergy between trade and investment policies. The CEFTA RCC Joint Working Group on Investment Policy and Promotion was established this year with the main objective to facilitate the implementation of commitments spelled out in the CEFTA Agreement and the predicts in the SEE 2020 Strategy.

For the Republic of Macedonia the investment is of a prime priority and therefore we are fully supporting the prospective for cooperation in conducting regional investment policy reviews, to be prepared by UNCTAD, in order to attract new investments to the region, and thus to identify the mutual points of interest for investment promotion of the region.

Dear Colleagues,

We can all agree that CEFTA is equally important for our domestic economies and for our international economic relations. CEFTA is the second most important trading partner, right after the EU. For the Republic of Macedonia, the trading with EU flows around 70% during the past years, as reflect of increasing foreign direct investments (FDI) in the country, and the trading with CEFTA participates around 12% in the overall trading. Macedonian export in CEFTA participate 13,8% in the 9-th months of 2014, and the import from CEFTA Parties is 10,5%.

Also, it is important to state that Macedonian export in the world increases higher than the import, thus in the 9th months of 2014, the export grew to 19,4% and the import grew to 13,2% compared to the same period in 2013. Macedonian export in EU member states increased 26,6% and the import from EU member states increased to 17% in the 9-th months of 2014 compared to the same period in 2013.

Higher growth of Macedonian export compared to the world import, contributes to higher GDP, thus in the first quarter of 2014 the GDP is 3,5% and in the second quarter of 2014 the GDP is 4,3%. It is expected the total GDP in 2014 to be 3,7%.

Ladies and Gentlemen,

Since we all recognize CEFTA as a genuine regional forum for all trade related discussions, for strengthening our cooperation in future, we fully support active involvement of CEFTA Structures in relevant regional programmes and initiatives, as supported by European Commission. At this point, I would like to sincerely thank the CEFTA Secretariat of its commitment for the proper functioning of the CEFTA Agreement and the implementation of the First pillar of the SEE 2020.

I expect the priorities of the Republic of Macedonia Chairmanship within CEFTA to continue in continuity by further Chairmanship of other CEFTA Parties.

Today, we are committed to adopt number of Decisions by the Joint Committee, for establishing of new bodies that should work on developing adequate measures and objectives for the functioning and sustainability of the CEFTA Agreement, and thus, to achieve our regional respective role.

I believe that the new bodies in the CEFTA Structures will help the region to reach the SEE 2020 Strategy's goals, in boosting the competitiveness, productivity and growth.

At the very end, I would like to wish great success to Republic of Moldova in its Chairmanship of CEFTA next year and I deeply believe that we, the CEFTA Parties, will continue to be active during its Chairmanship, as you were all active in ours.

Thank you all for your attention