

We would like to welcome you all to the eleventh edition of our electronic newsletter on CEFTA and to address challenges and opportunities in 2015 under the Chairmanship of Moldova

CEFTA NEWS

AGRICULTURE



At the last meeting of the Subcommittee on Agriculture and Sanitary and phytosanitary measures held on 26 May 2015 in Podgorica, the CEFTA Parties agreed on a new project "Addressing Market Access Barriers in Selected Supply Chains". As part of the CEFTA Trade Facilitation Agenda, the GIZ Open Regional Fund on Foreign Trade Promotion is supporting the initiative through the pilot project 'Trade Promotion in the Wine Sector'. This initiative aims to support CEFTA structures to better understand the potential and constraints in the wine value chain and to recommend actions to promote competitiveness and improve the export performance of the wine sector.

CEFTA WEEK 2015



CEFTA Week 2015 will be held in Chisinau on 24-25 November. Held in advance of the CEFTA Joint Committee meeting a series of events will address different aspects of CEFTA and cater to different stakeholders including government officials, international organisations, the business community, the diplomatic community, the academic world and journalists. These events will provide an excellent opportunity to highlight the progress achieved by the CEFTA Parties over the last seven years and to debate current regional and global challenges in trade related areas such as investments, services and trade facilitation in CEFTA. The preliminary schedule of events is available on www.cefta.int.

SERVICES



Ensuring the progressive liberalisation and mutual opening of the services markets of CEFTA Parties remains one of the main objectives of the Negotiating Group on Trade in Services. With this aim in mind, five rounds of negotiations have taken place, so far. Each round being dedicated to a specific service sector, in line with the negotiating schedule, approved by members at the first meeting of the Negotiating Group. The fifth negotiating session, dedicated to communication and construction services, was held on 17 and 18 September 2015, in Chisinau under the Chairmanship of Moldova. The next session, scheduled to take place on 23 and 24 November 2015, will be dedicated to distribution, education and health services. A workshop organised by the CEFTA Secretariat in coordination with UNCTAD allowed officials in ministries and agencies, central banks, and other institutions from CEFTA Parties to better understand and report Foreign Direct Investment trends. The workshop took place on 7 and 8 October 2015 in Becici, Montenegro.

RULES OF ORIGIN



A high-level seminar on the revision of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, organized by TAIEX, in cooperation with the Customs Administration of Montenegro and the Directorate General of Taxation and Customs of the European Commission (DG TAXUD) was held in Podgorica on 5-6 May, 2015. The main topic of discussion was the revision of Appendix I and Appendix II of the PEM Convention in order to introduce full cumulation and duty drawback as general rules in the Convention. During the Seminar, the CEFTA Parties presented their intention to introduce the necessary changes in the original protocol of CEFTA, to apply full cumulation and remove prohibitions on duty drawback. This will be done by the CEFTA Joint Committee at its forthcoming meeting through the adoption of a Decision on Annex 4. This will be subsequently notified to the PEM Joint Committee.

CEFTA LINK TO PEM CONVENTION



The CEFTA Joint Committee's Decision 3/2013 established a link to the PEM Convention and made the matrix regarding the application of diagonal cumulation directly relevant to operators in CEFTA. The latest matrix, published on 30 of June this year, can be found on: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XC0630%2802%29&from=EN>

TRADE PROMOTION



As a follow up to the CEFTA Joint position on full cumulation and duty drawback, a technical Seminar took place in Belgrade on 20 and 21 to explore full cumulation and duty draw back concepts. Officials from the CEFTA Parties discussed the technicalities of their application and met with private sector representatives to discuss the two concepts in detail. This seminar was particularly timely in light of the Joint Committee's expected decision on Annex 4 at its November meeting.

CEFTA CALENDAR OF EVENTS OCTOBER-DECEMBER 2015

DATE	NAME	LOCATION
20-21 October	CEFTA Workshop on Full Cumulation and Draw Back	Belgrade
3-4 November	USAID-IFC Workshop on National Committees for Trade Facilitation	Belgrade
5 November	CEFTA Subcommittee NTBs and TBT CEFTA Subcommittee on Agriculture and SPS CEFTA Subcommittee on Customs and Rules of Origin	Belgrade
5 November	CEFTA Strategic Meeting	Belgrade
23-24 November	CEFTA Negotiations on Services	Chisinau
24-25 November	CEFTA Week 2015	Chisinau
25 November	CEFTA Trade Facilitation Committee Meeting	Chisinau
26 November	CEFTA Joint Committee Meeting	Chisinau

CEFTA TRADE DYNAMICS 2010 - 2014



CEFTA Contact Points - Your Views and Recent News

Ms Pranvera KASTRATI, Albania



The new momentum for development in Albania has reached a critical point where the collective efforts invested at political and technical levels are recognised by many actors in the country and outside.

The more we advance, the greater the need for consultation between public and private sector institutions. Albania has recently proposed the establishment of a National Committee for Trade Policy and Facilitation. This will have representatives from the main ministries involved in the trade policy making and facilitation and from the main business associations. The novelty of the Committee is bringing together private sector and public institutions at an early stage in trade policy consultations. This Committee will be chaired by the Minister responsible for trade and aims to mirror the EU ex-133 Committee that is responsible for commercial policy. As trade facilitation is a core function of the Committee, it will also allow Albania to meet its coordination and consultation obligations under the WTO Trade Facilitation Agreement.

Ms Zada Muminovic, Bosnia and Herzegovina



The CEFTA Agreement, after eight years of implementation, has become a unique example of RTAs globally. The implementation of new processes; liberalization of trade in services and trade facilitation issues along with other related processes, present big challenge for all the different institutions involved in the CEFTA Parties. It is important to note that these processes are also part of our EU Agenda. Meeting the various requirements will bring all CEFTA Parties closer to EU standards and will raise our attractiveness for investments - domestic, regional and international. The close cooperation between the CEFTA Parties and the various donors who support the Agreement are vital for the success of new negotiations and the implementation of previous commitments.

Ms Zorica Smileva, Macedonia



According to the World Bank's Doing Business Report for 2015, the Republic of Macedonia along with Montenegro had the highest rate of economic growth in the region. Importantly, this growth was spread over a wide range of industrial branches including the manufacturing sector which realized the growth of 8,5% in August. Globally, the Republic of Macedonia is ranked 30th in terms of ease of doing business, the highest of all CEFTA countries. Within the Summary of Doing Business

During the meeting, representatives of the Montenegrin Customs Authority presented the working programme of the Subcommittee for 2015. This identifies two main objectives of the Montenegrin chairmanship i.e. trade facilitation and rules of origin. On trade facilitation the objective is to conclude negotiations of the Framework Agreement (FA) with the full participations of customs authorities from all CEFTA Parties and all the relevant technical agencies involved in clearance at the border. The text of the FA is to be finalized by the end of 2015. On rules of origin the objective is to strengthen the level of regional coordination with the aim to sustain the proper implementation of the CEFTA Origin Protocol, and to respond to emerging needs for modification. Montenegro also organized meetings of CEFTA Subcommittee on Agriculture and SPS and the CEFTA Subcommittee on NTBs and TBT, as well as the Steering Committee of the project 'Technical Assistance to CEFTA Parties for the Negotiations of Framework Agreement'. In addition, the first round of Negotiations of the Framework Agreement took place in Podgorica on 27th May.

Ms Jadranka Zenic Zeljkovic, Serbia



Liberalization of trade in services is one of the goals of the SEE 2020 Strategy and also one of the priorities of CEFTA. Serbia's economy is predominantly services-based since services account for more than 60% of its GDP and employs more than 50% of its population. It is expected that services generate significant benefits for the economies of the region since it will improve economic performance by: increasing the inflow of FDI and the resulting transfer of technology; lowering the prices of goods and services; improving quality; and widening the choice for consumers. It will improve the transparency, predictability and stability of relevant regulations and thus help exporters and producers in the region to capitalize on their competitive strengths, whatever the goods and services they are selling, both in the region and worldwide. The five negotiating rounds held to date have addressed Business and Professional Services, Tourism, Environmental, Recreation, Cultural and Sporting Services, Communication, Construction and Related Engineering Services with the goal of achieving the maximum level of liberalization among all CEFTA Parties. The work on the Additional Protocol on Trade in Services and Annex on Mode 4 is almost completed. In addition, the Joint Working Group on Recognition of Professional Qualifications started its work that will contribute to the implementation of concessions in Business and Professional Services. The Working Group on Trade in Services Statistics which will work on improving quality and availability of trade in services statistics in CEFTA region will also make a valuable contribution to the Parties' liberalisation

indicators for Europe and Central Asia, republic of Macedonia is the best regional performer and holds 3rd place in the global rankings in Starting business as an indicator. It also holds the position of best regional performer in the rank of paying taxes and holds 7th place overall globally.

Ms Inga Ionesii, Moldova



In September 2015, after seven years of service, the first Director of the CEFTA Secretariat, Renata Vitez stepped down from her position. Ms Vitez, who was appointed in 2008 by the then Moldovan Chair in Office (CiO) of CEFTA, led the establishment of the Secretariat in Brussels and has provided considerable support to all the CEFTA Parties in their efforts to meet their ambitious commitments under the Agreement. The current Moldovan CiO, on behalf of all the CEFTA Parties, would like to thank Ms Vitez for her substantial contribution to the successful implementation of CEFTA and to wish her well in her new career. The Joint Committee has established a Selection Committee to recruit a new Director for the Secretariat.

Ms Svetlana Bozovic, Montenegro



Montenegro, as Chair of the Subcommittee on Customs and Rules of Origin in 2015, organized the 9th meeting of the CEFTA Subcommittee in Podgorica, on May 26, 2015.

efforts.

Ms Sytrime Dervisholli, Kosovo*



During 2014, Kosovo's economy marked a positive growth rate and a satisfactory level of fiscal stability. The National Council for Economic Development, comprising all the economic related institutions in Kosovo*, is working intensively on the National Plan for Development. A combination of gap analysis, development of roadmaps and concrete legislative measures, fiscal policies and attraction of investments is improving the business environment in Kosovo*. Trade in services is a very important sector of the economy and the Government is committed to the CEFTA negotiations on liberalisation of trade in services. In 2014, the Ministry of Trade and Industry in cooperation with the main relevant Kosovo* institution carried out a Trade Facilitation Self-Assessment (TFSA). Based on this it has prepared an Action Plan on Trade Facilitation regarding the gaps and specific actions that need to be undertaken by relevant institutions. In 2015 a Joint Working Group for Mutual Recognition of Qualifications was established. As a final point, the European Union and CEFTA remain the key trading partners for Kosovo* and it is of great importance for the Government of Kosovo* to further deepen cooperation between these two regions.

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* This designation is without prejudice to position on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence