

We are very pleased to issue the fourth electronic newsletter on CEFTA. After a successful and busy year of fruitful meetings and events under the UNMIK/Kosovo Chairmanship, we look forward to making progress on a number of new challenges and opportunities under the Chairmanship of Albania in 2012.

CEFTA NEWS

- AGRICULTURE:** The Additional Protocol to the Agreement on the Amendment of and Accession to the Central European Free Trade Agreement on further liberalisation of trade in agricultural products entered into force on 13 November 2011 for Albania, Croatia and Macedonia, on 15 December 2011 for Serbia, on 6 January 2012 for Montenegro and on 13 January 2012 for Moldova. The CEFTA Parties undertake the commitment to monitor the implementation of the Additional Protocol and to assess the impact of liberalisation on their economies.
- INVESTMENT:** On 24 November 2011 in Paris the management of the South East Europe Investment Committee was handed over from the OECD to the Regional Cooperation Council (RCC), based in Sarajevo. In 2012 CEFTA Parties will strengthen interaction with the RCC Investment Committee on the elimination of investment unfriendly trade barriers and/or promoting investment friendly trade related legislation in different sectors in coordination with the CEFTA structures.
- NON TARIFF BARRIERS (NTBS):** The CEFTA Parties are dedicated to further implement the *Multilateral Monitoring Framework (MMF) on the Elimination of NTBs*. It is expected that the assessment of non-tariff barriers affecting the trade of final goods in the region will be completed by the end of the year. This assessment will be supported by a detailed statistical analysis done in cooperation with the OECD. The results and recommendations will be submitted to the Joint Committee for further action.
- CEFTA TRADE PORTAL:** The CEFTA Trade Portal has a significant influence on raising awareness of the potential for regional trade by providing the required export and import information of all eight CEFTA Parties under seven key categories. The CEFTA Trade Portal Task Force with the support of GIZ will continue with activities to improve the operation and management of the Portal, including improved standardisation of webpages, upgrading technical performance and promotion to a wider audience.
- STATE AID:** A Ministerial Decision on State Aid Notification has been adopted during the 5th Joint Committee meeting in Paris on 23 November 2011 which gives CEFTA Parties a framework for notifying their State Aid schemes in order to ensure transparency. The decision also foresees a State Aid Report compiling the notified schemes before the 6th Joint Committee meeting. Once the report establishes an inventory of the existing state aid schemes, the Parties will report their new aid schemes within 3 months after their entry into force. Please consult the Secretariat's website for the text of the Decision.
- CEFTA WEEK 2011:** CEFTA Week 2011 was held on 22-23 November in Paris and saw over 100 participants take part in a variety of CEFTA related events. Participants included government officials from all the CEFTA Parties, international organisations, think tanks, the business community, academics and international experts from the EU, GIZ, IFC, OECD and the World Bank. CEFTA Week focused in particular on the main priorities of the 2011 Chairmanship which included the elimination of non-tariff barriers, trade in services, customs cooperation, trade facilitation and investment. It also provided an excellent opportunity to assess progress and economic impact to date, to debate new challenges and for key stakeholders to voice their comments and make suggestions on potential future developments.
- INTELLECTUAL PROPERTY RIGHTS:** Protection of Intellectual Property Rights (IPR) was one of the priorities of the 2011 Chairmanship. Having also taken into account Article 39, paragraph 2 of CEFTA, the 2011 Chair in Office deemed it necessary to create a table displaying the latest ratification status of each Party for the IPR Agreements and Conventions listed in Annex 7 of the CEFTA Agreement. The updated table displays the accession of the eligible Parties to the existing Agreements and Conventions and is available on the CEFTA Secretariat website www.cefta.int
- CEFTA TRADE STATISTICS BROCHURE:** A brochure on CEFTA trade statistics was issued in 2011 which is now available at the Secretariat's website www.cefta.int. The Secretariat is considering capitalising on the positive experience of issuing this brochure introducing the most interesting CEFTA trade statistics and will prepare and circulate new editions at least twice a year to interested organisations and individuals.
- CUSTOMS:** The CEFTA Agreement offers diagonal cumulation among CEFTA Parties, between CEFTA Parties participating in or linked to the Stabilisation and Association Process and the EU, and with the EFTA states and Turkey depending on individual Free Trade Agreements signed with these countries. For this purpose a matrix displaying the dates of application of the protocols on rules of origin providing diagonal cumulation between the CEFTA Parties, the EU, Turkey, and the EFTA States according to Annex 4 of CEFTA 2006 has been created by the CEFTA Secretariat and is now available at our website.
- TRADE FACILITATION:** The CEFTA Parties will continue their efforts to promote simplification of customs procedures with a view to facilitating trade without undermining the importance of the smooth functioning of diagonal cumulation between them. In that context, in 2012 the World Bank IFC will continue with the *Project on Regional Trade Logistics in SEE*, which started in December 2011. The project will examine potential solutions on how to achieve simplification and harmonisation of procedures and documentation, integration of the risk management systems into border inspection and implementation of the Single Window systems.
- TRADE IN SERVICES:** The members of the Working Group on Trade in Services continue to work on creating conditions for opening negotiations on liberalisation of services trade in the region. To support the process, a regulatory database based on the OECD STRI methodology will be created. The database will provide policy makers and negotiators with the information and measurement tools they require to identify barriers and to assess the impacts of the potential liberalisation. The World Bank will start deeper analysis on the status of professional services within the new project called Knowledge Platform in Professional Services in the CEFTA Region. Both projects are expected to provide Parties with a good analytical basis for opening the negotiations.
- TECHNICAL BARRIERS TO TRADE (TBT):** The members of the Working Group on TBT will continue working on the elimination of identified technical barriers to trade. This will include employing joint efforts in speeding up the process of harmonisation of legislation with the EU by agreeing on a couple of priority sectors and product groups, encouraging the national accreditation bodies to become members of EA and EA MLA and enhancing the cooperation with SMEs in the region.



PRIORITIES OF THE 2012 CHAIRMANSHIP

Agriculture including Sanitary and Phytosanitary Measures

- Harnessing the Benefits of Liberalisation of trade in agricultural products
- Strengthening the Intraregional Cooperation in SPS matters

Customs and Rules of Origin

- Continuation of multiannual approach with an objective of facilitating trade through simplifying customs matters
- Promote customs to business relations from a regional perspective
- Developing a regional approach on electronic data exchange between the CEFTA Parties
- Increasing coordination between Subcommittee on Customs and Rules of Origin and Subcommittee on NTBs and TBT

Non- tariff Barriers to Trade and Technical Barriers to Trade

- A Systematic Approach in Eliminating the Non-tariff Barriers to Trade
- Promoting the Image and Visibility of CEFTA through the CEFTA Trade Portal

Liberalisation of trade in Services

- Exploring possibilities for gradual liberalisation of trade in services in sectors of common interest
- Creation of regulatory database based on STRI methodology

Investment

- Strengthening interaction with the RCC Investment Committee

State Aid

- Creating an inventory of state aid schemes

Capacity building in trade development

- Initiate an action to be built on international best practices for the formulation, implementation and coordination of trade policy in the CEFTA Parties



CALENDAR OF EVENTS FOR 2012

EVENT	DATE	VENUE
4th Meeting of the Working Group on TBT	1 February	Malmö, Sweden
4th CEFTA Strategic Meeting	23 February	Brussels, Belgium
4th CEFTA Secretariat Steering Committee Meeting	23 February	Brussels, Belgium
3rd CEFTA Trade Portal Task Force	29 February-1 March	Tirana, Albania
4th Meeting of the Working Group on Trade in Services	29-30 March	Tirana, Albania
5th Meeting of the Subcommittee on Agriculture and SPS	May	Tirana, Albania
5th Meeting of the Subcommittee on TBT and NTBs	26-27 April	Zagreb, Croatia
CEFTA Customs Risk Analysis Experts Network Meeting	20 April	Bosnia and Herzegovina
CEFTA Workshop for the Preparation of Business Process Maps	15 May	Bosnia and Herzegovina
CEFTA Origin Network Meeting	16 May	Bosnia and Herzegovina
4th CEFTA Subcommittee on Customs and Rules of Origin	17 May	Bosnia and Herzegovina
5th CEFTA Deputy Ministers Meeting	June	Tirana, Albania
5th Meeting of the Working Group on Trade in Services	September	Tirana, Albania
CEFTA Strategic Administrative Cooperation Meeting	25 September	Sarajevo, Bosnia and Herzegovina
5th Meeting of the Subcommittee Meeting on Customs and RoO	26-27 September	Sarajevo, Bosnia and Herzegovina
CEFTA Workshop on Regional AEO	28 September	Sarajevo, Bosnia and Herzegovina
CEFTA Strategic Administrative Cooperation Meeting	25 September	Sarajevo, Bosnia and Herzegovina
6th Meeting of the Subcommittee Meeting on TBT and NTBs	October	Budapest, Hungary
CEFTA Week 2012	October/November	Tirana, Albania
6th Joint Committee Meeting	October/November	Tirana, Albania



Ms Pranvera Kastrati, Albania



This year is very special for Albania as starting from January 2012 it took over the Chairmanship of CEFTA. As the Chair in Office, Albania is very committed to intensifying efforts and dedication to the successful implementation of the 2012 Chairmanship programme and contributing to greater cooperation and regional spirit. The CEFTA 2012 Chairmanship coincides with the celebration of one century of independence for Albania and we remain committed to chair all activities foreseen in a constructive and active manner, having a balanced approach in addressing national needs and the requirements of each CEFTA member. During its Chairmanship programme, Albania will focus on: i) facilitating trade through further eliminating market access barriers and simplifying trade related procedures and regulations; ii) increasing transparency in areas that have a direct or indirect impact on trade; iii) strengthening the capacity of trade policy formulation, coordination and implementation; and iv) strengthening capacity to implement CEFTA priorities. We are convinced that 2012 will be marked with tangible results and targets met for all of us. Moreover, supported by the energy and enthusiasm of the CEFTA Article 44 contact points we are confident of success in all areas.

Ms Zada Muminovic, Bosnia and Herzegovina



The main objective of Bosnia and Herzegovina during its 2012 Chairmanship of the CEFTA Subcommittee on Customs and Rules of Origin is to promote the simplification of customs procedures with a view to facilitating trade without undermining the importance of the smooth functioning of diagonal cumulation between CEFTA Parties. In this context, Bosnia and Herzegovina will continue efforts made by previous Chairmanships and more specifically will focus on: (i) trade facilitation and strengthening information exchange between customs authorities, governments and the private sector; (ii) continuing to ensure the involvement of all CEFTA Parties in the revision of the PEM Convention; and (iii) initiating the preparation of regional training programmes for CEFTA customs authorities. At the same time, Bosnia and Herzegovina will continue the regular practice of communicating regularly with other CEFTA Subcommittees and will make every effort to substantiate the contribution of CEFTA customs authorities to the economic development of the region.

Ms Zrinka Horvatic, Croatia



Chairing of the Subcommittee on TBT and NTBs is one of the last activities of Croatia before the withdrawal from CEFTA on 1 July 2013. During its Chairmanship in 2012 Croatia will be giving priority to the elimination of non-tariff barriers to trade; the reduction of unnecessary technical barriers to trade in line with the recommendations of the OECD first assessment cycle; preparations for the successful transfer of the CEFTA Trade Portal from GIZ to the Parties from 1 January 2012 as well as the improved cooperation with the business community. Although leaving CEFTA on joining the European Union, Croatia plans to remain active in CEFTA, mainly by providing expertise and sharing its experience with the CEFTA Parties, especially on topics concerning preparation for the EU membership.

Ms Zorica Smileva, Macedonia



During the past period, bilateral Ministerial meetings were organised to strengthen economic cooperation between the Republic of Macedonia, the Republic of Albania and the Republic of Serbia. A bilateral meeting was also held between the Ministers of Economy of the Republic of Macedonia and the Republic of Bulgaria. In 2012 the National Program for adoption of the EU (NPAA) legislation envisages intensive activities in the part of economic criteria. In particular, macroeconomic policy during the next mid-term period will be directed towards: (i) further improvement of the business environment; (ii) improvement of tax and customs policies to support economic growth; (iii) attraction of foreign direct investments and stimulation of investment activity; and (iv) development of the human capital and economic infrastructure of the country.

Ms Inga Ionesii, Moldova



The Chamber of Commerce and Industry of the Republic of Moldova, in cooperation with the Ministry of Economy, with the support of the DIHK-CEFTA Project are organising the International Investment Forum "MOLDOVA - CEFTA - UE": Dialogue, Trade, Investments" to take place in Chisinau on May 29th and 30th, 2012. The event is organised in order to achieve a series of objectives such as enhancing trade in goods and services to promote investment in the entire CEFTA region, to promote relevant investment projects and establish sustainable partnerships between the business communities from the Republic of Moldova and other CEFTA countries, as well as removing tariff and non-tariff barriers in commercial relations between CEFTA countries and the EU. The agenda for the event foresees the presentation of opportunities in priority sectors of the economy of all the CEFTA countries, as well as discussions on the problem and perspectives related to the implementation of different business projects in specific areas. The format of the International Investment Forum provides for the organisation of matchmaking meetings thus offering business community representatives from participating countries the possibility to discuss cooperation opportunities with their business peers from the Republic of Moldova.

Ms Arijana Nikolic Vucinic, Montenegro



The Protocol on the Accession of Montenegro to the WTO was signed at the eighth meeting of the Ministerial Conference which was held in Geneva on 17 December 2011. The negotiation process started seven years ago and during that period eight sessions of the Working Group have been held. Bilateral negotiations on market access have also been concluded with the EU, China, Switzerland, Norway, Brazil, Canada, Japan, USA, El Salvador, Honduras and Ukraine. WTO membership is a key step in the integration of the country into the modern international economic system. Montenegro is now globally recognised as a country that respects internationally accepted rules of business.

Ms Jadranka Zenic Zeljkovic, Serbia



In mid-December 2011 in Belgrade, the Serbian Chamber of Commerce and the Ministry of Economy and Regional Development of the Republic of Serbia organised a discussion panel on the status and possibilities of improving economic cooperation with the CEFTA Parties. It was noted that consistent and effective implementation of the CEFTA agreement has had a positive effect on the business climate in the region, in terms of intensifying overall cooperation and attracting investment. The CEFTA Agreement has allowed its members to establish closer, more fruitful and productive cooperation for the joint production and marketing of products in the region as well as in the EU and other markets in the world. One of the methods for overcoming the global crisis could and should be the promotion of regional economic cooperation. The Parties to the CEFTA Agreement are the second important foreign trade partner of Serbia in its overall exchange with the world, after the European Union. Representatives of the Serbian firms participants on the panel supported more effective work towards eliminating non-tariff barriers by harmonising legislation on TBT and SPS with EU regulations, through upgrading the CEFTA Trade Portal, simplification of export, import and transit procedures, improvement in logistics management, more efficient operation of supply chains and the liberalisation of trade in services.

Mr Flamur Keqa, Ministry of Trade and Industry in Kosovo¹



I am pleased to note that the CEFTA 2011 Chairmanship has been conducted in a constructive manner and our Chairmanship Programme has been accomplished successfully in due time. I am particularly satisfied that certain impediments to free trade in the CEFTA area have been addressed successfully. Kosovo's free trade with Serbia was restored by an agreement reached in the EU facilitated Dialogue, which was also welcomed by the CEFTA Special Joint Committee, and with Bosnia and Herzegovina through further bilateral consultations. Overall, 2011 marks genuine progress, having enabled more free trade for CEFTA members. I wish the 2012 Chair a successful year!

¹The wording is compiled on request of both institutions: Kosovo Ministry of Trade and Industry and the United Nations Interim Administration in Kosovo on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244.