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*“Expansion of CEFTA – Additional Protocols
on Trade Facilitation and Services”*

*Honourable Minister Sekulić
Your Excellencies,
Distinguished Participants,
Ladies and Gentlemen,*

First of all I would like to thank and congratulate Montenegro on the overall work and efforts invested during its presidency of the CEFTA Agreement in 2016. Compliments also go to all the CEFTA Parties and all stakeholders who had their share in achieving priorities during the presidency of Montenegro, especially all donors and staff from relevant institutions, as well as the CEFTA Secretariat.

It is well known that the CEFTA Agreement is in fact an initial phase of the process of joining the single market of the European Union for all its signatories. As the internal processes of the EU evolved, the integration processes also changed. CEFTA, as a trade integration of our EU integration processes, had to fit in into these changes. Discussions on the models of expansion of the Agreement started more than half a decade ago and at first were related to the removal of technical and non-tariff barriers, liberalization of trade in services, and later on other aspects of trade, including the investment sector, trade facilitation, rules of competition, dispute settlement and other issues related to trade in goods.

The statistics on our mutual trade are not encouraging and this has been interpreted with various "arguments", such as: the CEFTA market is actually a small market, the supply and demand are limited; legislation is not harmonized between the Parties nor with the EU; there are no big manufacturers nor competition; there are no large investments; the employment rate is at a low level, there is no demand-based training for

required qualifications; the cooperation with the economy is poor, and many others.

Guided by the objectives of the Agreement, and recognizing the causes and reasons for the low mutual trade and slow growth of their economies, as well as the slow integration into the EU, the CEFTA Parties have started negotiations on liberalizing trade in services and, later on, negotiations on trade facilitation. The negotiations on trade facilitation have been successfully completed while the negotiations on liberalizing trade in services are in the final stage, by way of which we are fulfilling the objectives of the Berlin process from 2014, and the summits held in Vienna in 2015 and Paris in 2016. Bosnia and Herzegovina follows these processes also in the framework of the Reform Agenda, and especially in the context of the European integration process.

However, our goals and tasks will not be completed upon completion of the above mentioned negotiations. In fact, real challenges are still ahead of us. It is known that the liberalization of trade in goods or services is not an end in itself - in fact, it is our task which we are carrying out in order to achieve the goals of economic growth related to the improvement of living standards through increased investment and employment.

New tasks lie ahead of us in these areas, which we will hopefully fulfil through collaboration with other CEFTA Parties, the CEFTA Secretariat, RCC, and all of those who supported the implementation of the Agreement and the SEE 2020 Strategy, first of all the EU, WB, OECD, IFC, UNCTAD, ITC, WTO, the Government of Germany, USAID and others.

Finally, I would like to congratulate Montenegro on its ten years of independence, and express my gratitude for your hospitality and good organization of the events leading up to the Joint Committee. I wish Serbia successful Chairmanship next year.

Thank you for your attention!

*H.E. Djordje Latinovic, amassador of
Bosnia and Herzegovina in Montenegro*