

We would like to welcome you all to the eight edition of our electronic newsletter on CEFTA and to address challenges and opportunities in 2014 under the Chairmanship of the Republic of Macedonia.

## CEFTA NEWS

### TRADE IN AGRICULTURAL PRODUCTS



On 20 November 2013 in Sarajevo, Bosnia and Herzegovina and the Republic of Albania signed the Additional Protocol 3 to CEFTA liberalising fully the trade in agricultural goods among them i.e. contributing to the creation of a free regional agricultural market. It is expected that the full liberalisation in agriculture would be achieved this year when the Republic of Macedonia and the Republic of Moldova will sign among them the Additional Protocol 4.

## NON TARRIF BARRIERS



The OECD Project on Multilateral Monitoring Framework for Eliminating NTBs will continue to support CEFTA in 2014. The Project will build on the results of the OECD-RCC Working Group on New Generation Competitiveness Initiative that supports the implementation of the SEE 2020 Strategy, and will focus on the identification of trade barriers in the selected supply chains/subsectors (agri-food).

## CEFTA WEEK 2013

### CEFTA Week 2013

CEFTA Week 2013 which was held in Sarajevo on 18 and 19 November 2013 attracted over 140 participants who took part in a variety of CEFTA related events. Participants included government officials from all the CEFTA Parties, regional and international organisations, the business community, academics and international experts from the EU, GIZ, IFC, OECD and the World Bank. CEFTA Week 2013 focused in particular on the main priorities of the Bosnia and Herzegovina. Chair for 2013 which included the out coming decision on launching negotiations for liberalisation of trade in services and the development and improvement of the mechanism for elimination of trade barriers and for ensuring transparency in all areas. It also provided an excellent opportunity to assess progress and economic impact to date, to consider new challenges and afforded an opportunity for key stakeholders to make observations and suggestions on potential future developments.

## STRATEGY SEE 2020



The strong interaction between the CEFTA Agreement and the SEE 2020 offers the CEFTA region a unique opportunity to lead implementation of the Agreement with a wider economic policy perspective so as to serve the overall objectives of the SEE 2020 to promote economic growth and job creation. CEFTA Structures were actively involved in the development of the Integrated Growth Pillar of the SEE 2020, the objective of which is in full compliance with both the spirit and the letter of the Agreement, and thus consider the proper functioning thereof as the all-important factor of success in reaching those common objectives.

## CUSTOMS



On 20 November 2013 the CEFTA Joint Committee adopted Decision No. 3 /2013 amending Annex 4 of the Central European Free Trade Agreement (CEFTA 2006), Protocol Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation referred to in Article 14, paragraph 1 and 3. The decision has established a link with the Pan-European Mediterranean (PEM) Origin Protocol and foresees to start the application of diagonal cumulation between CEFTA Parties who have ratified the PEM Convention as of 1 April, 2014 thus strongly promoting investment and supporting the integration of CEFTA economies into global supply chains.

## SERVICES



At the Joint Committee Meeting CEFTA Ministers reaffirmed the commitment of the gradual opening of services markets through the progressive liberalisation of trade in services and acknowledged the progress achieved in the Working Group on Trade in Services in endorsing the agreed text of the Additional Protocol on Trade in Services as a framework agreement for specific commitments amongst Parties. Ministers instructed the Negotiating Group that performs within the Working Group to start with necessary preparations with the objective to launch the negotiations on the liberalisation in the first quarter of 2014

## SANITARY AND PHYTOSANITARY DATABASE



In the area of sanitary and phytosanitary issues, a project financed by the CEFTA Secretariat via the CEFTA Project Facility on the establishment of the CEFTA SPS database ([www.ceftapsdatabase.info](http://www.ceftapsdatabase.info)) was finalised. The database was launched in December 2013 and it provides updated information on legislative and institutional frameworks on SPS across the region. This Database will be primarily used as a notification mechanism for legislation in the area of SPS but will also serve as a unique platform for acquiring information relevant to exporters and importers in the region.

# CALENDAR OF EVENTS - March–December 2014

EVENT	DATE	VENUE
Ninth Meeting of the Working Group on TBT	5 March	Brussels
CEFTA AEO Contact Points Meeting	22-25 April	Austria
Meeting of the Working Group on Services	April	Brussels
Conference on Mutual Recognition of Qualifications	29 April	Brussels
OECD Regional Roundtable on NTBs and TBT	Autumn	Paris
Seventh Meeting of the Subcommittee on Agriculture and SPS	7-9 May	Skopje
1st SPS Meeting	May	TBD
Training Workshop on Risk Management	May	TBD
CEFTA Working Group on Customs Risk Management	May	TBD
Ninth Meeting of the Subcommittee on NTB's and TBT	May	Podgorica
Tenth Meeting of the Working Group on TBT	May	Podgorica
CEFTA Origin Network Meeting	June	Chisinau
CEFTA Subcommittee Meeting on Customs and Rules of Origin Meeting	June	Chisinau
Experts Meeting	June	Skopje
Deputy's Ministers of Economy/Trade Meeting	June	Skopje
Meeting of the Negotiating Group on Services	September/October	Skopje
Project Workshops (on Data Mapping)	September/October	CEFTA Parties
Eleventh Meeting of the Working Group on TBT	September/October	Podgorica
CEFTA Week 2014	November	Skopje
Experts Meeting	November	Skopje
Eight Joint Committee Meeting	November	Skopje
CEFTA Working Group on Customs Risk Management	November	CEFTA Parties
CEFTA AEO Conference	November	CEFTA Parties
CEFTA Subcommittee Meeting on Customs and Rules of Origin	November	CEFTA Parties

## 1. Free Trade Area

- Further liberalisation of trade in agricultural goods and trade in services
- Elimination of distortive non-tariff barriers and unnecessary technical barriers to trade
- Facilitation of trade through employing transparency tools and simplification of trade related procedures

## 2. Competitive Economic Environment

- Promoting regional cooperation in competition policy , IPR and Public Procurement
- Improve market access through completing a single diagonal cumulation zone under the Pan-European Mediterranean Convention (PEM)
- Facilitation of trade through employing transparency tools and simplification of trade related procedures

## 3. Horizontally

- Sustaining synergy between implementation of CEFTA and the SEE 2020

# CEFTA Contact Points – Your Views and Recent News

## Ms Pranvera Kastrati, Albania



In November last year Albania and Bosnia and Herzegovina signed the additional protocol to liberalise trade in agriculture between them and the ratification process is underway.

Not having very high trade figures Albania believes that the signing of the protocol will contribute to the increase of trade exchange. CEFTA has an increasing important role for Albanian exports and adding Bosnia and Herzegovina into the map of new possibilities for exports is good news for the business community. This measure is part of the SEE 2020 Integrated Growth and along with other measures foreseen will contribute to the consolidation of trade advancements already achieved. The challenges of SEE 2020 are now at the core of the Albanian Government actions and therefore a lot of efforts are being invested to prepare the national plan to implement SEE 2020. This action plan will encompass policies that allow reaching the headline targets 2020 and will contribute to accelerating the European integration process in all CEFTA parties.

## Ms Zorica Smileva, Macedonia



The Republic of Macedonia started her Chairmanship of CEFTA with a very ambitious programme. Already four meetings have been held up to

the end of February (Special Joint Committee, Customs Workshop, Kick-off Meeting on Transparency Pack and Steering Committee). The implementation of the SEE 2020 Strategy started in 2014, in parallel with Macedonia taking over as Chair of CEFTA. The objective of the Integrated Growth pillar of the Strategy is to promote regional trade and investment

## Ms Zada Muminovic , Bosnia and Herzegovina



Bosnia and Herzegovina held two chairmanships simultaneously in 2013 (the overall chairmanship and the chairmanship of the r SC on Agriculture and SPS) and this provided with a significant opportunity to establish synergies in the work of both structures. The objectives of the Programme for the CEFTA Chairmanship of Bosnia and Herzegovina for 2013 have shown full devotion and intention to achieve a higher level of cooperation, to improve conditions for development and diversification of trade among Parties and to promote commercial and economic cooperation in areas of common interest, on the basis of equality, mutual benefit, non-discrimination and international law. In order to achieve the objectives of the Programme, the Additional Protocol 3 on the liberalisation trade in goods was signed between BiH and Albania; a comprehensive SPS database was launched on the CEFTA Secretariat's website, an Additional Protocol on Trade in Services was endorsed at the seventh Joint Committee meeting in Sarajevo on 20 November 2013 and many activities related to eliminating non-tariff barriers, enhancing transparency, customs risk management etc., have been undertaken with the full support of all CEFTA Parties. As Chair of the CEFTA Agreement and Chair for SEEIC, Bosnia and Herzegovina supported the drafting of the SEE 2020 Strategy, Pillar I - Integrated Growth, that was confirmed by all CEFTA Parties on 20 November 2013 at the Joint Committee Meeting in Sarajevo. The SEE 2020 Strategy provides key strategic guidance for regional cooperation in the period 2014 – 2020 and thus acts as a basis for financing from the IPA II multi-beneficiary funds. Following what has been achieved last year, in the future special attention should be paid to some outstanding issues: e.g. synergy between the implementation of CEFTA and the SEE 2020 Strategy

linkages and policies that are non-discriminatory, transparent, predictable and that enhance the flow of goods, investment, services and people within the Region. This also contributes to the further integration of the Region into the European and global economy through participation in international supply chains, grounded on improved international competitiveness of national economies and backed by deepened regional trade and new investment. This objective is compatible with the main goals and priorities of the CEFTA Chairmanship this year namely: i) Free Trade Area ; ii) Competitive Economic Environment; iii) Integration into Global Economy and iv) Sustaining synergy between the CEFTA Agreement and the SEE 2020 Strategy. Thus, the Republic of Macedonia has adjusted the structure of its Chairmanship Work Programme to include the four dimensions of the Integrated Growth Pillar into its priorities. This has resulted in the CEFTA Chairmanship Work Programme facilitating the establishment of linkages between the priorities of CEFTA and the SEE 2020 as they coincide with each other. One of the expected benefits is to ensure consistency and coherence of the priorities as well as their implementation and proper coordination among all the relevant stakeholders of the SEE 2020 through strengthening interaction between the CEFTA work programmes and the Strategy.

## Ms Milica Šćepović, Montenegro



As regional integration and cooperation are of high importance for our foreign economic policy, Montenegro has actively taken part in the SEE 2020 Strategy which was adopted in Government session in November 2013. Currently, we are in the process of preparation of Action Plans for each pillar of the Strategy. With support from the

and active participation of all CEFTA Structures; the negotiation process for the liberalisation of trade in services among interested Parties; a mechanism to intensify work on trade facilitation issues; implementation of the PEM Convention; results and recommendations from the MMF on NTBs; cooperation between SPS Agencies of CEFTA Parties and implementation of state aid reporting mechanism and transparency tools.

## Ms Inga Jonesii, Moldova



The Government of the Republic of Moldova adopted a Roadmap for increasing the competitiveness of the country :

The National Roadmap on Competitiveness has been approved by Government Decision on 14.01.2014. It was developed by the Ministry of Economy, with the assistance of local and international experts in order to identify policy proposals designed to gradually strengthen the economy and enhance business processes for the successful implementation of the Association Agreement and DCFTA, when these will be signed. The Roadmap follows the conceptual approach of the Global Competitiveness Report and contains interdependent pillars meant to improve the country's position in international competition. The document includes policy proposals acting as a prompt reply to any opportunities and challenges. The overall objective of this document is to improve the competitiveness of the country, considered both at macro as well as micro levels to allow manufacturers and service providers to compete more confidently in the EU market. The EU is a mature market, with an enormous purchase potential, which will stimulate the Republic of Moldova's trade offer and increase its economic and human potential. Competitiveness is based on nine components: human resources, access to financial resources, transport and energy infrastructure, quality infrastructure, information society, trade facilitation, fiscal administration, scientific research,

CEFTA Secretariat, the Ministry of Economy will be involved in the implementation of the trade related Pillar. We believe that this Strategy will be of great influence in boosting regional cooperation and the prosperity of the whole Region.

During this year, Montenegro will be Chair of Subcommittee on TBT and NTBs as well as the Working Group on TBT.

During the Chairmanship, our priorities are i) implementation of the OECD recommendations reflected in the document "OECD Inputs on Strategic Guidelines on NTBs Reduction in CEFTA", ii) elimination of NTBs in selected supply chains/subsectors in cooperation with the RCC OECD New Generation Competitive Initiative, iii) extension of the mandate of the WG on TBT to include activities such as delivering of projects at the regional level, assistance in drafting the amongst relevant bodies in quality infrastructure, etc., iv) signing of multilateral agreements between NABs, to exchange the translation of standards, adoption of regional CEFTA codes that comply with Eurocodes, create common register of assessors, etc., v) establishment and management of regional association of conformity assessment bodies, such as CEFTALAB.

We have planned one Subcommittee Meeting in the second half of May and three Working Group Meetings, the first one taking place on 5th of March in Brussels.

We hope that, with our chairmanship, we will contribute to the further elimination of TBT and NTBs under the CEFTA Agreement "umbrella".

technology and innovation, and competition. The Roadmap proposes actions for each component of competitiveness with maximum effect in each area. Thus, the Roadmap provides comprehensive information on the steps that should be taken by Moldovan companies to enter new markets. The content of the document comprises: Part I outlines the reasoning, approach and context of competitiveness as well as factors influencing certain sectors; Part II describes the constraints and challenges faced by entrepreneurs in order to become competitive on domestic and foreign markets; Part III contains a Policy Matrix aiming to improve competitiveness through horizontal and sectoral actions in each component.

The Matrix also includes the expected outcome indicators, responsible institutions and preliminary implementation terms. Taking into account that most of the objectives are undertaken from the Association Agreement, the Roadmap includes a list of EU Directives and their implementation terms for successful fulfillment of both the Association Agreement, and the Agreement on Deep and Comprehensive free Trade Area (DCFTA).

The implementation of this document will be monitored by the Council of Competitiveness who will have an advisory mandate; will provide expertise and recommendations (in regular or ad-hoc reports) on the main challenges facing the economy in the medium term and will suggest ways to overcome those challenges.

## Ms Jadranka Zenic Zeljkovic, Serbia



Last November, the Republic of Serbia jointly with all other CEFTA Parties supported the initiative of the RCC and agreed on the SEE 2020 Strategy with key indicators for regional economic growth to be accomplished by 2020. The overall objective of its Pillar 1 on Integrated Growth is to create deeper regional trade and investment linkages and policies that are non-discriminatory, transparent, stable and predictable and to enhance and facilitate the flow of goods, investment, services and skilled labour within the region and beyond. It is obvious that there is a strong interaction and congruence between the CEFTA Agreement and the SEE 2020 Strategy trade and investments related items. Furthermore its implementation is the way to ensure that agreed regional goals will be aligned with respective national objectives and with the EU accession process. Serbia accepted fully the responsibility to implement through CEFTA extended structures a set of comprehensive measures, instruments and actions that could help the region to catch up with the EU 2020 Strategy with a common goal for boosting competitiveness, productivity, growth, social cohesion and economic convergence.

## Mr Blerim Ahmeti, Kosovo\*



Regional and European Integration are most important goals of Kosovo Government. Kosovo is making significant steps towards EU membership. On 28 October 2013 the negotiations of the Stabilization and Association Agreement between the European Union and Kosovo have started. The SAA would represent the first comprehensive contractual relationship between Kosovo and the EU and an important milestone in Kosovo's European integration process. CEFTA countries are the second trade partner after the EU countries. Hereby, Kosovo remains fully committed to fulfill all obligations derived from the agreement and is actively participant in all CEFTA structures. Another aspect to foster growth and the regional cooperation is the SEE 2020 Strategy which main goal is to improve living conditions in the region and bring competitiveness and development back in focus, closely following the vision of the EU Strategy Europe 2020. Therefore, Kosovo is strongly working on this trying to establish a mechanism which will follow the tasks derived from this strategy and will actively contribute to reach the objectives set by the strategy.

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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