



# ***Implementation of CEFTA in View of the Internationalization of the Economy in the SEE***

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***“Liberalization of Trade and Services  
in the Danube, Western Balkans and  
CEFTA Regions”***

***Sofia, 28 September 2016***

**CELEBRATING**  
**10**  **CEFTA**  
Central European Free Trade Agreement  
**YEARS SECRETARIAT**



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# OBJECTIVE

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- **General Framework:**
  - To present shortly the priorities of CEFTA in 10 years and how the evolution of priorities happen in time
  - CEFTA's interaction with SEE 2020, Western Balkan 6 Process (i.e. Berlin Process)
- **CEFTA Priorities in 2016-2020**
  - Objectives to reach
  - Challenges and opportunities



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# GENERAL FRAMEWORK

# EVOLUTION OF PRIORITIES IN CEFTA

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## CEFTA 2008 - 2013

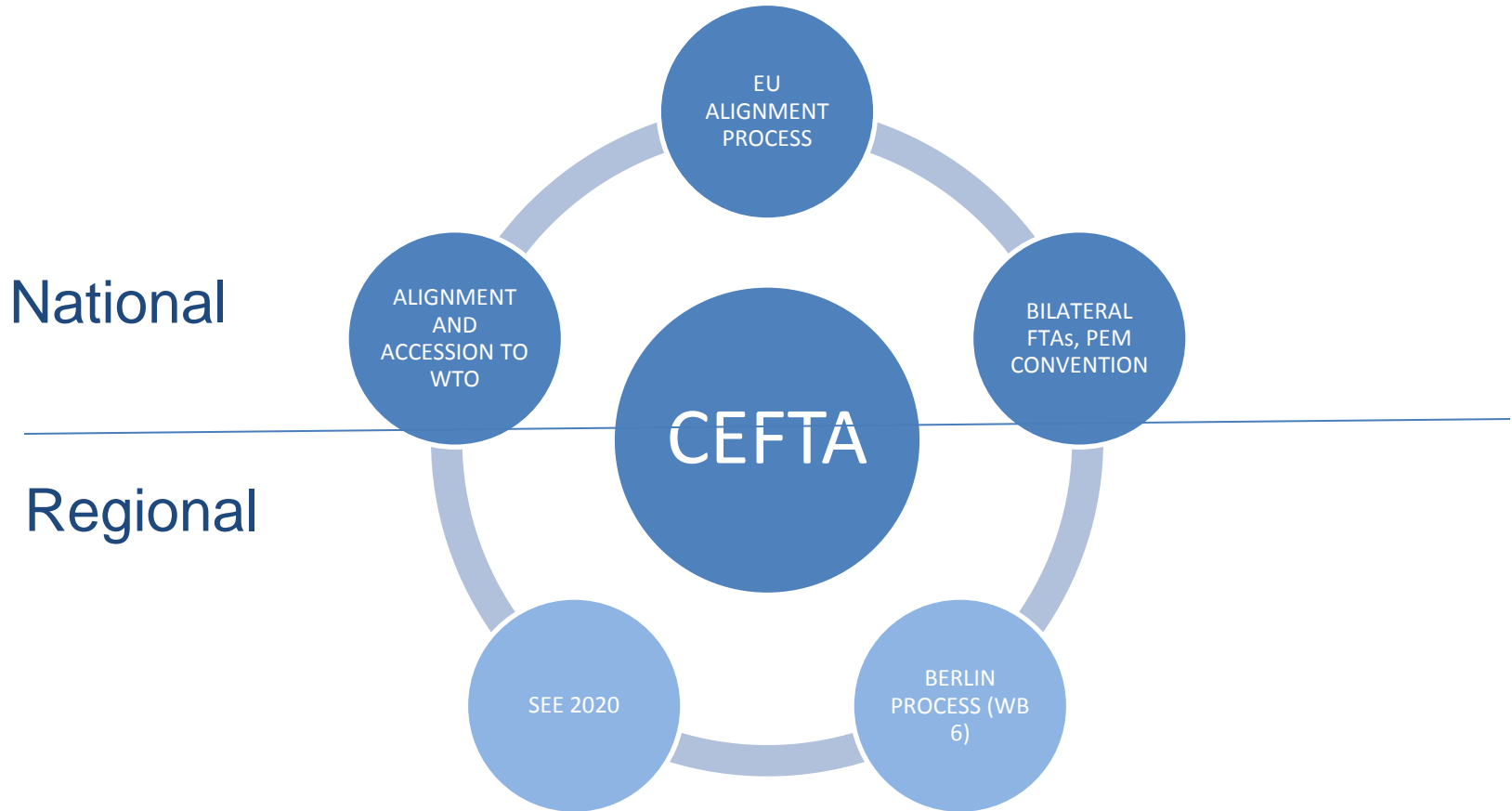
- All commitments and deadlines met
  - Full liberalisation of trade in goods (both in industrial and non-industrial goods)
  - Diagonal cumulation (CEFTA Cumulation)
  - Opening of PP Market (non-discrimination in CEFTA PP Markets)
  - TBT notification (CEFTA Transparency Pack)
  - State Aid notification (State Aid reports)
  - IPR review (CEFTA Annexe 7)
  - Non-discrimination in Investment
  - Transparency tools: Market Access Database, SPS Database, CEFTA Trade Portal (CEFTA Transparency Pack)

## CEFTA 2013 - 2016

- Implementation of Agreement focused on
  - Liberalisation of trade in services (negotiations in progress)
  - Trade Facilitation (Additional Protocol 5) (negotiations concluded)
  - Transparency (ongoing priority)
  - Investment (ongoing priority)
  - Diagonal cumulation (linkage to PEM, SAP + cumulation, full cumulation and drawback)

# DISPLAY OF INTERACTION OF CEFTA WITH OTHER PROCESSES

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# INTERACTION of CEFTA with SEE 2020, WB6 PROCESS (1)

	Vienna Conclusions	Paris Conclusions	IG of SEE 2020	Current state of play	Areas of further deepening
Trade facilitation	Conclude TF negotiations successfully	<p>The Joint Action Plan for WB Trade and Transport Facilitation</p> <p>Acknowledging with satisfaction the deepening of <b>economic integration between the WB6</b></p> <p><b>Reaffirming the importance of fostering regional market integration, especially through CEFTA.</b></p> <p>Welcoming the successful conclusions of negotiations on the Additional Protocol 5 on Trade Facilitation of the CEFTA Agreement</p>	A.3., A.4.,(A.2)	<p>Negotiations concluded successfully .</p> <p>Adoption of AP 5 is foreseen in the next Joint Committee</p> <p>Implementing provisions of MRA of AEOs on the basis of EU compliance</p>	MR of border documents/procedures on the basis of EU compliance

# INTERACTION of CEFTA with SEE 2020, WB6 PROCESS (2)

	<b>Vienna Conclusions</b>	<b>Paris Conclusions</b>	<b>IG of SEE 2020</b>	<b>Current state of play</b>	<b>Areas of further deepening</b>
Trade in services	Comprehensive approach to the recognition of professional qualifications	<p>The importance of concluding by the end of 2016 an Additional Protocol on Trade in Services.</p> <p>The CEFTA Secretariat will coordinate the preparation of this agreement.</p> <p>Progress made in the implementation of the Additional Protocol on Trade in Services will be reported at the next Summit.</p>	A.7., (A.5.)	9 <sup>th</sup> Round of negotiations on services to be held in September	Strengthening the implementation of competition and public procurement rules of CEFTA

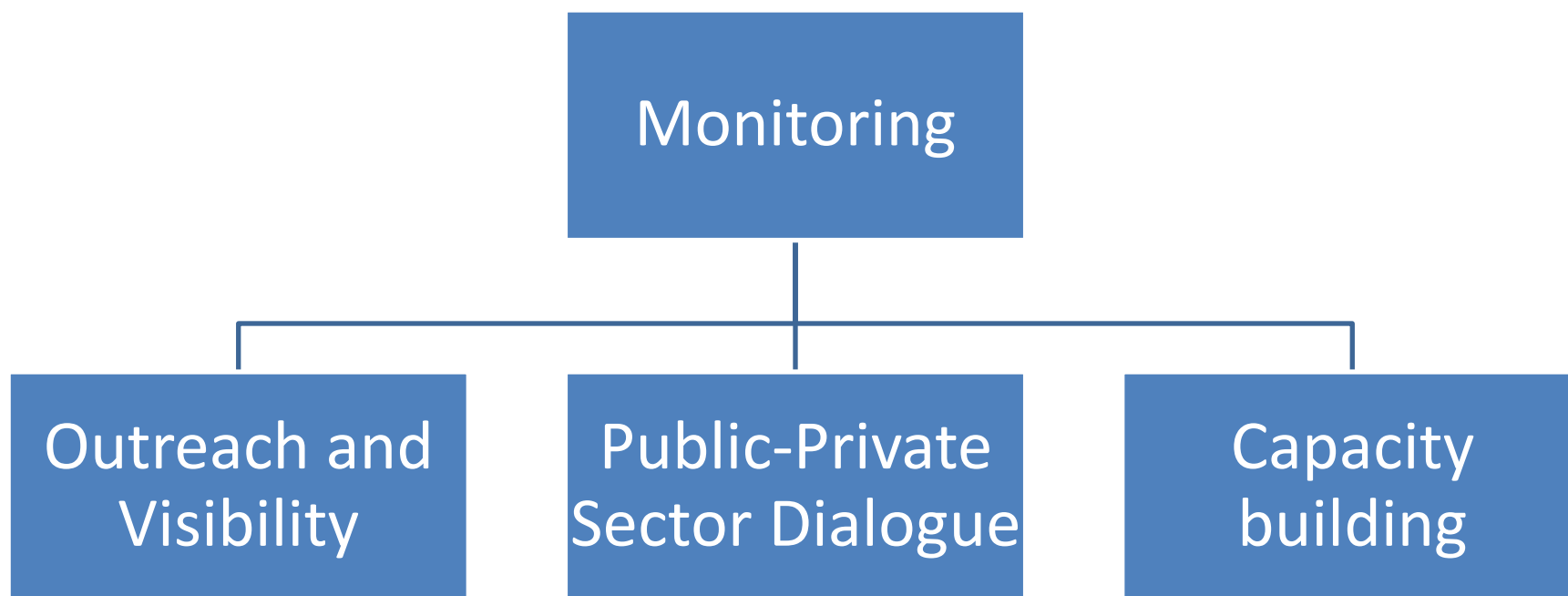


# INTERACTION of CEFTA with SEE 2020, WB6 PROCESS (3)

	Vienna Conclusions	Paris Conclusions	IG of SEE 2020	Current state of play	Areas of further deepening
Implementation of CEFTA (Origin protocol)	Complementary actions to trade and transport facilitation Development of economic corridors concept	Acknowledging with satisfaction the deepening of <b>economic integration between the WB6</b>  Reaffirming the importance of <b>fostering regional market integration, especially through CEFTA.</b>	C.1 (C.2)	Start of SAP +, PEM Convention Matrix of June 2016.  Start of full cumulation /duty drawback in CEFTA in 2017, after having it included in Appendix II of the PEM Convention	Progressive alignment to EU CET

# CEFTA HORIZONTAL PRIORITIES IN 2016 (by MINISTERIAL CONCLUSIONS OF 2015)

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# CEFTA VERTICAL PRIORITIES IN 2016 (by MINISTERIAL CONCLUSIONS OF 2015)

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INVESTMENT

TRADE  
PROMOTION

Trade Facilitation

Liberalisation of Trade  
in Services

Free Movement of  
Experts



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# **CEFTA PRIORITIES IN 2016-2020**

# MINISTERIAL CONCLUSIONS OF CEFTA SPECIAL JOINT COMMITTEE OF 23 JUNE 2016

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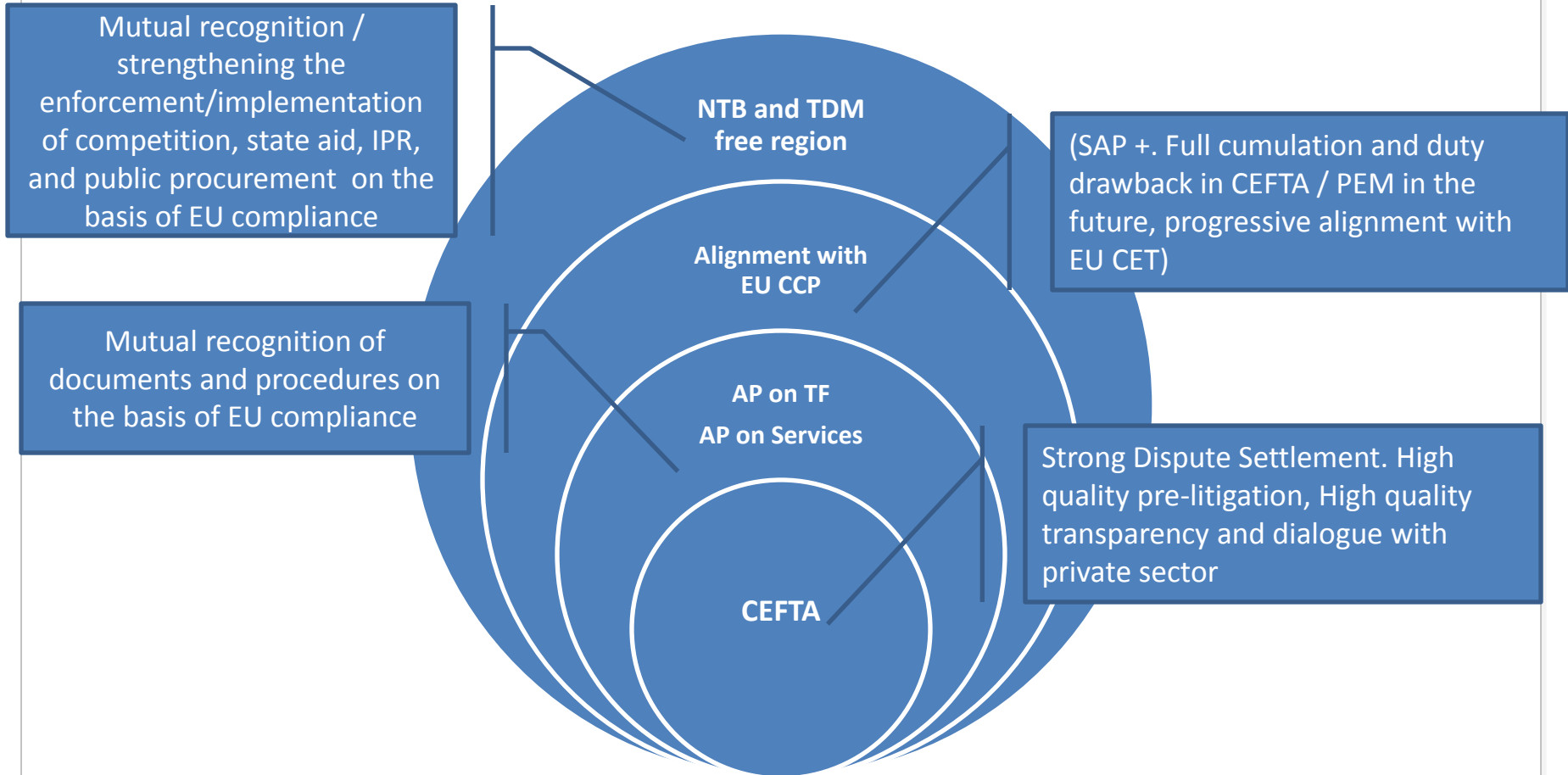
- **REGIONAL ECONOMIC AREA**
- Aim towards establishing a regional economic area in CEFTA **on the basis of the EU compliance** with an objective to support our countries efforts to attract more investment, decrease the cost of trade and production, and eliminate market access barriers.
- The EU accession process at national level in each Western Balkan country and regional integration through CEFTA Agreement shall represent the two main pillars of our efforts.
- By creating regional economic area, we aim to transform our Region in which goods, services, investments, and skilled people move freely without tariffs, quotas or other unnecessary barriers, where trade is facilitated higher than WTO Rules, aiming at recognition of all documents, procedures, and programmes related to trade once EU alignment by one or more Western Balkan countries is reached.

# MINISTERIAL CONCLUSIONS OF CEFTA SPECIAL JOINT COMMITTEE OF 23 JUNE 2016

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- **REGIONAL ECONOMIC AREA (2)**
- The legal basis of regional economic area will be the CEFTA Agreement extended by Additional Protocols on Trade Facilitation and on Trade in Services, and strengthened with more efficient and effective dispute settlement procedures. Regional economic area shall be part of the Pan-Europe Mediterranean Cumulation zone in equal footing as other countries in the Zone.
- Aiming towards the application of the same external tariffs with the one of the EU in order to get one step closer to be integral part of the EU Common Commercial Policy. We deem critical to ensure a strong and robust support of the international and regional private sector dialogue within CEFTA Structures.
- Ensure necessary coordination through the relevant CEFTA Structures for the preparation of a time-based action plan determining milestones of regional economic area in the framework of CEFTA by the end of 2016. We instruct our Ministries responsible for Trade to adjust the mandate of the relevant CEFTA Structures as necessary to perform the tasks as required by the action plan.

# DEVELOPMENT AND DEEPENING of WB 6 AGENDA



# KEY FACTORS OF SUCCESS

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- High level political commitment and coordination, preferably at the level of Prime Ministers
- Holistic approach as all the areas are directly related to higher economic policy objectives such as competitiveness and investment
- Strong dialogue with private sector, regularised and institutionalised.
- Beneficiary driven technical assistance and donor coordination.



# EXPECTED RESULTS

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- We may create a Region which is
  - free from any systemic market access barriers,
  - trade facilitated higher than WTO TFA standards,
  - trade in goods and services are liberalised
  - mutually recognised documents, procedures, programmes once EU alignment is reached
  - free from trade defence measure
  - no competition distortions and restrictions in public procurement
  - high quality pre-litigation and strong dispute settlement
  - part of cumulation zones in PEM and having full cumulation and duty drawback
  - applying the same MFN with the EU common external tariff
  - strong involvement of private sector in regional policy making



**THANK YOU.**

