

**Sixteenth Meeting of the Working Group on Trade Liberalisation and Facilitation,
Belgrade, 7 October 2004
Executive Summary**

The sixteenth meeting noted progress in the implementation of the Group's 2004 Strategy and Action Plan. Twenty-two of the 28 FTAs are in force. Serious concern was expressed at continuing delays in ratification in Bosnia and Herzegovina. SEE countries reported a busy schedule of joint committee meetings, underway or scheduled, to deal with implementation of the FTAs. Macedonia (which did not attend the meeting) was asked to inform on the status of several issues.

The latest tables on conformity of the FTAs with the trade coverage criteria of the MoU registered progress. Countries with agreements in Group III reported on efforts underway to meet the criteria.

The draft report on Non-Tariff Barriers in the Western Balkans was presented. The meeting emphasised the need to use the report's results in the Procedure on NTBs as required by the MoU and to make its results widely known, in a user-friendly fashion, particularly among the business community. Comments on the draft report must be submitted to the consultants by 22 October to allow for incorporation into the final report.

The initial discussion of the GEM paper on options for further harmonisation of the FTAs revealed a consensus that a multilateral agreement would improve the efficiency of the network of FTAs. CEFTA could be a model for such an agreement provided issues such as entry criteria and how to "modernise" the agreement were satisfactorily addressed. Given that the Trade Working Group should present an option to Ministers for further harmonisation at their forthcoming meeting (probably March 2005), SEE countries will now consult in capitals and provide written comments on the GEM report by 22 October as a basis for a more detailed elaboration of favoured options. In the meantime, on-going work to harmonise agreements continues.

Implementation of the Action Plan for services will be expedited through an EC/Cards funded project to facilitate harmonisation of the regulatory regimes in key service areas. This project (for the Western Balkans) will be launched shortly. Hopefully, meetings of the services task force will also be facilitated.

The new Deputy Special Co-ordinator of the Stability Pact, Michael Mozur introduced the draft Strategy and Action Plan for 2005. This document will be the basis for the report to Ministers in November, as required by the Rome Ministerial Statement. The review by the TWG members was positive, with agreement that the targets should be ambitious but realistic. The Stability Pact stressed the need to address the longer-term framework for the trade liberalisation process and its management. This is closely linked to the selection of a favoured option for further harmonisation. Delegates are to submit comments on the draft document by 29 October.

Activities to promote the FTA process have intensified as evidenced by TWG participation in the meetings in Belgrade of EuroChambres on October 6 and of the International Business Forum on October 8. Technical assistance projects and programmes continue and the table on donor-funded projects will be updated on a continuous basis.

The next meeting of the TWG will take place in January/February.
