
Ministerial Statement on Priorities for 2003

On 27 June, 2001, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the Federal Republic of Yugoslavia, the Republic of Macedonia and Romania, signed a Memorandum of Understanding on Trade Liberalisation and Facilitation. Moldova unilaterally associated itself to this process and the Signatory Countries have agreed to support Moldova's efforts to comply with the terms of the MoU.

Under the MoU, the Ministers of the aforementioned countries agreed to conclude, by the end of 2002, a network of bilateral free trade agreements that will result in a virtual free trade area encompassing at least seven countries and 55 million inhabitants. We see this as an important stimulus to foreign trade and foreign investments, both among our countries and with our partners outside the region. We see it also as an important step to integrate our countries into the global economy and into European structures.

We are determined to succeed in this ambitious undertaking as we are conscious of the economic and political benefits at stake for our countries. To this end, we agree today that our priorities for 2003 are to implement the free trade agreements, to deepen integration and to promote the new economic opportunities to the international business community.

<p>I Implementation of the Free Trade Agreements - Birth of a Virtual Free Trade Area</p>
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In accordance with the MoU, we instruct our representatives in the Working Group to ensure that the following objectives are achieved.

- Conformity of all bilateral free trade agreements with the terms of the MoU and WTO rules
- Effective functioning of the procedure to facilitate the elimination of non-tariff barriers
- Application of a common set of preferential rules of origin, including diagonal cumulation of origin
- Simplification of customs procedures, especially at border crossings.

We request the Working Group to mobilise specialised assistance in the form of studies, action plans, or professional-training and institution-building activities to resolve any problems that might jeopardize attainment of these priority objectives. We appreciate the ongoing contributions of the WTO, the World Bank and the European Commission as well as Germany, Sweden, Switzerland, UK and the USA in the Working Group. Moldova, having joined the process at a late stage, still has a number of agreements to negotiate and we note it may require special assistance in 2003. We are pleased that the Working Group is committed to mobilize assistance, for those Signatory Countries not yet members of the WTO whose accession process lags behind schedule at the end of 2002.

II Deepening Global Integration - Assimilation with European Structures

We are committed to realising the benefits that arise from deepening integration, in particular in the field of services. Regional integration facilitates the elimination of behind-the-border barriers on goods and services, for example through harmonisation of trade-related and investment-related legislation. We therefore instruct our representatives in the Working Group to ensure that the following steps to deepen integration are initiated in 2003:

- Liberalisation of trade in services
- Harmonisation of standards and/or mutual recognition
- Harmonisation of competition policy and its effective enforcement.

We instruct our representatives to assess the implications of the study on trade in services for liberalisation, as foreseen in the MoU. We request them to determine those areas where harmonising standards, technical regulations and conformity assessments can have the greatest impact on trade. On this basis, we expect them to strengthen the process of harmonisation and the pursuit of mutual recognition and similar arrangements between themselves and partners in those fields. We instruct them also as part of integration into European structures to intensify the process of harmonising national competition law with that of the EU and to strengthen the enforcement capacity of relevant Authorities.

III Promotion of Free Trade Area - South East Europe Open for Business.

The bilateral free trade agreements will act as a catalyst for increasing trade and substantially enhance the region's attractiveness to foreign investors. In order to reap the full benefits of this substantial liberalization, it is essential that business circles both within and outside the region are aware of the new opportunities that the free trade agreements will establish. We therefore ask the Working Group to devise a cost effective promotional programme to inform the domestic and international business communities of the new opportunities available to them. In order to achieve maximum impact, we request the donor countries to support this programme and to work closely on implementation with our representatives.

We agree to meet again within one year and subsequently on a regular basis, to review progress, to adopt further measures to implement the MoU and to develop further trade and investment.

Sofia, 20 June, 2002