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**REPORT OF THE
MEETING OF THE WORKING GROUP
ON TRANSPORT WITH PARTICIPATION OF EXPERTS ON SHIPBUILDING,
SHIPREPAIRING AND SHIPPING**

Istanbul, 15-16 September 2004

1. The Meeting of the BSEC Working Group (WG) on Transport was held on 15-16 September 2004 at the BSEC Premises in Istanbul.

2. The Meeting was attended by the representatives of the following BSEC Member States:

Republic of Armenia
Republic of Azerbaijan
Georgia
Hellenic Republic
Romania
Russian Federation
Republic of Turkey
Ukraine

3. The BSEC Business Council participated in the Meeting in its capacity as a BSEC Related Body.

4. The Black Sea Association of Shipbuilders and Shiprepairers (BRASS), Black Sea International Shipping Association (BINSA), the Black and Azov Sea Ports Association (BASPA) participated in the Meeting as NGOs having sectoral dialogue partnership with the BSEC.

5. The Meeting was chaired by Mr. Teimuraz JANJALIA, Head of Division of Regional Economic Cooperation, International Economic Relations Department, Ministry of Foreign Affairs of Georgia.

6. The representatives of International Road Federation (IRF), International Trade Exhibition (ITE) and Union of Ro-Ro Shipping and Combined Transportation (RODER) participated in the Meeting as Guests.

The list of participants of the Meeting is attached as Annex I.

7. The draft agenda of the Meeting was discussed and adopted. The agenda, as adopted, is attached as Annex II.

MARITIME TRANSPORT IN THE BSEC REGION, ITS ROLE IN THE PAN EUROPEAN TRANSPORT SYSTEM AND TRADE DEVELOPMENT

8. In accordance with the Plan of Action of the Working Group for 2003-2004, the participants had a general discussion on the development of maritime transport in the BSEC region, and in particular its role in the Pan European transport system and development of trade. Attention was paid to the shipping policies of the Member States, development of ferry, cargo and passenger lines, creation/modernization of centers for the coordination for search and rescue activities on sea.

a) Ferry, cargo and passenger lines in the Black Sea

9. The delegation of Romania informed the delegations of:

- the naval transport policy in the country, providing details regarding the tasks, policy and objectives of the Romanian Naval Authority (RNA);
- the ferry-boat system developed in the Sea Port of Constantza, connecting Europe and Middle East, the Caucasus and Caspian Sea, on routes with a high potential of energy resources and of good circulation, by the National Company for Freight Railway Transport.

10. The delegation of Ukraine informed of the reconstruction of highway on TRACECA route, corridors No. 3,5 and 9 development, and organization of container and contrailer trains as examples of implementation of ECMT Resolution No. 2002/2 on the Combined Transportation.

11. BASPA representative informed of the recent improvements in infrastructure of the ports of the BSEC region and of strengthening the ferry lines in the Black Sea although it was stressed that the complex of problems connected to unequal internal conditions for road carriers in different Member States, inconsistency and imperfection of border-crossing procedures for vehicles, cargos and passengers, especially in sea ports, strongly impeded ferry transportation development.

b) Shipping policies of the BSEC Member States

12. It was emphasized that search and rescue activities, together with the environmental protection, represent key concerns for the development of the maritime and inland waterway transport in the BSEC region.

13. It was stated in the course of the Meeting, that as a predominantly international economic activity, maritime transport is particularly vulnerable to restrictive practices and unilateral protectionist measures. In this connection the WG expressed the view that free and fair competition and freedom of access to internationally transported cargos should be the fundamental principles of shipping policies of the BSEC Member States based on the provisions of the OECD Memorandum of Understanding on Common Shipping Principles or Partnership and Cooperation Agreements with the EU.

c) Shipbuilding and shiprepairing

14. The WG took note of the presentation of the delegation of BRASS on the ‘Memorandum of Recommendations in the Sphere of Development of Shipbuilding, Shiprepairing and Shipping’, redrafted by the NGOs having Sectoral Dialogue Partnership in the BSEC in line with the provisions of the EU LeaderSHIP 2015 Program.

15. Having exchanged views on the subject, the participants discussed the presented Draft document and agreed to submit it to respective national authorities. The Draft Memorandum, as discussed, is attached as Annex III to the present Report.

16. The delegations were of the opinion that further consideration of the issue would be undertaken on a basis of national inputs to be forwarded to the PERMIS by the Member States. To that end, they entrusted the PERMIS to disseminate the ‘Memorandum of Recommendations in the Sphere of Development of Shipbuilding, Shiprepairing and Shipping’ to the Member States and PABSEC as well and facilitate, upon approval of the WG Report by the CMFA, convening of a special expert meeting representing the interested countries separately or in the framework of the WG on Trade and Economic Development.

17. The view was expressed that the international experience of solving the problems of shipbuilding and shiprepairing shall be duly taken into account in the course of preparation of the above mentioned meeting.

REVIEW OF A LEGAL BASE FOR COOPERATION IN MARITIME TRANSPORTATION

18. The delegations underlined expediency of harmonizing the BSEC Member States legislation aimed at removal of impediments to smooth operation of the region’s transport system and its integration in the wider European transport network and call upon the legislative bodies to ratify and enact in national legislation the international instruments deposited with the IMO.

19. The WG welcomed the information provided by Georgia on its accession to international agreements and conventions in the field of transport. It was stated that Georgia is participating in various international agreements and conventions in the sphere of transportation. Georgia joined 18 Transport, 7 Air Transport, 27 Navigation international agreements and conventions, and signed 32 bilateral agreements in the sphere of transportation with the following BSEC Member States: Republic of Armenia, Republic of Azerbaijan, Republic of Bulgaria, Hellenic Republic, Republic of Moldova, Romania, Russian Federation, Republic of Turkey, and Ukraine.

20. The delegation of the Republic of Armenia informed the participants of the recent developments concerning internal procedures for accession to up to ten international conventions in the field of transportation.

21. It was agreed that the WG would continue consideration of a Status Report on the Accession by the BSEC Member States to the major international transportation agreements and conventions, and collection of respective information from the countries.

ANY OTHER BUSINESS

22. The representative of the Ministry of Transport of the Republic of Turkey made a presentation of the Port Hydraulic Center in which he described the objectives of the 3rd World Coastal Engineering Education Program to be conducted jointly by the Turkish and Japanese governments in the nearest future were described, and the importance of research and collaboration with the Japan International Cooperation Agency and the BSEC in this sphere was stressed.

23. The Secretary General of the BSEC Business Council introduced Mr. Tony PEARCE, Acting Director General of International Road Federation, which is an international NGO based in Geneva, Brussels and Washington, D.C. The IRF was founded in 1948 in over 70 countries with over 300 members from governments, contractors, consultants and others associated with road infrastructure. The WG was informed that IRF runs international road programs to improve the infrastructure, and environment and safety of roads. For example, the Silk Road Program founded in 1997, focuses on missing links through Central Asia. Another program that works in many BSEC Member States is IRF SouthEast Europe Program which seeks to develop the links within the Balkans. IRF believes that there is a need for a Black Sea Ring Program to complete the road infrastructure around the Black Sea, and to help goods get to ports. This is necessary because with EU enlargement, the economies of the Black Sea countries will develop rapidly. Mr. PEARCE offered to make a full presentation at the next Meeting of the WG.

24. The WG took note of the information presented by BASPA on the Third International Conference “The Black Sea Area Transport Network Formation” and Exhibition “InterTransPort 2004” held in Odessa on 7-9 June 2004 with PERMIS support and welcomed preparation of the follow-up event in 2005 under the BSEC auspices.

25. The WG took note also of the presentation by ITE Group PLC, recognized as the leading organizer of exhibitions and conferences in emerging markets and involved in organizing over 200 events per year in such sectors as transport, oil and gas, telecommunications etc. Transport 2004 Exhibition took place on 13-15 May 2004 in Istanbul alongside the conference and was hosting more than 50 companies from Turkey, the Russian Federation, Ukraine, Belarus, the Netherlands, England, Kazakhstan, Georgia, Germany, Azerbaijan, Romania, Bulgaria and Iran.

DATE AND VENUE OF THE NEXT MEETING

26. Date and venue of the next Meeting will be communicated to the Member States through established channels.

ADOPTION OF THE REPORT OF THE MEETING

27. The Working Group adopted the present report for submission to the Meeting of Committee of Senior Officials (20-21 September 2004) and the Eleventh Meeting of the Council of Ministers of Foreign Affairs to be held in Tbilisi on 29 October 2004.
