



BS/TED/WG/R(2000)1

**REPORT OF THE
MEETING OF THE WORKING GROUP ON
TRADE AND ECONOMIC DEVELOPMENT**

Thessaloniki, 7-8 December 2000

1. The Meeting of the Working Group on Trade and Economic Development was held in Thessaloniki, Greece on 7-8 December 2000. It was jointly organized by the Organization of the Black Sea Economic Cooperation (BSEC) and the Black Sea Trade and Development Bank (BSTDB).

2. The opening address was made by Mrs. Daniela BOBEVA, Vice-President of the BSTDB.

3. The Meeting was co-chaired by Mr. Sergei GONCHARENKO, Head of Division, Department of Economic Cooperation of the Ministry of Foreign Affairs of the Russian Federation, and Mrs. Daniela BOBEVA.

4. The Meeting was attended by the following Member States :

Republic of Albania
Republic of Bulgaria
Georgia
Hellenic Republic
Romania
Russian Federation
Republic of Turkey

5. The Meeting was also attended by Dr. Costas MASMANNIDIS, Secretary General of the BSEC Business Council (BSEC BC) and Ambassador Evgeny KUTOVOY, Alternate Director General of the International Center for Black Sea Studies (ICBSS) as the BSEC-Related Bodies.

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

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

EVALUATION REPORT OF THE PREVIOUS INITIATIVES OF THE WG AND SETTING PRIORITIES FOR FUTURE ACTIVITIES

7. The Delegations assessed the main activities of the BSEC WG on Trade and Economic Development with a view to improving its efficiency and making it more useful to the Member States.

8. On the basis of the Evaluation Report prepared by the BSEC PERMIS, the participants exchanged their views along the following points:

- major initiatives, success and failures (lessons learned);
- setting the priorities for future activities;
- enhancing the cooperation with the BSTDB and other BSEC-Related Bodies for promoting regional trade projects.

9. The Delegations highlighted the importance of the efforts towards the gradual establishment of a BSEC Free Trade Area which should remain as a long-term objective. During the discussions, the prevailing view was that further measures towards the liberalization of trade in the BSEC region could constitute a stage on the way towards this objective.

10. The WG emphasized the need of seeking out the expertise and technical assistance of the EU, WTO, IFIs, UNCTAD, OECD and UN specialized agencies.

11. It was underlined that the Plan of Action elaborated at the previous two meetings of the WG contains a number of realistic proposals which have to be further developed in accordance with the existing realities.

12. The Republic of Turkey volunteers to develop a set of actions for the liberalization of trade within the region. For this purpose, Turkey needs information from each Member State on its tariffs and other measures as well as their specific needs by the end of February 2001. The Turkish Delegation presented a List of Tariffs and other measures, related to foreign trade which are applied in Turkey to be taken as an example of the information that is required (attached as Annex IV).

ROUND TABLE DISCUSSION ON RECENT TRADE PROMOTION POLICIES OF THE MEMBER STATES

13. Under this agenda item, the Delegations discussed the problems adversely affecting the cross-country trade with a focus on the non-tariff barriers and border crossing procedures.

The participants defined this issue as a crucial one for the next period of the activities of the Working Group. It was recommended to take into consideration the relevant projects of the SECI to all the BSEC countries.

14. While discussing the cross-border trade facilitation matters and border-crossing procedures, it was proposed to use the experience that already exists in the Barents-Euro/Arctic Council (BEAC) on logistic chains and transportation of goods.

It was also suggested to arrange a conference with participation of representatives of business communities from the BSEC Member States and experts from BEAC Countries. The date of the Conference will be announced at a later stage.

15. It was recommended that the process of accession to the WTO for those BSEC Member States who have not done so far, should be taken to completion. The countries which are already members of the WTO could assist the process of accession by sharing experience and giving support to the countries which are negotiating their membership in the WTO.

ESTABLISHMENT OF EXPORT PROMOTION CENTERS AND EXPORT CREDIT AGENCIES IN THE BSEC MEMBER STATES

16. While considering the various aspects of the BSTDB presentation on establishing export promotion centers and export credit agencies in the BSEC Member States, the participants exchanged information about the current policies and practices in their respective countries for establishing and functioning of National Export Promotion/Credit Institutions.

17. The Delegation of the Republic of Turkey informed the WG on the Balkan Regional Center for Trade Promotion located in Ankara. It was proposed to the other BSEC Member States to benefit from the services of that Center.

18. Countries where ETC and ECA exist have offered to provide information and technical assistance to the Member States where such institutions are in the process of being established. In addition, the Turkish Delegation offered to provide on-the-job training.

The interested countries are expected to submit specific requests for assistance to the BSEC PERMIS. All the BSEC-related bodies are invited to provide assistance in the most effective way.

19. All delegations agreed that Export Promotion Centers should focus on providing assistance to SMEs.

20. The WG agreed to hold other seminars and workshops on trade promotion activities as necessary, with the support of the BSTDB and the BSEC-related bodies.

It was decided to further develop the exchange of information on national standards.

21. It was proposed to develop an Internet BSEC portal that should:

- a) provide country information, for example: trade statistics, trade policies, legislation, investment incentives, etc;

- b) provide links to websites of country institutions and organizations, as well as to international sites;
 - c) act as a networking and matchmaking tool – exchange of information and business opportunities. Such a system has already been established by the BSEC Business Council [website: www.bsbin.com] and it can be easily incorporated in the portal;
 - d) act as an internal communication tool (as an intranet) to facilitate the functioning of the BSEC WGs and the related bodies;
 - e) act as a depository of knowledge accumulated by the various BSEC-related bodies;
 - f) act as a showcase of BSEC, its countries, organizations and companies to the outside world;
 - g) be eventually extended to allow for business transactions on line (e-commerce, e-business).
22. To create this portal, all Information Technology and Business Communications resources of BSEC should cooperate. A partnership with a consulting firm experienced in creating (and financing) such portals could be sought out (example: Euroconsultants-Thessaloniki).

TRADE FINANCE PROGRAMS OF THE BSTDB

23. The WG took note of the BSTDB programs for trade facilitation and expressed the view that the Bank should promote them in a user- friendly format.
24. The participants agreed to forward to the BSTDB the list of their major exporting companies, as potential beneficiaries of the Bank's Trade Financing Projects.

ANY OTHER BUSINESS

25. No topics were raised by the delegations under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

26. The venue and the exact date of the next WG meeting will be communicated to the Member States in due course through the PERMIS.

EXPRESSION OF THANKS

27. The delegations expressed their thanks and appreciation to the BSTDB for the warm hospitality extended to them and for the excellent arrangements made for the Meeting.

ADOPTION OF THE REPORT

28. The WG adopted the present report for the submission to the Committee of Senior Officials and the Fourth Meeting of Council of Ministers of Foreign Affairs.
