



Conclusions from regional round tables

WB6 CIF has organized a series of online round tables from June 22nd – June 30th 2020, focusing on the different building blocks and policy areas relevant to regional economic integration, in order to discuss the views of the WB6 business community on the priority issues for achieving enhanced regional economic cooperation and integration, summarizing the needs and proposals of the regional business community that should be reflected in the REA Roadmap 2021-2024.

More than 70 companies from WB6 region has been selected to share their knowledge and experience in front of the decision makers and colleagues and they actively participated in these events.

Companies were advised to state concrete needs and propose solutions for improving regional cooperation in the following fields:

- Tourism industry in WB6
- Facilitation in trade of goods in WB6 and industrial development (including circular economy)
- WB6 Digital Agenda
- Automotive industry
- Financial markets development in WB6
- Investment policy in WB6

Tourism industry in WB6 Roundtable, Monday, June 22nd 2020

Coordinating Chamber: Chamber of Economy of Montenegro

In order to support business community in overcoming serious problems caused by the virus outbreak WB6 CIF will, by September, prepare the Study: *“Prospects for Travelling and Tourism Sector in the Western Balkans in 2020 (impact of the coronavirus epidemic)”* that will include recommendations for companies (in the sector of travelling and tourism) how to overcome existing obstacles and how to adapt to the standards of the successful companies worldwide and recommendations for REA (Regional Economic Area) governance structures/proposals of additional measures to be taken.

Proposals for overcoming current needs /problems:

- Joint regional program should be created to secure the retention of employees from the tourism and catering sectors in the workplace in accordance with their qualifications;
- Aggressive promotion of the region as a unique tourist destination should be organized jointly, and joint tours to tourists from third markets in all WB6 countries should be organized, contributing to increase of the total inflow of foreign tourists in the WB6 region
- These activities should also be directed towards the local inhabitant within WB6 region, leading an increase of the number of tourists from the countries in the region among themselves;
- Harmonization of the administrative procedure in all countries to the region by one methodology should be underdone, in order to facilitate the transit and transport of passengers from one country to another within the region of the Western Balkans;
- The visa regime and requirements for tourists from third countries should be harmonized and liberalized in all WB6 countries (possible solution for overcoming visa issues – allowing tourist that obtain a visa for one country to be able to visit other countries for a limited period of days on a special tourist visa with no or little bureaucracy involved in securing this.



Facilitation in trade of goods in WB6 and industrial development (including circular economy) Roundtable, Tuesday, June 23rd 2020

Coordinating chamber: Kosovo Chamber of Commerce

Proposals for overcoming current needs /problems:

- To encourage the national border agencies on further implementation of modern techniques such as risk profiling and pre-arrival data control.
- Further enhancement of physical infrastructure at border crossing border points (more lines for moving across the border, the green channel for perishables, etc.)
- Electronic exchange of phytosanitary and veterinary certificates, similar like customs authorities are exchanging customs documents. Systematic Electronic Exchange of Data (SEED) system is enabling systematic and automatic electronic exchange of data from Customs Documents (Transit, Export and Import Customs Declarations, TIR and ATA carnets, Simplified Procedure accompanied document – Invoice, as well as, records about border crossings of empty trucks) amongst Customs Administrations. This should be provided for Phytosanitary and Veterinary certificates as well.
- To encourage the national border agencies on further implementation of provisions of Additional Protocols V and VI of CEFTA.
- Scaling up model of Academy for Circular Economy over the region.

WB6 Digital Agenda Roundtable, Wednesday, June 24th 2020

Coordinating Chamber: Union of Chambers of Commerce and Industry of Albania

Proposals for overcoming current needs /problems:

1. Harmonizing the legislative framework

- Harmonization in standards and rules: countries in region have different policies so it is necessary to standardize the regulatory frames. It should be addressed by the proper authorities from different countries, via common events, meetings, webinars, sharing experiences, always based on the European trends.
- Upgrading the existing legislative framework to foster further development, using the successful model from EU regulatory frameworks

2. Harmonizing the procedures

- Harmonizing/unifying the standards, the businesses procedures and regulations, concerning digital agenda
- Public Institutions and Private Companies should work together to standardize professional services needed in different countries. First, this will help each country internally, will increase chances for cooperation between countries, and more importantly, will prepare our countries when time comes to provide those services to the other part of Europe.
- Different taxation and regulation in different countries, make it difficult to calculate the payment for experts.



- GDPR – it was recommended a regional approach on how to implement in a standardized way GDPR, following the EU Model, trying to address all the cross-borders aspects related to data exchange and document exchange in cross-border services.
- Also, related to e-Commerce, Customs and Transportation procedures and regulations have to be aligned between Western Balkan countries.
- It was also suggested to build standardized references for different seniority levels of different specialized profiles, in order to reduce as much as possible the problematic differences in wage levels for the same level of skills. This is important also for the next phase when start selling services to the other part of Europe.

3. 5G approach

- It is necessary to align the standards and policies on how 5G will be applied in regional countries
- Suggestions from the regional countries that have implemented the 5G approach should be considered.
- Pilot projects on some sectors where 5G can be introduced.

4. Education System in Western Balkan countries

- Changes in formal education system – children under sixteen should be familiar with the basics of IT literacy, basics of coding, creative thinking and so on.
- Certification at the end of a learning system is suggested – this way they will be forced to learn
- Training, requalification and certification of the world most accepted and known IT professions

5. Lack of digital skills

- Retention of well-skilled employees from pressure of European job market
- Either by fiscal measures which benefit directly the employees or by accepting salaries higher in the digital sector, Governments should protect the country from ICT-brain drainage

6. Data Interoperability

- Data / Information for Digital Transformation status on Western Balkan is not accurate and the Standards are not implemented on each statistical institution, so it is difficult to know type of activities and type of investment to perform in each country
- Creating single points of contact/information for the whole region (e.g. common knowledge sharing platform, with all the data, statistics, research for all the WB6 countries).
- Cloud – based platforms were suggested as an alternative to host secure and reliable data so business can use them for their internal processes or for researches.

7. Lack of Research and Innovation initiatives

- Specialization of companies is important because companies tend to do all kinds of work
- SMEs digitalization can be fostered through the alliances of business and through public-private partnership and dialog
- Good example - EBRD offers consultancy funds for companies on how they can reach export markets, improving efficiency, implementing MIS systems, digitalization or improving some of their systems in



general and it also offers potential cooperation with companies in Germany, Netherlands, USA, because they outsource the R&D Centers

- It was suggested to start with a piloting project for interoperability between the selected institutions from different WB countries, without waiting to fix all the intricacies of such cooperation.

Automotive industry in WB6 Roundtable, Thursday, June 25th 2020

Coordinating Chamber: Economic Chamber of Macedonia

Proposals for overcoming current needs /problems:

- A regional structured aftercare program should be created, providing a one-stop-shop support for all companies in the region, where the companies' needs will be addressed and resolved by the relevant professionally staffed and competent institutions;
- Activities should be coordinated for Investment attraction in Wb6, for near-shoring and shortening of supply chains (potential moves from China to WB6);
- The import tariffs for raw materials and components needed in the production processes in automotive industry from third countries should be harmonized with the level of the tariffs in EU;
- The SAAs between EU and WB6 countries should be reviewed and updated, allowing free trade and 0% incoming customs duties into the EU for final products from the automotive industry coming from WB6 countries, by integrating the market in the EU free market, and abolishing the requirement for providing EUR1 certificates for these products;
- Joint regional university programs should be created, or branches of EU universities should be established in the region, focusing on preparing students in the sector of high-tech production and technologies for whole WB6 region;
- Companies should get subsidies and support from the governments for organizing training and education for their employees in line with EU State Aid rules (and partially with EU funds), providing systematic support for the companies;
- Introduction of dual education systems should be supported throughout all WB6 countries;
- Joint Regional Automotive Cluster should be established;
- A joint regional data based should be created, providing on-time and quality information on FDI companies in the automotive industry present in the region and companies involved in supply chains of international corporations, as well as information on potential local suppliers of raw materials and components from the region. Additionally, regional manufacturing events, B2B business forums and fairs for companies in the automotive industry should be organized;
- Setting up of a joint regional hub should be supported, providing supply for electronic components for all companies operating in WB6 region (securing the stability of supply and shortening the delivery dates);
- Governments should commit to better regulatory predictability, providing a form of a regulatory timetable, allowing them to make changes in the legislation relevant for the business environment in the region (for example tax legislation or minimum wage regulation) in the way that all changes should be enacted by the end of June the latest, and that legislation should enter into force and start implementation in the beginning of the next year (to provide the necessary level of regulatory stability and planning for companies that are part of international corporations);
- Conformity assessments, certificates and other accompanying documents should be mutually recognized within the region;
- Professional qualifications should be mutually recognized within the region and greater mobility of workers within WB6 should be facilitated;
- The priorities of the so-called Mini-Schengen initiative should be uphold;
- All countries should be included in the Single European Payment Area, to facilitate cross-border payments and ease intra-regional linking of companies;



- Business representatives should be fully included in all activities related to policy advocacy and accession negotiations along with government representatives.

Financial Markets Development Roundtable, Monday, June 29th 2020

Coordinating chamber: Chamber of Commerce and Industry of Serbia

Proposals for overcoming current needs /problems:

1. Harmonizing/upgrading the legislative framework:

- Changing the existing legislation that prevents free movement of capital in certain economic areas, impacting the whole region. Examples are the Foreign Exchange Law in Serbia (it is one of the obstacles to a single payment system; its ex ante, rather than ex post, principle makes business significantly more difficult) or legislation preventing the operation of Non Banking (non deposit taking) Financial Institutions (NBFIs), or fintech in a broader sense;
- Enacting legislation that is missing in certain economic areas (e.g. Capital Market Law in Kosovo); The development of the harmonized regional market is a two-stage process: First it is necessary to accomplish a legal framework at the level of individual economic area, and only after that can harmonization at the regional level begin.
- Upgrading the existing legislative framework to foster further development, using the successful models from one economic area and replicating them to the others (e.g. Law on Alternative Investment Funds Serbia, or Amendments to the Company Law Serbia to allow share options for employees);
- Reviewing and harmonizing the exiting insolvency legislation (mentioned by one participant, though);

2. Harmonizing the “technical” level regulation:

- Harmonizing/unifying the local technical regulation treating financial institutions’ clients, account openings, etc. (e.g. KYC, AML, biometrics, payment, risk managing, other standards) so that the clients of regional financial institutions could operate more easily, with less administrative burden, across the region; In addition to harmonization of legal framework it is necessary to enable the recognition of procedures already performed within another economic area. (For instance, if KYC procedures have already been performed for the client in XYZ bank in Albania, the same client should not have to go through the same procedure in XYZ bank in Montenegro).
- Harmonizing the technical level regulation with the matching EU standards in financial sector (ECB, EBA), so that the financial institutions operating in different regions avoid being forces to report in double or multiple different formats;
- Conducting new, or consulting existing comprehensive gap analysis, that would map exact technical bottlenecks and provide concrete recommendations could be a starting point.

3. Harmonizing institutional framework:

- More coordination and integration in licensing, monitoring and assisting the businesses through “umbrella” regional approach (use the Scandinavian example). Proposals include: single stop shop for payment institutions (registered in one country, to operate in all other 5 – liberalization), or EU SOLVEIT concept;
- Upgrading the existing institutional framework that is fostering further development, using the successful models from one economic area, replicating them to the others (e.g. NBFIs in North Macedonia under the authorities of the Ministry of Finance, not the Central bank);



4. Harmonizing the approach towards the EU regulatory framework:

- Coordinating the convergence of regulatory and institutional framework towards the EU (e.g. PSD2, MiFID, open banking concepts, etc.), enabling application of modern concepts and features even before they become mandatory as areas join the EU;
- Liberalizing the access to lending and payment systems for the financial institutions other than traditional banking, in line with the modern EU/Global standards;

5. Supporting the cooperation, best practices exchange and knowledge sharing throughout the region:

- Creating the single points of contact/information for the whole region (e.g. common knowledge sharing platform, with all the data, statistics, research for all the WB6 countries, or something like EU SOLVIT concept);

Investment policy in WB6 Roundtable, Tuesday, June 30th 2020

Coordinating chamber: Foreign Trade Chamber of Bosnia and Herzegovina

Proposals for overcoming current needs /problems:

- Improve the perception of the WB6 region and the economies of its members,
- Improve political stability and transparency,
- Improve the education system
- Stop the outflow of labor
- Improve infrastructure (transport, electrical, IT)
- Promote regional value chains for target sectors
- Organize a regional stock exchange
- Work to improve the knowledge and skills of the workforce
- Improve Aftercare activities of regional IPAs which need to be in daily contact with companies
- More aggressive promotion of the WB6 region
- Work on standardization
- Emphasize the rule of law
- Some of participants initiate organizing of association of employers of WB6 region and also propose that all business associations should initiate talks with the European Commission on parts of the Zagreb Declaration, specifically Article 11.