



COMMON REGIONAL MARKET

A CATALYST FOR REGIONAL ECONOMIC
INTEGRATION AND A STEPPING STONE
TOWARDS EU SINGLE MARKET

**HOW WILL YOUR COMPANY
BENEFIT FROM THIS PROCESS?**







The countries from the Western Balkans (WB) region have been intensively working together on creating new opportunities for development, jobs and growth, whilst maximizing the benefits from their joint path to the EU membership.

The **Action plan for the Common Regional Market 2021-2024**, which was endorsed by the leaders of the **Western Balkans Six (WB6)** - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia, at the Berlin Process Summit held on 10 November, 2020 in Sofia, is a continuation of the efforts of furthering economic cooperation in the WB6.

The Common Regional Market aims to increase the attractiveness and competitiveness of the region and to bring the region closer to the EU markets.

The process **does not include creation of new institutions or political entities**, but rather entails coordinated approach of WB6 governments towards creation of an area based on the EU rules and standards, providing **free movement of people, goods, services and capital** throughout the region, and **joint approach in the areas of digitalization, investment, innovation and industry**.

The Common Regional Market is a step in the direction towards **full membership of WB6 countries in the EU**. Therefore, the steps towards the establishment of the Common Regional Market will proceed in parallel with an accelerated integration and "phasing-in" to the EU's Single Market.

” —————
The future of the whole region lies in the EU. We share the same history, we share the same destiny. The Western Balkans are part of Europe...

State of the Union Address by President von der Leyen, September 2020

————— “

WHAT IS THE GOAL OF COMMON REGIONAL MARKET?

- ▶ Strengthened competitiveness of WB companies in the European and global markets
- ▶ Integrated market of 18 million people
- ▶ Better integration of WB economy in the European value chains
- ▶ Potential for additional GDP growth of 6.7%
- ▶ Spotlight on WB for foreign investors seeking to reduce distance to EU markets and diversifying their suppliers
- ▶ Swifter recovery for the WB economies from the COVID-19 Pandemic





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The Common Regional Market agenda represents a vision of prosperity for our citizens as they seek to enjoy the same freedoms as their counterparts in the European Union.

Western Balkans leaders Declaration on Common Regional Market

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BACKGROUND OF THE PROCESS

The Common Regional Market builds up on the achievements of the **Multi-annual Action Plan for a Regional Economic Area** in the WB6, which was endorsed at the Trieste Summit held on 12 July 2017 within the Berlin Process. This document put forward a structured agenda for regional economic integration, including promotion of further trade integration, introducing a dynamic regional investment space, facilitating regional mobility, and creating a digital integration agenda.

▶ **The Berlin Process** is a diplomatic initiative, launched in 2014 by the German Chancellor Angela Merkel, aimed at stepping up the regional cooperation in the WB and aiding the integration of these countries into the European Union. The Process is taking place with support of the European Commission, international financial institutions and the Member States involved in the Process – Austria, Croatia, France, Germany, Italy, Slovenia and the United Kingdom.

ACHIEVEMENTS OF REGIONAL ECONOMIC AREA 2017-2020

TRADE



- ▶ Framework for liberalization of Trade in Services;
- ▶ Decision establishing the validation procedure for the mutual recognition of Authorised Economic Operators' Programmes;
- ▶ Decision on Facilitating Trade for Fruit and Vegetables;
- ▶ Full cumulation and duty drawback in force.

INVESTMENT



FDI increased by 35% since 2016;
Regional Investment Reform Agenda finalised and endorsed.

MOBILITY



Declaration on Recognition of Higher Education Qualifications in the WB economies endorsed.

DIGITAL



- ▶ 86-96% lower roaming charges in WB;
- ▶ WB Digital Summit organized.

HOW CAN YOUR COMPANY BENEFIT FROM THE COMMON REGIONAL MARKET?



By July 2021:

- ▶ Green lines extended to EU
- ▶ Free roaming in the whole region
- ▶ Agreement on ID Travel

Full recognition of export related documents, professional qualifications and licenses throughout WB

Reducing waiting times at crossing points up to 70% through one-stop-shops, 24/7 available services, Green Lanes and Green Corridors within WB and with the EU

Reduced costs in regional payments; enabling regionale-commerce market

Abolition of the requirements for work permits for intercompany transfers and service providers

FDIs in promising sustainable regional value chains

Roaming-free region and reduced roaming charges between WB and EU

Regional start-up and early stage innovation support scheme, blending public and private sector financing

Mutual recognition of electronic signatures as well as other forms of eIDs and trust services based on the relevant EU acquis

Coverage of the key industrial cities with 5G in each WB6 economy

WHO IS IN CHARGE OF THE PROCESS?

The implementation of the Common Regional Market 2021-2024 Action Plan remains within the realm of responsibility of **public institutions in each WB economy**, in particular ministries and institutions leading the implementation effort at the economy level. **RCC and CEFTA Secretariats** will be the leading regional organizations to facilitate the implementation of this Action Plan. RCC Secretariat is in charge of the overall coordination and monitoring of the Action Plan, whereas CEFTA Secretariat is in charge of implementation of trade-related actions.

WHO WILL COORDINATE THE PROCESS?



RCC will support implementation of actions which seek to increase the attractiveness of the region for **foreign investors**, integrate the WB into the pan-European **digital area**, upgrade the industrial base and **innovation infrastructure** and advance towards **freemovement of people and capital**.



CEFTA Secretariat will support carrying out the actions which seek to implement **CEFTA 2006** and extend commitments and benefits to the EU and other trading partners.



WB6 CIF has been actively supporting the process through providing inputs from the businesses in the planning phase and through monitoring results and providing feedback from the business community, highlighting the priorities from their perspective during implementation.

The EU will continue to support the process, including the implementation of the **Economic and Investment Plan for the WB**, which aims to spur the long-term economic recovery of the region, support a green and digital transition, foster regional integration and convergence with the European Union.



▶ The **Economic and Investment Plan** sets out a substantial investment package mobilising up to **€9 billion of funding for the region**. It will support sustainable **connectivity, human capital, competitiveness and inclusive growth**, and the **twin green and digital transition**.

In addition to the EU's significant grant funding to the region, the EU can provide guarantees to help reduce the cost of financing for both public and private investments and to reduce the risk for investors. Support through the new Western Balkans Guarantee facility, under the EU External Action Guarantee and the European Fund for Sustainable Development Plus, is expected to mobilise potentially investments of up to €20 billion in the next decade.



BASHKIMI I DHOMAVE TE TREGTISE DHE INDUSTRIE SE SHQIPERISE
UNION OF CHAMBERS OF COMMERCE & INDUSTRY OF ALBANIA



ODA EKONOMIKE KOSOVA CHAMBER
OF COMMERCE



CHAMBER OF
ECONOMY OF
MONTENEGRO



VANJSKOTRGOVINSKA KOMORA BOSNE I HERCEGOVINE
СТОПАНСКО-ТРГОВИНСКА КОМПАРА БОСНЕ И ХЕРЦЕГОВИНЕ
FOREIGN TRADE CHAMBER OF BOSNIA AND HERZEGOVINA



CHAMBER OF
COMMERCE AND
INDUSTRY OF SERBIA

HOW WILL THE PRIVATE SECTOR BE INVOLVED IN THIS PROCESS?

Western Balkans 6 Chamber Investment Forum (WB6 CIF) is a joint initiative of chambers of commerce and industry from Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia, established in 2017 during the Trieste Summit, to provide a joint voice to the business community in the region and to facilitate inter-business contacts and promote the region as one investment destination. WB6 CIF, representing **more than 350,000 companies**, has been actively involved in the planning and implementation of the Action Plan through providing inputs, priorities and feedback from the business community.

The **WB6 CIF Business Council**, as an advisory body to the Managing Board of the WB6 CIF composed of the owners or C-level management of the 16 leading companies operating in WB, based on measurable criteria, will monitor progress in implementing the Action Plan, and will regularly inform the governments of the WB, as well as all the stakeholders in the process, about the situation on the ground, giving, based on the experience of daily work and detailed analysis, concrete proposals and suggestions for measures to eliminate barriers, reducing costs and easing the conditions for doing business within the region and towards EU. It will bring a more flexible, non-bureaucratic approach to solving the problems facing the economy on a daily basis and a new impetus in the dialogue of the business community in the region with the governments of the WB and the institutions in Brussels.

GET INVOLVED IN THE PROCESS

- ▶ Contact the WB6 CIF and the national chamber of commerce members of WB6 CIF, on the obstacles faced in regional cooperation;
- ▶ Give your proposals for eliminating barriers in regional cooperation;
- ▶ Follow our activities for monitoring and documenting the tangible progress as felt by the business community of the region;

WB6 CIF activities in the process:

- ▶ Individual, tailor-made support to look for business and funding opportunities across borders for companies from the region
- ▶ On-line toolbox with the information on market access in the region
- ▶ Market intelligence data base supporting SME internationalization
- ▶ B2B events and investment conferences
- ▶ Conduct mapping of suppliers and coordinate the regional supplier development programme, with specific focus on automotive, agro-food industry and circular/green economy;



I Regional Trade Area

THE ACTION PLAN FOR COMMON REGIONAL MARKET (2021-2024): FOCUS AREAS AND REGIONAL ACTIONS

- ▶ Maintain **Green Lanes** and extend them to Border Crossing Points (BCPs) with the EU;
- ▶ Introduce **one-stop-shops** at selected BCPs/Common Crossing Points (CCPs) and simplified formalities – **reduced border waiting time to 70 %**;
- ▶ Make **services** at selected BCP/CCPs **24/7 available**;
- ▶ Harmonize **working time of agencies** involved in clearance of goods;
- ▶ Improve lane system for better management at **peak traffic times**;
- ▶ **Accelerate flow** of certain **essential products** (e.g. fresh agricultural products);
- ▶ Eliminate **non-tariff barriers**;
- ▶ Establish efficient and effective **dispute settlement mechanism**;
- ▶ Upgrade **databases on trade measures** of the CEFTA Parties and control **state aid and competition**;
- ▶ Establish regional cooperation regarding **environmental issues related to trade** (e.g. CO2 measurement), **consumer protection and market surveillance, public procurement**;
- ▶ Improve exchange of information concerning **fees and charges for businesses, average release times, trade opportunities for SMEs**.

FREE MOVEMENT OF GOODS

Mutual Recognition Programmes (MRPs) for industrial and agricultural products

Mutual customs risk management strategies and actions supported by new ICT solutions

Risk management and systematic data exchange extended to the entire clearance procedure

Electronic exchange of data

FREE MOVEMENT OF SERVICES

Tourism, finance, parcel delivery and electronic commerce

Professional qualifications recognized based on EU general system of recognition

Services trade liberalisation package

FREE MOVEMENT OF PEOPLE

Free movement in the WB region on the basis of IDs

Free movement of Third Party Citizens without visas

Work permits not needed for intracompany transfers and service suppliers

FREE MOVEMENT OF CAPITAL

Domestic instant payments linked regionally

Cost-efficient payments within the region and with the EU – a step towards the Single Euro Payment Area (SEPA)
Regional cooperation in the area of banking and non-banking finance, agriculture financing, invoice financing, green financing



II Regional Investment Area

- ▶ Establish cooperation between national investment promotion agencies and a coordinated **regional promotion approach** for attracting investments in priority target sectors/value chains;
- ▶ Enable quick **resolution of FDI disputes**;
- ▶ Implement regional investment policy reforms and provide **transparency of investment incentives**.



III Regional Digital Area

- ▶ Provide **fixed broadband Internet access** for at least **95% of households** in each economy;
- ▶ Develop a **regional 5G roadmap**: coverage of main industrial cities and at least one major corridor in the region by the end of 2023 and 2025 respectively;
- ▶ Remove **roaming charges** within WB and reduce roaming charges between WB and EU;
- ▶ Identify **WB digital skills** needs for target groups (e.g. start-ups/youth, adults) and provide appropriate **training**;
- ▶ Promote **digital economy**: regional interoperability of toll services, network of smart cities, promotion of AI, participation of WB in high-performance computing (HPC) projects, regional cooperation in developing e-government.



IV Regional Industrial and Innovation Area

- ▶ Integrate the region in the **European Research Area** (WB Innovation and Research Platform);
- ▶ Support establishment of **accelerators and incubators** (WB Network of Digital Innovation Hubs);
- ▶ Encourage **knowledge transfer from diaspora experts**;
- ▶ Support **start-ups/MSMEs** focused on **green economy, sustainable food systems, clean energy production and manufacturing**;
- ▶ Connect **domestic suppliers** with **multinational companies** across WB;
- ▶ Provide a **database** for market intelligence and important information for **SMEs internationalization** (upgrade existing WBMEs online platform www.wb6cif.eu);
- ▶ Evolve the **competitive advantages** of the **regional automotive industry**;
- ▶ Develop a framework for implementation of **projects targeting green and circular economy**;
- ▶ Launch a regional "Farm to Fork" roadmap and promote **sustainable food production and consumption**;
- ▶ Raise the awareness in the region on the **EU food quality standards**;
- ▶ Upgrade the **financial support** for the **creative industries**;
- ▶ Increase **competitiveness** of **metal processing industry** by modernizing the education curricula and stimulating energy efficiency;
- ▶ Promote **regional sustainable tourism**.

If you want to get more information or get involved in the process, contact us:



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