



BS/TED/WG/R(2007)1

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

Istanbul, 30 May 2007

1. The Meeting of the BSEC Working Group on Trade and Economic Development was held in Istanbul, at the BSEC Headquarters, on 30 May 2007.
2. The Meeting was chaired by Mr. Şevket ILGAÇ, Acting Director General, General Directorate of Agreements, Undersecretariat for Foreign Trade of the Republic of Turkey. Mr. ILGAÇ delivered an opening statement. The text of the Statement is attached as Annex I.
3. The Meeting was attended by the representatives of the following BSEC Member States:
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
 - Ukraine
4. The representative of the Republic of Poland participated at the Meeting in the capacity of BSEC Observer.
5. The representatives of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) and the BSEC Business Council also participated in the Meeting.
6. The representatives of the European Commission and the UNDP took part in the Meeting as Guests.

7. Ambassador Altai EFENDIEV, Deputy Secretary General of BSEC PERMIS, welcomed the participants of the Meeting and stressed the importance of the Working Group on Trade and Economic Development. He pointed out the new developments in the BSEC, particularly the new regional projects launched at the last Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States held in Belgrade on 19 April 2007. He also invited the participants to actively take part in the discussion on the items of the Agenda and elaborate concrete proposals for trade promotion in the BSEC region.

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

8. The draft agenda of the Meeting was discussed, amended and adopted. The agenda, as adopted, is attached as Annex III.

CONSIDERATION OF POSSIBILITY TO CREATE A FREE TRADE AREA OR A PREFERENTIAL TRADE REGIME IN THE BSEC REGION

9. The participants discussed the possibility to establish a free trade area in the BSEC region in line with the “Declaration of Intent for the Establishment of a BSEC Free Trade Area” adopted at the Meeting of the Ministers of Foreign Affairs and Economic Affairs held in Istanbul on 7 February 1997.

10. In tackling this issue, the delegations stressed that it should be taken into account the commitments of three BSEC Member States as members of the European Union and one BSEC Member State having currently a customs union agreement with EU, as well as bilateral and multilateral free trade agreements concluded between some BSEC Member States.

CONSIDERATION OF ESTABLISHING AN APPROPRIATE MECHANISM FOR REDUCTION AND POSSIBLE ELIMINATION OF NON-TARIFF BARRIERS ON TRADE IN THE BSEC REGION

11. The participants considered the ways and means of reduction and possible elimination of non-tariff barriers on trade in the BSEC region.

12. The delegation of the Republic of Turkey presented its views regarding the establishment of an appropriate mechanism for reduction and possible elimination of non-tariff barriers on trade in the BSEC region. The text of the Turkish proposal is attached as Annex IV.

13. The participants took note of the proposal of Turkey to establish an Internet portal which will comprise the major trade related procedures in the BSEC countries as well as other relevant information concerning non-tariff barriers in the BSEC region.

14. The representative of the BSEC Business Council made a presentation on non-tariff barriers in the BSEC region, including concrete proposals for this Working Group. The presentation is attached as Annex V.

Furthermore, the participants agreed that the BSEC Business Council and a representative from Turkey will meet shortly in order to combine their proposals into a comprehensive project for the Working Group.

The BSEC Business Council expressed the willingness to host, on a temporary basis, the website on non-tariff barriers.

CONSIDERATION OF THE PROJECT DOCUMENT “BLACK SEA ECONOMIC COOPERATION BURSA TRADE CENTRE”

15. The representative of the Turkish delegation introduced a project document “Black Sea Economic Cooperation Trade Centre” aimed at developing and facilitating trade between countries of BSEC.

16. Considering the Turkish proposal and expressing a positive approach thereof, the delegations proposed to the Turkish side to make relevant modifications to the text of the project document, namely the relations between the proposed BSEC Trade Centre and the BSEC Business Council, financial and other aspects.

EVALUATION REPORT OF THE UNDP’S ACTIVITIES CARRIED OUT UNDER THE “BLACK SEA TRADE AND INVESTMENT PROGRAM” WHICH IS JOINTLY FINANCED BY THE GOVERNMENT OF GREECE, GOVERNMENT OF TURKEY AND UNDP

17. The representative of the UNDP made a presentation and introduced the project “Black Sea Trade and Investment Program” aimed at promoting trade and investment in the Black Sea Region.

18. The participants took note of the information presented by the UNDP representative and expressed their hope that the implementation of this project would stimulate commercial exchanges and investment flows in the BSEC Member States.

PRESENTATION OF THE PROJECT PROPOSAL TITLED “PRODUCTION AND MARKETING OF MEDICINAL HERBS IN SOUTH CAUCASUS”

19. The Project Coordinator of BSEC PERMIS introduced the Project Application titled “Production and Marketing of Medicinal Herbs in South Caucasus”.

20. The participants of the Working Group expressed that the said Project Proposal should be submitted to the BSEC in conformity with relevant Rules and Procedures of the BSEC Project Development Fund.

APPOINTMENT OF COUNTRY-COORDINATOR OF THE WORKING GROUP

21. The Republic of Turkey expressed its willingness to continue its role as the Country-Coordinator of the BSEC Working Group on Trade and Economic Development in the next period of 2 years.

22. The representative of Romania supported Turkish initiative.

23. The participants agreed to discuss this issue and take a final decision on this Agenda item at their next Meeting.

ANY OTHER BUSINESS

24. Due to the importance of the Working Group on the issues discussed at its Meetings, the participants agreed to convene the Meetings of the Working Group not less than once in every six months.

EXPRESSION OF THANKS

25. The participants expressed their sincere gratitude to the Undersecretariat of Foreign Trade of the Republic of Turkey for the excellent organization of the Meeting and hospitality extended to them.

DATE AND VENUE FOR THE NEXT MEETING

26. The exact date and venue of the next Meeting of the Working Group will be communicated to the Member States through BSEC PERMIS in due course.

ADOPTION OF THE REPORT OF THE MEETING

27. The Working Group adopted the present Report for submission to the Meeting of the BSEC Committee of Senior Officials to be held in Ankara on 23-24 October 2007.

