



Regional Cooperation Council



**Talking Points, Secretary General of RCC
BERLIN PROCESS FORUM OF ECONOMIC MINISTERS**

**COMMON REGIONAL MARKET - A STEPPING STONE TOWARDS THE EU
SINGLE MARKET**

Tirana, 26 September 2023

Dear Minister Mete,
Your excellences,

Less than a year since hosting us on the occasion of the EU-WB Summit, my home capital ***Tirana heartily welcomes us*** again for the BP meetings.

Meeting after the so-called Bled pledge, the State of the Union address, the Franco-German paper and shortly ahead of the Enlargement package, the Growth Plan and the December Council - sees the ***much-invigorated discussions for completing the Union that is fit for enlargement and for building our larger European future together***. A human-centric Europe, that is adapted, reformed, rebooted and ***more - with WB firmly in its fold*** - as the best investment in peace and security for the entire Continent!

But I stand before you today with a heavy heart to speak about regional cooperation, whose necessity lies simply in keeping us safe, secure and enhancing the good relations.

A country was in mourn yesterday. A Kosovar policeman, a father, like thousand others who put their uniform on each day was killed in the line of duty, reminding us again and again of the sacrifices made to build and maintain peace, but also of the pure necessity for the perpetrators of this crime to be held accountable.

Transatlantic cooperation has never been more important, never more needed and never more obviously in the interest of this region, Europe and the whole world. As a region where geopolitical and strategic interests compete, Western Balkans is a perfect playground for security threats. 1 in 3 citizens in the region associate the Balkans with doubts, fear, conflict.

But the support for regional cooperation amongst business people stands at 74%.

The Western Balkans has made significant progress in the last two decades, but we are not where we wanted and should be and unfortunately, friction amongst economies persists, and conflicts can hinder investments and economic growth in the region.



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I am afraid we entered a phase of a vicious circle. While acknowledging the need for improving, accelerating the accession process, asking for tangible incentives to strengthen our ability to become EU MS, there is a great deal that WB itself can do and is not doing.

Three years ago the leaders of WB committed and tasked us, RCC, to lead the coordination of constituting a common regional market, the one that could bring the region closer to the EU Single Market.

The Balkan economies are among the least competitive in Europe and comparable to those of developing countries facing much worse historical legacies and contemporary difficulties.

Bulgaria had its per capita GDP at only 41 per cent of the EU average when it acceded in 2007. That may be too little today. Croatia, the last to join in 2013, had 60 per cent. The WB6 range from 26 to 46 per cent of the EU average and have made only halting progress, gaining between 1.8 and 6.6 per cent over the past decade.

For our region to succeed, the main parameters of the ***merit-based, accelerated, progressive integration before membership*** hopefully will take shape, along with the proposed ***increased financial assistance*** within the revision of this multiannual financial framework. Aimed at ***Growing Together***, our future actions need ***to build on the Common Regional Market*** and further boost economic integration within the region.

Yet – it is key to acknowledge that ***regional economic integration cannot be the key convergence vehicle*** for such a juncture. For ***development gap*** and ***dire investment needs*** that our region has. Better trade and transport integration with the EU, assistance with modernising the institutions, developing infrastructure and investing in the twin transition must intensify so that ***our region also becomes fit for the Union*** faster.

This morning, Albania hosted the Business Forum, as part of the Berlin Process, and I would like to share with you 5 (five) data of business perceptions in 2023:

- According to our Balkan Barometer, the support to EU membership has risen by 11% for businesses and is now 71%. While 60% consider EU as the main trade and investment partner.
- 74% support regional cooperation - or 5 percent point increase compared to last year.
- More than half of regional business said they had experienced direct benefits from the Regional Roaming Agreement, and a majority of them (56%) expect great benefits from travelling with only an ID card in the region.
- Western Balkans businesses see the overall economic situation a bit more favourable than a year before, as their satisfaction index rose by 5 percent points to 58, where 100 is a maximum.
- However, 77% say their labour and other costs increased over the past year, for comparison, in 2018 it was 50%.



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It is therefore ***critical that we take a much bigger both quantitative and qualitative leap with the Growth Plan and the rebooted CRM 2.0.*** The measures therein can't be just logical follow-ups of earlier ones, or simple broadening of ranges. Neither should the funds increase be incremental. ***More exponential rather than incremental approach to ensure that our region is IN.*** Not just the approach of measures as “stepping stones towards integration in EU single market” – but truer, bolder and more ***all-encompassing integration in the single market.***

But for ALL this to happen, there's a need to balance the wisdom of the past with the possibilities of the future. Balkan identities are remarkably fluid and multiple.

Investing in the future means embracing change, innovation, and progress. It involves adopting new technologies, evolving strategies, and adapting to the shifting landscapes of our world. It's a forward-looking approach that acknowledges that the world is constantly changing, and in order to thrive, we must keep pace with these changes.

Such challenging times in which our region should prepare itself to contribute to a stronger Union tomorrow – demand more transformative support instruments. They call for ***unprecedented mobilisation on both sides!*** For the most ***serious investment of political, expert and financial capital*** to date.

While RCC and other regional partners are ***ready to step up our contribution to the upcoming challenges,*** we continue to ***deliver*** on many of the flagship initiatives within the CRM.

Few days from now our citizens will enjoy the ***significant data roaming charges reduction between the WB and EU.*** We will not stop there, as in parallel we are pushing towards including calls and texts in the same approach EU is offering to other Eastern countries, and deepening the geographic coverage of the existing voluntary agreement among EU-WB telecom operators.

Strong efforts have also been vested as we look forward to the ***signature of the new agreement expanding the set of professions covered under the landmark mobility agreement on recognition of professional qualifications.*** This can be the crucial step towards recognition of professional qualifications between our region and EU.

Yet – as we have seen this year – there can be a considerable ***gap between the signature of regional agreements and the actual entry into force and implementation.*** It is our sincere hope that citizens from Montenegro and Bosnia and Herzegovina will soon enjoy the benefits of the three already signed regional mobility agreements.

Dear all,



As we embark on an intense season of important high-level EU-WB meetings, we'll need less speeches with niceties and ***more and more focus on flashing out the details of progressive integration in EU single market and other crucial policy areas***

Yes, IT is ALL about politics and this time it is about pledges that are taken and have to be maintained.