

Answers by RCC Secretary General, Majlinda Bregu, to Politicki.ba

1. The Common Regional Market has been signed in Sofia on 10 November. What is its purpose?

We all want to join the European Union (EU) but this will take time, and Western Balkans has already lost a lot of time on the way. Common Regional Market (CRM) has one purpose: to create one market for all Western Balkans 6, same as the EU single market. Free from barriers so as to stimulate economic growth. Obviously, given the unsatisfactory socio-economic state in which the region is now, there is a lot more to be done and CRM goal is to improve our situation by integrating the region. Deepening economic integration within the Western Balkans Six is essential. Not as a substitute for membership, but as a tool to get us closer and faster to accession.

And briefly here is where we stand now - high unemployment, unfavourable economic situation, escalating brain drain, young people leaving our countries. That is the daunting reality of the Western Balkans. 20 years ago a lot of people who sought refuge from the wars were coming back home. Today 71% of Western Balkans youth think about going to work abroad whilst 43% of them are ready to leave in search of the lost hope. The regional growth is forecasted to fall to -5.1%. GDP drop in the second quarter of this year is striking, in some cases up to -20%, largely due to collapse in tourism.

This is what we want to change to our advantage. It is not going to be easy to progress but we need not complicate our lives more; we should give a chance to put in place the very proposals WB6 economies helped to shape, embodied in the Common Regional Market.

The fact that Common Regional Market plan has been signed by the WB6 leaders in Sofia last month gives us hope that its implementation will result in gains which will be broadly shared. An integrated market of 18 million people is more competitive on the EU and global scene than 6 smaller ones. Hence, "Stronger Together" is what we frequently say – as small entities we are hard to be seen in any big arena but as a synchronised group with common interest and determination for joint actions we represent a strong player.

2. One of the preconditions to form the Common Regional Market is free flow of people, goods and capital. How will that be possible considering that BiH does not recognise Kosovo* and that there is a visa regime among them?

Exactly. That is what we had in mind when creating the plan for Common Regional Market. To find a way and allow for free flow of goods, services, capital and people, with ID cards throughout the region. And all WB6 signed it, including Bosnia and Herzegovina and Kosovo*, so now we are all together, and have to work to make this happen. All-inclusiveness here is what counts the most, and that is what Common Regional Market

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

Action Plan, whose implementation will be monitored by the Regional Cooperation Council and CEFTA, provides for.

We have started the negotiations on Travelling with IDs and Agreement on recognition of professional qualifications. We want to see more opportunities in the region for our people, and I am happy to see the commitment of WB6 governments to do so.

3. To what extent is EU Investment Plan for WB connected to CRM?

The European Commission's Economic and Investment Plan makes clear that by increasing regional economic cooperation and trade, Western Balkans will be brought closer to the EU Single Market, and the Common Regional Market Action Plan is an integral part of the region's EU accession process. So I would say they are complementary and moreover demonstrate the EU's commitment to this region, looking at it as an integral part and supporting regionally-initiated actions. Simply put – when Europe is convinced that Western Balkans is genuinely eager to move forward, they'll assist generously in that endeavour.

We are especially thankful to the EU and their swift support during the first months of pandemic, as this was an unexpected hit that took its toll on all, including them. But even then, with many worries on their plates, they extended the helping hand to us and later adopted the Economic and Investment Plan to spur the economic recovery of the region. Still, this type of assistance cannot be enough for us to recover and transform. We need to pull our weight too, and fast.

4. How do you plan to implement the CRM?

It is not us who will implement it but each of the Western Balkans Six economies will, with the help of the European Union and us and CEFTA, as organisations that will facilitate, oversee, monitor and report on its implementation. The next Berlin Process Summit is going to take place in Germany in 2021. I am confident there will be some tangible results and direct benefits for the citizens to report there.

The entire concept of the Common Regional Market as of the Regional Economic Area before it is to be regionally-owned – an initiative agreed by the participants, WB economies. So, what they agreed is what they saw feasible and realistic to implement. The timing is very good as, although still very challenging, this pandemic has clearly shown the weakest spots and inadequacies of the Western Balkan societies and urged them to undertake steps to make significant changes – looking at the future and common interests, instead of our traditional, Balkan approach – revisiting historic differences.

5. What is CRM consisted of?

The main goal of the **Common Regional Market** is to have more attractive and more competitive Western Balkans, closer to the EU single market.

Firstly, it envisages creation of a **Regional Trade Area**. Meaning, removing obstacles and cutting costs and time needed for goods, services, capital and people to move freely across the region. Besides free movement with ID cards in the entire Western Balkans, the goal is to reduce border waiting time within WB6 and with EU by 30%, by green corridors and joint border crossing points. Also, it envisages removing work permit obstacles for intracompany transfers and service suppliers, including selected professions among all Western Balkan economies, establishing regional e-commerce market, getting our diplomas/certificates & professional qualifications recognised everywhere in the region. These are just the main outlines of the Plan.

Secondly, it envisages a **Regional Investment Area**, i.e. promoting the region as a unique investment destination, which should result in better investment policies based on EU standards, and attracting more new investments.

Third is the **Regional Digital Area**, or joining the region to the pan-European digital area. In short, this means high-speed Internet access for majority of households in Western Balkans by 2024, reduced roaming charges with the European Union, and industrial cities in Western Balkans Six, covered with 5G network.

And the last, but not least is the **Regional Industrial and Innovation Area**. In order to have a sustainable economic development we need to upgrade our industrial and innovation infrastructure, to provide, among others, support to SMEs and to connect suppliers with businesses. This will enable access to international markets for regional SMEs. It also foresees transition from traditional industrial economy towards green & circular economy, Western Balkans innovations included in European supply chains, development of regional automotive and agro-food industry, and increasing number of tourists through promotion of Western Balkans as a regional tourism destination.

However, the changes envisaged in the Plan will spill over on many other aspects of living in the region. And positively so, as it would require adjustment of social rights (more and decent jobs, social inclusion, wages, etc.), accountability of rule of law, infrastructure improvements - changes across the board.

6. What are the CRM weaknesses?

We still don't know precisely how severe consequences of the coronavirus pandemic will be. Losses are being counted every day, not only in the most important segment, that of people's lives, but in financial and economic areas as well. Once the pandemic settles down, we'll be able to see how many closed businesses we will have, or how many people will be unemployed, what our GDP and growth loss will be, how many young people will leave their homes in search of a better future, where our tourism industry that was hit the hardest will be, or our health systems. No one knows that for sure in this moment. And on the way, we might need to regroup and readjust the process, and this takes time.

And of course, there are also traditionally colourful political relations between the Western Balkans Six, which are often litmus for all other relations in the region.

But after all, I am an optimist, I have to be. The political will showed in Sofia by all 6 leaders was not for show but a true expression of a good will and understanding that our better future lies in deepening regional economic integration.

7. Can we expect the plan to be fully implemented by 2024?

Well, that's the plan. And we know it is possible for the region to work fast and get the results. I'll go back to the specific example from April lockdown, when borders were closed and trucks were waiting on the borders for more than 20 hours, and the minute of that waiting costed 2 EUR, we launched the initiative, together with EC, CEFTA and Transport Community Secretariat, for the region to open the Green Lanes within the Western Balkans. It took all WB6 a few weeks to do it. And it was not easy, yet all recognised urgency of having food, medicines and medical equipment on time, and got the job done.

Another example is the new Regional Roaming Agreement signed last April in Belgrade, at the Second Western Balkans Digital Summit. It was not an easy task to do it believe me. It took EU 10 years to do that, and WB did it in 2 years only. As a result, our citizens already pay up to 96% less in roaming prices within the entire region, and as of July 2021 that cost will be zero.

So, there are positive examples that the region can achieve whatever its sets its heart to. Now we basically continue where we left off with the Regional Economic Area - Green Lanes for WB6, but with the EU as well, and having joint border crossings among WB6 that could save us up to 800 million euros a year. As for the roaming, the next step is lowering roaming prices with the EU, and we are working on it now.

So yes, it is possible. When there is a will, political will, there is a way. It might not be an easy journey but definitely is 'a mission possible'.

8. What rise in GDP can we expect with implementation of CRM?

One of the potential benefits of the Common Regional Market is that it could bring an additional 6.7% of GDP growth to the region. In reality it means more and better jobs for our people, and greater choices at lower prices. We should be able to travel, work and do business in the region more easily, without barriers.

The necessity of regional cooperation is also showed in the fact that 77% of Western Balkan citizens believe in it. I think it helped politicians perceive better that transformation of our region, however difficult, is possible with a lot of good will, dedication, and readiness for compromise, mutual respect and a shared distaste for conflict. We know this plan is not going to transform the region overnight or to the rhythm of our prayers. But setting bold goals can help and it will accelerate the change if we can work together. That transformation will have no victims, only beneficiaries.

9. The agreement enabling free movement with ID cards has been signed on 9 November by Albania, Serbia and North Macedonia. Kosovo* refused it. Have they accepted it in the meantime, will they?

I believe I answered this already – the Common Regional Market Action Plan is all-inclusive, signed by all on 10 November in Sofia, including Montenegro, Bosnia and Herzegovina and Kosovo*. So the “easy” part is behind us, now the political decision demonstrated with the signing has to be reinforced in its implementation, and the RCC stands ready to help the region do it.