

MAJLINDA BREGU: WE NEED AN INVESTMENT CLIMATE FOR THE WESTERN BALKANS

The Secretary General of the Regional Cooperation Council (RCC), Majlinda Bregu, in an exclusive interview for kdp.mk says that the Western Balkans need a friendly investment climate in order to attract long term investments and ensure that the economies of the region do not get abandoned by the young people. Highlighting the importance of cooperation and RCC's contribution, that aims to promote and advance the European and Euro-Atlantic integration of Southeastern Europe, Bregu says that work is currently focusing so that the six economies ratify the agreements reached in last year's Summit in Berlin for the mutual

Interviewed by: Seladin XHEZAIRI

/translation of the interview by RCC Secretary General, Majlinda Bregu to KDP.mk
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It has been more than 4 months since the Western Balkans leaders signed the agreements in Berlin. What is the status of these agreements? When can we expect people to be able to move with ID cards only?

I am well aware that waiting for four months, especially on top of the years of waiting, can be difficult. We have heard people stories from the moment we initiated the negotiations of the agreements. Citizens are keen on meeting their family members without any formalities and visa barriers, expanding their businesses, or traveling for leisure.

Just a few weeks ago, I spoke with Kosovan actor Alban Ukaj who lives in Sarajevo, and the story about his struggles and shuttling back and forth with visas from Kosovo* to Bosnia and Herzegovina over the past 23 years looks like a long, nerve-wracking movie.

So I do understand the legitimate impatience to see this process carried through. 23 years of struggles, including the two years of the agreement pending for signature, even after we have concluded the negotiations, looks like a lifetime.

Regarding the public administrations, they have their own pace that is independent of us, especially when it comes to the agreement where six different administrations are involved, and not just one.

There are procedures to follow, government decisions to make, and parliamentary ratifications to pass. Sometimes, even three levels of approval are needed. This can be complicated and time-consuming in the eyes of someone waiting for the process to be carried through, and I'm well aware of this. That's why we are closely following the process on daily basis, doing what we can in order to speed up the entry-into-force process.

KDP: How far have these procedures progressed? Albania and Kosovo* have concluded all the procedures. North Macedonia, which is also the depository of these agreements, submitted them to the parliament this week. Montenegro and Serbia have adopted them at the governmental level and ratification is expected in the respective parliaments, while Bosnia and Herzegovina is at the review stage.

Once this is finalised, and with visa liberalisation with the EU for Kosovans, a long overdue but a very much welcome decision, all the citizens of the Balkans will have access to free movement.

KDP: In December, you announced reduction of roaming prices with EU this autumn. Can you tell us more on what kind of reduction we are talking about, and how much, so to speak?

I'm really proud of the breakthrough deal that the RCC and European Commission brokered with the mobile operators. One more mobile operator joined the signatory group of the Declaration after the EU-WB Summit in Tirana.

So, from last December when the EU-WB Roaming Declaration was signed, the difficult or more precisely, very intricate process of determining the cost of roaming packages for those WB citizens who travel within Europe and also for the European citizens who have a contract with a European mobile telephone provider, is one of the details of our daily routine at RCC.

October 2023 will mark the first significant decrease. It will start with internet cost reduction, because almost all of us today, for better or worse, cannot understand the telephone without Internet access, including other services as well..

That's all I can say at this point because it is a process of technical and commercial negotiations with business partners, and a delicate and complicated one. I expect we'll be able to share more details in the coming months.

At the Tirana Summit, I stated that roaming internet prices with Europe will fall with the autumn leaves and we will make this promise come true.

Meanwhile, as I am well aware of the 'cycle' in which a kept promise ends up, forgetting how it was and where we were, I'd like to remind you on the success story of free roaming in the Western Balkans, which started in July 2021.

KDP: Could you be more concrete?

Well, the number of roaming users in the Western Balkans has increased by 100%. When we compare the second half of 2021 with the first half of the same year, the volume of Internet traffic increased by 459%, the number of minutes made through incoming and outgoing calls increased by 237%, while incoming voice calls increased up to 173%.

It is clear the Western Balkans is not a developed economic region. The unemployment rate is high and young people are longing to leave. Hence, many businesses find online connectivity vital. Nowadays, personal connections, daily activities, business, politics, media, governments, even the emotion sharing go through the Internet.

Therefore, the need to be connected to each other even at a distance, without destroying all the monthly savings, is a necessity.

Every single effort and achievement that gives a chance to this part of the world we live in, to be closer, more cooperative, further economically integrated with each other, even through the Common Regional Market, is another step forward towards creating a welcoming climate for investments, attracting long-term investments and not allowing economies to be emptied of young people.

We are witnessing global tectonic changes. The world is still recovering from the pandemic, yet it is on a cusp of a new economic crisis, with war raining on the European soil, global warming worries still very much present, yet new era of AI exploding right in front of our eyes. Where all of this leaves Western Balkans region?

The Western Balkans region feels every single "global earthquake" shake, being it a pandemic or a war. The COVID-19 pandemic has affected our economies and societies. According to the World Bank, the pandemic is projected to have caused an economic contraction of 4.8% in the region in 2020.

The war in Ukraine increased concerns in our region, which still has fresh memories of the war's wounds.

The three main concerns following the start of the war in Ukraine for the Balkans citizens are as follows:

- economic decline (77.3%)
- food and gas security (62.6%) were the main concerns;
- Urgent need for investments in renewable energy (85.6%)

At the same time, 69.4% of the WB people believe that the war in Ukraine requires greater security cooperation with the EU and NATO.

So, in a developing region, such as ours, the concerns are mainly those related to daily life, and this makes it more difficult to think about the form and ways the future is threatened. The future with all its colours of uncertainty seems distant when daily perspective is still challenging.

And yes, I definitely understand the fear that the AI explosion will cause job losses. But instead of worry, let's think about how to orient AI and other new technologies to provide opportunities for the Western Balkans region to leapfrog past some of the challenges that other regions have previously faced.

We in the RCC try to modestly foster this reflection by supporting young people and women with innovative ideas and entrepreneurship, through competitions such as Balkathon, Butterfly Innovation, Women in Entrepreneurship Recognition and Network, and Women in STEM Campaign, as support to close down the region's gap with the developed countries.

KDP: as people say “from saying to actual doing...”

MB: I know. I confirm with regret that the investments in innovation at the regional level, in terms of budget, have for a long time remained approximately at the level of 0.4 % of GDP, making it difficult to be competitive in the market of today.

I mentioned before about the young people leaving our economies mainly for economic reasons or for education, especially in fields like IT and science where our education system investments are scarce.

The annual cost losses as a result of the educated youth leaving the region range from a minimum of €840 million to as much as €2.46 billion. This means a reduction in the welfare for the WB economies that costs about 3 billion in annual GDP growth. Hence, when you know this, it is easy to see how much the small budget in innovation cost us and how much we lose in the long-term perspective.

KDP: Ms. Bregu, Can you comment on the recent agreement between Vucic and Kurti? Will this change anything?

I am hopeful that the Ohrid meeting will be a step forward on the path to normalisation of relations between Prishtina and Belgrade. I wish for the follow-up of the Ohrid meeting to pave the way for a new reality between the two. It is pretty crucial for the Western Balkans.

The Common Regional Market, be it in the current phase with a focus on enhancing the opportunities for the economies to better integrate economically with each other, as well as in the next phase which is expected to start next year, where the region will rightfully seek more access to the common European market, is not a project that can walk in the shoes of division. And of course, it is neither an RCC project alone. It is the joint decision of the leaders of the region which unfolds how the present should not portray an uncertain future and where the past should serve as a daily reminder that war, conflict, division, disloyalty or blind nationalism should not be repeated any longer.

* 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.