

*Economic Cooperation and Investment
Opportunities in Southeastern Europe*



INTERNATIONAL
TRADE
ADMINISTRATION

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Southeast Europe

- Prosperity for the Southeast Europe region is a priority for both the United States and the EU.
- Strong commitment at the Commerce Department and throughout the U.S. Government to work with U.S. companies in Southeast Europe.
- EU Commission in their recent document “Western Balkans on the road to the EU” outlined regional trade and cooperation is a key element of development.



Southeast Europe and EU Accession

- EU Accession is great news for U.S. companies.
- Southeast Europe countries are conforming their legislation in line with the European Union.
- WTO Accession creates further improvement in the trade regime.



EU Program for Southeast Europe

Trade Measures: Transitional tariff arrangements between the EU and Southeast Europe countries (extended until 2010)

Advantages: Exports from Southeast Europe receive duty free access except for a few products. U.S. companies investing the Southeast Europe can benefit.

Disadvantages: Southeast Europe countries will give preferential treatment to EU exports while maintaining higher Most Favored Nation Status (MFN) for U.S. exports. Upon entrance, tariffs will be in line with the Common External Tariff of the EU (CXT).

CARDS program

Over 4.6 billion euros dedicated for this region for institution building; attracting investment and regional cooperation

Stabilization and Association Agreements: Contractual relationship with the EU with political value; provides for a formal mechanism and benchmarks for EU accession



Status of Stabilization and Association Agreements

Albania: June 2006 (agreement signed)

**Bosnia and Herzegovina: November 2005
(ongoing negotiations)**

Macedonia: April 2001 (agreement signed)

Serbia: November 2005 (negotiations started and on hold)

Montenegro: September 2006 (talks to begin)



Southeast Europe and U.S. companies

- **Central and Eastern Europe: U.S. Companies have played a key role in the transformation of this region.**
- **Opportunities: Energy, Transportation, Tourism, IT, Environmental Technologies**
- **Challenges: Transparency in decision-making, Corruption, Protection of Intellectual Property Rights**
- **American Chambers of Commerce “AmChams” in the region have played a key role in addressing these challenges.**



EU 25—After Accession

- EU Accession in May 2004 was a watershed moment in U.S.-European trade relations.
- United States strongly supported EU membership and intensified our relationship with the new member states.
- Dramatic opening of nation’s economy... “EU Bounce”
- EU 25 Accession: growth in U.S. exports (ie. Lithuania 81 percent; Slovenia grew by 37% and Czech Republic grew by 22 percent)
- “Hot” sectors during/after accession: e-commerce, environmental technology, healthcare
- Adoption of the *acquis* reformed the central planned economics---
created opportunities for companies.



EU 25—After Accession

- *Considerable growth and stability* after EU accession in May 2004
Economic growth was faster (3 3/4 percent per year 1997-2005 compared with the old member states)
- *Increasing Integration in the EU*
Increase in trade and investment; stable financial sector; economic success
- Adopting and implementation of the *Acquis Communautaire* assisted with reform

Enlargement, Two Years After—An Economic Success,
(EU Commission report, May 2006)



How can the International Trade Administration assist you?

Mission is to “to create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.”

Under Secretary for International Trade Franklin Lavin



International Trade Administration

***Market Access and Compliance**

(ensuring fair trade and market access for U.S. companies)

U.S. Foreign Commercial Service

(trade promotion)

Import Administration

(enforcing trade laws i.e. anti-dumping and countervailing duties)

Manufacturing and Services

(industry experts)



Market Access and Compliance (MAC)

- Identifies and overcomes trade barriers, resolves trade policy issues, and ensures that our trading partners fully meet their obligations under our trade agreements.
- MAC ensures access to world markets for American companies and workers so they can compete on a “level playing field.”
- MAC’s country desk officers: experts on the commercial, economic, and political climates in their assigned countries. Focus on resolving trade complaints and market access issues, such as: intellectual property rights, quotas, customs, transparency



Market Access and Compliance (MAC)

- MAC has an ongoing dialogue with the countries in the region to resolve trade issues.
- In our discussions with foreign governments, we urge:
 - continued commercial reform;
 - the need for greater transparency in government decision making
 - the need for more stringent protection of intellectual property.
- MAC is also a strong advocate for U.S. companies



Trade Finance Programs

- Export-Import Bank (Ex-Im)

www.exim.gov

- Overseas Private Investment Corporation (OPIC)

www.opic.gov

- U.S. Trade and Development Agency (TDA)

www.tda.gov



Conclusion

- U.S. Department of Commerce is here to assist you to search for opportunities, and assist in any market barriers that you may encounter.



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