



“The Voice of Business in the Black Sea and Caspian”

**SPEECH BY
MR. MURAT ZONGUR
SECRETARY GENERAL OF UBCCE
AT
“SOG-DGO International Conference on the Black Sea Region”**

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Ladies and Gentlemen,

It is my real privilege today to address you as the Secretary General of Union of Black Sea and Caspian Confederation of Enterprises (UBCCE).

At the outset, I would like to thank Südosteuropa Gesellschaft (Southeast Europe Association) and Deutsche Gesellschaft für Osteuropakunde (German Association of East European Studies) for giving me the opportunity to convey the views of my organization on the role that UBCCE can play as the first, non-governmental business organization of the Region to develop cooperation in the Black Sea and Caspian Region. As some of you might know or remember, last year we have co-organized with Südosteuropa Gesellschaft a quite successful conference on “EU-Turkish Perspectives on Black Sea Regional Cooperation” so this year we accepted with great pleasure to be a part of this series of conferences on Black Sea for the second consecutive time.

First of all let me give you a very brief overview on UBCCE and its activities as I imagine some of you might be hearing for the first time on our organization and then I will proceed on the role that can be played by the business and ngos for developing cooperation in this re-emerging part of the globe.

UBCCE is a non-governmental organization composed of central, private, voluntary, nationally representative, horizontal business organizations from the countries neighboring or having strong geographical ties with the Black Sea and Caspian Region. Our Union ensures presently permanent contacts with 22 member organizations from 17 different countries following the new memberships of Union of Manufacturers and Businessmen of Armenia (UMBA), Georgian Entrepreneurs Confederation (GEC), Iraqi Businessmen Union (IBMU), Federation of Employers of Ukraine (FEU) and

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Confederation of Employers of Ukraine which was approved in our General Assembly held in March this year.

As UBCCE, establishing institutionalized cooperation and facilitating communication among business organizations of member countries are among our priorities. Assisting the economic and social development of the Region through fostering trade and investment activities and entrepreneurial spirit, promoting the social and economic interests of the companies represented by our member organizations and contributing to the functioning of free market economies in member countries are among our other main objectives. After all, UBCCE’s main aim is to become a reliable partner for BUSINESSEUROPE in the Region.

Ladies and Gentlemen,

As many of the speakers have underlined with different occasions today, the region surrounding the Black Sea including the Balkans, Caucasus and the Caspian is becoming an emerging and vital part of the world in the changing global balances. The economic and political landscape of the Black Sea and the Caspian Region is rapidly changing, to say the least. The two giants of Asia, China and India are on one side trying to increase their influence in world politics and economics and Europe, Japan and US are struggling on the other side to preserve their power on global scale. In the meantime, Russia, also a country of the Black Sea and the Caspian Region, is regaining its power thanks to its significant natural resources.

Actually, within this framework, it is no surprise that the European Union developed in May 2004, the “European Neighbourhood Policy” (ENP) with a “Strategy Paper”. As you all know, the main objective of the ENP is to avoid the emergence of new dividing lines between the enlarged EU and its neighbors and strengthen the prosperity, stability and security of the countries concerned.

Greece, Bulgaria and Romania are the EU members of the Black Sea Region and the ENP widely concerns the Region as it applies directly to Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The relations take the form of a “strategic partnership” with Russia, a pre-accession strategy with Turkey and Croatia and Stabilisation and Association Policy (SAP) with Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia. The Central Asian Republics and especially Kazakhstan are suitable partners in every aspect for enlarging the ENP in the

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future and when Turkey becomes member of the EU, Iran could be included to ENP as it will then share a land border with the European Union.

Therefore, it was very natural that the Commission has put forward in April 2007, a new cooperation initiative within the framework of the ENP for the “Wider Black Sea Region” under the name “Black Sea Synergy”, adding a regional dimension to the ENP. This initiative completes actually the “chain” of regional cooperation frameworks in the EU’s neighbourhood, adding to the Euro-Mediterranean Partnership, the Northern Dimension and last but of course not the least very recently announced Eastern Partnership.

In addition to the Black Sea Synergy, the “Central Asia Strategy Document” adopted at the EU Summit in June 2007 aiming to strengthen ties with the Central Asian republics on energy, education, training and rule of law can also be considered as the prolongement of the ENP to Central Asia to bring it closer to Europe. The reason why I am mentioning all this, is due to the fact that all the countries mentioned are either member or target member countries for our Union.

It is true that the historical, political and socio-economic background in the countries of the Region for civil society and business organizations differ. Since the early 90s, especially the countries of Eastern Europe have been rapidly engaging in both political and economic transition with important consequences also for the civil society and the business community. The necessity for the governments, regional and international organizations to involve civil society in regional dialogue and cooperation in fields that require coordinated action have increased.

Within this framework, NGOs and especially business NGOs of the Region need more openness in a self – conscious way and it is without hesitation that international business organizations are, undoubtedly, a precious tool to give full play to the comparative advantages of every economic region which will actively conduct international cooperation and competition.

We, as UBCCE believe that the business must play its role in pushing for implementation of the necessary reforms in the Region as we are aware that the continuous development depends on feedback from business which is best placed to judge the effects of reforms in our respective countries especially at a globally troubled time like this.

There is definitely no doubt that the crisis is spilling over into our real economies. This continued uncertainty is reflected in business in most countries and gives hard time to

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enterprises in their efforts to create wealth. Firms are faced with lower demand, both domestically and internationally, unemployment increases, finding credit is becoming harder.

However, we have to keep in mind that the crisis threatens but also challenges us. In this respect, UBCCE is convinced that business can lead the adverse of the negative climate and pave the way to recovery for a brighter future. It is the responsibility of business communities to inject societies with developing and competitive consciousness. Societies have the right to expect a lot from business as we need to have responsible enterprises which will lead the restructuring and development efforts. If Governments can ensure a healthy modern framework of business operation, then businesses will join forces and do their part so that the societies of our Region can live in conditions of prosperity, social equality, friendship and peace.

Accelerated reforms, modernization of infrastructures, use of new technologies, focus on innovation, a widespread spirit of entrepreneurship are critical to achieve a truly functional economic cooperation. Above all, knowledge, the key-element of our century which is strongly related to economic intelligence has to be adequately produced and provided.

In this respect, we as UBCCE are convinced that the path chosen to confederate voluntary, private business organizations of the Region is an efficient and a constructive one. Membership to such international organizations help the business organizations to increase their bilateral and multilateral relations with the business organizations of other member countries and help the business organization of a country to get benefits on issues of strategic importance for the country of the region.

UBCCE believes that the big economic potential of our Region can be improved further with joint and coordinated action and the private sector organizations in our countries may contribute to activate this potential through working together with a “strategic view” based on “partnership and union”. At this stage, I need to mention that we evaluate OECD’s proposal to include private sector and members of our Union from Armenia, Azerbaijan, Georgia and Ukraine very wisely in the “South Caucasus and Ukraine Initiative” of their recently launched Eurasia Competitiveness Programme. Hopefully, this partnership can produce very positive results for our Region and be an example of good practice.

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Let me use this opportunity to inform you that our Union has recently released a “strategy paper” for the Region that was presented to public attention which reflects the perception of the Region from a business perspective by setting priorities and taking into account the “Black Sea Synergy” document of the European Commission.

It would not be wrong to say that as the first and unique example of private sector organizations coming together in this emerging part of the globe, an NGO platform like UBCCE can make very significant and positive contributions in the sense of developing and diversifying the trade and investment in the Region and thus creating an environment of peace and stability which would help at the same time, the private sector to increase its credibility and influence.

I would like to conclude my words by announcing you the upcoming business development visit of our Union to Georgia foreseen between 4-6 June. All companies and interested parties are more than welcomed to join us for this trip. (More information available on UBCCE website)

Thank you very much for your attention.

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