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EU and Black Sea Regional Cooperation
**Common goals
Common interests**

Statement by H.E. Celalettin Kart

Director General of Economic Affairs

Ministry of Foreign Affairs of the Republic of Turkey, Ankara

Mr. Minister,
Excellencies,
Ladies and Gentlemen,

I have the pleasure to address to such a distinguished audience here, on a current and exciting issue, Black Sea cooperation.

At the outset, I also would like to thank our hosts, Südosteuropa Gesellschaft as well as Auswärtiges Amt, for organizing this timely conference when the EU is about to decide on its Black Sea policy.

Black Sea is an important region at the heart of three major continents. It is on important transportation and trade routes and energy corridors. With its huge economic and human potential as well as natural resources including energy, the international focus on this region is growing.

The EU has at its foundation economic integration, as specified in the Treaty of Rome. The Community has developed itself later on, into a Union with political connotations with more ambitious goals. It's now more than an economic Union, but a *sui generis* entity with its current structure.

Establishing such a prosperous Union also necessitates economic and political dialogue and cooperation with neighbouring regions and countries. The EU has been conceptualizing and developing such a dialogue with the Mediterranean and Nordic regions. The Black Sea was not within the reach and interest of the Union so far. Now, today there are three EU member countries, namely Bulgaria, Romania and Greece, and one negotiating country, Turkey, from the region within the EU. EU's interest to the region has recently started to crystallize. The importance of the Black Sea has been growing and the EU started to realize that it could not stay indifferent to a region which is actually part of Europe. Now, I see that the EU is determined to complete the picture in its relations with the neighboring regions, with a third dimension, namely the Black Sea. I welcome the comprehensive efforts

of the German presidency.

When we have a look at the institutional architecture of the Black Sea Region, we see the Black Sea Economic Cooperation (BSEC) as the only comprehensive, inclusive and full-fledged international organization. There are some other organizations and initiatives in the political or environmental domain, but BSEC distinguishes itself from the others with its established organizational structure, wider coverage of areas of cooperation, and above all, with its inclusiveness.

The BSEC was established on the idea that stronger economic cooperation among the Black Sea countries would enhance stability in the region. Although it does not have the aim of economic integration in itself, its institutional framework was set up with the underlying motive of integrating the region to the world economy.

Encompassing an area of approximately 20 million square kilometers with 330 million people, Black Sea region has a huge economic potential. Its vast natural and human resources enabled the BSEC countries to have remarkable economic growth and development. Over the past five years, the BSEC region as a whole has been one of the fastest growing in the world, with 6% annual GDP growth. Total GDP of BSEC countries amounts to 3.4 trillion USD in 2005. It represents 7.6% of the overall world economy. The share of the BSEC countries in the world economy is increasing steadily.

It is no surprise that such a dynamism and potential attracts more attention from the international community nowadays. The question is how we can enable the region to live up to its potential to the benefit of all. This question leads us to the issue of common interests, common goals and of course common strategies that we can embark upon.

Economic and social well-being of the region is the common and over-arching goal and common interest for all. The main idea here is that economic development of the region would bolster peace and stability which is also another important common goal for all. Instruments that would ensure economic and social development and improve the peace and stability can be promoted in the region through different means. This also implies focus and prioritization, taking into consideration the scarcity of resources.

Turkey, assuming the chairmanship in office of the BSEC as of 1 May 2007, defined five priority areas that would serve this goal through direct effect and consequences on the lives of the people. These areas are environment, transport, energy, trade and combating organized crime. Turkey was careful in selecting among all, the five priority areas, because we believe that these areas would serve as common grounds for BSEC members as well as potential partners including the EU. Turkey reaffirms its belief that the accomplishment of the above-mentioned goals will help to revitalize BSEC and make the Organization more visible, viable, effective and efficient.

The BSEC Charter stipulates the creation of a free trade area within the BSEC region. This objective became unrealistic in time as the priorities of the Member States shifted as each has entered into commitment with third parties. However, we can say that this situation has started to change. We know that EU supports and encourages FTA arrangements in the neighbouring regions.

We believe that there is a huge potential for trade between the Black Sea countries which have complementary economic structures. For example, the overall trade volume of Turkey with BSEC countries was 22.1 billion US Dollars in 2004, while it amounted to around 38.2 billion US Dollars in 2006, which is in fact a substantial increase. This constant trend of increase in trade volume for Turkey with BSEC countries may also be seen as a consequence of a general trend of increase in intra-BSEC trade. Through BSEC we should be able to seize the opportunity for cooperation in the area of trade. This can be in the form of trade facilitation or more ambitious schemes with potential partners such as the EU, subject to a consensus between the two sides.

Turkey welcomes the EC Communication of 11 April 2007 as it reflects the interest of the EU to the Black Sea region as well as its resolve to develop its relations with the region in a more cohesive and solid manner. There are various possibilities for the EU to develop its own policies and strategy. We believe that the BSEC shall be the major partner for the EU as it is the only full-fledged and inclusive organization in the region. There is a consensus among the BSEC countries to develop relations with the EU. This consensus has been reflected to the EU side on various occasions. We believe that the EU will duly take into consideration this

willingness.

BSEC will celebrate its 15th Anniversary on 25 June 2007 in Istanbul with a Summit at the level of Heads of State and Government. This is a good opportunity to take stock of the past and to look forward for enhanced co-operation among its members and with potential partners. BSEC considers the EU as an important partner and actor in the region. High level participation from the EU and the Presidency to the Summit and a joint BSEC-EU declaration would contribute to a sound start to the cooperation activities.