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

**Statement by Ambassador Prokopios Mantzouranis**

Director General for Economic Affairs, Ministry of Foreign Affairs, Greece

Dear Colleagues, Ladies and Gentlemen,

I would like to thank the German Federal Foreign Office and the Southeast Europe Association for organising this International Conference and their kind invitation.

A lot of discussion takes actually place on the perspectives of regionalism in the wider Black Sea area as well as on the role of the European Union. We take the view that this conference will contribute to draw valuable knowledge and to understand better the potential of a cooperation between the EU and the region around the Black Sea.

It is undoubtedly a fact that the countries of the wider Black Sea area, which are the countries of Southeast Europe, the Black Sea and the Caucasus, constitute a zone of major importance, both political and economic. The recent accession of Bulgaria and Romania to the EU calls for a stronger European presence in this neighboring region.

Since I am asked to speak about trade, investment and transport facilitation in our area, may I point out that these sectors constitute important areas of regional cooperation, within the Organisation of the Black Sea Economic Cooperation (BSEC), the oldest, inclusive, fully-fledged and mature regional organisation, representing the overwhelming majority of the countries in the area. I will not get into the details of this Organisation, since previous speakers elaborated on it. Allow me to remind you that the twelve BSEC Member States posted a considerable annual rate of GDP growth, amounting to a real economic expansion, which makes it one of the fastest growing regions in the whole world. Furthermore, these countries also achieved a reasonable level of macroeconomic stability expressed in declining inflation, increased foreign direct investment and lower poverty rates. As a result, considerable progress has been registered, compared to the situation during the previous decade. It clearly follows that the BSEC region as a whole presents increasingly attractive economic opportunities that can be turned to good account through regional and inter-regional cooperation, to the mutual benefit of the citizens of the BSEC and EU member states.

Let me now underline that Greece, although not a littoral state of the Black Sea, maintains, since a long time, historic political and economic relations with all the countries of the wider Black Sea area. For this reason, Greece is a co-founding member of the BSEC since 1992 and attaches a considerable importance to her participation to it.

During the past fifteen years, **trade** within the region marked significant increase, despite various trade barriers which still exist. We wish to see all our BSEC partners integrating themselves to the world trade system by acceding to the World Trade Organisation (WTO).

However, the BSEC member states, by adopting in 2002 the BSEC Economic Agenda for the Future, have committed to the following objectives:

a) to increase the intra-regional trade and investments, so that the BSEC market operates at a higher level of its productive capacity and to ensure the competitiveness of BSEC's companies for growth and employment;

b) to remove, through the necessary legal provisions, systematically and gradually the numerous tariff and non-tariff barriers and to develop significant supporting measures, which will contribute to the formation of favorable conditions by BSEC member states for mutual access of their goods and services to their internal markets, as well as to the EU and the international markets;

c) to gradually introduce a BSEC Free Trade Area (FTA), taking into account the EU and WTO memberships of some BSEC participating countries, as well as all the existing relevant agreements;

d) to harmonize the existing cross-border and customs regulations, with the aim of facilitating the movement of goods and people across national borders, provided they do not intervene with the international obligations of the BSEC member states.

Although these commitments were taken back in 2002, it is worth to note that there is a growing interest for their implementation. Indeed, since Greece, Bulgaria and Romania are EU member states and all the BSEC member states wish to cooperate closely with the EU, the gradual implementation of the EU relevant legislation becomes a useful tool to promote free trade. Consequently, trade liberalisation and close cooperation with the EU should remain a key point in the agenda of both organisations.

In order to support this process, my country chose to coordinate the activities of the BSEC ad hoc expert group on cooperation in customs services. We proposed and the BSEC Council of Foreign Ministers already agreed that projects to be implemented in the near future should focus on:

- a) customs legislation and procedures;
- b) fight against fraud;
- c) customs infrastructure and human resources.

We believe that our role is a challenge to bring closer the BSEC member states customs administrations to the legal and operational status of customs in the EU.

As far as **the investment climate** is concerned, there is no doubt that over the last years a significant progress has been achieved. As a result, there are increasing investment flows, which contribute to a sustainable economic growth. The BSEC member states, by concluding the Economic Agenda for the Future, committed also themselves:

- a) to accelerate the effective multilateral economic cooperation;
- b) to proceed to concerted actions, both unilaterally and through the BSEC Organization, for the facilitation of the economic development, by fighting corruption, improving the business environment and promoting foreign direct investments.

Allow me also to stress that the BSEC Organisation includes a Business Council, which actively promotes the cooperation among the business communities of all the BSEC member states. Such cooperation leads to useful partnerships which is one of the factors of the sustained economic growth of the region. The interaction with the business communities of the EU member states may result to an expansion of business activities, as well as to the transfer of know-how and business culture. In this context, the Greek experience is useful. Indeed, during the last fifteen years, Greek companies, despite numerous obstacles, succeeded to invest heavily in many countries of the region, while securing hundreds of thousand of jobs. The success stories of the Greek companies are good examples of trusting and mobilizing the high potential of the human resources in the region. We believe that this

experience may be useful and serve as basis for new European investments in the region.

Now, **transport facilitation** is a prerequisite for the promotion of trade and investment. I wish to refer to the urgent need of the area in transport infrastructure, necessary to link it with the rest of the continent, towards its further European integration. Although this issue pertains to another working group, there are two important BSEC projects:

-The first one, to which my country is fully involved, is the construction of the Black Sea Ring Highway. Undoubtedly, it is a very important project, which might, one day, change the overall picture of the whole area. Since the beginning of the discussions for the drafting of the relevant Memorandum of Understanding, Greece has tried to give an impetus to this project. We also proposed to support the Highway's Joint Permanent Technical Secretariat, which will be located in Thessaloniki and will be entrusted to the state company "Egnatia Odos S.A.". This Secretariat will provide the necessary expertise and other valuable services for the proper implementation of the project.

- The Second one is the extension of the European Motorways of the Sea to the Black and the Caspian Seas. The Memorandum of Understanding, which was negotiated within the BSEC Organisation, with the active support of Greece, constitutes the basis for the improvement of port infrastructure, as well as the establishment of new ferry lines for goods and passengers.

Both Memoranda were signed in Belgrade, on April 19, 2007 and these two important projects will start to be implemented. Their implementation will create, in the long run, a modern transport infrastructure, linking all the BSEC member states by land and sea. Both of them are of strategic importance for the wider Black Sea area and, undoubtedly, they will, one day, change the overall picture of our region.

We also believe that the Black Sea Ring Highway could be upgraded to a Pan-European Corridor, integrating into it a "Black Sea Electrical Ring" and a "Black Sea Optical Fiber Network". These two proposals are part of the new concept of the "BSEC Integrated Networks", which my country intends to promote in the coming years. This concept aims at gradually interconnecting the various networks in the sectors of transport, energy and

telecommunications of our region. The implementation of the new concept of the “BSEC Integrated Networks” will, however, require to secure the necessary funding from the national budgets of the BSEC member states, the private sector and international financial institutions.

Ladies and Gentlemen,

I tried to present you the sectors of trade, investment and transport infrastructure as they have been coordinated, at regional level, through the BSEC Organisation as well as our contribution in these fields. The EU could build its sectoral policies towards the region on the existing cooperation already achieved within BSEC. In this context, we assess positively the German proposal for setting up Thematic Action Plans (TAP) in order to create a homogeneous and coherent regional approach. Taking into account the local ownership, the experience in particular fields, as well as the need to promote the regional cooperation in the area, we propose **the BSEC Organisation to be considered as the main partner of the EU.**

Furthermore, in our opinion, the EU should be fully involved in the process of substantially deepening the regional cooperation in the wider Black Sea area. The EU, namely, may offer institutional stability and guarantees and, at the same time, it could help local societies and economies to cooperate in a more efficient way. In addition, the EU should provide the necessary impetus to the economic growth and the gradual integration of the area to the European structures. Consequently, synergies with the wider Black Sea area should be encouraged, through the development of major and visible projects.

This strong political position has led us to support, a long time ago, the idea of establishing a new EU regional policy, or, in other terms, a ‘Dimension’ of the wider Black Sea area. Indeed, the recent Communication, adopted by the European Commission, on April 11, 2007, entitled “BLACK SEA SYNERGY – A NEW REGIONAL COOPERATION INITIATIVE”, marks a new start for an invigorated relation between the EU and this region, as a whole.

I would like to thank the German EU Presidency for actively supporting the enhancement of the EU-BSEC relations. We wish that all EU member states join forces to the success of this process as there are benefits in both sides.

Thank you for your attention.