

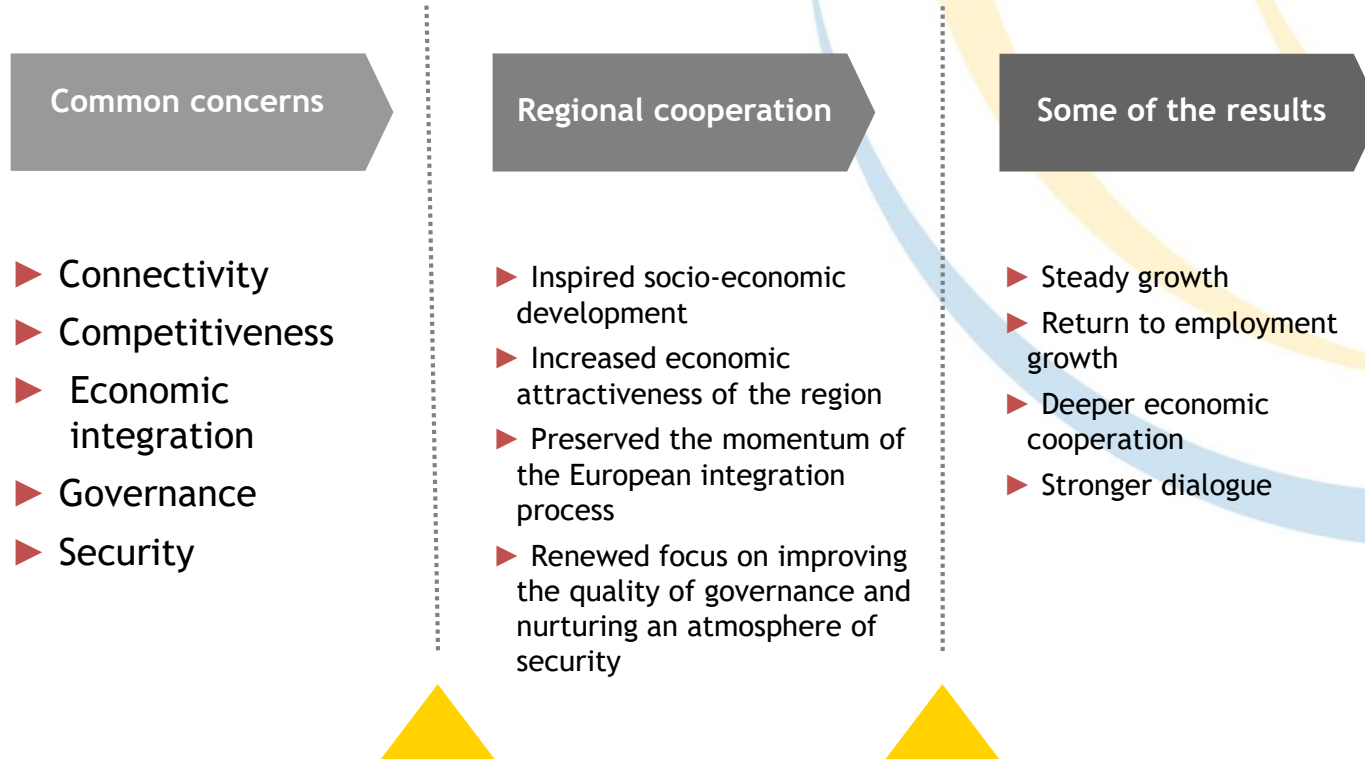
The importance and benefits of economic integration of South East Europe

ROME INVESTMENT FORUM 2017
16 December 2017

Goran Svilanovic
Secretary General
Regional Cooperation Council

**Good.
Better.
Regional.**

Economic development and job-creation, stability and rule of law have been at the heart of RCC and shaped the agenda of the organization.



RCC's Strategic Goal 2017-2019

- ❑ Greater **economic integration** through easier flow of capital, people, goods *and* services within the SEE and between the SEE and the EU
- ❑ with **better governance**, improved functioning of the **rule of law**, and enhanced **security** in South East Europe.

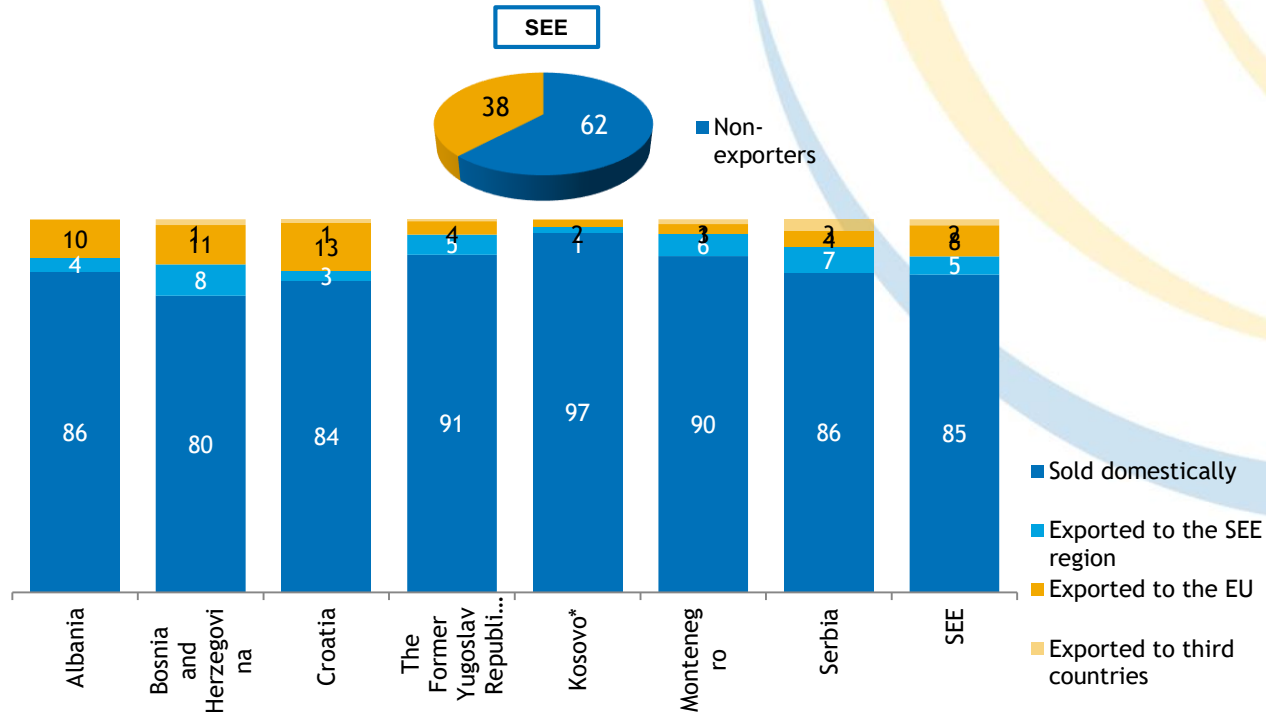
SEE2020 Strategy Implementation Status

SEE 2020 Headline Indicator	2010 (baseline)	2011	2012	2013	2014	2015	2016	2020 (target)	Progress from baseline towards target
Overall Strategic Goals									
1. GDP per capita relative to the EU-27 avg (in PPS), %	31	32	32	33	33	34	n/a	40	28%
2. Total trade in goods and services (EUR million)	54,686	62,972	63,638	67,032	69,965	73,004	78,261	129,500	32%
3. Trade balance, trade in goods (% of GDP)*	-22.0	-23.3	-23.6	-19.6	-20.5	-19.6	n/a	-20.8	201%
Integrated Growth									
4. Intra-regional trade in goods (% of GDP)*	9.8	10.0	9.5	9.1	9.1	9.0	n/a	14.3	-17%
5. Overall FDI Inflows (EUR million)	3,587	5,879	3,023	3,689	3,614	4,517	4,578	7,300	27%
Smart Growth									
6. GDP per person employed (EUR)	26,597	28,917	29,363	29,683	28,960	n/a	n/a	36,300	24%
7. No of highly qualified persons in the workforce (mil)	1.09	1.14	1.27	1.36	1.47	1.55	1.61	1.44	146%
Sustainable Growth									
8. Net enterprise creation (no. of companies)	29,639	30,927	30,579	34,416	31,958	32,622	26,872	26,790	n/a
9. Share of Renewables in Gross Final Energy Consumption*	24.7	23.6	25.3	25.5	30.0	27.6	n/a	31.8	94%
Inclusive Growth									
10. Employment rate - age group 20-64, %*	48.7%	47.6%	47.0%	47.8%	48.8%	49.4%	51.4%	55%	57%
Governance for Growth									
11. Government's effectiveness, WGI (scale 0-5)	2.21	2.24	2.30	2.30	2.44	2.41	n/a	2.65	52%

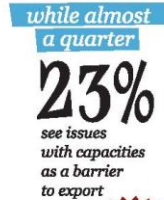
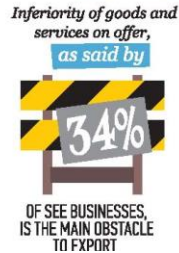
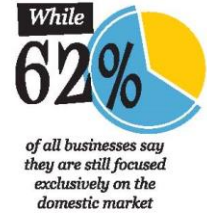
Balkan Business Barometer

<http://www.rcc.int/seeds/results/3/balkan-business-barometer>

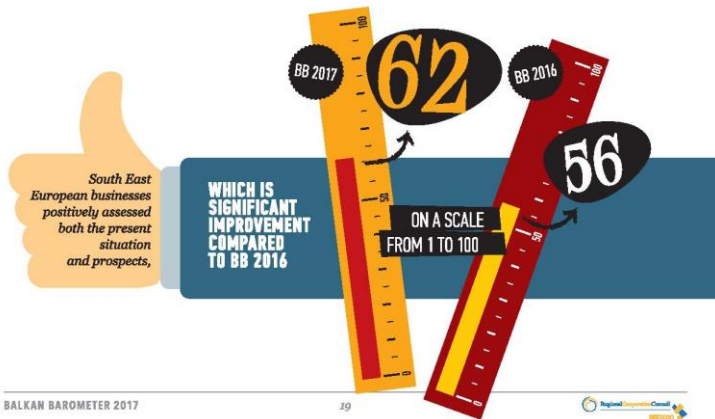
What percentage of your company's sales are made domestically, exported to the SEE region, to the EU or to the third countries?



Balkan Business Barometer Main Findings



BALKI



The main concerns of the region's population are:



Obstacles to doing business by the region's corporations:



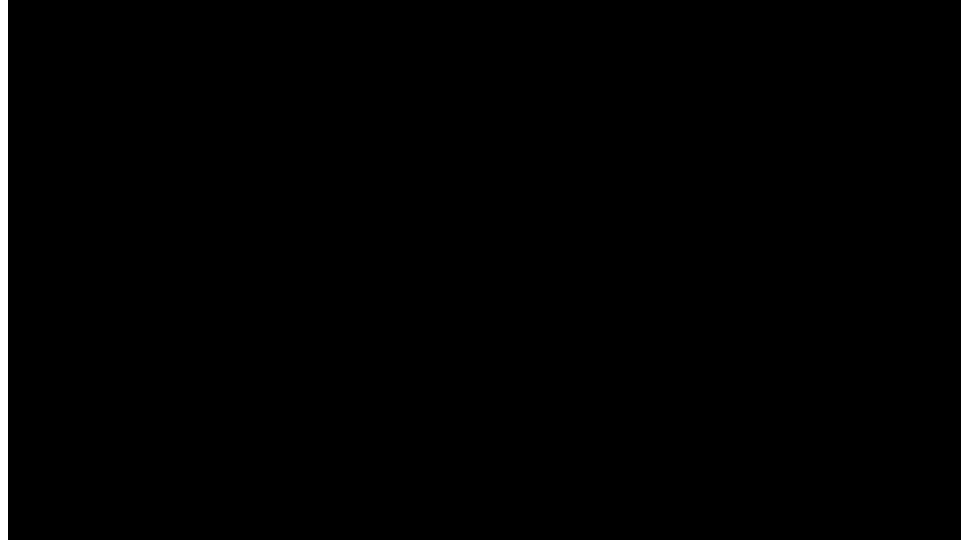
- TAXES (yet again come out on top)
- MACROECONOMIC INSTABILITY
- CONTRACT VIOLATIONS
- CORRUPTION

Berlin Process

- **Berlin Summit (August 2014) - Connectivity**
 - Infrastructure (transport, energy)
 - Youth initiative
 - Resolution of bilateral disputes
- **Vienna Summit (July 2015) - Infrastructure**
 - Decision on the list of core projects
- **Trieste Summit (July 2017)**
 - Agreement to establish the WB6 Regional Economic Area
 - Endorsement of MAP - REA

Multi Annual Action Plan on Regional Economic Area

GOALS



Considerable growth potentials can be unleashed through closer economic integration

MAP REA: Benefits

1. Trade deficit reduction
2. Increase of investments (foreign, domestic and intra-regional)
- higher industrial activity
3. Enabled flow of workers throughout the region
4. Reduced doing business costs, increased efficiency by lowering roaming charges, integration into the pan-European digital market



MAP: Investments Agenda

- **Regional investment reform agenda** (development & implementation)
- Harmonization of **regional investment policies** (alignment with international/EU standards)
- Joint promotion of Western Balkans as a **single investment destination**
- **Financial market integration**
- **Smart specialization** - industrial development strategies
- SEE2020: Creation of **regional value chains**, starting with tourism

MAP on Regional Economic area Prerequisite for Success

**Three C's:
Commitment, Cooperation, Coordination**

Key Players:

**National Governments, Private Sector, Donor Community,
Regional/International Organizations, European Commission**



Thank you!

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