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Central European Free Trade Agreement (CEFTA) initialled

PRISTINA – Yesterday evening the new modernised and enlarged Central European Free Trade Agreement (CEFTA) was initialled in Brussels in a ceremony hosted by the Stability Pact. Andreas Wittkowsky, Deputy Head of the EU Pillar, initialled the Agreement for UNMIK on behalf of Kosovo.

The other Parties who initialled the Agreement were Albania, Bulgaria, Croatia, Macedonia, Moldova, Montenegro and Romania. Bosnia and Herzegovina and Serbia are expected to follow shortly so that the Agreement can be signed at the South East European summit of Prime Ministers scheduled for 19 December 2006 in Bucharest.

The Agreement will enhance trade and investment relations between the parties by promoting the opening of procurement and service markets, and by facilitating a cooperative resolution of trade disputes through joint institutions, such as the Joint Committee and the Secretariat, that will be established to support the work of CEFTA.

“The enlarged CEFTA will consolidate the network of bilateral free trade agreements in the region and ensure that Kosovo is an equal partner in it. It will give Kosovo exporters duty free access to a large regional market. It will also create common institutions to promote further economic development and to deal with trade barriers in a cooperative manner”, said Andreas Wittkowsky after the conclusion of the meeting. “The signing of CEFTA will be the ultimate success of the regional parties that committed to the Memorandum of Understanding on Trade Liberalisation concluded under the auspices of the Stability Pact in 2001.”

CEFTA has played an important role in improving trade relations and in preparing its members for eventual accession to the European Union. A joint declaration on its expansion to Albania, Bosnia and Herzegovina, UNMIK on behalf of Kosovo as defined under UNSC Resolution 1244, Moldova, and Serbia and Montenegro, was signed at the South East Europe Prime Ministers summit on 6 April 2006 in Bucharest.

CEFTA was originally established in 1992 by Poland, Hungary, and Czechoslovakia. They were later joined by Slovenia, Romania, Bulgaria, Croatia and Macedonia. The countries now joining the European Union have left CEFTA since. At present, CEFTA has four members: Bulgaria, Croatia, Macedonia and Romania; Bulgaria and Romania will join the EU on 1 January 2007. After signing the enlargement agreement, the “new” CEFTA will have eight members.

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