

PRESS RELEASE**EUROCHAMBRES survey: Companies need stronger EU-Western Balkans economic links**

Two years after the Thessaloniki Summit, which confirmed the membership prospect for the five Western Balkan countries, the EU is still far away for the Balkan business community. Western Balkan companies continue to suffer from a significant lack of knowledge on relevant EU legislation, persistent barriers to trade and poor internal resources according to EUROCHAMBRES' second survey on "Competitiveness of Western Balkan Companies", which will be presented tomorrow at the European Social and Economic Committee (Brussels).

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, said: *"In the last year there was no progress towards closer economic relations between the EU and the Western Balkans. European Chambers welcome last week's decision by the European Commission to extend until 2010 the autonomous trade measures granted to Western Balkans. However, we demand more efforts to eliminate practical trade barriers and provide easier access to EU commercial information. Companies from the Western Balkan region as well as the European economy would benefit from enhanced integration."*

The survey, which consulted more than 1,800 companies in the Western Balkan region, mainly SMEs from the manufacturing sector, was carried out in the framework of EUROCHAMBRES' PARTNERS programme, a capacity building programme for Western Balkan Chambers.

1 out of 3 companies has no knowledge on EU legislation

One third of the respondents admit to have no information about the relevant EU legislation at all. Only 1 out of 10 Western Balkan enterprises is satisfied with the degree of their knowledge on EU provisions.

The most used information sources are confirmed to be the internet (72% of respondents), the EU website (63%), EU business partners (60%) and Chambers of Commerce (60%). Conversely, the respondents still do not take full advantage of the information flow provided by the European Institutions and local EU delegations.

Obstacles still hamper trade with EU – and within South East Europe (SEE)

According to the survey, obstacles still hinder Western Balkan companies' trade both with the European Union, and with their neighbouring countries in the SEE area. Time-consuming and expensive customs procedures were rated as the major impediment, although problems related to certification and company registration also scored very high.

page 1 from 2

EUROCHAMBRES has member organisations in 44 countries representing a network of 2,000 regional and local Chambers with over 18 million member companies.

As the survey shows, the trade potential with the EU is far from being exploited. 47% of the interviewed reported that sales to the EU totalled less than 10% of the company's earnings.

Intra-regional trade is at low levels: according to the polled companies, 30% of them stated to never have experienced trading within SEE.

The PARTNERS programme

Against this background, EUROCHAMBRES' PARTNERS (Project of Assistance to Regional Trade and Networking for Economic Recovery and Stability) Programme, launched in 2004, aims to promote intra-regional and EU trade in the 5 Western Balkan countries. The activities include 15 partnerships between EU and Western Balkan Chambers and training programs on intra-regional trade, EU policies and international trade promotion services.

The EUROCHAMBRES' Survey "Competitiveness of Western Balkan Companies" can be downloaded from www.eurochambres.be



PARTNERS is a two-year project of EUROCHAMBRES under the EU CARDS Regional Programme for the development of national and regional Chambers of Commerce and Industry in the Western Balkan region (Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia and Serbia and Montenegro). It has the total budget of €2.15 million and was launched at the beginning of 2004.

FURTHER INFORMATION: Ms Micol Martinelli, tel.: +32 2-282 08 63, martinelli@eurochambres.be

PRESS CONTACT: Ms. Tosca Purr, tel.: +32 2-282 08 53, purr@eurochambres.be

All our press releases can be downloaded from: <http://www.eurochambres.be/press/>