

PRESS RELEASE

EUROCHAMBRES survey reveals constraints of Western Balkan business community

Non-tariff barriers limit trade within South East Europe, and many Western Balkan companies fear a negative impact of the recent EU enlargement. At the same time, companies in the Western Balkans can reap the benefits of further integration, provided they are better informed about relevant legislation. This is a key finding of a EUROCHAMBRES' survey which has been released today.

The survey "Competitiveness and Export Potential of Western Balkan Companies" was realized in the framework of EUROCHAMBRES' PARTNERS programme, a capacity building programme for Western Balkan Chambers which aims to promote intra-regional and EU-trade. 2,166 companies were consulted.

"The Thessaloniki Summit in June 2003 confirmed the prospect of EU membership for the five Western Balkan countries and the EU should now focus on integrating these countries into Europe through enhanced political and economic integration. We have seen from the recent enlargement that it is important to promote growth in the run-up to accession, in particular by enhancing the region's export potential," Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, said.

Mixed feelings on EU Enlargement

According to the survey, Western Balkan companies need to catch up with their knowledge on regulatory requirements in the EU in order to fully realise the potential of the market. Despite the fact that the Union is a major export destination and companies are interested to intensify business relations, 28% have no information on EU legislation at all.

The companies in the region are very much concerned about the negative impact that the recent enlargement of the EU may have on their business prospects but they feel fairly optimistic about the benefits of their own countries' membership in the EU. 69% of respondents expect easier access to the EU markets.

Non-tariff barriers impede trade within the South-East region

The survey also showed that Western Balkan companies trying to do business with their south-east European neighbours or with the EU Member States suffer from bureaucratic customs procedures and lack of mutually recognised certification bodies.

page 1 from 2

EUROCHAMBRES has member organisations in 41 countries representing a network of 2,000 regional and local Chambers with over 17 million member companies.

The companies are very much interested in the process of trade liberalisation in south-east Europe and fairly optimistic about the implications this may have for commercial opportunities in the neighbouring markets.

Mr Abruzzini said: *“Trade liberalisation in south-east Europe would significantly improve business prospects of Western Balkan companies. However, the survey shows that there are still a number of non-tariff barriers that impede trade within the region. National governments should put more effort into providing timely and useful information on the process of trade liberalisation and into tackling non-tariff barriers.”*

Insufficient use of modern communication technologies / lack of language skills

Despite the fact that Western Balkan companies are relatively well equipped in terms of office computerisation, businesses need to invest more into modern communications and foreign language skills of their staff in order to increase their export potential and competitiveness abroad.

Every second company, on average, said that very few of their employees are able to work in a foreign language and that they have only one e-mail account for the company. However, companies in the Western Balkans do appreciate the importance of training their staff in a variety of skills and of investing into internationally recognised quality certification.

Training for Chambers launched to address companies' needs

The companies polled recognised the quality of the information they receive from the Chambers regarding trade liberalisation in south-east Europe and on regulatory requirements for their marketing research, as well as trade promotion services. They would like Chambers to offer more innovative and tailor-made services in future and provide more information about trade policy issues.

In order to meet these expectations, EUROCHAMBRES assists Western Balkan Chambers through training activities and twinning programmes with the EU Chambers in the framework of PARTNERS. By the end of 2005 up to 75 Chambers experts will be trained in Brussels and south-east Europe on international trade and export promotion.

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.

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