

EU ENLARGEMENT: THE BUSINESS PERSPECTIVE



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Foreword

While the war in Ukraine has given a new impetus to EU enlargement, Eurochambres conducted two surveys respectively among companies in the current candidate and potential candidate countries and in chambers in the EU on the business perspective on EU enlargement.

With its network of chambers of commerce and industry spanning the continent, Eurochambres is in a unique position to gauge the level of enlargement awareness and preparedness of the business community in the candidate and potential candidate countries, as well as to gather insights on the impact of this process on businesses.

As we celebrate the 20th anniversary of the EU's largest single expansion, one of the lessons that can be drawn from previous accession negotiations is that compliance with legislation at grass-roots level is as important as the adaptation at institutional level. Chambers have been key players in previous enlargements by preparing the business community to make the necessary changes to adapt, remain competitive and capitalise on being part of an enlarged single market.

The findings of these surveys stress the importance of informing and involving the business community from both the EU and the candidate and potential candidate countries in the enlargement process as early as possible. Companies need information and a say in the enlargement process. This would allow businesses in the candidate countries to identify, at an early stage of the process, the areas where the most effort will be needed to comply with the EU *acquis* so that they can plan the necessary adaptations needed. It would additionally allow the business community in both the EU and the candidate countries to actively contribute to the enlargement process and ensure that their interests are considered. A clear timeframe would facilitate the planning of the necessary reforms at company level and keep the momentum for enlargement among the business community.

Eurochambres would like to acknowledge the chambers that participated in these surveys either in responding to the questionnaire - chambers in the EU - or in disseminating the questionnaire to their member companies - chambers in the candidate and potential candidate countries. Eurochambres is also grateful to the 420 entrepreneurs from Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, Serbia and Ukraine who participated in the survey and shared their perspectives on the EU accession process.

Eurochambres is committed to continue to accompany its members and the business community in the economic and societal changes implied by the enlargement process.

Vladimír Dlouhý
President of Eurochambres



Executive summary

The results of the survey carried out among companies in the candidate and potential candidate countries reflect the desire of companies to be more informed on the overall accession process, on the specific EU legislation which will have an impact on their daily businesses as well as on the pre-accession fundings they can benefit from. Companies mainly expect positive economic effects from EU accession, particularly through better access to European markets and better inflow of foreign direct investments. Companies are, in general, optimistic on their business prospects post accession. Businesses are at an early stage of compliance with EU legislation, but they recognise that this compliance will improve the overall operations of their company. However, companies already foresee financial difficulties linked to their compliance with the EU legislation and in particular with the legislation on product certification, technical regulations and standards, environment and energy, as well as digitalisation. Businesses strongly support gradual integration in the EU single market before accession and want to have a say in the EU accession process. Entrepreneurs want to be consulted by their governments at the different stages of the process. Finally, chambers are considered as key players to support companies in their preparation for EU accession.

The findings of the survey among chambers in the EU highlight the high interest of EU companies to trade and invest in the candidate and potential candidate countries. However, they regret that the lack of transparency and corruption, the difference of standards and certification systems and cumbersome customs procedures hamper trade and investment relations. Chambers strongly support the creation of the Common Regional Market in the Western Balkans, which has the potential to improve trade and investment relations and bring economies closer. Chambers regret being only partially informed on this new round of EU enlargement. They are nevertheless optimistic regarding the impact of EU accession on the current candidate countries. Chambers want the EU enlargement process to be more transparent and would like to be more involved in the process. Ukraine is the first country to start the accession negotiations with the EU while at war. Chambers in the EU are committed to supporting the Ukrainian business community and Ukrainian citizens, mainly through the provision of humanitarian assistance and the integration of Ukrainian refugees in the EU labour market.

Introduction and methodology

In December 2023, the European Council took the historic decision to open accession negotiations with Ukraine, Moldova and Bosnia and Herzegovina – the latter under the condition of achieving a necessary degree of compliance – and to grant candidate status to Georgia, also under certain conditions. In November 2023, the European Commission adopted a “new growth plan for the Western Balkans” with a twofold aim: to accelerate the speed of the enlargement process and bring their economies closer. Further to this new momentum for enlargement, the EU has launched the reflection on how to prepare both the EU and the aspiring member countries for the next round of enlargement.

With a view to position chambers and the business community at large in the current debate on EU enlargement, Eurochambres conducted two comprehensive surveys on the business perspective on EU enlargement respectively among companies in the candidate and potential candidate countries (with the support of national chambers in the aspiring countries, from July to December 2023) and chambers in the EU (from July to September 2023). The survey covers the vast majority of the candidate and potential candidate countries. The information about Türkiye was gathered from two similar surveys which were conducted in 2022 in the context of the Türkiye-EU Business Dialogue project (TEBD), co-financed by the EU and implemented by Eurochambres and the Union of Chambers and Commodity Exchanges of Türkiye (TOBB). 420 companies, mainly SMEs, from Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, Serbia and Ukraine responded to the first survey. 23 national or regional chambers from Austria, Belgium, Bulgaria, Croatia, the Czech Republic, Germany, Hungary and Lithuania participated in the second survey.

This report presents for the first time the perspective on EU enlargement from the business community from both the EU and the candidate and potential candidate countries. More than twenty years ago, Eurochambres conducted a survey on EU enlargement which focused on the level of preparedness for EU accession of companies in the countries which became EU member states in 2004 and 2007.

The findings of this report provide insights on the level of awareness and readiness of companies in the candidate and potential candidate countries to comply with relevant EU legislation, the perspective of the EU business community on trade and investment relations with the candidate and potential candidate countries, as well as on expectations from businesses in both EU and the candidate and potential candidate countries on enlargement.

1. Business perspectives in the candidate countries

1. Business perspectives on enlargement in the candidate and potential candidate countries

This first part focuses on the level of awareness of and compliance with the EU *acquis* of companies in the candidate and potential candidate countries as well as on their perspectives on the potential membership of their countries to the EU.

1.1. Awareness of the EU accession process

1.1.1. Level of familiarity with EU accession process and the EU *acquis*

Awareness of the EU accession process and the EU *acquis* remains limited among companies in the candidate and potential candidate countries.

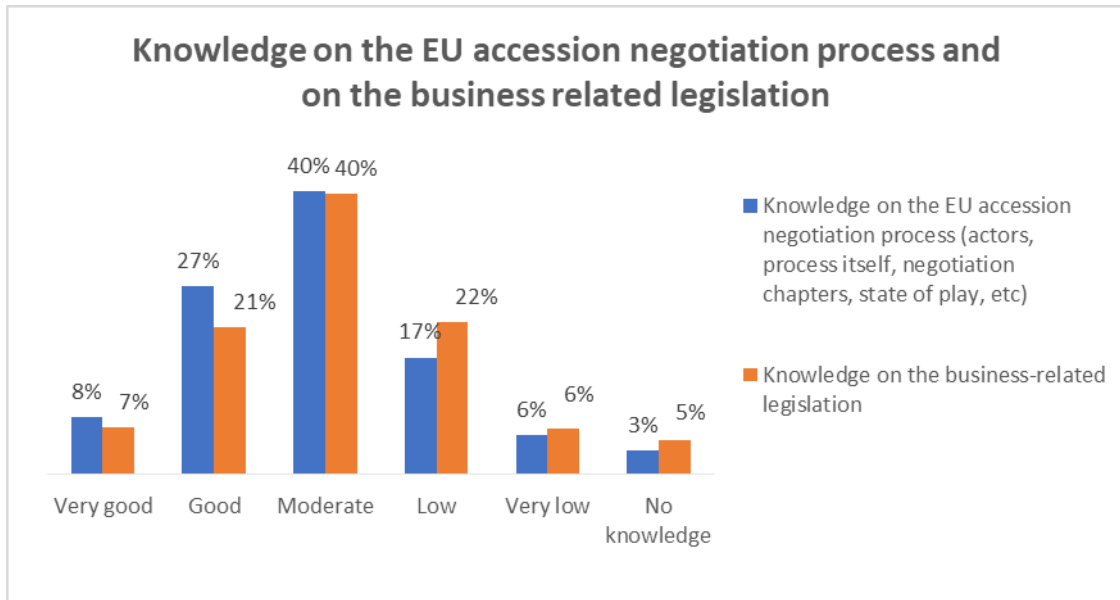
The companies surveyed are coming from countries which are at different stages of the accession process. Montenegro and Serbia started the accession negotiations with the EU respectively in June 2012 and January 2014. Montenegro has opened all the negotiations chapters while Serbia has opened 22 out of 35 chapters. Four other countries are just starting the process. In December 2023, the EU member states agreed on launching the accession negotiations with Moldova and Ukraine, with Bosnia and Herzegovina – once the necessary degree of compliance with the membership criteria is achieved – and granted the candidate status to Georgia on the understanding that the relevant steps set out by the European Commission in November 2023 are taken. Kosovo submitted an application for EU membership in December 2022.

However, the familiarity with the accession process does not profoundly differ from a country to another. Companies surveyed have moderate (40% of the overall respondents) or low/very low knowledge (23%) on the EU accession process – its principles, actors, procedures, state of play. Only 35% of the companies declare having a good or very good knowledge of the EU accession process.

Companies were also asked about their knowledge on the EU *acquis*. EU accession negotiations imply the acceptance by the candidate countries of the EU *acquis* (Treaties, legislation, case law of the Court of Justice, EU declarations and resolutions, Common Foreign and Security instruments, EU international agreements). To gauge the knowledge of companies on the EU *acquis* is important as a large part of the EU *acquis* will have direct or indirect impact on the daily operations of companies in the candidate countries.

The familiarity of companies in the candidate and potential candidate countries with the business-related EU *acquis* is slightly lower than their knowledge on the EU accession process in general as the latter involves much more technical information.

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The information deficit on the accession process and on the business-related EU *acquis* among the business community had already been highlighted in the context of previous enlargements. It is crucial to enhance the efforts at European and national level to inform companies, during the accession process and if possible at an early stage of the process, to avoid both un-preparedness to cope with competitive pressures within the EU single market and mistrust towards the EU accession process.

1.1.2. Information needs of the companies on specific areas of the EU *acquis*

Companies recognised the need for comprehensive information on all the business-related EU legislation (between 75% to 57% depending on the area).

When invited to specify their needs in the different areas of the EU *acquis*, companies gave the highest score to product certification, technical regulations and standards which are at the core of free movement of goods, followed by competition rules, including antitrust, mergers, cartels, liberalisation and state aid (see graph 2 Annex 3). Compliance with free movement of goods and competition will be key for companies to cope with competition and market dynamics in the EU. Companies are also interested in receiving, information on EU legislation and policies related to the protection of workers (health and safety at work) and of consumers.

These findings should be taken into account when designing specific information programmes to improve the awareness of companies in the candidate and potential candidate countries on specific EU business-related legislation.

1. Business perspectives in the candidate countries

1.1.3. Level of awareness on EU initiatives, EU fundings and EU programmes

Companies in the candidate and potential candidate countries are not informed enough on the different initiatives launched by the EU recently in their region nor about the fundings they could benefit from.

Despite the huge public and private investments expected to be mobilised (€20 billion for the Western Balkans and €17 billion for the Eastern Partnership) by the Economic and Investment Plans adopted by the EU in 2020 for the Western Balkans and the year after for the Eastern Partnership countries, the majority (60%) of the surveyed companies have very limited knowledge about these initiatives (see graph 3 in Annex 3). While they should benefit from the expected investments, only one out of ten companies are well informed about these Economic and Investments Plans.

Companies in the Western Balkans are not better informed on the initiatives dedicated to their region, such as the Digital Agenda launched in 2018, the Green Agenda in 2020 and the Agenda on innovation, research, education, culture, youth and sport in 2021. While companies should benefit from the concrete actions proposed in these plans, only a quarter of the surveyed companies has an idea of the actions proposed by the Green Agenda and one company out of five is aware of the actions proposed the Digital and Innovation Agendas (see graph 4 in Annex 3).

The EU financial instruments and programmes at disposal of the candidate and potential candidate countries are also unknown to the companies. The responding companies are largely unaware (34% have low knowledge and 18% no knowledge) of the main EU sources of funding, the Instrument for Pre-accession Assistance (IPA III) for the Western Balkans and the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe) for Ukraine, Moldova and Georgia. Whereas companies can benefit from different projects financed by these funds, only 22% of the respondents have a very good or good knowledge of these instruments (see graph 5 in Annex 3).

In addition to these financial instruments, some EU programmes are available to the candidate and potential candidate countries. They allow candidate and potential candidate countries to familiarise with EU policies and instruments before accession and provide opportunities for cooperation and exchange of experience with EU organisations in different areas. Horizon Europe and Erasmus+ are opened to all the countries included in this survey. This might explain why those two EU programmes are better known than the others with a quarter of the respondents being well aware of these programmes (see graph 5 in Annex 3). The majority of the companies, however, have low or no knowledge of Horizon Europe (53%) and Erasmus+ (51%). This level of unawareness is even

1. Business perspectives in the candidate countries

higher for EU programmes not yet available to all the candidate and potential candidate countries¹ (62% for Digital Europe and the Single Market Programme, 71% for the European Social Fund+).

An important effort should be considered by the different stakeholders (the EU institutions, national governments and business intermediaries) to provide information on these initiatives, financial instruments and programmes to the companies in the candidate and potential candidate countries. It is essential to raise the awareness over the various support mechanisms that the EU offers to increase their competitiveness and prepare for their integration to the EU. This will increase their support and commitment to the overall process.

1.2. Sources of information and services needed to fill the information gap on EU policies

Chambers of commerce and industry are the second source of information for companies on EU-related issues, just after the Internet.

Without surprise, the Internet is the principal source of information for the surveyed companies on EU legislation and policies (51%). Business organisations, like chambers of commerce and industry (29% or other business support organisations 4%) just follow (see graph 6 in Annex 3).

Companies rely on business representatives and hardly go directly to the public authorities – at the EU or national level – to get EU business-related information.

Main sources of information on EU legislation and policies

- ✓ Chambers of commerce and industry and other business support organisations are considered by companies to be the main source of information on EU legislation and policies after the Internet
- ✓ Companies prefer to receive information on relevant EU legislation and policies through targeted workshops or tailor-made training programmes

¹ The Western Balkans, Ukraine and Moldova participate in some of the strands of the Single Market Programme, only Montenegro and Serbia participate in one strand of ESF+ and only Montenegro, Serbia and Ukraine can participate in some of the objectives of Digital Europe.

1. Business perspectives in the candidate countries

These findings highlight 1/ the importance to provide accessible and comprehensive information on the internet on EU legislation and policies – if possible in the national language – and to adapt it to the companies needs, 2/ the responsibility of business support organisations and in particular chamber of commerce and industry, as important source of information on EU legislation and policies for companies in the candidate and potential candidate countries.

When asked on the information services needed to better understand EU legislation and policies, companies clearly prefer the interaction and exchange of experience proposed by both short workshops/conferences (39%) and longer training programmes (37%) to the provision of printed information in the form of studies, reports or newsletters (24%) (see graph 7 in Annex 3).

These results underline the importance to organisation events (either short events – workshops/conference or longer – training programmes) at regional or national level to provide tailor-made information on EU legislation and policies to companies. These events have also the advantage to provide an opportunity for exchanges of best practices in relevant fields as well as networking.

1.3. Level of preparedness of companies to comply with EU legislation

1.3.1. State of preparations

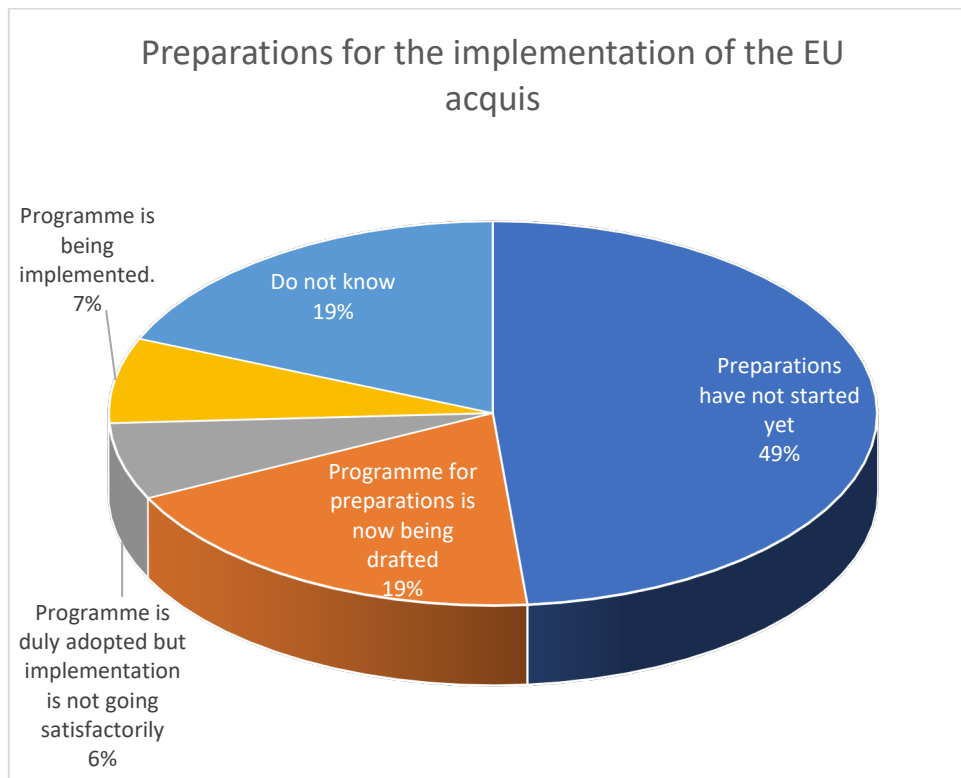
Companies in the candidate and potential candidate countries are at an early stage of compliance with EU legislation. Companies do not feel the pressure yet to get ready for the single market.

There is a strong correlation between level of knowledge on EU *acquis* and the level of preparedness to comply with the obligations resulting from the transposition of the EU *acquis* into the national legislation. Awareness on the relevant EU legislation is a pre-condition for effective compliance by businesses with the EU *acquis* which will allow a smooth integration in the EU single market.

Half of the responding companies have not yet started the preparations to comply with the EU *acquis* and 20% of companies do not even know what the compliance with EU legislation implies.

Only 7% of the respondents consider that their companies comply with the EU *acquis* requirements.

1. Business perspectives in the candidate countries



This general low level of preparedness from companies can be explained as mentioned above by the lack of knowledge on compliance with EU legislation, lack of financial resources or organisation within the company or the lack of interest in complying with the EU *acquis* – “enlargement fatigue” - in countries which have started the accession negotiations a decade ago and do not see a near prospect of accession to the EU.

It is worth noting that there is no major differences between countries in the Western Balkans which have been negotiated accession with the EU for a decade (Montenegro and Serbia), countries in the Western Balkans which have not started yet to negotiate their accession with the EU and countries which have signed Association Agreements in the EU including Deep and Comprehensive Free Trade Area (DCFTA) which include gradual alignment with the EU *acquis* (Moldova, Ukraine and Georgia).

These findings highlight the importance to train companies on the implication for their daily business resulting from the transposition of the EU legislation in their national legislation and to support them in their preparations for compliance with the EU *acquis*. All the stakeholders (public authorities at EU and national level and business support organisations, like chambers of commerce and industry) must mobilise to improve the level of compliance with the EU *acquis* by companies in the candidate and potential candidate countries, as early as possible in the process.

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Chambers of commerce and industry and other Business Support Organisations have a key role to play in supporting companies in their effort to comply with the EU *acquis*. In previous EU enlargements, chambers of commerce and industry, under the umbrella of Eurochambres, provided dedicated services – “*Acquis audits*” – to companies. The EU business-related *acquis* was translated into concrete questions for the companies and chambers supported them in answering the questionnaire. This allowed an objective understanding of the level of compliance with the EU *acquis*. The analysis of the *acquis* compliance gap was the basis for the development of comprehensive programmes to ensure full compliance with the EU *acquis* before accession.

1.3.2. Expectations from compliance with the EU *acquis*

Compliance with the EU *acquis* is key to improve the overall operations of their company.

Even if they are only at an early stage of compliance, companies participating in the survey massively (82%) considered that complying with the EU *acquis* will improve overall management and operations of their companies. Only 2% of the companies believed that compliance with the EU *acquis* will have no impact on their business. Once again, it is worthwhile noting that 16% of the companies do not know what the impact of the compliance with the EU *acquis* will be for their competitiveness (see graph 9).

Benefits of compliance with the EU *acquis* for companies

- ✓ 82% of the surveyed companies consider that compliance with the EU *acquis* will improve the overall operations of their businesses
- ✓ 16% still don't know what will be the impact of complying with the EU *acquis*

These findings are encouraging. Companies perceive the clear benefit of adapting their businesses to the new conditions implied by the EU accession process. A clear perspective of accession to the EU will encourage companies to make the necessary changes despite the difficulties they will face in this adaptation.

1. Business perspectives in the candidate countries

1.3.3. Difficulties expected from the compliance with the EU *acquis*

Companies are rather confident regarding the adjustment of their business to the new requirements implied by the transposition of the EU legislation into their national legislation.

A rather high percentage of respondents expect moderate or low difficulties in complying with the new requirements in all the areas of the business-related *acquis* (between 30% and 52%, depending on the area). While companies in the EU found it increasingly challenging to implement and comply with new legislation adopted at the EU level, this confidence in the candidate and potential candidate countries might be explained by an underestimation of the complexity of adjustments to be made before the accession to the EU (see graph 10)².

Among the selected areas of the EU *acquis*, the biggest difficulties are expected in the compliance with the legislation related to free movement of goods (products certification, technical regulations and standards), environment / energy and digitalisation³. Respectively 21%, 18% and 17% of the companies have high difficulties in complying with the EU legislation in these areas. The lessons learnt from previous enlargements have stressed the specific difficulties in complying with legislation on environment and energy as it requires important structural changes and substantial financial resources and investments for companies. The candidate countries had to negotiate transitional periods in the context of the accession negotiations and postponed full compliance after accession.

Compliance with the *acquis*:

Companies expect mainly difficulties in complying with EU legislation on:

1. Product certification, technical regulations and standards
2. Environment / energy
3. Digitalisation

Businesses identify concerns about the cost implications of compliance with the EU *acquis*

² The result is in line with the 2024 Eurochambres Economic Survey where over 40.000 European entrepreneurs identified regulatory burdens as a major challenge for 2024.

³ Interestingly, companies based in the single market are also particularly concerned with diverging rules on contracts, guarantees, technical standards, remedies and litigation in cross-border sales of goods and services – more information [here](#).

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Compliance with the EU *acquis* on product certification, technical regulation and standards as well as on digitalisation will also require important technical and financial investments from the companies.

Less difficulties are expected in consumer protection, health and safety at work and food safety (respectively 10%, 11% and 12% of the companies surveyed expect high difficulties in these areas).

A non negligible number of companies have still no idea of the expected problems (between 6% and 13% depending on the area) implied by the compliance of the EU *acquis* in these areas.

These finding remark the importance to identify at an early stage the areas where the most efforts will be needed to comply with the EU *acquis* to allow the different stakeholders to focus on these problematic areas. Public authorities have to be aware of the specific problems resulting from compliance with the EU *acquis* and take into consideration these difficulties while negotiating the specific “*chapters*” with the candidate countries. Business Support Organisations, including chambers of commerce and industry will have to focus on these most problematic areas while designing services to support companies..

When asked more specifically about the nature of the difficulties expected at the company level, financial difficulties are primarily expected by companies from the compliance with the EU *acquis*.

The confidence on the expected difficulties does not last when considering the expected problems deriving from the compliance with EU *acquis* in the main areas of business operations (financial, technical, human resources and commercial). Difficulties are expected in all the areas (see graph 11). Entrepreneurs consider that the financial investments necessary to comply with the new requirements will have the most important impact on their companies (34% expect important financial difficulties). Companies expect less difficulties in human resources (only 22% expect important difficult in the management of human resources). They don't particularly fear a lack of qualified staff who might be tempted to benefit from the free movement of workers to emigrate to the current 27 EU member states.

These findings points out the importance to identify at an early stage the technical adjustments necessary to comply with the EU legislation and the costs that companies with have to face. Specific support should be provided to companies in the candidate and potential candidate countries so that they can identify and overcome the expected difficulties and remain competitive in the EU enlarged single market.

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1.4. Perspectives on a potential membership of their country to the EU

This section analyses the perspective of companies in the candidate and potential candidate countries towards EU accession, their expectations and their concerns.

1.4.1. Expected effects of EU accession

Companies mainly expect positive economic effects from the accession of their country to the EU.

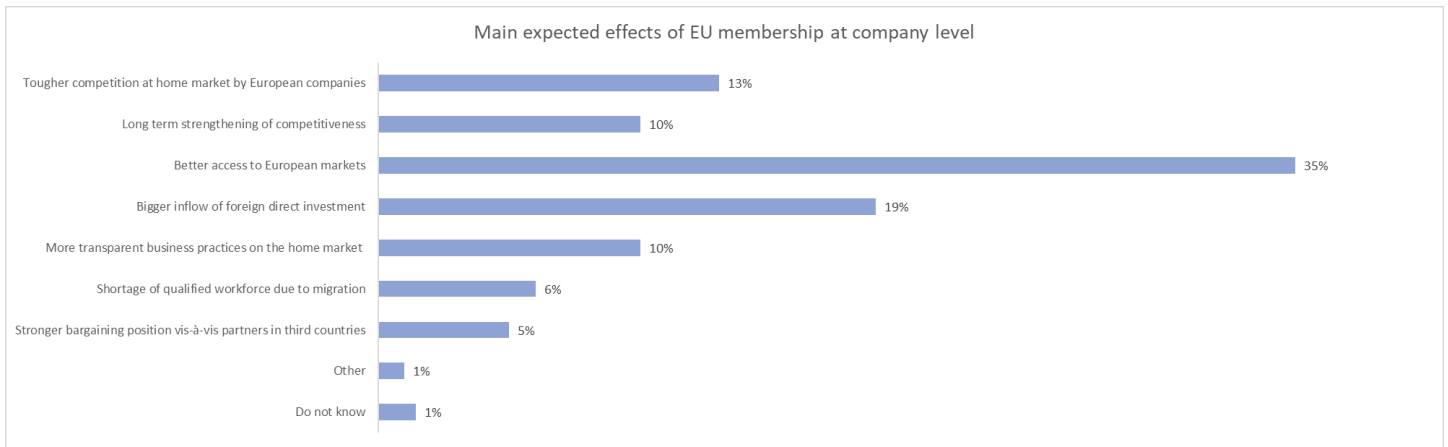
Companies participating in the survey foresee greater commercial opportunities from their accession to the EU and in particular better access to European markets (35%). The free movement of goods and services will facilitate export of their products and services to the EU. One company out of three also expect better inflow of foreign direct investments (19%) as a consequence of their accession to the EU. Previous EU enlargements confirmed that joining the EU increased foreign direct investments flows from other EU countries by almost 50%. However EU accession did not have a significant impact on a country's capacity to attract foreign direct investments from non-EU countries.

The surveyed companies are also aware of the difficulties inherent to their integration in the single market. They expect, even if to a lesser extent, tougher competition on their home market by companies (13%) from "old" member states. In order to alleviate this fear, it is important to foresee targeted support to enhance their competitiveness and ensure they compete in the enlarged single market.

More transparent business practices in their home country and long term strengthening of competitiveness come only at the fourth position. Companies expect from EU accession greater impact on their trade and investments with the EU than on the overall business environment and competitiveness.

Companies are rather confident on the limited impact of EU accession on their workforce as only 6% see shortage of qualified workforce as a threat. They do not expect brain drain and important migration of their qualified workforce as a consequence of free movement of people.

1. Business perspectives in the candidate countries



These findings might explain the optimism expressed by the surveyed companies about a future EU accession (see next part 1.4.2).

1.4.2. Business prospects

Surveyed companies are extremely optimistic on their business prospect for post accession period.

Business prospects for post EU accession

- ✓ 95% of the companies consider that EU membership will have a very positive or positive impact on their business

This optimism can be interpreted in two ways (see graph 13): 1/ they strongly believe they will be able to timely adapt to the new requirements implied by the EU accession process and will be ready whenever accession happens, 2/ they still don't have a clear picture of the consequences of EU accession for their businesses but believe EU membership will have a positive impact.

1. Business perspectives in the candidate countries

1.4.3. Position towards gradual integration in the EU single market

Companies in the candidate and potential candidate countries support massively gradual integration in the EU single market

To strengthen the EU accession process, the revised enlargement methodology adopted in 2020 by the European Commission foresaw the possibility for the candidate countries to gradually access EU policies and EU programmes when the related negotiating clusters (group of negotiating chapters) were completed. More recently, the New Growth Plan for the Western Balkans adopted by the European Commission in November 2023 proposed to enhance the economic integration with the EU single market in 7 priority areas subject to the alignment with the single market rules in these specific areas and to the opening of those same areas to all the neighbours. The association agreements between the EU and Ukraine, Moldova and Georgia provide also gradual access to the single market in selected sectors.

This would allow alignment and harmonisation of the rules in the Western Balkan countries with EU norms and standards prior to their formal accession to the EU.

The initiatives to gradually integrate candidate countries in the EU single market are massively supported by the companies participating in the survey (97%) - see graph 14. Such a gradual integration to the EU single market will make the benefits of membership tangible at an earlier stage of the enlargement process and bring closer the candidate countries to the EU.

Gradual integration in the EU single market

- ✓ 97% of the companies in the candidate and potential candidate countries support the gradual integration of their countries in the EU single market

This finding is corroborated by the vote of over 700 entrepreneurs from the EU and candidate and potential candidate countries during the European Parliament of Enterprises (EPE) organised in November 2023 in Brussels by Eurochambres. 91% of the participants in the European Parliament of Enterprises were favourable to increase the engagement of the EU to bring the candidate and

1. Business perspectives in the candidate countries

potential candidate countries closer to the EU single market. Eurochambres, in the [position paper](#) on “EU and Western Balkans: a profound and deepening partnership” published in March 2022, had already supported the early accession concept.

1.4.4. Main accession criteria

Companies consider that the political criteria will be the most difficult criteria to be met to become an EU member state.

The EU established in 1993 the three accession criteria, the so-called “Copenhagen criteria”, which have to be met before a candidate country can join the EU. The first criterion is a political criteria, the stability of the institutions which guarantee democracy, the rule of law, human rights and respect for and protection of minorities. The second criterion focuses on economic reforms, a functioning market economy and the capacity to cope with competition and market forces. The third criterion is the capacity to effectively implement the EU *acquis* and the ability to take on the obligations of membership. To those three criteria was added regional cooperation and good neighbourly relations for the Western Balkans.

More than half of the surveyed companies (54%) consider that the political criterion will be determinant for the accession of their country to the EU (see graph 15). This criterion is totally dependent on their national governments. Only 24% of the participating companies believes that the capacity to effectively implement the EU *acquis* – which is at the core of the accession negotiations – will be determinant to join the EU. Almost the same percentage (22%) estimate that their economic performances and their capacity to cope with competition and market forces within the EU will be key for their EU accession.

These findings underline the own-perceived limited influence of entrepreneurs over the whole enlargement process, which might lead to frustration if not handled appropriately by the national governments. Entrepreneurs consider that even if they make the necessary changes to comply with the EU requirements at the level of their company and they contribute to bring their country economically closer to the EU, the whole process might be hampered by a democracy deficit.

1.5. Involvement of companies in the EU accession process

Companies in the candidate and potential candidate countries are massively advocating for a more transparent accession process. They would like to be consulted more by their national governments.

1. Business perspectives in the candidate countries

Half of the respondents have not been consulted by their government at the different stages of the accession process. The vast majority of these companies would like to be consulted directly or indirectly, via business support organisations (see graph 16).

Consultation by national governments on the EU accession process

- ✓ Half of the companies in the candidate and potential candidate countries declare to have not been consulted by their government on the accession process (directly or indirectly).
- ✓ The vast majority of these companies would like to be involved in the EU accession process directly or via business support organisations.

As a correlation, a predominance of the responding companies (92%) wants more transparency in the EU accession process (see graph 17).

These findings are a strong call to the policy-makers in the national governments and the EU to communicate better on the EU accession process, to enhance the involvement of the business community, as part of the civil society, and to reinforce the consultation process in the overall enlargement process.

2. Business perspectives in the European Union

2. Business perspectives on EU enlargement in the EU

This second part provides insights on the perspectives of the chambers of commerce and industry in the EU on trade and investment relations with the candidate and potential candidate countries as well as on the EU enlargement process.

2.1. Trade and investment relations between the EU and the aspiring countries

2.1.1. Familiarity with and interest in trading and investing in the aspiring countries

Chambers who responded to the survey represent in their large majority companies which have already trade and investment relations with candidate and potential candidate countries or are willing to develop such relations.

Chambers from the EU participating in the survey considered that the majority of the companies they represent have a long trade and investment history with Serbia (64%), Ukraine (59%), Türkiye (50%) and are already very familiar with these markets (see graph 18). This is unsurprising as they are the biggest economies in the candidate and potential candidate countries⁴.

EU exports to the Western Balkan countries have more than doubled in the last ten years and imports have more than tripled during the same period. This growing importance of the Western Balkans in the EU trade is reflected in the survey results. According to the chambers in the EU, their member companies are in their majority very familiar or at least familiar with the markets of the Western Balkans and have already some business contacts (50% of companies are very familiar/familiar with the market in Albania, 54% in Kosovo, 59% in Montenegro, 68% in North Macedonia, 73% in Bosnia and Herzegovina, and 91% in Serbia). When they are less familiar with the markets in the Western Balkans, they would be interested in developing business relations.

Georgia and Moldova are the two countries with which, according to the responding chambers in the EU, companies are less familiar with the market (respectively 37% and 41%). However, companies represented by the responding chambers would like to develop further trade and investment relations with those two countries (respectively 59% and 50% of the respondents).

There is clear room and interest from the business community in the EU to improve trade and investment opportunities between the EU and the candidate and potential candidate countries. Chambers of commerce and industry, as key players in the internationalisation of SMEs, should further develop targeted services – provision of information and business contacts – for those companies who are interested but not aware of the opportunities in the candidate and potential candidate countries, in particular in Georgia and Moldova. This would allow those companies to translate their interest into concrete business opportunities.

⁴ Türkiye, Ukraine and Serbia were respectively in 2022, the EU's 7th, 17th and 27th biggest trading partners.

2. Business perspectives in the European Union

2.1.2. Main barriers to trade and investment in the aspiring countries

Chambers of commerce and industry participating in the survey rated, on the basis of their experience and perception, barriers their member companies face when trading and investing in the candidate and potential candidate countries.

The main barriers to trade and investment in the candidate and potential candidate countries are lack of transparency and corruption (main barrier in all the candidate countries except in Moldova and Kosovo – where it comes in second position – and Türkiye – where it comes in fourth position), different standards and certification systems as well as customs procedures (see graphs 19).

Main barriers to trade and investment in the candidate and potential candidate countries

1. Lack of transparency and corruption
2. Different standards and certification systems
3. Customs procedures

It is worth noting that a very low percentage of the surveyed chambers consider that there is no problem at all in trading and investing in the candidate and potential candidate countries (between 0 and 2% depending on the country).

These findings request particular attention from the governments in the candidate and potential candidate countries to enhance the fight against corruption, to improve burdensome customs procedures which increase time and cost to export to and import from their countries, as well as to comply with EU standards which will improve market access to their products in the EU.

Exchange of best practices on these three specific areas between chambers in the EU and chambers in the candidate and potential candidate countries would be key to improve trade and investment relations between the regions.

2. Business perspectives in the European Union

2.1.3. Awareness and perceived impact of a Common Regional Market in the Western Balkans on the business community in the EU

The leaders of the Western Balkans have agreed in 2020 to enhance economic cooperation in the region by developing a Common Regional Market, based on EU rules and standards. This Common Regional Market has been recognised by the European Commission in the New Growth Plan for the Western Balkans as a precondition to integrate gradually the Western Balkans in the EU single market. The chambers surveyed evaluated their knowledge on this concept of Common Regional Market in the Western Balkans and their perceived impact of the Common Regional Market on their business relations with the Western Balkans.

The surveyed chambers in the EU are in their vast majority aware of the willingness to establish a Common Regional Market in the Western Balkans (82%) and consider that this Common Regional Market will represent an important potential to improve trade and investment relations between the EU and the Western Balkans (see graph 20). The EU business community expects benefits from increased opportunities generated by the free movement of goods, services, people and capital within the region.

These findings stress the importance to move forward on the implementation of the Common Regional Market and to overcome the current political blockage. It is crucial that policy-makers in the Western Balkans take the necessary steps to complete the Western Balkans Common Regional Market and deliver the different measures to which they committed.

2.2. Awareness on the EU enlargement process and perspective on the overall process

2.2.1. Awareness on the EU enlargement process

The majority of the responding chambers consider that they are only partially aware of this new round of EU enlargement.

There is room for improving the awareness among the chambers in the EU, and the business community at large, on the current EU enlargement. 59% of the chambers consulted regret to be only partially informed on the current EU enlargement (see graph 21). Chambers which are not sufficiently informed (9%) would be interested in receiving information on the on-going accession process of the candidate and potential candidate countries.

Only one out of three chambers in the EU who participated in the survey considered that they are well informed about the EU accession process of the current candidate and potential candidate countries.

THE BUSINESS PERSPECTIVE

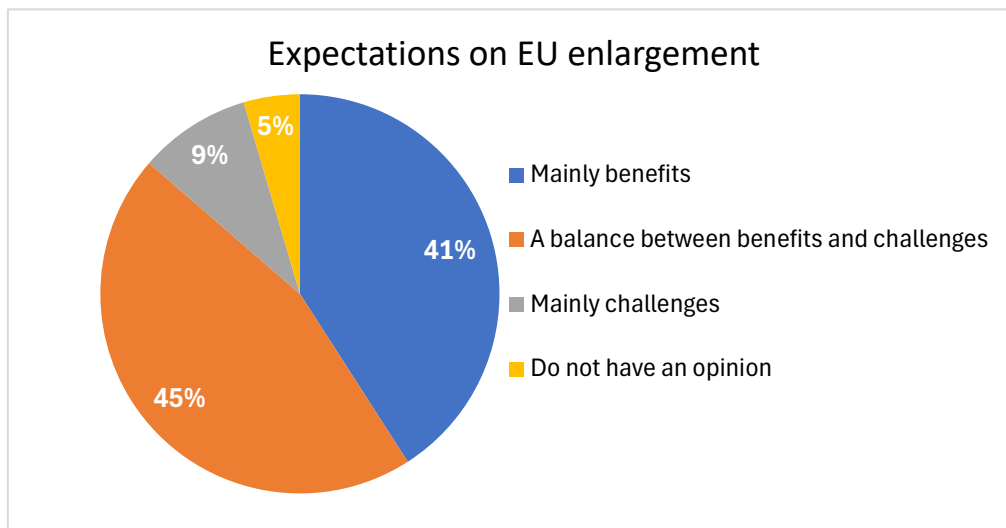
2. Business perspectives in the European Union

Communication on EU enlargement should be enhanced and the business community should be one of the targets of this campaign. Well-informed chambers will be able to better inform companies. A well-informed business community will increase their commitment to the overall process and will allow to maximise the mutual benefits of the EU enlargement.

2.2.2. Expectations from potential EU accession of the current aspiring countries

Participating chambers are optimistic regarding the impact of a future EU accession of the current candidate countries.

Chambers which participated in the survey mainly foresee (45%) a balanced impact between benefits and challenges from the EU accession of the current candidate countries or clear benefits from this accession (41%).



Only 9% consider that the accession to the EU of the current aspiring countries will mainly bring challenges.

When asked to specify the main positive effects of future EU membership of the current candidate countries, chambers ranked easier access to the markets of current candidate countries as the clear main benefit (score of 3,6/5) followed by more transparent business practices (score of 2,9/5) (see graph 23). These results underline the positive impact EU accession will have on trade and investment as lack of transparency and corruption, different standards and certifications systems and cumbersome customs procedure were identified as the main barriers to trade and investment (part 2.1.2)

Bigger inflow of direct investments are expected to a lower extent thanks to the adoption of more transparent business practices which will attract investors.

2. Business perspectives in the European Union

If we focus on the negative impact of the EU accession of the current candidate countries, despite the economic gap between the EU and the candidate and potential candidate countries, the main fear from the chambers consulted is tougher competition in their domestic market (score of 2,6/5). If relocation of companies is considered also a source of concern for chambers, it is to a lower intensity (see graph 24).

Chambers do not particularly fear increased unemployment after to the accession to the EU of the current candidate countries (score of 1,3/5). This can be explained by the current skill shortage in the EU.

2.2.3. Involvement of chambers in the enlargement process

As companies in the candidate countries, chambers in the EU would like in their large majority the EU enlargement process to be more transparent. They also expect to be more involved in the process.

Chambers participating in the survey consider in their vast majority (86%) that the EU enlargement process should be more transparent. Exactly the same percentage of respondents would like to be more involved in the process (see graph 25).

Involvement of the European business community in the EU enlargement process and transparency of the process

- ✓ 86% of the chambers would like to be more involved in the enlargement process
- ✓ The same percentage of chambers calls for a more transparent process

Accession negotiations are in the hands of the policy-makers in both the EU and the candidate countries, it is therefore crucial that they share information on the process with the business community and involve the civil society including the business community at the different stages of the process. There is a clear call from the business community to participate in a process which will affect the daily business of companies in both the EU and the candidate countries.

2.3. Support of the business community to Ukraine

Since the start of the Russian war in Ukraine, chambers of commerce and industry in the EU have been very active to support the Ukrainian business community.

THE BUSINESS PERSPECTIVE

2. Business perspectives in the European Union

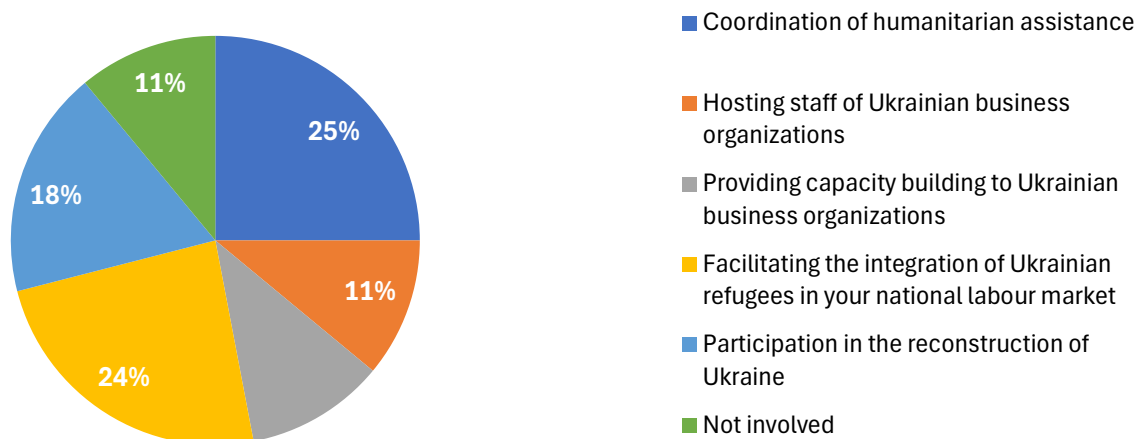
Ukraine is the first country which starts the accession negotiations with the EU while being at war. Chambers in the EU and in Ukraine have a long history of cooperation. The chamber of commerce and industry of Ukraine has been a member of Eurochambres for more than twenty years.

89% of the chambers involved in the survey affirm to have provided support to the Ukrainian business community and Ukrainian citizens.

A quarter of the surveyed chambers provided humanitarian assistance in Ukraine and another quarter was involved in the integration of the Ukrainian refugees in the EU labour market. This latter support was based on the experience that the chamber network developed over the last ten years to support the integration of refugees in the EU workforce, providing technical assistance in skills assessment, vocational education and training and assisting with matching refugees and companies.

While the war in Ukraine continues and the Ukraine Facility has just been adopted, the business community in the EU is already contributing to the reconstruction efforts in Ukraine. 18% of the chambers have been involved in this process.

Support of the EU business community to Ukraine since the start of the Russian invasion



These findings reveal the commitment of the business community in the EU to support Ukraine.

In order to enhance this support, policy-makers in the EU and Ukraine should provide clear information on how companies, and in particular SMEs and business organisations can further contribute to the process and how they can benefit from the Ukraine Facility. This would allow all stakeholders to contribute concretely to Ukraine's reconstruction and recovery. Chambers of commerce and industry have a key role to play, as intermediary organisations, to connect companies in the EU interested in participating in Ukraine' reconstruction and recovery with the specific reconstruction needs.

Key recommendations

- Accession negotiations are in the hands of the policy-makers in both the EU and the candidate countries. Their results will however affect the daily business of companies in both the EU and the candidate countries. Policy-makers at both the European and national levels should share timely and adequate information on the process with the business community and involve the business community, through their representatives such as chambers of commerce and industry, at the different stages of the process. This would strengthen the commitment of the business community in both the EU and the candidate and potential candidate countries to the overall process.
- Policy-makers in both the EU and the candidate and potential candidate countries should provide additional information on EU various funding dedicated to the business community in the candidate and potential candidate countries, including through the new Ukraine Facility and future Reform and Growth Facility for the Western Balkans to make sure the funds will reach companies and in particular SMEs. Chambers of commerce and industry, as leading business representative, should be consulted while defining the priority areas for the allocation of these funds.
- Awareness of companies in the candidate and potential candidate countries on the implication for their daily operations of the transposition of EU legislation in their national legislation should be improved. This would allow companies to identify at an early stage the areas where the most efforts will be needed to comply with the EU *acquis* and to plan the necessary adaptations. The companies will be then in a position to adapt to the new conditions implied by the EU accession well before accession. This would facilitate a smooth integration into the enlarged single market. Chambers of commerce and industry have a legitimate and significant responsibility to support companies in their compliance with the EU *acquis*.
- Public authorities have to be aware of the specific problems which will come with the compliance with the EU *acquis* and take into consideration these difficulties while negotiating the corresponding negotiating “*chapters*”.
- Targeted support and funding should be foreseen to alleviate the cost of compliance with the EU *acquis* for companies in the candidate and potential candidate countries in particular in products certification, technical regulations and standards, environment and energy, as well as digitalisation which are key to cope with competitive pressures within the EU single market and to accompany companies in their green and digital transition.
- Gradual accession to the EU single market once the necessary level of preparedness has been achieved is recognised as key to bring closer the economies of the candidate countries and the EU. This close association with the EU single market will bring clear benefit to companies and will enhance trade and investment between the EU and the candidate countries.

- Political obstacles to the creation of a Common Regional Market in the Western Balkans based on EU rules and standards should be removed. The Common Regional Market would facilitate alignment and implementation of the EU *acquis* in the region and pave the way for closer integration with the single market. It will also improve business environment and make the region a more attractive area.
- A clear timeframe should be set up for the implementation of the reforms by the policy-makers in the EU and the candidate countries. This has been the case for the countries that joined the EU in 2004 and has proven to be a decisive incentive to carry out the necessary reforms in a relatively short period of time. This would also be decisive to avoid “enlargement fatigue” in countries which have started the accession negotiations a decade ago and do not see yet a near prospect of accession to the EU.
- The fight against corruption should be a clear priority for the governments in the candidate and potential candidate countries. Corruption not only undermines the rule of law, it also hampers competition and negatively affects the business and investment climate. Specific supports will be required for SMEs, since they are more vulnerable and lack resources to deploy effective strategies in this area. Chambers of commerce and industry in the EU have played a key role to provide information and concrete tools to help SMEs to be more “corruption-proof” and more active in the fight against corruption.
- Ukraine is the first country which is starting the accession negotiations with EU while being at war. The business community in the EU is committed to supporting Ukraine. Policy-makers in both the EU and Ukraine should further involve the business community in the identification of the priorities for Ukraine's recovery and reconstruction to make sure companies, and in particular SMEs, can benefit from the Ukraine Facility.

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Annexes

Anne 1: Questionnaire 1 – EU enlargement : the perspectives of companies in the candidate and potential candidate countries

Annex 2: Questionnaire 2 – EU enlargement – the perspective of chambers in the EU

Annex 3: List of graphs

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