

## TALLINN DECLARATION

### **Adopted by the Council of the Baltic Sea States Meeting of Ministers of Trade and Economy Tallinn, 19 - 20 April 2004**

In its capacity as Chairman of the Council of the Baltic Sea States (CBSS), Estonia hosted a meeting of Ministers of Trade and Economy of Denmark, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia and Sweden and a representative of the European Commission in Tallinn on 19-20 April, 2004<sup>1</sup>.

#### **EU enlargement and the CBSS – new economic opportunities and challenges**

In accordance with the CBSS objectives the Ministers discussed and evaluated the implementation of the Moscow Action Plan with particular emphasis on the nature of regional economic co-operation, opportunities and challenges, and the need of assuring correspondence to economic demands.

Discussions pointed towards the need to assess the options for rationalising economic co-operation within the CBSS to ensure continuity in the pursuit of a more prosperous and economically better integrated Baltic Sea region.

#### **The Baltic Sea region: in pursuit of economic integration and sustainable development**

The Ministers emphasised the significance of the accession of Estonia, Latvia, Lithuania and Poland to the European Union on 1 May, 2004, and agreed to contribute to integration efforts and to the realisation of the economic potential in the region.

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<sup>1</sup> The Ministers welcomed the representatives of the CBSS Observer States (France, Italy, the Netherlands, Slovakia, the United Kingdom, Ukraine and the United States of America) as well as representatives of the Business Advisory Council (BAC), the Baltic Chambers of Commerce Association (BCCA), the Barents Euro-Arctic Council (BEAC), the Baltic Sea States Sub-regional Co-operation (BSSSC), the Organisation of Economic Co-operation and Development (OECD), the Baltic Development Forum (BDF), the Nordic Investment Bank (NIB), the European Investment Bank (EIB) and the Nordic Council of Ministers (NCM). The Ministers welcomed the Baltic Sea Trade Union Network (BASTUN) as a new actor within the CBSS.

The pursuit of economic integration and sustainable development remains a fundamental objective for economic co-operation within the CBSS framework. It rests upon the countries in the Baltic Sea region to ensure that this objective is implemented both nationally and within the CBSS framework. The Working Group on Economic Co-operation (WGEC) should continue to promote economic integration and development according to its mandate, to implement and to monitor that Action Plans are advanced adequately and consistently.

Adhering to common interests and making effective use of all available instruments<sup>2</sup> further strengthen regional potential. This requires synergy-oriented interaction between partners with the WGEC in the lead adding strength and coherence.

The Ministers welcomed the decision to create Common Spaces between the EU and Russia and, in this context, looked forward to the realisation of the Common Economic Space with a view to achieving tangible results as early as possible.

### ***The Baltic Sea region as a growth engine in Europe***

The Baltic Sea region has emerged as a dynamic economic area by using its comparative advantages. This has provided a more competitive environment and “is a driving force for growth in the region”, as stressed in the Pori Communiqué adopted by the Foreign Ministers on 10-11 June 2003.

The managing of resources and know-how within the Baltic Sea region represents opportunities and challenges that entail positive spillover effects to the European economy. This must be realised ambitiously and prudently to ensure a better competitiveness of the region internationally.

The Baltic Sea countries rely upon foreign trade and investment. This positive interdependence and the responsiveness of entrepreneurs to the economic reality continue to fuel economic growth. The realisation of the potential for further economic growth in the Baltic Sea Region requires continued improvement of the business environment.

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<sup>2</sup> In particular the EU instruments.

With this in mind,

The Ministers recognised that by contributing to an increased and constructive co-operation, and economic prosperity, the CBSS remains in the forefront to support the positive and mutually beneficial economic development in the region.

The Ministers agreed on the need to develop further co-ordinated actions in areas of mutual concern. This includes border crossing, the fight against corruption and the promotion of investment activities throughout the region, with a view to increasing international competitiveness. In this context, the Ministers took note of the Chairman's Conclusions of the Expert meeting to develop recommendations for the creation of a Joint Investment Area in the Baltic Sea region of 2 March 2004.

In addition, economic co-operation with North-West Russia and socio-economic and business development of the Kaliningrad region should be promoted. The Working Group should report back on actions in these fields to the Ministers.

These actions are intended to increase the coherence of policies and support long-term economic prospects, including removing obstacles and improving the overall business climate. They need to be supported by all actors in order to achieve the objectives and include *inter alia* the following:

- Implementing fully the Moscow Action Plan, which remains essential for economic co-operation in the Baltic Sea region.
- Assessing the changes in the economic environment and addressing them accordingly.
- Evaluating critically the agenda of economic co-operation basing it on the principle of added value. At their next meeting ministers will decide on economic activities within the CBSS.
- Enhancing the participation of international financial institutions in the regional economic co-operation to strengthen regional co-financing.

This message will be conveyed to the meeting of the Heads of Government of the Baltic Sea states to be held in June 2004.

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