



Ministry for Foreign Affairs
Sweden

CONCLUSIONS

of the Chairman of the 6th CBSS Ministerial Conference on Trade and Economy Stockholm, May 23, 2007

At the invitation of the Minister for Foreign Trade of Sweden, Ministers in Charge of Trade and Economy of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland and the Russian Federation, or their representatives, met in Stockholm on May 22-23, 2007 for their 6th Conference ¹.

Economic Cooperation in the Region – Increasing Competitiveness, Removing Barriers and Facilitating Trade and Investment

The Ministers confirmed the political will and commitment of their countries to actions of common interest with the aim of spurring trade and economic growth in the Region.

The Ministers reviewed the results achieved since the adoption of the Bergen and Moscow Actions Plans. They welcomed

- *The Road Map on Actions Aimed at Achieving Competitive, Stable, Transparent and Predictable Investment Conditions in the CBSS Member States*² as a valuable tool for benchmarking investment conditions and business climate;

¹ The Ministers welcomed the representatives of the CBSS Observer States (France, Italy, Slovakia, and Ukraine), as well as representatives of the Business Advisory Council (BAC), the Baltic Sea Chambers of Commerce Association (BCCA), the Baltic Sea Trade Union Network (BASTUN), and the Nordic Investment Bank.

² "The Road Map on Actions Aimed at Achieving Competitive, Stable, Transparent and Predictable Investment Conditions in the CBSS Member States" presented by the CBSS Working Group on Economic Cooperation (WGEC) at the 6th Baltic Sea States Summit in Reykjavik on June 6-7, 2006

- Efforts by the Working Group on Economic Cooperation to promote business relations between the Kaliningrad Oblast of the Russian Federation and other CBSS countries;
- The establishment of a CBSS Working Group on Customs Co-operation and Border Crossing Aspects and preparations underway by customs authorities to resume measuring the time needed for goods to cross borders. Ministers confirmed their support for the 2-hour goal for border crossings of goods first set in the Bergen Action Plan. They acknowledged the constructive work of the Business Advisory Council and its efforts to support the CBSS's work to remove barriers to trade and investment.
- Efforts by past and present CBSS Presidencies to raise awareness in government as well as in the business community of the detrimental effects of corruption on the business climate. A series of seminars targeting the business community on integrity measures to aid companies conduct business without resorting to corrupt behavior was met with active interest among attending companies, suggesting that many companies are eager to learn how they can develop internal rules of conduct and how the use of such rules can benefit their business.

Ministers noted that realization of the potential for further economic growth in the Region requires continued improvement of the business environment. They agreed on the need to develop further coordinated actions in areas of special importance to the competitiveness of the Region. They underlined the importance of promoting entrepreneurship, innovation and the growth of SMEs, e.g. by making SMEs more interested in expanding their business into neighboring markets in the Region. Positive experiences can be shared in this regard from various mentorship projects. Ministers encouraged Member States to coordinate efforts to develop project proposals and to strengthen the ability of project leaders to apply for project financing, including from available EU instruments. They also emphasized the need for continued actions in the fight against corruption.

The Baltic Sea Region as a Part of Global Trade

The Baltic Sea countries have benefited from rapid growth of their foreign trade. There is also a strong and still untapped potential for further growth as suggested by a study commissioned by the Swedish CBSS Presidency on *Potential gains from trade liberalization in the Baltic Sea region*. The study was made by the Swedish National Board of Trade and presented at yesterday's conference on The Baltic Sea Region's Integration in the Global Economy.

The accelerating trend towards growing competition in the global economy means new challenges for the Baltic Sea region where growth in trade has long been driven by the growth in global demand. While the Baltic Sea region continues to

defend its world export market position, it should take more actions in order to accelerate inward foreign investment flows and increase the level of domestic investments.

Countries in the Baltic Sea Region have responded to the new challenges by launching a wide range of actions to improve the underlying conditions driving their competitive strength, e.g. to improve access to finance, innovation and cluster development. Ministers noted that national efforts could be more effective if also supported by cross-national programs drawing on the combined assets of several countries. They welcomed in this regard the initiative to start work to develop a Baltic Sea Strategy and a concrete proposal to reform the CBSS, and that a report on the results of these efforts be submitted to the Baltic Sea Summit in June 2008.

Ministers looked forward to Russia's accession to the World Trade Organization and wished for a rapid completion of remaining steps towards Russian membership in the WTO.

Ministers emphasized the need for further action to facilitate trade between the Baltic Sea countries. Recalling the positive experiences of the SOLVIT network, which connects governmental agencies across Europe in order to help companies and individuals caught between differing regulatory systems, they

- called for measures to make the SOLVIT centres better known among the business community;
- encouraged responsible national authorities to ensure that the resources available to their SOLVIT centres are adequate to the demand for their services.

Ministers also took note of the offer by some members of the CBSS to make their enquiry points for barriers to trade ready to address complaints submitted also by non-EU/EEA members of the CBSS.

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These Conclusions will be conveyed to the 14th CBSS Ministerial meeting (Foreign Ministers) to be held in Malmö on June 12-13, 2007.
