



BS/TED/WG/R(99)1

**REPORT OF THE
INTERIM MEETING OF THE WORKING GROUP
ON
TRADE AND ECONOMIC DEVELOPMENT**

Istanbul, 27-29 January 1999

1. The Interim Meeting of the Working Group on Trade and Economic Development was held in Istanbul at the BSEC premises on 27-29 January 1999.
2. The Meeting was chaired by Mr. Zurab SOSELIA, First Deputy Minister of Trade and Foreign Economic Relations of Georgia, who made an opening statement.
3. The Meeting was attended by the following Participating States :
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Romania
 - Russian Federation
 - Republic of Turkey
 - Ukraine
4. The representatives of the Arab Republic of Egypt, Italy, Slovak Republic, BSEC Business Council and the International Black Sea Club attended the said Meeting as Observers.
5. The Meeting was also attended by a representatives of the PABSEC and BRASS (Black Sea Region Association of Shipbuilders and Shiprepairers) as guests.

The list of participants of the Meeting is attached as Annex I.

6. The draft agenda of the Meeting which was discussed and adopted is attached as Annex II.

7. In accordance with Article 2 and Article 3 of the Agenda the deliberations at the Interim Meeting of the WG took place in two stages; the Plan of Action elaborated during the first stage and the establishment of a BSEC Trade and Investment Center in the second.

8. With respect to the Plan of Action for the Establishment of the BSEC Free Trade Area the participants decided to take the draft Plan of Action developed earlier in Yerevan as point of start of discussions in the present WG Meeting and made use of the draft Plan of Action prepared by the PERMIS as a supportive working paper. The discussions were elaborate in which all the delegations participated actively and as a result the Yerevan Plan of Action was discussed in detail and improved while making references to the PERMIS Plan of Action where needed.

The Plan of Action for the Establishment of the BSEC Free Trade Area as developed is attached herewith as Annex III.

9. In the second stage the Turkish delegation presented at some length its Project Profile on the Establishment of a BSEC Trade and Investment Center. It was noted that the original project was extended to cover both flow of investments and information which are essential components for such a Center. The Turkish delegation following the presentation answered questions from the participants and provided complementary information.

10. All the delegations welcomed the project with comments changing from one representative to another. However, it emerged as a shared view that financing of the project is the core in the realization of it. It was generally expressed that financing from the Participating States would be very difficult, if not impossible; hence, views were put forth that funds would need to be sought from third sources including international banking and financial institutions. The Georgian delegation indicated that Georgia would like to see the Center be established in their country.

In the light of the above, the WG agreed as follows:

- The participating delegations will respond to the Secretariat in writing their views on the project indicating the frame of its operation, the specific areas therein and the possible formation of an ad hoc Group on this score;
- These responses will be transmitted to the Undersecretariat of Foreign Trade of Turkey with a view to concretizing the project idea;
- The Secretariat will analyze the responses and draft a paper to be circulated to the Participating States in order to apprise them as to how Member States view the project;
- Meanwhile, the Undersecretariat of Foreign Trade of Turkey and the PERMIS will undertake preliminary soundings with potential financial resources and try to find out the possible extent of funding for the project;

The Project Profile on the Establishment of BSEC Trade and Investment Center is attached herewith as Annex IV.

ANY OTHER BUSINESS

11. No topics were raised.

DATE AND VENUE OF THE NEXT MEETING

12. The next Meeting of the WG on Trade and Economic Development is envisaged to take place sometime after the Thirteenth MMFA and its venue and date will be established in due course by way of diplomatic channel.

EXPRESSION OF THANKS

13. The delegations expressed their thanks to the Chairman for the able conduct of the deliberations and appreciation to the PERMIS for all the arrangements undertaken which ensured the success of the Interim Meeting.

ADOPTION OF THE REPORT

14. The WG adopted the present report for submission to the Thirteenth Meeting of the Ministers of Foreign Affairs.
