

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION

PABSEC

DOC.: EC 2385/96

ECONOMIC, COMMERCIAL, TECHNOLOGICAL AND
ENVIRONMENTAL AFFAIRS COMMITTEE

RECOMMENDATION 16/1996¹

ON

"DEVELOPMENT OF COOPERATION IN
THE FIELD OF TRADE AND BUSINESS
AMONG THE BSEC MEMBER
COUNTRIES"

I. The Parliamentary Assembly of the Black Sea Economic Cooperation

1. **Restates** its strong determination to promote all the efforts for the enhancement of *"mutually advantageous commercial activities"* of all kinds and to make best use of all possibilities and opportunities to foster trade, business and industrial relations among the BSEC Member Countries in order to achieve a higher degree of economic cooperation in the region.

2. **Advocates**, while taking into account the specific conditions, interests and concerns of the BSEC Member Countries, particularly, the *"problems of the Member Countries in transition to market economy,"* the further development and diversification of both *"regional and inter-regional commercial activities"* so as to encourage and reinforce the adoption and implementation of the free enterprise system dynamics.

3. **Reassures** to provide *"the most favorable commercial environment possible,"* through the *"generation and enforcement of effective legislation," "establishment of a legislative data bank"* as well as the *"conclusion of relevant bilateral and multilateral agreements"* which would facilitate; the further stimulation of all *"dynamics concerning the free market economy,"* with a special emphasis given to the *"encouragement of individual and collective trade initiatives"* as well as the sound operation of the activities in the *"private sector,"* particularly, in the areas of *"banking, finance and money management."*

1 The Assembly debate on 11 December 1996 (See Doc. EC 2384/96 - report on Development of Cooperation in the Field of Trade and Business among the BSEC Member Countries adopted by the Economic, Commercial, Technological and Environmental Affairs Committee at its Seventh Meeting in Moscow on 16-17 October 1996;
Rapporteur: Mr. Viktor Kalnik)
Text adopted by the General Assembly in Tbilisi on 11 December 1996

4. **Promotes** the establishment of conditions favorable to free trade which would enable the Member Countries to cooperate towards the "*reduction and/or progressive elimination of obstacles and restrictions*" impeding the expansion of all commercial activities among the BSEC Member Countries; through the stimulation of legislative and economic cooperation between the "*Parliaments, Governments and Business Communities,*" including the "*Chambers of Commerce,*" "*Stock and Commodity Exchange Markets,*" "*investors,*" "*entrepreneurs,*" "*small and medium-sized enterprises*" and "*industrialists*" on regional and inter-regional levels, while, at the same time, actively seeking the regional and inter-regional potential "*sources of funds and credits*" needed for the materialization of investments and the smooth functioning of the system of payments.
5. **Expresses its strong conviction** on the necessity of ensuring the most favorable medium for the "*flow of capital*" as well as the "*promotion and protection of both domestic and foreign investments*" for the purpose of not only expanding the overall volume of regional trade and business activities but also achieving a faster and higher degree of integration into the *World economy and European structures.*
6. **Commends** the efforts put forward by the "*BSEC Participating States*" towards the completion of the ratification process of the "*Agreement Establishing the Black Sea Trade and Development Bank,*" which this "*Bank*" will be expected to serve as a very significant instrument in the near future for the "*alleviation of the severe financing needs*" of the Participating States as well as for the "*transfer of outside capital*" from the relevant international financial sources to the region needed for the realization of investments and project implementation.

II. **Recommends, Invites and Calls upon the National Parliaments and Governments of the BSEC Member Countries:**

1. **To enact and enforce** necessary "*legislation*" towards the establishment of a "*sound infrastructure and institutionalization*" relevant to all aspects of commerce as well as **to exert** all possible efforts towards the "*promotion and liberalization of trade*" through the creation of active cooperation among the "*Governments, Parliaments and Business Communities*" of the BSEC Member Countries for the purpose of catching up and conforming with the contemporary universal standards (*WTO, UNCTAD*), required for the successful transition to and implementation of the free enterprise system.
2. To **undertake** concrete steps for the establishment of conditions favorable to free trade through the reduction and gradual elimination of obstacles and restrictions of all kinds in regard to "*customs legislation*" and "*border crossing formalities*" for the expansion of commercial activities among the BSEC Member Countries.
3. In specific, **to simplify and harmonize** the rules, regulations and formalities governing the "*entry and departure*" of foreign trucks and buses, "*the operation*" of seaports and airports, and "*the services*" rendered to foreign ships and aircraft, which have substantial effect on the advancement of trade and tourism in the BSEC Member Countries.
4. **To elaborate** legislation for the elimination of "*double taxation*" among the BSEC Member Countries which has detrimental effect, particularly, on the development of contracting services, international land, sea and air transport as well as cross-border investments.
5. **To review** "*tax codes*" so as to cover all potential tax payers in order to reduce evasion to a minimum, therefore, accrue adequate income for the Member Governments, while

encouraging businesses to invest and grow.

6. **To generate** *"an universal and common standardization policy"* for the production and exportation/importation of goods and services, **to introduce and enforce** provisions in order to secure the goods and products being *"insured,"* and **to revise** legislation governing the *"licensing"* requirements that are applied to a variety of export/import goods and products in the BSEC Member Countries.
7. **To secure**, via bilateral and multilateral agreements and the generation of necessary legislation, the *"prompt entry"* and *"stay and free movement"* of business people and tourists in their respective territories in the BSEC Member Countries.
8. **To develop** a favorable competitive environment for the *"free exchange of goods, services and capital"* through the application of relevant measures and legislation in the BSEC Member Countries.
9. **To ratify** agreements concerning *"free travel,"* the possible use of *"expatriate labor"* as well as the allowance of foreign business people to take up *"residence"* in the BSEC Member Countries.
10. **To complete** the ratification of the *"Agreement Establishing the Black Sea Trade and Development Bank"* and **to promote** the establishment of more *"joint trade and investment banks"* in the region.
11. **To promote** the creation and development of a *"Common Chamber of Commerce"* and *"Stock and Commodity Exchange Markets"* in the BSEC Member Countries.
12. **To create** *"favorable competitive market conditions"* through the generation and enforcement of necessary legislation in order to stimulate, encourage and attract foreign investments to the region.
13. **To expedite** the *"liberalization"* of the general regulatory framework on *"foreign investments"* through appropriate legislation in order for the *"promotion and protection of foreign investments"* as well as **to secure** their *"equal treatment"* with the domestic ones, and **to ratify** the *"bilateral agreements"* on the protection and encouragement of foreign investments.
14. **To introduce** necessary legislation for the protection of *"intellectual property and trade rights"* in order to avoid unfair competition as well as **to liberalize** the legislation restricting the *"ownership of private land"* in the BSEC Member Countries.
15. **To legislate** against the establishment of *"monopolies"* as well as ill-practiced incidents of unfair competition such as *"dumping"* and *"countervailing."*
16. **To support** the establishment of new *"small and medium-sized enterprises"* as well as to maintain the productive operation of the existing ones.
17. **To generate** more bilateral and multilateral *"agreements on free trade, elimination of double taxation, relaxation of visa regimes, development and rehabilitation of transportation, communication and telecommunication systems and solution of the environmental concerns"* and **to speed up** their *"signing and ratification"* process.
18. **To enhance** business relations through the effective development of *"free trade zones"* and **to promote** the creation of more free trade zones as well as the establishment of *"trade*

fairs."

19. **To organize** *"seminars, conferences, round-tables, meetings, courses and workshops"* for the purpose of getting acquainted with the universal free trade methods, practices and legislation in view of the *WTO* principles with the assistance of the specialized institutions like the *EU, UN* and *UNCTAD*.
20. **To build** an effective and state-of-the-art mechanism for the smooth flow of *"exchange of information"* on all aspects of commercial and financial sectors, activities, regulations, opportunities and prospects as well as **to promote** all the efforts and specific projects directed to the rehabilitation and modernization of *"communications and telecommunications systems"* in the region.
21. **To provide** favorable conditions which would enable to share the already accumulated *"experience"* of some of the BSEC Member Countries concerning the principles and practices of the free market economic system with the rest of the BSEC Member Countries, which may significantly facilitate the smoother integration of most of the BSEC Member Countries to the free enterprise system.
22. **To sincerely strive for** finding ways for the alleviation of *"political tension"* and the possible resolution of disputes prevailing in the BSEC region.
23. **To pay a particular attention** to the "protection of the private property, the personal and patrimonial security of the private economic agents".
24. **To seriously consider and protect** the *"environmental well-being"* of the nature and people in the region while conducting any activity in the field of trade and business.

III. **Invites** the forthcoming Meeting of Ministers of Foreign Affairs of BSEC Participating States to consider this Recommendation.