

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

THE ELEVENTH PLENARY SESSION OF THE GENERAL ASSEMBLY

Doc.: GA 3991/98

RECOMMENDATION 26/1998¹

Plan of action of the Establishment of the BSEC Free Trade Area

1. The Assembly reaffirms its determination to provide all possible legal support to the initiative of the BSEC Member States in Establishing the BSEC Free Trade Area, previously stated in its Recommendation 22/1997 “BSEC Free Trade Area: Part of the New European Architecture” and Recommendation 23/1997 “Harmonisation of Foreign Trade Regimes in the BSEC Participating States” adopted by the Tenth Plenary Session of the General Assembly in Chisinau on 10-11 December 1997;
2. The Assembly also reaffirms its commitment undertaken in the Summit Declaration and Bosphorus Statement of 25 June 1992, in particular: “intention to the establishment of a Europe-wide economic area, as well as to the achievement of a higher degree of integration ... developed in a manner not contravening obligations and not preventing the promotion of the relations of the Participating States with third parties, including International organisations as well as EC and the cooperation within the regional initiatives” as well as in the Charter of the Organisation of BSEC stating the “common vision of the regional cooperation as a part of the integration process in Europe ... to develop economic cooperation as a contribution to the achievement of a higher degree of integration into the world economy”;
3. It is desirous to further the broad objectives set forth in *The Final Declaration of the Moscow Meeting of the Heads of State or Government* of 25 October 1996, stressing to examine in 1997 possibilities for creation in the BSEC region of a free trade area, and *The Declaration of Intent for the Establishment of the BSEC Free Trade Area adopted by the Special Meeting of the Ministers of Foreign Affairs of the BSEC Participating States with participation of the Ministers responsible for Economic Affairs on 7 February 1997* stating that “it is timely to start the examination of the ways and means to establish progressively a BSEC Free Trade Area as a part of new European architecture through free trade agreements

¹ Assembly debate on 25 June 1998 (see Doc.: GA 3465/97, Report of the Legal and Political Affairs Committee “Plan of Action of the Establishment of the BSEC Free Trade Area” discussed in Sofia on 15-16 April 1998; Rapporteur: Mr. Michael Yemelianov - Russia)

between the members of the BSEC ... duly observing obligations resulting from the EU and WTO and other international organisations and agreements”

4. The Assembly stresses the need for practical progress on the central priority task towards promotion of prosperity through economic integration and free trade and gives special attention to strengthening democracy, promoting sustainable development, improving the living standards of the Black Sea peoples and to the efforts to ensure that the benefits of free trade area reach all the countries in the region, especially those that are less developed.
5. The Assembly is mindful that establishment of the BSEC FTA will pose challenges and offer opportunities to the BSEC countries and expresses belief that each nation will take the necessary action, in accordance with its own legislation and procedures to fulfil this goal.
6. At the same time, recognising the importance of enforcement of international commitments, the Assembly once again emphasises its readiness for the legislative support and consistent assistance at national and regional parliamentary levels in elaboration and implementation of the Plan of Action for the Establishment of the BSEC Free Trade Area.
7. **The Assembly recommends** the Parliaments and Governments of the BSEC Member States:
 - i. as an immediate action, to review and give expeditious consideration to the progress of implementation of the PABSEC recommendations 2/1994, 7/1994, 9/1995, 13/1996, 16/1996, 20/1997, 22/1997 and 23/1997 covering trade and trade-related priority fields such as improvement of customs regulations, visa facilities, banking and finance, transportation, trade and business, free trade area and foreign trade regimes;
 - ii. as a priority measure, to consider reinforcing mutually supportive effective mechanism of coordination focusing on full involvement of the BSEC-bodies in compiling information, gathering statistics, making systematic comparisons and analysis, identifying areas of immediate remedies and building a common data-bank on trade development in the Black Sea region;
 - iii. to take necessary steps to implement effective and ongoing measures to update existing trade and economic legislation with a view to harmonise them to the international standards;
 - iv. give serious consideration to acceleration of the process of accession, if not done so, to the World Trade Organisation with full implementation of its fundamental rules and disciplines;
 - v. to cooperate fully with the European Union under the PHARE and TACIS programmes and to draw on other regional and sub-regional experiences regarding the establishment of the Free Trade Area;

- vi. to consider the following when drafting the final Plan of Action of the Establishment of the BSEC FTA:
- to increase, widen and deepen the existing sub-regional and bilateral agreements and to building upon them new trade liberalisation agreements
 - to promote comprehensive bilateral and subregional trade agreements consistent with the provisions of the General Agreement on Tariffs and Trade/World Trade Organisation and including: tariff and non-tariff barriers affecting trade in goods and services; agriculture; subsidies; investment; government procurement; technical barriers to trade; safeguards; rules of origin; antidumping and countervailing duties; sanitary and phytosanitary standards and procedures; competition policy, etc.
 - to give priority to improve access to markets through identifying present tariff and non-tariff barriers to trade, their gradual reduction and elimination at the earliest feasible time with due consideration of possibility of concluding interim tariff and non-tariff elimination agreements on sectoral basis.
 - to undertake all measures necessary for harmonisation of customs systems based on Harmonised Tariff System, the WTO Valuation Agreement and the Kyoto Customs Convention, and simplification of customs procedures through adoption of common forms and increased use of technology.
8. **The Assembly invites** the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.