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REPORT*

HARMONISATION OF FOREIGN TRADE REGIMES
IN THE BSEC PARTICIPATING STATES

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I. INTRODUCTION

1. One of the major principles governing the initiative of the Black Sea Economic Cooperation was improvement of trade volume among its members. Concerted efforts of the BSEC countries to implement economic reforms have generated greater economic integration enabling to gradually adjust their economies and trade practices to Western standards and integrate their activities more deeply into the world economy. Within this context the Parliamentary Assembly of the Black Sea Economic Cooperation took initiative to launch the legislative harmonisation¹ process which embraced priority fields such as customs regulations², visa facilities³, banking and finance⁴, transportation⁵, trade and business⁶.
2. At the Moscow Meeting of the Heads of State or Government held on 25 October 1996 the leaders in the region committed themselves in a Final Declaration to promote prosperity through economic integration and freer trade stressing that “BSEC shall accelerate the introduction of a regime of mutual trade preferences between the BSEC Participating States and examine in 1997 possibilities for creation in the BSEC region of a free trade area”.
3. Subsequently, the Special Meeting of the Ministers of the Foreign Affairs of the BSEC Participating States with participation of the Ministers responsible for Economic Affairs in Istanbul on 7 February 1997 adopted the Declaration of Intent for the Establishment of the BSEC Free Trade Area with a view to encompass the economic integration by means of making the region’s marketplace more vibrant and open. They declared that “it is timely to start the examination of the ways and means to establish progressively a BSEC Free Trade Area as part of the European architecture through free trade agreements between the members of the BSEC duly observing the obligations resulting from the EU and WTO, and other international organisations and agreements”.
4. In order to meet the Heads’ of State or Government commitments for constructing the BSEC free trade area the Parliamentary Assembly, recognising the need for immediate preparatory work, placed on the Agenda of the 1997 autumn meetings of its two committees the issues regarding the BSEC FTA with a view to identify present challenges and to discuss ways and means for further improvement of existing commercial ties. The PABSEC Legal and Political Affairs Committee at its Ninth Meeting in Moscow on 5-6 March 1997 decided to put on the agenda of its Tenth Meeting “Harmonisation of Foreign Trade Regimes in the BSEC Participating States”.
5. The present report has been prepared pursuant to these decisions. It is designed to examine foreign trade regimes in the BSEC region within the overall context of the

¹ Recommendation 2/1994 on Legislative Harmonisation among the BSEC Participating States

² Recommendation 1/1994 and Recommendation 20/1997 on the Improvement of Customs Regulations among the BSEC Member Countries

³ Recommendation 7/1994 on Visa Facilities between the PABSEC Member Countries

⁴ Recommendation 9/1995 on Development of Cooperation in the field of Banking and Finance

⁵ Recommendation 13/1996 on Cooperation in Transportation among the BSEC Member Countries

⁶ Recommendation 16/1996 on Development of Cooperation in the Field of Trade and Business

expansion of international trade. It situates the compendium of existing trade and trade-related subregional and bilateral agreements concluded between and among the BSEC countries as well as synopsis of the national commercial legislations. It traces problems stemming from different legal procedures and trade practices. It reviews the core issues like market access, customs procedures, standards and other technical barriers to trade. Finally, the report summarises the problems in foreign trade regimes and outlines the recommendations.

6. Since no updated information was provided by the national delegations (but Armenia and Turkey), the contributions from Albania, Azerbaijan, Georgia, Greece, Moldova, Romania, Russian Federation, and Ukraine, regarding trade practices communicated to the Secretariat at various occasions of the committee meetings were used. On the other hand, relevant documents from the BSEC, European Commission, UN-ECE, UNCTAD, ITC, WTO, WCO and OECD as well as the BSEC Coordination Centre for the Exchange of Statistical Data and Economic Information and other trade-related Internet web-sites were obtained and studied.

II. GENERAL OVERVIEW

7. The world economy has changed fundamentally in recent decades and at the heart of these changes are geographical expansion of markets and globalisation of international trade. With the passage of time many international gatherings placed additional attention to the global effort to liberalise trade barriers encouraging countries to expand the contours of their trading systems. The focus of attention in the multilateral arena has therefore shifted increasingly towards regional groupings such as *the customs union** - solidly underpinned by a strict common trade policy with respect to third countries and *the free-trade area** where each member remains autonomous in this respect.
8. The common intention of the countries to diversify and develop the existing economic relations towards freer trade would make efficient use of the advantages arising from the geographical proximity and mutual interests, as well as traditional ties and complementary nature of the economies. This search for commercial integration, therefore, must take into account local and subregional advantages, potentialities and characteristics, and should aim to eradicate differences and disparities among the countries.
9. Within this context, the Black Sea countries meeting the challenges of the XXI century have stepped up their efforts for closer and more effective trade cooperation. This has resulted in the commitment to establish the BSEC free trade area to boost the international trade in the region which is closely inter-linked with the more fundamental development strategies of the whole Black Sea Economic Cooperation process and a preparation ground for the integration within a larger Europe.

* The General Agreement of Tariffs and Trade identifies these two forms of trade association among the states in the provisions of the Article XXIV.

10. Harmonisation of foreign trade regimes is one of the main disciplines necessary for the construction of a free trade area. It requires, in view of the asymmetries that exist in the BSEC Member Countries, to fulfil certain conditions so that it becomes part of a balanced process and does not become a factor that will increase the disparity in the region.

II. MAJOR TRENDS IN FOREIGN TRADE ENVIRONMENT

11. The unique character of the BSEC region lies in a blend of variety of different economies and different levels of countries' economic development. It represents an interesting mosaic of trends within the regional integration process.
12. The eleven BSEC states are associated in different regional groupings with different responsibilities: Greece is a full member of the EU and its obligations derive from it; Turkey is an associate member in the Customs Union; Bulgaria and Romania have signed the European Agreements; Moldova, Russian Federation and Ukraine have signed Partnership and Cooperation Agreements; Moreover, Armenia, Azerbaijan, Georgia, Moldova, Russia and Ukraine are members of the Commonwealth of Independent States and parties of the CIS Free Trade Agreement; Russia is a member of Customs Union within CIS established with third parties. Some of the BSEC states provide tariff preferences on bilateral basis to one another.
13. In the aftermath of the break-up of the Soviet Union many traditional trading channels and industrial linkages disrupted and trade within the Eastern Europe and ex-USSR collapsed, leading to a sharp decline in production and commerce both in volume and value. The newly independent states attempted to maintain trade with each other through establishment of the Commonwealth of Independent States. Given the inherited insufficiencies in trade expansion, the absence of foreign trade strategies and of proper institutional infrastructures it was extremely difficult to adjust to international competition. To counter the disruption of the traditional commercial links the countries paid special attention to stabilise a negative trade balance and develop and liberalise trade regulations by bringing relevant legislation into conformance with internationally recognised norms.
14. With creation of the Black Sea Economic Cooperation the relationships among and between the BSEC countries deepened and so did their trade partnerships. Despite the difficulties the countries have displayed economic dynamism and started to achieve more transparent commercial relations. It should be emphasised that trade relations had progressed notably and its volume have reached significant level, demonstrating an outstanding potential for growth and diversification. Although the general trade turnover in most of the BSEC Participating States remains at low level, substantial rise in overall trade volume within the Black Sea region, i.e. between the BSEC member countries can be traced. As an illustration, foreign trade in the Region in 1995 was approximately twice as more as in 1992¹.

III. SYNOPSIS OF FOREIGN TRADE REGIMES IN THE BSEC PARTICIPATING STATES

¹ Taken from the Information Bulletin of the Black Sea Economic Cooperation Coordination Centre for the Exchange of Statistical Data and Economic Information. Published in Ankara, in 1997.

15. **Albania** - Most of Albania's tariffs range from 5 percent to 30 percent. Tariffs range from zero percent on machinery used in agriculture, to 5 percent on mineral fuels, to 30 percent on electronic equipment, to 20 percent on precision equipment. There are no import and export licenses required. Albania has a body of legislation enacted regarding commercial activities: *Decree No 7546 on Imports and Taxes of 6 January 1992; Decree No 7549 on Taxation System in the Republic of Albania. Decrees No 7543 and 7544 on Import Regulations*. Importation and exportation regimes are determined by *Import-Export Regulations adopted on 28 August 1991*; Customs law was adopted by the Parliament in 1995.
16. **Armenia** practices a liberal trade legislation and maintains a liberal trade regime. The current Armenian government is attempting through taxation and other means to improve export performance and to reduce the large trade deficit. All exports from Armenia are duty free. Armenia uses the *Harmonised Code System* for tariff classification. The *import tariff schedule* is rated between 0-10 %. *Customs Tariffs* are determined by *Customs Tariffs Law* of May 12, 1997. Most imports are free of *prohibitions, quotas, or licensing* requirements. There are restrictions only for authorisation for weapons, components used in the production of weapons, explosives, nuclear materials, poison, narcotics, etc. *The Armenian Customs Department* is authorised to control export agreements for a short list of products, to make sure they are not exported from Armenia at prices lower than the minimum export prices set by the Ministry of Economy.
17. **Azerbaijan** - major *exports* include oil and gas, light industry (mainly textiles), machines and metalwork, non-ferrous metals, chemicals and petrochemicals. Major *imports* are food, machines and metalwork, light industrial products, chemicals, petrochemicals and agricultural products. The recent *Presidential Decree on Foreign Trade Regulations* establishes a new legal framework for Azerbaijani foreign trade. It replaces a number of earlier laws and regulations. It addresses four key areas of trade regulation: *import operations; export operations, barter trade and licensed goods*. Azerbaijan has concluded bilateral commercial agreements with Bulgaria, Georgia, Moldova, Romania, Russia, Turkey and Ukraine, As well as bilateral Free Trade Agreements with Georgia, Moldova, Russia and Ukraine. Azerbaijani imports in 1995 were about \$961 million and exports were \$631 million out of which in PABSEC Member countries imports in 1996 were about \$511 million and exports were \$278 million.
18. **Bulgaria** - Total export jumped from 99043 mln Levs in 1993 to 343337 mln. Levs in 1995 and imports acceded 339402 mln. Levs in 1995 compared to 119288 mln. Levs in 1993. Imports were significantly liberalised in 1991. A simplified import tariff schedule was adopted in 1992. Registration and licensing restrictions are still operative.
19. **Georgia** - foreign trade in 1996 reached US 846 million, 60 percent more than in 1995. Exports rose 29.1 percent to US 199.3 million and imports 71 percent to over US 647 million in 1996. Georgia maintains *import licenses* on a number of goods including medicines, medical equipment, chemicals, etc. However, obtaining the necessary license does not appear to pose substantial difficulties and may be obtained through the Ministry of Foreign Economic Relations. *Import duties* are set on most goods regulated by a new *Georgian Customs Law* which came into effect on

January 1, 1997. There is also a list of goods subject to an *excise tax*. Under a March 1992 *Decree on Foreign Economic Relations*, most of the former non-tariff trade barriers were eliminated. However, the Government continues to ban the export of some items. In July 1993, *Decree on Quotas and Licensing of Import and Export Items* was issued. It applies to international trade in Georgia with any foreign company, unless otherwise stipulated in intergovernmental agreements. The four categories of *quotas* include: *governmental, enterprise, regional or autonomous republic state authorities*. There are two categories of *licenses: general and one-time use licenses*. Payment for the licenses varies between \$25 and \$300 (equivalent in local currency). On March 31, 1994, the Cabinet of Ministers passed *Decree No. 265 on Quotas and Licensing of Import and Export Goods and Services*. The decree applies to trade activity in Georgia by foreign companies. *Export quotas* are to be determined according to the total amount of the enterprise's production. A *license* must be purchased in order to sell any commodity.

20. **Greece** - as a member of European Union, Greece is a part of the common EU commercial policy based on uniform principles regarding tariff regimes, import and export practices, etc.
21. **Moldova** - export in the first five months of 1997 were around 7 % below the level for the same period in 1996, while imports rose by 5 %. Imports exceeded exports by \$165.5 Million, i.e., the trade balance deficit was equal to 56.2 %. The country's policy of economic reform stresses liberalisation of foreign economic relations. In 1995, customs duties were reduced by 50%. Moldova has passed a body of legislation, including "*On the Basic Principles of Foreign Trade in Moldova*" (1992), "*On Regulating Exports and Imports in 1994*", "*On Improving the Procedure of Regulating Foreign Trade (1995)*" and others. The need for *licenses* has been eliminated except for certain commodities such as weapons, precious metals, and jewels, also medical equipment. Goods in transit through Moldova are free from customs duties. With the exception of unprocessed leather, energy products, cereals and cereal products, all *export quotas* were removed in June 1995. *Export licensing* was eliminated except for national security, medical and cultural products. The *license* is issued by the Ministry of Economy, Department of Foreign Economic Relations. *Import licensing* policies have been simplified. Goods originating from countries which have signed bilateral international free trade agreements (CIS countries and Romania) and from countries designated by the United Nations as least developed are not subject to *import customs duties*. Moldovan *exports* are exempt from the VAT. *Imports*, though, are subject to the VAT regardless of their origin. The Moldovan government made a decision to *certify imported products* beginning in August 1994. The purpose of the certificate is to ensure the quality of imported goods. It is granted by the *Moldovan Department for Standards*. As of August 1994, Moldovan customs offices do not permit the importation of goods without certificates.
22. **Romania** - as a member of GATT, Romania shares the principles of Uruguay Round. At the same time since 1 January 1995 it has modified the *customs duty* to bring them to the consolidated level. *Imports* in Romania are liberalised, thus not being the subject of licensing. *Standards and other technical requirements*, as well as phytosanitary, health and safety regulations are in line with the international agreements and practices. The *export* regime is liberal and flexible. There are no

export duties and minimum or reference prices. Exports are not subject to export licenses. Exceptions are established for goods subject to quantitative restrictions or to control. *The European Agreement* between Romania and the EU, which entered into force on 1 January 1995 regulates its foreign trade. Also Romania's integration into the *European Free Trade Association* (EFTA) and the *Central European Free Trade Initiative* (CEFTA). Romania has *free trade relations* with Greece in terms of the European Agreement and had concluded the *bilateral free trade agreement* with Moldova (came into force on 17 November 1994) and the Republic of Turkey (coming into force on 1 December 1998). The process of harmonisation of Romanian legislation in the field of commercial policies embraces bringing the legislation in accordance with the provisions of the specific WTO agreements and European Union legislation.

23. **Russian Federation** - Russia's total foreign trade turnover for 1996 is reported at \$147.7 billion, up 7% from 1995. Oil, natural gas, coal, iron ore, etc. are prominent Russian exports to foreign markets. In addition to miscellaneous customs processing fees, goods going into Russia are subject to three Russian levies: *import duty/tariff*, *value added tax* and *excise tax*. The majority of goods shipped to Russia are also subject to various types of certification, labelling, documentation, and customs requirements. Effective January 1, 1996, the Central Bank of Russia, in an effort to stem the tide of illegitimate contracts for imports into Russia instituted an "*import passport*" system. The new system requires issuance of a "passport" by the importer's bank for payment of a specific import contract. Imported goods are exempt from the VAT when the imported goods are classified by the Russian Government as humanitarian assistance, when resources are acquired within the framework of gratuitous technical assistance from foreign states or under contracts with foreign organisations and firms for joint scientific work. *An Excise Tax* is levied on most imported goods considered as luxury items. As with other taxes, commodity excise rates are periodically changed. *The import duty* is calculated on the value of the good established for customs purposes. *An excise tax*, if applicable, is calculated as a percentage of the customs value of the goods. *The VAT* is calculated as a percentage (generally 20%) of the sum of the good's customs value and, where applicable, the excise duty. *Russian Presidential Decree 244* (March 6, 1995) addressed, an array of special tariff exemptions. Russia's potential accession to the World Trade Organisation will cause future changes in tariff and other import levy rates.
24. **Turkey** - within the *Customs Union* Turkey eliminated all *customs duties* and charges having equivalent effect on imports of industrial products from the Community. For products imported to Turkey from third countries, Turkey applies the *rates of protection* specified in the Community's common customs tariffs. Turkey's adaptation to the Community's common commercial and competition policies has therefore a great importance for the proper functioning of Turkish-EU Customs Union. A majority of the legal and practical measures that have to be taken by Turkey within the context of its obligations to harmonise with the Community's common commercial policy entered into force on 1 January 1996. Harmonisation work includes surveillance and safeguard measures on imports, management of quantitative restrictions and tariff quotas; prevention of dumped and subsidised imports, surveillance and safeguard measures on imports originating from certain third countries (mainly countries which are not WTO members). In the

approximation of the Turkish legislation to the competition policy of the Community, the main areas which are covered are Turkey's accession to international treaties on protection of intellectual, industrial and commercial property and harmonisation of state aids (subsidies) with those in the Community. At the same time, Turkey has signed free trade agreements with Romania and text of the agreement is negotiated with Bulgaria. Turkey has also a free trade agreement with EFTA countries since 1992.

25. **Ukraine** - the tax system has evolved continually since independence, but still remains far from coherent. The menu of value-added tax (20%), import taxes (ranging from 5-200%) and excise taxes (10-300%) presents a major obstacle to trade with Ukraine. The 1996 tax package limits VAT exemptions and transforms the VAT from essentially a turnover tax into a true value-added tax. *Import duties* differ and largely depend upon whether a similar item to that being imported is produced in Ukraine. A list of goods subject to *excise taxes* includes alcohol, tobacco, cars, tires, jewellery, and other items. *Customs valuation* in Ukraine conforms with world standards, where customs value is defined as the sum of the sales price, transportation costs, freight, insurance, storage fees, and any other costs not foreseen in the contract price. At the beginning of January 1996, the Cabinet of Ministers issued a *resolution regulating import licenses* approving the list of export and import goods to be subject to licensing and quotas. Among export goods which are subject to licences and quota restrictions are precious ores and metals, waste and scrap metal, and precious and semi-precious stones. *Licences* will be required for the import of pharmaceuticals, veterinary compounds, cosmetics, personal hygiene products, herbicides, etc. Licenses are granted through the Ministry of Foreign Economic Relations and Trade. A 1994 Ukrainian Government decree imposed compulsory *certification* requirements for goods imported into Ukraine. The decree specifies a list of goods subject to certification and regulates certification procedures. In line with the Presidential Decree of 28 December 1995, a number of goods which are not produced domestically in sufficient quantities were made subject to duties in case of export. As of July 1, 1996, UkrStandard adopted as national standards the *ISO-9000* series for production systems certification. Imports into Ukraine in 1996 totalled \$ 18.6 billion. Exports totalled \$19.4 billion. In 1996, barter constituted 20 percent of foreign trade, as opposed to 31 percent in 1995. Former Soviet Union countries account for about half of Ukraine's foreign trade. Russia remains its largest trading partner.
26. The problems regarding trade relations can be summarised as follows: *on the import side*, majority of the countries pursue liberal policies. Most of them have avoided establishment of quantitative restrictions and licensing, but still some of them maintain licensing (permitting only specific volumes or values of imports and exports), quotas (limit the total value or volume of a product to be imported) and certification. Tariff regimes vary considerably. Some countries have low and uniform tariffs, while in others the range goes very high. *On the export side*, there has been significant dismantling of export controls in most of the countries. *Trading with each other* - given the different obligations stemming from association in different regional groupings, foreign exchange control limit trade turnover among the countries. Weakness in payment systems of the newly independent states continue to hamper trade and leads to continuous of barter operations.

IV. HARMONISATION OF FOREIGN TRADE REGIMES

27. Synopsis of the foreign trade regimes constitutes profound differences in commercial laws, regulations and practices in the BSEC countries. Different domestic policies and legal systems regarding market access do preclude full participation in the common marketplace. Free flow of goods and services in the region is hampered by individual countries by certain limitations.
28. Simplification and transparency of commercial policies and foreign trade regimes and their adequacy to international standards and agreements are among the measures that may contribute to increase trade flows throughout the region. It is very important to equilibre rules and procedures in an environment of 11 countries with uneven levels of development and internal economic structures.
29. The situation is even more complex with Greece's membership in the EU, provided that according to the Decision 74/393/EEC any agreement of an EU member country with the third countries has to be compatible with the common commercial policy of the EU and to have the prior approval of the European Commission and all the other EU member Countries. On the other extreme, "as the only EU member participating in the BSEC, Greece can take the initiative in institutionalisation of EU-BSEC relationship, as well as to promote economic development and intra-regional cooperation among the BSEC states and the EU and the BSEC"¹.
30. Given diversity of standards and levels of legal compatibility, the harmonisation process of legal principles and domestic laws should be approached both from the "top down" i.e. through model laws and conventions and from "bottom up" i.e. through the development of practical commercial practices. It should be imperative that liberalisation of trade takes place in a form compatible with preserving and strengthening the economic stability, especially of those in transition, since generalised lowering of trade barriers might disadvantage countries with fragile economic systems.

Role of the international organisations and multilateral legal instruments

31. As a first harmonisation tool for the BSEC countries accession to the multilateral instrument regulating today's world trading system such as *General Agreement on Tariffs and Trade (GATT)/World Trade Organisation (WTO)* can be considered. It provides the principal obligations determining how governments frame and implement domestic trade legislation and regulations.
32. Other important international instruments under the *International Chamber of Commerce (ICC)*, *World Customs Organisation (WCO)* and *International Organisation for Standardisation (ISO)*, are: International Convention on Simplification and Harmonisation of Customs Procedures (Kyoto Convention); Convention on Nomenclature for Classification of Goods in Customs Tariffs; Convention on the Valuation of Goods for Customs Purposes; Convention on the Harmonised Commodity Description and Coding Systems; Customs Convention on the ATA Carnet for the Temporary Admission of Goods; Customs Guidelines of the

¹ PHARE Programme Report on Conceptualising BSEC Process, Athens, 30 December 1996

International Chamber of Commerce; Unified System of Trade Samples of the International Chamber of Commerce; the ISO 9000, etc.

33. At the same time regular consultations should continue and active cooperation be maintained with the main international organisations dealing with international trade: *the Organisation for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Commission on International Trade Law (UNCITRAL), the United Nations Economic Commission for Europe*, and international financial bodies like *the World Bank, European Bank for Reconstruction and Development and the International Monetary Fund*.
34. Consultations should be continued with the *European Union (EU)* in order to identify cooperation opportunities under the *PHARE* and *TACIS* programmes.

International trade-related meetings within the framework of the Black Sea Economic Cooperation

35. Apart of the annual meetings of the BSEC Working Group on Trade and Industrial Cooperation and of the PABSEC Economic, Commercial, Technological and Environmental Affairs Committee, several meetings were organised under the BSEC umbrella in cooperation with other international organisations:
- *The BSEC-European Commission Workshop on border-crossing improvement and Trade facilitation in the Black Sea Region* (Edirne, Turkey, 11-13 November 1996) discussing impediments to trade such as insufficient customs procedures, working methods, infrastructure, etc. and agreed to establish a task-force for in-depth study of the issue to expedite practical solutions to the problem.
 - *The OECD Policy Meeting on Trade and Foreign Direct Investment Liberalisation in the Black Sea Economic Cooperation* (Istanbul, on 15-16 October 1996) focusing on macroeconomic policies, structural reforms, modification in legal and institutional framework, harmonisation of trade strategies and possibilities of elimination of barriers and impediments to trade.
 - *The BSEC/CEI/WTO Seminar on Trade Legislation* (Kyiv, 21-23 May 1997) stressing the importance of market expansion and integration of the BSEC countries into the globalisation process of international trade. Uruguay Round market access facilities, concession schedules, sectoral and multilateral agreements, customs valuation, import licensing, rules of origin subsidies and countervailing measures were among the issues discussed.

V. SUMMARY OF RECOMMENDATIONS

36. The proposals of the national delegations could be summarised as follows:
- to accelerate accession to the WTO and incorporate the fundamental rules of the GATT/WTO in the national legislation of the member-countries.

- to give all possible assistance at the national and regional levels to the process of harmonisation of foreign trade regimes with a view to equalise them to the parameters set out in the WTO agreements;
- to identify and remedy inconveniences in the commercial laws and regulations and establish harmonised system in line with the principles of GATT and other trade agreements regulating international trade.
- to extend special attention to the situation of the economies which have not reached a certain development level as well as of those whose markets are limited, while maintaining objectives of eventual elimination of obstacles to market access.
- to assure adherence to the existing bilateral and multilateral trade agreements and obligations.
- to overcome obstacles and restrictions regarding foreign trade among the BSEC member countries that do not respect the WTO criteria
- to identify existing tariffs and non-tariff barriers to trade, to work on their gradual elimination and make a commitment not to erect new barriers to trade.
- to fine-tune all customs procedures and coordinate customs operations taking as reference CCC Conventions and guidelines issued by the WTO and ICC.
- to harmonise and uniform customs appraisal criteria on the basis of WTO's Customs appraisal Code.
- to enact legislation aiming at relaxing protectionist provisions which hamper to a great extent trade relations between the BSEC states.
- Harmonise standards and technical regulations by making them consistent with the international quality management systems such as ISO 9000 and World Trade Organisation Agreements on Technical Trade Barriers and Sanitary and Phytosanitary Measures.
- to ensure full involvement and support of the BSEC-related bodies such as the Black Sea Business Council, Black Sea Economic Cooperation Coordination Centre for the Exchange of Statistical Data and Economic Information, Black Sea Trade and Development Bank, Centre for Small and Medium Enterprises and International Centre for Black Sea Studies in the process of constructing free trade area.
- to consider setting up of a group of experts, within the framework of a Plan of Action for the Implementation of the BSEC FTA.

The mandate of the group given by the MMFA shall cover compiling of a solid basic information, gathering statistics and standards, making systematic comparison, identifying areas of immediate remedies and building a common databank in order to secure direct access to the commercial information between

the member countries to ensure thorough familiarity with the trade systems and practices.

