

ABOUT UBCCE

UNION OF BLACK SEA AND CASPIAN CONFEDERATION OF ENTERPRISES is an international union composed of non-governmental, voluntary, nationally representative, horizontal business organizations from the countries neighboring or having strong geographical ties with the Black Sea and Caspian Region.

The Union, with its headquarters based in Istanbul, Turkey, ensures permanent contacts with 22 member organizations in 17 countries.

As per the decisions taken during the Second General Assembly held on March 2, 2009, Hellenic Federation of Enterprises (SEV) runs the Presidency for the term 2009 – 2011 whereas Azerbaijan Turkey Business Association (ATIB), National Economic Chamber of Kazakhstan (ATAMEKEN Union), Turkish Confederation of Employer Associations (TISK) and Alliance of Romanian Employers' Confederation (ACPR) were elected as the Vice Presidents, respectively in charge of "Regional Economic Integration", "Business Environment Development", "Innovation and Entrepreneurship" and "Relations with European Union and BUSINESSEUROPE" issues of the Union.

Objective & Mission

The Union's main objective and mission, as defined also in its Statutes, is to contribute to establish institutionalized cooperation between the private sector organizations of the Black Sea and Caspian Region, with a view to assist the economic and social development by favoring, where necessary, the adoption of policies conducive to the better functioning of a market economy under optimal conditions.

When realizing its activities, UBCCE intends to deal with the respective governments and other international organizations active in economic field. Within this framework the Union aims to maintain close contacts with other European, international, regional and sectoral organizations to pursue its objectives with a view to become the "*Voice of business in the Black Sea and Caspian.*" The Union's strategic goal is to, over time, turn into the counterpart organization of BUSINESSEUROPE in the Region.

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MARE NEGRA AND MARE CASPIUM STRATEGY PAPER

INDEX

ABOUT UBCCE

INDEX

FOREWORD

INTRODUCTION

MARE NEGRA AND MARE CASPIUM STRATEGY

ECONOMIC COOPERATION IN UBCCE REGION

TOP PRIORITY AREAS

ENERGY

TRANSPORT

ENVIRONMENT

INNOVATION & ENTREPRENEURSHIP

EDUCATION & TRAINING

CONCLUSION

TABLES

ANNEXES

FOREWORD

The region surrounding the Black Sea including the Balkans, Caucasus and the Caspian is becoming an emerging and vital part of the world in the changing global balances. The economic and political landscape of the Black Sea and the Caspian Region is rapidly changing, to say the least. The two giants of Asia, China and India are on one side trying to increase their influence in world politics and economics and Europe, Japan and US are struggling on the other side to preserve their power on global scale. In the meantime, Russia, also a country of the Black Sea and the Caspian Region, is regaining its power thanks to its significant natural resources.

Within this framework, it is no surprise that the European Union developed in May 2004, the “European Neighbourhood Policy” (ENP) with a “Strategy Paper”, which was first introduced in a Commission Communication on “Wider Europe” in March 2003. This Strategy Paper on ENP sets out in concrete terms how the EU proposes to work more closely with its neighbours. The main objective of the ENP is to avoid the emergence of new dividing lines between the enlarged EU and its neighbors and strengthen the prosperity, stability and security of the countries concerned. In this way, it also addresses the strategic objectives set out in the December 2003 European Security Strategy. In December 2006 and 2007, the Commission issued two more “Strategy Papers” with proposals as to how this new policy could be supported and strengthened.

Greece, Bulgaria and Romania are the EU members of the Black Sea and Caspian (UBCCE) Region and the ENP widely concerns the Region as it applies directly to Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The relations take the form of a “strategic partnership” with Russia, a pre-accession strategy with Turkey and Croatia and Stabilisation and Association Policy (SAP) with Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia. The Central Asian Republics and especially Kazakhstan are suitable partners in every aspect for enlarging the ENP in the future and when Turkey becomes member of the EU, Iran could be included to ENP as it will then share a land border with the European Union.

Therefore, it is no surprise that the Commission has put forward in April 2007, a new cooperation initiative within the framework of the ENP for the “Wider Black Sea Region” under the name “Black Sea Synergy”, adding a regional dimension to the ENP. This initiative completes actually the “chain” of regional cooperation frameworks in the EU’s neighbourhood, adding to the Euro-Mediterranean Partnership, the Northern Dimension and the very recent Eastern Partnership.

In addition to the Black Sea Synergy, the “Central Asia Strategy Document” adopted at the EU Summit in June 2007 aiming to strengthen ties with the Central Asian republics on energy, education, training and rule of law can also be considered as the prolongement of the ENP to Central Asia to bring it closer to Europe.

The ENP foresees an important role to civil society and non-governmental organisations for its implementation. The reform objectives agreed with partner country governments, in the ENP Action Plans, will have an important impact on businesses in these countries. Business should also play a role in pushing for implementation of these necessary reforms. This is in the interest of business both in the countries concerned and in the EU. The continuous development of the ENP will depend also on feedback from business (like reporting and monitoring) which is best placed to judge the effects of reform in partner countries.

UBCCE believes that an active business community is vital for the development of effective and sustainable policies on economic and social issues. Therefore, as to UBCCE, the first voluntary, non-governmental business organization of the Black Sea and Caspian Region, aiming to become over time “The Voice of Business in the Black Sea and Caspian Region”, it was necessary to put forward a “Strategy” to reflect the views of the business community and its suggestions relating to private sector development, better functioning of market economy, deeper economic integration and cooperation in priority sectors in the Region itself with Europe and also the rest of the world. A number of priority areas have been chosen in order to envisage concrete objectives, benchmarks and follow-ups, to draw up a new road map for a historic region in the new millennium.

INTRODUCTION

The diversified geographical position and coverage of the Black Sea and Caspian Region countries can eventually form a global power base in the changing equation of the global balances. It should be remembered that the countries of this Region are positioned very strategically at the crossroads of East and West and they present high potentials of growth with their unsaturated and complementary markets. It would not be wrong to say that all the global players are becoming increasingly aware of the great opportunities that the Black Sea and Caspian Region offers to the world markets.

This situation inevitably brings us to ask the following question. What can be the role of the private business for increasing the trade and investment relations of the regions' countries and what kind of institutional ties can be built to boost the relations between the private sectors of the region?

Today, globalization is a fact and there aren't any alternatives. All have to direct the change through a proactive approach to competitiveness and fair world – wide competition. Economic nationalism is no more a solution. Partnership, based on common values and integrated economies, international cooperation and open markets, are the key. Within this context, UBCCE believes that international professional organizations are the new answers to these challenges. They are the missing link between the given reality and the so needed ambitions. International business organizations are the right forums to foster, in a concrete and practical way, economic trans – regionalism, but they provide also, in a more global and less formal manner, a certain number of solutions which help States to manage their economic and social policies and contribute to an emerging new system of linkages in contemporary international relations.

Parallely, UBCCE is convinced that it is very important for the private sector to raise its voice for developing international cooperation and make, if necessary, pressure on the governments in this sense. Having a united voice of business for a dynamic, young and ambitious economic region like the Black Sea and the Caspian Region, can pave the way to enhance having the markets of the Region closely inter – related in terms of practice of reform, better risk –resistance ability and opening – up. UBCCE believes that the private sector with all its active forces should be mobilized to reach a certain level of development in the Black Sea and Caspian Region.

It is true that the historical, political and socio-economic background in the countries of the Region for civil society differ. Since the early 90s, especially the countries of Eastern Europe have been rapidly engaging in both political and economic transition with important consequences also for the civil society. The necessity for the governments, regional and international organizations to involve civil society in regional dialogue and cooperation in fields that require coordinated action have increased. Forming civil society networks in the Region having the following priority areas of cooperation have become more and more important: defining common interests, formulating medium and long-term strategies to address civil society capacity-building, fostering greater synergies

among civil society organizations to create preconditions for the success of regional cooperation projects, assessing existing instruments, evaluating national and regional capacities, identifying critical requirements, and preparing for the future in a pro-active manner.

Within this framework, NGOs of the Region need more openness in a self – conscious way and it is without hesitation that international business organizations are, undoubtedly, a precious tool to give full play to the comparative advantages of every economic region which will actively conduct international cooperation and competition.

A platform of dialogue and cooperation for the representative business organizations of the region, facilitating the private sector communication and working complementarily with other regional partners would eventually have positive results on the social and economic development of the Region. In this respect, UBCCE is convinced that the path chosen to confederate voluntary, private business organizations of the Region is an efficient and a constructive one. Membership to such international organizations help the business organizations to increase their bilateral and multilateral relations with the business organizations of other member countries and help the business organization of a country to get benefits on issues of strategic importance for the country of the region.

When realizing its activities, UBCCE intends to deal with the respective governments and other international organizations (like the Organisation of the Black Sea Cooperation-BSEC) active in economic field. Within this framework the Union aims to maintain close contacts with other European, international, regional and sectoral organizations to pursue its objectives.

As the first and unique example of private sector organizations coming together in this emerging part of the globe, an NGO platform like UBCCE can make very significant and positive contributions in the sense of developing and diversifying the trade and investment in the Region and thus creating an environment of peace and stability which would help at the same time, the private sector to increase its credibility and influence. An emerging region like the Black Sea and Caspian needs organizations like UBCCE to complete its transition for a healthier functioning market economy to integrate to the global economy.

Defining a target strategy dealing with the specific needs of the Black Sea and Caspian Region represents an excellent tool to help create a common language among the NGOs of the Region, thereby enhancing the extent of cooperation and collaboration. The key word for the NGOs of the region to reach this goal should definitely be Partnership and UBCCE is ready to play its role in this direction as the voice of private business organizations in the Black Sea and Caspian Region.

**MARE NEGRA AND
MARE CASPIUM
STRATEGY**

ECONOMIC COOPERATION IN UBCCE REGION

At the crossroads of East and West, where the historical Silk Road was passing once, the economic and commercial landscape of the Black Sea and Caspian Region is rapidly changing. With its highly valued geo-strategic position, the Region has a great economic as well as human potential (rich natural resources, developed industrial base and skilled labour force) that could in the mid to long term, increase its international standing.

GROWTH

The region, representing a market of more than 450 million consumers, has recorded a strong economic growth in particular in the last decade. However this growth is uneven and more sustained in the oil and gas exporting countries which points out the difference of development level among the countries of the Region, mostly facing the dual challenge of globalisation and transition from centrally planned to market economy.

Significant differences in terms of availability of factors of production, natural resources, production capacities and market size draw attention and the fragility of the growth is mainly linked to the strong dependence on exports of a few products for an important part of the countries and on an environment that does not always encourage investment in. Consequently, the creation of a stable institutional environment, which will favour sustainable and equitable growth, is more than ever needed, especially in this economically turbulent period.

UBCCE believes that an active business community is vital for the development of effective and sustainable policies on economic and social issues.

It is very challenging to argue that the Black Sea and Caspian Region is likely to reach an advanced level of regional economic integration at short term. Although the countries of the Region have complementary economies and therefore the possibility to cooperate in various sectors, they do not take advantage of geographic proximity at desired level in terms of commercial relations among themselves. Trade and investment between a considerable part of them account only for a small portion of their total exchanges. Major regional countries are still looking elsewhere for the purposes of economic integration, mostly towards the European Union, but not necessarily towards each other. Governments of the Region should set their priorities more clearly to support trade liberalization and create a comprehensive mechanism for the regulation of trade relations among UBCCE countries.

In this context, accession to the World Trade Organization (WTO) is an important step for all the countries of the Region, however the integration in the WTO rules offers certain economic challenges in the field of the protection of domestic production, competitive rules, and providing subsidies and price policy in strategic sectors, such as agriculture, energy and textiles.

TRADE IN FIGURES*

The Russian Federation is rising in figures as the commercial power of the Region, mostly thanks to its huge potential of natural gas and petroleum exports. Around half of the total trade realized in the Region is performed by Russia (nearly \$580 billion of total trade in 2007 of which approximately \$355 billion are exports), which is also either the second or the third trade partner of almost all the countries of the Region following the EU, giving significant amounts of trade surplus without exception with all countries.

Turkey appears as the second biggest trader (nearly \$280 billion of total trade in 2007 of which nearly \$170 billion are imports) and an important trade partner for most of the countries of the Region usually ranking right after the EU and the Russian Federation. Turkey is followed by Iran, Ukraine, Romania, Greece and Kazakhstan, each having a total trade volume of over \$80 billion.

Strong commercial links are visible between the neighboring countries of the Region notably among Balkan countries. However, these trade relations tend to weaken as the distance grows between them.

As for the international trade figures, the EU is the first commercial partner of all the countries of the Region, with the exception of Iran for exports, Kazakhstan for imports and Turkmenistan for both cases. The share of EU is over %50 in the exports of Albania, Romania, FYROM, Greece, Bulgaria, Bosnia and Herzegovina, Turkey, Serbia, Russian Federation and Moldova, and it reaches more than %50 in the imports of Romania, Albania, Croatia, Bulgaria, Greece and Serbia. It is also worth mentioning that the EU gives significant trade surplus with all the countries of the Region except for Azerbaijan, Iran, Kazakhstan, Russian Federation and Turkmenistan, all due to import of energy.

China also appears as one of the important trade partner of the countries of the Region and gives high amounts of trade surplus in its commercial relations. The country is among the top five supplier of Russian Federation, Kazakhstan, Turkey, Serbia, Croatia, Albania, Iran, Armenia, Moldova, Ukraine, Greece, FYROM, Bosnia and Herzegovina, Romania and Bulgaria.

The world's largest trading nation U.S. is a slightly less important trade partner for the Region. The U.S. is a significant supplier for the Russian Federation, Turkey, Kazakhstan and an important market for Georgia, Armenia, Turkey and Ukraine.

India, another rising global power, lists way back China in the Region and ranks only as an important supplier for Iran (%3.7) whereas Japan, another world trade giant, is hardly visible in the trade of most Black Sea and Caspian countries.

** For a detailed table, see annexe on trade figures of the Region.*

INVESTMENT CLIMATE

Despite the positive investment dynamic observed in UBCCE area during the last years the investment share of the region in the global economy is still relatively low and moreover investment coordination in some fields is lacking. There is still a need to improve the investment climate for both local and international companies.

Each country has its own priorities in its national investment policy depending on the socio-economic basis and market potential of its country. However, it is commonly recognized that international investors are crucial in order to reach a sustainable economic growth level in the Region. Seamless investment flows optimize value chains and production processes for business and are critical for the efficient allocation of capital.

UBCCE believes that the efforts should be intensified to provide assurance to potential investors and encourage the free flow of investment, which will directly contribute to the strengthening of all national economies and to the enhancement of regional economic cooperation. In this regard, the priority should be given to the modernization of infrastructure in the whole Region, by mobilizing large-scale investments especially in transport, energy, tourism and communication sectors.

In order to create a proper investment climate and attract substantial amount of FDI to the Region, the openness of national and regional markets to foreign investments should be set as a general rule, and the quality, depth and intensity of regulatory framework should be improved by;

ELIMINATION OF THE BUREAUCRATIC OBSTACLES that impede the consistent attraction of FDI by measures,

CREATION OF FAVORABLE CONDITIONS FOR FOREIGN INVESTORS on the principle of non-discrimination, ensuring free and fair competition and equal treatment with domestic ones,

ENSURING THE TRANSPARENCY of the process of foreign investments inflow by adopting a clear procedure for privatization and tender announcement, strengthening anti-corruption measures and free access to information needed for a feasibility study on attracting foreign investor,

HARMONIZATION OF NATIONAL INVESTMENT LEGISLATION in accordance with the global standards and further deepening the cooperation with international partners in promoting investment, such as EU, OECD, UNDP and EBRD.

The improvement of infrastructure, especially in transport, energy, tourism and communication sectors, is crucial for substantial economic growth.

MOBILITY OF GOODS AND PEOPLE

In the era of globalization, the mobility appears undoubtedly as the key factor of international trade relations. Ideally this factor points out the transborder mobility of goods, ideas, capital, technology and people with minimal governmental interference in order to foster trade and economic activities. In this respect the question of facilitation of present visa regulations has been raised as one of the main obstacle hindering to the economic cooperation in the Black Sea and Caspian Region. With respect to visa issue procedures applied in each country, UBCCE firmly believe that the fastest, freest and safest movement of people, especially businessmen and academics, is crucial for an enhanced economic cooperation. Therefore the Union expects a coordinated effort for the re-regulation and development of existing visa regulations in order to improve relations between the Region's countries and firmly believe that the business people acquiring new important aspect in the whole process of the regional cooperation needs to have certain travel advantages.

A COMMON STRATEGY FOR UBCCE REGION

The opportunities and challenges associated with economic cooperation and inclusive growth of the Black Sea and Caspian Region in this period of economic uncertainty were certainly diverse. However, there is a growing consensus on the importance of unlocking the potential of the private sector, which comes up, in the last decade, as the major determinant of the economic competitiveness and growth in the Region. This will require actions to improve the business climate and establish meaningful partnerships between government, enterprises and the civil society. In this respect the strategy to be followed in the field of economic cooperation needs to contain the following components:

UBCCE STRATEGY

- Support the maintaining of the sustainable and growth-promoting macroeconomic framework.
- Promote the market economy reforms aiming to increase competitiveness and economic attractiveness.
- Emphasise the importance of the gradual elimination of trade barriers with the aim of the further liberalization of trade, including the simplification of customs procedures and the tax regime.
- Intensify joint efforts for the facilitation of visa regimes in the neighbourhood to encourage mobility and foster trade and economic activities.
- Give strong support to initiatives on liberalizing investment policies and facilitating the cross-border flow of capital.
- Provide a comprehensive exchange of information among member countries and other partners on the investment climate, trends and activities that in perspective would allow the establishment of common data base on the issue.
- Elaborate and develop investment projects in the field of transport, energy and tourism in the light of the increasing role of the Region namely in these sectors, as well as to intensify implementation of environmental projects.
- Support all political efforts to promote intercultural dialogue which is indissociable from the strengthening of economic and trade relations between the countries of the Region.

TOP PRIORITY AREAS OF COOPERATION FOR UBCCE REGION

ENERGY

TRANSPORTATION

ENVIRONMENT

INNOVATION & ENTREPRENEURSHIP

EDUCATION & TRAINING

I. ENERGY

Energy sector is a key area of cooperation in the new landscape of the 21st century within which the world's economic regions are interdependent for ensuring energy security and stable economic conditions. Acquiring sustainable, competitive and secure energy is indispensable where world energy consumption is expected to rise by 60% in the next 25 years. As an energy hub and transport corridor positioned very strategically at the crossroads of East and West, the Black Sea and Caspian Region has a substantial role to play in the world's new energy production, transmission and distribution scheme.

The strategic importance of the Region as a production and transmission area for diversification and security of energy supply requires the coordination of activities in the energy sector among the countries of the Region and, whenever possible, the formulation of common strategies, taking into account the possibilities to achieve better utilization of energy resources and security of energy routes.

UBCCE believes that both the countries of the Region and the EU have mutual interest from cooperation in the energy field. Besides the economic gain from the business opportunities to be created by energy-related interactions which will surely contribute to the increase of welfare in the countries of the Region, key projects like Nabucco are assets for the Region to become a secure and reliable energy bridge and help achieve the goal of diversification of both the source of supply and the supply routes. The mere existence of alternative routes can give the EU the leverage it needs in its negotiations with traditional suppliers and can help create a more competitive energy market.

UBCCE STRATEGY

- Support the improvement of the legislation framework to complete integration of energy markets of UBCCE countries towards a predictable and transparent energy sector in the Region, capable of stimulating investments as well as security of energy supply.
- Emphasise the need for rehabilitation and modernization of existing energy infrastructure and construction of new energy capacities.
- Intensify joint efforts for the harmonization of national energy legislations with international standards to make the Region an integral part of Trans-European Energy networks.
- Raise public awareness on the environmental problems arising from the exploitation of energy sources by integrating environmental concerns and sustainability into the energy policies.
- Promote energy efficiency and renewable energy sources throughout the region and encourage energy security dialogue with the EU.

II. TRANSPORT

Transportation has a key role to play in the creation of cooperation networks to support business activities in regional development and within this framework it should be noted that the Black Sea and Caspian Region is a key transport area for restoring and revitalizing the historic “Silk Road”.

Efforts are needed to develop, modernize and strengthen the Region’s infrastructure and encourage cooperation on regional transport by launching of regional projects like the “Black Sea Ring Highway” and “Motorways of the Sea”.

The development of integrated and interoperable transport axes between the Black Sea and Caspian countries and the EU, by connecting these regional projects with pan-european ones, and the extension of those towards Asia, also constitutes an issue of utmost importance for economic growth, facilitation of trade and access to the international markets. In this regard, the integration of the Transport Corridor Europe-Caucasus-Asia (TRACECA) into Trans-European Networks (TENs) has become vital to exploit the full potential of the Region as a major hub for transportation.

UBCCE STRATEGY

- Intensify joint efforts for promotion of reliable, efficient, environmentally sound, safe, secure, sustainable, integrated and coordinated multimodal transport systems and policies in UBCCE countries.
- Promote the implementation of the internationally harmonized transport norms and standards and progressive integration of transport networks in the region and synergies between the relevant trans-european transport network.
- Support the improvement of air flight connections and maritime links, including river transportation, between UBCCE countries and the creation of new transport corridors, ensuring better connection with neighboring regions.
- Emphasise the need for facilitation of all border crossing procedures and transport operations as well as reducing other non-technical barriers.
- Raise public awareness on the importance of enhanced security cooperation on oil transportation and maritime safety of the Black Sea, in light of the growing number of tanker catastrophes.

III. ENVIRONMENT

Relative to its large population, the Black Sea and Caspian Region has a limited environmental carrying capacity and the environment is fully showing signs of stress from the environmental pressures arising from the fast economic growth of the Region.

Although the natural conditions and socio-economic characteristics vary obviously overall the Region, all UBCCE countries are facing similar ecological problems related to pollution control, nature conservation and biodiversity. The transboundary degradation of the ecosystems and the unsustainable use of natural resources constitute a major threat for the sustainable development of the Region.

Considering the sustainable development as an effective long-term business growth strategy, UBCCE is aware of the necessity to enhance the regional cooperation in this field, to secure a healthy, sustainable environment not only for the stability and prosperity of the Region but also for boosting of international trade.

UBCCE STRATEGY

- Promote the positive role of the private sector in supporting economic growth through environmental friendly investment as well as research and development to accelerate deployment of cleaner technologies.
- Raise public awareness on eco-responsibility, particularly the cost of environmental degradation and biodiversity loss, through the activation of NGOs, local and regional authorities and the development of environmental education and training.
- Orientate decision-makers in government, business and other sectors in the implementation of sustainable policies, in particular by making use of the joint implementation of the clean development mechanism of the Kyoto Protocol.
- Emphasise the need for further strengthening and improvement of every possible mechanisms for the harmonization of ecological legislation in the member countries and enhancement of implementation of multilateral environmental agreements.
- Intensify joint efforts on monitoring and reducing the environmental impact of the most polluting sectors such as industry, transport, energy, agriculture and tourism.
- Support the efforts of already set mechanisms such as the Commission on the Protection of the Black Sea against the Pollution and the Caspian Environment Programme, particularly on convergence process with international and European standards.

IV. INNOVATION & ENTREPRENEURSHIP

One of the key aspects in today's world has been the trend towards information society, a trend mainly driven by globalisation and advanced changes in technology and science. Innovation is undoubtedly a key driver of industrial and of firm competitiveness, as it is one of main sources of achieving a sustainable competitive advantage. Science and Technology is an excellent area for fruitful cooperation among UBCCE countries, since most of them have a rich legacy and an advantageous future in the field. Given the growing importance of the information society in the world, UBCCE recognizes that an effective cooperation aiming the development of high technologies is vital in terms of economic prosperity and welfare of the Region, although the creation of relevant infrastructure needs a long-term and complex strategy and proper resources.

In this regard, UBCCE believes that the promotion of innovation and high technologies highly depends on the will and appetite of the small and medium-sized enterprises (SMEs) which have in recent years proved themselves to be the backbone of a healthy functioning market economy and the principle source of employment. With their ability to exploit new technologies and to respond quickly to changing market needs, SMEs will play a pivotal role in the success of the UBCCE economies.

In this field, a special attention should be accorded to the respect for intellectual property as an important component of the economic competitiveness. Lack or reduction of protection could have a detrimental effect on research and innovation initiatives of the Region and may directly threaten job creation, economic growth and prosperity.

UBCCE STRATEGY

- Place emphasis on further skills development in the field of information and communication technologies.
- Further develop the cooperation between the private sectors of UBCCE countries particularly by defining the most promising fields in research and innovation.
- Support the multilateral exchange of experiences and good practices in order to promote the commercial utilization of domestic innovations and reduce the brain drain phenomenon in the Region.
- Intensify joint efforts for the creation of a more SME-friendly regulatory and administrative framework aiming at the creation of a stronger SME sector in the Region.
- Encourage greater understanding for intellectual property as a driver of innovative business initiatives and projects.
- Take up initiatives to promote youth entrepreneurship as key priority for the development of the region.

V. EDUCATION AND TRAINING

The Black Sea and Caspian Region has experienced significant political, institutional, macroeconomic and regulatory reforms in the last two decades. Further cooperation within UBCCE countries in building and promoting social goals will reflect the Region's determination of broadening common values, interests and objectives to face the global challenges.

Education has been in the centre of both social and economic policies such as growth, productivity, poverty and social cohesion. Given the fact that education is the most important factor in human development, the restructurings and developments in the education system towards raising open-minded, creative, and modern generations will bring profound changes in other areas.

In a highly competitive globalized world where advanced changes in technology and science create new challenges for the societies, it is quite significant to constantly update the educational politics and education system to accommodate and embrace these advances. In this regard, more and better academic mobility should be considered as a key instrument for the modernisation of education and training systems.

UBCCE STRATEGY

- Support the improvement of the quality and effectiveness of education and training systems in the Region with an aim to give everyone the chance to play an active role in society.
- Encourage decision-makers in government and business for the implementation of robust policies making a strong connection between vocational education and employment, to meet highly qualified mid-level labour need of industry and service sectors, and to accelerate the economic development of the Region.
- Orientate decision-makers of the UBCCE region in the promotion of legal and regulatory harmonisation in the field of education and training, taking part of the international and European programmes, such as the pan-European research backbone GEANT, which necessitates the intensification of efforts for the facilitation of academic mobility.

TABLES

UBCCE Countries at a Glance

Economy	Year	General			Economy							Trade			WTO Membership Entry Date
		Population (millions)	Population ↑ (annual, %)	Surface Area (sq.km 000)	GDP (current, \$ billions)	GDP ↑ (annual, %)	Inflation (annual, %)	Agriculture V.A.(% of GDP)	Industry V.A.(% of GDP)	Services V.A.(% of GDP)	Exports of goods&services (% of GDP)	Imports of good&services (% of GDP)	Merchandise trade (% of GDP)		
Albania	2000	3,08	0,0	28,8	3,69	7,3	4,3	29	19	52	19	37	37	Member 08.09.2000	
	2006	3,17	0,6		9,10	5,0	2	n/a	n/a	n/a	25	49	42		
	2007	3,18	0,3		10,57	6,0	0,7	n/a	n/a	n/a	27	54	50		
Armenia	2000	3,08	-0,6	29,8	1,91	5,9	-1,4	26	35	39	23	51	62	Member 05.02.2003	
	2006	3,01	-0,3		6,39	13,3	4,6	20	44	37	22	36	50		
	2007	3,00	-0,3		9,18	13,7	3,9	18	44	38	19	34	49		
Azerbaijan	2000	8,05	0,8	86,6	5,27	11,1	12,5	17	45	38	39	38	55	Observer	
	2006	8,48	1,1		20,98	34,5	11,3	7	70	22	67	39	55		
	2007	8,57	1,0		31,25	19,2	20,0	6	62	32	54	27	49		
Bosnia&Herzegovina	2000	3,69	2,1	51,2	5,34	5,5	18,1	11	24	65	30	78	78	Observer	
	2006	3,78	-0,1		12,26	6,9	5,7	10	25	65	37	66	87		
	2007	3,77	-0,1		15,14	6,8	5,9	10	26	64	36	70	92		
Bulgaria	2000	8,06	-1,8	111,0	12,60	5,4	6,7	14	31	55	56	61	90	Member 01.12.1996	
	2006	7,69	-0,6		31,66	6,3	8,5	8	31	60	64	83	121		
	2007	7,64	-0,7		39,55	6,2	7,8	8	33	59	71	93	123		
Croatia	2000	4,50	-1,0	56,5	18,43	2,9	4,7	9	30	61	47	52	67	Member 30.11.2000	
	2006	4,44	0,0		42,93	4,8	3,4	7	32	61	48	57	74		
	2007	4,44	-0,1		51,28	5,6	4,0	7	32	61	47	56	74		
Georgia	2000	4,72	-1,1	69,7	3,06	1,8	4,7	22	22	56	23	40	34	Member 14.06.2000	
	2006	4,43	-0,9		7,75	9,4	8,5	13	25	62	33	57	60		
	2007	4,40	-0,8		10,18	12,4	9,6	11	24	65	32	58	63		
Greece	2000	10,92	0,3	132,0	144,20	4,5	3,4	6	21	73	22	33	31	Member 01.01.1995	
	2006	11,15	0,4		308,45	4,3	3,3	3	21	76	19	27	27		
	2007	11,19	0,4		360,03	4,0	2,9	n/a	n/a	n/a	n/a	n/a	28		
Iran	2000	63,94	1,6	1745,2	101,29	5,1	26,4	14	37	50	23	17	42	Observer	
	2006	70,10	1,5		222,88	5,9	12,1	10	45	45	41	33	53		
	2007	71,02	1,3		270,94	7,6	14,4	9	42	49	33	30	47		
Kazakhstan	2000	14,88	-0,3	2724,9	18,29	9,8	17,4	9	40	51	57	49	76	Observer	
	2006	15,31	1,1		81,00	10,7	21,6	6	42	52	51	40	81		
	2007	15,48	1,1		103,84	8,5	14,8	7	44	49	48	38	77		
FYROM	2000	2,01	0,4	25,7	3,59	4,5	8,2	12	34	54	49	64	95	Member 04.04.2003	
	2006	2,04	0,1		6,37	4,0	4,4	13	29	58	48	67	97		
	2007	2,04	0,0		7,59	5,1	3,8	12	29	59	56	76	113		
Moldova	2000	4,15	-1,3	33,8	1,29	2,1	27,3	29	22	49	50	75	97	Member 26.07.2001	
	2006	3,83	-1,1		3,41	4,8	13,4	18	15	67	45	92	111		
	2007	3,79	-1,1		4,40	3,0	15,8	17	15	67	43	87	116		
Montenegro	2000	0,67	0,2	14,0	0,98	3,1	n/a	12	23	64	37	51	n/a	Observer	
	2006	0,60	-1,1		2,70	8,6	9,0	10	18	72	44	74	100		
	2007	0,60	-0,1		3,56	7,5	12,5	n/a	n/a	n/a	42	71	104		
Romania	2000	22,44	-0,1	238,4	37,05	2,1	44,3	13	36	51	33	38	64	Member 01.01.1995	
	2006	21,59	-0,2		121,61	7,7	10,1	11	38	52	34	44	69		
	2007	21,55	-0,2		165,98	6,2	11,6	8	26	65	26	39	66		
Russian Federation	2000	146,30	0,0	17098,2	259,71	10,0	37,7	6	38	56	44	24	58	Observer	
	2006	142,50	-0,5		990,58	7,4	15,7	5	38	57	34	21	47		
	2007	141,64	-0,6		1291,01	8,1	13,5	5	39	57	30	22	45		
Serbia	2000	7,52	-0,3	88,4	8,96	4,5	81,0	19	30	51	23	39	n/a	Observer	
	2006	7,41	-0,4		31,78	5,7	14,9	n/a	n/a	n/a	27	47	62		
	2007	7,39	-0,3		41,58	6,6	7,3	n/a	n/a	n/a	28	48	65		
Turkey	2000	67,42	1,7	783,6	267,21	6,8	49,2	11	31	57	20	23	31	Member 26.03.1995	
	2006	72,98	1,3		529,93	6,9	9,3	10	29	62	23	28	42		
	2007	73,89	1,2		657,09	4,5	8,1	9	28	63	22	27	42		
Turkmenistan	2000	4,50	1,3	488,1	2,90	18,6	9,8	24	44	31	96	81	148	Non-mem. Non-obs.	
	2006	4,90	1,4		10,50	n/a	n/a	n/a	n/a	n/a	72	54	94		
	2007	4,96	1,3		12,93	n/a	n/a	n/a	n/a	n/a	63	48	103		
Ukraine	2000	49,18	-1,0	603,6	31,26	5,9	23,1	17	36	47	62	57	91	Member 16.05.2008	
	2006	46,79	-0,7		107,75	7,3	14,9	9	34	57	47	49	77		
	2007	46,38	-0,9		140,48	7,3	21,5	7	32	61	41	44	78		
Uzbekistan	2000	24,65	1,0	447,4	13,76	3,8	47,3	34	23	43	25	22	40	Observer	
	2006	26,49	1,2		17,03	7,3	21,5	26	27	46	38	26	56		
	2007	26,87	1,4		22,31	9,5	24,0	24	27	49	33	22	56		
Europe & Central Asia	2000	444,42	0,1	23972,3	900,96	6,8	17,4	10	34	57	35	32	52	153 members 30 observers	
	2006	444,96	0,1		2467,72	7,4	9,3	7	34	59	35	34	57		
	2007	445,13	0,0		3155,22	6,8	9,6	7	33	60	33	34	56		
World	2000	6075,80	1,3	133945,2	31949,18	4,1	4,7	4	29	67	25	25	41		
	2006	6538,17	1,2		48626,70	3,9	5,4	n/a	n/a	n/a	n/a	n/a	50		
	2007	6612,04	1,1		54347,04	3,8	4,3	n/a	n/a	n/a	n/a	n/a	51		

Source: World Bank Development Indicators, September 2008

UBCCE Countries Merchandise Trade Figures - 2007

Economy	Exports (f.o.b.) million US\$				Imports (c.i.f.) million US\$				Balance	Total Trade		
	Value	Annual % change 2000-2007	World Share	Main Markets	Value	Annual % change 2000-2007	World Share	Main Suppliers				
Albania	1072	23	0,01	EU (27) - %88,6 Serbia - % 5,1 FYROM - % 1,6 Turkey - %1,3 China - % 1,1	Agricultural products (%7,3) Fuels-Mining products (%19,5) Manufactures (%71,7)	4196	21	0,03	EU (27) - %65,5 Turkey - %7,6 China - %6,0 Russia - %4,1 Ukraine - %3,8	Agricultural products (%17,9) Fuels-Mining products (%16,9) Manufactures (%65,1)	-3124	5268
Armenia	1157	22	0,01	EU (27) - %48,7 Russia - %17,2 Georgia - %6,0 Switzerland - %4,3 USA - %4,2	Agricultural products (%17,0) Fuels-Mining products (%24,9) Manufactures (%54,0)	3282	21	0,02	EU (27) - %31,0 Russia - %14,9 Ukraine - %7,7 Kazakhstan - %7,3 China - %5,9	Agricultural products (%16,9) Fuels-Mining products (%17,7) Manufactures (%54,9)	-2125	4439
Azerbaijan	10500	29	0,08	EU (27) - %27,6 Turkey - %17,4 Russia - %8,7 Iran - %7,2 Indonesia - %6,4	Agricultural products (%5,2) Fuels-Mining products (%90,5) Manufactures (%3,7)	5712	25	0,04	EU (27) - %29,3 Russia - %17,6 Turkey - %10,9 Ukraine - %8,2 Japan - %5,2	Agricultural products (%16,8) Fuels-Mining products (%4,5) Manufactures (%77,6)	4788	16212
Bosnia&Herzegovina	4166	21	0,03	EU (27) - %57,3 Croatia - %18,4 Serbia - %13,7 Montenegro - %2,6 USA - %2,5	Agricultural products (%13,5) Fuels-Mining products (%25,4) Manufactures (%60,0)	9772	18	0,07	EU (27) - %47,9 Croatia - %17,6 Serbia - %10,2 Turkey - %5,8 China - %4,3	Agricultural products (%17,0) Fuels-Mining products (%18,3) Manufactures (%63,6)	-5606	13938
Bulgaria	18466	21	0,13	EU (27) - %60,8 Turkey - %11,4 Serbia - %4,7 Russia - %2,4 USA - %2,3	Agricultural products (%10,4) Fuels-Mining products (%32,6) Manufactures (%56,0)	29983	24	0,21	EU (27) - %58,5 Russia - %12,5 Ukraine - %7,2 Turkey - %6,8 China - %2,8	Agricultural products (%7,0) Fuels-Mining products (%28,7) Manufactures (%63,4)	-11517	48449
Croatia	12360	16	0,09	EU (27) - %60,3 Bosnia - %14,4 Serbia - %5,4 USA - %2,8 Marshall Is. - %1,6	Agricultural products (%14,0) Fuels-Mining products (%17,5) Manufactures (%68,1)	25830	18	0,18	EU (27) - %64,8 Russia - %10,1 China - %6,2 Bosnia - %2,8 USA - %1,9	Agricultural products (%9,1) Fuels-Mining products (%17,8) Manufactures (%73,0)	-13470	38190
Georgia	1240	21	0,01	EU (27) - %21,8 Turkey - %13,9 USA - %12,1 Azerbaijan - %11,1 Armenia - %9,0	Agricultural products (%26,1) Fuels-Mining products (%23,1) Manufactures (%44,6)	5217	33	0,04	EU (27) - %29,5 Turkey - %14,0 Russia - %11,1 Ukraine - %11,0 Azerbaijan - %7,3	Agricultural products (%16,3) Fuels-Mining products (%18,6) Manufactures (%59,8)	-3977	6457
Greece	23809	11	0,17	EU (27) - %65,0 USA - %4,2 Turkey - %3,6 Albania - %2,6 FYROM - %2,3	Agricultural products (%21,4) Fuels-Mining products (%23,6) Manufactures (%51,6)	76149	12	0,53	EU (27) - %57,8 Russia - %5,6 China - %5,0 Iran - %3,6 S.Korea - %3,4	Agricultural products (%12,2) Fuels-Mining products (%19,4) Manufactures (%67,6)	-52340	99958
Iran	86000	17	0,62	Japan - %23,9 Taipei, Chinese - %22,5 EU (27) - %19,8 UAE - %2,9 Iraq - %2,9	Agricultural products (%4,1) Fuels-Mining products (%87,3) Manufactures (%8,7)	46000	19	0,32	EU (27) - %9,0 China - %6,0 India - %3,7 Japan - %2,6 Unspec. Orig. - %74,8	Agricultural products (%11,3) Fuels-Mining products (%10,9) Manufactures (%72,5)	40000	132000
Kazakhstan	47755	27	0,34	EU (27) - %45,2 Switzerland - %17,6 Russia - %9,8 China - %9,4 Iran - %5,4	Agricultural products (%3,4) Fuels-Mining products (%82,8) Manufactures (%12,8)	32756	31	0,23	Russia - %38,3 EU (27) - %26,9 China - %8,1 USA - %4,7 Ukraine - %4,1	Agricultural products (%6,5) Fuels-Mining products (%13,7) Manufactures (%79,7)	14999	80511

UBCCE Countries Merchandise Trade Figures - 2007

Economy	Exports (f.o.b.) million US\$					Imports (c.i.f.) million US\$					Balance	Total Trade
	Value	Annual % change 2000-2007	World Share	Main Markets	Major Commodities	Value	Annual % change 2000-2007	World Share	Main Suppliers	Major Commodities		
FYROM	3356	14	0,02	EU (27) - %65,1 Serbia - %19,1 Croatia - %4,9 Bosnia - %2,6 Albania - %2,2	Agricultural products (%14,4) Fuels-Mining products (%9,5) Manufactures (%76,0)	5228	14	0,04	EU (27) - %49,5 Russia - %12,3 Serbia - %8,6 China - %4,6 Turkey - %3,7	Agricultural products (%12,6) Fuels-Mining products (%24,8) Manufactures (%62,5)	-1872	8584
Moldova	1342	16	0,01	EU (27) - %50,6 Russia - %17,3 Ukraine - %12,5 Belarus - %6,1 Kazakhstan - %3,4	Agricultural products (%38,6) Fuels-Mining products (%6,0) Manufactures (%55,4)	3690	25	0,03	EU (27) - %45,6 Ukraine - %18,6 Russia - %13,5 China - %5,5 Turkey - %4,5	Agricultural products (%13,8) Fuels-Mining products (%21,9) Manufactures (%64,2)	-2348	5032
Montenegro	859	n/a	0,01	n/a	Agricultural products (%14,0) Fuels-Mining products (%41,8) Manufactures (%41,5)	2945	n/a	0,02	n/a	Agricultural products (%17,8) Fuels-Mining products (%24,1) Manufactures (%47,7)	-2086	3804
Romania	40286	21	0,29	EU (27) - %72,2 Turkey - %7,0 USA - %2,0 Ukraine - %1,8 Moldova - %1,6	Agricultural products (%5,9) Fuels-Mining products (%12,8) Manufactures (%81,1)	69863	27	0,49	EU (27) - %71,3 Russia - %6,3 Turkey - %5,4 China - %3,3 Kazakhstan - %1,9	Agricultural products (%7,3) Fuels-Mining products (%13,8) Manufactures (%78,7)	-29577	110149
Russian Federation	355175	19	2,55	EU (27) - %55,8 Turkey - %5,2 Ukraine - %4,7 China - %4,5 Switzerland - %4,1	Agricultural products (%6,6) Fuels-Mining products (%72,5) Manufactures (%19,4)	223421	26	1,57	EU (27) - %45,6 China - %12,8 Ukraine - %7,0 Japan - %6,7 USA - %5,0	Agricultural products (%12,0) Fuels-Mining products (%3,7) Manufactures (%83,1)	131754	578596
Serbia	8825	n/a	0,06	EU (27) - %55,9 Bosnia - %11,8 Montenegro - %10,8 Russia - %5,1 FYROM - %5,0	Agricultural products (%20,7) Fuels-Mining products (%12,9) Manufactures (%65,6)	18350	n/a	0,13	EU (27) - %55,0 Russia - %14,3 China - %7,3 Croatia - %2,9 Bosnia - %2,8	Agricultural products (%7,4) Fuels-Mining products (%23,2) Manufactures (%69,3)	-9525	27175
Turkey	107215	21	0,77	EU (27) - %57,2 Russia - %4,4 USA - %3,9 UAE - %3,0 Iraq - %2,7	Agricultural products (%9,4) Fuels-Mining products (%10,0) Manufactures (%79,6)	170057	18	1,19	EU (27) - %40,4 Russia - %13,8 China - %7,8 USA - %4,8 Iran - %3,9	Agricultural products (%5,9) Fuels-Mining products (%22,7) Manufactures (%62,7)	-62842	277272
Turkmenistan	8920	20	0,06	Russia - %41,1 EU (27) - %19,3 Iran - %9,7 Turkey - %7,4 Ukraine - %6,6	Agricultural products (%10,2) Fuels-Mining products (%81,4) Manufactures (%6,9)	4460	14	0,03	Russia - %14,3 Turkey - %14,2 EU (27) - %13,3 Ukraine - %12,0 UAE - %8,9	Agricultural products (%12,1) Fuels-Mining products (%2,2) Manufactures (%79,8)	4460	13380
Ukraine	49248	19	0,35	EU (27) - %31,5 Russia - %22,5 Turkey - %6,2 Belarus - %3,2 USA - %3,1	Agricultural products (%13,8) Fuels-Mining products (%11,4) Manufactures (%73,6)	60670	23	0,43	EU (27) - %36,0 Russia - %30,6 Turkmenistan - %7,8 China - %5,1 Belarus - %2,8	Agricultural products (%7,6) Fuels-Mining products (%30,0) Manufactures (%61,6)	-11422	109918
Uzbekistan	8029	16	0,06	n/a	n/a	4848	9	0,03	n/a	n/a	3181	12877
Total	583255	20	4,18			563532	21	3,96			19723	1146787

Source: WTO Statistics

UBCCE Countries Doing Business Figures - 2008 & 2009 Comparison

Economy	Year	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Albania	2008	135	130	166	109	56	61	168	125	73	88	181
	2009	86	67	170	108	62	12	14	143	77	89	181
Armenia	2008	41	49	73	52	2	25	84	147	131	63	47
	2009	44	66	42	54	5	28	88	150	143	61	47
Azerbaijan	2008	97	66	160	67	63	25	110	143	176	27	78
	2009	33	13	155	15	9	12	18	102	174	26	81
Bosnia&Herzegovina	2008	117	153	150	116	148	51	84	144	57	125	61
	2009	119	161	137	117	144	59	88	154	55	123	60
Bulgaria	2008	44	103	98	62	55	5	33	93	94	93	75
	2009	45	81	117	60	59	5	38	94	102	86	75
Croatia	2008	107	96	177	146	103	61	125	48	103	44	81
	2009	106	117	163	146	109	68	126	33	97	44	79
Georgia	2008	21	10	11	5	8	61	33	106	68	43	108
	2009	15	4	10	5	2	28	38	110	81	43	92
Greece	2008	106	150	46	143	96	102	161	94	66	84	41
	2009	96	133	45	133	101	109	150	62	70	85	41
Iran	2008	138	78	164	147	147	79	161	101	137	55	121
	2009	142	96	165	147	147	84	164	104	142	56	107
Kazakhstan	2008	80	61	176	23	77	61	49	47	181	28	103
	2009	70	78	175	29	25	43	53	49	180	28	100
FYROM	2008	79	23	151	130	94	51	84	32	76	81	130
	2009	71	12	152	125	88	43	88	27	64	70	129
Moldova	2008	92	85	154	118	47	79	101	123	125	16	85
	2009	103	89	158	119	50	84	104	123	135	17	88
Montenegro	2008	84	97	143	103	109	61	19	134	118	130	44
	2009	90	105	167	104	123	43	24	139	125	130	42
Romania	2008	47	24	89	149	111	13	33	137	40	35	84
	2009	47	26	88	143	114	12	38	146	40	31	85
Russian Federation	2008	112	52	180	100	46	102	84	136	162	18	83
	2009	120	65	180	101	49	109	88	134	161	18	89
Serbia	2008	91	92	152	90	117	25	66	127	61	96	106
	2009	94	106	171	91	97	28	70	126	62	96	99
Turkey	2008	60	43	129	142	31	61	66	58	59	30	115
	2009	59	43	131	138	34	68	53	68	59	27	118
Ukraine	2008	144	113	175	103	142	61	141	180	121	48	143
	2009	145	128	179	100	140	28	142	180	131	49	143
Uzbekistan	2008	140	62	148	75	124	161	110	161	171	46	122
	2009	138	70	148	76	125	123	113	162	171	46	122

Source: World Bank Doing Business 2008-2009 Reports

No figure available for Turkmenistan