

Regional Economic Cooperation
among Balkan countries

The main characteristic of modern economic activity is "globalisation". Products, services and capital are transferred worldwide in a less restrictive environment. Technological innovation has opened up new international networks of communication among enterprises.

Within this framework, the Balkan Economic Area can only be an attractive opportunity for those planning to respond positively to new challenges. It is not a shelter for those lagging behind and are reluctant or incapable to adapt to the new international requirements.

In order to enhance the prospects of economic development and cooperation in the Balkan Area four Greece suggest priorities :

1. Investment in value-adding activities

The long term development of Balkan countries depends on the construction of modern infrastructure and the creation of a high number of new enterprises with substantial value-added.

Thus, far the number of investment projects undertaken in the industrial sector is relatively low. For example, out of a total of 2500, only 100 Greek enterprises are involved in productive investment projects.

To support the option of productive investment, a number of initiatives are in progress. The new law on "venture capital" is expected to assist

enterprises to participate in business initiatives in the Balkan countries. The Black Sea Trade and Development Bank, based in Thessaloniki, will provide the critically important financing for trade and project development. The recent upgrading of the Hellenic Organisation of External Trade, is providing investors with insurance against political risks. In addition the new HELLAS FACT company, is providing trade companies with insurance and facilities.

2. Human Resources

The prospects of growth, employment and welfare of the Balkan countries demands not only transfer of capital, but also managerial skills, training in new technologies and promotion of scientific exchange programmes. On this issue further steps need to be undertaken.

The Hellenic government strongly supports exchange programmes that promote scientific cooperation, management training and joint development of technology.

3. Stable macro-economic environment

Economic cooperation among Balkan countries requires the attainment of a relatively stable macro-economic environment in all countries, without extreme uncertainties. Increasing the degree of tax harmonisation, developing a compatible financial system and avoiding monetary surprises are steps towards this goal. Joint activity in the banking sector, information exchange by Central Banks and economic policy-makers and a deeper knowledge of each other's economy with help to reach a level of mutual understanding and cooperation among economic authorities.

The aim of European Union is to integrate energy, transport and telecommunication infrastructure into Transeuropean networks by year 2010. Greece, the only member-state of the European Union in the Balkan region, fully supports and participates in the implementation of these policies and will do its best to ensure extension to, and utilisation by the Balkan countries.

The Transeuropean Energy Networks are improving competitiveness, enhance of energy efficiency and secure energy supplies for the Eastern and Western parts of Europe. Development of TENs require long-term, close coordination among the Balkan countries and cooperation in environmental policies.

The Transeuropean Transport Networks include the construction and modernisation of major routes connecting Greece and Balkan countries with Central and South-Eastern Europe. The construction of EGNATIA route, as well as the vertical routes connecting Northern-Southern parts of the Balkans will provide new impetus to regional development and economic integration.

Finally, the Transeuropean Networks for Telecommunications will improve speed, reliability and availability of communications. They will also allow the introduction of new services, thus helping the countries to adjust to the requirements of the Information Society. Coordination between Telecomms Organizations of Balkan countries has already started.