



## **Round Table of the Ministers of Economic Sectors of the Member States of the Central European Initiative**

Skopje, 15 November 2002

### **Final Recommendations**

1. The Ministers of Economic Sectors of the Member States of the Central European Initiative (CEI) held their annual meeting in Skopje on 15 November 2002. The meeting was chaired by H.E. Ilija Filipovski, Minister of Economic Sectors of Macedonia, holding the CEI Presidency for the current year.

2. The meeting was also attended by the Ministers of Economic Sectors or their representatives of Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, Slovakia, Slovenia, Ukraine and the Federal Republic of Yugoslavia.

Attended the meeting as special guests Representatives of the European Bank for Reconstruction and Development (EBRD), the World Bank (WB), the USAID. The Head of the CEI - Executive Secretariat (CEI-ES) also participated in the meeting.

3. The Ministers of Economic Sectors discussed the issues of trade, investment and financing of SMEs in the CEI region in the light of EU enlargement; they underlined that the SMEs development and internationalisation are important elements of the regional co-operation and welcomed the CEI involvement in this respect through its components (Executive Secretariat, Working Groups, Business Dimension, and the CEI Project Secretariat).

4. The Ministers of Economic Sectors recognized that the SMEs play a primary role in the European economic systems and their development requires the concerted efforts of the national governments, the local Authorities, the international and donors' community as well as the private sector. They underlined that, in the framework of the priority given to the EU enlargement by the candidate countries, the regional cohesion should be enhanced by adopting new economic policies for removing obstacles to foreign trade and investments and supporting SMEs with modern financial instruments and advisory services.

5. The Ministers of Economic Sectors outlined broad areas of intervention as roadmap for the development of SMES in the light of EU enlargement:

- Tax policy (more favourable fiscal climate, reduction of the number of collected taxes, tax incentives, participation of SMEs to consultative process on tax legislation);

- Institutionalisation of enterprise development (clear division of tasks between State and departments at national, regional and local level, development of SMEs based on different regional and local needs);
- Rule of law and Regulation (improving the legal environment, combating corruption, promoting compliance rather than fostering the black economy, strengthening judicial systems with arbitration courts and the figure of ombudsman);
- Financial Instruments for new and small businesses (improving access to funding for SMEs, creating financial services such as credit references sources, venture capital, leasing, training of bank personnel, providing training and advice for SMEs in dealing with financial institutions, establishing micro-credit organizations);
- Advisory Services for New and Small Businesses (building business advisory service programmes: such as business planning, know-how consulting, partner searching, marketing, legal expertise, leveraging finance, specialist training; special services for women entrepreneurship; leasing services; franchising services; innovative technology and marketing related services; establishing business linkages between domestic and foreign partners; involving the private sector; creating links between entrepreneurs and potential partners, through information centers and specific database);
- Vocational Education and Training (educational systems to promote entrepreneurship; scholarships to sponsor internship and mobility of young people);
- Business Incubators (involving the private sector in the development of business incubators, recruiting good management and apply business-like operational practices to promote a new enterprise culture and networking).

6. The Ministers of Economic Sectors also exhorted the Member States to create the conditions for an extensive use of new technologies to permit to SMEs to achieve an adequate level of competitiveness in the international environment. They considered of the main importance to create structures that can facilitate the spreading of new knowledge as Research Centres, Service Centres and Technological Observers.

7. The Ministers of Economic Sectors recommended to the Working Group on Small and Medium Enterprises and other Working Groups related to SMEs (like the Cross border Cooperation WG) as well as the Central European Chamber of Commerce Initiative (CECCI) to consider in their programmes activities for developing SMEs making proposals for their practical implementation.

8. The Ministers of Economic Sectors also recommended to CEI to make efforts for establishing common projects for SMEs development in the framework of EU enlargement during the year 2003.

9. The Ministers of Economic Sectors asked CEI WGs and CECCI to report on their initiatives at their next meeting in November 2003.