

What is CEFTA?

The Central European Free Trade Agreement ('CEFTA') is a trade agreement which intends to:

- Harmonise the regulatory framework of its Parties with those of the European Union ('EU') and international standards,
- Enhance trade in goods and services, by eliminating trade barriers between the Parties and attracting investment to the region through fair, stable and predictable trade rules.

CEFTA Additional Protocol 6 ('AP6')

The AP6 establishes a framework for the liberalization of trade in services within the CEFTA Parties. It provides for the removal of restrictions on trade in services, facilitating market access and eliminating <u>discrimination</u> against foreign companies from other CEFTA Parties by the domestic ones.

Herzegovina **North Macedonia**

Albania **Bosnia** and

- Moldova
- **Montenegro**
- Serbia
- Kosovo*

AP6 protocol was ratified by Albania in 2020 with Law 46/2020

Kosovo, although it has not yet ratified the AP6, has practiced certain activities deriving from AP6

*This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo



But, why services?

- Services trade has been growing faster than goods.
- Although services directly make up only around 1/4 of global trade, they contribute to 45% of the global trade in value added terms. This is because global value chains are increasingly services intensive.

All businesses can benefit from AP6 (even in agriculture and industry) since they will have access to more efficient intermediary services.

AP6 commitments liberalise sectors like professional services (auditing, architecture, engineering, legal, etc.), computer and related services, telecommunications, construction, distribution, financial services, health, education, tourism and travel related services, and transport.



IMPROVING BUSINESS EXPERIENCES IN SERVICES CROSS-BORDER TRADE WITH

nder AP6, businesses will benefit from guaranteed market access and national treatment into other CEFTA Parties, which represents a substantial step forward in regional collaboration. AP6 is important for both governments and businesses since it aims to increase resource efficiency, promote innovation and technology transfer, provide access to more efficient intermediary services, reduce prices, expand consumer options and, in general, to facilitate investment and entry into new markets.

Thanks to CEFTA AP6, business in the region can:

- Enjoy increased access to new markets, expand their areas of action and capitalize on their competitive strength.
- Explore synergies and potential partnerships with other companies and suppliers from CEFTA Parties.
- Get acquainted with European levels of trade in services liberalization and workers movement.

AP6 lays the groundwork for:

- Allowing natural persons to supply services in the territory of the Parties.
- Removing barriers to trade, such as licensing requirements or professional qualifications.
- Developing mutual recognition programmes of documents and procedures between the Parties.
- Eliminating business practices of service suppliers that may restrain competition and restrict trade in services.
- Developing regional electronic commerce.
- Further deepen regional economic integration and alignment with the EU regulatory framework.

To know more about the project CEFTA AP6 – Support to Regional Integration, please visit:

Support to regional economic integration |
CEFTA

<u>CEFTA - Support to regional integration | ITC (intracen.org)</u>

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