



# INCREASED PROTECTIONISM IN CEFTA-2006

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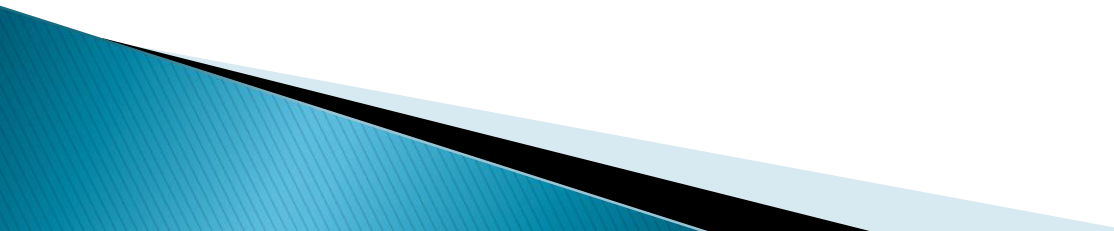
# WTO: INCREASED PROTECTIONISM IN G-20

- ▶ WTO reports increased introduction of trade restrictive measures by G-20 economies.
- ▶ The stable trend identified until July 2018 has been replaced with steep increase in trade coverage of import-restrictive measures.
- ▶ In terms of number of measures introduced, 20 new trade-restrictive measures were introduced: tariff increases, import bans and new customs procedures. But the scale in terms of their trade coverage and the level of tariffs is much increased.
- ▶ They have also implemented 29 new trade facilitation measures.
- ▶ Uncertainty and trade tensions prevail in world trade.

# TRADE LIBERALIZATION IN CEFTA-2006

- ▶ In 2010 the free trade area for goods was created (for all qualitative and quantitative barriers);
  - ▶ Protocol 5 for trade facilitation is signed (for administrative and non-trade barriers);
  - ▶ Protocol 6 for trade liberalization of services;
  - ▶ In 2017 under the Berlin Process the idea for creating Regional Economic Area was decided for a period of 6 years, until 2023:
    - Trade facilitation;
    - Enhancement of investment flows;
    - Mobility of natural persons;
    - Enhancing digital integration.
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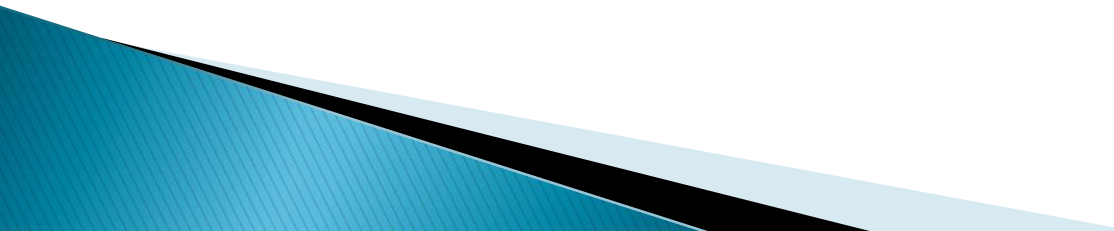
# TRADE LIBERALIZATION IN CEFTA-2006

- ▶ Identified measures for increased liberalization from different researches done in the last three years:
    - Increased application of electronic data and information;
    - Increased transparency of trade facilitation regulation;
    - Increasing external border agency cooperation.
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# TRADE LIBERALIZATION IN CEFTA-2006

- ▶ Research in 2018 confirmed that North Macedonian companies have serious negative effects from NTB with both EU and CEFTA-2006.
- ▶ The strongest negative effects in trade have administrative barriers within CEFTA:
  - Unusually high taxes and fees for the customs clearance procedures;
  - Random tariff classification of the goods;
  - Bottlenecks on the border crossings and prolonged waiting time;
  - Insufficient customs infrastructure;
  - Significant number of checks at the border;
  - Huge number of documents and agencies involved;
  - Changes in the legislation and without notification;
  - Prolongation of administrative procedures;
  - Unannounced changes of customs duties.

# TRADE LIBERALIZATION AND TRADE FACILITATION IN NORTH MACEDONIA

- ▶ EXIM- single window for export, import and transit licenses and tariff quotas is established;
  - ▶ New Computerized Transit System is functioning;
  - ▶ Portal for Electronic Communication;
  - ▶ Integrated Tariff Environment for information exchange between EC and the Member States;
  - ▶ Customs Declarations and Excise Documents Processing System (CDEPS) is established from 1<sup>st</sup> of June 2019;
  - ▶ Joint customs control point established with Serbia.
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# INCREASED PROTECTIONISM IN CEFTA 2006

- ▶ The process of digitalization is not synchronized among the CEFTA parties.
- ▶ Different CEFTA parties use different platforms which are not interconnected.
- ▶ There is only one joint customs control point between Serbia and North Macedonia.
- ▶ Besides the ineffectiveness of elimination of NTBs, classical protectionist measures are re-introduced:
  - Kosovo\* introduced 100% ad valorem tariffs for imports from Serbia and Bosnia and Hercegovina;
  - Kosovo\* announces the same measures for imports from Albania and North Macedonia;
  - Trade tensions between Kosovo\* and North Macedonia.

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.



# INCREASED PROTECTIONISM IN CEFTA 2006: WHAT'S NEXT?

- ▶ Do we have trade wars in the Balkans?
  - ▶ Instead proposing measures on how to increase trade liberalization and deepen economic integration among CEFTA-2006 parties, the members should **revisit** the original CEFTA-2006 agreement and their aspirations for WTO membership, on one hand, and EU membership, on the other!
  - ▶ If nobody respects the mutual agreements we can not expect neither increased liberalization, neither trade creation and growth.
  - ▶ Uncertainty, trade diversion and trade tensions will prevail!
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**THANK YOU FOR YOUR ATTENTION!**