

SPEECH

by Angel Marin,
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Distinguished Presidents, Your Excellencies,
Ladies and Gentlemen,

Allow me to thank you for the invitation to take part in this forum of great significance for the region, which is organized jointly by the President of Montenegro and the Regional Economic Forum for South East Europe.

Having restored its independence, the Republic of Montenegro became the newest state in Europe. I would like to note that on 10 December 2006 Bulgaria and Montenegro will celebrate the 110th anniversary since the establishment of diplomatic relations.

This forum comes to show once again the significance we attach to economic cooperation in our region as a determinant for achieving economic stability and sustainable growth, increasing investment, improving the competitive environment, employment rates and living standards. I am confident that this meeting will contribute to furthering economic development and stability in the region.

The topic of the economic forum is provocative in the way it is formulated: "Competitors and Partners on the Way to the European Union". To me, competition and partnership need to be seen as two processes that support and complement one another in the relations among our countries, and as an important driver towards the region's European integration and economic prosperity.

I believe we will all agree on the benefits that the countries from the region can gain from their mutual partnership. This is a natural process that can certainly be defined as a success, and it continues to produce concrete results.

As for competition, at first glance, it implies juxtaposition and rivalry. However, I would put into this word a different content, a content that corresponds to the new, modern relations in the region. And that refers to a desire for mutual assistance, support and cooperation which aim at improving the living conditions and welfare of the citizens of all states in the region. In this sense, competition does not exclude but rather implies partnership, competition is understood as a driving force for development.

Distinguished Ladies and Gentlemen,

The aspiration to join the European Union is an integral part of the transition which all states in the region undergo. The European prospects for the states in our region have also been reconfirmed in certain fundamental EU documents such as the Thessaloniki Agenda and the European Commission's Communication concerning the Western Balkans. Only a few days ago, on 8 November, the Commission presented its 2006 - 2007 Enlargement Strategy which confirms the principle of assessment based on merit as a main factor for making progress with each country. It is not by accident, however, that this document calls again for improving regional cooperation, which is key to the stability of our region. That is why Bulgaria fully supports the EU strategy in terms of integrating the Western Balkans based on the three pillars:

- Consolidation, i.e. consolidation of commitments already undertaken by the EU in relation to Enlargement;
- Conditionality, i.e. moving ahead depending on meeting the EU criteria;
- Communication, i.e. creating awareness of the success and benefits of Enlargement.

The upcoming EU membership of Bulgaria and Romania as of 1 January 2007 has demonstrated that integration in the Union is an achievable goal, provided, of course, that certain benchmarks for internal policy reforms are strictly met. The establishment of concrete requirements makes it possible to demonstrate clearly and beyond any doubt the results of the work done, it guarantees the irreversibility of processes, exhibits clearly the will and determination to carry out reforms, and provides an additional impetus to pool efforts together.

The countries in our region have the necessary capacity, and, I am convinced, the political will, to use our common priorities as an impetus to move forward: towards increased competitiveness of each of our states, towards effective political and economic regional cooperation, towards good neighbourly relations and sharing our rich cultural and historic heritage.

What is particularly important is to meet the economic criteria and enhance cooperation, since economic prosperity and economic ties are proportionate to the area of security and stability in the region.

Economic requirements in terms of carrying out structural reforms, macroeconomic stability and economic growth are incentives for countries in the region to complete successfully their transition to functioning market economies and develop capabilities that are competitive to the market forces within the EU, and to come up with new ideas, dynamism and an express desire to develop.

Trade liberalization plays a leading role among integration processes, and produces visible outputs. CEFTA is one such positive example. It shows how regional integration supports the achievement of a priority goal such as European integration. Bulgaria supports the process of economic integration in the region as seen in CEFTA's modernization and expansion. The growth of the internal market, the increasingly intensive trade exchange and the growing investment opportunities are adding to the competitive strengths of the region, and improving the standard of living and consumer welfare.

Taking measures to ensure adequate administrative capacity, including the capacity needed to participate fully and effectively in EU programmes and pre-accession instruments, is a key element in preparations for full and effective membership to the Union.

Bulgaria is convinced that meeting the political criteria and commitments in the area of justice and home affairs is of substantial significance for each county individually and for the region as a whole. Reforming the judicial system, the fight against organized crime, corruption and money laundering have a positive impact on the

quality of life, the perception of security and prospects for accelerated economic growth. Moreover, possibilities to relax and gradually liberalize the visa regime by meeting the Schengen requirements in terms of security will benefit business, educational and cultural activities.

An important asset in the direction of improving the image of the region exists in good neighbourly relations and in regional cooperation. Despite the existing differences in terms of the stage of European integration, our countries have managed to attain a good level of cooperation in the frameworks of regional initiatives. One specific example is the Stability Pact for South East Europe which had as its core objective the provision of concrete assistance to South East European countries in their efforts to achieve lasting peace, democracy, respect for human rights, and economic prosperity.

The idea for a regional identity which is now being implemented would have been impossible without the positive changes in the region. One of the priorities which will remain in place in the course of the current transformation of the Pact is economic and social development. Initiatives such as the Investment Compact and the Business Advisory Council will continue to operate in the future.

In 2007 Bulgaria assumes the Chairmanship-in-Office of two important regional initiatives: the South-East European Cooperation Process (SEECP) and the Central European Initiative. The priority areas for the Bulgarian Chairmanship of SEECP (the South East European Cooperation Process) will be to promote the development of economic cooperation. In view of the upcoming Bulgarian chairmanship, we will focus on improving the coordination between the two initiatives in order to avoid channelling efforts and means in too many diverse directions.

Speaking of regional cooperation, I cannot help mentioning the South East European Cooperation Initiative which marked its 10th anniversary a few days ago. The goal of cooperation in this format was to accelerate the identification of issues of common concern to countries in South East Europe in the fields of economy and environmental protection, and address these issues by applying flexible forms of partnership among governments, international institutions and the private sector. I believe these goals have largely been met.

Last but not least, I would like to draw your attention to culture, an area in which the countries in the region can be particularly successful, in view of our rich cultural and historic heritage and our contribution to the cultural diversity of Europe. The initiative to develop the Cultural Corridors in South East Europe, and all the other forms of cultural cooperation aimed at protecting and promoting cultural and historic monuments are concrete steps which increase our cultural competitiveness and attract interest in the region. I am confident that cultural links established in the past can today serve as the basis for dialogue, understanding and a common future for the countries of South East Europe.

Dear Ladies and Gentlemen,

In closing I would like to state that the commitment of the European Union and its Member States to convince their societies in the benefits of Enlargement cannot be a one-sided process. Our region should get actively involved in it, working to build its positive image and its competitiveness, in terms of more security, stability and higher economic performance.

Thank you for your attention.