



PRESS RELEASE

OECD and Regional Cooperation Council team up to boost regional business climate in South Eastern Europe.

PARIS/SARAJEVO, 23 May 2008 – Policymakers and government representatives from throughout South Eastern Europe (SEE) met in Paris today to identify ways of boosting economic reform in the region, the major challenges ahead and the role of collaboration between the OECD and the Regional Cooperation Council (RCC) – now the key regional body promoting economic and social reforms in the region.

The OECD's Deputy Secretary General Aart De Geus highlighted that countries in the region were moving closer to OECD standards.

“This is especially visible in areas such as investment, trade, financial markets and tax policy. Alignment with OECD standards can be further accelerated through regional organisations and initiatives such as the RCC and the OECD Investment Compact for SEE.”

Since 2000, the Investment Compact has been working with the countries of the region on improving the investment climate and encouraging private sector development. The establishment of the SEE Investment Committee in 2007 is seen as a strong signal of the countries' willingness to work together to generate economic growth so necessary for the further development of the region. The Investment Committee is supported by the Investment Compact.

The RCC Secretary General Hido Biscevic stressed that the SEE Investment Committee has strengthened regional political dialogue and help build consensus around the SEE investment reform agenda.

“I look forward to our future co-operation with the OECD, whose technical knowledge in the economic sphere has been indispensable in guiding SEE's investment reforms.”

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The SEE countries have achieved remarkable economic progress over the past few years. Average annual GDP growth rates now range between 5-6% and foreign direct investment in the region reached a record (estimated) 27.5 billion US\$ in 2007 (up from 4.4 billion US\$ in 2001).

However ongoing challenges remain: infrastructure deficits are striking in some countries; innovation in the region's businesses is still rare; skills gaps are common; and there is still too little regional trade.

To help address these challenges, the OECD, the RCC and governments of the region agreed to introduce an integrated approach to reform that will involve evaluations of business climate policy, and agreement on priorities and capacity building to improve the competitiveness in the region.

The meeting acknowledged with an award the important contributions of Dr. Erhard Busek, who will step down shortly as the Special Coordinator of the Stability Pact for South Eastern Europe, the RCC predecessor.



The **OECD Investment Compact for South Eastern Europe** was launched in 2000 as an initiative of the Stability Pact for South Eastern Europe. The programme, managed by the OECD, works with SEE countries on improving the investment climate and encouraging private sector development in the region.

As the successor of the Stability Pact for South Eastern Europe, the **Regional Co-operation Council** is intended to foster regional cooperation and support European and Euro-Atlantic integration in South Eastern Europe. Its work focuses on six priority areas: economic and social development, energy and infrastructure, justice and home affairs, security cooperation, building human capital, and parliamentary cooperation as an overarching theme. The RCC is based in Sarajevo, Bosnia and Herzegovina.