



Resolution 1173 (1998)¹

Central European Free Trade Agreement (CEFTA)

Parliamentary Assembly

1. The Assembly, in pursuance of its vocation to foster economic co-operation in all parts of Europe, welcomes the fifth anniversary of the Central European Free Trade Agreement (CEFTA) involving as it now does the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. The Assembly considers CEFTA a highly useful and efficient instrument for strengthening economic ties and economic development in central Europe, with the ultimate aim of stronger economic integration in the continent as a whole.
2. The Assembly recognises the serious economic difficulties which CEFTA countries have been facing during their transition towards a market-oriented economy, and CEFTA's important contribution to the successful tackling of these challenges.
3. The Assembly notes that since the establishment of CEFTA, and largely thanks to it, trade among the participating countries has expanded and that their economic ties, which came under great strain at the beginning of the transition period, have now more than recovered. The Assembly in particular welcomes the compatibility between CEFTA principles and those of the World Trade Organisation, thus ensuring CEFTA's contribution to worldwide trade liberalisation.
4. The Assembly sees CEFTA as a preparation for, not as an alternative to, its members' future membership of the European Union (EU). In this regard it welcomes the efforts made within the CEFTA framework to avoid measures which do not conform with European Community rules and legislation, even when such measures might have yielded temporary advantages.
5. The Assembly encourages other countries in the region to join CEFTA, due attention being paid to the fulfilment of membership criteria, in particular those concerning prior membership of the World Trade Organisation and an association agreement with the EU, thus ensuring that the still-vulnerable co-operation established under CEFTA is not jeopardised.
6. The Assembly recognises the vital importance for all CEFTA states of their ability, in the future, to attract considerable amounts of foreign investment, and thereby to ensure continued economic development. It encourages CEFTA to pursue policies, jointly and individually, which create the conditions to promote this process.
7. The Assembly believes that the aims of CEFTA could be further realised by initiatives such as:
 - 7.1. accelerating the enactment of laws and regulations, essential elements for the establishment of a market-oriented economy;
 - 7.2. the continued liberalisation of services and capital transfers, taking European Community legislation into due account;
 - 7.3. encouraging further co-operation also in the financial field, for the purpose of enhancing intraregional trade and co-operation, including in the privatisation process and between companies in the region;
 - 7.4. the further dismantling of trade obstacles in the field of agriculture.

1. See [Doc. 8163](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Bársony. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 4 November 1998



8. The Assembly calls on the other member states of the Council of Europe, in particular those of the European Union and EFTA, to promote trade and investment with CEFTA countries in all ways possible as part of the overall objective of fostering economic co-operation across Europe as a whole.