

Invitation to the 4th Danube Region Business Conference (DRBC4)

The Foreign Ministers of the 13 Danube Region Countries* have launched the 'Danube Cooperation Process' in order to enhance the further development of the region. To facilitate a direct and effective dialogue within the economic dimension of that Cooperation Process, the **4th Danube Region Business Conference (DRBC4)** will be held in Bucharest, 8 to 10 October 2003.

DRBC4 will be a high-level **meeting place** of government, business and academia. The DRBC4 website (www.DRBC4.net) is the working platform of the conference. We invite you to inform yourself in detail on this homepage. Please also refer to the 'Call for Papers' and the registration details on the website.

During and following the conference there will be a **contact exchange** for all companies and businesses from the participating countries. The contact exchange will give participants the chance to meet potential business or research partners to identify areas of common interest and concrete business ventures.

Together with Bank Austria Creditanstalt (BA-CA), The Vienna Institute for International Economic Studies (wiiw) will organize a high-level working group at DRBC4 on the topic of '**Economic Integration in the Danube Region – Institutional Frameworks and Investment Prospects**'. Please find attached the programme and the call for participation.

We look forward to hearing from you with regard to your contribution and participation, and thank you in advance for your cooperation.

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* Austria, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Moldova, Romania, Serbia-Montenegro, Slovakia, Slovenia, Ukraine.

Danube Region Business Conference 4

Bucharest, 8-10 October 2003

Working Group 7: 'Economic Integration in the Danube Region – Institutional Framework and Investment Prospects'

Organization and reporter: Gábor Hunya, wiiw

Preliminary programme

Session 1: 9 October, 9:30 – 11:30

Welcome address by Marianne Kager (BA-CA) and Gábor Hunya (wiiw)

'Prospects for different integration arrangements in the Danube Region

(bilateral, CEFTA, EU, Stability Pact)'

Chairperson: Marianne Kager, BA-CA

Keynote Speaker: Vladimir Gligorov, wiiw

Discussants: EU commission, Investment Compact, a country representative,
business representatives

Session 2: 9 October, 11:45 – 13:30

'Barriers to foreign direct investment and how to overcome them'

Chairperson: to be appointed

Keynote speaker: Andras Inotai, Institute for World Economics, Budapest

Discussants: Investment Compact, EIB, EBRD, leaders of research projects,
business

Summary of findings and recommendations by the reporter

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Concept of Working Group 7.1 and 7.2

The working group covers two aspects of economic integration in the Danube Region: institutional integration and capital integration. These two aspects are strongly interlinked. On the one hand, the uncertainty about the long-term prospects of political stability and EU enlargement in South-East Europe is a major obstacle to economic development and international investment in the region. On the other hand, business integration through corporate networks can pave the way for future enlargements.

The first part of the working group covers the next steps of EU enlargement and the problems of left-out countries. A free flow of goods and capital needs to be established in the Danube region as a whole. Apart from EU membership other, even if temporary, arrangements must be explored. The necessity of attracting FDI has been acknowledged, but national institutional frameworks are not always appropriate. The Investment Compact of the Stability Pact can help the implementation of best practice policies.

The barriers to FDI in South-East Europe are numerous. They include an underdeveloped business environment, weak public governance, ownership problems, segmentation of markets, etc. Some countries and some investors have made progress in overcoming them. Further steps can be suggested based on international experience and comparative analysis.

Both topics are approached from three aspects: business interests, scientific research, and international organizations. Investors talk about their experience in the region and formulate suggestions to international and national decision-makers. Scientists come up with comparative studies and new ideas. International organizations relate about their contribution to investment financing and promotion.

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