

**IMPACT OF THE CRISIS ON REGIONAL ECONOMIES
AND ECONOMIC
COOPERATION INITIATIVES IN THE BLACK SEA AND
CASPIAN**

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Chairman of the Board
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Distinguished participants, ladies and gentlemen,

It is a real pleasure for me to be among you today as the Chairman of Azerbaijan Turkey Business Association (ATIB) and the First Vice President of Union of Black Sea and Caspian Confederation of Enterprises (UBCCE).

As you are all very well aware the Black Sea and Caspian region is a distinct geographical area that is rich in natural resources and strategically located at the junction of Europe, Central Asia and the Middle East.

With a considerable population, our region faces a range of opportunities and challenges at the same time. The region is an expanding market with great development potential and an important hub for energy and transport flows. It is, however, also a region with unresolved frozen conflicts, with many environmental problems and insufficient border controls thus encouraging illegal migration and organized crime. In spite of significant positive developments in the last years, differences still remain in the pace of economic reforms and the quality of governance among the different countries of the region.

Region's economy has also been damaged after adversely impacts of the recent global financial crisis which has accurately emphasized the need for a more comprehensive dialogue, deeper understanding and more substantive coordination amongst world leaders.

The crisis underscores the need for greater domestic and multilateral policy coordination in order to mitigate social consequences of the turmoil.

International Labor Organization recently stated that the number of unemployed could rise from 190 million in 2007 to 210 million in late 2009.

Such a figure demonstrates very clearly that Region countries need an economic rescue plan for unemployment and the real economy. Protecting and promoting sustainable small and medium size enterprises and decent work opportunities must be at the heart of the regional cooperation agenda. We must return to the basic function of finance, which is to promote the real economy. To lend so that entrepreneurs can invest, innovate, produce jobs and goods and services. So, our region needs prompt measures to avert a social crisis and real sector damages that could be severe, long-lasting and global.

There is need to improve investment climate and trade promotion in the region. For this purpose we should:

1. Work with governments to formulate business friendly policies and regulation;
2. Improve platforms for durable dialogue between government and business;
3. Set up permanent information database on investment climate and business opportunities available to governments and investors in Black Sea and Caspian;
4. Work with the institutions responsible for administering regulation to improve their capacity and capability;

5. Implement benchmarks of the developed countries on SME development and qualitative business services.

In crisis we can also find opportunities if we make common cause in facing up to the global challenges of today. We should come together to address these challenges to the international community and find “win-win” solutions. We must always remember that there are significant opportunities and challenges in the Black Sea and Caspian area and the word for our joint success is “partnership” based on “strategic view”.