



The Strategic Potential of the Emerging Wider European Economic Area

Michael Emerson

Summary

Independent evaluations of the current European Neighbourhood Policy are highly critical, and have not been dissipated by a recent review of the policy. At the same time, however, a new reality has emerged, which might be called the Wider European Economic Area (WEEA). The core area covers the EU, EEA/EFTA states, the Balkans, and the East European states that now have Association Agreements (and DCFTAs) with the EU. This comprehensive map of all of Europe, except for the Russian-led Eurasian Economic Union, already has a growing and impressive array of common economic instruments at its disposal. A few South Mediterranean states also participate in some areas.

This paper argues that this seemingly endogenous process deserves to be advanced more explicitly by the EU in a WEEA initiative, which could be launched by a 'green paper' from the EU institutions and supported by soft institutionalisation with a policy forum. Further possible extensions of the process are also discussed, notably the conditions under which there might be cooperation with the Eurasian Economic Union, and linkages to the Chinese-sponsored new Silk Road. A WEEA initiative could well complement current thinking about giving renewed impetus to the EU's own integration, including ideas under the broad heading of a multi-speed Europe.

Michael Emerson is Associate Senior Research Fellow at the Centre for European Policy Studies (CEPS). The author thanks Steven Blockmans, Gergana Noutcheva, Peter Havlik, Dariusz Wencel and Kateryna Wolczuk for helpful comments and also Matthias Busse and Mattia Di Salvo for their excellent research assistance.

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Abbreviations

ACAA – Agreement for Conformity Analysis and Assessment

CEN – European Committee for Standardisation

CENELEC – European Committee for Electrotechnical Standardisation

CSTO – Collective Security Treaty Organization

DCFTA – Deep and Comprehensive Free Trade Area

EAEU – Eurasian Economic Union

EBRD – European Bank for Reconstruction and Development

EEA – European Economic Area

EEAS – European External Action Service

EFTA – European Free Trade Association

EIB – European Investment Bank

EFTA – European Free Trade Area

ETSI – European Telecommunications Standards Institute

EU - European Union

FTA - Free trade area

GOCT – Government standards (as in the former Soviet Union)

ISO – International Standards Organization

IEC – International Electrotechnical Commission

PEM – Pan Euro-Mediterranean Convention for preferential rules of origin

PESCO – Permanent Structured Cooperation (of the EU) on security and defence

SAA – Stabilisation and Association Agreements

SPS – Sanitary and Phytosanitary regulations

TBT – Technical barriers to trade

WEEA – Wider European Economic Area

The Strategic Potential of the Emerging Wider European Economic Area (WEEA)

Michael Emerson

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1. Summary

The current European Neighbourhood Policy has been variously described as obsolete¹ and even dead.² Yet, as Mark Twain once remarked, “rumours of my death are greatly exaggerated”, and indeed some parts of the policy are robustly engaged, notably the new Association Agreements (with Deep and Comprehensive Free Trade Areas – DCFTAs) in Eastern Europe. Nevertheless, this harsh overall evaluation is still depressing for advocates of an effective foreign policy of the European Union. If its foreign policy cannot work well close to home, what chances does it have in the world at large?

This paper argues that the demise of the European Neighbourhood Policy has been happening alongside the *de facto* emergence of a somewhat different configuration, which is far more promising but is so far unannounced and has no name. But it could become a significant politico-economic reality that merits a name, for which the Wider European Economic Area (WEEA) is suggested.

This development could encompass the far-reaching economic integration of the whole map of Europe, with the participation of a few Southern Mediterranean states, alongside the centuries-old ambiguity of where Russia stands, together with some of its dependents.

The economic policy implications of the WEEA are complex and substantial – an ongoing process. The Area is being founded on many diffuse technical mechanisms, some of which fly below the radar of high politics. It seems to have become an endogenous process, whereby different policy departments of the European Union institutions and their partners in neighbouring states are working out how to make progress incrementally, and seemingly without any overarching political design. Yet there is an underlying story: in practice the EU is treating both the Balkan non-EU states and the DCFTA states in much the same manner these days, bringing both groups into numerous mechanisms already shared by the EU with the EEA/EFTA states. This can be seen as the basis to a WEEA – although on matters of legal structure it is categorically different from the existing European Economic Area (EEA).³

¹ S. Blockmans, *The Obsolescence of the European Neighbourhood Policy*, CEPS and Rowman & Littlefield, 2017.

² N. Tocci, “The Neighbourhood Policy is Dead. What’s next for European Foreign Policy Along its Arc of Instability?”, IAI Working Paper No. 14, 2014.

³ The EEA members are the EU 28 with Iceland, Liechtenstein and Norway.

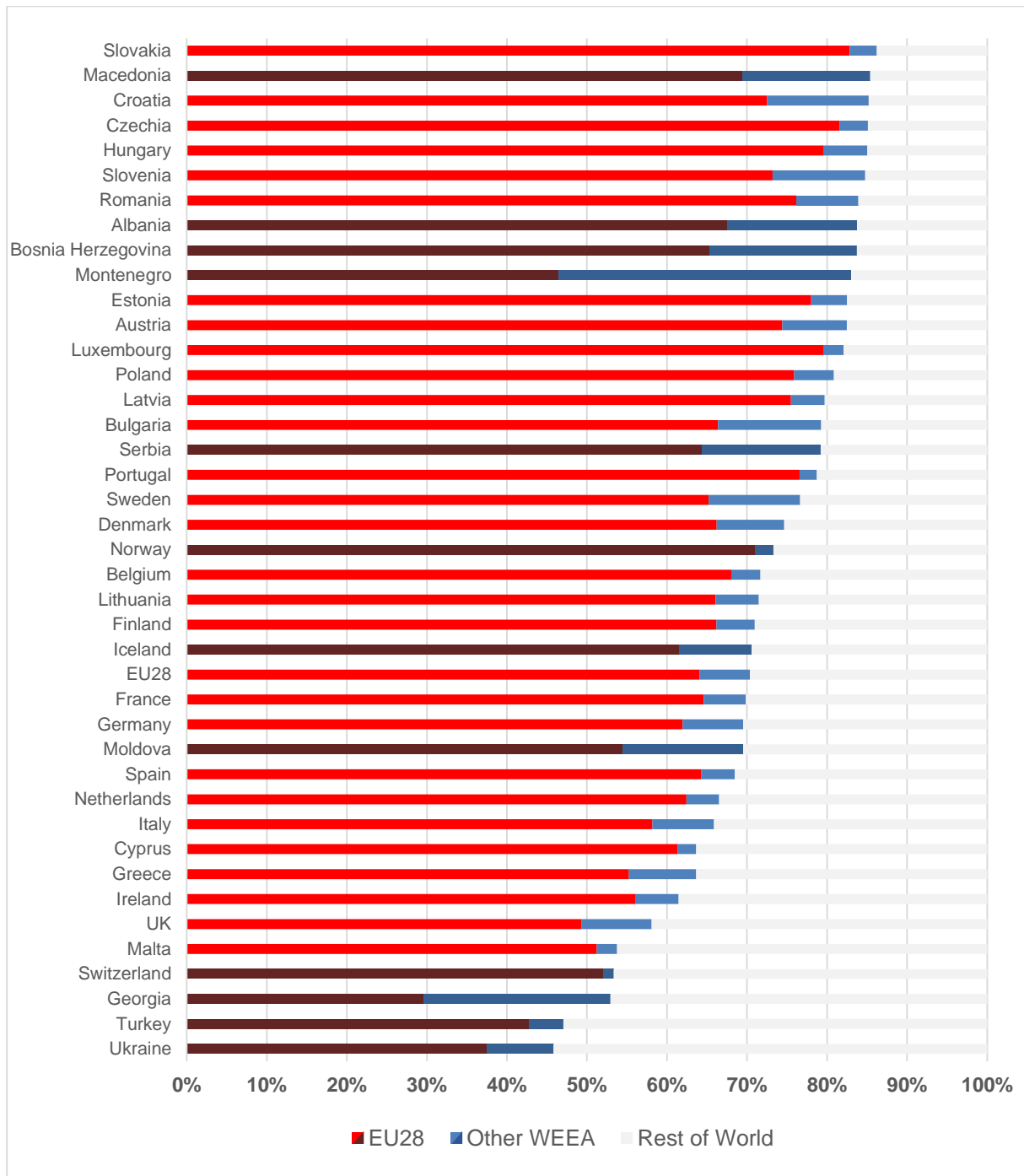
But the whole could become more than the sum of its parts, which is why the process deserves recognition, and more explicit policy support, as well as a name. It could contribute to a fresh and inclusive wider European narrative, stepping aside from the currently sterile impasse in debates over further enlargements and membership perspectives. It could find its place in the renewed debates about a ‘multi-speed’ Europe, but go beyond the confines of the debates among present EU member states.

The idea of a WEEA builds on and reflects the progress made by various countries to foster close economic ties with the EU, including the Balkan states that are not yet member states, and those of Eastern Europe that now have Association Agreements. It allows for a more balanced and partly multilateralised relationship between the EU and its neighbours.

The basic economics of the WEEA are illustrated in Figure 1, which shows the hugely predominant share of intra-European trade for most of the EU28 + 12 other WEEA countries. For the EU as a whole, the addition of trade with the 12 to intra-EU trade carries the total share from 64% to 71% of the global total.

Looking at individual countries, a first group of 15 countries see their dependence on total-WEEA trade reach or exceed the 80% mark. These are all small economies, including five from the Balkans. Most of the large EU member states cluster around the 70% mark. The least dependent on intra-WEEA trade include the UK, Malta, Switzerland, Turkey and two of the East European DCFTA states (Georgia and Ukraine), which are clustered around the 50% mark.

Figure 1. Trade (exports and imports) of EU28 and other WEEA countries with each other, 2016, % of world total



2. The obsolete, the dead and the born-again

The European Neighbourhood Policy (ENP) has been widely criticised for its initial one-size-fits-all formulation a decade ago and for its highly disparate collection of East European and South Mediterranean states. These two geographic groupings have since become more deeply divided, both between and within each area. The eastern partners have divided between the states having made Association Agreements with the EU, and those preferring or being pressured to join the Russia-led Eurasian Economic Union (EaEU); the South Mediterranean states divide between those retaining degrees of commitment to deeper relations with the EU, and those that have been sucked into the vortex of conflict, civil war and terrorism that now extends across much of the Arab world. As a result, the EU has tried to patch up the ENP with the mantra of ‘differentiation’, but this has not dispelled criticism of its obsolescence or demise.

Our early contribution on this subject, in 2004, when the European Neighbourhood Policy was embryonic, advocated retaining a principal distinction between the Wider Europe and the Greater Middle East, the latter embracing both the South Mediterranean and Arab Gulf Arab states and Iran.⁴ The EU’s actual neighbourhood policy insisted on bringing together its European neighbours and just the Mediterranean Arab states and Israel. This unnatural grouping was driven in particular by the insistence of the EU’s Mediterranean states that nothing offered to the East European neighbours should disadvantage the South Mediterranean neighbours, and so what was offered to the East had to be offered to the South as well. It took a decade for this flaw to be widely recognised, most vividly in the works cited.⁵ The response of ‘differentiation’ highlighted in the most recent review of the ENP merely recognised the impossibility of the earlier formulations.⁶ It did not give (re)birth to a fresher, more constructive policy, but was recognising the disintegration of the once-supposed but artificially constructed neighbourhood region.

Moving on from this desolate scene of foreign policy failure, a wider European reality emerges that deepens and widens all by itself – seemingly a silent resurrection. This emerging reality is the product of many diverse, sectoral initiatives but has a clear, robust basis in policy and geography.

3. The defining characteristics of the emerging WEEA

The first defining characteristic of the WEEA is that all participating states will have concluded an **FTA of some depth** with the EU, and engage in a wider set of FTAs with other participating states. For example, the EEA/EFTA states also have a comprehensive set of FTAs with other WEEA states. Of the current trading arrangements in Europe, the following cases qualify: EEA/EFTA, the customs union (as with Turkey), the Stabilisation and Association Agreements

⁴ M. Emerson, “The Wider European Matrix”, CEPS, 2004.

⁵ Blockmans op. cit., and Tocci op. cit.

⁶ European Commission and High Representative for Foreign Affairs and Security Policy, “Review of the European Neighbourhood Policy”, 18.11.2015, JOIN(2015) 50 final.

(SAAs) with non-EU Balkans states, and Deep and Comprehensive Free Trade Areas (DCFTAs) with East European states – see Table 1. The case of the most advanced Mediterranean states is discussed below. In addition, there would be progressive completion of the matrix of FTAs in the WEEA region, thus getting closer to a multilateral system. A more complete listing of the instruments available to the WEEA is given in Table 2.

Table 1. Core features of the Wider European Economic Area (WEEA)

	'Deep' FTA with EU ⁷	Pan Euro-Med Convention	European Standards Organisations	Energy Community	Common Aviation Area ⁸	Visa-free travel ⁹	Budget Grants
EU/member states	(yes)	Yes	Yes	Yes	Yes	Yes	Donor
Iceland	Yes	Yes	Yes	-	Yes	yes	Donor
Liechtenstein	Yes	Yes	-	-	-	yes	Donor
Norway	Yes	Yes	Yes	Observer	Yes	yes	Donor
Switzerland	Yes	Yes	Yes	-	Yes	Yes	Donor
Turkey	yes	Yes	Yes	Observer	Yes	-	Yes
Albania	Yes	Yes	Affiliate	Yes	Yes	Yes	Yes
Bosnia	Yes	Yes	Affiliate	Yes	Yes	Yes	Yes
Macedonia	yes	Yes	Yes	Yes	Yes	Yes	Yes
Montenegro	yes	Yes	Affiliate	Yes	Yes	Yes	Yes
Serbia	yes	Yes	Yes	Yes	Yes	Yes	Yes
Kosovo	yes	Yes	-	Yes	Yes	Yes	Yes
Georgia	Yes	Yes	Companion	Yes	Yes	Yes	Yes
Moldova	Yes	Yes	Companion	Yes	Yes	Yes	Yes
Ukraine	yes	Yes	Companion	Yes	Pending	Yes	Yes
Morocco	Pending	Yes	Companion	-	Yes	-	Yes
Tunisia	Pending	Yes	Companion	-	Pending	-	Yes
Israel	(yes) ¹⁰	Yes	Companion	-	Yes	-	-

⁷ 'Deep' FTAs include membership of the European Economic Area (EEA), Customs Union, Stabilisation and Association Agreements (SAA) and Deep and Comprehensive FTAs (DCFTA).

⁸ The EEA/EFTA and Balkan states are party to the multilateral European Civil Aviation Agreement (ECAA), whereas the DCFTA and Med states have bilateral Civil Aviation Agreements that largely but incompletely clone the ECAA.

⁹ The Balkan and DCFTA states are entitled to visa-free travel only in the Schengen area.

¹⁰ Israel has an early vintage, simple FTA with the EU, but adds to this with more recent and deeper initiatives, such as inclusion in the Civil Aviation Area and making a first ACCA for technical standards (pharmaceuticals).

Table 2. Instruments available for the Wider European Economic Area (WEEA)

Deep FTAs – various forms, EEA, SAA, Customs Union, DCFTA
Pan Euro-Med Convention for Preferential Rules of Origin and Diagonal Cumulation (PEM)
European Standards Organisations (CEN, CENELEC, ETSI)
Sanitary and PhytoSanitary Regulations (SPS)
European Accreditation, Multilateral Agreements (EA-MLA)
Agreements for Conformity Assessment and Analysis (ACAA)
European Association of National Metrology Institutes (Euramet)
Union Customs Code (UCC)
Common Transit Convention
New Computerised Transit System (NCTS)
Authorised Economic Operators (AEO)
Shared Border Crossing Points
Energy Community Treaty
Central and South Eastern European Connectivity network (CESEC)
European Network of transmission System Operators for Electricity (ENTSOE)
Transport Community Treaty
Pan-European Corridors
Trans-European Transport network (TEN-T)
European Civil Aviation Agreement (ECAA)
Civil Aviation Agreements (CAA)
Agencies of the EU (Table 3) – e.g. European Environmental Agency
Programmes of the EU (Table 4) – e.g. Horizon 2020, Erasmus+
Visa-free travel
European Investment Bank (EIB)
European Bank for Reconstruction and Development (EBRD)
Budget grants

Note: Most of these instruments are available to all WEEA, but some are sub-regional or more selective.

This leads into membership of the Pan Euro-Mediterranean Convention for preferential rules of origin and diagonal cumulation (PEM). The PEM is actually a leading instance of multilateralisation in the WEEA area, which began life as a European initiative and was extended in 2005 to the Mediterranean states having FTAs with the EU. The PEM is in the course of being rationalised through adoption of identical rules of origin for all PEM states. These common rules of origin now have to be introduced as revisions to existing FTAs, whose rules of origin have in some cases been divergent. In addition, the PEM member states are gradually extending their networks of FTAs with each other, beyond their common sharing of FTAs with the EU and EEA/EFTA states. The diagonal cumulation factor is important for developing trade integration throughout the region. The DCFTA states are the latest additions to the PEM, with various procedures still being completed.

The next major component of the WEEA is the European systems for technical standards for industrial products. Elimination of these so-called technical barriers to trade ('TBT' in WTO parlance) is the natural companion to the elimination of tariffs in deep free trade agreements and provisions for diagonal cumulation. These three components – elimination of tariffs plus diagonal cumulation and common product standards – are the core constituent components of the WEEA, but not the only ones, as is shown in the discussion below.

But first some more detail on the eliminations of TBTs. Of key relevance to the WEEA process, the three main European standards organisations (CEN, CENELEC, ETSI)¹¹ have always been open to wider European membership, rather than restricted to the member states of the EU. The EEA/EFTA states and Turkey are full members, and the SAA and DCFTA states are at various stages of 'affiliated' or 'companion' membership, while Serbia and Macedonia are already full members. The three European organisations produce many thousands of product standards, partly at the request of the EU and partly as voluntary initiatives of industrial sectors. The three European standards organisations are also working closely with the three Geneva-based international standards organisations (ISO, IEC, ITU).¹² Many of the European and international standards are strictly identical, which leads into an interesting political point concerning the Eurasian Economic Union (on which more below). It is notable that the DCFTAs with Georgia, Moldova and Ukraine see these three states committed to adoption of the 'entire corpus' of European technical regulations and standards, bringing them on a par in this respect with the EEA/EFTA, Turkey and the Balkan states once transitional periods have been completed.

Similarly, the EU's regulations for food safety with **Sanitary and PhytoSanitary regulations** (SPS) are being adopted by SAA and DCFTA states.

Two further dimensions to the technical standards chapter deserve mention. First, there is the European Accreditation organisation that provides for Multilateral Agreements (EA-MLA) between the accreditation services of member states that accredit the work of conformity assessment bodies in relation to product standards (i.e. for testing, verification, certification, etc.). As usual, the EU, EEA/EFTA states and Turkey are full members. The SAA and DCFTA states are at various stages of affiliated and companion membership.

Second, there are Agreements for Conformity Analysis and Assessment (ACAAs), which is an even more ambitious form of mutual recognition of technical standards. The ACAA mechanism is available for both SAA and DCFTA states. When an ACAA has been concluded between the EU and a partner state for a given sector, then goods placed on the market of one party are automatically given access to the market of the other party without any further controls. The prerequisite to making an ACAA is that the partner state adopts exactly the same product standards as the EU and follows identical procedures for controlling access to its home market as the EU does. The ACAA represents the ultimate standard for removing TBTs entirely. The

¹¹ European Committee for Standardisation (CEN), European Committee for Electrotechnical Standardisation (CENELEC), European Telecommunications Standards Institute (ETSI).

¹² International Standards Organisation (ISO), International Electrotechnical Commission (IEC), International Telecommunications Union (ITU).

adoption of ACAAs will take time, of course, but the key point is that the SAA and DCFTA states are all invited to work to this end, which would put them in the same situation as EEA/EFTA states in relation to the EU market.

Another related institution is the European Association of National Metrology Institutes (Euramet) – of which EU members, EEA/EFTA, Turkey, and SAA states are full members, with openness for associated membership of other European states (Moldova is currently an applicant). One idea that has some advocates is the enlargement of the EU's **Customs Union** to non-member states, beyond the existing instances of Turkey and the three micro-states (Andorra, San Marino, and Monaco). It is actively debated in the case of the Brexit-UK without official support for remaining in the customs union, and has been debated for Ukraine,¹³ while Turkey's experience is controversial (on which see further below). Broadly speaking, the case for accession to the Customs Union *as a full member state* is a strong one, but much less so or even disadvantageous for a *non-member state* that has major trading interests in the world at large. The non-member state has to give the EU's trade preferences to third countries but is not assured of getting the reciprocal preferences from the third countries. This paper does therefore not advocate expansion of the Customs Union to non-member states as part of the standard WEEA package.

The more general field of cooperation on matters of customs and border controls is a much more promising idea, and reality, however. The key instrument here is the EU's **Union Customs Code (UCC)**, which contains many provisions for facilitating trade across borders. All non-EU Balkan and DCFTA states are engaged in the process of alignment on the UCC. Serbia and Montenegro have already done so, while Georgia and Moldova request an update of their DCFTA provisions for this purpose, and Ukraine already proceeds to adjust its current practice. Two elements covered in the UCC deserve special mention, regarding transit and Authorised Economic Operators (AEOs).

On transit, the EU has developed a **Common Transit Convention**, to which the EU, EEA/EFTA states, Turkey and some Balkan states already have acceded. The DCFTA states, other Balkan states and Azerbaijan are working towards this too. The Convention's mechanisms include the **New Computerised Transit System (NCTS)**, which is a technically modernised improvement of the old TIR system. The TIR system is still used, especially by Russia and other EaEU states, since the EaEU develops its own transit system and is therefore not interested in the NCTS.

The system of **Authorised Economic Operators (AEOs)** aims to help individual enterprises that have significant cross-border supply chain linkages to operate with minimal burdens of customs formalities. The system already has a broader international application, with the EU having made mutual recognition agreements for AEO systems with Norway, Switzerland, Japan and the US. It is being extended to the Balkans and DCFTA states, with Serbia and Montenegro

¹³ M. Emerson and V. Movchan, "Should Ukraine aim to join the EU's customs union?", September 2017, accessible at www.3dcftas.eu; V. Movchan and M. Emerson, "The Eurasian Economic Union's problematic customs union", January 2018, accessible at www.3dcftas.eu.

having advanced most, although Moldova has made progress too and is working on a roadmap for a mutual recognition agreement.

Another development concerns **Shared Border Crossing Points** between certain Schengen states and neighbouring non-EU states. The customs officers do their work together physically in the same rooms, as a kind of one-stop-shop. This is already operational in the cases of Sweden with Norway, Germany with Switzerland, Hungary with Serbia, and Poland with Ukraine. Apart from speeding up border crossings, the system should be useful in curbing corruption, which is still a serious matter in some Balkan and DCFTA states.

The most striking developments in the WEEA of late have been in the energy domain. All SAA and DCFTA states have now acceded to the **Energy Community Treaty**. As a result, all have now pledged to conform to EU energy law, with some derogations for Georgia in view of its unique situation in having no land border with the EU or other Energy Community state.

Furthermore, there has been the recent development of the **Central and South Eastern European Connectivity (CESEC) network**, led by the European Commission, which started in 2015 as a means to accelerate the integration of gas markets. It brings together EU member states of Central and South-Eastern Europe with the Balkan states, Ukraine and Moldova, in identifying and sponsoring infrastructures for both gas and electricity connections in the region. It includes notable investments in converting gas pipeline connections, especially with Ukraine, to handle reverse flows of gas, which has significantly enhanced Ukraine's independent gas security.

Cooperation between electricity grids is supported by multilateral cooperation in the **European Network of Transmission System Operators for Electricity (ENTSO-E)**, which includes operators from 37 countries of the EU, EEA/EFTA and Balkan states, with Turkey as an observer. ENTSO-E is based on the technical possibilities for 'synchronous connection' of electricity grids. A feasibility study was concluded in 2016 regarding the possible accession of Ukraine and Moldova to ENTSO-E. This was considered technically feasible, subject to a list of technical conditions requiring further work.

The complex of road, rail and inland waterway transport is subject to the **Transport Community Treaty**, which brings together the EU and three non-EU Balkan states. This treaty entails commitments to comply with EU law in these domains. Unlike the Energy Community Treaty, it has not seen extension to the three DCFTA states, but the DCFTA agreements themselves largely cover this same ground.

For road and rail transport, the ten **Pan-European Corridors** were already established in 1994, almost all of them extending beyond the old EU into the Baltic states, the Balkans and Eastern Europe, including Russia. This can be seen as the first initiative anticipating the WEEA. Investment in the infrastructures along these corridors is supported by the EIB and EBRD. Currently, the most active framework for transport projects is the EU's **Trans-European Transport (TEN-T)** network, whose extension to Eastern European partners was agreed in principle, with indicative maps, at the Eastern Partnership summit of November 2017.

For air transport, in 2006 the EU concluded a multilateral treaty establishing the **European Common Civil Aviation Agreement (ECAA)**, bringing together the EU, EEA/EFTA states and the Balkans in order to establish common rules of competition and market access, aviation safety and security and air traffic management. The three DCFTA states have negotiated **Civil Aviation Agreements** with the EU (with Moldova and Georgia these have entered into force, with Ukraine it awaits ratification). The three DCFTA agreements largely clone that of the ECAA, but market access is less complete and should be fully established progressively. It would be logical for these states to accede fully in due course to the ECAA Agreement.

The EU makes provision for non-member states to participate in the activities of up to 21 of its **specialised agencies**, which back up the implementation of EU policies (see Table 2). These include the European Aviation Safety Agency (EASA) and European Environmental Agency (EEA). In most cases, the respective founding regulations contain the following standard provision: *“the agency shall be open to the participation of third countries which have concluded agreements with the European Community, which provide for the adoption and application by these countries of Community law in the areas covered by the basic act”*. Under these agreements arrangements are made specifying the manner of participation, financial contributions, etc. Both SAA and DCFTA states are able to profit from this open opportunity, subject to their own desires and capacities to make use of it on a case by case basis.

Table 3. EU agencies open to non-member states

European Fisheries Control Agency (EFCA)	European Union’s Judicial Cooperation Unit (EUROJUST)
European Aviation Safety Agency (EASA)	European Police Office (EUROPOL)
European Maritime Safety Agency (EMSA)	European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)
European Agency for Safety and Health at Work (EU-OSHA)	European Centre for Disease Prevention and Control (ECDC)
European Defence Agency (EDA)	European GNSS Agency (GSA)
European Food Safety Authority (EFSA)	European Chemicals Agency (ECHA)
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	European Environment Agency (EEA)
European Police College (CEPOL)	European Network and Information Security Agency (ENISA)
European Institute for Gender Equality (EIGE)	European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)
European Union Institute for Security Studies (EUISS)	European Asylum Support Office (EASO)

The EU also makes provision for non-member states to participate in up to 17 of its **operational programmes** (see Table 3), of which one of the most significant is the **Horizon 2020** programme for scientific research projects, where Ukraine, for example, already has full membership status. The **Erasmus+** programme for cooperation in higher education sees all neighbourhood states, including the SAA and DCFTA states as Partner Countries. The **Creative Europe** programme, which supports cultural projects and networking between cultural organisations, is a further example of activities in the nexus of education, culture and scientific research, which go beyond any narrow definition of the economic.

Table 4. EU programmes open to neighbouring non-member states

Asylum, Migration and Integration Fund	Fiscalis 2020 (tax administration support)
Copernicus, European Earth Observation Programme	Galileo and EGNOS Programmes, Global satellite navigation system
Competitiveness of Enterprises and SMEs (COSME)	Health for Growth
Creative Europe, Programme for the cultural and creative sectors	Hercules III Anti-fraud Programme
Customs 2020	Horizon 2020 Internal Security Fund
Erasmus+	Life Programme, Environment and climate change
European Maritime and Fisheries Fund	Pericles 2020, Programme for the protection of the euro against counterfeiting
European Statistical Programme	SESAR JU, Air Traffic Management modernisation
European Territorial Cooperation	European Union Civil Protection Mechanism

A major recent development has been the extension of **visa-free travel** for short-term (three-month) periods to the three DCFTA states, thus joining the EEA/EFTA states and SAA states in this respect. This was concluded for Ukraine in 2017, following Georgia and Moldova in 2015. The DCFTA states have now moved ahead of Turkey in this respect, for which visa-free travel is not yet agreed, and South Mediterranean states.

Both the **European Investment Bank (EIB)** and **European Bank for Reconstruction and Development (EBRD)** are mandated to finance investments throughout the WEEA, and have become leading investors everywhere, and notably the biggest ones in the three DCFTA states. In addition, the EU budget extends grant assistance to both SAA and DCFTA states as well as Turkey.

Institutional aspects. The Commission/EEAS could start the official process by drafting a comprehensive Wider European Economic Area ‘green paper’, documenting what is already happening, developing the coherence of the component parts, and sketching what still might be done. Within the Brussels institutions there would be a natural triumvirate of existing entities taking the lead roles in drafting this ‘green paper’ and following up on implementation

– DG Near and DG Trade in the Commission and the EEAS – with some adjustments. It is already significant and useful that DG Near is responsible for both enlargement and the neighbourhood together, matching the increasing number of instruments that apply equally to both groups of states.

There should be only a soft institutionalisation of the process. A new treaty-based institution would not be appropriate, since there is great diversity in terms of legal status and degrees of formal multilateralisation in existing instruments. For example, while the DCFTA agreements are quite comprehensive in their coverage of single market legislation, there are degrees of freedom seen in the strictness of legal commitments undertaken. For some sectors, this includes provisions for ‘gradual convergence’ or ‘best endeavours’ to comply with EU law, contrasting with the EEA where the compliance commitments are absolute. Some important components are already multilateralised (e.g. the PEM Convention for preferential rules of origin, Civil Aviation Area, Energy Community Treaty, etc.), but many actions will be through bilateral or sub-regional actions. A formal legal multilateralisation of the many bilateral free trade areas might be neater in theory, and the idea of building on the institutional and legal basis of the PEM Convention could be considered. But the weight of accumulated and diverse existing agreements would make this a huge bureaucratic-legal task, which would be unlikely to be agreed.

An institutional start could instead be made by convening an inaugural meeting of a Wider European Economic Area **Forum**. This would debate the Commission’s green paper and consider further proposals submitted by other WEEA members. A regular institutionalisation of the Forum process could be organised around an annual plenary event at which the major policy domains could be debated multilaterally by ministers and senior officials, with a view to evaluating ongoing policies and formulating policy orientations and recommendations. Alongside that there would be events and working groups for major sectors of activity – trade policies, technical standards, energy, transport, etc. These could exploit various existing processes and events, including a development of the annual conference of the PEM Convention.

4. Participation in the emerging WEEA

The map of the WEEA would have as its core the geographer’s ‘Europe’, with the exception of Russia and some of its dependencies, whose place in Europe has been a matter of historical ambiguity and controversy for centuries. In today’s political groupings the WEEA starts with the EU and EEA/EFTA states, and goes on to include all the Balkans, Turkey and the states of Eastern Europe (Georgia, Moldova and Ukraine) that have made Association Agreements (and DCFTAs) with the EU, with some limited participation from the South Mediterranean.

The door should remain open to any South Mediterranean state that succeeds in concluding a DCFTA with the EU. As of now, only Morocco and Tunisia have expressed interest in a DCFTA, and have entered into negotiations with the EU. These negotiations have run into difficulties in both cases, however, and the outcome cannot be predicted at this stage. Israel’s advanced

economy could qualify, and they have an ACAA (as explained above), but there are political impediments on both sides to going the whole way with a DCFTA. For the time being one might describe these Mediterranean states as actually or potentially participating in several instruments of the WEEA, starting with the PEM Convention to which they are full signatories, but a fuller participation would depend on agreeing a DCFTA with the EU.

How would the WEEA affect states that aspire to EU membership, namely those in the Balkans with official ‘membership perspectives’, and the East European ‘DCFTA’ states without ‘membership perspectives’? The Balkan states have been frustrated that their accession is not a clearer prospect, which led the Commission in its latest strategy document to cite 2015 as the year in which Serbia and Montenegro might accede.¹⁴ Turkey’s candidate status no longer conforms to realities. The DCFTA states are frustrated because the EU does not grant them ‘membership perspectives’. The WEEA could offer a different, less spectacular, but more practical and inclusive narrative. In practice, the EU is in many ways treating all the non-EU Balkans and East European (DCFTA) states equally, sharing with both groups many programmes and policies of the EU itself – as Table 1 and the preceding section of this paper showed.

There may be questions about whether the existing EEA/EFTA states would be interested in this initiative. It is naturally the case that where there are many smaller neighbours of a relatively colossal hegemon, each of the neighbours tries bilaterally to secure its own best deal. This was observed clearly in the last big enlargement of the EU, when the accession candidates never sought to coordinate, but rather to compete in the regatta. Functionally, however, nothing in the WEEA would detract from the present functioning of the EEA itself. It would be in the best interests of the EEA/EFTA states to see a smooth further integration of the whole of the wider European space.

The EU will need to face up to an important new structural reality with three big non-EU players in the area: the Brexit-UK, Turkey and Ukraine. The EU will have to confront issues of coherence in defining its relations with the three big outsiders in the wider Europe. It is already evident that the EU prefers comprehensive and similarly structured (but not identical) relationships with its neighbours. It abhors ad hoc ‘cherry-picking’ with any of its neighbours, since a special deal with one is a precedent for everyone else. The EU therefore needs to set out its general strategic concepts clearly and operationally.

How is the UK going to fit in? Not much is clear so far from the internal confusions and conflicts among key members of the Conservative cabinet. The mantra of ‘Canada’ in the speeches of British ministers and the Commission negotiator could mean that the UK could even lie outside wider Europe. But that depends on what the ‘Canada plus, plus, plus’, advocated by British ministers, will really mean. ‘Canada’ certainly means tariff-free trade, but in addition it seems highly unlikely that the UK will withdraw from the European standards organisations, for example, and it has already stated that it would want a civil aviation agreement, to stay in the pharmaceutical agency, continue with visa-free travel, etc. The Chancellor of the Exchequer

¹⁴ European Commission Communication, “A credible enlargement perspective for an enhanced EU engagement with the Western Balkans”, 6 February 2018.

still seems to favour a new customs agreement that would be virtually the same as being part of the customs union. The outcome could well resemble something corresponding to a core WEEA agenda. The British Prime Minister says that she wants a ‘Deep and Special Free Trade Area’ with the EU. Nobody in Brussels, or even in London, can say yet what that means. If the Prime Minister had changed one word and made it a ‘Deep and Comprehensive Free Trade Area’, Brussels would know what that meant. The Prime Minister seems to be aiming for a special bespoke deal, which, as stated above, is precisely what the EU rejects. The EU has several models (‘Canada’, ‘Norway’, ‘Ukraine’) and will require the UK to converge on one of these; in the end this should effectively, find its place in the WEEA.

Turkey already more than qualifies for the WEEA with its customs union and FTA with the EU, and is coupled to extensive alignment with various EU policies (e.g. technical standards). It already has or is proceeding to make FTAs with others in the WEEA. But it is unhappy with the asymmetrical aspects of the customs union, which obliges it to give tariff preferences to the EU’s FTA partners, without being assured the reciprocal preferences for its exports to those states. The EU and Turkey now have an official agenda for negotiating ‘modernisation’ of the customs union. What this might mean is unknown at this stage; it could mean further deepening of the customs union FTA by adding services, for example, but it might also mean Turkey quitting the customs union while deepening its FTA along the lines of a DCFTA. In both cases, Turkey would remain part of the WEEA.

Ukraine’s DCFTA is a model that now goes way beyond the content of the SAAs of the non-EU Balkan states in the extent of its approximation on EU market law. All three DCFTA states (with Moldova and Georgia) are able to accumulate elements of integration with the EU that would ultimately be part of an accession process.

Brexit-UK, Turkey and Ukraine are of course a long way from coordinating their positions and will surely all wish to present themselves as very independent and special actors. But interactions over ideas are not only likely, but already evident. The Ukraine DCFTA model, for example, has already entered the Brexit debate, alongside the extreme difficulty that London experiences in defining its own ‘deep and special’ preferences in operational terms.

Looking further ahead, there can be questions of how the Eurasian Economic Union might relate to the WEEA, and whether the current cleavage of Europe between these two areas might be attenuated. This raises more complicated questions, to which we now turn.

5. Could a Eurasian dimension fit in at some stage?

A first Eurasian dimension could relate to the **Eurasian Economic Union**, with which the EU has currently no official relations at all, beyond some purely technical contacts. President Putin, however, advocates the Lisbon-to-Vladivostok idea of a common economic space, which would seem to imply at least a free trade agreement between the two parties. The Eurasian Economic Commission would like to establish official relations with the EU, its representatives speaking however about a ‘non-preferential’ agreement, meaning that it would exclude tariff-free trade.

Such an agreement would have no economic appeal for the EU, whose business interests would, on the contrary, like to see a 'preferential' deal.

Political reasons have blocked any opening of relations between the EU and Eurasian Economic Union, with mutual trade sanctions triggered by Russian aggression in Ukraine. Belarus is still not yet a WTO member, and it is illegal under WTO law for members to conclude free trade agreements with non-members. More importantly, in recent years Russia has engaged in a policy of deep and comprehensive protectionism for its industrial sectors,¹⁵ making a nonsense of the idea of a free trade agreement with the EU.

Might this change? European business interests would certainly like preferential access to the substantial Russian market through a free trade agreement, and are lobbying for this. The question then becomes whether and how the three current objections (Belarus, Russian economic policy, and the unresolved conflict with Ukraine) might be lifted.

On Belarus, negotiations with the WTO are said to have become 'serious', at last. Let us suppose that this minor issue is solved in a few years' time, whereas negotiations over free trade agreements usually take many years, in any case. Might Belarus one day move towards making an agreement with the EU similar to that of Armenia?

Much more fundamental is whether Russia's current protectionism might be shifted into a more liberal reforming mode. It is known that former Finance Minister Alexei Kudrin has submitted a comprehensive liberalising reform plan to the Kremlin, which could be taken up soon after the March 2018 presidential election. If this were to happen there would be issues of consistency between its internal and external aspects. If a shift in policy were to include external liberalisation, the first natural means to do this would be for an FTA between the Eurasian Economic Union and the EU. Under this hypothesis Russia would surely want to see an asymmetrical FTA, with the EU dismantling its tariffs immediately, whereas the Eurasian Union would do so with substantial transition periods (i.e. like the EU-Ukraine DCFTA).

If this became the Kremlin's new assessment of the needs of the Russian economy it would also be consistent for it to seek an adequate resolution or at least easing of its conflict with Ukraine, meaning an improvement on the status quo sufficient to see an end to the mutual trade sanctions. The entire Minsk II package of principles seems unattainable, with Russia obliged to cede control over the East Donbas frontier back to Kyiv, which has recently adopted a highly implausible 're-integration' law. A less demanding move would be for Moscow to prevail over its puppets in Lugansk and Donetsk to respect a true and durable ceasefire, and in short see a switch to something more like a peaceful Transnistria-type status quo (see Table 4). While many features of Eastern Donbas are very different from the situation in Transnistria, including the scale of industrialisation and of war damage, the features listed in Table 5, below, are all relevant. Steps 1 to 3 could prove sufficient to end the unanimity of EU member states for

¹⁵ For detail on current Russian protectionism see: Association of European Businesses, "European Business in Russia: Position Paper 2016/2017", Moscow, 2016. This publication details current practices sector by sector such as restricting competition to local enterprises, applying import substitution and 'localisation' policies, and requiring implausibly high levels of domestic value added for authorisation of foreign direct investments.

continuing sanctions, and Kyiv might then also end its current trade blockage of the separatist regions. From then on a further escalation of positives could follow.

Table 5. Features of the Transnistria status quo

1. Durable ceasefire, little fear of renewed violence.
2. Withdrawal of heavy weapons back into barracks.
3. Openness and safety for the movement of persons and trade across the separation line.
4. Transnistria remains self-governing.
5. Registration of enterprises in Transnistria as Moldovan enterprises in Chisinau.
6. A trade ('DCFTA-lite') agreement between Tiraspol and Chisinau with approval of the European Commission, allowing de facto tariff-free trade between Transnistria and the EU.

The Kremlin would make a first move reflecting a re-assessment of its own interests. It could wait and see how the others react, and could easily reverse the move. As Dmitri Trenin (Director of the Carnegie Moscow Center) was heard to remark recently, sometimes it is easier to solve international conflicts within rather than between the parties. It is notable that in this scenario the sequence of early actions would happen without negotiation between the parties.

As and when this is done, official conversations between the EU and EaEU could begin. It could be noted that some important developments within the Eurasian Union are already happening to make an FTA with the EU more plausible than is generally appreciated. The clearest of these is that the EaEU is currently reforming its old Soviet (GOCT) system of technical product standards in favour of thousands of European and international regulations and standards (e.g. for household appliances, machine tools, pharmaceuticals, etc.). Their new sectoral framework product regulations are now based on EU directives, and thousands of product-specific standards used by the EU are adopted, notably those worked out together by the European and international standards organisations (CEN/CENELEC and ISO/IEC, etc.). This blending of the European and international (is the standard European or international?) is most useful in allowing Russia an escape from the dreaded peril of adopting European rules.

Such developments could pick up on earlier attempts to deepen EU-Russian cooperation under the 'Four Common Spaces' initiated in 2003,¹⁶ negotiations over a 'New EU-Russia Agreement' initiated in 2008, and the 'Partnership for Modernisation' initiated with President Medvedev in 2010; all initiatives that came to a halt with Russia's interventions in Georgia in 2008 and Ukraine in 2014.

In addition, Kazakhstan and Armenia have already made enhanced cooperation agreements with the EU, covering all elements that are not excluded by the competences of the Eurasian Economic Union. This is clearly signalling their interests in easing the dichotomy between the

¹⁶ The four common spaces were i) Common economic space, ii) Common space of freedom, security and justice, iii) Common space of cooperation in the field of external security, and iv) Common space on research, education and culture.

EU and DCFTA states and the Eurasian Economic Union. Armenia, in particular, is experiencing serious disappointment with its membership of the Eurasian Economic Union.¹⁷

A second Eurasian dimension concerns links with Asia proper, and **China**, especially, given its ambitious 'new Silk Road' initiative (One Belt One Road – OBOR). A major thrust of this is to link the Chinese economy as directly as possible to that of the EU. This inevitably leads to a transport infrastructure mapping that extends from China across Central Asia but then also through Eastern Europe, the Caucasus and Balkans. China has already developed a cooperation platform multilaterally with Central and Southeast European states under the '16+1' name, backed by massive funding for projects in this hybrid region of nine EU and seven non-EU states (the Baltics, Visegrad countries, the Balkans, Bulgaria and Romania). The 16+1 have held annual summits since 2012. There is also a High Level Academic Forum. In 2017, a China-CEE think tank was established in Budapest, endowed with a small research fund of 2 million yuan per year for seminars and research papers. This adds to an older 16+1 research centre of the Chinese Academy of Sciences in Beijing.

China is thus institutionalising its presence in this important segment of the wider European space. This initiative raises a host of practical coordination issues with EU programmes, projects and policies. The WEEA Forum could be a place for the European side to work out its interests and prepare for optimal cooperation with China.

6. What about the wider political and security domains in Europe?

Should an initiative such as the WEEA be limited to the economic, to the exclusion of the political and security domains? A short answer is that both the political and security domains already see fully fledged, existing pan-European or Eurasian institutions, in the Council of Europe and OSCE, whereas the economic sphere does not. Prima facie, the economic sphere has the clearest deficit in institutional structure.

More precisely for the political sphere, the Council of Europe is very valuable for its legal codification of human rights in the European Convention for the Protection of Human Rights and Fundamental Freedoms, dating from 1953, with the European Court of Human Rights empowered to deliberate over cases of alleged non-compliance. The Council of Europe's map is that of all of Europe, including all of the European states of the former Soviet Union, but excluding Central Asia. The Council of Europe also sponsors the Venice Commission, which mobilises panels of constitutional experts to advise on constitutional issues, serving as a respected independent sounding board for the issues confronting the new democracies of Central and Eastern Europe.

But Russia's relations with the Council of Europe are tense; various parties are debating the case of expulsion or withdrawal in response to criticisms of non-compliance with fundamental democratic principles.

¹⁷ See Stepan Grigoryan, "Armenia's U-turn back to a multi-vector foreign policy", 12 January 2018, OC-Media.

The work of the Council of Europe and the Court is perfectly consistent with the efforts of the EU to encourage and push (with financial conditionality) Balkan and DCFTA states towards good governance. A new development within the EU is the intense debate over democratic shortcomings in some (not so) new member states, notably Poland and Hungary. The European Commission prepares to act against Poland, with the threat of having its voting rights in the Council withdrawn. This unfortunate development nonetheless serves paradoxically to bring the wider political Europe more closely together: the EU is not such an exclusive club of impeccable democracies, but a place where some political problems are in the same league as those seen in the Balkans and Eastern Europe.

Overall, the wider political Europe exists in legal, institutional and operational terms, and does not need to be re-invented. It is still of interest to observe the politics of the WEEA states. For this the data regularly published by Freedom House offer a quick guide – see Table 6. In its assessments, the ‘100’ mark represents the highest quality of democracy (for example Sweden), and 0 the total absence of democratic practice (Turkmenistan is barely above the zero mark, for example). The EU’s average mark is a high 91, whereas the European states of the Eurasian Union score is way down at 24 (of which Russia 20 and Belarus 21). Of special relevance for the WEEA: the averages of both the non-EU Balkan states and the three DCFTA states of Eastern Europe score the same 62. These numbers translate into two significant observations. The identical (average) scores of the Balkan and DCFTA states endorses their common inclusion in the activities of the WEEA. And their average score is incomparably higher than the other European former Soviet states. Of the Mediterranean states only Israel (79) and Tunisia (70) score in the range observed in the core grouping of WEEA states, while Turkey has dropped dramatically to 32.

Table 6. Democracy ratings in Europe and Eurasian states

Balkans		DCFTAs	
Albania	68	Georgia	64
Bosnia	55	Moldova	61
Kosovo	52	Ukraine	62
Macedonia	58	DCFTA average	62
Montenegro	67		
Serbia	74	EAEU/other	
Balkan average	62	Armenia	44
		Azerbaijan	12
EU 28 average	91	Belarus	21
		Russia	20
		Kazakhstan	22
		EAEU/other average	24

Note: a ‘100’ ranking stands for the highest standard of democracy; ‘0’ for the total absence of democracy.

Source: Freedom House, “Freedom in the World 2018”.

The wider European security domain is also heavily institutionalised with the OSCE as an all-in-one pan-European, trans-Atlantic and Eurasian institution, alongside NATO and the EU's embryonic defence policy. At the normative level the OSCE is custodian of the Helsinki Final Act of 1975, whose ten Basic Principles (about respect for territorial integrity, non-use of force, etc.) have not been surpassed or made redundant. Attempts to improve on them have lacked plausible substance and came to nothing (e.g. Russia's proposal of 2009 under President Medvedev for a 'New European Security Order'). The OSCE had proved capable only of secondary activities, given Russian disregard for the Helsinki Basic Principles in their interventions in Georgia in 2008 and Ukraine in 2014. Beyond the ideals of the OSCE, realities see the map of Europe divided between NATO and Russian-led security structures (CSTO). Could there be a process of OSCE-CSTO cooperation at some stage, or an OSCE-Shanghai Cooperation Organisation relationship? Maybe the time will come.

Mirroring some of the elements of the WEEA, the EU makes its own military and security (CSDP) projects open to Balkan and DCFTA states, with several instances of this option being taken up. It remains to be seen whether this practice will be further developed with the EU's most recent (PESCO) defence initiative.

As in the case of the political, the wider European security domain requires no new framework. The norms and institutions exist. The open issues are whether Russia might one day move towards policies in the wider European space that are more in keeping with the existing principles of the OSCE, and whether the EU will itself develop its security and defence policies significantly. Underlying the schism between the East and South in the EU's existing neighbourhood policy, the security issues are of totally different orders: Russian geopolitical aggressiveness to the east, but to the south a vast conflagration of conflicts, terrorism and uncontrolled migration, whose essential contours extend way beyond the Mediterranean: from its eastern shores across the Arabian peninsula and Gulf, and from its southern shores across the Sahara into the Sahel and beyond.

7. Conclusion - a conceivable strategic initiative

The basis of a WEEA already exists *de facto* with much substance in trade liberalisation policies; technical product standards; major sectoral policies for energy and transport; visa-free movement of people; the potential inclusion of non-EU states in many EU agencies and programmes; and supporting investment in common infrastructures. These can generate synergies between sectors and participating states. The components could be pulled together and developed as a dynamic whole.

The Commission could start the official process by elaborating a comprehensive 'WEEA green paper', documenting what is already happening, developing the coherence of the component parts, and sketching what might still be done.

Only a soft institutionalisation of the process would be needed – with a forum rather than a treaty or formal institution. While some important components are already effectively multilateralised at the wider European level (e.g. rules of origin in free trade agreements, civil

aviation, technical standards, etc.), many actions will be bilateral or sub-regional, or more loosely coordinated. A formal legal multilateralisation of the many bilateral free trade areas and other components across the entire area is implausible, but a progressive convergence of trading arrangements should be facilitated. The forum would stimulate policy debate between all members, fill out the range of useful instruments and participation in them, and seek to develop synergies between its many component parts.

For the EU, the WEEA would replace obsolete aspects of the existing neighbourhood policy, with a re-formatting or rebirth. It would extend the use of many EU economic mechanisms, but do so less hegemonically, given the presence of three big EU outsiders, Turkey, Ukraine and Brexit-UK. It would no longer concern anyone's 'neighbourhood', but rather become a shared Wider European Economic Area, as indeed in the case of the existing EEA, which consists of the EU and the EEA/EFTA states together.

The WEEA could also open up a positive strategic perspective to reach out further into the wider Eurasian space, should Russia choose to respond constructively by de-escalating the conflict over the Eastern Donbas.

At a time when both Russia and China, in very different ways, extend their reach into Central and Eastern Europe in particular, it is time for the EU to orchestrate more robustly the wider European order that it develops impressively, but quietly.

If there are good reasons to develop a WEEA along these lines, why has it not already happened? The answer would seem to be the usual suspect: institutional inertia following the major investments that were made in the narratives, policies and organisational structures of the existing neighbourhood policy.

The WEEA could contribute to renewing Europe's image and narrative, combining with the EU's own internal efforts at renewal (as in speeches of Presidents Juncker and Macron) to set out a broader continental vision, fitting in with ideas of a multi-speed Europe. It would displace current narratives about Europe disintegrating as a continent. The WEEA could also emerge as an interesting model for other regions in the world to observe, combining the highly integrated EU and a ring of economically integrated countries with many common activities, but still differing political objectives as regards being in or out of the EU itself.

Annex A: Exports of EU and other WEEA countries, 2016

	Value in bn Euro			Shares		
	EU	Other WEEA	Rest of World	EU	Other WEEA	Rest of World
Macedonia	3.5	0.6	0.2	80%	15%	5%
Albania	1.4	0.3	0.1	78%	16%	6%
Bosnia Herzegovina	3.4	0.9	0.4	71%	19%	9%
Slovakia	59.9	3.0	7.2	85%	4%	10%
Czechia	123.0	6.5	17.5	84%	4%	12%
Hungary	75.0	6.1	11.0	81%	7%	12%
Serbia	8.9	2.8	1.7	66%	21%	13%
Luxembourg	11.8	0.6	1.8	83%	5%	13%
Slovenia	22.4	3.5	3.9	75%	12%	13%
Poland	145.6	11.7	25.7	80%	6%	14%
Croatia	8.2	2.4	1.9	66%	19%	15%
Romania	43.1	4.7	9.6	75%	8%	17%
Estonia	8.8	0.8	2.3	74%	7%	20%
Norway	63.3	1.5	16.1	78%	2%	20%
Bulgaria	15.9	3.3	4.8	66%	14%	20%
Iceland	2.9	0.3	0.8	73%	7%	20%
Netherlands	392.2	18.8	105.2	76%	4%	20%
Montenegro	0.1	0.1	0.1	37%	43%	21%
Austria	97.1	11.4	28.9	71%	8%	21%
Portugal	37.6	1.2	11.2	75%	2%	22%
Belgium	260.1	12.7	86.8	72%	4%	24%
Latvia	7.6	0.6	2.7	70%	6%	25%
Moldova	1.2	0.2	0.5	65%	9%	26%
Sweden	74.6	16.7	34.8	59%	13%	28%
Spain	175.0	11.4	75.6	67%	4%	29%
EU28	3,115.7	319.9	1,424.7	64%	7%	29%
Denmark	53.1	7.7	25.3	62%	9%	29%
Greece	14.3	3.2	7.9	56%	13%	31%
Lithuania	13.7	1.7	7.2	61%	8%	32%
Germany	705.8	90.7	409.0	59%	8%	34%
Finland	30.7	3.4	18.0	59%	6%	35%
France	269.5	25.6	158.2	59%	6%	35%
Italy	233.4	35.7	148.2	56%	9%	36%
Ireland	59.3	7.3	51.6	50%	6%	44%
UK	175.6	28.9	165.6	47%	8%	45%
Turkey	61.7	7.1	59.9	48%	6%	47%
Cyprus	1.3	0.1	1.3	49%	2%	49%
Switzerland	133.2	3.4	138.6	48%	1%	50%
Ukraine	11.8	3.6	19.1	34%	10%	55%
Malta	1.2	0.0	1.6	42%	2%	57%
Georgia	0.5	0.3	1.1	27%	16%	57%

Annex B: Imports of EU and other WEEA countries, 2016

	Value in bn Euro			Shares		
	EU	Other WEEA	Rest of World	EU	Other WEEA	Rest of World
Austria	111.2	11.1	20.2	78%	8%	14%
Croatia	15.2	1.7	2.9	77%	9%	15%
Romania	52.0	4.9	10.5	77%	7%	16%
Estonia	11.0	0.4	2.1	82%	3%	16%
Montenegro	1.0	0.7	0.3	48%	35%	16%
Latvia	10.4	0.4	2.1	80%	3%	17%
Slovakia	54.7	1.7	11.9	80%	2%	17%
Slovenia	19.6	3.1	4.9	71%	11%	18%
Hungary	65.9	3.5	15.4	78%	4%	18%
Czechia	102.4	3.1	23.7	79%	2%	18%
Sweden	90.6	12.3	24.4	71%	10%	19%
Portugal	47.6	1.2	12.4	78%	2%	20%
Bosnia Herzegovina	5.1	1.5	1.7	62%	18%	20%
Albania	2.7	0.7	0.9	63%	16%	20%
Denmark	55.1	6.1	16.1	71%	8%	21%
Macedonia	3.8	1.0	1.3	62%	17%	21%
Bulgaria	17.4	3.2	5.6	66%	12%	21%
Luxembourg	15.2	0.2	4.3	77%	1%	22%
Finland	40.2	1.8	13.1	73%	3%	24%
Poland	128.5	6.2	43.5	72%	3%	24%
Lithuania	17.5	0.8	6.3	71%	3%	26%
France	357.3	25.2	134.4	69%	5%	26%
Germany	632.3	72.5	248.9	66%	8%	26%
Serbia	11.0	1.7	4.7	63%	10%	27%
EU28	3,040.5	288.5	1,424.0	64%	6%	30%
Ireland	48.0	3.0	22.2	65%	4%	30%
Cyprus	4.7	0.2	2.2	66%	2%	31%
Italy	223.3	24.6	119.7	61%	7%	33%
Belgium	213.6	12.7	110.4	63%	4%	33%
Moldova	1.8	0.7	1.2	49%	18%	33%
Spain	173.9	11.6	95.6	62%	4%	34%
Norway	40.9	1.8	23.1	62%	3%	35%
Iceland	2.7	0.6	1.9	52%	11%	37%
Greece	24.1	2.6	17.4	55%	6%	39%
UK	290.6	53.7	230.7	51%	9%	40%
Malta	3.2	0.2	2.4	56%	3%	41%
Switzerland	136.2	3.6	103.4	56%	1%	43%
Georgia	2.0	1.7	2.9	30%	26%	44%
Netherlands	214.9	20.8	220.6	47%	5%	48%
Ukraine	13.8	2.1	18.0	41%	6%	53%
Turkey	70.0	6.1	103.3	39%	3%	58%