

**Panel I: "PROSPECTS BEYOND THE CRISIS –  
DISCUSSION WITH NATIONAL POLICY MAKERS"**

**CONCLUSIONS**

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Moderator of Panel I***

The conference took place on the 10th anniversary of the Black Sea Trade and Development Bank, exactly ten years after it became operational. It also came at a time when the Black Sea region has already proven its potential as a vibrant emerging market. Between 2002 and 2008, the average annual growth rate of Black Sea economies was no less than 8%. Between 2000 and 2007, regional exports expanded at an impressive average of 14% a year. The challenge now is for governments across the region to weather the current credit crunch and restore the pre-crisis performance of Black Sea economies.

The Black Sea region is marked by a high degree of diversity which, however, should be seen as a considerable strength and not a weakness. As there seems to be no unique model of economic development, a wide array of responses to the crisis has been demonstrated across the region. Different governments have opted for different strategies, depending on the size and structure of their economy. For instance, fluctuating prices of natural resources exported from or transported through the region have affected Black Sea countries in different ways. The size of stimulus packages varies considerably from country to country. At the same time, commonalities between government policies can also be identified. Rigorous supervision of banks and corrective measures appear to be a common response to the crisis in all the Black Sea countries. A number of other parameters, such as the role of small and medium-sized businesses in the socio-economic fabric of the region or investment in a clean environment, have also been highlighted.

There appears to be consensus on six key conclusions:

1. While the crisis has yet to be fully addressed and this may take up to two more years, anti-crisis measures have been taken in all the countries of the region and the beneficial effects of stabilisation are already being felt.
2. Despite the diversity of the region, there are a number of commonalities to be considered by governments in Black Sea countries.
3. All the countries' strategies include a prominent component aiming at the stabilisation of the bank system.
4. Transparency and credibility of the bank system are crucial elements, as customers' confidence needs to be regained. A valuable lesson learnt is that more active and effective supervision of banks by state authorities is needed, so that "market failures" are prevented in due time.
5. At the heart of all anti-crisis responses is the revitalisation of the real economy, to the benefit of societies across the entire Black Sea region.
6. Regional co-operation should be incorporated into the anti-crisis strategy of all the Black Sea governments, which underlines the need for closer coordination, and the Black Sea Trade and Development Bank is very much part of this effort.