



Go South East  
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The Vienna Economic Forum (VEF)  
was founded in April 2004.



## Principal objectives:

- Popularising and promoting investment options in the region from the Adriatic to the Black Sea.
- Providing impulses and pointing out – on the basis of research – the joint projects required in the region for short-term, medium-term and long-term realisation, and promoting their implementation.
- Becoming a place of definition, encounter, and of realising the public and private interests in connection with the various projects in the region as part of the united Europe.

Vienna Economic Forum is supported by the Government of the Republic of Austria.

## ● VEF Board

<b>Dr. Josef Taus</b> , <i>Chairman</i>	Management Trust Holding AG
<b>Dr. Erhard Busek</b> , <i>Deputy Chairman</i>	Special Coordinator of the Stability Pact for South-Eastern Europe Chairman, IDM
<b>Dkfm. Karl Fink</b>	Deputy CEO, Wiener Städtische Allgemeine Versicherung AG
<b>Dr. Elena Kirtcheva</b>	Ambassador of Bulgaria
<b>Dr. Andreas Calice</b>	BGS Smartcard System AG, Chief Financial Officer
<b>Mag. Katja Georgieva</b>	Secretary

## ● Founding members

<b>Dr. Andreas Brandstetter</b>	Member of the Board, UNIQA Versicherungen AG
<b>Alfons Graf Mensdorff-Pouilly</b>	M.P.A. Handelsges.m.b.H.
<b>Mag. Andreas Treichl</b>	CEO, ERSTE Bank der Österreichischen Sparkassen AG
<b>Dr. Boris Nemsic</b>	CEO, mobilkom Austria AG
<b>Dr. Wolfgang J. Ruttenstorfer</b>	CEO, OMV Aktiengesellschaft
<b>Veit Schalle</b>	Fully authorised representative, REWE Austria AG
<b>Vagn Sörensen</b>	President, Austrian Airlines
<b>Hanno Soravia</b>	Soravia Group
<b>Dr. Veit Sorger</b>	CEO, Frantschach AG
<b>Dkfm.Dr. Herbert Stepic</b>	Deputy CEO, Raiffeisen Zentralbank Austria AG
<b>Dkfm. Johann Zwettler</b>	CEO, BAWAG

## ● Honorary members

<b>H.E. Dr. Shpresa Kureta</b>	Extra. and plenip. Ambassador of the Republic of Albania
<b>H.E. Amira Kapetanovic</b>	Extra. and plenip. Ambassador of Bosnia and Herzegovina
<b>H.E. Dr. Elena Kirtcheva</b>	Extra. and plenip. Ambassador of the Republic of Bulgaria
<b>H.E. Theodoros Sotiropoulos</b>	Extra. and plenip. Ambassador of the Republic of Greece
<b>H.E. Drazen Vukov Colic</b>	Extra. and plenip. Ambassador of the Republic of Croatia
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<b>Ms VukicaKrtolica Popovsk</b>	Charge d'Affaires of the Embassy of the Former Yugoslav Republic of Macedonia

**Among other duties, the Board is authorised to admit new members.**

**Dr. Martin Bartenstein**

*Austrian Federal Minister of Economics and Labour*

## The best of success to the Vienna Economic Forum!



The entry of ten new member states into the European Union on 1 May 2004 was a major step towards European integration. However, the integration process does not end here but will shift its focus to the region between the Adriatic and the Black Sea.

This is why the European Union accords top priority to its relations with this region.

There can be no doubt that the future of the South-East European and Balkan countries lies with the European Union. An integration of these states into the European structures, and ultimately their membership in the European Union, are the big challenges of the years to come.

Due to the close economic ties and historic bonds between Austria and the South-East European countries, this region holds great promise for Austria and Austrian business. Even now, Austrian enterprises are ranking high with respect to direct investment in the region.

The Vienna Economic Forum strives to support the business community in its efforts to overcome borders, thus promoting the further European integration process. These endeavours are closely linked to the activities of the Stability Pact, which Austria considers to be of crucial importance for the economic rapprochement between the countries of the region and the European Union. For this process to succeed, the extent of potential mobilisation of the business community will be of utmost significance.

I am convinced that the Vienna Economic Forum will be able to make a substantial contribution towards this goal. I would like to extend my sincere wishes to the Vienna Economic Forum for success with its activities.

## Intensifying economic co-operation through the VEF



Founding the VEF was not exclusively my own idea. Actually it was the Bulgarian Ambassador, Ms Kirtcheva, who first came up with it, while Dr. Busek, Mag. Treichl, Dr. Stepic, Mr Schalle, Mr Calice and several other persons, including myself, thought it would be a good thing. In the economic field at least, Vienna might assume a number of functions for this group of states. All states of the region affected by VEF activities want to join the EU, a goal which many of them will achieve sooner or later. What they need is a centre within the EU that will enable them to establish economic contacts.

Why should Vienna be especially suited to assume this function? First of all, we are one of the medium-sized or fairly small developed industrialised states in the EU, which is why I believe that the extent of our economic opportunities exceeds that of our political interests. Austria enjoys good contacts with other EU countries and a high level of economic integration within the EU. Many multinational companies in the EU have major subsidiaries in Austria, while Austria holds many stakes in the new EU states as well as in other states to the east and south-east of Austria, including both EU members and non-members. The Viennese capital market promises well for future development, while – as mentioned above – the combination of political and economic interests is of minor importance for a fairly small country like Austria. However, we are one of the rather few net contributors within the EU, and I believe that we should – and could – make more of this position.

Of the 11 states participating in the VEF, three are EU members, i.e., Greece, Austria, and Slovenia. Yet the area encompassed by the “member countries” of the VEF has over 140 million inhabitants and more than 1.6 million km<sup>2</sup>. Not a small area, even from the point of view of the enlarged EU; even minus the three EU members, the remaining countries total some 120 million inhabitants and an area of some 1.4 million km<sup>2</sup>. For the EU, this is a large area of major economic significance. Of course it is also of great political importance, but this is not the immediate concern of the VEF. Evidently, sooner or later some of these countries will be EU members themselves. Since I do not hold with political clairvoyance, I will not go into this subject any further. However, the economic importance of these countries, together with the interest that the EU must certainly have in their economic development, is beyond doubt. Besides, the region plays a major role for the companies associated in the MTH Group. I hope that the VEF will reach its goals, and that its activities will help to intensify economic cooperation.

## Former Vice Chancellor Dr. Erhard Busek

*Special Co-ordinator of the Stability Pact for South-Eastern Europe, Chairman of IDM  
Deputy Chairman of the VEF*



## Carrying on a dialogue with the people in charge



Vienna is of great importance for the next steps towards the enlargement of the European Union. There can be no doubt that after 1 May 2004, this development must focus on South-Eastern Europe.

The enlargement is not only a political but primarily an economic problem, which makes it necessary to ensure that investments will flow into South-Eastern Europe as quickly as possible. Moreover, business has a stabilising effect, since it serves as a dialogue telling the people in charge about deficiencies and chances.

The Vienna Economic Forum is not only a platform for forming opinions but also for voicing them in public.

This also underscores the significance of the region between the Adriatic and the Black Sea. It is a market of some 130 million consumers with a great strategic and economic importance. The development will certainly continue further eastwards into the Black Sea region, but also into the Eastern Mediterranean. This can be seen as a key function.

For all that, it won't be enough just to know how to become more efficient, but also to talk about it. It is the business community that will have to carry on the dialogue with the people in charge.

## Strong partnership for a successful future

The foundation of the Vienna Economic Forum (VEF) this year marked the implementation of the idea of a high-powered economic forum that represents the interests of the countries from the Adriatic to the Black Sea, which are becoming increasingly important for Europe.

The enlargement of the European Union on 1 May 2004 moved Austria from the edge of Europe into the centre and the South-East European countries closer to the European Union. This is why Vienna, an international business location and traditional place of encounter, was chosen as the seat of the Forum. The VEF aims at promoting the investment options in the region from the Adriatic to the Black Sea and in the Danube region, providing impulses and implementing joint projects for the promotion of the region as part of a future united Europe. Besides, support of the activities of the Stability Pact for South-Eastern Europe is another focal point of VEF activities.

All of these measures are designed to create a favourable climate for investment and promote the long-term economic development and prosperity in this region. The chances offered by the countries of the “enlarged home market” were recognised early on by the Wiener Städtische Versicherung – a traditional Austrian insurance company whose roots go back to the year 1824 – which has responded by continuously expanding its scope of action. Ever since the political “Wende” in the reform states at the beginning of the 1990s, the company has emphasised business beyond the Austrian borders. Meanwhile, the Wiener Städtische Group has developed into the leading Austrian insurer in Central and Eastern Europe, ranking second among the international insurance groups operating in this region.

Wiener Städtische places its stakes on partnership and understanding for the regional markets. Local decision makers and long-term investments in the regions concerned are the key cornerstones of success. The exchange of know-how between Wiener Städtische and the companies of the Group helps to provide important impulses in both directions. The employees working locally on new projects show a strong commitment, making a valuable contribution towards the development of their countries.

The tasks and benefits of a common forum are obvious: promotion of international co-operation, new investments in the region, strengthening of local business and, subsequently, the creation of new jobs in both the old and the new Europe and the development of a stable economic area that provides long-term opportunities for all.



**Dr. Elena Kirtcheva**

*Ambassador of the Republic of Bulgaria  
Board member of the VEF*



## Vienna Economic Forum – The response to a big challenge

The enlargement of the European Union by ten new countries is a fact. It is also a fact that other countries are striving for EU membership. The enlargement of the European area – political, economic, cultural and geographic – involves the aspirations and perspective for the emergence in the coming decades of a European region with common features.

In this process, the ten countries lying between the Adriatic and the Black Sea take a special place and play a special role. This region is a genuine economic challenge – countries with different economic developments, new and old EU member states, South-East European states with different outlooks concerning EU membership. The melting pot of their diverse appearances is the basis for the promotion of the overall economic development of the region.

The newly established Vienna Economic Forum has set itself the goal of taking up this challenge and accumulating the energy of the different driving forces of this region.

In contemporary Europe there is no other place more suited for this purpose than Vienna, the city where the interests of and development concepts for this region converge with the energy of their bearers to ensure the effective implementation of these ideas.

The perfect moment has arrived for the Vienna Economic Forum to launch its activities.

The founders of the Vienna Economic Forum include high-profile Austrian industrialists and investors whose participation in successful medium and long-term business projects ensures them a prominent place in the development of this region.

Success is achieved wherever the efforts of the right people focus on a target in the right place at the right time.

I am convinced of the necessity of creating the Vienna Economic Forum, which is why I know its activities will succeed in the interest of the welfare of the region between the Adriatic and the Black Sea, its economic development and prosperity.

## Positive impulses with sustained impact

Implementing ideas always requires new challenges. A united and unified Europe should be more than just an economic and political entity but should be lived, supported and constantly renewed by all member states and their citizens.

The Vienna Economic Forum takes up a number of these challenges. It is our goal to support the regional development of the countries between the Adriatic and the Black Sea through existing and future activities by supplying help and experience, thus working towards a stable and positive economic development across borders.

The Forum particularly focuses on the readiness of our members to take up, support and promote ideas and proposals that benefit the region and that are also applied and tested by our members in their own companies and activities.

One of the crucial factors that convinced me of the constructive role of the Forum is the emphasis on providing positive impulses and constructive support for small and medium enterprises as well as farming. Investments flowing into these countries should be designed in such a way as to ensure a sustained and widely differentiated impact on the sectors mentioned above.

The fact that a high-ranking but as yet very small group of prominent representatives of the Austrian business community has come together for this purpose lets me hope that other influential personalities from this region will join our Forum for the joint implementation of these tasks and objectives.

Above all, I should like to thank the Bulgarian ambassador, Dr. Elena Kirtcheva, whose enthusiasm and untiring energy has been an inspiration for all of us to combine our work and commitment for the VEF to gain momentum and succeed.

**Dr. Wolfgang J. Ruttenstorfer**

*CEO, OMV Aktiengesellschaft*

*Founding member of the VEF*



## The heart of the OMV growth strategy

OMV as the leading oil and gas group in Central and Eastern Europe is greatly interested in supporting the activities of the VEF. The growth strategy of OMV, which will lead to a doubling of its size and value by 2008, is also based on the growth potential of the CEE countries.

Clear signals are needed for strengthening the economic, political, cultural and geographical development of this region. Vienna-based OMV has a good potential for actively supporting this process. Having launched its activities in the CEE region at a very early date, OMV has shown its confidence in the markets and stability of these countries, thus setting an example that needs to be followed by others. One of the major tasks of the VEF is highlighting successful companies and their investments in the CEE region with the aim of recruiting new investors.

The region between the Adriatic and the Black sea is at the heart of the OMV growth strategy. OMV has been successfully operating in these markets since 1992 and has a high opinion of the development opportunities. So far, OMV activities have included the creation and integration of petrol station networks and refinery capacities. For years, OMV has also worked in the exploration & production field, locating and producing oil and gas reserves in this core region.

Half of the OMV staff are already working for or in this region. The OMV growth strategy ensures enhanced investment and growth in this part of Europe. Thanks to the Vienna headquarters of the holding, OMV will continue to maintain its close ties with this core region.

## Promoting European integration

UNIQA Versicherungen AG (UNIQA) is a Central European insurance group of Austrian identity and European format. As a leading insurer in the Austrian market as well as one of the leading insurers in the Central and Eastern European area, UNIQA is especially committed to promoting and supporting the development and European integration of the CEE countries.

In view of its strategic importance, UNIQA has increasingly advanced the internationalisation of its activities, in particular in Central and Eastern Europe. UNIQA plans to continue this targeted and successful strategy, offering top-quality insurance products and services, thus playing an active role in the insurance business of Central and Eastern Europe.

As a founding member of the Vienna Economic Forum, UNIQA will contribute its many years of experience in Central and Eastern Europe, as well as its national and international contacts, towards the support and promotion of European integration and thus of the VEF.

**Dkfm.Dr. Herbert Stepic**

*Deputy CEO, Raiffeisen Zentralbank Austria AG  
Founding member of the VEF*



## Reliable information on opportunities and risks

I welcome the establishment of the Vienna Economic Forum, a nonprofit association whose primary aim is to promote investment options in the South-East European region. The importance of foreign direct investment for the economic and social development of any country is evident and undisputed.

At the same time, investing in a growth market frequently offers the best prospects to an expanding company for enlarging its business basis and increasing its earning capacity.

In this respect, the states of South-Eastern Europe – from the Adriatic to the Black Sea – offer excellent outline conditions and prospects for success to a great number of businesses. This statement is based on the fact that RZB has very successfully operated in this region for many years and has been expanding permanently thanks to the local business potentials. Today, RZB is the number one in this region, which it considers to be one of the most promising future markets.

However, potential investors often lack reliable information about the chances and risks of the individual markets. The main tasks of the VEF are reliable and independent research of the outline conditions for investors, identifying promising projects and – above all – supplying information to interested companies. Experience has shown that such private initiatives achieve better results than comparable government agencies, providing valuable services for all involved.

Now that the first Central and East-European countries have been admitted to the EU, we should increasingly and consciously look towards South-Eastern Europe: some of the countries of that region are already focusing on the next round of enlargement and are working intensely on the implementation of the relevant conditions, thus creating an excellent climate for investment. Countries that were not yet given an official perspective for admission into the Union are also intensifying their efforts so as not to miss the bus.

I am sure that the Vienna Economic Forum will do essential supportive work, and I wish it the best of success!

## Key to the puzzle

For Frantschach and myself, the Vienna Economic Forum is a welcome platform to discuss and foster the common interests of my company and the countries between the Adriatic and the Black Sea.

The Frantschach Group has established particularly close ties with some of the member states, because we have serious business interests in all new EU member states as well as in Romania, Croatia and Bulgaria. Furthermore, the region has established itself as an increasingly important business partner for Austria – not just with regard to industry but, to an ever greater extent, the tourism industry. The ongoing exchange of labour similarly is a constant in the discussions.

For me the role to be assumed by the VEF is not just purely economic, but also serves to foster inter-cultural exchange. In a world of growing globalisation (for which the Frantschach Group is an excellent example) it has become ever more important to extend understanding beyond the purely financial level. It is only thus that co-operation can be assured that will be interesting and successful for both sides.

I feel that the VEF can act as a key piece of a puzzle that will sooner or later show the picture of a truly and fully united Europe in its economic as well as cultural aspects.

## **Austrian Airlines – the number one in South-Eastern Europe**

Already in a past era when the states of Central and South-Eastern Europe belonged to different economic systems, Vienna's geographical position in the heart of Europe enabled Austrian Airlines to offer business travellers excellent transport links between East and West. In a Europe moving towards ever closer union, we see an ever greater responsibility on our part to develop and move in the same direction. In the course of our most recent "Focus East" market strategy, we extended our existing network of routes towards South-Eastern Europe – adding further flights to our schedule and establishing new routes, so that we currently offer 461 flights per week that serve 38 destinations in 23 countries of Central and South-Eastern Europe. This expansion of service was possible chiefly by the co-operation of all parties involved in the various states.

Covering the region from the Adriatic to the Black Sea and the Danube area, the Vienna Economic Forum is intended as a platform for meetings by business leaders from Central Europe and the south-eastern region, offering them an opportunity for concrete contacts and tapping synergies. Through the co-operation with the Stability Pact for South-Eastern Europe, Vienna is scheduled to become a meeting point also for political leaders and thus a point of departure towards further integration of Europe. The network of routes offered by Austrian Airlines will provide the best prerequisites towards this goal.

Good traffic links are an essential factor for developing cross-border economic ties. The preparations taken in the countries of the region for joining the EU and their actual accession have had a highly stimulating effect on the demand for suitable flight connections. We of Austrian Airlines are therefore faced with enormous challenges in the region to adequately respond to this additional demand. We hope that the Vienna Economic Forum will grow into an institution that will help us attain our goal: creating optimal traffic links for a rapidly growing economic region.

## Mediator in the integration process

Since 1 May 2004, ten new states have been adding their efforts and experience to enrich the European Union. With this enlargement round, most of the Central and Eastern European countries are now members of a New Europe. Yet we must not overlook the fact that integrating so many different states constitutes a major challenge, even though the process will furnish Europe with an economic dynamism and a fresh new breeze.

Beyond rejoicing over the new members we must not ignore that there are still countries in Europe that cannot yet participate fully or even in part in the benefits accruing from a Europe growing together.

And even though those countries have always been part of Europe in geographical, cultural and historical terms, it will take time before they will become official members of the European Union. We are talking about most of the ten countries located between the Adriatic and the Black Sea.

In founding the Vienna Economic Forum (VEF) our motivation is to provide additional momentum for the ongoing integration of South-Eastern Europe. We wish to promote the dialogue at an economic, political as well as cultural level both between these countries and with the countries of the European Union. The VEF intends to be a contact point and mediating platform for businesses from all these countries. Austria's geographic location as the new heart of the European Union and forecourt of the latest newcomers as well as the states between the Adriatic and the Black Sea makes it particularly suitable to serve as a hub for such activities. Thus it was only natural that the stimulus for founding such an economic forum came from Vienna.

Banks in general and the BAWAG P.S.K. group specifically were among the pioneers of the EU enlargement. For years we have been active and have invested in the Eastern European countries. Nevertheless we see the status quo not as an end but as a point of departure for its further development. For these reasons we wish to act as mediators in the process of ongoing EU enlargement.

We are committed to ensuring that we are competent and reliable partners for Austrian companies eager to access these new markets regardless of their size.

The BAWAG P.S.K. group certainly has the requisite potential: thanks to our 6,200 staff members in Austria and abroad, our balance sheet total by the end of 2003 was fully Euro 51 billion. The BAWAG P.S.K. group perceives major opportunities for growth in the countries between the Adriatic and the Black Sea, which in the final analysis will benefit our common Europe. For this reason we want to extend our effective support to this initiative for South-Eastern Europe by becoming members of the Vienna Economic Forum, and we hope that many other enterprises will emulate our thoughts and in their turn provide support to this future-oriented idea.



## **We connect people.**

## **We overcome borders.**

There is a saying in Japan that goes: “Raise your eyes and you will see beyond borders.” This motto accompanies the foundation of the Vienna Economic Forum (VEF), to widen our horizons and eliminate borders.

As the Director General of mobilkom austria I am proud that we, the leading Austrian mobile phone operator, contribute to the elimination of borders. We connect people across borders: more than 4.7 million subscribers make telephone calls with the mobilkom austria group – mobilkom austria and its affiliates in Croatia, Slovenia and Liechtenstein – thereby crossing all geographical boundaries.

I am particularly pleased to contribute our positive experience in South-Eastern Europe to the Vienna Economic Forum. mobilkom austria was among the first enterprises in Austria to commit itself strongly in South-Eastern Europe. For this reason it is a matter of importance to me to further strengthen the ties between Austria and the countries of South-Eastern Europe. In 1998, we decided to acquire the first private mobile phone licence issued by Croatia, and in July 1999 our subsidiary VIPnet started operations in Croatia. With this, we prepared the ground for one of the most successful startups in the sector. In acquiring the majority stake of Si.mobil in 2001, we consolidated our business in Slovenia, having become the first private network operator there in March 1999. Our expansion drive was not just a strategic success but also contributed substantially to the positive result of the mobilkom austria group. The internal know-how transfer between our subsidiaries and markets propels the rapid development and implementation of the group’s products and services. The mobilkom austria group is a strong regional player that responds to the local needs of each market.

The telecoms sector is of key importance for the economic development of a country. Those countries that invest in the infrastructure of the information and communications sector certainly make an investment into their future. For this reason it is important for Bulgaria to give the information and communications sector its due. Nikolai Vassilev, deputy prime minister and minister of transport, recently calculated that direct investment in the IT sector amounted to a billion US dollars in 2003. This scope of investment can help to get Bulgaria closer to Europe.

For this reason Bulgaria is very serious about the road map prescribed by the EU Commission and is taking active steps to modernise its infrastructure. We look forward to establishing direct ties between Vienna and Sofia to further our co-operation.

## A peace project of great scale

The forced ideological and political division of Europe following World War II has at last been overcome. As a consequence of this division, economic development over the past 50 years went off into disproportionately different directions.

Since 1989, communities and groups of states have been emerging, driven by the interests of their populations, that aim to eliminate such discrepancies and ensure a normal course of overall European development.

The Vienna Economic Forum was established with a view to serving the interests of the countries between the Adriatic and the Black Sea, exploring new opportunities for business activities and promoting the healthy development of all parts of Europe as a living organism. These are the prerequisites to get the lagging parts of the continent included in and embraced by the current processes, and to prevent the growing poverty in some countries and regions from becoming a source of tension and violent struggle that would endanger overall security and peace.

For this reason, any major business project today also serves as a peace project. And the Vienna Economic Forum is just such a project.

# Membership application form



Yes, I wish to apply for membership of the **Vienna Economic Forum** as a

- legal entity,
- natural person,
- full member,
- sponsoring member.

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Company, profile	
Country	
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E-mail address	
Tel/fax	
Date	Signature

## Membership fee:

Legal entities: Euro 2,000.- p.a.

Natural persons: Euro 200.- p.a.

Account no. 9.548.850, banking code 32000, RLB NOE-WIEN AG

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