Remarks by the High Representative and EU Special Representative Christian Schwarz-Schilling At the Launch of Bosnia and Herzegovina's New Business Registration System

Turning the Promise of Prosperity into Reality

Ladies and Gentlemen,

A few days after I became High Representative and EU Special Representative I sat down with BiH businesspeople at a roundtable in Travnik and we had a long discussion about what they believed should be done in order to fix the business environment in this country. They were quite clear about one of the main problems – too much bureaucracy and unnecessary paperwork.

Well, it gives me particular pleasure in the final weeks of my mandate to take part in this event – because the new business registration system will make a major contribution to streamlining the bureaucracy and paperwork that go with running a company in Bosnia and Herzegovina.

I want to stress that the businesspeople I met in Travnik in February last year and the businesspeople I have met in every part of the country since then have not been calling for an *end* to bureaucracy – they have been calling for more *efficient* bureaucracy. The strength of the system that we are inaugurating today is that it does what the old system did, but it does it better – and it does more.

The new system will vastly reduce the time it takes to register a company. This will add substantial momentum to the effort to create more jobs. In order to boost employment we need to boost the number of productive companies, particularly in the small and medium-sized enterprise sector. This has been the lesson of successful transition countries.

However, speeding up the registration process does not mean making it less rigorous. In fact, the opposite is the case. The new real-time online database that has been established – thanks to the generous funding and expertise of Britain's Department for International Development – means that the information that companies are rightly required to provide is now completely open to public scrutiny. From next week it will be possible for any member of the public to access key information about any company – the firm's capital, the number of employees and the nature of its operations, as well as the names and addresses of its principal operating officers. This will introduce an unprecedented level of transparency to the business environment.

The new system is, therefore, not only faster: it is more effective. It will end a situation in which companies operating from a fictitious address simply evaporate when things go wrong; it will make it harder for criminals to operate front companies as a means of laundering money; and it will make it impossible for dishonest businesspeople to make bogus claims about their company's operations, staff or assets.

In the course of the last election campaign political parties were often quite free with promises about economic development. All of the parties, it seems, are in favour of more investment, more jobs, more exports, more production, and better salaries for everyone. Well, I support those things too. However, in order to deliver such benefits, you have to enact and implement legislation that will make it easier for companies to prosper. The project we are launching todeay represents the sort of initiative that can turn the promise of prosperity in Bosnia and Herzegovina into reality.

I hope today’s launch will point the way towards a more pragmatic aproach to improving the business environment. The economic reform agenda is is clear; it should not be politicised; it should be implemented – that is the way to create jobs, reduce poverty and raise living standards.

Thank you