

# Schwarz-Schilling: Bosnia and Herzegovina Is Open For Business

"Bosnia and Herzegovina's economic environment is better than you think and the country is most definitely open for business," the High Representative and EU Special Representative, Christian Schwarz-Schilling, told participants at the annual *Check In, Expectations, Myths and Realities* Conference on South Eastern Europe being held in Graz, Austria, today.

Noting the progress that Bosnia and Herzegovina has made in recent years, the High Representative and EU Special Representative drew special attention to the facts that Bosnia and Herzegovina is negotiating a Stabilisation and Association Agreement with the European Union and that the country stands on the threshold of membership in NATO's Partnership-for-Peace programme.

"The issues that Bosnia and Herzegovina is facing are essentially those faced by other transition countries in Central Europe during the 1990s, rather than those resulting from war," Mr Schwarz-Schilling said.

The High Representative and EU Special Representative highlighted the reform of the customs' service and the successful introduction of Value Added Tax as measures that had contributed to the improvement in Bosnia and Herzegovina's business environment. He also pointed to improvements in the rule of law and the country's growing Gross Domestic Product.

"Investors, you can invest in Bosnia and Herzegovina," Mr Schwarz-Schilling told the conference. "Investment opportunities are being created across the board, from the

telecom sector to communications infrastructure.”

Underlining the importance of the Central European Free Trade Agreement for Bosnia and Herzegovina , the High Representative and EU Special Representative told the conference that he expects Bosnia and Herzegovina to sign this Agreement on 9 November and for it to be formally ratified in December.

“Bosnia and Herzegovina needs to develop a more functional interface between business and government, which it could do by establishing a functioning network of business associations and chambers to help development of the country’s economic base,” the High Representative and EU Special Representative said.

Commenting on the European Union’s increasing engagement in Bosnia and Herzegovina, the High Representative EU Special Representative said: “The commitment made by the European Union in Thessaloniki is clear, the Western Balkans are a part of Europe.”

Noting that as of 1 January 2007 EU members will surround the Western Balkans, Mr Schwarz-Schilling said: “For the European Union, the Western Balkans is not expansion, it is completing our own European house.”

Outlining that Bosnia and Herzegovina must become a more functional state, the High Representative and EU Special Representative said that constitutional reform is aimed at making Bosnia and Herzegovina more functional and better able to respond to the challenges of Euro-Atlantic integration.

“The proposal that narrowly failed in the spring is a critical first step towards a broader reform process, one that must be owned by Bosnia and Herzegovina ’s Parliament and civil society. In the future, Bosnia and Herzegovina will need a constitution compatible with EU standards and values,” Mr

Schwarz-Schilling concluded.