

Statement: Business of Government Continues

The OHR welcomes the BiH House of Representative's adoption, on 12 January, of the VAT law, at a single 17 percent rate. Securing parliamentary support for this legislation has been a demanding task, which the BiH Government has successfully completed through a combination of determination and patience. This shows that the business of government is still going on.

The introduction of a viable VAT system is an important precondition for Bosnia and Herzegovina's further integration in Europe, but – just as important – it can deliver real benefits to the people of BiH long before full membership of the EU becomes a reality. A simple VAT system will increase government revenue, which can be spent on upgrading social services. It will make tax evasion more difficult, thus benefiting honest businesses, and it will help reduce the corruption that is such an unwelcome part of life in BiH. Finally, it will make potential investors think seriously about putting money into BiH businesses and thus creating new jobs.