Remarks by Principal Deputy High Representative Donald Hays at the “Best Manager” Awards Ceremony

3 July 2004

Ladies and Gentlemen,

I see many familiar faces in the audience today.

I am in good company.

Since I took up my duties inBosnia and Herzegovina, more than three years ago, I have been encouraged by the “can-do” attitude of certain sections of the community. I don’t find enough of this attitude among politicians, but I *do* find it among businesspeople.

And that comes as no surprise. All over the world, the kind of people who can get things done are the same kind of people who have the courage and confidence to set out their market stall and put their name above it – people who have the right combination of optimism and realism to turn a promising proposition into a profitable enterprise.

BiH needs people like that – and we have a room full of them this evening.

With your help, BiH is moving forward and can continue to move forward. The dynamics of the help that you can give this country are rooted in the simplicity of the market – *you* want to run successful businesses, and if *you* succeed *the country* will succeed. As Adam Smith famously pointed out “It is not from the benevolence of the butcher, the brewer, or the baker,

that we expect our dinner, but from their regard to their own interest."

If *you* build up your businesses, *the country and its citizens* will benefit from those businesses.

It's a win-win situation.

Until now, you have faced a dispiriting operating environment – the BiH business climate has, and this is a huge understatement, been less than positive.

But that is changing:

The political agenda is at last beginning to reflect BiH's compelling economic and commercial requirements:

- The banking sector is buoyant – which means that SMEs are starting to get the kinds of competitive banking services that they need in order to sustain growth;
- BiH has one of the most stable currencies in the region; inflation is practically zero;
- The work of the government and special auditors and the introduction of a treasury system in government departments is starting to have positive results, ensuring, among other things, that public resources are starting to be chanelled into improving business services such as licensing and regulation;
- VAT will be introduced in the next 18 months, and over the same period the corruption and overcharging that were a hallmark of the old fractured customs and excise system will be done away with as the customs services are integrated;
- The debt plan agreed between the authorities and the IMF paves the way for an influx of foreign investment that will help sustain and expand the growth already generated by domestic companies;
- The 15 business chambers established throughout the country this spring are starting to work through the

backlog of business litigation with which many of you will be painfully familiar;

- The Entities have enacted legislation that makes it easier to privatize companies, turn them around and set them back on the road to expansion.

All of this has gone a considerable way towards creating the kind of level playing field in which competitive managers and entrepreneurs can be most productive. To quote Adam Smith again, “One who is master of all his exercises has no aversion to measure his strength and activity with the strongest.”

There are certainly mediocre businesspeople in BiH who would prefer to be protected by exclusive legislation, or who would happily depend on irregular tax returns to get the better of rivals, but these are not the ones who will cause the BiH economy to fulfill its huge potential. The people who will succeed, and who will help this country succeed, are the people who are straining at the bit to compete.

These are the kind of people who have been active in the Bulldozer Committees, for example, taking the initiative to secure changes in legislation and regulation so that they can start expanding their operations and creating new jobs.

We are here this evening to recognize the management skills that have been displayed by the best BiH managers. It is gratifying that those skills are increasingly being applied to good effect in an environment that encourages enterprise. Much more has to be done, but BiH is, I believe, already on its way.

Thank you