

# OHR's Statement at the International Agency's Joint Press Conference

## Single Market key to jobs in BiH

Creating a genuine single market in BiH is essential for creating new jobs and attracting new investment. The OHR therefore strongly welcomes yesterday's agreement by Entity premiers Ahmet Hadzipasic and Dragomir Mikerevic to start deducting excise tax on domestic goods only once, at the point of production. We also support Prime Minister Terzic's promise that a package of urgent measures will be implemented in the course of the next two months with a view to strengthening the Single Economic Space in BiH.

The tax agreement means that BiH's complicated excise system will be simplified. This cumbersome system made it harder for firms to do business in BiH – in some cases it meant that they were taxed twice – and this in turn made it harder for firms to create new jobs.

The agreement must be approved by the Governing Board of the newly-formed Indirect Taxation Authority and administered by the ITA and the tax administrations.

This fundamental and sensible reform will encourage investment and therefore improve the chances of creating desperately needed jobs.

The OHR calls on all the parties in the BiH Parliament to support the legislation needed to turn yesterday's commitments into reality. The political leaders of BiH have shown that they can put citizens first. It is time for parliamentarians to do the same, and for these single market reforms to be

fully implemented.

### **PDHR visits successful businesses**

The Principal Deputy High Representative, Donald Hays, is in Ljubuski Municipality today where he will be visiting successful businesses and the mayor. He will be highlighting that there are successfully privatised businesses that are now creating new jobs, and that good municipal administration can play an enormous role in supporting job creation, by creating the conditions in which businesses can grow and invest.

At the morning meeting with Ljubuski Mayor Markan Zelic and other municipal officials the focus was on the economy and on privatisation efforts as well as on the municipality's plans for developing tourism. Tomorrow, Ambassador Hays will be in Zepce and Zenica where he will visit successful companies and will meet regional mayors. Detailed media advisory will be issued later today.

Ambassador Hays continues to meet mayors to encourage them to use the opportunities opened up by the recent municipal reforms. After 18 months of meeting and listening to mayors and citizens, they have made it very plain – the current system fails to deliver to their fellow citizens. It is clear from the dialogue with the mayors that there is a growing focus on the potential of municipal government to change the political landscape of BiH for the better. At these meetings PDHR discusses mayor's thinking regarding reforms that would make the municipalities desirable places to live.

Not all forward looking mayors come from one party, one age group or one part of the country. As Ambassador Hays has commented several times, the political parties would surely be moving in the right direction if they took advantage of the October elections to introduce new faces with progressive ideas. The way to do that is to come up with young and

energetic candidates – even under age 35.