Remarks by Deputy HR and Head of OHR Economic Department, Patrice Dreiski At the opening of the Zenica Business Service Centre

Ladies and Gentlemen

It is a great pleasure to be here today. This centre will provide a crucial service, particularly to small- and medium-sized enterprises, because it will provide the kind of infrastructure that businesses often require from time to time but cannot afford to establish on a permanent basis.

It will bring together executives, entrepreneurs and investors from Zenica-Doboj Canton, from BiH and from further afield, since it will act as a focal point for commercial life in this city and its surroundings.

As such, its importance cannot be overstated.

Now, when we bring together investors and entrepreneurs here in BiH the following subjects commonly come up?

- the business environment: it’s getting better, but not fast enough
- at Mrakovica the governments agreed an impressive action plan – it’s impressive because the timeline is short, the plan is detailed, and it addresses core issues, such as boosting privatisation, consolidating the Single Economic Space and simplifying the fiscal system
- the important thing now is implementation
- and there are other outstanding pieces of legislation

that the governments have committed themselves to enacting, that will significantly improve the business environment in BiH and that must not be delayed

- The Framework Law on Accounting and Auditing
- The Law on Obligations
- Streamlined business registry
- Simplified and computerised land registry

These are basic building blocks of a business environment that can create jobs. Until the government delivers on its promises of reform, it will be very, very hard for businesses to create the thousands of new jobs that BiH desperately needs.

The Indirect Tax Policy Commission has prepared the ground for what could be a quantum leap in BiH's business environment – a complete fiscal rehabilitation. The draft ITA law will provide BiH with a moderrn, European-standard indirect tax system. This will not only allow the governments to collect hundreds of millions of KM worth of revenue that currently goes into the hands of criminals (that money can then be spent on improving services for citizens), it will also make it infinitely easier for honest business people to compete.

By tackling and eventually eliminating the present culture of tax evasion, the ITA law will be a core element in cleaning up the BiH business environment. That means jobs; that means better government services; that means that this law should be enacted without delay.

I have spoken mostly about legislation because my experience in BiH has taught me that entrepreneurs with the energy, optimism and skill to start up and run small-and medium-size enterprises in this country do not need management advice from the International Community. Executives who have successfully steered companies through unimaginably difficult times, often running operations on a shoe string yet still fulfilling their obligations to their staff – those people do not need to be told how to do business. What they *do* need is a business

environment that makes it easier – not harder – to run a company, earn a profit, and create more jobs.

And the people who are responsible for creating that environment are the politicians of this country.

They have committed themselves to an impressive agenda for reform, an agenda which if it is carried out will create a competitive business environment in BiH. The International Community will do everything possible to help the authorities implement that agenda. That is what the businesspeople of this country need; it is what they are entitled to expect.

Thank you