

Good News and Bad News



Bosnia and Herzegovina, like other countries in the region, has been hit by the global economic downturn, High Representative and EU Special Representative Valentin Inzko told an international conference of economists, investors and senior government officials in Austria today, but he added that one result of this has been that politicians' minds focused on the economy.

"After nearly a decade of impressive GDP growth, the economic and social condition of the country has received a jarring shock," the HR/EUSR said. "Bosnia and Herzegovina has lost as many as 45,000 jobs since the end of last year – that's 45,000 to add to the nearly half a million BiH citizens who were already unemployed. Imports and exports have declined over the same period, as has tax revenue."

The HR/EUSR said that this situation "can be turned around with the necessary pragmatism, optimism and determination. There is growing awareness among the political leadership that the status quo is unsustainable – people won't put up with further declines in living standards while politicians squabble over issues that have nothing to do with the economy."

He pointed to "a groundswell of support for sensible economic measures that will ease the crisis" in BiH, stressing that the provisions of the Stabilisation and Association Agreement encompass such measures and must now be implemented as a matter of urgency.

He said the provisions of the SAA represented "a comprehensive programme of root-and-branch reform," that could improve

living standards and that the timeframe envisaged for this under the Agreement is six years – of which more than a year has now expired.

The HR/EUSR was delivering the keynote speech at an international seminar for economists, investors and senior government officials organised annually in the town of Velden in Carinthia.

The full text of the HR/EUSR's speech will be available at www.ohr.int and www.eusrbih.eu tomorrow.