High Representative calls for Exports, Exports, Exports

The High Representative, Paddy Ashdown, on Monday warned that BiH faces bankruptcy if its legislators do not begin urgently enacting and implementing economic reforms. “Aid is falling, debts are mounting and investment is flat,” the High Representative told an audience at the Holiday Inn in Sarajevo, where the European Union and OHR launched a pamphlet on employment creation “Action for Jobs”, and the EU announced the launch of the second phase of its Quick Impact Facility, which offers financial and consulting assistance to start-up businesses. The event also honoured successful BiH entrepreneurs.

“The trade deficit during the first seven months of this year was over 3 billion KM,” the High Representative noted. “We imported nearly four times more than we exported during this same period. This is clearly unsustainable.”

He said the one thing saving BiH from bankruptcy is international aid – which is set to decline sharply. “The only way this country will be able to avoid a very grave economic crisis over the coming years is through serious structural reform to create jobs, increase investment and turn an aid dependent economy into an export driven economy,” the High Representative said.

He pointed out that the incoming governments must implement the reforms needed to increase investment, stimulate growth, create jobs and, above all, turn the economy towards exports – or face the inevitability of savage spending cuts and a severe and protracted economic slump.

“That is why we must dramatically increase the gradient of reform,” the High Representative said. “And why it is so

important that government at the higher levels – in the Entities and the State – fulfil their side of the bargain by creating an environment that encourages enterprise, rewards hard work, attracts investment and facilitates trade."

On the positive side, the High Representative alluded to the efforts of the Bulldozer Committee, formed in mid November, to identify and eliminate job-destroying regulations left over from the old centrally-planned economy. "We need to see rapid progress on the introduction of VAT in place of the iniquitous sales tax, and real progress on reforming the corruption prone customs," he said. "And we need exports, exports, exports."