

# OHR's statement at the International Agencies' Joint Press Conference in Banja Luka



## OHR/EUSR and the EC Call For CEFTA Ratification

The Office of the High Representative/EU Special Representative and the Delegation of the European Commission to Bosnia and Herzegovina are disappointed by the BiH Parliaments failure to ratify the Central Europe Free Trade Agreement (CEFTA) yesterday, and look to parliamentarians to support this Agreement when they return from their summer break.

“Free trade means jobs and investments – this is a lesson from CEFTA’s founding members, all of whom are now Members of the EU, and all of whom enjoy standards of living that are incomparably higher than they were a decade ago” the High Representative and EU Special Representative, Miroslav Lajcak said.

Bosnia and Herzegovina’s Council of Ministers decided to participate in CEFTA with the aim of deepening established trade relations among countries in the region thereby contributing to increased competitiveness, attracting direct foreign investments and applying international trade system rules. All these are preconditions for creating new jobs and

fostering economic prosperity.

Bosnia and Herzegovina negotiated and signed the Central European Free Trade Agreement (CEFTA) in December 2006 and by doing so showed its commitment to contribute to economic development and regional cooperation in South Eastern Europe.

“It is important for the Stabilization and Association process that BiH honours the commitments it has undertaken during the negotiation of international agreements – in particular the ratification of CEFTA”, said Andre Lys, Deputy Head of the Delegation of the European Commission to BiH.

Replacing the existing 32 bilateral free trade agreements within the region with one single agreement covering a trade network between eight countries, and a market of 25 million people, represents a major step forward for BiH towards integration into the global economy.

By ratifying CEFTA, BiH would benefit from more transparent procedures, attract foreign direct investment and increase exports.

A simple and modern agreement such as CEFTA provides its Members with a clear framework for the development of domestic industries, including the agricultural sector (which is one of the most sensitive sectors in all CEFTA Members) by implementing common rules on antidumping, safeguards and compensatory duties. Moreover, CEFTA provides an efficient arbitration system in case of disputes between Members.

Were BiH to remain outside of CEFTA the gap between BiH and the economies of CEFTA Member countries would increase, further delaying the development of a functioning market economy, which is a key requirement for European integration.