

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

Law on Construction Land – Public Information Campaign

Let me draw your attention to a TV spot that will be aired over the next two weeks, starting from this evening.

– VIDEO –

The High Representative, Paddy Ashdown, on 15 May, enacted the Law on Construction Land. The law ensures that all future transfers of land under the domestic legal process will be non-discriminatory, and will provide a framework for resolving disputed land allocations made after the start of the war in Bosnia and Herzegovina on 6 April 1992. I should perhaps underline that this law is not linked with restitution issue.

The decision came three years after High Representative Wolfgang Petritsch first asked the local authorities to provide a framework for resolving disputed land allocations for refugees and displaced persons. It also brings the law into line with a ruling of the Constitutional Court, by redefining specific categories of Construction Land, including socially-owned property, into either State-owned or Privately-owned property, as required by the BiH Constitution.

This decision will clarify the issue of land ownership, removing a major obstacle to economic development and growth. It will make it easier to buy and sell real estate, which means that it will be easier to attract investment to BiH or to use real estate as collateral for bank loans.

A series of leaflets and posters will also be distributed through local government offices.

Economic Newsletter

The OHR's quarterly economic newsletter is published today. It surveys key economic sectors and contains a digest of leading economic indicators. The indicators are not good – in the first four months of this year Bosnia and Herzegovina imported goods worth just over two and a half billion KM. In the same period BiH *exported* goods worth 730 million KM. In other words, this country began the year by spending almost four times as much as it earned. This is unsustainable – if it continues, BiH will go bankrupt.

So economic reform is not a commendable aspiration on the part of some politicians, it is a desperately urgent political priority. No reform: no money. The governments have committed themselves to cleaning up the business environment, re-launching privatisation and boosting exports.

Cleaning up the business environment – reducing bureaucracy and tackling corruption – will make BiH an attractive destination for investment. Currently per capita, BiH attracts a tenth of the foreign direct investment attracted by Croatia. More investment means more jobs.

Re-launching privatisation means cutting through the bureaucratic roadblocks currently preventing investors from buying BiH companies and paying for the improvements that will safeguard existing jobs and create new ones.

And boosting exports means changing the current horrifying trade figures, so that BiH can start earning the kind of export income that will boost government revenue, finance companies and generate new jobs.

At Bjelasnica the governments put flesh on the bones of the strategy when they agreed on an Action Plan to be implemented by the end of the year. Citizens should monitor progress carefully. Politicians who squabble and obstruct and generally get in the way of reform, are getting in the way of job

creation.

Bjelasnica

This afternoon the High Representative will chair the 6th session of the Bjelasnica – Igman Project, which will take place at Mount Bjelasnica. Before the meeting, the High Representative and members of the Bjelasnica – Igman Working Group will visit sites on Mount Igman and Mount Bjelasnica where activities relevant to the Project are taking place: these include Hotel Igman, Hotel Borik, and the cross-country ski track.

The Bjelasnica – Igman Project aims to turn Bjelasnica and Igman into modern tourist centres by attracting foreign and domestic investors. The HR considers this a flagship project of great significant for BiH. Tourism is potentially one of the strongest sectors of the BiH economy, and could one day be a source of thousands of jobs. Activities undertaken so far have focused on the tender sale of hotels, the upgrading of ski facilities (such as opening a ski lift to the top of Bjelasnica, and building rest stops on the slopes) and other improvements, which will have a positive impact on BiH's overall tourism potential.

There will be photo opportunities at several of these locations this afternoon, and there will be a press conference at 16.30, on the terrace of Hotel Marsal, Bjelasnica. For more details please see the Media Advisory on the table outside.