

# OHR's Statement at the International Agency's Joint Press Conference in Banja Luka

PDHR Hays calls for Change in Investor Psychology on BiH

The Principal Deputy High Representative, Donald Hays, is speaking to investors in Saajevo today at a lunch organized by the Association of Austrian & BiH Businesspeople. Ambassador Hays will draw attention to the fact that 2004 has been a good year for the BiH business environment:

- SIPA's Criminal Investigation Department is now up and running and assisting the BiH Prosecutor in several cases of organized and financial crime.
- Customs merger is underway
- The ITA will move into its HQ in Banja Luka on 29 October
- The VAT process is scheduled to be introduced starting next summer
- Work is underway to secure enactment, by the end of this year, of the BiH Law on Obligations, which will give BiH a modern, European-standard commercial code
- And in March Moody's Investor Service granted BiH a B3 rating (the country's first commercial rating), and assigned a positive outlook to the economy, noting that the B3 rating could be upgraded in six to 18 months.

Ambassador Hays will call for a "new investor psychology" to match the opportunities that are now emerging. He will argue that with the current improvements in its business environment

BiH has reached the stage where it is likely to reward serious investigation by shrewd long-term investors.

But BiH needs to create a “buzz” among international investors “For that happen, we have to reduce risk aversion. We need to change investor psychology about BiH – more investors here won’t mean unhelpful competition for investors already on the ground; rather an influx of new investment will provide momentum for reform, momentum for growth, and momentum for the sort of exponential recovery that can transform a struggling postwar economy into a global competitor. That will benefit investors and it will benefit the people of BiH.”