

Opening Speech by High Representative and EU Special Representative Valentin Inzko At the Presentation of the Foreign Investors' Council "White Book" On Improving the BiH Investment Climate



A Helping Hand Towards More Jobs and Higher Living Standards

Ladies and Gentlemen,

The classical Spanish writer Baltasar Gracian observed – and I quote – “In great crises there is no better companion than a bold heart – and if it becomes weak it must be strengthened from the neighbouring parts.”

Every one of us is acutely aware that Bosnia and Herzegovina is in the midst of a great crisis. The scale of job losses and the decline in living standards experienced in 2009 cannot be masked. This economic situation is the most serious and pressing challenge facing this country.

It must be faced with a bold heart – and until now, at least among the responsible leadership, that bold heart has been

absent.

If the heart becomes weak it must be strengthened from neighbouring parts.

I do not think it is unrealistic to place in the category of “neighbouring parts” those investors who have poured millions of marks into job creation in Bosnia and Herzegovina.

If it weren't for this investment the economic crisis would be infinitely worse.

So it is entirely fitting that investors have come together to propose ways of ending poverty and unemployment, and delivering the prosperity that has been denied the people of this country for much, much too long.

The fact is that the “White Book” presented today by the BiH Foreign Investors' Council not only identifies the impediments that are making it impossible to end poverty and boost living standards – this document recommends steps that can be taken to eliminate these impediments.

I hope that the BiH media will publicise the White Book's recommendations with the same detail and drama they bring to coverage of political and constitutional proposals.

The White Book is helpful and timely – it can put heart into the political leaders and parliamentarians whose are tasked with enacting and implementing the steps that will turn the BiH economy around.

Paradoxically, that task is not as difficult in Bosnia and Herzegovina as it has been in countries where economic planners and politicians have had to thrash out a development strategy from scratch.

Bosnia and Herzegovina already *has* a development strategy.

It has an agreed and detailed blueprint for prosperity – the

blueprint that has worked quickly and effectively in the countries that have recently joined the European Union.

The European Partnership and the Stabilisation and Association Process lay out – step by step – the path towards more jobs and higher living standards.

Key reforms have now been delayed – and delayed without any good reason – for years. To name just a few:

- The authorities must enact a 21st century commercial code that provides for legal certainty and business predictability and thus encourages investment and jobs. As everyone knows, a Law on Obligations has already been prepared, with intensive and comprehensive input from BiH stakeholders – all that is now required is the political will to enact this law;
- The authorities must modernize and streamline the banking supervision system, so as to give a boost to the banking sector and its contribution to the country's development; and
- They must further develop mechanisms for a dialogue with employers and employees, for example, by establishing a BiH Social and Economic Council, in order to identify best solutions to problems and boost economic growth.

These are among the key steps to consolidating the single market and thus ensuring true freedom of movement of persons, goods, services and capital that is required by the BiH Constitution and that is the cornerstone of the European integration process.

The failure to take these steps in 2009 directly contributed to the hardship that now afflicts hundreds of thousands of BiH families. Inconsistent or insufficient enforcement of agreed reforms and attempts to roll back their achievements have had the same devastating effect and have further slowed the

country's progress along the European path.

Those who have invested in Bosnia and Herzegovina are part of the broader community of people who wish this country well, people who believe in the future of this country, people who know that it can succeed, that it can develop – and develop quickly – into a prosperous democracy able to take its place in the European Union.

Investors have backed their own faith in Bosnia and Herzegovina to the tune of hundreds of millions of dollars.

The fact is that many BiH political leaders have not been able to develop the same confidence in the country's people and prospects.

Those politicians need a helping hand.

We in the International Community are striving to lend that helping hand.

We will not succeed simply by offering words of encouragement – we will succeed by *doing*.

Investors are in the forefront of *doing*.

Investors have a right to speak and a right to be heard. They have earned that right by demonstrating faith in Bosnia and Herzegovina, investing millions and creating jobs.

The proposals that are being presented by the Foreign Investors' Council today can help end the misery of unemployment and poverty in Bosnia and Herzegovina – they represent a helping hand.

Thank you