

# Remarks by High Representative and EU Special Representative Miroslav Lajčák At the Opening of Sarajevo Canton



## Bosnia and Herzegovina's Platform for Prosperity

Good morning and good day, Excellencies!

Ladies and Gentlemen,

I have been happy to support this conference because, like similar events organised by cities and regions throughout Bosnia and Herzegovina, it deals directly with the most pressing issue facing this country today, that is how to create jobs and raise living standards.

Looking around the room this morning I see that we have been joined by many of the people responsible for facilitating and regulating the economic life of Sarajevo and its surroundings. I want to congratulate those of you who have been involved in making significant improvements to the business environment in recent years. As a result of efforts to streamline bureaucracy – at the state, entity, canton and municipality level – it is easier to invest in Bosnia and Herzegovina today than it was a

few years ago.

But significant problems remain, and inward investment will not be turned from a trickle to a flood until these problems are resolved.

Today, we have good reason to believe that these problems *will* be resolved, because the urgent issue of overhauling Bosnia and Herzegovina's business environment is at last being brought to the forefront of political debate.

Bosnia and Herzegovina already has an indirect tax system that is among the most modern and efficient in South-East Europe, and work is well advanced on setting in place mechanisms that will ensure that public spending is maintained at a level that reflects national income. Therefore, in practical terms, this benchmark has every chance of being met – and when it is met it will help to make Bosnia and Herzegovina a significantly more competitive investment destination.

Other priority steps designed to make speedy and substantial improvements to the business environment are enshrined in the Platform for Action, which the heads of government signed in October last year. These include cutting red-tape, facilitating undisturbed movement of goods, services and capital, dismantling obstacles to labour mobility, improving the banking supervision system, modernising the commercial code, and setting up an effective Social and Economic Council at the state level.

Legal, fiscal and administrative discrepancies between the entities and among the cantons continue to represent a massive and damaging disincentive to investment in this country.

The result is fewer jobs and more poverty.

If the single economic space can be consolidated, the possibility of a rapid expansion in business and jobs would increase exponentially.

In the end, economic reforms stand or fall on the strength of what they actually achieve, and as I said at the beginning, the most pressing issue facing Bosnia and Herzegovina today is how to create jobs and raise living standards – that is the twin task that economic reforms have to focus on. It is obvious that prospective investors primarily look at business opportunities; exploiting these business opportunities means creating new jobs. Therefore, it should be of great concern to policymakers if an investor encounters bureaucratic or political difficulties since this will have a negative impact on creating jobs.

The people in this room are best qualified to lobby for the changes that need to be made. Investors are often criticised for trying to influence policymakers. I would argue that in Bosnia and Herzegovina the problem sometime is the opposite. You have not tried hard enough to make the authorities do your bidding.

Let us ensure that the message from this conference is clear: investment equals jobs. Efforts to streamline bureaucracy, eliminate bottle necks, and speed up licensing procedures are all good for jobs. Obstructing such efforts – or simply not paying attention to them – is bad for jobs.

I am confident, however, that this conference will make a real contribution to promoting a better investment climate in Canton Sarajevo. You will hear from many distinguished speakers, and perhaps most importantly, from those businesses who have made successful investments in the Canton. I wish you every success with the conference, and with your efforts to promote investment in the Canton, and across BiH.

Thank you