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## BOSNIA AND HERZEGOVINA

### Statement Circulated by the Minister of Foreign Trade and Economic Relations

*(As an Observer)*

First of all, on behalf of the Government of Bosnia and Herzegovina, I wish to express my gratitude to the Government of Mexico, and people of Mexico for the warm welcome and excellent organization of the Fifth Ministerial Conference of the WTO. I would like to thank the Chairman of the General Council, Director-General and WTO Secretariat for the preparatory work done in Geneva. Their tireless efforts over the past months laid the groundwork for a successful meeting here in Cancún.

We are here today, because we believe that the strategic objectives launched (as a new global round multilateral trade) in Doha and it has been launched and negotiated in Doha and will be successfully finalized in Cancún. We are strongly convinced that international trade has been the most important vehicle of growth and world economic integration for many decades, though at the same time we observe that its benefits still privilege the developed countries.

Doha has determined and shaped the future of the multilateral trading system and in Cancún efforts should be focusing to rectify the existing imbalance in the rules and systems. Imposition of new obligations on developing countries will be counterproductive for the functioning of both the multilateral trading system and the developing countries concerned.

The liberalization of trade in the world is one of the major priorities of all the countries including Bosnia and Herzegovina. Bosnia and Herzegovina's economy is highly trade-dependent. Export growth is the main driving force of our economic development agenda. The country's major trade policy objective is the integration of national economy into the global economy. As a small country, Bosnia and Herzegovina is strongly interested in maintaining a well-functioning multilateral trading system, which is committed to ensuring balance between rights and obligations.

We especially pay attention to the regional free trade agreements. In line with that, Bosnia and Herzegovina signed the Memorandum of Understanding on trade liberalization and facilitation in South-East European countries. We have signed free trade agreements with all countries of this region. We wish to point out that in those agreements we liberalized 100 per cent of the trade including the agricultural products which is completely in line with WTO rules, provisions and regulations.

Bosnia and Herzegovina started its process of accession to the WTO in July 1999 by obtaining Observer status, realizing all the importance of the liberalization of trade. Since then, we put all our efforts to adjust existing legislation and to adopt all necessary legislation in accordance with WTO rules, provisions and regulations. Also, we did a lot to raise the public awareness on WTO issues.

At present we are focused on the preparation of the necessary documentation as well as initial offers in the field of goods and services. It is our intention to speed up the procedure of conveying the

first working group, and in that course to speed up the process of accession of Bosnia and Herzegovina to the WTO. Bosnia and Herzegovina will be ready to become a fully-fledged Member of the WTO in 2004, assuming the observance of the balance of interest, cost and benefits of WTO membership. We agree that achieving an objective such as an accession to the WTO is not an easy task.

To make the accession process to WTO less painful, we would like to urge:

- The further increase of technical assistance to developing countries and countries in transition; and
- general increase in solidarity towards developing countries, countries in transition and LDCs.

Membership of Bosnia and Herzegovina in WTO and expected effects should be regarded in the context of the Bosnia and Herzegovina development policy, having the features of recovery, transition and growth. As a country, that experienced enormous destruction with an obsolete economy, Bosnia and Herzegovina is turned towards the international in the light of providing necessary development resources and competition capacities.

The prospect for development of Bosnia and Herzegovina economy in many respects depends on overcoming crisis situations in certain industries, structural reorganization and completion of reforms. For Bosnia and Herzegovina, it is extremely important that WTO Members refrain from requesting from Bosnia and Herzegovina overly rigid and excessive commitments, as compared to the obligations of existing WTO Members. It is also very important for the economy of Bosnia and Herzegovina to receive the right to appropriate transitional periods for tariff reduction and during the implementation of the TRIPS provisions.

From the developed countries and WTO we expect more attention and understanding for the problems of developing countries and/or their approval of a special and differential treatment to the developing countries and countries in transition - and consequently to Bosnia and Herzegovina.

Membership in WTO will have positive effects on:

- Removal of barriers in trade of goods and services;
- utilization of the most-favoured nation and national treatment;
- introduction of international standards;
- adjustment of the local economic regulations;
- better quality of local goods;
- higher competitiveness of local companies; and
- reduction of prices for goods and services.

In the course of the Round of the multilateral trade negotiations, interest of developing countries and countries in transition need to be taken into account including WTO extension to new Members on favourable terms.

In conclusion, we would like, once more, to stress that the accession to WTO is among the main priorities of Bosnia and Herzegovina, and that we will continue to put great effort in that process of accession to WTO, as well as in the future work of the Organization as a Member country.

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