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## BOSNIA AND HERZEGOVINA

Statement Circulated by H.E. Dr. Azra Hadziahmetovic  
Minister of Foreign Trade and Economic Relations

First of all, on behalf of the Government of Bosnia and Herzegovina I wish to express my gratitude to the Government of Qatar and people of Qatar for the warm welcome and excellent organization of the Fourth Ministerial Conference of WTO.

We are here today, because we believe that liberalization of trade in the world is one of the major priorities of all the countries including Bosnia and Herzegovina. We are strongly convinced that the future of Bosnia and Herzegovina is in the multilateral trading system.

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. As well, we made a lot to raise the public awareness on WTO issues. We must stress the importance of the technical assistance received from various countries and multilateral organizations like governments of USA, Switzerland, EU, WTO Secretariat, etc.

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. Until now we have signed free trade agreements with Croatia and Slovenia and we are in the process of negotiations with other countries of the 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.

However, there is still, certain dilemma whether we can benefit from globalization and from WTO membership or we can lose, is present in Bosnia and Herzegovina?

The fact that 142 (today 144) countries are Members of WTO and that number is permanently increasing, as well as the fact that more than 90 per cent of the world trade is exerted by the WTO Member countries should be the path for BIH.

So, the accession to WTO will certainly bring positive effects to the BIH economy. But the question is how the economy of BIH can survive until then?

- Membership of Bosnia and Herzegovina in WTO and expected effects should be regarded in the context of Bosnia and Herzegovina development policy, having the features of recovery, transition and growth. As a country, that experienced enormous destruction (the war damages were estimated to US\$50 billion), with obsolete economic structure and considerable development and transitional needs, BIH is

turned towards international environment in the market aspect and in the light of providing necessary development resources in the light of competition capacities.

- Liberalization within the framework of WTO membership should be understood as a two-direction process. BIH shall give concessions in liberalization of its own imports and will have benefits from the liberalization on multilateral basis carried out by all other WTO Member countries.
- Liberalization of international trade in agricultural products will create short-term negative effects on price raise for these products but at the same time, it will give a support to the development of the local production through liberalization of access to international markets.
- Membership in WTO will have positive effects on foreign investments relevant for trade and development.
- Membership in WTO will have positive effects on:
  - Removal of barriers in trade of goods and services;
  - utilization of the most-favoured 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.

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.

To make 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.

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 main priorities of Bosnia and Herzegovina, and that we will continue to invest every 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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