BOSNIA AND HERZEGOVINA
THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)
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The speech of the Governor of Bosnia and Herzegovina in EBRD, dr Zlatko Lagumdzija

Your Excellencies,
Ladies and Gentlemen,

This is the first time the EBRD meeting is held outside the “traditional” EBRD region of post-communist countries and it’s my great pleasure to be here in this beautiful city at the crossroads of East and West, Istanbul which by its position and energy reminds a lot of the capital of Bosnia and Herzegovina, Sarajevo.

The EBRD is currently the largest institutional investor in Bosnia and Herzegovina that continued to be active in B&H in 2012, with total investment of 125 million EUR, of which 80 million EUR in the field of infrastructure, 23 million EUR in the field of industry, trade and agriculture, and 22 million EUR for the financial sector. We want to continue and strengthen successful projects as well as opening new investments.

So far the EBRD has invested nearly 1.5 billion EUR through more than a hundred of projects in Bosnia and Herzegovina, focusing on infrastructural development, support to small and medium enterprises and strengthening the financial sector.

Bosnia and Herzegovina, as the country with the lowest redrowall of EBRD approved funds in the previous few years, became the country which in the last year made operational most of the approved funds, and seeking for more with special emphasis for the continuing succesfull ones and especialy for private sector investments.

The EBRD support to the private sector in Bosnia and Herzegovina, particularly to the companies with regional connections, is very important for Bosnia and Herzegovina, for the region and for the EBRD. In the last
few years the number of projects in the private sector consistently exceeded 80 per cent of all EBRD operations in Bosnia and Herzegovina.

With regard to the current issues which are in focus of the EBRD, it should be pointed out that Bosnia and Herzegovina possesses great untapped potentials in energy sector, especially in the field of hydropower – only 38% of these potentials have been used, and other renewable energy sources like solar energy, biomass, geothermal energy, wind energy, etc. should be paid more attention.

At the beginning of the year the EBRD announced its active involvement in renewable energy projects in Bosnia and Herzegovina.

Our country has significant potentials in renewable energy sources, but the legal and institutional framework for the implementation of sustainable energy projects should be reformed and improved.

I can say that, in terms of reforms in Bosnia and Herzegovina, we are still working in the field of the EU and NATO approximation and regional cooperation. These key priorities include political reform, increasing the competitiveness, reform of the social protection system and improvement of the country’s infrastructure.

As President of the EBRD, Mr. Suma Chakrabarti said at the meeting held on 18 April in London, the EBRD sees challenges in Bosnia and Herzegovina, but as a bank also sees the potential for investing in our country and especially in supporting development of small and medium enterprises.

Here, I would like to emphasize that the private enterprises is one of the major challenges in economic future of Bosnia and Herzegovina, and in order to reach desirable recovery of B&H economy it is necessary to provide support to: domestic production, specially exporters, development of untapped potentials in the energy sector, development of significant potentials in the field of food production, reconstruction of old ones and building of new touristic facilities, continuation of the privatization process, strengthening financial sector and work on developing the country’s competitiveness and elimination of administrative barriers for investors;
The EBRD announced the strengthening of cooperation with the private sector in 2013, with focus on investments in the energy efficiency and protection of environment, increase of competitiveness of local enterprises and support to the export-oriented projects and enterprises, that should encourage job creation opportunities, both directly in companies which are clients of the bank and indirectly.

We look forward to continue the successful cooperation with the EBRD in this area and in general.

Thank you.