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PRESS RELEASE

More intensive and effective support to enterprise development required

(Banja Luka, 5 December 2018) Enterprise Development Agency EDA from Banja Luka organised the conference titled “How to provide better support to SME development by all levels in BiH” together with the Ministry of Industry, Energy and Mining of the Republika Srpska, which was supported by the Swedish Agency for International Cooperation (SIDA) through the Embassy of Sweden. The conference was organised at the Administrative Centre of the Republika Srpska Government in Banja Luka.

In the introduction, H.E. Andreas Hagelberg, Ambassador of Sweden in BiH, emphasised: “What we are focused on are innovations and entrepreneurship, however, the SBA Project in BiH is also related to the improvement of business environment. In addition to the business climate, it is important to improve the rule of law and the judiciary system. In order to increase investments, it is necessary to build such an environment that can be trusted and that is predictable, and the key is for the rule of law to work. Sweden supports BiH and works on providing of support to many activities, such are the SBA Project in BiH and today’s conference, and we would also like to support enterprises and entrepreneurs. I am certain that today we will come up with new ideas about how to continue providing support in the future.”

Assistant Minister of Industry, Energy and Mining of the Republika Srpska, Zoran Savić, stated: “Small and medium-sized enterprises are the drivers of development of any country. The same goes for the Republika Srpska as well. Each year, in line with the recommendations of the EU Small Business Act, we improve the business environment. So, for example, the entrepreneurs are now able to register an entrepreneurial business activity in one day with the costs of maximum BAM 30. At the today’s conference, we would like to share our experiences, hear what are the problems the company directors and entrepreneurs face and what can we do to improve the business environment.”

Director of the Enterprise Development Agency EDA from Banja Luka, Zdravko Miović, emphasised: “Development of small and medium-sized enterprises is a complex and important issue, because without finding better ways of business operation and employment, it is hardly the case that all other problems could be resolved including, among other, the young people leaving the country. In order to provide better support to development of the small and medium-sized enterprises, work on it should be done at several levels. It is necessary to work on the legislative framework, including the harmonisation of the legislative frameworks at all levels of the country – the entities and Brčko District within their competencies and also to work on the harmonisation of the strategic framework, so they would all adopt and implement strategies in a similar, standardised way, within their competencies and in a much higher cooperation and dialogue with the private sector. We would like to jointly create the solutions and the kind of support the small and medium-sized enterprises need. This is the reason for the organisation of this conference.”

Director of the company Spektra DMG from Banja Luka, Goran Kecman, who also participated at the conference, emphasised the current challenges the businessmen face: “The current problem of businessmen is the labour force. We have a possibility to invest in new materials, technology, equipment, people, however, in all of this what is difficult for us is to deal with the developed countries that take away the good-quality labour force, which is also very important and necessary for them. People will stay here if we invest more in development and if we produce the products with a great added value that will enable us to pay the salaries to our employees.”

The conference was attended by more than 100 participants, including the representatives of: Republika Srpska Government, Brčko District Government, Foreign Investors Council in BiH, international organisations and projects in BiH, regional and local development agencies, RS Tax Administration, RS Chamber of Commerce, RS Investment and Development Bank, RS Guarantee Fund, RS Gender Centre, RS Employment Institute, RS Union of the Employers' Associations, RS Association of Cities and Municipalities, Faculty of Mechanical Engineering and Faculty of Technology of the University of Banja Luka, mayors of municipalities and cities in BiH and their associates, as well as company directors and entrepreneurs.

The conference was rather dynamic with the topics for discussion being diverse and asked in such a way to enable bringing closer the perspectives of the private and public sector and of the key international donors and projects that support the economic development. A more focused and systemically coordinated and organised local and international support to the SME development in the country is planned for the future. This conference is an opportunity to obtain insights and share opinions about the main directions, framework and priorities of that support.

Participants of the conference had an opportunity to use their experience, opinions and proposals to contribute to the creation of a more effective and comprehensive support to SME development. At the end of the conference, the following conclusions were made:

1. The participants have concluded that the conference has opened up a good-quality dialogue on how to provide better support to the SME development by all levels in BiH, as a generator of economic development and in-country employment and it has also offered a number of useful experiences and suggestions, which should be taken into account by the support policy-makers and donors.
2. The conference participants have supported the harmonisation of the legislative and strategic framework for the SME development, both externally within the European framework as well as internally between the different levels of governments and support institutions in the country. There are sufficient competences and challenges and enough work on supporting the SME development for all, however, it is important that the work is done in the same direction and orientation, each supporting within their own competences.
3. The question of availability and quality of the labour force has become a decisive factor for further business operations and development of the SMEs and the economy in general. This is a complex and urgent issue that cannot be further delayed, requiring instead urgent and harmonised work of all the stakeholders coming from the public and private sector, with the support of the international projects and the non-governmental sector. Jobs and careers in the private sector should become more attractive than the employment and career in the public sector and abroad.
4. Without investments and innovations, our companies will not be able to maintain and improve their export potentials and achieve a higher added value, without which there will be no possibilities for a significant increase of the employees' salaries. The conference participants have emphasised that the small and medium-sized companies need both financial and expert support for investment and innovations and also that this presents one of the largest challenges and priorities for the upcoming period.

5. Women entrepreneurship and entrepreneurship of the young are also one of the priorities of the domestic and international support for the future. The conference participants have welcome such an orientation and emphasised that the support should be systemic and continuous.
6. The participants have recommended that such a conference should be held at least once a year, with the participation of all the levels of government, support institutions, international projects and donors.
7. The organisers of the conference are tasked to adequately inform all the responsible institutions and the public about these conclusions.

THE END

Should you need any additional information, please, contact Miloš Šipragić from the Enterprise Development Agency *Eda* at: milos.sipragic@edabl.org or telephone: 051/300-241.

About the SBA Project in BiH

The main idea of the SBA Project in BiH is to use and adapt the Small Business Act (and SME Policy Index) as a common methodological framework to harmonise legal, strategic and policy framework for SMEs in BiH, by encompassing all stages of policy development (planning, implementation, M&E, revision) and facilitating interactions of all the key stakeholders.

The overall objective of the project is to accelerate economic integration with the EU in the field of SME support framework with higher impact on performances of SMEs in BiH, while the specific objective is a harmonised legal, strategic and policy framework for SMEs in BiH on the basis of the Small Business Act as the main guideline for the Western Balkan countries.

The key stakeholders of the Project are: Ministry of Foreign Trade and Economic Relations of BiH, Ministry of Development, Entrepreneurship and Crafts of the Federation of BiH, Ministry of Industry, Energy and Mining of the Republika Srpska, Brčko District Government – its Department for Economic Development, Sport and Culture, two local self-governance units. The Project is financed by the Swedish International Development Agency (Sida) through the Embassy of Sweden in BiH, whereas Eda – Enterprise Development Agency is responsible for the project implementation and facilitation of interactions.

Please, find more information about the SBA Project in BiH available at www.edabl.org.