

Harmonizing Croatia and EU Legislation, Regulations, and Standards, in Preparation for EU Accession

The American Chamber of Commerce in Croatia (AmCham Croatia) commends Croatia's efforts and commitment in its objective of being a full participating member of the Trans-Atlantic security and economic community, specifically the demanding and complex processes of accession to NATO and the EU. It is commendable that the EU negotiations are progressing positively and relatively quickly. As a business organization, representing approximately 200 companies in Croatia and committed to the service of its members, AmCham Croatia is also very interested in the Croatia-EU negotiations, especially regarding all the aspects involving the economy and the daily operational effects to the economy and businesses.

AmCham understands the complexities of complying with EU legislation/regulations, but strongly believes that such legislative/regulatory operational compliance is absolutely necessary to begin as soon as possible, in order for Croatian companies and the Croatian economy to be as competitive as possible at the moment of EU accession. Within these Croatia-EU negotiations, it is absolutely understandable and necessary that Croatia battles for the best position possible, by negotiating and achieving periods of transition, in order for its economy and for Croatian businesses to be competitive. However, since full integration and harmonization with EU legislation, regulations, and standards is inevitable, it is also necessary to simultaneously harmonize and implement considerably prior to actual EU accession. This is necessary in order to prepare Croatia's economy and businesses. More simply said, EU companies are already operating under these rules and regulations and the sooner that Croatian companies begin to operate their businesses similarly the more competitive they will be at the moment of accession.

These are also the reasons that privatization should not be hindered, even though the processes should be thorough and absolutely transparent. However, with the increased pace of the EU accession process, the slowing of the pace of privatization only hinders these state-owned and/or state-management companies from being in a competitive position at the time of EU accession. If privatization is not completed soon for these state-owned companies, they will lose the time needed for restructuring, in order to be competitive.

AmCham recognizes that EU compliance also raises many State Budgetary revenue concerns. However, reluctance to begin the process of operational compliance of Croatia's legislation/regulation only supports short-term budgetary revenue streams and prolongs the inevitable changes, which prolongs the moment of EU accession and reduces Croatia's level of economic competitiveness. Such reluctance also leads to the state's continued dependence upon these revenue streams and avoids the issue that these revenue streams will be eliminated at the time of EU accession. Therefore, as soon as feasible before actual EU accession, AmCham Croatia believes that full compliance and implementation is absolutely imperative and in Croatia's economic and national interest.

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The American Chamber of Commerce in Croatia (AmCham Croatia) is the independent voice of US and other international businesses in Croatia and of Croatian businesses abroad. AmCham Croatia is committed to ensuring an optimum business and investment climate in Croatia, promoting the highest standards of free-market commercial practice. AmCham Croatia facilitates the resolution of issues that impact business in Croatia and represents a membership that employs over 38,000 persons, generating over \$5 billion of revenue. Total US investment in Europe amounts to \$964 billion, and currently supports over 3.6 million jobs, with AmCham Croatia also being an integral member of the European Council of the American Chambers of Commerce, networking 37 countries throughout Western and Central Europe.



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