

## **ONASA - INTERVIEW: STIPE PRLIC, GENERAL MANAGER OF HPT MOSTAR**

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By: Zvonimir JUKIC

MOSTAR, Aug 26 (ONASA) – After two months of obstructions by some structures of the BiH Croat Democratic Union (HDZ), Stipe Prlic on Friday finally took over the position of the general manager of the Croat Posts and Telecommunications (HPT) d.o.o. Mostar.

He was appointed by the HPT Steering Board Mostar, named by the Federation Government. The first move that Prlic did when he took over the duty was launching the procedure of repossessing the HPT Mostar ownership over the GSM-operator "Eronet", whose privatization was illegally carried out. In an interview with ONASA, Prlic said he accepted the position because he has been employed in the PTT-system since 1979, and because he is aware of the situation in which HPT Mostar and its 2,000 workers are.

"My goal is to improve the status of workers, because I think they deserve that. So far, everyone else had more benefit of the HPT than its workers. Speaking about the repossession of the majority ownership in Eronet, Prlic said that those who have "practically given Eronet to three owners – Alpina Komerc – Siroki Brijeg, Cro-Herc and Hercegovina Osiguranje Mostar – are now aware that this was an illegal action and that it is normal to correct it."

"I think that there will be some resistance, but I think that it will be easier than the solving of problems related to the non-recognition of the new HPT Steering Board and my appointment," he said.

According to Prlic, HPT had owned 51% of the shares in Eronet since the beginning, while the Croatian HPT owned 49%. "We expect the Eronet to be returned to the HPT by the end of next month," he added.

Prlic announced that a meeting with the Eronet leadership will take place on Tuesday in order to solve the problem. When asked whether the Eronet has a chance to get the concession for the third GSM-operator in BiH, Prlic said it would be normal. "I say this because the BiH policy in telecommunications, published in the seventh edition of the BiH Official Gazette, reads that there are three ways to gain the concession. The first one is that the state-owned companies get the concessions automatically, the second way is that 100% privately-owned companies through tender receive the concession, and the third way, which refers to the Eronet, is that the companies with mixed ownership, in which the state is a majority owner, also receive concession automatically, and this will certainly happen. As soon as we repossess Eronet, we will send a request for the concession to the Communication Regulatory Agency (CRA), and we hope to receive a positive response, in accordance with legal provisions," Prlic explained. Speaking about the announced process of separating the post and telecommunications, Prlic said that the World Bank (WB) has in 1999, obligated both PTT BiH and HPT Mostar to by the end of 1999 separate the post and telecommunications in order to receive some credit arrangements.

"However, due to the situation in the system, the separation was postponed for the end of 2000. The studies on the separation are created, the Federation Government adopted them and we were supposed to launch the process at the end of the past year. But,... this has not happened, so the separation was stopped although none has made a decision to annul the studies and stop the process," he said.

According to Prlic, it has been recently agreed with Federation Prime Minister Alija Behmen to carry out the separation by the end of 2001. He said the Government told the HPT that it should not wait for the separation in order to find a strategic partner, but that it can start looking for one right away, so that the privatization of telecommunication sectors would be realized as soon as the separation is completed.

Speaking about the unification of the PTT system in the Federation, he said the separation will be followed by the reorganization. "Every normal state has a single post and telecommunications system. Since the

telecommunications will be sold, their owners will determine the reorganization, but I can say that as far as the post sector is concerned, today's system cannot stay for long and that the technological unification will certainly take place," he said.

The Mostar residents cannot in the same way call the telephone information service. Namely, for the phone numbers in east and west Mostar they must call different information service. "That is yet another absurd, which derives from everything that has been happening in the past period. However, the owner of the telecommunications will decide about the organization, but it is clear that it cannot function in this way. This is probably one of rare cases in the world that one telephone information service does not provide all phone numbers in one city. We will try to fix this absurd even before the privatization," he said.

Speaking about media reports that the profit of the HPT in the past year was very low given the profit of the PTT BiH, Prlic said it amounted to 6.300,000 KM.

"However, we will see whether there were some suspicious transactions after we review the business operations of the company," he added. In this regard, he said the profit is shared in three parts. "Some six percent goes to the Zagreb's Croatian Posts, 31% to the Zagreb's Croatian Telecommunications, and the rest to the state. This means that some four million KM goes to the state. Since the Government decided that 50% of the profit must be allocated for the pensions, we must give two million KM for that purpose. We will reach a clear agreement on this issue in coming days with the president of the Steering Board and the management," Prlic told ONASA.

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