

## **Press Statement on the Privatization Process in Republika Srpska**

On 4 November 1997, the High Representative, Mr. Carlos Westendorp, notified Republika Srpska of his position that the privatization process scheduled for November 10<sup>th</sup> 1997, of over 300 enterprises, from both a legal and technical point of view, was patently inadvisable. His position on the RS privatization process was endorsed by the World Bank, and other international organizations assisting in the reconstruction process.

The basis for the international community's position regarding the privatization process was clear. First, the legislation of Republika Srpska obviously violates the Peace Agreement since it discriminates against refugees and displaced persons from the territory of Republika Srpska who have not yet been able to return.

Secondly, the legislation's lack of a sound technical framework can only lead to large scale fraud and the wholesale give-away of public property. In light of these problems, the High

Representative and the international community requested the authorities of the Republika Srpska for a temporary delay in the privatization program so that international assistance could be provided to make this a credible process and lead to the successful transition to a free market economy. Obviously, the decision by the RS authorities to ignore the letter of the High Representative and the requests by the experts of the international community and to rush this process before the scheduled National Assembly elections represents full disregard for the Dayton Agreements, for the illegality of their intended privatization process and for the legitimate expectations of the people of the Republika Srpska.

All citizens of the Republika Srpska should be aware that the illegality of this privatization could lead to its nullification at any moment and are strongly advised to fully reflect on this risk before they would adopt any decision to engage their personal belongings or before giving any value to assets purportedly granted to them in such an illegal process.