Opening Remarks By Henry L. Clarke, Brcko Supervisor, At Press Conference At Ohr-North

It is a pleasure to announce that Brcko District's Privatization Office expects to offer the first public companies for privatization in early October. In the absence of agreement among the Entities and Brcko District on the use of vouchers and certificates, the Brcko Assembly has not been able to pass a law on privatization. For years it has been obvious that privatization and new investment are essential to revitalize these companies. I am determined to move the process forward. We will privatize up to 67 percent of the state capital in each company, and hold the remainder of the capital as property of the District until we have an agreement or a law regarding the use of vouchers and certificates. The Markovic shares held by citizens will be recognized, and will become part of the capital of the resulting private companies. I have signed a Supervisory Order to that effect and copies will be available to you.

In this Order, I am not closing any doors to vouchers or certificates, or to cooperation with the Entities. Rather, together with the Brcko Government, we are opening the doors to foreign investment and technology, and to local investors and their resources. The Brcko Assembly has passed, and I am confident will continue to pass, laws that will encourage investment and innovation. Brcko is becoming a great place to do business, and we will be working hard to promote our investment opportunities as broadly as possible.

Now that the long and difficult hiring process for the Government of Brcko District is nearly complete, it has become clear which former employees of the Entities, Cantons and

Municipalities will not have jobs. The termination date for their salaries will be October 31, 2001. In November and December they will receive severance packages from the Brcko District Government. I have written to the Federation and the Republika Srpska, asking them to begin the severance packages for their former employees beginning January 1, 2002, in accordance with the agreements reached in October last year. I have provided them with preliminary lists of their affected former employees, and I believe we are doing everything possible to carry out this difficult transition smoothly.

In Brcko there are still over 5000 outstanding claims for useable property. Only about 24 percent of all claims have been resolved. We need to do better. Together with OSCE, we are beginning a campaign in Brcko to inform people of their rights under the Law on the Return of Abandoned Property, and how to exercise their rights. The campaign is called “DOSTA JE.” You can get additional information from our press release.

Last week we had a second working-level meeting in Brcko among the countries of the Sava River basin. This time the meeting included Slovenia as well as Bosnia and Herzegovina, Croatia, and Yugoslavia. The Bosnia and Herzegovina Ministry of Civil Affairs and Communications is coordinating the proposals of each country for practical steps to restore navigation on the Sava River, and hope these will be funded as a regional project by the Stability Pact. Brcko has an excellent port for the transfer of cargoes between river vessels, the railroad, and trucks. By restoring navigation on the Sava, we can reduce transportation costs for this inland region. It can help make Bosnia’s industry more competitive and create new business.