

# **Brcko Supervisor Henry L. Clarke on RS Awarding Monopolies on Petroleum Products at Brcko press conference**

Compared with the rest of Europe, Bosnia and Herzegovina has a rather small economy. Unless we have a “single economic space” in Bosnia and Herzegovina, there is little chance that the Federation, or Republika Srpska, will have an economic future – and no chance at all for Brcko District.

So it is almost unbelievable when the Entities take actions to destroy, rather than create, a single economic space. In just the past few weeks, the Republika Srpska and the Federation have taken measures to stop all legitimate inter-entity trade in petroleum products – heating oil, gasoline and diesel fuel. The RS has awarded a monopoly on heating oil to one firm, and the monopoly on gasoline and diesel to three RS firms. No one else is allowed to sell these vital products in the RS.

As any beginning student in Economics knows, monopolies price their goods higher than competing firms. That is why they want the monopoly. A few weeks ago, gasoline and diesel prices in Brcko and the RS were about the same. Now, wholesale prices in the RS are already going up. RS residents will have to pay more for all these important fuels. More money for these products means less for other purposes, reducing economic growth.

As members of the press, it is your responsibility to help protect the public from this type of profiteering. Where does the extra money, earned by the monopolies, then go? Which

officials and political parties will share in the gains? I urge you to follow the money. I urge you to explain to your readers why this hurts everyone except those controlling the monopolies.

Last summer, the RS Government tried to surreptitiously privatize Brcko firms without consultations with either the Government or my office. We stopped that. Now they are attacking legitimate private firms based in Brcko, seriously damaging several large distributors of petroleum products. These companies set up their operations in the District to take advantage of honest and efficient customs clearance. They use Brcko as a base from which to supply customers efficiently in both Entities. That is what private businesses are supposed to do. By providing better services they strengthen their customers as well as their own industry. In a real market economy, they would have the right to do that. They would be entitled to damages arising from arbitrary measures which take business from some firms and give it to others. We will, of course, do our best to protect Brcko interests in this extremely hostile business climate.

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