

# OHR BiH Media Round-up, 19/7/2004

<b>RADIO HERCEG-BOSNA</b> (18,00 hrs)	<b>BH TV 1</b> (19,00 hrs)	<b>FED TV</b> (19,30 hrs)	<b>RT RS</b> (19,30)
New attacks in Iraq	Update to OSA	Operation Harvest	Patriarch Pavle in Sarajevo
Regional news	New RS NA chairman	Robberies in FBiH	Ashdown's statement
Mladic not in Serbia	HR's duty in BiH	Miletic on FBiH MoI audit	World news
Floods in Asia	Dejan Milenkovic trial	District Brcko budget	Police reform in BiH

<b>Oslobodjenje</b>	Bosniaks have announced vetoing the decision on renaming Foca
<b>Dnevni Avaz</b>	Havel: You have deserved the place within European family; Hadzipasic: the contract with LNM will be signed; Foca: Return name 500 years old; Dodik: Stojicic has plenty of crime behind him
<b>Dnevni List</b>	HIV explosion in Balkans/ Busovaca: About 80 persons underwent test
<b>Vecernji List</b>	Zagreb concerned about persecution of BiH Croats'
<b>Slobodna Dalmacija</b>	Features Croatia related headlines
<b>Glas Srpske</b>	Paddy Ashdown: There is no plan for ban of SDS; Madeleine Reese: Property should be confiscated from criminals; Patriarch Pavle declared Maksim Vasiljevic as Bishop
<b>Nezavisne Novine</b>	Robbers plundered Kojcinovic family: The night of horror and beating

## Political issues

**SDS nominates  
Dusan  
Stojicic as  
new RSNA  
speaker;  
reactions**

**Nezavisne Novine** pg 2 'SDS: We have 44 Serb votes for Stojicic', **Glas Srpske** pg 2 'Stojicic without support' – **Bosko Siljegovic**, member of SDS Presidency, on Sunday confirmed to NN that SDS has provided the majority of 44 votes to support **Dusan Stojicic** as new RS NA Speaker. He said that enough of Serb votes has been ensured, without going into details what parties would support nomination of Stojicic. PDP and SRS have previously announced they would support Stojicic. **Darko Jotanovic**, delegate of DPS, stated that the party would make decision on this issue at the DPS Presidency session. NN learnt from its sources close to DNS that this party would not support nomination of Stojicic. **Tarik Sadovic**, Head of SDA Caucus at RS NA, stated that: *"The six SDA Ministers might support **Stojicic** under condition that SDS and PDP give up on their demand for removal of SDA Ministers from RS Government."*

**BHTV 1** – *"I expect great support for the election of Dusan Stojicic; from position and opposition, since they have not declared to have their own candidates" said Bojic. "Our caucus thinks that the chairman should be elected from the greatest club of RS National Assembly, which is SDS," said **Nevenka Trifkovic**, PDP representative. Decision of SDA will depend on destiny of their 3 Ministers in RS Government. "I think that SDA presents party which only seeks to please its own interests, it often shows some irregularities and I am not assured that they will do so once more, since fight for participation in RS Government is obviously more powerful than some ideological attitudes the party should have," commented **Dzevad Osmancevic** from Party for BiH.*

<p><b>Dodik: Stojicic will not enjoy SNSD's support</b></p>	<p><b>Dnevni Avaz</b> pg 4 'Dodik: Stojicic has a plenty of crime and unsolved business behind him', mentioned on cover: Stojicic has plenty of crime behind himself' by <u>M. Zgonjanin</u>, <b>Oslobodjenje</b> pg 8 'Dusan Stojicic without SNSD's support' by <u>B. Kahrmanovic</u>, <b>Dnevni List</b> pg 20 'SNSD will not support Dusan Stojicic' <u>not signed</u>, <b>Nezavisne Novine</b> pg 2 'SDS: We have 44 Serb votes for Stojicic', <b>Glas Srpske</b> pg 2 'Stojicic without support', <b>EuroBlic</b>, cover and pg RS4 'Crisis in Srpska is just another fraud' by <u>Marija Jandric</u> – The president of the SNSD, <b>Milorad Dodik</b>, attending the SNSD election meeting in Prijedor on Saturday, said that he will not support the SDS decision to nominate <b>Dusan Stojicic</b> as RS National Assembly Speaker, instead of the removed <b>Dragan Kalinic</b>. Dodik said that his party cannot support someone who participated in the suspicious privatizations and sales of Radio Teslic's transmitters: <i>"Stojicic has a plenty of crime and unsolved business behind himself."</i> <b>RHB</b> – <i>"The SDS is continuing its practice of promoting criminal cadres with the aim of building a criminal structure,"</i> Dodik said. He concluded <i>"there can be no cooperation with the SDS in this regard"</i>.</p>
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<p><b>DNS on Stojicic's nomination</b></p>	<p><b>Glas Srpske</b> pg 2 'Political hypocrisy' – <b>Drago Kalabic</b>, DNS delegate at RS NA, stated that the appointment of new SDS personnel at vacant positions and nomination of <b>Dusan Stojicic</b> as new RS NA Speaker would mark <i>"recognition of arguments presented by High Representative that he had removed a criminal group of people"</i>. At Saturday's press conference in Banja Luka, Kalabic stated that by election of Stojicic as new RS NA Speaker, the existing parliament majority would commit a political "patricide", since they got rid of <b>Radovan Karadzic</b> and took part in the political liquidation of <b>Dragan Kalinic</b>. He said it is extremely hypocritical from SDS and PDP to keep insisting on demands for removals of SDA Ministers at RS level, and continue to cooperate with <b>Adnan Terzic</b> at BiH level.</p>
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<p><b>SNSD holds political gathering in Prijedor</b></p>	<p><b>Oslobodjenje</b> pg 8 “Everything for better Srpska, and better Srpska for all” by <u>B. Kahrmanovic</u> – On Saturday evening SNSD held elections meeting in Prijedor, also attended by its president <b>Milorad Dodik</b>.</p> <p><b>Nezavisne Novine</b> pg 4 ‘Dodik: SNSD surely wins at elections’ – At the gathering Dodik said that SNSD would surely win at the upcoming October elections. He said: <i>“During the rule of SNSD in executive authority of Prijedor, this city has become an open city from the black hole at the political maps of the world.”</i> Dodik reiterated that RS is a permanent creation, noting that whenever the issue on survival of this entity is raised, the issue regarding BiH is also raised. He noted: <i>“Everybody can live normally in the RS, regardless of who is whom and who does what, under condition s/he accepts RS.”</i></p> <p><b>Dnevni Avaz</b> pg 4 ‘Dodik: Stojicic has a plenty of crime and unsolved business behind him’, mentioned on cover: Stojicic has plenty of crime behind himself’ by <u>M. Zgonjanin</u> – Commenting the initiatives to separate RS from BiH, Dodik says that Republika Srpska doesn’t to be disposed to the projects <i>“which will bring the attention from the rest of the Europe and the world”</i>: <i>“It is fully clear that RS can be part of only Dayton BiH and in this sense I think that this is one emotional, hasty and fixed political demand.”</i></p>
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**Blic  
interview  
with Dodik**

**EuroBlic**, cover and pg RS4 'Crisis in Srpska is just another fraud' by Marija Jandric – SNSD President **Milorad Dodik** said in an interview for EuroBlic reiterates that SNSD would not support **Dusan Stojicic** as a candidate for RS NA Speaker. Asked to say to which extent claims on denying support to SDA Ministers are realistic, Dodik said: *'This is a matter of the Assembly majority and daily-political speculations PDP and SDS are attempting to present to people. It seems as if they are fighting against SDA and, at the same time, they are maintaining their majority at the level of BiH CoM... This is just another small fraud, because this authority has got used to functioning in this way'*. Milorad Dodik is of the opinion it is very important, from the point of view of RS interests, not to have SDA at the authority of both RS and BiH. The article carries the inset 'Ashdown chased criminals away' quoting Milorad Dodik as saying that the latest decision of HR **Paddy Ashdown** was not an attack against RS, but it was good that this happened. He says he regrets that people, such as **Radomir Njegus** who is covering up crime, have remained.

**Ashdown on  
removals of  
59 officials  
from RS  
parties**

**RTRS, Dnevni Avaz** pg 2 'Ashdown: I will do everything to ensure BiH irreversibly starts moving towards the Europe' **by Onasa, Dnevni List** pg 20 'International Community does not want to abolish or ban work of SDS' **by De.L** – In an interview with the Beta agency, the High Representative **Paddy Ashdown** made the assessment that the international community did not have the long-range goal of abolishing or banning the work of the SDS. Ashdown specified that his recent dismissal of 59 officials belonging to that RS party did not represent *"an attack on the RS, on that party, or on the Serb people"*. He stressed that he had acted because he could not permit the future of the whole of BiH to be held hostage by a few irresponsible people, those who believe that it is more important to engage in corruption and in making certain that war criminals remain at liberty than in matters such as job creation and security and peace for all citizens. As he stated, his goal was the removal of those who were making it impossible for BiH finally to fulfill its international obligations towards the ICTY. Commenting on the recent initiative in the RS for calling a referendum on separating that entity from BiH, Ashdown said that *"a monoethnic referendum of that sort would not represent a good basis for making a decision and that it would not have legal force,"* and he pointed out that *"the BiH that emerged as a result of the Dayton Agreement can be changed only with the consensus of all its citizens"*. *"I want to point out in that regard that it is my job to ensure that this country irrevocably sets out on the road towards Europe, and I am going to do everything possible so that this country's progress in that sense will not be frustrated because of the activities of small groups of individuals,"* Ashdown stated.

**Reactions to  
renaming Foca  
into  
Foca/Srbinje**

**Oslobodjenje** cover page story, pgs 4-5 'Bosniaks announced vetoing decision on changing Foca's name' by Elma Kazagic – Daily writes that chairmen of the Municipal Assemblies of Kopaci and Foca believe that the decision of the RS Government to change the name of city Foca to Foca/Srbinje is contradictory to the decision by the BiH Constitutional Court. Chairman of the Kopaci Municipal Assembly **Safet Starhonic** comments that everything in RS turns around SDS, and adds Bosniaks are not satisfied with this decision and are waiting for the OHR reaction. Lutvo Sukalo, Chairman of the Foca Municipal Assembly also says to be surprised with the decision, noting that the term Foca/Srbinje was imposed by the HR but only as the temporary decision. Sukalo adds that RS Council of Peoples will block the decision.

**Dnevni Avaz** pg 2 'Return the 500 years old name of the city', mentioned on cover, by J.S. – SDA Foca has sent letters to a number of domestic and international organizations with a request to launch initiative for protection of vital national interests of Bosniaks in Foca. Such demand follows decision of the RS Government to rename name of city Foca to Foca/Srbinje. SDA claims that the city should bear only name Foca, as it has no national or ethnic context. SDA further claims that the decision to call city Foca/Srbinje *"is harsh violation of the decision by Constitutional Court in BiH, which stipulates that the name of city or municipality cannot include name Srbinje which is as such unacceptable for Bosniaks."* SDA representative in RS National Assembly **Sadik Ahmetovic** expressed believe that this proposal will not pass parliamentary procedure.



<p><b>DL: FBiH politicians' reactions to crisis in RS Govt</b></p>	<p><b>Dnevni List</b>, pg 4 'Functioning and work of state institutions will not be blocked', by <u>Danka Polovina-Mandic</u> – According to DL, political leaders from the FBiH believe the current political crisis in the RS, which was caused by recent removals of 59 officials, mostly from the SDS, is likely to have an effect on whole of BiH, however they believe there will not be serious problems or blocking of work of state institutions. According to the Speaker of the BiH Parliament's House of Representatives and member of HDZ BiH Presidency, <b>Martin Raguz</b>, who does not expect bigger problems, everyone who brings into question the functioning of state institutions would have to assume the political responsibility that could mean a political elimination from further reform processes in BiH. According to Vice President of SDA, <b>Seada Palavric</b>, one could always expect the SDS to block the work of the Government or Parliament, but it has not happened in the last two years. In that context Palavric says: <i>"Their behaviour after all these events does not show that the SDS has changed radically, same goes for the PDP, therefore I do not expect a blockade of work of Parliament"</i>.</p>
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<p><b>BHTV 1 on HR Ashdown's increased role as EUSR</b></p>	<p><b>BHTV 1</b> by <u>Marina Boskovic</u> – BHTV 1 report deals with the public address by the <b>Paddy Ashdown</b>, High Representative, in which he announced that as of now he would act more in the role of the EU Special Representative. BHTV1 says that according to the analyses this means that HR would impose fewer sanctions in the future. However, journalist notes that HR did not mention reduction of his own administration, nor did he mention some other more concrete changes. For instance, as <b>Vildana Selimbegovic</b>, Sarajevo based journalist, says there is no reason for BiH citizens to pay for visas, and that concerning that issue International Community could help BiH citizens. This HR's announcement is being referred to as extension of his mandate in BiH. Most BiH citizens believe that it is a time for the International Community to change its attitude towards BiH, however a small number of citizens actually believe in capabilities of the domestic authorities.</p>
<p><b>Update to local elections</b></p>	<p><b>EuroBlic</b> RSpG 1 'Municipalities cannot do it by themselves' by <u>Rajna Radosavljevic</u> – <b>Vehid Sehic</b>, President of BiH Election Commission, confirmed to <b>EuroBlic</b> that the amount of BAM 2,135,200 (out of total of BAM 3,322,000) has been so far paid into the BiH Election Commission grant for the upcoming local elections. According to him, municipalities still need to pay BAM 6 million intended for the so-called direct expenses of elections. There are 13 municipalities in the BiH, that are unable to pay the necessary amount owing to poor material situation. Owing to this reason, entity institutions have obligated to pay these amounts instead of these 13 municipalities.</p>

## War crimes

<p><b>Status conference for 6 indictees Croats today</b></p>	<p><b>Oslobodjenje</b> pg 5 'Status conference for Prlic and others', <b>Dnevni List</b> pg 2 'Prosecution against pre-trial release of 6 Croats', mentioned on cover 'Prosecution against pre-trial release' by <u>I. Glibusic</u> – DL carries that during the ICTY Status Conference, that is to take place today, the demand for pre-trial release of 6 Croats (<b>Jadranko Prlic, Bruno Stojic, Valentin Coric, Berislav Pusic, Slobodna Praljak</b> and <b>Milivoj Petkovic</b>) charged with war crimes will be discussed. DL also says that the ICTY Prosecution is against pre-trial release of all 6 indictees and their lawyers opposed this stand in a written form. <b>Zeljko Olujic</b>, who is a lawyer of Bruno Stojic in this process, stated that he does not know whether the ICTY will decide on their aforementioned demand soon or not since the ICTY does not have a deadline within which it has to pass the decision on this issue.</p> <p><b>Dnevni Avaz</b> pg 2 'Halilovic and Kristo went to the status conference in the Hague' by <u>H.O.</u> – FBiH Government will be represented at the session by FBiH Interior Minister <b>Mevludin Halilovic</b> and Justice Minister <b>Borjana Kristo</b>. FBiH Government previously offered guarantees for all BiH Croats indicted, as all of them surrendered voluntarily.</p> <p><b>Oslobodjenje</b> pg 5 'Kristo and Halilovic turn guarantees for Prlic' by <u>R.I.</u> – Daily says that Kristo and Halilovic will offer guarantees for Jadranko Prlic and Valentin Coric. It further speculates that according to the source close to ICTY, the tribunal will most probably reject to approve both Prlic and Coric to defend while at large. Daily also says that Republic of Croatia will not offer guarantees for Prlic.</p>
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<p><b>AP speculates on Karadzic and Mladic's whereabouts</b></p>	<p><b>Dnevni Avaz</b> pg 8 'Karadzic and Mladic seek asylum in Russia?!' by <u>AP</u> – DA brings claims from the Associated Press news agency according to which <b>Radovan Karadzic</b> and <b>Ratko Mladic</b> have recently asked from their counterparts in Russia to help them be granted with the asylum. AP says it learned this from a source in Serbian Government, adding that <b>Slobodan Milosevic</b>'s family currently also resides in Russia . AP's report also says that according to the information from both international and local institutions, Karadzic often hides in eastern Bosnia , Foca region, and that he has disguised, travels only during the night and hides in monasteries and caves. AP also claims that Karadzic also sometimes visits his wife and daughter in Pale, and mother in Montenegro . AP also stresses that according to the information from US, both Karadzic and Mladic very often cross BiH – SCG border.</p>
<p><b>Festival dedicated to Karadzic</b></p>	<p><b>Oslobodjenje</b> pg 8 'Shameful celebration of war crime indictees' by <u>R.I.</u> – Daily writes about upcoming event to take place in village Sule on 21 July which will be dedicated to songs on <b>Radovan Karadzic</b>. The village will host what it calls the first festival named "Songs on Radovan", learns Vecernji list. OHR Spokesperson <b>Kevin Sullivan</b> was asked to comment: <i>"Any event that celebrates people accused of war crimes is tasteless and contrary to the interests of BiH citizens."</i></p>

<b>Serbian Defence Minister: Mladic is not in Serbia</b>	<b>RHB – Ratko Mladic</b> is not hidden in one of military facilities in Serbia and Montenegro, stated <b>Prvoslav Davinic</b> , minister of defence in Serbia and Montenegro . Davinic added that everybody is aware of the fact that Serbia cannot join Europe if it fails to fulfil its obligations toward the ICTY.
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## **Police and legal issues**

**Update to  
OSA**

**Nezavisne Novine** pg 3 '130 dismissals at OSA soon' – NN collocutor from OSA (BiH Intelligence and Security Agency) claims that around 130 currently employed staff should be dismissed in the near future, because they have over 20-years employment record. The majority of these are of Bosniak majority, according to NN source from OSA. NN collocutor further claims that dismissals of 130 staff make a space for **Almir Dzuvo**, OSA Director, to appoint new staff according to his wishes. According to NN inset 'New conflict between Dzuvo and Zaric', Almir Dzuvo and **Risto Zaric** have recently had another conflict, after Dzuvo appointed **Zoran Kuljanin** to the position of the Head of Office for International and local organisations. Zaric is of the view that this position should have been allocated to former OBS staff (RS Intelligence Agency).

**BHTV 1** – BHTV 1 recalls the article published by Nezavisne Novine on 12 July which say that Almir Dzuvo ordered investigation against ex employees of RS Intelligence Service. The article further quoted a source which said that deputy OSA director and former OBS senior official Risto Zaric complained to **Mladen Ivanic**, foreign minister that Dzuvo was bypassing him with regard to all tasks. However, Ivanic denies this: *"Mr. Zaric, Deputy of OSA Director, did not complaint on any kind of wiretapping of RS Intelligence Agency's agents, and these information published in the newspaper should be checked."*

**Miletic  
denies  
Halilovic's  
accusations  
over  
overspending  
budget**

**FTV** – FBiH Police Director **Zlatko Miletic** claims that he did not have budgetary means at his disposal for FBiH MoI during the last year. Miletic denied the claims by **Mevludin Halilovic**, FBiH Minister of Interior, who said after audit reported irregularities of spending 760.000 KM from FBiH MoI budget that only Directors of Police and Administration had an authority over the budget, while he only signed pay checks. *"Regulations given by law in that area are absolutely clear; neither director of police nor director of administration are authorised to bring any kind of decision concerning that issue, minister is the only person authorized for that,"* said Miletic. He also said that he had not seen audit report but he admits that there were problems in use of budget means. Miletic explains that some overspending of the designated budget occurred, especially since MoI deals with some of the duties to be taken over by SIPA.

**DL interview  
with SIPA  
Director  
Novic**

**Dnevni List** pg 7 'Department for criminal charges to start operating by end of year', mentioned on cover, by D. Polovina-Mandic carries an interview with SIPA Director **Sredoje Novic**. Asked whether SIPA will start operating by the end of the year, Novic said: *"It will not completely. Our absolute priority is establishing of the department for criminal investigations that will be able to carry out investigations on war crimes, money laundering, organized crime etc. together with BiH Prosecution."* Novic added that this department of SIPA should start operating by the end of the year. Asked whether SIPA will be able to arrest war criminals, Novic says that as far as he and SIPA employees are concerned there is no dilemma that in due course of the time SIPA will be able to arrest war crime suspects and added that together with international factors and domestic police forces SIPA is preparing the joint activity with regard to exchange of information.



**VL: Croatian  
PM Sanader  
concerned  
with  
persecution  
of BiH  
Croats**

**Vecernji List**, front 'Zagreb concerned with persecution of BiH Croats' and pg 3 'Sanader against political processes against Croats in BiH', by Zoran Kresic – The article says that the Croatian Prime Minister, **Ivo Sanader**, in talks with BiH diplomats (VL does not state whom), expressed concern with the course of judicial proceedings against a former leader of BiH Croats, **Ante Jelavic**, in the 'Hercegovacka bank' case and possibility of new political processes of other BiH Croats' political officials prior to the local elections and new constitutional reforms. The information was confirmed by a source close to participants of unofficial talks that took place in Zagreb. Noting that Republic of Croatia kept neutral with regard to the situation in BiH because of HDZ Croatia's 'mortgage' when it comes to its attitude towards BiH, VL speculates that a sudden change could be caused by allegations that the Prosecutor in charge of the 'Hercegovacka bank' case, **John McNair**, is using documents of the 'Aid' Bosniak intelligence service, which could draw Croatia into the equation, i.e. into the scheme of funding of 'Herceg Bosna'. VL also reports that officials of the HDZ BiH have been contacted too, who in turn announced possibility of persecution of the HDZ BiH, especially the Croat member of BiH Presidency, **Dragan Covic**.

<p><b>NN interview with Madeleine Reese</b></p>	<p><b>Nezavisne Novine</b> cover and pg 4 ‘Property should be confiscated from criminals’ – In an interview to NN, <b>Madeleine Reese</b>, Head of UNHCHR in BiH, says that <i>“there is no successful prevention of trafficking in people until the property, criminals obtained over engagements in these acts, is confiscated from them and allocated to victims.”</i></p> <p>She notes that the women victims of trafficking must be provided all assistance necessary and also enabled to make decision whether they would testify – without any pressure and blackmails. According to NN inset “Problems with UN”, Reese notes that while she was working with UN, <i>“the problem was that there was no readiness within UN System to regard the problem of trafficking in people in the manner admitting members of IPTF and other foreigners in BiH used the services of trafficked women. The only thing needed to be done was to follow up on market and observe that 60 thousand men came to this state at one point in time.”</i></p>
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## Economic and social issues

**Hadzipasic  
on sale of  
BH Steel**

**Dnevni Avaz** pg 3 'Obstructions cannot prevent signing the contract with LNM', mentioned on cover, by A. Dzonlic – DA says in learned that the signing of the contract for a sale of majority shares of BH Steel to British-Indian company LNM has been put into the question due to new demands from BiH side. Apparently, last week LNM was submitted with the request from Zenica Steel factory [non-privatised part of the company, different from BH Steel] and its director **Safet Berbic** to cover 60 million KM of additional debt and to solve the status of 1400 workers. LNM says these demands were not mentioned earlier and it was close to giving up on entire deal. FBiH Prime Minister **Ahmet Hadzipasic** comments: *"Obstructions, regardless as to where they are coming from, will not stop the signing of the contract. The only issue now is a failure to hold a KIA Governing Board session. As soon as they give green light, the contract will be signed."* Hadzipasic concludes that LNM was informed by the government that it will not pose new demands.

**On Eronet  
issue**

**Vecernji List** pg 3 'Contract with HT is not valid' by zk – Director of Herzegovina osiguranje **Robert Gavranovic** confirmed that he sent an official letter in which he stressed that the Eronet's Management was not allowed to sign the contract with HT Mostar without prior consulting with the owners. Gavranovic added that this is a disastrous move that can have far-reaching consequences. Gavranovic stressed that they are not against signing of the contract with HT but they only want it to be signed under different conditions. According to Gavranovic, the fact that HT Zagreb, which is a co-owner of both companies, approved signing of the contract is especially irritating.

**Nezavisne Novine** pg 2 'Croatia wants to merge "Eronet" and HT Mostar' by M. Cubro – **Marijan Jurleka**, Director of Corporative Communication HT Mostar, confirmed that the goal of Croatian Telecommunication Zagreb, that hold ownership shares at "Eronet" and Croatian Telecommunication Mostar is to merge these two companies.

<p><b>VL interview: President of 'Eronet' Management's Bozo Knezevic</b></p>	<p><b>Vecernji List</b>, pg 5 'Clients trust Eronet', mentioned on front, by <u>Zoran Kresic</u> – carries an interview with the President of 'Eronet's' Management, <b>Bozo Knezevic</b>, who comments on the opposition of three co-owners of 'Eronet' (Hercegovina osiguranje, Alpina komerc and Municipality of Grude) to the fact that 'Eronet' signed an agreement on cooperation with 'HT Mostar'. The three co-owners stated that the agreement was signed against the Statute of the company and without their consent. Knezevic notes the most important things is that the agreement has been reached, foremost in the interest of clients of 'Eronet' and in interest of future of the company. However, Knezevic notes that the situation will be clearer on Wednesday, when the Supervisory Board (of Eronet) is scheduled to meet.</p>
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<p><b>VL on impacts of VAT in BiH</b></p>	<p><b>Vecernji List</b>, pg 2 'VAT bypasses luxury', by <u>Eldina Medunjanin</u> – carries a feature on introduction of VAT in BiH, noting that BiH authorities decided to ignore warnings of international financial institutions, which proposed that the VAT be introduced on January 1, 2006. However, the BiH Council of Ministers decided to go ahead with the introduction as of July 1, 2005.</p> <p>VL notes that one of problem in the implementation of the project could be a fact that there is no decision on allocation of collected funds to the entities, as well as the cantons in the FBiH. On top of that, the opposition in BiH says the citizenry will not benefit as much as the authority claims it would, and the daily cites that the Alternative Presidency of BiH, which works within the Radom za Boljitak party, warned that the VAT, at single rate of 17%, will additionally tax the food, whilst in the same time, taxes on some luxury items will be decreased.</p>
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<p><b>Update on pensions issue in F BiH</b></p>	<p><b>Glas Srpske</b> pg 5 'Federation will not sign' – GS reports that although World Bank has set a deadline to BiH Federation to sign Memorandum of Understanding between Pension and Disability Funds of BiH, it has failed to do so by 1<sup>st</sup> July.</p> <p><b>Srecko Latal</b>, Spokesperson of the WB, says that WB recommended F BiH to sign the Memorandum.</p> <p><b>Slavko Basic</b>, Acting Director of RS PIO Fund, says that Memorandum would make F BiH MIO Fund to pay out pensions to its beneficiaries.</p>
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