

# OHR BiH Media Round-up, 22/7/2004

<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)
HB purchase cancelled	RS police action	Trial of Naser Oric	RS police action
RS police action	BiH investigative team	Audits in FBiH	Accident near Srbinje
BiH /Cro agreement	FBiH HoR in session	Sugar affair update	Sugar affair update
World news	World News	Car accident in Zenica	Appointed commanders

<b>Oslobodjenje</b>	Ivanic and Dokic responsible for frauds worth million; Prodex did not export a kilo of sugar to EU!
<b>Dnevni Avaz</b>	Dudakovic: Count on us in a future!
<b>Dnevni List</b>	Beginning of works on Corridor Vc in 2006
<b>Vecernji List</b>	5 persons dead within 24 hours only
<b>Slobodna Dalmacija</b>	2 persons infected with AIDS in Busovaca
<b>Glas Srpske</b>	Joint action in Bileca and Gacko: MoI and SIPA were looking for Mladic and Karadzic; Kemal Causevic: Customs clerks under investigation
<b>Nezavisne Novine</b>	Pupil Zorka Dragojevic drowned in Vrbanja river: Ill temper of Black whirlpool
<b>Blic</b>	Darko Mladic: I do not want to talk about father; Owner of the dog shot the girl

## Affairs and audits

<p><b>BiH Prosecution establishes team to investigate 'sugar affair'</b></p>	<p><b>FTV, RTRS, Oslobodjenje</b> cover, pg 6 'Prodex did not export even a kilo of sugar in to EU!', inset 'BiH Prosecution starts with an investigation' by <u>Fena</u>, <b>Dnevni Avaz</b> pg 4 'For a year now we have been investigating sugar circulation in BiH', inset 'BiH Prosecution established an investigation team' – The BiH Prosecutor's Office formed a team for investigating the alleged involvement of companies from BiH in frauds regarding the imports and exports of agricultural products in and out of the EU participating countries, including the imports and exports of sugar. The team is headed by the Prosecutor of the Special Department for Organized Crime, Economic Crime and Corruption <b>Georg Hallbach</b>. The Office will also cooperate with Indirect Tax Authority. The Chief of the BiH State Border Service <b>Mile Juric</b> confirmed that this service is also informed about the sugar affair, adding that in 2003 and 2004 SBS officers have prevented illegal import of about 100 tons of sugar from BiH to Serbia and Montenegro.</p> <p><b>BHTV 1</b> -The investigation has also been carried by the European Commission. <i>"Part of European Commission conducts investigations on corruption inside EU. It is up to them to decide in which way they will investigate this,"</i> said spokesperson for EC delegation in BiH <b>Franco Maroevic</b>.</p>
<p><b>Ashdown on sugar affair</b></p>	<p><b>BHTV 1, RTRS, Dnevni Avaz</b> pg 4 'Misuse of subventions cannot have negative impact to beginning of SAA' by <u>S.N.</u> – – The High Representative <b>Paddy Ashdown</b> also warned against possible consequences, however he stressed that it was necessary for wait for the findings of the investigation. "There are some indications that this affair perhaps has no such big impact has been suggested in some media lately. However, EC carries an investigation and we will see."</p>

<p><b>Prodex owner denies involvement in sugar affair</b></p>	<p><b>Oslobodjenje</b> cover, pg 6 'Prodex did not export even a kilo of sugar in to EU!' by Az. Kalamujic – <b>Petar Corluka</b>, owner of company Prodex from Grude, stated for Oslobodjenje that his company did not export even a kilo of sugar to EU [his company was previously mentioned by daily as one of the main ones participating in the sugar affair, in which companies from EU sell the sugar to countries outside of EU, which than repack it and sell it back to EU as their domestic products]. Corluka adds that the company works with <i>"about 5000 clients in BiH and that none of them is a fictitious company."</i> He also says he was surprised with the statement by the Chair of the BiH Council of Ministers <b>Adnan Terzic</b>, who said that BiH needs 35000 tons of sugar to satisfy its needs annually which is a bit less than half of the quantity Prodex imports in six months period. Oslobodjenje also carries an inset in which it says that according to the customs information, company Violeta from Grude – which is in ownership relation with Prodex – is also one of the big sugar purchasing companies.</p> <p><b>Dnevni Avaz</b> pg 4 'For a year now we have been investigating sugar circulation in BiH', mentioned on cover 'Sugar circulation has been investigated in BiH for a year now', by <u>Sead Numanovic</u> – Avaz also carries denial of involvement in the affair by Corluka.</p>
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**ITA Director  
on sugar  
affair**

**Dnevni Avaz** pg 5 'Geniuses overlooked the fact that there were no sugar plants in BiH' by F. Cardzic – Director of the Indirect Taxation Administration **Kemal Causevic** states that ITA shares a big credit for revealing the 'sugar affair' in BiH: *"The truth is that the activities that gave such result followed after EU representative warned BiH authorities on the large sugar export from BiH to EU. After that we have established that sugar export from BiH was not problematic, as only 240 tons in 2003 were questionable."* After that, says Causevic, through customs declaration, enormous quantities of sugar imported to BiH have been established – about 230.000 tons in 2003. *"These affairs have not damaged the budgets in BiH. However, the budgets of some of EU countries were damaged – before all of Belgium, UK, Italy, France, Hungary... We have an obligation to sanction those who participates this dirty business from BiH,"* said Causevic confirming that the biggest importers of sugar in BiH were Prodex from Grude, ManMarket, PelePromet, CangePromet and TockPromet.

**Nezavisne Novine** cover and pg 4 'Customs clerks under investigation' – In an interview to NN, Kemal Causevic says that any customs clerk or even anybody at this planet can falsify certificate which enables exemption from paying customs during imports. He further claims that the ITA Internal Control is engaged in investigation whether any entity customs administration clerk is responsible over "sugar affair". He also notes that the ITA is conducting investigations against some of its officials, which is part of its regular duties. He does not want to give any specific detail (regarding names or akin), but confirms media speculation he will hold the meeting with **Marinko Jurcevic**, BiH State Prosecutor, regarding this sugar affair.

<p><b>Spiric: 'Sugar affair will serve to establish BiH MoI'</b></p>	<p><b>FTV, Oslobodjenje</b> pg 8 "Sugar affair' makes our lives difficult' by <u>S.R.</u>, <b>Dnevni Avaz</b> pg 4 'Sugar affair will serve to establish BiH MoI' – BiH House of Representatives Deputy Chair <b>Nikola Spiric</b> declared that the "sugar affair" could cause great problems to BiH, and that it can greatly complicate the beginning of negotiations on Stabilization and Association if it is determined that BiH has illegally used the preferential trade regime. <i>"I wish to warn the executive authorities in BiH this is why sanctions must be confirmed, instead of telling the political story"</i>, Spiric told a press conference. Spiric thinks that the sugar affair goes back a long time, and that the international factors have known about the volume and the extent of this affair for a long time. <i>"It is my personal assessment that this will serve for establishing a single Ministry of Interior BiH. I think this will be sufficient pressure for all political factors in order to establish a single MoI"</i>, said Spiric.</p>
<p><b>FBIH Customs director on sugar affair</b></p>	<p><b>Dnevni Avaz</b> pg 4 'For a year now we have been investigating sugar circulation in BiH', mentioned on cover 'Sugar circulation has been investigated in BiH for a year now', by <u>Sead Numanovic</u> – Director of the FBIH Customs Administration, <b>Zelimir Rebac</b>, did not want to comment to the document he signed, in which owner of Prodex company <b>Petar Corluka</b> has been indicted as a suspect in sugar affair: <i>"This is something that a tea of 30 people in coordination with CAFAO and BiH Prosecution worked on. I don't know the details. I just signed the joint findings."</i> He adds that the sugar circulation in BiH has been examined for a year now. He adds that he orders an investigation inside the FBIH Customs to establish whether any customs officers have been involved.</p>

<p><b>Audit of FBiH institutions negative in 14 out of 15 cases – chaotic situation in VF and FBiH MoD</b></p>	<p><b>FTV, Dnevni Avaz</b> pg 8 'FBiH MoD paid salaries to those who stopped working in 2000' by <u>not signed</u></p> <p>– The general assessment of financial activities of FBiH institutions, institutes, services and public companies during the past year is unsatisfactory, FBiH General Auditor <b>Ibrahim Okanovic</b> said in Sarajevo on Wednesday.</p> <p>Presenting main findings from audit reports on FBiH institutions, institutes, services and public companies in 2003, Okanovic said that 14 out of the 15 reports completed so far are negative. These are report on the Service for Common Affairs of FBiH Bodies and Institutions, the FBiH Ministry of Interior, the FBiH Ministry of Defence, the FBiH Army and the FBiH Pension/Disability Insurance Funds. The remaining nine reports, including reports on the FBiH Government, FBiH ministries and BH Telecom and HT Mostar have been assessed as conditionally positive.</p> <p><b>Oslobodjenje</b> pgs 4-5 'Military salaries still paid to 77 persons dismissed in 2002', mentioned on cover, by <u>Az. Kalamujic</u> – The biggest number of problems auditors reported to have discovered in the FBiH Defence Ministry and FBiH Army. They added that it is apparent that both structures maintain parallelism of Bosniak and Croat components. In addition, auditors revealed that both Ministry and Army directed about 640.000 KM for 'overdue' salaries for 77 persons dismissed in 2002. As for bookkeeping for 2003, auditors described the situation as chaotic. Article also gives details of reports of other institutions.</p>
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<p><b>Narodni front NGO accuses ivanic, Dokic for frauds</b></p>	<p><b>Oslobodjenje</b> cover page story, pg 7 'Ivanic and Dokic responsible for frauds worth millions' by <u>V. Zivak</u> – The President of the NGO Narodni front from RS, <b>Dragomir Babic</b>, claims that current BiH Ministers of Foreign Affairs and Transport and Communications, <b>Mladen Ivanic</b> and <b>Branko Dokic</b> respectively, were responsible for the frauds worth millions of KM during their mandates in RS authorities as Prime Minister and Minister of Traffic and Communications. Up to now, Narodni Front in Banja Luka has filed about 20 charges against Ivanic, Dokic and others accusing them of frauds in Telekom Srpske, Elektrodistribucija and other companies. In addition, Babic claims that both Ivanic and Dokic have support by the High Representative <b>Paddy Ashdown</b> and adds that this was a reason they were not dismissed in the latest "<i>Ashdown's purge.</i>" Article carries the details of the claims into the frauds, and a comment by the HR Ashdown: "<i>Babic's accusations are absurd... It is up to court to decide whether there were misuses or not.</i>"</p>
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## War crimes

<p><b>RS police action in Trebinje region</b></p>	<p><b>Glas Srpske</b> pg 2 'They searched army too', pg 2 'Nobody was arrested', <b>Vecernje Novosti</b> pg 15 'Looking for Karadzic and Mladic' – During the operation on Wednesday, RS police searched several facilities in Bileca and Gacko areas, but have not found any person indicted by The Hague Tribunal, RS Police Director <b>Radomir Njegus</b> stated. He specified that having received information from SIPA that the most wanted war crime suspects, <b>Radovan Karadzic</b> and <b>Ratko Mladic</b>, were currently in the areas of Gacko and Bileca, the members of the RS MoI raided Motel "Klinja" near Gacko and the military facilities in the region of Bileca. Njegus said that no war crime suspects had been found, nor had any documentation been seized. The operation begun around 05:00 a.m. yesterday morning and was completed around 11:00 a.m. The operation was led by the Trebinje PSC, in cooperation with the police in Hercegovina region. Around 150 to 200 policemen took part in the action. Head of PSC Trebinje, <b>Jovo Spasojevic</b>, confirmed that SFOR or EUPM did not take part in this action.</p> <p><b>Nezavisne Novine</b> cover and pg 3 'MoI and SIPA were looking for Mladic and Karadzic', inset 'Mikerevic: Regular activities of MoI' – According to NN, <b>Dragan Mikerevic</b>, RS Prime Minister, stated that the RS police action in Herzegovina was carried out in accordance with regular activities and with an aim to implement the Law on cooperation with the ICTY and arrest war crime suspects.</p> <p><b>BHTV 1</b> – <i>"These actions are neither individual actions nor periodic. In the next period they will be regular part of activities of RS MoI,"</i> stated Mikerevic. When talking about war crimes, the RS President <b>Dragan Cavic</b> did not want to not want to comment reports that Serbia and Montenegro negotiates with Ratko Mladic about his surrender. <i>"Ask Mr. <b>Boris Tadic</b>, he is president of Serbia "</i>, said Cavic.</p> <p><b>RHB, FTV, RTRS, Dnevni Avaz</b> pg 2 'Police officers looked for Karadzic and Mladic in the RS Army barracks and motel in Klinj' by <u>F. Vele</u>, <b>Vecernji List</b>, pg 3 'Motel and military barracks raided', by <u>bs</u>– also reported.</p>
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<p><b>SCG Defence Minister denies Mladic in Serbia</b></p>	<p><b>BHTV 1, Oslobodjenje</b> pg 3 'SCG Army is not hiding Mladic' <b>A. Prlenda</b>, <b>Vecernje Novosti</b> pg 15 'We do not hide fugitives' – Commenting on claims of <b>Carla del Ponte</b> that SiCG Army is protecting <b>Ratko Mladic</b>, the Defence Minister of Serbia and Monte Negro <b>Prvoslav Davinic</b>, during his visit to BiH, stressed that additional searches proved Mladic is not in SiCG military facilities, nor is SiCG protecting him in any manner. He reiterated commitment of SiCG for full cooperation with the ICTY. He also called on <b>Carla del Ponte</b>, saying that: <i>"For some time, Mrs. Del Ponte claims we are aware of Mladic's whereabouts. We suggested her several times to discretely pass information she holds to us, instead of doing that via media, because in that manner she warns him action might be undertaken."</i> BiH Defence Minister <b>Nikola Radovanovic</b> said: <i>"We have today concluded that all activities regarding harmonisation of text of agreement on cooperation in the field of defence proceed as planned."</i></p>
<p><b>Trial of Naser Oric starts on 5 October</b></p>	<p><b>FTV, Dnevni Avaz</b> pg 2 'Naser Oric's trial starts on 5 October', mentioned on cover, by <b>E.H.</b>– The trial of <b>Naser Oric</b>, former BiH Army commander in Srebrenica indicted for war crimes will start on 5 October in the ICTY. Oric has already appeared before the court pleading not guilty to all counts of indictment, which charges him for the violation of rules and customs of war.</p>
<p><b>Ashdown welcomes RSNA adoption of resolution on cooperation with ICTY</b></p>	<p><b>RTRS, Dnevni Avaz</b> pg 2 'Praises to RSNA for adoption of resolution on cooperation with ICTY', <b>Glas Srpske</b> pg 2 'Law obliges', <b>Nezavisne Novine</b> pg 3 inset 'Ashdown: I welcome RS NA Resolution' – The High Representative <b>Paddy Ashdown</b> did not want to comment to the police action in Trebinje region to arrest war crimes indictees. However, he praised the RS National Assembly for adoption of the resolution on cooperation between RS and ICTY: <i>"I still did not see the text of the resolution, so I cannot comment entirely. However it is encouraging that only one delegate voted against it."</i></p>

## Security and defence issues

**Security  
preparations  
for Old  
Bridge  
opening  
ceremony**

**Dnevni List**, pgs 14-15 'Mostar ready for Old Bridge', mentioned on front, by S. Bjelica, **Slobodna Dalmacija**, pg 7 '18 snipers around the bridge', mentioned on front, by Z. Zekic, **Vecernji List**, pgs 4-5 'Mostar awaiting spectacle', by Meri Musa – All media carry extensive reports about the preparations for the Old Bridge opening ceremony that is to take place on Friday. About 250 Special Police forces will be deployed to secure the event, which includes sniper teams, scuba divers and helicopter units. According to the Commander of FBiH Interior Ministry's SWAT team, **Dragan Vikić**, the SWAT team have in past two days inspected the vicinity of the Old Bridge, noting that the sniper teams will be deployed at different locations, from which all of the area will be covered.

**RHB, FTV, BHTV 1, Sarajevo** print media – all reported on the security preparations for the opening ceremony.

**SCG and BiH  
Defence  
Ministers  
meet**

**RHB, BHTV 1, Oslobodjenje** pg 3 'SCG Army is not hiding Mladic' A. Prlenda,, **Dnevni Avaz** pg 4 'Davinic: Mladic is not hiding in SCG Army's facilities' by M. Kukan, **Nezavisne Novine** pg 3 'Davinic: SiCG Army is not protecting Ratko Mladic', **Vecernji List** pg 3 'BiH and SCiG will be producing arms' by E. Medunjanin, **Dnevni List** pg 5 'First steps in military cooperation' by E. Mackic, **Slobodna Dalmacija** pg 6 'Joint goal joining NATO' by D.P. – The first, post-war bilateral meeting of BiH and Serbia and Montenegro Defence Ministers **Prvoslav Davinic** and **Nikola Radovanovic** was held in Sarajevo on Wednesday. During the meeting it was agreed to especially work on cooperation in the area of military production, primarily through export on the markets of the third countries. Also, it was announced that a tri-lateral meeting of BiH, SCiG and Croatia on further reduction of arms and military equipment, below limits allowed by the Dayton Peace Accord, will be held. It was concluded that all these forms of cooperation should help these two countries to join Partnership for Peace.

<p><b>BiH Presidency in session</b></p>	<p><b>Dnevni Avaz</b> pg 2 'Annual cost of BiH unit to Iraq will be about 5 million KM', <b>Dnevni List</b> front and pg 2 'Beginning of works on Corridor Vc as late as in 2006' by <u>E. Mackic</u>, <i>Vecernji List</i> pg 3 'Construction of Corridor Vc in 2006' by <u>eme</u> and <b>Slobodna Dalmacija</b> last pg 'Session of BiH Presidency was held' by <u>D.P.</u> – The BiH Presidency adopted yesterday the report of the BiH Council of Ministers on sending of one de-mining unit of 36 soldiers to Iraq. Commenting on this issue, Serb member of the BiH Presidency <b>Borislav Paravac</b> stated: <i>"The situation in Iraq is changing and if BiH sends this unit to Iraq, BiH would be in the fold of the UN."</i></p> <p><b>RTRS, Oslobođenje</b> pg 6 'Appointments of Podzic, Puljic, Dzoic confirmed' by <u>Dk. Omeragic</u>, <b>Dnevni Avaz</b> pg 8 'Podzic, Puljic and Dzoic at the top' by <u>Fena</u> – BiH Presidency also confirmed appoints of generals <b>Sifet Podzic, Slavko Puljic</b> and <b>Vlado Dzoic</b> to top positions with BiH Army.</p>
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<p><b>Mikerevic: RS MoI will be of my choice</b></p>	<p><b>Oslobodjenje</b> pg 6 'RS minister of interior will be my choice' by Fena – RS Prime Minister <b>Dragan Mikerevic</b> stated on Wednesday that he will propose a candidate for the new RS Interior Minister, who would replace <b>Zoran Djeric</b>. "When it comes to the Minister of internal affairs, that will be my choice," said Mikerevic to journalists in Banja Luka. RS Vice President <b>Adil Osmanovic</b> repeated that top RS MoI position should be filled by a Bosniak.</p>
<p><b>13 VF generals retired</b></p>	<p><b>Dnevni Avaz</b> cover page story 'Dudakovic: Counts on us in the future too', pg 3 'Thirteen generals and three brigadiers of the FBiH Army retire' – The Chairman of the BiH Presidency <b>Sulejman Tihic</b> and mufti <b>Mustafa</b> effendi <b>Ceric</b> organized an official farewell for 13 generals and three brigadiers of FBiH Army who have been retired.</p> <p><b>Oslobodjenje</b> pg 3 'You defended BiH' – also reported.</p>
<p><b>Tragedy at Vrbanja river</b></p>	<p><b>BHTV 1, Glas Srpske</b> cover page story 'Ill temper of Black whirlpool' – GS reports on yesterday's tragedy at Black whirlpool at Vrbanja river near Banja Luka, when a pupil <b>Zorka Dragojevic</b> from Golesi settlement (near Banja Luka) drowned. Divers recovered her body from the river bed.</p>

<p><b>GS reports on arms smugglers arrested</b></p>	<p><b>Glas Srpske</b> cover page report ‘Arms smugglers arrested’ – GS learnt from unofficial sources that upon an order of BiH Court, <b>Kemal Alagic (aka Divljak), Refik Mesic and Elvedin Pajic</b> were yesterday arrested in Prijedor on grounded suspicion of being involved in arms smuggling. Several rifles and one forged passport were found in their possession at the time of arrest.</p> <p><b>Alagic</b> has also been suspected of being a main copula between auto-mafia from RS and F BiH.</p>
<p><b>Another false bomb alarm</b></p>	<p><b>Nezavisne Novine</b> pg 2 ‘False alarm on planted bomb’ – The Banja Luka police yesterday searched the facility of Sports and Recreational Centre “Seher” in the settlement of Seher, after it had received a false alarm on explosive device planted in this facility. Police confirmed that unknown person called on 15:30 hrs from the protected phone number. Police inspected the location in question and established alarm was false. The search completed sometime after 16:00 hrs.</p>

## Economic and social issues

<p><b>FBiH HoR rejects law on internal debts</b></p>	<p><b>Dnevni List</b>, pg 4 'Hadzipasic: We cannot be held hostages of several hundred of people', by <u>Erna Mackic</u> – MPs in the FBiH parliament's House of Representatives failed to adopt the law on determining and settling of internal obligations of FBiH at a session held yesterday. Commenting on the fact that the MPs, despite several warnings, refused to adopt the law, the FBiH Prime Minister, <b>Ahmet Hadzipasic</b>, expressed doubts that several hundreds of savers with claims over 100.000 KMs influenced such a decision of the FBiH Parliament. <i>"They were probably logistically active towards the politicians and parties and I cannot understand how we are becoming hostages of the people who affect decisions of the Parliament, which has big implications"</i>, says PM Hadzipasic, warning that the <i>"interested parties"</i> could be exerting pressures on the Government and Parliament to lift the moratorium on internal obligations, which could be a grave danger for the FBiH budget. DL also carries Principal Deputy High Representative, <b>Donald Hays</b>, who says: <i>"There will be constant requests for payment from the treasury, which will be a result of court cases. Meaning, money that is not there will be requested. You will have pensioners who are not getting pensions, bankers who are getting back the loans, and that will have an affect on foreign investors"</i>.</p> <p><b>Oslobodjenje</b> pg 9 'Federation facing overall collapse' by <u>A. Terzic</u> – Hadzipasic warned that if a solution to the issue of internal debt in FBiH is not solved urgently, it will mean an accumulation of the cases at the court which will just present further costs for the FBiH. The total debt is 3 billion KM, which is 2,5 years of total FBiH annual revenues.</p> <p><b>RHB, BHTV 1, FTV, Dnevni Avaz</b> pg 9 'Delegates rejected the draft law on internal debt' – also reported on this issue.</p>
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<p><b>BiH and Croatia sign on veterinary cooperation</b></p>	<p><b>Oslobodjenje</b> pg 5 'Undisturbed trade of cattle and meat' by Fena, <b>Dnevni Avaz</b> pg 4 'Vine from BiH will be exported to Croatia', <b>Dnevni List</b> pg 3 'Increase of BiH's export to Croatia announced', mentioned on cover 'Bozic: To increase BiH's export to Croatia', by <u>V. Vujovic</u>, <b>Vecernji List</b> pg 2 'Finally without obstacles for export of food from BiH to Croatia', mentioned on cover 'Export of food to Republic of Croatia without obstacles' by <u>D. Jazvic</u> and <b>Slobodna Dalmacija</b> last pg 'Traffic of animals will be easier in future', by <u>D. Pasic</u> – Federation of BiH Minister of Agriculture <b>Marinko Bozic</b> received yesterday Croatian Minister of Agriculture <b>Petar Cobankovic</b>. After the meeting Bozic expressed pleasure over the visit of his Croatian colleague and over the fact that BiH signed two important agreements with Croatia, that is, the agreement on veterinary cooperation and joint financing of maintenance and functioning of a drainage system Komarna-Neum-Mljetski Kanal. The dailies say that the yesterday's meeting was also used for overcoming of the problems that existed, especially with regard to possibilities to increase export of some goods from BiH to Croatia.</p>
<p><b>BiH presidency of Vc corridor</b></p>	<p><b>RHB, Dnevni List</b> front and pg 2 'Beginning of works on Corridor Vc as late as in 2006' by <u>E. Mackic</u>, <b>Vecernji List</b> pg 3 'Construction of Corridor Vc in 2006' by <u>eme</u> and <b>Slobodna Dalmacija</b> last pg 'Session of BiH Presidency was held' by <u>D.P.</u> – The BiH Presidency adopted yesterday the information on activities of the BiH Council of Ministers and BiH Ministry of Traffic and Communications on preparations for construction of Corridor Vc and the plan of future activities. According to Serb member of the BiH Presidency <b>Borislav Paravac</b>, the state Government has collected money for drafting of a feasibility study and preparing of a tender has been underway. Paravac added that in spite of these preparations, the beginning of works would not be possible before 2006.</p>

<p><b>Oslobodjenje on decrease of FBiH institutions' budgets</b></p>	<p><b>Oslobodjenje</b> cover, pg 5 'Smaller salaries to all budgetary users?' by <u>A.P.</u> – Daily writes that the IMF delegation that was visiting BiH was dissatisfied with the unclear treatment of the salaries for budgetary users in the light of recent decision to decrease budgets for FBiH ministers for 10%. Daily further claims that IMF expects to soon see budget rebalance to take place, however due to political reasons the authorities are avoiding this: <i>"If there are elections in October, than it seems that we will not have that rebalance before November,"</i> a financial expert is quoted as saying. FBiH Government recently brought decision to decrease all costs of budgetary beneficiaries, however it did not specify whether this would include the salaries or not.</p>
<p><b>Avaz denies there will be pensions increase in FBiH</b></p>	<p><b>Dnevni Avaz</b> pg 2 'The announcements on 4% increase of pensions are speculations' by <u>Az. B.</u> – Director of the FBiH Pensions-Invalids Fund [PIO] <b>Nadir Kovacevic</b> denied the speculations which appeared in media that there will be 4% increase of the pensions in FBiH. <i>"I don't know even how much money we have on the account to pay the pensions. The revenue has been good for the time being, but that doesn't mean that there will be an increase of pensions,"</i> said Kovacevic.</p>
<p><b>Property experts' group btw. BiH and Croatia established</b></p>	<p><b>RHB, Oslobodjenje</b> pg 3 'Settling property issues' by <u>D. Zadravec</u>, <b>Vecernji List</b> pg 2 'Agreement on property and legal relations by end of year' by <u>f.</u>, <b>Nezavisne Novine</b> pg 4 'Experts property group established'; <b>Glas Srpske</b> pg 3 'Property as main point' – Croatian Minister of Justice <b>Vesna Skare-Ozbolt</b> agreed with BiH Minister of Justice <b>Slobodan Kovac</b> that the agreement on regulating of property and legal relations between the two countries should be signed by the end of the year. They also agreed to establish expert groups consisting of the staff of both ministries which will be tasked to finalize the details of that agreement.</p>

<p><b>Beginning of construction works at B. Luka-Gradiska highway on Sunday</b></p>	<p><b>RTRS, Glas Srpske</b> pg 2 'First metres on Sunday' – <b>Dragan Mikerevic</b>, RS Prime Minister, yesterday announced that the construction of the highway Banja Luka-Gradiska (on the route from Mahovljani airport to Glamocani of 5.7 km) will commence on Sunday, 25 July. He also said that RS Government has provided resources for this part of the construction works. Also reported by Sarajevo <b>print media</b>.</p>
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<p><b>Political issues</b></p>	
<p><b>Ashdown on EUSR mandate</b></p>	<p><b>RTRS, Dnevni Avaz</b> pg 2 'BiH's exit from Dayton era and entrance to Brussels era' by <u>S.N.</u>, <b>Vecernji List</b> pg 2 'OHR's transformation begins' by <u>R. Radic</u> and <b>Dnevni List</b> pg 3 'Bigger authorities of EU Special Representative' by <u>I. Tabucic</u> – High Representative <b>Paddy Ashdown</b> confirmed at the press conference held on Wednesday that that the first phase of the OHR's transformation into the Office of the EU Special Representative will start next year.</p> <p>The HR also said that BiH cannot join European integration with the HR at its head. According to Ashdown, by the coming of EU forces in BiH, BiH will start to move faster towards Brussels. The dailies also carry that during the press conference on Wednesday the HR also launched the new EUSR Website <a href="http://www.eusrbih.org">www.eusrbih.org</a>.</p> <p><b>Oslobodjenje</b> pg 3 'Authorities will not be reduced' by <u>M.K.S.</u> – Ashdown said that his <i>"current function will change and as the time passes it will increasingly evolve into the role of the EU Special Representative... As BiH moves away from the era of Dayton and into the era of Brussels, the nature of his work will change as well... This does not represent reduction of the High Representative's authorities."</i></p>

VN int with  
Ivanic

**Vecernji List**, pg 6 'If RS remains, we will not seek separation', mentioned on front, by Zoran Kresic – carries an interview with BiH Foreign Minister and President of PDP, **Mladen Ivanic**, who, amid announcements of removal of SDA Ministers from the RS Government, says: *"We will not stay without Bosniak ministers. We will have Bosniak ministers, because it is a constitutional category, it is not an elimination of Bosniak ministers, it is a replacement of ministers from one party. Parties are not constituent, the peoples are"*. Ivanic adds that the removal of SDA ministers will not destabilize the RS, but quite the opposite. Commenting on the journalist's conclusion that, according to his (Ivanic's) words, SDA officials are working on abolishment of the RS, Ivanic says: *"It is a recognizable concept. A new climate through acting of international institutions is being created, especially through the OHR, in which the SDA can say what it wants and the vocabulary of SDA leaders is almost identical to the one used by the OHR"*. Commenting on the establishment of the Police Reform Commission, Minister Ivanic says: *"I honestly do not know how the Commission was formed, why it was imposed, why there was no effort to go through institutions of BiH. It appears it was an independent initiative by the **Chairman** (of BiH CoM) and **High Representative for BiH**."* Commenting on new constitutional reforms as advocated by the HDZ, Ivanic says: *"Constitutional reforms which would lead towards abolishment of the RS or dramatic reducing of current constitutional position are not acceptable to any party of the Serb people. Everything else that means an efficient BiH is acceptable"*. Questioned to comment how he sees the change from the 'Dayton BiH' to 'Brussels BiH', Ivanic says: *"That thesis is completely misrepresented and it is fake. Brussels BiH can only succeed if it starts from the Dayton one"*. Finally, Minister Ivanic acknowledges that the Croatian PM, **Ivo Sanader**, in recent talks with him in Zagreb, asked the BiH side to do what it could that prominent political figures of the Croat people get a chance to defend themselves from the outside, which was related to **Ante Jelavic**. Ivanic says he told PM Sanader that the political leadership in BiH could do nothing in that regards, because such is the position of the BiH judiciary.

<p><b>Oslobodjenje claims Ashdown to remove another 40 officials</b></p>	<p><b>Oslobodjenje</b> pg 3 'Ashdown replaces Ivanic?' by <u>V. Zivak</u> – Daily carries that, according to the source from the international community, the High Representative <b>Paddy Ashdown</b> could soon go public with the list of new 40 persons to be removed from their political positions. The source further says these those to be removed will include <b>Mladen Ivanic</b>, BiH Foreign Affairs Minister, but also the persons that have just been appointed to the positions vacant after Ashdown removed about 60 officials from RS at the end of June. The measures, speculates the source, would include the additional sanctions for persons removed from their positions such as <b>Djuro Bulic</b> [former director of RS Customs] who apparently still uses official vehicle, and <b>Dragan Kalinic</b> who is still present in SDS head quarters</p>
<p><b>Comments on Government re-shuffle</b></p>	<p><b>EuroBlic</b> RSpg 3 'SDA is hoping, PDP is persistently refusing' – <b>Tarik Sadovic</b>, Head of SDA Caucus at RS NA, in a statement to EuroBlic expressed his belief that the political tensions in RS have reached the phase of pacification, noting that the leading political parties, SDS and PDP would realise removals of SDA ministers from RS Government would further destabilise the situation. He said: <i>"I believe political reasoning would prevail in both, SDS and PDP, for what we hold some concrete indications. The statements Prime Minister <b>Dragan Mikerevic</b> gave lately are extremely contradictory statements."</i> <b>Nevenka Trifkovic</b>, PDP Secretary General, reiterated PDP claims for removals of SDA Ministers, noting that position <b>Dragan Mikerevic</b>, RS PR took on the eve of RS NA was clear.</p> <p><b>Nezavisne Novine</b> pg 4 'Removals depend on SDA approach' – <b>Dragan Mikerevic</b>, RS PM, said that RS Government re-shuffle is almost evident, noting there are less and less reasons for keeping SDA Ministers at Government. He also noted that removals of SDA Ministers would depend on further developments at the political plan, mainly on SDA approach towards crucial issues in BiH.</p> <p><b>Nezavisne Novine</b> pg 4 'RS NA to convene on Tuesday'; <b>Glas Srpske</b> pg 3 'Resumption at the end of July' – The RS NA Collegium decided that the session, which was discontinued on 30 June should resume on Tuesday (27 July), while new regular session should take place on Wednesday (38 July).</p>

**DA editorial  
on  
'political  
games in RS'**

**Dnevni Avaz** pg 3 'Cavic's and Mikerevic's political simulation' op-ed by Edina Sarac – Author refers to the initiative to remove three SDA ministers from RS Government, whereas she points that **Dragan Cavic**, RS President, first supported this, while RS Prime Minister **Dragan Mikerevic** opposed to it. Several days later, they changed their stances. *"At first glance, it looks like a surprise. But, it is not. Everything is more than obvious. Dragan Cavic, as a man who fought for his position of the first man of SDS, which is still ruled by **Dragan Kalinic** from shadow, had to support... PDP demands, as Kalinic's people asked for that. On the other hand Cavic, who proved to be extraordinarily capable politicians..., also estimated that removal of SDA ministers ... could jeopardize his position... When it comes to Mikerervic, party's boss Mladn Ivanic obviously showed... that he is still in charge of his party and that his word is still the last one. Of course, one cannot forget that local elections are before us,"* reads editorial.