OHR BiH Media Round-up, 24/7/2003

| BH TV 1 (19,00 | | |
|--------------------|--|--|
| hrs) | | |
| Tax fraud in Vitez | | |
| Zagreb meeting on | | |
| return | | |
| 5c corridor | | |
| Indirect taxation | | |

| Oslobodjenje Salaries of Hadzidedic, Kreso and Zaric (directors of Sarajevo Gas and FBiH Elektroprivredas) amounting up to four thousands KM; BOSMAL faces risk, BiH to make profit for sure Dnevni Avaz A 120-day deadline given to BOSMAL "Nobody mentions 150 million KM of World Bank given for Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji List "Cyanic acid is threatening Neretva river again"; 'Bosmal gets construction of Corridor" |
|--|
| four thousands KM; BOSMAL faces risk, BiH to make profit for sure Dnevni Avaz A 120-day deadline given to BOSMAL "Nobody mentions 150 million KM of World Bank given for Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| Dnevni Avaz A 120-day deadline given to BOSMAL Dnevni List "Nobody mentions 150 million KM of World Bank given for Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| Dnevni Avaz A 120-day deadline given to BOSMAL "Nobody mentions 150 million KM of World Bank given for Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| Dnevni List "Nobody mentions 150 million KM of World Bank given for Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| Corridor Vc"; "Because of suspicion of tax evasion complete documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| documentation of company was taken"; "Round table on privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| privatization held in Mostar" Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| Vecernji "Cyanic acid is threatening Neretva river again"; 'Bosmal |
| |
| List gets construction of Corridor" |
| |
| Slobodna "Old savings are being written off"; "Taking away of money |
| Dalmacija is criminal act"; "PDHR Donald Hays with Mostar |
| businessmen: Municipal authorities are 'milking' investors" |
| Glas Srpske Trebinje" Dollars from Napoli; Lack of wheat to result in |
| increase of bread price: Drought to result in increase of |
| prices |

| Nezavisne | Initiative of "Bosmal" accepted: Council of Ministers is |
|-----------|--|
| Novine | violating the Law on concession; MOBI's affair: Mikerevic: |
| | Government will not protect anybody at Republika Srpska |
| | Telekom; Republika Srpska Government: Increment in salary |
| | to Premier and Ministers; ICG: Dodik has no alternative |
| Blic | Babies are recovering from sepsis, control in the hospital |
| | intensified |

BiH/international community

OHR on the ending the current form of international community's engagement in BiH

Oslobodjenje pg. 2 'BiH cannot allow itself to go back', Dnevni Avaz pg. 2 'Ashdown's course produces results', FENA — OHR spokesperson in Banja Luka Sonja Pastuovic said on Wednesday that both domestic and international representatives now have the task to ensure that that the engagement of the international community in BiH in its present form is ended in the best possible way. Commenting on the latest International Crisis Group (ICG) report on the situation in BiH, Pastuovic told FENA that OHR welcomes such a debate as an indication that progress is being made in BiH and that the course set by the High Representative is achieving results. She reminded that the High Representative said yesterday that his focus remains on reforms, especially on introducing VAT, reforming the customs and defence. Pastuovic stressed that BiH cannot afford to move backwards.

Oslobodjenje editorial: 'Let Paddy rule'

Oslobodjenje pg. 2 Editorial by <u>Gojko Beric</u> 'Let Paddy rule' — "The ICG advocates for the revision of the BiH constitutional structure meaning for annulling the Dayton's partition of BiH. The hot issue, according to the Group, would first go in hands of the local authorities and only if they fail, it would be taken over by Paddy Ashdown. Speaking otherwise: Gentlemen, either you implement reforms or let Paddy rule," concludes Beric.

Terzic on ICG report

Dnevni Avaz pg. 2, mentioned on the front page 'BiH CoM is for the first time acting as a single team' — "In principle, I cannot fully agree with the ICG assessments. The fact is, however, that the Council of Minister could have been more efficient and operational. This particularly applies for the ministries that has not been established only recently," said BiH Council of Ministers Chairman Adnan Terzic in a statement for the newspaper asked to comment on the ICG assessments related to the insufficient CoM activity and a lack of its self-initiative to launch reforms.

Dnevni List, Vecernji List, Blic on ICG report

Blic pg. 7 'Nationalist parties bother' and 'Ashdown goes beyond limits', Dnevni List (page 7, by De.L., "Paradox of final phase of efforts exerted by International Community") carries that the International Crises Group (ICG) has published the report on the engagement of High Representative Paddy Ashdown in BiH, which says that it is too early to talk about the results of the cooperation that the HR established with the parties in power. Head of the ICG project for BiH Mark Wheeler says that the HR is intending to be the last HR and that his goal is to get rid of that job. Wheeler says that this means that the final stage of late efforts of the International Community to build a selfsustainable BiH will be filled in with paradox. Wheeler also said that the HR is trying to achieve what should have been done under better circumstances, at the beginning and that is to establish the rule of law, recover economy, strengthen competence of public services and give BiH the attributes necessary for membership in the EU. Wheeler added that the HR cannot implement reforms because domestic authorities have to do it and that is where the HR is involved in the strategy of a high risk. Vecernji List (page 2, by Milan Sutalo, "Production of reforms and yes-men") — a comment on the ICG's report. The author wonders what would happen during the next elections if the OHR decided to say in the meantime "all right, from now on you are leading the State". Sutalo argues that the IC, embodied in Lord Ashdown, did a disservice to BiH by refusing to let the initiative to local authorities to reform the State, thus making BiH its own prisoner. The author thinks the local politicians have become incapable opportunists who barely read laws let alone make them.

ICG on Dodik

Nezavisne Novine, cover and pg. 6, 'Dodik has no alternative' — ICG report says that SNSD has managed to maintain the level of its success following October elections. However, according to ICG, "those who know Milorad Dodik well say that Dodik is not a nationalist, but he has no alternative, because he speaks what his voters want to hear."

On PDP and Party for BiH, ICG says that only one man dominates in each of these two parties.

Although they declare to be parties of centre, they are not observed as such in another entity.

Namely, PDP is viewed in the Federation of Bosnia and Herzegovina as more clever and flexible younger brother of SDS, whilst Party for BiH is regarded in Republika Srpska as an SDA clone.

Press conference of IOs in Mostar

Dnevni List (page 16, by <u>D. Kozina</u>, "Medic: Coric supported priorities that international deems important") - a report from yesterday's regular press conference of international organizations in Mostar. The daily reports that the Deputy High Representative, Jean-Pierre Bercot, welcomed the verification of the Statute for the joint Employment Bureau of the Herzegovina-Neretva Canton by the Cantonal Government, as stated by the spokesperson of OHR South, Avis Benes. "This was a necessary precondition in order for this Employment Service to start working jointly and properly, providing the same service to all citizens of the Canton. Ambassador Bercot hopes that the other issues on the list of priorities of the Cantonal Government will also be tackled in the very near future", stated Benes. Spokesperson of the OSCE Mostar, Richard Medic, is quoted as saying that the OSCE welcomes the public support to fast implementation of the eight priorities the IC deems crucial, which was demonstrated by the HNC Prime Minister, Miroslav Coric, on Tuesday. DL goes on to say that the 8th priority is the work on administrative unification of two grammar schools in Mostar, namely the "Fra Dominik Mandic" and "First Grammar School" schools and administrative unification of "two schools under one roof" and carries Medic as calling on the new HNC Minister of Education to issue instructions pertaining to unification of the "two schools under one roof" and start working on unification of the two grammar schools in Mostar. (Slobodna Dalmacija, page 19, by Zoran Zekic, "Congratulations to Coric over grammar schools")

5c corridor construction

BHTV 1, Oslobodjenje pg. 6, mentioned on the front page ' BiH to make profit for sure', Dnevni Avaz front page, pg. 3 'A 120-day deadline given to BOSMAL', Dnevni List front and page 3, by W.R., "Nobody mentions 150 million KM of World Bank for Corridor Vc", Vecernji List front page, "Bosmal get construction of Corridor" and page 2, by Eldina Medunjanin, "Bosmal's offer was also officially accepted", Slobodna Dalmacija last page, by B. Magas, "Green light to Bosmal", Nezavisne Novine, cover and pg. 3, 'BiH CoM is violating Law on concession' Glas Srpske, pg. 2, 'Bosmal bait a hook', FENA - On Wednesday BiH Minister of Traffic and Communications Branko Dokic handed, on behalf of BiH Council of Ministers, to Directors of Bosnian-Malaysian Company Bosmal Nijaz and Edin Sabanovic the response to their preliminary offer for the construction of the 5c corridor through BiH. Malaysian Ambassador to BiH Zakaria bin Sulong and the Deputy Minister of Traffic and Communications, Haris Basic, also attended the ceremony of handing the written response. "With this document an opportunity is given to Bosmal to create conditions so that we could discuss a concession contract in four months. With this document BiH is actually not obligated to do anything, and it just creates a possibility for concluding concession contract if certain conditions are fulfilled," said Dokic. Dokic reiterated that in the next four months Bosmal should provide/pay on the bank account EUR 300 million and create a consortium of banks, which will guaranty their financial ability to realise this significant project, which is estimated at nearly EUR 2.5 billion. Bosmal is obligated to design a feasibility study, which will serve for making the official offer and for activities that will be taken within the BiH institutions with the aim of concluding the contract on concession. Dokic said that there have been certain media speculations on reasons why a public competition was not announced. "At this moment in BiH we are unable to announce a public tender because in line with the Law on Concessions in BiH, we still do not have the necessary elements and projects to make the competition", said Dokic. He claims that Bosmal is engaging in this job with a great responsibility and a dosage of risk. "BiH is not risking anything with this, we will not lose anything even if this job is not successful. We can only gain something. At least we will be able to gain a feasibility study that will serve, if this job is not successful, for conducting further activities on building the Corridor Vc. This is a strategic matter and we will engage in this job regardless of weather this what we have made official today is successful or nor", said Dokic. Director of Bosmal Edin Sabanovic said that a great responsibility now lies on this company. "It is now up to Bosmal to turn talks into deeds and prove that we can do what we talked about so that we all could build a better future in BiH, especially in the economic sense," said Sabanovic.

HNC

PDHR Hays visits BHTV 1, Dnevni Avaz pg. 2 'BiH must ensure economic development', Nezavisne Novine, pg. 6, 'OHR will support acceleration of privatisation', ONASA — BiH imports three KM for every one KM it exports, and thus everyone should contribute to the improvement of economy. The time for strategies, plans and discussions is behind, these things must be changed and everyone's assistance is necessary, Principal Deputy High Representative Donald Hays said on Wednesday in Mostar. Speaking after a meeting with officials of the Herzegovina Neretva Canton and a round-table on privatization, Hays said that BiH needs an "honest and pure government, since the businessmen who work hard should not consider themselves an easy prey for taking away of their money." "The BiH authorities are in a process of comprehensive change of the tax system, in order to make it more transparent and correct. However, the only way to reach adequate tax income is if this country progresses in all segments," Hays said. Commenting on the current situation in BiH, Hays said that the country's domestic debt is more than 100 percent of the GDP, administration costs are around 64 percent of the GDP, while 20 percent of the GDP goes for the services and expenses of politicians. Salaries amount to 40 percent of the total costs of cantons and 35 percent in municipalities. "In March, all prime ministers promised to the PIC that they would launch a reform of public administration, and the goal of that promise is simple — decrease the number of politicians and bureaucrats and spend more on ordinary people," Hays said.

> Oslobodienie pg. 10 'Nationalism represent obstacle to privatisation', FENA - Principal Deputy High Representative Donald Hays visited a bolt production company TADIV in Konjic on Wednesday. He discussed production problems with the company management. "We took part in the development of a plan at the level of governments that would help improve the economic situation and one of its segments is aimed at restarting the privatisation process", Hays said after visiting the factory and stressed that TADIV is a company with reputation, good workers, expertise and a strong place at the market. "In order to expand and modernize TADIV needs fresh capital and investments. In such an event the company could double its production and employ new people within a year. The company management did all that was in their power during the past eight years on finding a solution for the pension-disability insurance debt, but their efforts were futile primarily because of the policy of nationalism and also because of a lack of political will", Hays said. TADIV manager Sadik Lepara expressed hope that the Principal Deputy High Representative would inform relevant authorities about problems TADIV is facing and urge them to resolve the debt problem of this company in order to finally create conditions for the sale of this company which is currently employing some 200 workers.

> Dnevni List (front "Round table on privatization in Mostar" and page 16 "Business people need positive business environment", by <u>D. Kozina</u>) carries a report from yesterday's visit by the Principal Deputy High Representative, Donald Hays, to Mostar when he, together with business persons and Cantonal and Federation of Bosnia and Herzegovina officials, took part in a round table dedicated to privatization, boosting of export and problems pertaining to creation of a positive business environment. "This is a unique opportunity that business people point out the politicians problems they are facing during business operations and to tell them what's going on in this area, and politicians are here to hear them out and help you to open to the market", said PDHR Hays stressing that investment into people and labour is all BiH needs. Basic problems that business people in the region are faced with, such as lack of active cooperation between representatives of authority and business people, were discussed during the round table.

> Slobodna Dalmacija (front and page 19, by Zoran Zekic, "Municipal authorities 'milking' investors") carries the CEO of "Aluminij" Company of Mostar, Mijo Brajkovic, as raising the issue of obstructions in the process of privatization which his company "felt on its skin". "For example, had the privatization process in Aluminij been completed a year ago, today we would have had a foundation stone for a new electrolysis which would employ additional four to five thousand workers", said Brajkovic.

DL on situation in "Aluminij" of Mostar

Dnevni List (front and page 7, by Miso Relota, "Criminal lobbies are trying to destroy Mostar's Aluminij") — says that the focus of domestic public and IC will today be placed on the "Aluminij" Company of Mostar because today there should be meetings between the "Aluminij's" management, led by the CEO Mijo Brajkovic, and delegation of the "DaimlerChrysler" led by Wolker Schmidt. The two delegations are to discuss announcements of increase of price of electricity for the company. Moreover, the President of Federation of Bosnia and Herzegovina, Niko Lozancic, is also visiting "Aluminij" today. Saying that the whole issue about the electricity could endanger the memorandum of understanding signed between the "DaimlerChrysler" and BiH Presidency worth some billion US\$, the daily carries the PDHR Donald Hays, as saying: "The interest of Bosnia and Herzegovina is closely related to interest of the Aluminij. Elektroprivreda of BiH is trying to prepare the ground for the talks in order to ensure more financial means for itself. I am sure Mr. Brajkovic will make a reasonable offer within possibilities of the Aluminij d.d. Mostar. But, the obvious political interference into the decision on termination of contract clearly shows that there are still remnants of the nationalistic policy which ruled the country for a long period of time. I believe this will be solved very soon".

Slobodna Dalmacija (last page, <u>by Z. Zekic</u>, "Price can always be discussed, however, without ultimatum") carries that the Deputy Speaker of the BiH Parliament's House of Representatives, Martin Raguz, stated that the ultimatum on increase of price of electricity that the Elektroprivreda of BiH sent to "Aluminij" was to put it mildly an absurd and judged that it was extremely damaging not only for "Aluminij" but for the whole of BiH.

New draft Law on Indirect Taxation presented

BHTV 1, Dnevni Avaz pg. 4 'Ashdown has to solve three disputed issues', ONASA — Chairman of the Indirect Taxation Commission Jolly Dixon on Wednesday presented the draft law on the indirect taxation system in BIH to High Representative Paddy Ashdown. According to the draft, the existing inefficient taxation system will be replaced with a modern fiscal system harmonized with the European standards. Dixon said on the occasion that the new law is ambitious and realistic, since it foresees radical changes in accordance to the European principles, which favor a single economic space in BIH. He added that the existing tax administrations are corrupt and politicized, and the new law is to establish new professional body, which will be tasked with collecting of taxes, but in a transparent and professional way.

DL on appointments to tax administrations

Dnevni List (front and page 5, by <u>Arijana Beus</u>, "Zelimir Rebac a general director of Customs and Tax administration of BiH?") — the daily learns from "reliable sources" that beside Zeljko Rebac, which is currently the Director of the Federation of Bosnia and Herzegovina Customs Administration, other persons that applied for the office of General Director of Direction for Indirect Taxation are Azra Hadziahmetovic, Sefika Hafizovic, Fuad Kasumovic and Trivo Marinkovic. The daily also learned that a meeting was to be held last night at "Zemaljski Muzej" in Sarajevo to carry out consultation regarding the appointment of the General Director, as well as Director of Tax Administration of BiH and Director of Customs Administration of BiH. According to DL, Rebac will be appointed the General Director of Direction for Indirect Taxation and the Direction's seat will be in Mostar, either Hafizovic or Hadziahmetovic will be appointed Director of Tax Administration whilst Marinkovic will become the Director of Customs Administration with the seat in Banja Luka.

FBiH Tax Administration and CAFAO investigate in Vitez

BHTV 1, Dnevni List (front and page 5, by <u>M. S.</u>, "Company's whole documentation confiscated over suspicion of tax evasion") — reports that the Federation of Bosnia and Herzegovina (FBiH) Tax Administration, with the technical and advisory assistance of the CAFAO, started an investigation within the "Kesten" Company of Vitez (a furniture dealer) because of suspicion that the company evaded 5 million KMs on account of sales taxes. According to DL, business books reveal some suspicious deals with companies from the Republika Srpska (RS) that are thought to be "fictitious", therefore the FBiH Tax

Administration contacted the RS Tax Administration which is also helping out. Inspectors of the FBiH Tax Administration confiscated a big number of documents and computers during the operation that are going to be analysed under supervision of the municipal prosecutor from Vitez. (Slobodna Dalmacija, page 19, by F, "Paid taxes to — themselves")

FBiH House of Representatives adopts new tax legislation

BHTV 1, Oslobodjenje pg. 8 'The end of grey market and fictive companies', ONASA — The BiH Federation House of Representatives on Tuesday passed the draft amendments to the law on sales taxes on goods and services. The House also passed the draft amendments to the law on taxes on alcoholic drinks, beverages, crude oil derivatives, coffee and beer. The two entities and the Brcko District now have the same legal provisions regulating these issues, meaning the import taxes on high tariff goods. After discussing a proposal of the Economic and Fiscal Policy Board to the caucus of the Social-Democratic Party (SDP), the House concluded that the FBiH Government should be "more energetic in enforcing the fiscal policy and inform the Parliament of the results achieved once a month." The House also passed the draft amendments to the law on public incomes and financing of the Federation, and draft law on abolishment of the law on FBiH Human Rights Court. The House tasked the Entity Government to prepare information on all the appointments made during so-called technical mandate (before the elected Government assumed its duties) and take necessary measures to overcome current difficult (financial) situation in the Federation Army and Defense Ministry. (Vecernji List front "MPs request salvation for army of BiH" and page 2 "Request for salvation of army", by Eldina Medunjanin, Dnevni List page 4, by M.R, "Alarming situation in FBiH Army")

RS National Assembly discusses changes privatisation laws

BHTV 1, Blic pg. 7 'Extended deadline for apartments', Vecernje Novosti pg. 21 'Disputable privatisation', FENA - The RS National Assembly passed in Banja Luka on Wednesday changes to the law on privatisation of state capital in companies. The implementation of these changes should speed up the privatisation process in the RS. The RS Assembly also passed a number of conclusions requesting the RS Government to prepare for the next Assembly session (in September) an analysis of overall effects of the privatisation process so far, as well as measures for improving it. The Government was also requested to prepare a draft law amending the law on privatisation of state capital in companies that would ensure that 10 percent of funds from the sale of state capital be directly transferred to the RS Pension Insurance Fund. The Assembly also requested that the Government defines priorities in settling debts towards the RS Pension Insurance Funds during the process of drafting the law on public debt. Oslobodjenje pg. 4 'Deadline for privatisation of apartments extended', Dnevni Avaz pg. 8, Nezavisne Novine, pg. 9, 'Deadline for apartment purchase extended by end of January 2004'; Glas Srpske, pg. 2, 'Purchase of apartments by February', FENA — In the course of the session, the RS National Assembly passed the amendments to the law on privatisation of state owned apartments extending the deadline for the privatisation of these apartments for another six months. The deadline was scheduled to expire on July 29 and has been extended until January 31 2004. a total of 68,2% of the apartments have been privatised in the RS so far, RS Construction, Housing and Environment Minister Mensur Sehagic said and added that another 5 percent are in the process of being privatised.

BiH CoM officials, CRA representatives discuss third GSM license issuance

Oslobodjenje pg. 6 'Come to the thirds GSM operator through a joint document', FENA —
Representatives of the BiH Ministry of Communications and Transport and the
Communications Regulatory Agency (CRA) met in Sarajevo on Wednesday. They agreed to
develop a special joint document that would contain proposal and possible solutions for
issuing the third GSM licence and that would contain positions of the Ministry and the
CRA on this issue. They stressed that this issue needs to be resolved as soon as
possible because the present situation has a negative effect on the telecommunications
sector in BiH. They also discussed the draft document on assessing the problem of media
concentration and pluralism, which caused reactions in the public. CRA Executive
Director David Betts informed Minister Branko Dokic that the process of public
consultations would start on August 29 and expressed hope that representatives of the
media community and the public would provide their comments on this issue.

Mikerevic on MOBI's affair

Nezavisne Novine, cover and pg. 4, 'Government will not protect anyone' — Dragan Mikerevic, Republika Srpska Prime Minister, stated that all those responsible for irregularities performed during the organisation of the lottery MOBI's will have to face consequences for the acts. Otherwise, Government will sanction those institutions in charge. According to him, "one thing is for sure: I will not protect anyone, regardless of his political background and belief."

Bread price to increase

Glas Srpske, cover page story, 'Drought to result in increase of prices' — The catastrophic drought, which has cut the wheat harvest in almost a half, will most likely result in the increase in bread price.

| Update to sepsis | Nezavisne Novine, pg. 2, 'Criminal reports against Clinical Centre'; Glas Srpske, pg. |
|------------------|---|
| affair | 3, 'Sepsis is a constant concern' — Republika Srpska Sanitary Inspection will file |
| | violation reports against Banjaluka Clinical Centre and individuals responsible for the |
| | burst of sepsis epidemic at Children's' Clinic. This was announced by Desimir Miljic, |
| | Republika Srpska Sanitary Inspector. He also said that the Service asked from the CC |
| | Director to investigate and establish who was responsible for omissions, which led to |
| | sepsis epidemic. |
| | According to CC announcement, sepsis is an often occurrence in hospitals. |
| Strike of | Glas Srpske, pg. 3, 'No salaries, no hope'; Nezavisne Novine, pg. 9, 'Medical staff |
| medical staff | continues with strike' — The Striking Board of the Banjaluka Clinical Centre is not |
| continues | satisfied with the conclusions of the Board for Social Affairs of the Republika Srpska |
| | National Assembly and will not act in accordance with its recommendation to cease with |
| | strike. According to Zdenko Stupar, President of the Striking Board, there has been no |
| | agreement reached, because Dragutin Ilic, director of Republika Srpska Health Fund, did |
| | not accept to approve the payment of KM 1.8 million necessary for the fulfilment of |
| | requests. |

Political developments

Meeting of BiH Minister Mirsad Kebo and Croatian Minister Radimir Cacic

Dnevni List (page 4, <u>not signed</u>, "Return has become economic issue"), Jutranji List (page 5, by <u>V. Reskovic</u>, "Cacic: We shall give compensation to refugees for return to BiH") and Vjesnik (page 2, by Miroslava Rozankovic, "Cacic says that there is no limit in budget for Croats who want to return to BiH") carry that BiH Minister for Human Rights and Refugees Mirsad Kebo and Croatian Minister for Public Works, Reconstruction and Construction Radimir Cacic stood for the faster return of refugees to Croatia and BiH and they announced the establishment of the joint Commission that should accelerate this process. During the press conference, which was held after the meeting of two Ministers in Zagreb, Kebo also stated: "I would like to use this opportunity to call on the Croats from BiH to return to BiH. The return is not the security or political issue any longer, it is the

economic issue."

Sarajevo media also reported on the meeting.

Salary increment to RS Premier and Ministers

Nezavisne Novine, cover and pg. 8, 'Increment in salary to ministers' - At one of its previous sessions, the Republika Srpska Government discussed the salary increment to Prime Minister and his Cabinet. As Government Public Affairs Bureau confirmed yesterday, it was necessary to harmonise the incomes of Prime Minister and Ministers with the incomes of RS MP's and all bearers of public functions in the Republika Srpska. According to unofficial information, Premier's salary amounts to KM 2,500 KM, whilst salaries of Ministers amount to KM 1,800. Republika Srpska Prime Minister, Dragan Mikerevic, yesterday did not want to give any comment to the press, regarding this Government decision. Ranka Misic, President of the Republika Srpska Syndicate of Education, Science and Culture, said that the Union will make sure Ministers do not get the salaries with increments for a long time. Blic pg. 7 'Ministers dissatisfied with 800 km'; Vecernje Novosti pg. 6 'Only 800 KM to minister' - Republika Srpska Prime Minister Dragan Mikerevic did not confirm to journalists on Wednesday whether there would be increase of salaries in his cabinet. Instead he asked journalists whether it is normal that ministers have salary of 800 KM, which is slightly higher than a RS mayor's salary. Mikerevic said that any decision on salary increase would be published in the RS Official Gazette.

New party: Liberal Party from Trebinje

Glas Srpske, cover page story, 'Dollars from Naples' — The leader of the Serb left-win from Trebinje, Sinisa Vucinic, yesterday announced that he informed the Initiative Board of the Liberal Union of Herzegovina seated in Trebinje that he had provided funds and patrons from the Italian city of Naples and Cuba as well. He provided funds of US \$ 67 thousand. He stressed that financial sources will keep coming in, without citing the names of donors.

Party for BiH: Mostar should not remain divided in six municipalities

Dnevni Avaz pg. 8 'Mostar should not remain divided in six municipalities' — The Party for BiH does not share an SDA opinion that Mostar should remain divided in six practically ethnic municipalities with existence of a central district all until the full implementation of the Dayton Agreement's Annex 7. Safet Omerovic, the President of the Party for BiH's Council in HNC, said that his party advocated for the establishment of Mostar as a single municipality not, however, under a HDZ-proposed model (one citizenone vote) but in which the full equality of all citizens would be guaranteed.

Crime

Djeric on cooperation with ICTY

Glas Srpske, pg. 3, 'Obstacles to police'; Nezavisne Novine, pg. 3, 'Lack of financial resources hinder the arrest of war crime suspects' - Zoran Djeric, Republika Srpska Minister of Internal Affairs, yesterday expressed readiness of the Republika Srpska Ministry of Internal Affairs to implement the Law on cooperation with The Hague Tribunal. However, certain specific points should be respected in this, he stresses. Namely, he listed some factors, which restrict and limit the Republika Srpska police in completing this task. Those are: bad technical equipedness, bad material status and low salaries.

ICTY again urges for arrest of Karadzic, Mladic

Glas Srpske, pg. 3, 'Appeal for arrest' — Jim Landale, Spokesperson of the ICTY, yesterday states that it will be eight years exactly on Friday, 25 July 2003 since the ICTY Prosecutor's Office has brought charges against Radovan Karadzic and Ratko Mladic. He stressed that ICTY will not regard its work completed until Karadzic and Mladic are brought to justice.

SBS activities

Glas Srpske, pg. 3, 'From border to detention'; Nezavisne Novine, pg. 2, 'SBS is searching for 622 foreign citizens' -Slavisa Vukovic, SBS Deputy Director, stated that: "In the first half of this year, 6900 foreign citizens have entered the territory of BiH at the airports in Sarajevo, Mostar and Tuzla. Out of this sum, 622 persons have not left the state after their visas expired." According to GS, SBS identified and

detained 97 persons from the international arrest warrants.