# OHR BiH Media Round-up, 27/9/2005

## Latest radio news broadcast at 12.00 on 27 September

RADIO HERCEG-BOSNA (12,00 hrs)	<b>BH Radio 1</b> (12,00 hrs)	RTRS (12,00 hrs)
SDS planning to sue HR Ashdown	FBiH HoR in session	IC press conference in SA underway
Serb MPs on status in Canton 10	Earthquake in Nevesinje	Ivanic on BiH COM
Doctor punished over bribe	World news	Earthquake in Herze./Montenegro

### TV news broadcast on 26 September

RADIO HERCEG-BOSNA (18,00 hrs)	<b>TV PINK</b> (18,00 hrs)	<b>BHT 1</b> (19,00 hrs)
Jovic visits HNC and Mostar	Humphreys on police reform	Parents' protest in Prozor/Rama
Mo University on Croats' status	Topcagic on European integrations	Parents' protest in Busovaca
Humphreys on police reform	RS pensioners' protest in Banja Luka	Pensioners' protest in Banja Luka
Croatia 's aid in tax reforms	Protests in Bosanski Brod oil refinery	Disabled persons' protest in Sarajevo

NTV Hayat (19,00 hrs)	FTV (19,30 hrs)	RTRS (19,30 hrs)
RS pensioners' protest in Banja Luka	Bosna-Podrinje Canton PM resigned	Spaic on Srebrenica report
Protests in Bosanski Brod oil refinery	ZDK PM violated BiH Election Law	Pensioners' protests

Gathering in front of Parents' protest in		Refinery employees'
OHR	Busovaca	protest
Obhodjas tenders	Parents' protest in	Session of SDS's
resignation	Prozor/Rama	Presidency

Oslobodjenje	Paddy Ashdown brought SDS to/before abolishment
Dnevni Avaz	SDS will either cooperate or be destroyed
Dnevni List	Hooliganism: Thirteen hooligans arrested (riots at
	Gabela-Velez football game)
Vecernji List	Six hundred indictees live in Belgrade ( SCG
	providing shelter to war crimes suspects)
Slobodna	'Red Army' riots through Gabela (riots at Gabela-Velez
Dalmacija	football game)
Glas Srpske	Retaliation over police
Nezavisne	Pensioners from RS want some bread
Novine	
Blic	We have no bread, you get richer (pensioners' protests)
Vecernje	Features Serbia related headlines
Novosti	
Srpski Nacional	Features Serbia related headlines

LATEST NEWS OF TODAY	
Earthquake in	<b>BH Radio 1</b> <u>Ljilja Ivezic</u> , <b>RS Radio</b> — No
Herzegovina ,	material damage was recorded following an
no damage	earthquake last night with the epicenter
reported	between Nevesinje and Trebinje.

Γ

FBiH HoR in session, discussion on privatisation of nationalized apartments again postponed

BH Radio 1 Ljiljana Radl, RHB — FBiH House of Representatives today has again postponed voting on the amendment to the law on nationalized apartments that would enable tenancy rights holders to purchase them. The HoR said that the reason for delay is an initiative is to unify three laws on this issue at the next session, however reporter comments that the delegates failed to agree on the best solution which would not prejudice the regulations under Law on Restitution at the state level. For the first time after almost two years, the FBiH President Niko Lozancic appeared in the HoR presenting the proposal for two ministerial positions, which HoR endorse, thus appointing Zahid Crnkic and Vjekoslava Mandica to the positions of Veterans and Health Ministers

Workers of Brod Oil Refinery protest again BH Radio 1 — Oil Refinery workers again protest in front of the company's facilities in Bosanski Brod, calling on the RS Government to solve the situation. The workers announce possible protests in Banja Luka before the Government's building on 10 October.

Disabled veterans sent letter to FBiH HoR BH Radio 1 — FBiH Association of the Disabled Veterans sent a letter to the representatives of the FBiH House of Representatives asking them to oblige the Government to carry out the Law on social protection and protection of the civil victims of the war.

#### Political Developments/Reforms

DA: SDS will either cooperate or be destroyed

Dnevni Avaz cover splash, pg 2 'SDS will neither cooperate or be destroyed' by S.N. - DA writes that "despite growing neurosis in the SDS," the IC representatives are determined to continue with the zero tolerance policy towards this party. Apparently, as DA learns, pressure against SDS will be increased so as long the party doesn't endorse necessary reforms, especially those related to police. "While SDS threats to leave the authorities [which caused a laugh in the international community]... OHR prepares new actions against SDS personnel and Boards failing to respect the law," reads the article further claiming that audits of the financial transactions can be expected in the SDS Boards of Trebinje, Foca, Bijeljina, Visegrad etc, while some measures could be expected already today. The article concludes: "The message from the OHR is clear: unless the SDS changes and **Pero Bukejlovic**'s Government stops with obstructions, the… largest RS party will be destroyed."

SDS leader Cavic:
HR's decisions
resulted in
implicit banning of
SDS

BHT, Hayat, RTRS, Oslobodjenje cover page, pg 3' Paddy Ashdown brought SDS to/before abolishment', **Dnevni Avaz** pg 2 'Lawsuit against Ashdown announced', Glas Srpske cover pg splash 'Retaliation over police' by <u>D.Mo.</u>, <u>Nezavisne Novine</u> pg 2 'Dragan Cavic: SDS has been nearly banned', announced on cover 'SDS cannot function' by <u>V.Popovic</u>, <u>EuroBlic</u> RSpg 2, announced on cover 'Cavic: Ashdown banned us' by Rajna Radosavljevic, FENA - President of the Serb Democratic Party (SDS) Dragan Cavic on Monday said that all the previous as well as the latest measures by the High Representative, Paddy Ashdown, have resulted in making SDS an implicitly banned political party. In recess of Monday's SDS Presidency session, Cavic told a press conference that this party has been disabled from functioning in any way possible and that its every decision can be characterized as a breach of the High Representative's Decision. When asked if SDS could exit the government in RS, Cavic said that this option is not excluded and added that it would be considered by the SDS Presidency, after which the Main Board would take the final stand. "We will respond with all political means, and all options are open. SDS can no longer be expected to be politically constructive or destructive, or anything until it has been put in an equitable position with the other parties", explained Cavic, referring to the measures against his party as a "classic act of political retribution/revenge". Cavic also stressed that if HR's measures aren't removed, SDS will not be able to participate in next elections, stressing that Municipality elections in Bijeljina are conducted without any incomes. "This kind of relation toward SDS awakes in it one serious radicalism, and that is natural consequence not of SDS's politics, which was normal, reasonable and in function of progress, but radicalism which was provoked by International Community by its measures. I do not believe that is can be stopped now" - stated Cavic. Asked what is the SDS's stance on police reform, Cavic said "It hasn't got any".

SDS to sue Ashdown over rights abuse

RTRS, Oslobodjenje pg 3 'Lawsuit against HR', **Dnevni Avaz** pg 2 'Lawsuit against Ashdown announced', Glas Srpske cover pg inset 'Lawsuit', FENA - The Serb Democratic Party (SDS) announced late on Monday that it would initiate a court procedure against High Representative Paddy Ashdown in Great Britain or some other country of the European Union. "Despite the newly-imposed blockade, the SDS will find ways to sue and initiate a court procedure against the High Representative in Bosnia-Hercegovina, Paddy Ashdown, in Great Britain or some other EU country which accepts jurisdiction for a legal dispute over the violations of human rights and liberties of members of this party committed during his mandate in Bosnia-Hercegovina," the SDS said in a statement issued after the extraordinary session of the party's presidency. The statement stressed that the High Representative's decisions had led the SDS to "complete financial ruin and that these measures are politically motivated with the aim of obstructing the party's activity, which represents the most flagrant violation of human rights and liberties guaranteed under the European convention on human rights and liberties, and international conventions on political freedom". The SDS expects solidarity and support from the parties constituting the majority in the Bosnia-Hercegovina parliament in its condemnation of what it describes as retaliation against this party over the past two days. "Failing this, the SDS will no longer have a reason to be a part of the parliamentary majority and SDS deputies will initiate a confidence vote in the Bosnia-Hercegovina Council of Ministers," the statement said.

Interview with
Mladen Ivanic: CoM
will not live to
see elections

Nezavisne Novine pgs 8-9, announced on cover 'CoM will not live to see elections' by Natasa Krsman - in an interview to NN, BiH Minister of Foreign Affairs and PDP leader Mladen Ivanic says the current composition of CoM has no perspective and, most probably, will not sustain the same composition until the next elections. Ivanic sees a solution in a new CoM. With regard to his mandate, he criticized the manner in which CoM Chairman Adnan Terzic informed him about accepting his resignation and he added: 'This was politically primitive surfacing of a resignation submitted on some other occasion. Ashdown had stated the wish of the Chairman to appoint a new Foreign Affairs Minister was acceptable and, since Ashdown is a supreme authority, I am in a kind of a technical mandate'. He says police reform must be brought to an end through a compromise and he notes this is not a matter of a government but of a perception of peoples. He emphasises that the greatest problem of Serb people is not the police reform but the issue of war crimes. '...I think the critics were justified saying we have not distanced enough from the crimes indictees like **Karadzic** and others have committed', Ivanic said. With regard to his resignation, Ivanic said their (PDP's) goal was to establish new relations within CoM, stressing they had had two options either to completely withdraw from CoM or to stay and make possible for an opinion other than SDS's to be heard at CoM. "A part of the international community, which had wanted PDP to remain at CoM had made a great step, which meant that the police reform must not be imposed', Ivanic says. Inset 'Dodik is the strongest party leader' - commenting on Adnan Terzic, Ivanic said it had become more important for Terzic to maintain regular meetings with HR. Hence, he had neglected relations within CoM and, as a result, a lack of trust can be felt in CoM. Asked who is, in his opinion, the strongest party leader in RS, Ivanic said it is beyond any doubt Milorad Dodik, while with regard to Dragan Cavic, Ivanic said he thinks his position is not simple at all since he is a symbol of reforms. He also thinks Cavic's position within his own party is unstable, since the burden of responsibility is too great.

Cenic announces
consultations on
police reform with
 RS pol.
Parties/reactions
by political
 parties

Nezavisne Novine pg 2 'Consultations with parties in the course of this week' by D.J. - Svetlana Cenic, RS Minister of Finance and member of the RS negotiating team, confirmed to daily that the consultations of negotiating team of RS Government with the leaders of the strongest political parties in RS on police reform will be held in the course of this week, adding: "It is still not known whether meetings would be held separately, or one meeting would take place. This mainly depends on party presidents and their wishes." EuroBlic RSpg 2, announced on cover 'Cavic: Ashdown banned us' by Rajna Radosavljevic - Mladen Ivanic, PDP President, says that PDP has not still received any official invitation for talks, adding that this party will take part in talks on police reform if SDS and SNSD are involved, "since this story would be meaningless without them". Krstan Simic, SNSD Vice President, claims that SNSD will not respond to possible invitation for police reform consultations, since the authority should take the burden of such decisions. Marko Pavic, DNS President, claims he holds no information on any consultation/meeting, stressing that there is always space for talks and DNS's stance will depend on "proposal of RS Government". Petar Djokic, SP RS President, is also of the view that the authority should bear responsibility for police reform, while this issue needs to be settled through institutions. EuroBlic RSpg 2 'Radicals support unity' -Milanko Mihajlica, President of the RS Serb Radical Party, stated that "RS has been exposed to pressures strongest of all so far and parliamentary parties in charge should sit and find a way-out from this, since only unified political response will make it clear to international community that such approach of its officials is not acceptable. Talks on police reform should resume with respect of interests and Constitutions of RS and BiH."

DL: HR's measures against SDS gives them alibi not to take part in reforms Dnevni List, pg 2 'SDS strikes back', by
 Ivica Glibusic - The author is analysing
 the latest measures by the High
Representative, Paddy Ashdown, towards the
 SDS, and the author wonders whether the
 measures will suit the SDS, whose
popularity in the RS was on descent until
now. Glibusic argues that the SDS has now
been given a good alibi from the OHR not
 to take part in the ever so necessary
 reforms.

BiH Coordination
Body for European
Integration held
session in
Sarajevo : EU
membership depends
on BiH

Pink, Oslobodjenje pg 4 'EU membership depends on us' - Director of the BiH Directorate for European Integration Osman Topcagic said on Monday, during the meeting of European Integration Coordination Body that the doors to the EU were opened for BiH and that they were going to be opened until BiH does not be ready to enter the EU. Topcagic said that the EU had not set any dates by which BiH should have entered the EU, but that time was a very important factor. "We have to show our readiness... certain political issues still need to be solved in order for the negotiations to be launched", said Topcagic.

Vecernji List, pg 2 'It is dangerous that
BiH does not agreements with EU', by ra
 also carried Topcagic statement.

HDZ leader Covic: 'If RS survives, we will ask for third entity'

Dnevni Avaz pg 2 'Covic: If RS survives, we will ask for third entity', mentioned on cover, by F. Vele - HDZ Leader, Dragan Covic, stated in Siroki Brijeg on Monday that the party will discuss the constitutional changes and "demands for the third federal unit" at the HDZ Main Board session on 7 October. Covic added that these demands for "establishing of the third federal unit" will be discussed especially following the statements by Paddy Ashdown and the US State Department that RS must survive. "What one people has in this country, other two should have too. Nobody can be privileged. However, we have information that some wanted to change Dayton [Peace Agreement] without really touching upon RS. That is unacceptable... Demands like these do exist... and are being communicated through the policies of certain countries,... including USA, " commented Covic.

FBiH President Lozancic meets with US officials

RHB, RTRS, Oslobodjenje pg 3 'US government supports reforms in BiH', Dnevni Avaz 'Police reform difficulties shows that constitutional changes are necessary', **Dnevni List**, pg 6 'American Government supports reforms', by NINA, Vecernji List, pg 2 'State Department interested in situation in BiH', by  $\underline{f}$ , FENA - President of Federation of BiH Niko Lozancic on Monday held talks with the official of the U.S. Department of State, Amanda Timko and Sigrid Calandra of the Department for Europe and the political advisor in the U.S. Embassy to BiH, Larry Henderson, about the political and economic situation in BiH, with accent on marking the 10th anniversary of the Dayton Accords. Lozancic informed his guests about the key reforms and efforts BiH authorities are implementing with the aim of fulfilling all the political conditions for accessing Euro-Atlantic integration. Lozancic expressed hope that the current problems in implementing police reform would soon be overcome, underlining that the latest events are a clear sign that constitutional reforms in BiH are necessary to prevent blockades of the reformatory processes. He stressed that it is necessary to amend the BiH Constitution, imposed by the Dayton Accords, as soon as possible in order to create the grounds for establishing a state that is functional, with clearly defined jurisdictions and responsibilities of particular authority levels. Officials of the Department of State confirmed the strong support of the U.S. Government to the reformatory efforts in BiH, it was announced by Lozancic's Office.

Ivo Miro Jovic visits Herzegovina-Neretva Canton, City of Mostar

**Dnevni List**, pg 13, mentioned on front 'Citizens of canton promised jobs', not signed, Vecernji List, pg 2 'Coric: Chance for Mostar to progress', by  $\underline{f}$ , Slobodna Dalmacija, back pg 'Jovic: Coridor Vc brings development', by <u>M. Landeka, Z.</u> <u>Zekic</u> - Chairman of BiH Presidency **Ivo** Miro Jovic visited Hercegovina - Neretva Canton on Monday, where he met with HNC Prime - Minister Miroslav Coric. After the meeting Coric said that he had informed Jovic with everything that was done in HNC, stressing that they have now stabilized the political scene and now have to work on infrastructure and employment. Jovic expressed satisfaction with development of infrastructure in HNC, as main condition for development of economy, stressing that he was pleased to hear about project Mostarsko Blato, building of hydroelectric plant and about preparations for passing of Corridor VC trough this Canton, promising help in these projects. Jovic also visited City of Mostar, where he met with Mayor Ljubo Beslic. After the meeting Jovic said: "If only BiH would have more cities as Mostar, which care about national structure". Jovic said that Beslic has introduced him with situation in the City administration adding that chiefs of city's departments are equally represented. Jovic added that he also talked to the Mayor about development of tourism, science and culture in Mostar.

RHB, Sarajevo dailies, Nezavisne Novine pg 5 'Jovic: Administration is ethnically balanced' by <u>V.Coric</u> also covered the issue.

SRS leader Mihajlica opposes to constitutional changes RTRS, Glas Srpske pg 5 'Negotiate publicly' by D.Mo. — Milanko Mihajlica, President of the RS Serb Radical Party, stated that RS SRS rejects proposals regarding the change of BiH Constitution, including radical changes of BiH Election Law and constitutional order of BiH. He added that talks on constitutional changes can be held, but publicly, not behind closed doors and distant from public eye. On VAT introduction, he expressed his view that various tax rates should be introduced.

Oslobodjenje op-eds on current political scene in BiH and nationalistic attitudes

Oslobodjenje op-ed pg 9 'New barricades' by Mirko Sagoli - Writing about current political situation in BiH, the author notes that whenever a slightest possibility of seeing BiH avoid division upon ethnicity and new cataclysm, the ruling nationalists prevent it by placing new nationalistic barricades. He stresses that ruling Serb parties are now — at any cost - trying to keep authority over police, seen as quarantee for survival of Dayton RS. Furthermore, he refers to HDZ persistence on seeing Croat TV channel established, although Law on PBS is one of pre-requisites for BiH path towards EU integration. He concludes by raising the issue of education and division at schools by SDA and HDZ, concluding that "and if elementary school pupils are today separated upon ethnic basis, what can BiH expect in the future?"

Oslobodjenje op-ed pg 9 'The issue of all times' by <u>Zija Dizdarevic</u> – The author notes that the RS is again using a conflictive Dayton concept of BiH and a habit of the international authority to treat it as equal to BiH state. He stresses that the obstruction of police reform from Banja Luka proves that survival of BiH is still a subject to negotiations. Noting not only RS and international officials can be blamed for the existing situation, the author raises the issue of why the coalition for EuroAtlantic BiH state has not been established, blaming SDA, SDP and Party for BiH - parties presenting themselves as fighters for BiH - for this failure. He concludes by saying that those political parties in BiH against EutoAtlantic BiH state are in favour of (pre)war option.

DA: Czech Republic would like to see their diplomat Vondra as next HR

Dnevni Avaz pg 5 'Czech Republic would like to see Vondra as Paddy Ashdown's successor' by <u>L. Sinanovic</u> — In a statement to DA, the newly appointed Czech Ambassador in BiH, Jiri Kudela, says that his country would very much like to appoint the successor to the HR Paddy Ashdown. DA says that Holland and Italy have also expressed the interest in this, adding that next the High Representative would probably be the last one. Kudela says that **Alexander Vondra**, a highly praised Czech diplomat, would be their candidate for the position. He also announces the intensified visits of the BiH and Czech officials to Prague Sarajevo .

# War Crimes/Organised Crime/Legal Proceedings/Violence

RS Premier told Srebrenica report would meet 30 September deadline

BHT, Hayat, RTRS, Oslobodjenje pg 2 'Bukejlovic expects report by September 30', Dnevni Avaz pg 8, Nezavisne Novine pg 6 'Bukejlovic was promised Report would be completed within deadline set' by D.R., Glas Srpske pg 2 'Report on time' by G.D., SRNA - RS Prime Minister Pero Bukejlovic had talks in Banja Luka on Monday with members of the working group for the implementation of conclusions from the final report of the commission for investigating events in the Srebrenica area in the period between 10 and 19 July 1995 about activities so far on the preparation of their report. "Although I have been following the working group's activities all the time I wanted to see for myself whether the working group's report would be finished by the deadline so that it could be considered at a session of the RS Government on 30 September," Bukejlovic said. A statement issued by the RS public relations bureau says that in talks with Bukejovic, chairman of the working group Jovan Spajic confirmed that the report would be finished and sent to the RS Government by 30 September.

Jelavic trial: Prosecutor McNair presents closing arguments Dnevni List, pg 3 'Prosecutor in doubt and without determined sanction', mentioned on front 'Prosecutor in doubt', by <u>E. Mackic</u> - reports from the trials to Ante Jelavic in the 'Hercegovacka bank' case in which the prosecutor, John McNair, asked the Council to find Jelavic quilty and put him into custody as soon as the verdict in reached on October 6. Vecernji List, pg 2 'McNair gives up part of indictment', by Eldina Medunjanin, Slobodna Dalmacija, pg 8 'McNair did not ask for specific imprisonment against Jelavic', by Z. Tulic - note that McNair dropped 11 accounts from the indictment without going into details which parts he is dropping and that it is interesting that McNair did not ask for specific imprisonment for Jelavic i.e. duration of prison sentence. RHB, BHT, Hayat, FTV, RTRS, Oslobodjenje pg 2 'McNair requested prison for Jelavic', **Dnevni Avaz** pg 4, **Nezavisne** Novine pg 4 'McNair: Jelavic violated his own powers' by A.Durmo also covered the

issue.

VL: FBiH
Public
Attorney
cleared
Covic in
2002

Vecernji List, pg 2, mentioned on front
 'Covic did not break the law', by ZK —
Announcing that the trials in the 'Covic —
Lijanovici' case will begin on October 3,
 VL claims to be in possession of an
opinion signed by the FBIH Public Attorney
 from February 15, 2002, in which the
Public Attorney's office dismisses Dragan
Covic's responsibility in the whole case.
 According to the Public Attorney, "the
document signed by Dr. Dragan Covic could
 not have obligatory nature".

Football riots in Gabela

Dnevni List, front pg splash 'Hooliganism: Thirteen hooligans arrested' and pg 49 'Thirteen supporters arrested, eight cars destroyed', by M. Maric, I. Popovac, Vecernji List, pg 3 'Riots: red Army rioting and destroying through Gabela', mentioned on front 'Gabela survived horror', by <u>Dusan Musa</u>, **Slobodna** Dalmacija, front pg splash and pgs 16-17 ''Red Army' riots through Gabela', by Zdravko Pranic, Antonela Vlaho - report that supporters of 'Gabela' football club of Gabela and 'Velez' of Mostar clashed with each other on Sunday. The end result is that 13 supporters got arrested and that several cars and other property got damaged/destroyed in the process. According to the Canton 7 MoI, the MoI is thinking about course of action against the hooligans, it will be pressing misdemeanour and criminal charges, depending on gathered evidence.

VL: Ecim lives in Belgrade Vecernji List, front pg splash and pgs 4-5 'Six hundred indictees live in Belgrade', by Zdenko Jurili - VL learns from well informed sources that, Liuban Ecim, a former senior official of the RS security service and close associate of Radovan Karadzic, who was being sought after in Banja Luka two days ago, actually lives and works in Novi Beograd (New Belgrade, part of Belgrade). VL goes on to say that according to some estimates, some 600 people from the RS who are wanted by the ICTY and BiH judiciary have found shelter in the great Belgrade area. On top of this, since BiH and Serbia do not have an agreement on extradition of war crimes suspects, no extradition has been carried out yet.

Radovan
Stankovic to
be
transferred
from the
Hague to
BiH

Nezavisne Novine pg 4 'Stankovic in BiH this week' by A.S. — Daily learns from BiH Prosecutor's Office (PO) that Radovan Stankovic, charged with war crimes committed in Foca, will be transferred from the Hague to BiH PO at the end of this week at latest. Decision on referral of Stankovic to BiH Court and PO has been put into effect, and this case will be the first transfer of any Hague indictee to BiH.

Sarajevo media also covered the issue.

Srpski
Nacional on
search after
Hague
fugitives:
Nobody is in
Serbia

Srpski Nacional pg 4 'Nobody is in Serbia'

by U. Mrdic — Serbian MoI Security

Services have conducted a number of
activities in an attempt to find and
arrest two Hague indictees — Goran Hadzic
and Stojan Zupljanin. The article claims
after the completion of the activities it
was concluded that the two persons are no
longer in Serbia . An anonymous source
claims it is possible Hadzic is hiding in
some of former Soviet Union countries.

#### Economic/Social Affairs/Audits

RS pensioners' protest rally takes place in Banja Luka

Dnevni List, pg 4 'Pensioners want debts to be returned and increase to pensions', by <u>Tanja Dragic</u>, <u>Sarajevo dailies</u>, <u>Nezavisne Novine</u> cover pg splash, pg 3 'Pensioners from RS want some bread' by G.Golub, EuroBlic cover pg splash, RSpg 1 'We have no bread, you get richer' by <u>Nedeljka Breberina</u>, <u>Glas Srpske</u> pg 3 'We are not asking for charity' by M.Majstorovic - Several thousands of dissatisfied RS pensioners have protested in Banja Luka, demanding payment of pensions according to decisions, payment of unpaid pensions from 2000 and redistribution of benefits. Pensioners held a peaceful protest in front of RS Government's building where few hundred of policemen have waited for their arrival. No representative of RS Government came out to address pensioners. The pensioners were dissatisfied with this fact and very disappointed with the attitude of the Government. Chairman of Pensioners' Association Rade Rakulj stated that they will wait to receive their next pensions, and if they aren't increased according to their demands they will discuss more radical measures, like blockade of roads and bridges.

ITA: Two VAT rates would postpone application of law

Slobodna Dalmacija, pg 19, mentioned on front 'Opposition 'toppling' VAT rate set at 17 percent', by <u>D. Pasic</u> — The author notes that opposition parties in BiH are trying everything to carry out changes to the Law on VAT, wanting to introduce two tax rates, rather than the envisaged one. According to a spokesman of the Indirect Tax Authority, Ratko Kovacevic, any changes that would result in introduction of two rates would mean postponement of application of the VAT law since the ITA has trained its staff on basis of the current law and because the whole information system (software) is based on one rate of the VAT.

'The Economist': BiH has fastest growing economy Sarajevo dailies also reported on the issue.

RTRS interview with PDHR Butler: Audits organised crime network

RTRS Zorica Ruli - Principal Deputy of High Representative (PDHR) Lawrence Butler will meet on Tuesday with RS Chief Auditor Bosko Ceko, where they will discuss audits in public companies "Srpske in RS unveiled Sume" and "Elektroprivreda". Speaking for RTRS, PDHR Butler said that these cases show inefficiency of institutions in fight against organized crime and with regard to that he emphasized necessity of police reform. PDHR considers that audits in RS public companies have discovered the net of organized crime, stressing that he expects the Prosecution to act now, being that large amounts of money have been lost. "That is one of the reasons that I will talk to Mr Ceko. My team will sit down with his and we will pass trough the audit, so that we will pass some things very concretely. We didn't have time to do that thoroughly since it was presented, but next steps are in hands of the RS Prosecutor", said PDHR. PDHR said that these embezzlements have shown that BiH doesn't have Institution capable to deal with the crime, due to which it is necessary to continue the process of police reform, warning RS authorities that EU will not change principles for that reform. "Brussels will not change its stance when it comes to these three principles. That is why they are called principles. Those principles are nonnegotiable. We can't allow ourselves, nor this country can think about getting closer to the Europe if we don't fulfil police reform, based on these three principles", said Butler. PDHR said that FBiH and RS Governments will have much to do, in order to start with VAT procedure on January 1<sup>st</sup>, stressing that authorities have to enable this, but also they have to protect those, who will be in need of help after that. RTRS late news brings full interview with PHDR, where he said that failure of police reform will have impact on BiH economy, because last years proven that RS or FBiH do not have efficient institutions which would deal with street crime, which disables investment and business. PDHR stressed that this is the reason why leading people of police organizations have gathered to try to overcome this last obstacle for signing of Stabilization and Association Agreement, which would also strengthen investment and business climate in BiH. Asked about Opposition's demand for changes of the Law on VAT- PDHR Butler said that creation of indirect tax authority is a great thing for improvement of BiH economy, stressing that ITA is now making efforts to register companies. PDHR stressed that politicians should provide assistance to people who need it, stressing that this can't be done by playing games with VAT, because VAT has to be transparent and equally correct in every segment of economy, but won't be correct in segment of grey economy, which in fact is cheating people in BiH by not paying taxes and in that manner taking money from BiH citizens. PDHR stressed that in next few months Board of ITA will have lot to do to implement VAT, in sense to find mechanisms that will disable those who try to gain money from VAT for themselves. **Glas Srpske** pg 2 'Butler is coming' by <u>G.D.</u> – carried OHR media

> advisory announcing visit of Lawrence Butler, PDHR, to Banja Luka today (Tuesday).