

# OHR BiH Media Round-up, 2/8/2005

Latest radio news broadcast at 12.00 on **2 August**

<b>RADIO HERCEG-BOSNA</b> (12,00 hrs)	<b>BH Radio 1</b> (12,00 hrs)	<b>RTRS</b> (12,00 hrs)
Mufti Smajkic's reaction	BL – Gradiska highway construction	Gradiska-B.Luka highway
Funeral of Saudi King Fahd	King Fahd to be buried today	Masovic on Bukejlovic's statement
Bomb explosion in Columbia kills 11	Weather	Kosovo update

TV news broadcast on **1 August**

<b>RADIO HERCEG-BOSNA</b> (18,00 hrs)	<b>TV PINK</b> (18,00 hrs)	<b>BHT 1</b> (19,00 hrs)
No broadcasting signal in Sarajevo	Cavic on Karadzic	No new reforms until September
	Regional News	CoM on Agreement with Croatia
	Issue of Serbs in Croatia	Saudi King Fahd died
	BiH CoM in session	Vehicle registration plates delivered
<b>NTV Hayat</b> (19,00 hrs)	<b>FTV</b> (19,30 hrs)	<b>RTRS</b> (19,30 hrs)
World News	Food poisoning in Kalesija	Cavic- surrender or arrestment

BiH PM to attend King Fahd's funeral	Vehicle registration plates delivered	CoM- agreement on dual-citizenship
Cavic on Karadzic	40.000 passport booklets delivered	Audit of issued citizenships
Bukejlovic on Srebrenica genocide	CoM on Agreement with Croatia	BiH HoR Comm. report on prisoners

<b>Oslobodjenje</b>	Terzic and Sanader to sign on dual citizenship on Thursday
<b>Dnevni Avaz</b>	The Patriarch still protects Karadzic
<b>Dnevni List</b>	Opinion poll in Hercegbosna canton: Police favours business people and politicians
<b>Vecernji List</b>	Sixty wedding guests got food poisoning because of lamb (cases of food poisoning in Tuzla)
<b>Slobodna Dalmacija</b>	Oil from Livno
<b>Nezavisne Novine</b>	60 attendees of a wedding poisoned (Kalesija)
<b>Glas Srpske</b>	The truth is the biggest victim
<b>EuroBlic</b>	Ombudsmen ate and drank as much as they wanted
<b>Vecernje novosti</b>	Karadzic must surrender
<b>Srpski Nacional</b>	A scandal [ <i>yellow press story from entertainment industry</i> ]

	<b>LATEST NEWS OF TODAY</b>
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**Seid Smajkic  
responds to  
reactions in  
Croat media**

**RHB** – The Mostar Mufti, **Seid effendi Smajkic**, triggered by several reactions in the Croat media, says his speech from the meeting of Bosniak youth, held in Mostar last Saturday, was misinterpreted. Smajkic notes that there were big obstructions in construction and reconstruction of religious facilities in areas where the HDZ was in power and where the Catholic Church is the spiritual power. He also says his task is to spread the truth and that his original speech is based on facts.

**Political issues**

**BiH CoM adopts  
draft agreement  
on dual  
citizenship btw  
Croatia and BiH**

**RTRS, PINK, BHT1, Hayat, FTV, Oslobođenje** cover splash, pgs 4-5 'Terzic and Sanader to sign on dual citizenship on Thursday' by A. Terzic, **Dnevni Avaz** pg 2 'Terzic and Sanader to sign on the draft agreement on dual citizenship on 4 August', **Dnevni List**, pg 5, mentioned on front 'Draft agreement on dual citizenship adopted', by Mensud Zorlak, **Vecernji List**, pg 5 'RS against agreement on property-legal issues', by Dejan Jazvic, **Nezavisne Novine** pg 4 'RS wants to keep the property of Croatian firms' by M.Cubro –

The BiH Council of Ministers on Monday debated the Draft agreement on dual citizenship between BiH and Republic of Croatia and authorized Chairman **Adnan Terzic** to sign the Draft agreement with Croatian Prime Minister **Ivo Sanader** on August 4 in Zagreb. The agreement foresees that the citizens who possess or have gained the citizenship of the Republic of Croatia, i.e. BiH, will not lose the citizenship of BiH, i.e. of Croatia, BiH Deputy Minister of Justice **Niko Grubestic** told a press conference. BiH CoM also discussed the Draft agreement on property-legal issues between BiH and Croatia . According to the Draft, BiH property in Croatia should be returned to BiH and vice versa. RS Directorate for Privatisation opposed this article, suggesting that Croatian property in BiH should be taken over by entity governments, while BiH property in Croatia should be taken over by Croatian government. Grubestic noted that the Directorate's proposal is against the Agreement on succession, which was ratified by former Yugoslav republics. Grubestic also noted that the complaints would be discussed on Wednesday before a BiH delegation departs for Zagreb .

**SD: Terzic will  
be criticized  
in Zagreb**

**Slobodna Dalmacija**, pg 15 'Terzic will be criticized in Zagreb', by Zlatko Tulic – Commenting on the forthcoming visit to Zagreb by the Chairman of BiH Council of Ministers, **Adnan Terzic**, Tulic says the timing of the visit is very bad for Terzic. According to information close to the Croatian Government, Terzic will be criticized because the Croatian companies are being prevented from taking part in co-capitalization of some BiH companies, such as 'Sarajevo osiguranje' and 'Energopetrol', despite Croatian companies giving best bids. Furthermore, SD says Terzic is in for unpleasant discussion with the Croatian Prime Minister, **Ivo Sanader**, regarding the non-compliance to the Free Trade Agreement between BiH and Croatia. On top of all this, SD argues the timing is bad because Terzic is losing sympathies of the High Representative, **Paddy Ashdown**, who was his (HR's) 'favourite player' until he decided to accept **Mladen Ivanic's** resignation and because some SDA senior officials want Terzic out of the BiH CoM.

**CoM tasks Civil Affairs Ministry to prepare, in coop. w/ OHR, changes to Law on Citizenship**

**Slobodna Dalmacija**, back pg 'Terzic and Sanader in Zagreb on dual citizenship', by D. Pasic, **Oslobodjenje** pg 4 'Parliament soon to discuss stripping of BiH citizenships' – At the session of the BiH CoM, Ministers have adopted the information prepared by the Ministry of Civil Affairs on revision of granting a status of naturalized BiH citizens in period from 1992 to 1998. The CoM tasked the Ministry to prepare the amendments of the Law on Citizenship in cooperation with the OHR with the aim of unifying the activities of commissions for considering the status of naturalized persons. After receiving the OHR's opinion, and at request of the BiH Parliamentary Assembly, the amendments of the Law on Citizenship will be forwarded to parliamentary procedure, stated Deputy Justice Minister **Niko Grubesic**. He added that the Council has tasked the ministries of justice, security, and civil affairs to prepare concrete measures for continuing the process of reassessing BiH citizenships and terminating them. The proposals of these measures should be considered at the next session. **RTRS** by Sanja Stankovic– According to information of BiH Ministry of Civil Affairs, BiH has issued 11.000 citizenships to naturalized citizens, mostly of Asian origin and SCG citizens.

**HDZ criticizes  
Mufti Smajkic's  
speech,  
MostarCity  
Admin. without  
comment**

**Nezavisne Novine** pg 2 'Statements of Mostar Mufti raising concern' by HINA , **Dnevni List**, pg 12 'HDZ criticizes rhetoric by Mufti Smajkic', by HINA – HDZ BiH has expressed concern about statements by Mufti **Seid Smajkic** from Mostar who has accused the Catholic Church of expansionism and support for the rigid political orientation of the HDZ BiH and Bosnian Croat forces of being an aggressor in BiH. *"The rhetoric used by the religious dignitary ten years after the end of the war is worrying... Islam, like Christianity and Judaism, should call for coexistence, peace and tolerance, especially in multiethnic and multicultural BiH,"* an HDZ spokesman, **Miso Relota**, told Hina news agency on Monday. Relota also dismissed Smajkic's accusations against HVO and their wartime treatment of Bosniaks. Smajkic made the statements at a meeting of young Bosniaks living abroad, held in Mostar on July 30.

**BHT 1** by Seid Masnica – Catholic Church denied the accusations presented by mufti Smajkic, inviting him to present any evidences. **Ensar Vila** from Association of Bosniak Youth stated that the Association approves the speech of Mufti Smajkic however underlined the association is also working to improve dialogue of all young people. Most citizens of Mostar disapprove the involvement of religious institutions in political issues. Mostar City Administration, as the major sponsor of the Gathering of Bosniak Youth, didn't comment Smajkic's speech.

<p><b>BHT 1</b>  <b>criticises</b>  <b>politicians for</b>  <b>going for</b>  <b>holidays</b>  <b>without</b>  <b>completing</b>  <b>reforms</b></p>	<p><b>BHT 1</b> <u>Marina Boskovic</u> – A collective holidays for members of state and entity parliaments has started on 1 August and will end on 20th. Members of BiH Council of Ministers and entity Governments will also start with their holidays this week.</p> <p>Therefore, reforms in the field of the defence, police and public broadcasting, all necessary in order to launch negotiations on Stabilization and Association Agreement, will have to wait until September. Reporter harshly criticises the fact that BiH officials left for holidays before completing the preparations for the reforms, commenting that EU can't and won't wait for BiH politicians to return to their work.</p> <p>European Commission's Spokesman <b>Frane Maroevic</b> confirmed that the final deadline for adoption of reforms is September, if BiH is to start SAA negotiations by the end of 2005. Member of SNSD <b>Krstan Simic</b> also criticized the fact that the authorities in BiH didn't complete their work on reforms before the start of holiday.</p>
<p><b>EuroBlic on</b>  <b>audit report on</b>  <b>BiH Ombudsmen</b></p>	<p><b>EuroBlic</b> cover pg splash, RSpG 1 'Ombudsmen ate and drank as much as they wanted' by <u>Tijana Veselinovic</u> – Daily features carries extracts from Audit report on the work of BiH Ombudsmen and their deputies in 2004, reporting on exceeding expenditures of the staff and failure of institution to obey the rules.</p>



<p><b>Audit report on BiH Ministry of Traffic and Communications: Non-justified spending on salaries</b></p>	<p><b>Nezavisne Novine</b> pg 5 ‘All employees were given regular and extraordinary salary stimulation’ by <u>D.Muminovic</u> – One of conclusions of the Audit Report on the work of the BiH Ministry of Traffic and Communication says that the Ministry paid out financial stimulation (regular and extraordinary of 20 to 30% of salary) in October, November and December 2004. <b>Nikola Sego</b>, Ministry Secretary, says that allowances were provided to the staff owing to huge tasks they were to complete.</p>
<p><b>SNSD warns of lack of constitutional amendments in Canton 10</b></p>	<p><b>Dnevni List</b>, pg 8 ‘Why is decision on constituent status of peoples not being implemented?’, by <u>NINA</u> – The SNSD is supporting the decision of Serb representatives in the Canton 10 Assembly to walk out from the recent session. The Serb Caucus left the session because their amendments on constituent status of peoples did not receive the necessary majority. The SNSD notes that amendments have not yet been adopted, and the party is amazed that the OHR in Livno is yet to react in the matter.</p>

	<p><b>War crimes</b></p>
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<p><b>Cavic: Karadzic has to either surrender or be arrested</b></p>	<p><b>FTV, BHT1, RTRS</b> by <u>Biljana Knezevic</u>– RS President <b>Dragan Cavic</b> said in Banja Luka on Monday that there was no alternative to the arrest of war crimes suspects, including <b>Radovan Karadzic</b> adding Karadzic will either surrender or will be arrested. Cavic added that without such action, the RS is to have a great political problem, potentially to escalate and set new, much harsher course of political forces toward RS. <i>“Radovan Karadzic must surrender. If Radovan Karadzic does not surrender, he must be arrested. I repeat, for who knows which time, for many months RS Ministry of Interior has been working in relation with people whose names are on public indictments, with an intention to get them to The Hague. Either [PIFWCs] will get there [in the Hague] as it was planed in the first half of the year, i.e. with them stopping to hide and negotiate on their surrender... or they will be directly arrested...There is no their way,”</i> said Cavic. Commenting the statement by <b>Ljiljana Zelen Karadzic</b>, who urged her husband to surrender, Cavic said that it was obvious she and her family are under big pressure, and stressed RS Institutions have not been spared of that pressure. <i>“Can you imagine than under what kind of pressure are [RS] official institutions?”</i> commented Cavic. <b>Hayat, PINK</b> – <i>“The Court will never close its doors for three persons; namely Radovan Karadzic, <b>Ratko Mladic</b> and <b>Ante Gotovina</b>. That is reality we have to live with,”</i> said Cavic.</p> <p><b>Dnevni Avaz</b> pg 4 Inset ‘Karadzic must either surrender or he would be arrested’, <b>Oslobodjenje</b> pg 4 ‘Karadzic should either surrender or be arrested’, <b>Nezavisne Novine</b> pg 3, announced on cover ‘Karadzic would be arrested unless he surrendered’ by <u>V.Popovic-D.Raduski</u>, <b>Glas Srpske</b> pg5 ‘Srpska will survive’ by <u>P.Pecanac</u>, <b>EuroBlic</b> RSpG 3 ‘Srpska will survive’ by <u>Sinisa Vujanovic</u> <b>Vecernje Novosti</b> cover pg splash, pg 2 ‘Karadzic must surrender’ by <u>Sl.Pesevic</u>, <b>Dnevni List</b>, pg 2 ‘Karadzic saves Srpska with his surrender’, by <u>Ivica Glibusic</u> – also carries.</p>
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<p><b>DL op-eds on Cavic statement: Pressure is showing results</b></p>	<p><b>Dnevni List</b>, pg 2 'Cavic's confession', by <u>Ivica Glibusic</u> – Commenting on the statement by <b>Dragan Cavic</b> that Karadzic has to either surrender or he'll get arrested, the author says it is a proof that the pressure exerted by NATO and EU are bringing results. The author also argues that the call to Karadzic that he will be arrested if he does not surrender is a proof that the RS leadership even nowadays knows where Karadzic is.</p>
<p><b>DA: 'Serb Orthodox Church sends signals it protects Karadzic'</b></p>	<p><b>Dnevni Avaz</b> cover pg splash 'The Patriarch still protects Karadzic' and pg 2 'Serb Orthodox Church sends signals it protects Karadzic' by <u>E. Sarac</u> – <b>Amir Ahmic</b>, a Bosniak liaison officer with the Hague Tribunal, has stated he was surprised with the comment of Patriarch <b>Pavle</b> on the appeal of <b>Ljiljana Zelen-Karadzic</b> to her husband Radovan to surrender. <i>'This statement is disastrous. Patriarch Pavle never reacted on BiH, Srebrenica, Sarajevo...He was even silent when the tape record of execution of six Srebrenica citizens were recently showed. Nevertheless, he protects family of Karadzic from the international community?!'</i>, Ahmic stated. He claims the Patriarch's message sends a clear signal to the international community that it is the Serb Orthodox Church that protects the war criminal.</p>
<p><b>Srpski Nacional comment on SPC' view on surrender of Karadzic and Mladic</b></p>	<p><b>Srpski Nacional</b> pg 2 'I pray for Radovan', announced on cover 'I pray for Ratko and Radovan' by <u>P.D.P.</u>– Daily learns that Serb Patriarch Pavle, who called on stop of oppression of <b>Karadzic's</b> family, has resulted in opposing reactions at the Serb Orthodox Church. A priest from Herzegovina says the Church must give clear stance on issues of this importance (including cooperation with the ICTY and extradition of Radovan Karadzic and Ratko Mladic).</p>

<p><b>Independent: 'Appeal by Karadzic's wife may herald his surrender'</b></p>	<p>RTRS, Dnevni Avaz pg 2 'War criminal is now trying to convince supporters he is to sacrifice for family', Glas Srpske pg 5 'This week in the Hague?' by Tanjug, Vecernji List, pg 3 'R. Karadzic expected in The Hague this week', by <u>Valentina Rupcic</u> – BiH media feature the article [titled 'Appeal by Karadzic's wife may herald his surrender'] published by UK newspapers Independent on Monday. It reads that <i>"Radovan Karadzic's days of hiding from justice seem to be numbered after his wife's unexpected appeal to him last week to surrender to the war crimes tribunal. Well-informed sources say that it could have been a prelude to his surrender after eight years on the run, and that the former Bosnian Serb leader could end up in the detention unit of the international war crimes tribunal in The Hague as soon as this week."</i> Commenting to the Ljiljana Karadzic's invitation for her husband to surrender, article says: <i>"The main one is financial with their resources now having shrunk to their lowest level. In particular, Karadzic's long concealment operation has had to be paid for, generously, by the family. The network that sustained it is now also breaking up... A secondary reason for the appeal is that Karadzic may have wanted to engineer a credible story for his still-numerous supporters by engaging his wife to make the broadcast. Many nationalists still regard him as a Serb war hero and they may be persuaded that he sacrificed himself for his family."</i></p>
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<p><b>Masovic: 'Bukejlovic had, by his signature, admitted death of at least 7,000 Srebrenica citizens'</b></p>	<p><b>Dnevni Avaz</b> pg 5 'Bukejlovic had, by his signature, admitted death of at least 7,000 Srebrenica citizens' <u>by E. Sarac</u> – Referring to the Vecernje Novosti interview with the RS Prime Minister <b>Pero Bukejlovic</b> and his statement that the RS Government had never published the information 8,000 Bosniaks were killed in July 1995 in Srebrenica [see <i>OHR BiH Media Round-up, August 1, 2005</i>], Chairman of FBiH Commission for Missing Persons <b>Amor Masovic</b> says the Report of Srebrenica Commission was not available for public, therefore it was easy for Bukejlovic to deceit citizens. He also claims it is undisputable fact that the RS Government, with Bukejlovic at the head, had admitted at least 7,000 Srebrenica citizens were apprehended. <i>'By this, they have admitted these people were killed because none of them had returned alive and we are still finding their remains in mass graves. Hence, Bukejlovic, by his signature, had admitted apprehension and murdering of at least 7,000 Srebrenica citizens'</i>, Masovic stated. <b>Nezavisne Novine</b> pg 5 'Bukejlovic admitted disappearance of 8700 Srebrenica people' – also carries Masovic. <b>RTRS, Oslobođenje</b> pg 6 'RS Government did not public information on a number of those killed in Srebrenica' <u>by Onasa</u> – carry excerpts from Bukejlovic's interview [in question] in VN. <b>Hayat</b> <u>by Nevzeta Skrijelj</u> – Hayat also brings overview of the interview, followed by harsh criticism.</p>
<p><b>GS: Report on Srebrenica prepared by a Canadian Centre reads massacre 'was propaganda'</b></p>	<p><b>Glas Srpske</b> cover pg splash 'The truth is the biggest victim' by <u>M.Kindl</u> – Daily features extracts from the Report on Srebrenica, prepared by the Quebec seated non-profit Center for Globalisation Research, claiming that Srebrenica massacre was just another propaganda conspiracy in the war which the USA and the NATO had run against former Yugoslavia. The author of the text <b>Gali Hassan</b>, does not dispute the fact crime was committed in Srebrenica. However, as GS notes, the analysis states that <i>"American and Western sources indicate that the number of victims was overestimated in order to create a cause to demonize Serbs and to win public support for intervention."</i></p>

<p><b>Masovic: Crisis in BiH CoM hinders search for missing persons</b></p>	<p><b>Slobodna Dalmacija</b>, pg 15 'State avoids Institute for missing persons', by <u>Z. Tulic</u> – President of FBIH Commission for Missing Persons, <b>Amor Masovic</b>, says if the state took the issue of search for missing persons more seriously, the search would be more successful. Masovic argues that the every pre-requisite for establishment of the state Institute for missing persons is already met, however nobody is placing the issue on the agenda of the BiH Council of Ministers because of the long crisis in the BiH CoM.</p>
<p><b>VL on activities pertaining to war crimes cases in BiH</b></p>	<p><b>Vecernji List</b>, pg 3 '11 cases in investigation stage', by <u>Dejan Jazvic</u> – VL notes that the BiH Court is currently working on 31 war crimes cases that were prepared by domestic investigative bodies and prosecution, not by the ICTY Prosecution. On top of this, VL says there are additional 11 cases which are being investigated into.</p>

	<p><b>Judicial issues / economy</b></p>
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**BiH Court:  
Silajdzija  
found guilty  
of  
obstruction  
of justice**

**RTRS, FTV, BHT1, Dnevni Avaz** pg 11  
‘Murat Silajdzia convicted on 3.5  
years of prison’, **Dnevni List**, pg 3  
‘Witness offered bribe to change  
testimony’, by NINA, **Vecernji List**, pg  
2 ‘Verdict reached in ‘Silajdzija’  
case’, by ra – The Criminal Panel of  
the Special Section II for Organized  
Crime, Economic Crime and Corruption  
of the Court of Bosnia and Herzegovina  
chaired by the judge **Finn Lynghjem**  
handed down the verdict in the case  
against **Murat Silajdzija** for the  
criminal offence of obstruction of  
justice. Silajdzija has been sentenced  
to a term of imprisonment of one year  
and three months. The Court finds that  
is proven beyond reasonable doubt that  
during the period between October 11  
and October 30, 2004 the accused  
Silajdzija offered a protected witness  
known as „A“ on at least seven  
occasions a bribe in amount of 50.000  
to 150.000 KM in order for witness „A“  
to change the statement in the case  
that had been conducted against  
**Abduladhim Maktouf**, who was charged  
with war crimes.

<p><b>Zenica inmates update: HoR's Commission demands issue solved</b></p>	<p><b>BHT 1, Hayat, RTRS, Dnevni Avaz</b> pg 5 'Solve issue of beating Zenica inmates', <b>EuroBlic</b> RSpG 2 'Commission wants to restore their rights' by <u>D.S.</u>, <b>Dnevni List</b>, pg 5 'Council of Ministers to solve problems of Zenica inmates?', by <u>M. Karacic</u>, <b>Vecernji List</b>, pg 5 'Commission wants solving of Zenica prison case', <u>not signed</u> – The Commission for Human Rights, Immigration, Refugees and Asylum of the BiH HoR demands from the state and entity institutions in charge to resolve the case of Zenica prisoners (in regard to beating up of inmates) and protect their human rights.</p> <p><b>Nezavisne Novine</b> pg 6 'Inmates must be transferred to another prison' by <u>R.Cengic</u> – <b>Slobodan Kovac</b>, BiH Justice Minister, claims that inmates from Zenica prison must be transferred to another prison in accordance with decision BiH Justice Ministry issued.</p>
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**VL: OHR and HJPC plan to decrease judges and prosecutors' salaries by between 3 and 12%**

**Vecernji List**, pg 5 'Judges and prosecutors will have biggest salaries', by Eldina Medunjanin – VL reports that following the criticism by the OHR regarding the high salaries that judges and prosecutors in BiH receive, the OHR and High Judicial and Prosecutorial Council have started preparing a Law on salaries of judges and prosecutors, which will, if adopted, decrease the judges and prosecutors' salaries by between 3 and 12%. VL goes on to say that there are proposals to slash the salaries even more and balance them with salaries in other sectors, however the proposals were dropped because the IC and judicial institutions fear that in that case, the good staff from courts and prosecutions would leave for private legal practice. On top of that, there is fear of corruption in case of dramatic reduction of salaries.

<p><b>Vlasenica account still blocked due to war compensation cases</b></p>	<p><b>Dnevni List</b>, pg 8 'Vlasenica has paid Bosniak 140.000 on account of war reparations', by <u>Anja Vrebac</u> – The Head of Municipality of Vlasenica, <b>Dragomir Stupar</b>, stated on Monday that the municipality had so far paid out the Bosniaks of Vlasenica 140.000 KMs on the account of war reparations. DL reminds that the account of the municipality has been blocked since December 31, 2004 because of 5 court verdicts that order the payment of war damages amounting to 310.000 KMs. Stupar says there are 20 more ongoing similar cases.</p>
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**BiH  
Confederation  
of Syndicates  
warns of VAT  
consequences**

**PINK, BHT 1, Dnevni List**, pg 6  
'Introduce zero rate on basic provisions', not signed, **Glas Srpske**  
pg 4 'They demand a meeting with Terzic' by M.M. – The BiH Confederation of Syndicates released a press statement, saying that this newly-established syndicate association has asked for an urgent meeting with the BiH CoM Chair, **Adnan Terzic**, and representatives of the BiH Parliamentary Assembly, which should discuss the protection of employees' rights. According to press release, one of priority tasks of Confederation is to abolish VAT on food, accommodation, fire-wood. President of Confederation, **Cedo Volas**, state:  
*"This needs to be done immediately, not after it shows that Law cannot be implemented owing to social problems, which can be seen in the recent cases in Serbia."*

**DL: VAT to  
cause social  
unrests**

**Dnevni List**, pg 4 'Possible social unrests after introduction of VAT', by Danijela Kozina – The author suggests that there could be possible social unrests when the VAT starts to be applied in BiH in January next year. To back her claim up, Kozina reminds of a UNDP's early warning report, which covered the period for the first three months of 2005, and which says that incomes per household have decreased due to big number of companies getting closed down or being in receivership.

**Lasic warns  
of foreign  
trade  
deficit,  
effects of  
VAT**

**Dnevni List**, pg 3 'Foreign trade deficit at 3,1 billion marks', not signed – Deputy Chairman of FBiH Economic Chamber, **Jago Lasic**, warned that BiH had in first 6 months of 2005 exported goods valued at 1,7 billion KMs, whilst in the same time it imported goods valued at 4,8 billion, meaning the trade deficit amounted to 3,1 billion KMs of which 886 million was made in area of agriculture or 26%. Lasic believes the main problems of the agriculture industry in BiH is not the free trade agreements, but lack of system that would take care of domestic production.

**Dnevni List**, pg 3 'Social unrests after introduction of VAT', not signed, **Vecernji List**, pg 4 'VAT brings escalation of social unrests', by Misijana Brkic, **Slobodna Dalmacija**, pg 16 'Social unrest threatening the state', by Zoran Zekic – Lasic reckons that there could be social unrests when the application of VAT starts next year. He thinks negative consequences will be felt as early as February or March 2006.

<p><b>Livno: Germans interested in opening eco- fuel factory</b></p>	<p><b>Slobodna Dalmacija</b>, front pg splash ‘Oil from Livno’ and pg 4 ‘Livno becomes centre for production of eco- fuel’, by <u>Zoran Zekic</u>, <b>Dnevni List</b>, pg 3, mentioned on front ‘Production of fuel starts in Livno valley’, by <u>Sanja Bjelica</u> – Deputy Chairman of FBIH Economic Chamber, <b>Jago Lasic</b>, announced that a German investor, Municipality of Livno and Canton 10 signed a contract on forming of a company that would produce ecology- friendly fuel on basis of lignite.</p>
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	<p><b>Defence and police issues</b></p>
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**Cavic on  
police reform:  
Compromise  
between FBiH  
and RS is  
necessary**

**Oslobodjenje** pg 7 'Compromise between FBiH and RS is a necessity', **Dnevni Avaz** pg 4 'Deviation from the Dayton would create crisis with uncertain consequences' by Fena, **Nezavisne Novine** pg 3, announced on cover 'Karadzic would be arrested unless he surrendered' by V.Popovic-D.Raduski, **Glas Srpske** pg5 'Srpska will survive' by P.Pecanac, **EuroBlic** RSpg 3 'Srpska will survive' by Sinisa Vujanovic **Vecernje Novosti** cover pg splash, pg 2 'Karadzic must surrender' by Sl.Pesevic – RS President **Dragan Cavic** on Monday said that it would not be easy to reach a solution on police reform in BiH, but expressed belief that a political solution would be found to realize this reform. He rejected the claims that RS is obstructing reforms and noted that RS must seek for a compromise with F BiH in order to find an acceptable model of police organization, through institutions and in line with conclusions of the RS NA. Stressing that if the RS politicians do not understand the reform processes, some new international conference could be organized at which the RS would probably suffer major consequences, Cavic warned that giving up on the concept of BiH Dayton organization could open a new long term crisis with uncertain consequences and estimations of its outcome.

<p><b>DA op-ed on Cavic statement regarding police reform</b></p>	<p><b>Dnevni Avaz</b> pg 3 'Cavic's ultimatum' op-ed by Edina Sarac – Referring to <b>Dragan Cavic</b>'s statements regarding police reform, author notes that the compromise RS President was talking about will at the end again come to the RS National Assembly's conclusions on the issue, and later adjusted to by the FBiH counterparts. <i>"Clearly, this is ultimate competition of the solutions that in interests of RS, and that the story on police reform has been returned to the beginning,"</i> argues the author.</p>
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**Dzaferovic  
urges entities  
to discuss set  
of defence  
laws**

**Dnevni Avaz** pg 3 'Dzaferovic warns RS institutions are already late' by L. Sinanovic – DA carries the statement by the Deputy Speaker of the BiH House of Representatives, **Sefik Dzaferovic**, who states for DA that the Joint Parliamentary Commission for defence and security policies has decided at the session on Friday that entities institutions should first complete their procedures in order to terminate conscription in defence sector. *"After the entities and parliaments adopt the appropriate regulations, the Council of Ministers will propose to the BiH Parliament to adopt the law on defence and the law on serving with the BiH Armed forces. The entities should react during August for Parliament to adopt those by the end of September,"* says Dzaferovic. He adds that RS Government and National Assembly are already late, and express concern that this could delay reform. DA carries that both RS Govt and RSNA are on holidays until 20 August. Head of SDA caucus in the RSNA, **Tarik Sadovic**, is featured as commenting that *"RS is not in hurry to implement reforms and I was surprised with naive and optimistic statements by Raffi Gregorian that the session is to be held in August. Personally, I really doubt that RSNA will move forward with these reforms even in September as this is a big bite for them."*

**NN on defence reform: Still no initiative for changes of entities' Constitutions**

**Nezavisne Novine** pg 5 'Entities are blocking defence reform' by M.Cubro – NN also brings **Sefik Dzaferovic**, underlying entities' parliaments have not as yet launched procedure for changes of entities' Constitutions, and this could lead to blockade of defence reform. **Tomislav Tomljanovic**, RS NA Deputy Speaker, stated: *"It is hard to assess whether the process of authority transfer would be completed by the end of month, but it is certain it suits somebody that reforms slow down."* **Josip Merdzo**, Co-Chairperson of the F BiH Parliament HoR, confirmed there was no initiative for this procedure, adding: *"It would be logical that changes are initiated by the F BiH President, but the Government or a group of delegates can also do that."* **Nikola Spiric**, Chairperson of the BiH Parliament HoR, stated: *"BiH Parliament will not be an obstacle to reforms, but we cannot do anything until entities do their job."*

<p><b>Oslobodjenje on defence reform and possible Armed Forces HQs locations</b></p>	<p><b>Oslobodjenje</b> pg 7, announced on cover 'Joint HQ in Sarajevo, Command in Lukavica...' by <u>A. P.</u> – Depending on the final decision of BiH Presidency members, seats of command offices of BiH Armed Forces should be equally distributed throughout BiH. The article reads the Operational Command Office of BiH Armed Forces, as in accordance with a proposal of BiH DRC, would remain at a temporary location until new facilities are constructed in Lukavica, or it would be transferred to the international military base in Butmir after BiH is reinstated to this facility. BiH Defense Ministry and BiH Joint Headquarters should remain in Sarajevo , the seat of new Command Office for Support would be located in Banja Luka , while its Logistics Office would be seated in Doboj.</p>
<p><b>NN: Nobody running SBS for 14 days</b></p>	<p><b>Nezavisne Novine</b> pg 5 'Nobody running SBS for 14 days' – <b>Niko Grubisic</b>, BiH Justice Deputy Minister, confirmed that BiH CoM Monday failed to appoint or discuss the issue of appointment of SBS Director, although nobody has been running this Service for 14 days now. Daily notes that Grubisic avoided to respond to question who runs SBS and why BiH CoM fails to appoint Director.</p>