OHR BiH Media Round-up, 3/1/2006

Latest radio news broadcast at 12.00 on 3 January

RADIO HERCEG-BOSNA(12,00 hrs)	**RTRS** (12,00 hrs)
Const. changes talks continue today	Talks on const. changes resume
Bandur (HNZ) on const. chgs talks	Gas delivery normalized
M. Dodik on const. changes talks	Causevic on VAT refund

TV news broadcast on 2 January

RADIO HERCEG-BOSNA(18,00 hrs)	**TV PINK** (18,00 hrs)	**BHT 1** (19,00 hrs)
OHR on VAT introduction	*News not broadcasted*	Major floods in Kulen Vakuf
Reduced delivery of gas to BiH		VAT implementation, day 2
Regional news		100,000 KM for the vote in RS NA?
World News		FBiH budget to be discussed again

NTV Hayat (19,00 hrs)	**FTV** (19,30 hrs)	**RTRS** (19,30 hrs)
Explosive device in trolleybus in SA	Russia-Ukraine gas dispute	New Year’s party outcomes

Explosion in Banja Luka	Gas reductions possible in BiH	Citizens reactions to VAT
Report on a co-operative society	Major floods in Kulen Vakuf	OHR on VAT
Prices in increase in BiH	VAT implementation, day 2	VAT at Raca crossing border

Oslobodjenje	Organizer of attack on Srebrenica lives as pensioner in Valjevo
Dnevni Avaz	An explosive device found in trolleybus
Dnevni List	Cars cheaper, groceries more expensive (VAT)
Vecernji List	Howitzers for Storm were received from UN (Croatian forces used Serb artillery that was provided by then UNPROFOR)
Slobodna Dalmacija	7000 believers enter New Year in prayer
Glas Srpske	Tihic again making addenda
Nezavisne Novine	Less gas in BiH too
Blic	Mozart beat up on trumpeters
Vecernje Novosti	Serbia related headlines

	LATEST NEWS OF TODAY

Talks on const. changes resume in Sarajevo	**RS Radio** – The representatives of the eight political parties from BiH have this morning resumed talks on constitutional changes in Sarajevo. Reporter notes that RS parties still oppose to establishment of institution of one President while F BiH parties demand one president. **Krstan Simic** is today attending the meeting on behalf of the SNSD. It also carries **Sulejman Tihic** statement, promoting abolishment of institution of president of entity. **Dragan Cavic** assessed latest Tihic' initiative as "*being not serious*". He expressed hope solution, that all parties find suitable, would be identified, noting "*it is illusionary to expect some major demands would be implemented*." **Douglas McElchany,** US Ambassador to BiH, did not want to make any comment regarding talks. **RHB** also covered the issue.
Dukic: RS politicians should not succumb to Tihic' demands	**RS Radio – Branislav Dukic,** the President of the Coordination Board of SPONA (Serb Movement of NGO's), is of the view that political leaders from the RS should abandon talks on constitutional changes following latest **Tihic's** initiative (regarding abolishment of entities' presidents). Dukic is of the view Serb representatives should not succumb to any sort of pressure or ultimatum of Tihic and those implementing politics of **Alija Izetbegovic.**

Gas delivery normalized	**RS Radio – Salih Vatrenjak,** Technical Director of "BH Gas" has confirmed in a statement to RTRS that the delivery of gas from Russia to BiH has normalized as of today, noting that new problems on this issue are not expected.

	Economic/Social Affairs
ITA to officially present the first VAT payment today	**Oslobodjenje** pg 2, mentioned on cover 'First official VAT payment to be presented today' – BiH Indirect Taxation Administration is officially going to present the first VAT payment on Tuesday. **Dnevni Avaz** pg 8 'First 34 marks of VAT paid by Haris Causevic' – According to the daily, the first VAT was paid at the Sarajevo Airport on January 1 by **Haris Causevic** from Sarajevo, who imported a modem card valued at KM 200.
OHR welcomes introduction of VAT system in BiH	**RHB, Hayat, FTV, RTRS, Oslobodjenje** pg 2 'VAT will bring new jobs in BiH', **Dnevni Avaz** pg 8 'VAT represents a major boost to BiH's economic prospects', **Slobodna Dalmacija** pg 17 'Bigger public incomes, less corruption' by D.P., **Vecernji List** pg 3 'OHR welcomes beginning of VAT application' by ra, **Dnevni List** pg 5 'VAT will raise living standard' not signed, **Nezavisne Novine** pg 3 'OHR welcomed VAT introduction', **Glas Srpske** pg 2 'Key of European doors' by M.Mi. – The OHR welcomed the launch, on 1 January, of Bosnia and Herzegovina's new VAT system. *"Introducing VAT is a key precondition for BiH's further integration in Europe, but – just as important – it can deliver real benefits to the people of BiH long before full membership of the EU becomes a reality,"* said OHR in a press release issued on Monday. *"The VAT system that has bee adopted in BiH will increase government revenue, which can be spent on upgrading social services. It will make tax evasion more difficult, thus benefiting honest businesses, and it will help reduce the corruption that is such an unwelcome part of life in BiH. Finally, it will make potential investors think seriously about putting money into BiH businesses and thus creating new jobs,"* the release read.

Not a single inspection team in BiH started checking the level of bread, milk and cooking oil prices	**BHT** Svjetlana Teodorovic – Not a single inspection team in BiH went out into the field to check the level of bread, milk and cooking oil prices, two days after the Value Added Tax (VAT) introduction. The prices of bread in Banjaluka have been increased by 25 percent, although state and entity Governments earlier underlined that the prices of basic life groceries should not be increased by more than eight percent. "*We estimated – and our estimations turned out to be correct – that the prices of life groceries will be increased by approximately 30 percent*", stated **Dragovan Petrovic** from the RS Consumers' Movement. But citizens of Banjaluka were not able to report the enormous increases in the prices of bread on Monday, because nobody answered a calls made on the free telephone line of BiH Indirect Taxation Administration. Consumers' Associations believe that such omission should have never happened, because merchants form their prices even during holidays or idle days. But even if the citizens were able to report the enormous increases in the prices of bread, it would have no immediate effect, because – unlike in FBiH – RS Price Monitoring Team has not been formed yet. "*I believe that Monitoring team will be established sometime next week*", optimistically stated Petrovic. According to some unofficial information, the prices of bread in BiH have not been increased beyond limits, although FBiH Price Monitoring Team is still on holiday. "*There were no activities so far, and there won't be any until Wednesday*", explained Head of the FBiH Price Monitoring Team **Ibrahim Tirak**. **Hayat** Zumra Arnautovic – Report brings feature on increase in prices of food and basic goods after introduction of VAT. Namely, featured citizens said that prices of bread, milk, oil, etc have been increased while prices of coffee detergents, etc have been reduced. Most of the featured citizens judge introduction of VAT. **FTV, RTRS, Sarajevo dailies** carried similar reports.

NN op-ed critical of BiH authorities failing to start monitoring prices increase following VAT introduction	**Nezavisne Novine** op-ed pg 7 'What is VAT to us?' by Rubina Cengic – The author criticizes the authorities and inspection services over VAT and increase in prices and says at the end everything will be the same – prices will gradually grow, citizens will still buy goods because one must live out of something, while the authorities will continue to justify growth of prices with a better future for those who are now 17 years old. She also notes that the prices of electricity will grow mid year, when everyone will be preoccupied with pre-election circus and this would lead to another wave of increases in prices, concluding: "*We will survive this as well, because someone will have to vote'*."
DL feature on VAT: Some products will be become cheaper, basic groceries expected to go up	**Dnevni List**, front pg splash and pgs 4-5 'Cars cheaper, groceries more expensive', by Anja Vrebac – carries a hefty article dedicated to the introduction of VAT, noting that whilst some products, like cars, appliances etc will become cheaper, the fact that worries the most is the expectation that basic groceries will become more expensive. According to **Dinko Corluka**, the Director of department for taxes with ITA, the basic groceries must not become more expensive by 17%. He explains there are recommendations that the retailers decrease their profit rates, thus take away the burden off the customers, underlining if someone were to abuse the VAT and make extra profit, big fines and closing of shops would take place.
BiH Central Bank: No reasons for inflation in BiH because of VAT	**Dnevni List**, pg 5 'VAT will not cause permanent inflation', not signed – on the occasion of introduction of VAT in BiH, the BiH Central Bank informed the citizenry that there were no monetary reasons for permanent inflation in BiH. The Central Bank explains it will continue implementing the current regime that has maintained the low level of inflation in past years.
DL op-ed on VAT: Concern with increase of process of basic groceries	**Dnevni List**, pg 2 'Citizens hit by VAT', by Arijana Beus – Commenting on the start of application of VAT, Beus is concerned with increase of prices for basic groceries, and to make matters worse, she notes that even the entities are yet to adopt respective budgets, which could affect the budget beneficiaries, foremost the pensioners and invalids.

BHT: 'Political trade' behind the scene of the discussion on RS budget for 2006	**BHT** Zoran Sarenac – 'Political trade' has been going on behind the scenes of discussion on RS budget in the RS National Assembly last week, DNS' representative **Drago Kalabic** stated for BHT. Unnamed source from the RS Government confirmed to BHT reporter that the vote in favour of RS budget was worth up to 100,000 KM. The first to bear the brunt were the representatives of caucuses with only few representatives, but – according to BHT reporter – it seems that those who were offering money paid most attention to the representatives of PDP; therefore, even the PDP president **Mladen Ivanic** had to intervene on the very day of RS NA session. "*We had no indication that any of our delegates would not vote according to party's decision. Therefore, as far as they are concerned, there were no such things. But I am well aware of the rumours that are spreading around… and I think that – if those rumours are true – it is a very bad thing which should be investigated*", stated PDP's **Igor Crnadak**. Former Party for BiH delegate **Milosava Jakovljevic** has been recently expelled from this party because she wanted to support SDS' budget. Jakovljevic is now an independent delegate, and BHT reporter speculates that she might have been rewarded for her support. "*I'm not defending this Government, but I hear delegates' remarks that the problem is not the budget, but the Government. I must say – if we live in a primitive society and this Government has just invented fire or a wheel, they would not be adopted in this Assembly. Or the multiplication table, let alone the periodic table*", Jakovljevic tried to excuse herself. The first case of attempted bribery in RS NA has not yet been closed up in the court, but this time the informer, DNS' Drago Kalabic, was not offered money. "*The only consequence of the last case is the fact that they are now avoiding me and my party. But we have information that similar things are still happening, such pacts and transactions*", stated Kalabic, but he did not explain who are 'they'. "*42 representatives are necessary to elect new Government, and I wish them all the best to do that*" stated RS Minister of Finance **Svetlana Cenic**, although – at first glance – it is not clear why BHT broadcasted this statement at this point of the report. BHT reporter concluded this report by saying that RS President **Dragan Cavic** will publicly speak about the Government that does not have the Parliamentary support, and the RS NA itself, on a traditional reception on January 5th.

BHT: Both Houses of FBiH Parliament to discuss the FBiH budget for 2006 later this month	**BHT** – Both Houses of FBiH Parliament will discuss the FBiH budget for 2006 later this month. FBiH Prime Minister **Ahmet Hadzipasic** should hold talks with the representatives of the political parties that form the parliamentary majority, in order to remove the obstacles for the adoption of the budget. BHT presenter concluded that the fact that entities' budgets have not yet been adopted is an obstacle for adoption of social programs for alleviating the consequences of Value Added Tax introduction.
VL on future of former state property in BiH	**Vecernji List**, pg 3 'State and entities are fighting for property of former SFRJ', by Eldina Medunjanin – VL explains that a commission, which was established at the request of the High Representative, **Paddy Ashdown**, and which was expected to prepare a Draft law on belonging of state property one month ago, will start with a serious work tomorrow. VL notes the commission is expected to come up with the Draft law that would regulate issues pertaining to which property is owned by the state and which by the local self-government units. The daily explains that most of the property, which used to be owned by the Socialist Yugoslavia and Socialist Republic of BiH, is now in ownership of the entities, cantons and municipalities, and VL expects that the RS will try to hold on to the property it is in possession at the moment, which will determine the work of the RS-appointed members to the said commission.
Delivery of gas to BiH to be reduced?	**RHB, BHT, Hayat, FTV, other BiH media** – Hungarian company MOL announced that they will decrease delivery of natural gas to BiH and Serbia by 40%. Almost whole Europe is to suffer due to a lack of gas caused by Russian-Ukraine gas-dispute.

	Political Developments/Reforms
Talks on constitutional changes to continue in Sarajevo today	**BHT, Hayat, FTV, RTRS** – The talks on constitutional changes in BiH are to be continued in Sarajevo on Tuesday, after the leaders of eight biggest political parties so far have not been able to reach an agreement on BiH Presidency. If the agreement on this issue is finally reached, political parties will discuss the structure of the state parliament.

S. Tihic: 'To give authority in full capacity to BiH as a state'	**Oslobodjenje** pg 3 'To give authority in full capacity to BiH as a state' – Commenting on continuation of the constitutional changes talks scheduled for Tuesday SDA President **Sulejman Tihic** stated that he believes that it would be important to reach an agreement on abolishment of Houses of Peoples, that is Councils of Peoples in the entities and institution of an entity President since they appear as parallelisms and redundant in this reform. Tihic added that this stand is in accordance to the things that the Venetian Commission proposes in its opinion.
S. Halilovic: 'It was given to entities to tailor sovereignty of BiH'	**Oslobodjenje** pg 3, mentioend on cover 'It was given to entities to tailor sovereignty of BiH' by R. Kolar carries **Safet Halilovic** from SBiH commenting on the constitutional changes talks. Among the other things, he says that the proposal that has been offered from the very beginning should not be treated as a legitimate draft for the Constitution. He added: *'Instead that sovereign BiH passes its own Constitution as supreme legislative Act the logic of the Dayton Peace Accord has been offered to us where original sovereignty has been given to the entities and they decide to what extent sovereign and functional the state would be…'* He added that in the **Donald Hays'** proposal this logic of the DPA remains and it has been even enhanced in some its aspects compared with the DPA itself.

Bandur (HNZ) on constitutional reforms talks: Difficult negotiations of future of BiH Presidency	**Dnevni List**, pg 8 'Unquestionable unity of Croat negotiators', by Ivana Rozic – Vice President of HNZ, **Mate Bandur**, who will take part in today's and tomorrow's continuation of constitutional reforms talks, confirms that the talks will focus on the issue of BiH Presidency. He says the talks are difficult since the parties have different positions, namely the Serb representatives believe there should be a 3-member Presidency that should rotate each 4 months, whilst the Croat side believes there should be one President and two Vice Presidents whose term would last 4 years. Such Presidency (the Croat proposal), explains Bandur, would have jurisdictions that would be divided among the President and Vice Presidents, explaining that issues of vital national interests such as foreign policy, finances, army and police, would require consensus from both Vice Presidents. Bandur also explains that the Croat side is against the Serb representatives' proposal that one member of BiH Presidency is elected in the RS, and the remaining two from the FBiH.

RS parties still oppose to one president	**Glas Srpske** cover pg splash 'Tihic again making addenda' by Z.M. – On the eve of today's resumption of talks on constitutional changes, GS reports that **Sulejman Tihic** will today make further demands on the issue – namely he would demand abolishment of the institution of Presidents of RS and F BiH. It further reports that Party for BiH, SDP of BiH and Croat Peoples Party previously announced it would support election of one president, while parties from RS (SDS, SNSD' **Krstan Simic** and PDP' **Zoran Tesanovic**) support maintenance of tri-partite BiH Presidency. **Glas Srpske** cover pg inset 'New proposals' by SRNA, **EuroBlic** RSpg 2 inset 'Tihic does not give up'_– **Sulejman Tihic,** SDA President, told SRNA news agency that there will be no agreement on constitutional changes "*if somebody wants to maintain the existing situation*". **Nezavisne Novine** pg 3 'Talks on BiH Presidency again' by M.Cubro/V.Popovic – reporting on continuation of talks, daily carries statements of **Beriz Belkic** from Party for BiH (saying his party insists on one president) Tihic (see above paragraph), **Mladen Ivanic** from PDP and **SImic** from SNSD (opposing to one president). **EuroBlic** RSpg 2 'All kept previous stances' by M.Milic – reporting on continuation of talks with somewhat same remarks: RS parties oppose to one president (carrying statement of **Milorad Dodik).** Also carries statement of **Miso Relota** from HDZ urging other rather than cosmetic changes of constitution.

US Ambassador McElhaney on constitutional reform talks: BiH politicians are not asked to change the world	**Dnevni Avaz** pg 2 'BiH politicians are not asked to change the world' by L. Sinanovic – US Ambassador to BiH **Douglas McElhaney** stated that unless talks on constitutional changes are brought to an end, BiH will face difficulties in convincing people abroad that a normal structure of authority exists in BiH. Nevertheless, the Ambassador expressed his optimism and added that the talks will continue with discussion on BiH Presidency in Sarajevo today (Tuesday). '*It is the fact that no person here talks about changing the world but about a reform that is not difficult to implement at all',* McElhaney added.
Osl. op-ed on BiH's tasks and challenges in 2006	**Oslobodjenje** pg 9 'Year of entrance exams' by Z. Dizdarevic carries en editorial on tasks and challenges that BiH is to be faced with in 2006. Among the other things, the author says: '*Constitutional changes will not change considerably the BiH political and legal framework and correlation of forces. Confrontation of two options would continue, that is preservation of the RS at any cost and preparing of BiH for Euro-Atlantic integration. Within this controversy resoluteness of the USA and EU would be crucial as a necessary stimulus for forming of strong BiH democratic core with Euro-Atlantic orientation.'*

Austrian Presidency over European Union will open new dimensions in the EU relations with countries of Western Balkans	**BHT** Gvozden Sarac – Austrian Presidency over European Union will open new dimensions in the EU relations with countries of Western Balkans. Officials in Vienna have already underlined that the Western Balkans' countries would be their priority. "*The ministerial meeting, scheduled for March in Salzburg, between representatives of EU and Western Balkans' countries would be the opportunity to take an inventory of the situation on Balkans – how much progress each country has made, and what they should do in the future. For us, it is the opportunity to show our dedication to the reform process*", stated Director of the BiH Directorate of European Integration **Osman Topcagic**. BHT reporter briefly reminded that the BiH talks on the Stabilisation and Association Agreement with the EU have been officially opened in November 2005, and that the first round is scheduled for January 25th 2006. BiH Council of Ministers formed the negotiating team, headed by **Igor Davidovic**, and appointed the other members of negotiating team. According to BHT reporter, there is one controversial appointment: **Samir Rizvo** should negotiate the issues of asylum, immigrations and visa regime, although he was once suspected of illegally granting citizenship to persons from Africa and Asia. Deputy Minister of Security **Dragan Mektic** explained that the only important thing is that Rizvo has never been sentenced.

VL on SAA talks: BiH should have better relations with Finland	**Vecernji List**, pg 3 'Finland is crucial for SAA', by dja – The author notices that no matter how favourable a fact that Austria will be chairing the EU in the next 6 months, Finland should be even more important for BiH since Finland will take over from Austria at times when BiH is expected to complete the SAA talks. However, VL warns that BiH-Finland relations are very poor, underlining that neither BiH nor Finland have resident ambassadors in respective countries.
HR Ashdown awarded by British Queen for his service in BiH	**Dnevni Avaz** pg 2, mentioned on cover 'Queen Elisabeth presented an award to Ashdown' by S. N. – HR **Paddy Ashdown** was on Monday awarded with the Medal of Large Cross Knights, the order of St. Michael and St. George. British Queen Elisabeth II gave him the medal for his service in BiH. His close associates **Edward Llewellyn, Julian Astle** and **Ian Patrick** were awarded as well.
Dzihanovic calls on Lozancic to initiate procedure on appointment of new FBIH Minister of Energy	**Dnevni List**, pg 7 'Initiate appointment of new minister', not signed – FBiH Vice President, **Sahbaz Dzihanovic**, calls on the FBiH President, **Niko Lozancic**, to immediately take a decision and accept the resignation of the current FBiH Minister of Energy and Industry (**Izet Zigic**), and initiate a procedure pertaining to appointment of a new Minister.

	Crime/Legal Proceedings

Osl: 'Organizer of attack on Srebrenica M. Zivanovic lives as pensioner in Valjevo'	**Oslobodjenje** cover pg and pg 6 'Organizer of attack on Srebrenica is pensioner in Valjevo' by A. Avdic carries that Oslobodjenje has come into possession of the documents which directly confirm that Major-General **Milenko Zivanovic** planned and was in charge of the complete action whose goal was conquering of the enclave Srebrenica. Oslobodjenje says that after recent arrests for this crime on the ground of the BiH Court orders, it seems that he would never be held accountable for this war crime since he has been living in Valjevo, Serbia, where he enjoys the pension of the RS Army. Osl. also says that is especially strange that Zivanovic's case has not be processed by the ICTY since his successor **Radislav Krstic** has been sentenced for genocide.

SiCG Defence Minister denies Army is aiding Mladic	**Vecernje Novosti** pg 5 'Military formation of frauds and deceptions' by TANJUG, **Glas Srpske** pg 3 'Responsibility, then penalties' by TANJUG, **Nezavisne Novine** pg 2 'Mladic's son was taking Mladic' pension' by AFP – SiCG Minister of Defence **Zoran Stankovic** stated that **Ratko Mladic's** son was the one who was taking up pensions of Mladic until middle November 2005. He also said Mladic authorised his spouse, son and two officers of the SiCG Army (one of whom is still active while another one retired) to pick up his pension. According to him, Mladic' the payment of Mladic' pension will be suspended until Maldic' son resolved irregularities related to this issue. According to him, the military services in charge are investigating why two officers failed to inform their superiors officers of authorization they had. He also announced that in 20 days time, Military-security Agency will announce to public all information related to Mladic and other war crime suspects, that may have suggested to Hague investigators Army is aiding Mladic, concluding there was no ground for such suspicion.

A suspicious explosive-like package found in a Sarajevo trolleybus	**BHT, Hayat, Dnevni Avaz** cover page, pg 3 'An explosive device found in trolleybus', **Nezavisne Novine** pg 2 'An explosive device detected at trolley', announced on cover 'A bomb detected at trolley' by D.Muminovic– The Sarajevo-based Gras public transportation company representatives informed Canton Sarajevo Ministry on Interior that suspicious explosive-like package has been discovered in a trolleybus parked in garage. Cantonal police immediately launched an investigation that will establish if it really was about an explosive device or not.