OHR BiH Media Round-up, 5/1/2006

Latest radio news broadcast at 12.00 on 5 January

RADIO HERCEG-BOSNA(12,00 hrs)	**BH Radio 1** (12,00 hrs)	**RTRS** (12,00 hrs)
HDZ Neum agst port in this town	Bread prices in Canton Sarajevo	Talks in SA ended: No agreement
On smuggling of people to France	SDS means to BiH institutions	Another car explosion in B. Luka
BiH to have Presid. and 2 Vice Presi.	Floods : great materia damage	Dec. pensions' payment starts in RS

TV news broadcast on 4 January

RADIO HERCEG-BOSNA(18,00 hrs)	**TV PINK** (18,00 hrs)	**BHT 1** (19,00 hrs)
Floods in Mostar	Constitutional talks continued	Negotiators on constit. changes
Floods in Drvar	Dixon on VAT	Water level of Una river decreases
Floods in USC	Almhofer on reform process in BiH	Natural catastrophe in Drvar
Floods endanger Jajce waterfall	New coins in circulation in BiH	Prices of medicines raise due to VAT
NTV Hayat (19,00 hrs)	**FTV** (19,30 hrs)	**RTRS** (19,30 hrs)
Floods in BiH	Reactions on VAT instalment	Const. talks continued in Sarajevo
Constitutional talks continued	Dixon on VAT effects	Austrian Ambass. on const. changes

Almhofer on constitutional changes	Kozaric on stand-by arrangement	Audit’s report on irregularities
Issues on hold due to holidays	7 yuppies employ. in Zenica hospital	Brcko District discussed VAT

Oslobodjenje	SCG Fund for Humanitarian Right: Recall Kilibarda from Sarajevo
Dnevni Avaz	Almhofer: BiH and Kosovo can not be compared at all
Dnevni List	Gang of BiH citizens arrested (Swiss police arrests gang of thieves)
Vecernji List	BiH citizens leading gang (Swiss police arrests gang of thieves)
Slobodna Dalmacija	Old and new boss of OHR: Maharaja leaving, friend coming
Glas Srpske	Battle is lost (about Serb returnees’ problems in Sanski Most)
Nezavisne Novine	Nobody is penalizing shopkeepers
Blic	Loans insufficient for reconstruction of destroyed houses (collective centres in RS)
Vecernje Novosti	Serbia related headlines

	LATEST NEWS OF TODAY

HDZ Neum agst construction of port in this town	**RHB** – The Municipal Board of HDZ Neum expressed their objection against building of a port in Neum. The HDZ Board believes that this would implicate building of other infra-structural facilities. It was stressed that their stance is based on a project “Southern Adriatic”- the regional plan, which was established by the former state, with participation of the Republic Croatia, BiH and Montenegro.

Another round of constitutional reform talks ends; BiH to have President and 2 Vice Presidents	**RHB** – SDA President **Sulejman Tihic** and PDP President **Mladen Ivanic** confirmed that during the constitutional changes talks it was agreed that BiH will have one President and two Vice Presidents. **RS Radio** – The representatives of the eight parliamentary parties around midnight last night ended talks on constitutional changes without reaching an agreement on BiH Presidency and BiH Parliamentary Assembly. Discussion on these topics are to resume on 15 and 16 January in Sarajevo. Talks agreed on future functioning of the BiH HoP but not on manner of election and akin. **Mladen Ivanic,** PDP leader, assessed the so far talks failed to result in solutions for significant issues related to constitutional changes. According to him, the new round of talks should provide response to the question as to whether essential changes will take place or not. Ivanic said: *"My stance is that the existing Constitution is the base from which we should proceed further."* Reporter notes the outcome of the so far talks results from hard-lined stances each side is representing, adding that participants of the talks share the view there has been no pressure by the international officials during talks performed so far. **RS Radio – Krstan SImic,** SNSD official, told RTRS that some issues related to powers of BiH HoP have been agreed upon to a great extent, adding that the issue of election of delegates and number of delegates to BiH HoP remains open. Simic is of the view that the ideal option would be if 9 delegates from each peoples I elected to BiH HoP. Simic said: *"There were at least 15 solution offered for election of delegates, but not a single one was accepted. RS representatives shared the view election should be performed at the Parliaments of RS and F BiH (7 + 14). SDA and HDZ agreed HoR should be in charge of this issue…What also remains disputable is the issue of Presidency. Stances on this issue largely differed."*

Bread prices in CS at satisfying level	**BH Radio 1** – Bread prices in Canton Sarajevo maintain within legal boundaries. Market Inspection of CS, as Chief Inspector **Midhat Pasic** explained it, has conducted activities according to the Law on VAT. Inspectors established that increase of bread prices is on satisfying level of 10%.
SDS funds to be transferred to BiH institutions	**BH Radio 1** – Daliborka Gavrilovic Kujundzic – Financial means that had been paid to the SDS account in a period from January to September 2005 and later frozen by the HR's decision in October 2005 would be transferred to the account of BiH institutions. According to OHR statement, these means will be transferred to account of SIPA, BiH War Crime Chamber and BiH Election Commission which would contribute to the rule of the law in BiH. **RS Radio** also carried OHR statement on the issue.

	Political Developments/Reforms

Talks on constitutional reform continue, certain progress made regarding the structure of state parliament	**BHT** by Gvozden Sarac – At the continuation of constitutional changes talks in Sarajevo, leaders of eight political parties reached an agreement to expand the BiH House of Peoples, however failed to agree on the election of delegates. Process of launching an issue of the vital national interest [VNI] remains the same, whereas peoples' caucuses would have 7-10 delegates, reports BHT1, adding that talks have been very hard but there has been some progress with two Serbs to be elected from the territory FBiH. Expansion of BiH House of Representatives has been previously agreed, unlike issue of BiH Presidency members, stated reporter. With regard to the BiH HoR representatives, HDZ leader **Dragan Covic** said there would be "*87 representatives, at least three of that from ethnic minorities*". SDA leader **Sulejman Tihic** commented the negotiations on the Presidency: "*Would it be a President or a Presidency, how he would be elected or would there be rotation, all of those key issues have not been agreed.*" PDP's **Mladen Ivanic**: "*Tihic said he cannot accept anything that would verify entities, but we from the RS cannot accept anything that would abolish the entities.*" US Ambassador **Douglas McElhaney**: "*Political leaders have to be aware that they can leave the things as they presently are, i.e. inefficient government that is very expensive, or they can make hard political decisions that would take BiH to the better future*. SDP leader **Zlatko Lagumdzija**: "*I'm not very optimistic for today, but I am optimistic that we would finish before the deadline, which is January 16*." **RHB, PINK, Hayat, RTRS** also carried the reports on constitutional changes. **BHT** late news – **Mirsad Ceman** from BiH HoR Constitutional-Legislative Commission said that definite agreement on BiH HoP has not been reached, but the definition of VNI has been agreed. PDP's **Igor Crndak** confirmed that talks are close to reaching an agreement of having ten members in each caucus in BiH HoP. **Dnevni Avaz** pg 4 "House of Representatives will have 87 deputies", mentioned on cover by A. Malagic– Inset 'BiH HoP decides only on VNI' carries that in a future, BiH HoP will discuss only issues of protection of VNI. Delegates will not address all issues that are submitted to parliamentary procedure. Discussion on number of deputies within BiH HoP continues, whereas FBiH parties are proposing 15 and RS parties' 21 deputies. **Oslobodjenje** pg 3, mentioned on cover "Still without an agreement on BiH Presidency"- by A. Omeragic– **Safet Halilovic**, SBiH leader, announces continuation of talks for 15th and 16th January. **Dnevni Avaz**, pg 2 'BiH could face bankruptcy if it continues like this' by L. Sinanovic – University Sarajevo Professor **Kasim Trnka** said, "*BiH state administration is a giant that is hard to feed*", urging for decrease of administration on all levels of authority. Otherwise, he warns, BiH could face bankruptcy. **Vecernji List**, pg 3 'More than 100 MPs in state parliament', by zk – Commenting on the apparent agreement of BiH political parties to make the BiH HoR bigger i.e. with more MPs in it (87), VL ironically says the only result of the two-day talks is that BiH will have a more expensive state apparatus. HDZ leader **Dragan Covic** comments the issue by saying that BiH citizens have no reasons to be cheerful because it is not about a rational solution. On top of this, Covic argues that the cosmetic changes will not satisfy expectations of the BiH citizenry nor Europe when it comes to having an efficient and rational state of BiH. VL also carries SDA leader **Sulejman Tihic** who says there is less chance that talks end up in constitutional changes. **Dnevni List**, pg 3 'Serb politicians persistent in keeping the entity', by Ivana Rozic – Carries HNZ's **Mate Bandur** as confirming that the future BiH HoR will have 87 MPs. Bandur also notes that when it comes the election of BiH Presidency members, the problem is with the way of election of the Presidency members since the Serb representatives insist that they be elected from the entity bodies. HDZ spokesman, **Miso Relota**, also confirmed for DL that there had not been bigger developments during the talks. "*As things stand right now, it would appear that individuals started the negotiations with an aim to trick other two peoples*", said Relota, noting that everything that has happened so far came down to creation of non-constructive atmosphere and constant disagreements between the Bosniak and Serb politicians. Inset 'Barbaric approach of politicians' carries leader of SBiH, **Safet Halilovic**, who says majority of negotiators have a 'barbaric' approach to the negotiations. He notes it is appalling that none of politicians are in favour of establishing a state level Ministry of Culture and Education and Ministry of Healthcare. **Nezavisne Novine** pg 3, announced on cover 'BiH to get President and two deputy presidents' by M. Cubro – SDA's **Sulejman Tihic** and PDP's **Mladen Ivanic** confirmed on Wednesday evening that it was agreed during talks on constitutional changes that the President and two Deputy Presidents of the state will be chiefs of executive authorities in BiH. Ivanic said the manner in which these positions will be filled were not agreed upon as yet. **Glas Srpske** pg 5 'Marathon runners are tapping in place' by Z. Domazet – reports on the agreement reached with regard to the number of delegates at HoR and carries statement of **Mladen Ivanic** who emphasized that someone must make concessions regarding the constitutional changes adding it was not realistic to expect from constitutional changes to change the essence of BiH Constitution or DPA. He also noted he does not expect from international community to exert any pressures and said he would not accept anything under a pressure even if it were the last decision in his career. SDA's **Sulejman Tihic** expressed his dissatisfaction over talks and said he does not feel optimistic and does not think anything would be agreed upon. SNSD's **Krstan Simic** and SDP's **Zlatko Lagumdzija** stated politicians need more time to discuss the issues. HDZ's **Dragan Covic** asked that the issue of middle level of authorities be discussed, while Party for BiH's **Beriz Belikc** said negotiators view any change as both gain and loss. **EuroBlic** pg RS2 'Partial solutions', announced on cover 'Ivanic: I will not accept anything under a pressure' by Dusanka Stanisic – HDZ's **Covic** said an agreement on competences and manner of election of HoR was agreed upon, while SDA's **Tihic** denied they have agreed on the manner of election of HoR. The article also carries above-mentioned statement of PDP's **Ivanic.** **Nezavisne Novine** pg 3, announced on cover 'BiH to get President and two deputy presidents' by M. Cubro inset 'McElhaney reminded party leaders of USA stances', **Glas Srpske** pg 5 'Marathon runners are tapping in place' by Z. Domazet inset 'He is satisfied with the progress', **EuroBlic** pg RS2 'Partial solutions', announced on cover 'Ivanic: I will not accept anything under a pressure' by Dusanka Stanisic 'McElhaney: difficult decisions are leading BiH to the future'
SNSD' Dodik: SDS is playing with RS' destiny	**Nezavisne Novine** pg 4, announced on cover 'SDS is playing with destiny of RS' by V.Popovic – In a page-long interview to daily, **Milorad Dodik,** SNSD President, confirms that SNSD will launch initiative for vote-of-confidence in RS Government at the first upcoming session of the RS NA. He says that SNSD has collected sufficient number of votes to accomplish this mission, in whose successful outcome he has no doubts, stressing: "*I am convinced that in January, RS will get a new Government. The current Government led by **Pero Bukejlovic** must leave, since it is evident it has no parliamentary support, over which reason budget for 2006 was not adopted.*" He says it is unbelievable SDS is prepared to jeopardise the Parliament stability because of Government, and also that it is playing with the destiny of RS. On constitutional changes, he stresses: "*The starting point for compromise and consensus is the existing situation. Maximalist-like demands do not contribute to success of talks, including insistence on one president and abolishment of entities.*"

Nikola Spiric: BiH is not ready to accept one president.	**Vecernje Novosti** pg 2 'One President too many' by Slobodan Pesevic – In a page-long interview to daily, **Nikola Spiric,** Chairperson of the BiH HoR, says that the executive authority is responsible for the failure to see budgets for 2006 adopted, owing to which reason a major harm was made upon BiH citizens. He says that **Adnan Terzic and Dragan Cavic** should leave jointly with **Paddy Ashdown** (whose end of mandate is approaching), since they worked together, since citizens are not satisfied with the work they have done. In regard to economic situation, he says 2006 will be a hard year, noting VAT consequences will be much harder in BiH than in other states, since there is no readiness of Government felt at entity and state levels to intervene and prevent seeing citizens paying the sole price. On constitutional changes, he says: "*Essentially speaking, the changes international community wants will take place. It is still hard to say how Constitution will exactly look like, but I can say there are no sort of cosmetic changes, but instead crucial. I presume medium solution will be sought for, since no mutual trust has been sufficiently built in BiH.*" He notes BiH is still not ready to accept the institution of one president. He says there is a rift within SDS, proving it by the fact that intentions for removal of **Pero Bukejlovic'** Cabinet from **Dragan Cavic.**
DL op-ed: BiH politicians' main goal in 2006 is general elections	**Dnevni List**, pg 2 'Fight for positions', by Ivana Rozic – Commenting on the course of constitutional reforms talks and political situation in general, Rozic says the former are marked with lack of agreement and with participants failing to tackle the real problems of the country. As for the general political situation, Rozic argues it is the 2006 general elections that are the most important issue for the politicians in BiH, especially the Croat ones, who are ready to do almost everything to remain in their respective positions, not caring even about the law and basic political manners.
VL op-ed: BiH should use Croatia's experience	**Vecernji List**, pg 4 'Highway builds togetherness', by Petar Grubisic – Commenting on the constitutional reforms talks and lack of results during the said process, Grubisic says the key issue is that all the political players should strive to achieve progress in BiH i.e. to improve the living standard of BiH citizens. Grubisic reckons BiH should follow Croatia's example, which built a modern highway between Zagreb and Split, which created many jobs, connected the people and areas and benefited economically.
Ambassador Almhofen: 2006 turning point for BiH; status of BiH and Kosovo cannot be compared	**Pink** – 2006 presents a crucial year for BiH in all domains, said the Austrian Ambassador to BiH **Werner Almhofer** at the press conference held on Wednesday. Almhofer, whose country took over the EU Presidency on 1 January, added that by beginning of 2006, BiH had achieved progress and started solving challenging issues such as constitutional reform talks. Almhofer said that if the country manages to complete ongoing reforms with success, BiH would sign the Stabilization and Association Agreement by the end of 2006 adding Austria will help BiH in its efforts to do that. "*In case of having the ongoing reform processes carried out with success, it is sure that the OHR will be transformed into the Office of the EU Special Representative by the end of the year*", said Almhofer. He reiterated stances of the EU Enlargement Commissioner **Olli Rehn** that in order to become the EU state member, BiH had to meet three conditions: human rights, efficiency and functionality. Austria announced that it would is organize a number of meetings between ministries in all sectors at the EU and region levels. **Hayat**– Almhofer added that he hopes that **Christian Schwarz Schilling** was going to be the last High Representative to BiH and that BiH citizens desperately needed changes in the Constitution in order for BiH to become the EU state member. **RHB, BHT, RTRS, FTV** also carried the Ambassador's statement. **Dnevni Avaz**, cover page splash and pg 5 'BiH and Kosovo can not be compared at all' by Sanja Skuletic – Status of BiH and Kosovo cannot be compared at all, said Austrian Ambassador **Werner Almhofer**, adding that status of BiH has been regulated with Dayton Peace Agreement, and status of Kosovo is yet to be regulated. Rest of the interview as reported in electronic media. **Oslobodjenje**, pg 2 'Western Balkans will be priority' by M.K.S., **Dnevni List** pg 2 'Our country is EU priority' by E. Mackic, **Vecernji List** pg 4 'Almhofer: 2006 is historical for BiH' by eme, **Slobodna Dalmacija** 21 'With our assistance authority would take BiH to Europe' by B. Kristo, **Nezavisne Novine** pg 3 'Brining BiH closer to EU is Austrian priority' by M.Cubro, **Glas Srpske** pg 3 'A year of landmark' also report on Almhofer's press conference.
CoM Chair Terzic sends letter to Austrian Chancellor: Reaffirm policy of Western Balkans' integration into EU	**Dnevni Avaz** pg 5 "Reaffirm policy of including Western Balkans to EU"- BiH Council of Ministers Chair **Adnan Terzic** on Wednesday sent a letter to the Chancellor of the Republic of Austria, **Wolfgang Schussel,** with the occasion of Austria taking over the EU Presidency on January 1. "*Highly appreciating your past engagement, I am deeply convinced that during the Austrian Presidency, the entire European Union would give a clear example of acting in line with the generally accepted European values and reaffirm its support to the most important strategic projects of the EU – Enlargement and integration of Western Balkans*", reads the letter.
Oslobodjenje on new HR: BiH peoples not capable at all to run state by themselves	**Oslobodjenje**, op-ed pg 9 'Change of viziers' by Gojko Beric – Editorial opens with comment that nobody loved High Representative **Paddy Ashdown**, neither authority nor opposition, adding but that none of his predecessors has done more than him. Author said that the only difference between Ashdown and previous HRs is that he had the longest term and widest range of authority. Editorial comments that next HR **Christian Schwarz-Schilling** will be the last vizier, commenting high hopes that BiH peoples have for him by saying that he is just a capable politician, not Wizard of Oz. Author added that that OHR is the last authority for BiH people after loss of **Tito**, **Franjo Tudjman**, **Slobodan Milosevic** or **Alija Izetbegovic**. Editorial ends that BiH peoples are not capable at all to run the state by themselves.
SD comment: Schwarz-Schilling perceived as better option for BiH than Ashdown	**Slobodna Dalmacija**, front pg splash and pgs 18-19 'Maharaja leaving, friend coming', by Veso Vegar – Commenting on the departure of the current and arrival of the new High representative for BiH, **Paddy Ashdown** and **Christian Schwarz-Schilling** respectively, the author welcomes the arrival of the new HR saying that his approach to issues in BiH, as proclaimed in CSS' recent statements about giving BiH authorities more power and using the Bonn powers as last resort, is better than Ashdown's approach, who the author criticizes for the alleged extensive use the Bonn powers and building alliances with corrupt politicians.

HDZ Main Board to discuss expulsion of Ljubic, Merdzo and Raguz on Thursday	**BHT**– Although it has not been planed, HDZ Main Board could discuss expulsion of **Bozo Ljubic**, **Josip Merdzo** and **Martin Raguz**. Main Board has the authority to cancel the decision of Presidency, and can convoke new party Assembly. **Oslobodjenje** pg 7 'Signatures will determine whether there will be talk about conflict', mentioned by cover, by A. Omeragic – Following the announcements that the HDZ Main Board session would discuss internal party's issues, HDZ spokesperson **Miso Relota** comments that party is not "concerned" day before the session. He added that if those supporting Pro-Memoria [which accuses **Dragan Covic** of forging party elections] gather enough signatures of the Main Board members, the agenda would also include "internal issues". Underlying that it is always the same group making problems, Relota announces that Covic plans to bring in younger personnel in the party before the elections, meaning – says daily – some current party officials would not be in the list. **Dnevni Avaz**, pg 2 'Covic's final clash with those who think different' mentioned on cover by F.Vele – On the other hand DA, HDZ Main Board will discuss expulsion of **Bozo Ljubic**, **Martin Raguz** and **Josip Merdzo**, said Merdzo, adding that this issue will be included into meeting agenda. According to the sources from the HDZ Main Board, DA comments that this could be key session for the HDZ. **Slobodna Dalmacija** pg 21, mentioned on cover 'Covic, step down because of people' by V.V., **Dnevni List** pg 6 'HDZ members want Covic's resignation' not signed – Dailies published an open letter of HDZ founders to HDZ bodies. Letter was published in SA press yesterday (see OHR Media Round-up, Jan 4.)
SCG Fund for Humanitarian Right: Recall Kilibarda from Sarajevo	**Oslobodjenje** cover page splash and pg 3 'Recall Kilibarda from Sarajevo' not signed – SCG Fund for Humanitarian Right demanded from the SCG Foreign Minister **Vuk Draskovic** and Montenegro Foreign Minister to remove political advisor from SCG Embassy in Sarajevo, **Novak Kilibarda**. Fund for Humanitarian Right, headed by **Natasa Kandic**, claims that "*his openly supports the politics of ICTY indictees over years and encourages hatred towards other peoples*". Inset 'Name Kilibarda persona non grata' **Dnevni Avaz**, pg 11 'Recall Novak Kilibarda from Sarajevo immediately' not signed. Inset, 'He didn't want to return Karadzic's medal', **Glas Srpske** pg 2 'Kilibarda as non grata' also covered the issue.

	Economic/Social Issues
OHR: VAT functions as it should	**RTRS, RHB, Dnevni List** pg 6 'VAT introduction is big achievement' by S.B. – OHR Spokesperson **Sanela Tunovic** stated that VAT system is functioning as it should and stressed that VAT installment is very important and great achievement. Tunovic stated that on long run, VAT will contribute new investments, creation of business environment and will increase social incomes, which will be used for social needs.

Dixon on VAT	**Pink, Oslobodjenje** pg 6 'Nobody was damaged by distribution of revenues', **Dnevni Avaz** pg 9 "Dixon calls for prevention of illegal price increases', **Dnevni List** pg 4 'Decision on coefficients did not damage entities' not signed, **Nezavisne Novine** pg 2, announced on cover 'Payments from single account from 2005 level' by P.Klincov, **Glas Srpske** pg 6 'Payment without problems', **Glas Srpske** pg 6 'Lax allows consensus', **EuroBlic** RSpg 3 'Late budgets hindering distribution in entities' by 3 'Late budgets hindering distribution in entities' by Nedeljka Breberina – The Chair of the BiH ITA Steering Board **Joly Dixon** called on BiH citizens to be cautious, since the VAT did not allow increase in prices. Dixon claims that the increase should happen in terms of several products; while on the other hand, prices of certain products should be reduced. "*A trader who is just putting 17 % on the existing 10 % rate means that he is making his profit higher*", said Dixon. Dixon added that decision on coefficients on division of incomes collected thanks to VAT, due to what the RS representatives made complaints, endangered neither entity not District Brcko. **FTV**– Dixon also said that entities and Brcko Distric have not been damaged by VAT incomes distribution, denying accusations of RS Finance Minister, **Svetlana Cenic** that ITA Steering Board damaged RS budget for 29 million KM. RTRS also carries the report.

VAT first effects	**BHT**– reports on increased prices of medicines and the fact that prices of luxury products will not change. **Hayat, FTV**– News open with presenter's statement that, economical experts use words 'confusion' and 'ignorance' to describe VAT implementation. Presenter added that FBiH Monitoring Team Commission would present its first observation remarks on Friday in Mostar and propose following activities. **Midhat Pasic** from Canton Sarajevo Market Inspection claim they cannot set prices margins except for the basic goods. FBiH Monitoring Team member **Ibrahim Tirak** provided reporter with information that the price of daily papers has been raised by 17% by the merchants in Bihac. Tirak said it was not an abuse of VAT, but it was ignorance of small merchants. Reporter comments that there is no use to explain what the VAT is all about, for citizens can feel its consequences in every day's life. Report also features statements from citizens and market inspectors who marked some irregularities. **Dnevni Avaz**, pg 9 'Started first checks of new price-lists' by Z.Perisic also eported on start of prices increase monitoring following VAT introduction. **Dnevni Avaz**, pg 9 'Lower price for more than 10.000 articles in VF Komerc' not signed – Author said that battle for consumers has begun. **Oslobodjenje** pgs 4-5 'Citizens embittered with price of medicines' also reported on medicines' prices increase. **Glas Srpske** pg 2 'Merchants write, citizens breath out' by N.Tomasevic/S.Dusanic – Following VAT introduction, daily brings further comparison of prices at shops, noting prices of excise goods did not drop, although it was announced. **Glas Srpske** pg 2 'Mark-up under magnifying glass' by D.V.M. – **Aleksandar Granulic,** Spokesperson of the RS Ministry of Trade and Tourism, told daily that the RS Trade Inspection has started controls of prices at retail and whole sale shops following VAT introduction. He noted first investigation results will be available middle next week.

New coins to support VAT; CB Governor Kozaric says BiH needs agreement with IMF	**RHB, Pink, BHT, RTRS, Hayat, Oslobodjenje** pg 15 inset “Coins to prevent rounding off a sum”, **Dnevni Avaz** pg 3 inset “Paper bill of KM remains in circulation”, **EuroBlic** RSpg 3 ‘New coins to make the price full number’ by D.S. – Governor of BiH Central Bank, **Kemal Kozaric** stated that coins of pfennig5 and Km5 will be released on circulation on Thursday. Kozaric added that Central Bank has provided sufficient amount of new coins for commercial banks, while paper Km5 notes will remain in usage. Governor added that this will contribute the tax reform in BiH. **Dnevni Avaz**, pg 3 ‘Kozaric: We need arrangement with IMF’, mentioned on cover, by T.L. – BiH Central Bank Governor **Kemal Kozaric** said it is necessary to reduce state administration and decrease the budgets in order to cooperate with international financial institutions, most of all with the International Monetary Fund [IMF]. **Oslobodjenje**, pg 15 ‘Prime Minister Terzic kept IMF’s warning a secret’, mentioned on cover, by H.Arifagic – Kozaric said he doesn’t see reason why did BiH authorities “hid” IMF’s warning, accusing **Adnan Terzic** of doing so. IMF has warned BiH authorities that public spending has to be reduced by 450 million KM and budgetary reserve for VAT effects to amount 160 million KM.

BD establishes monitoring team	**RTRS** – Members of Brcko District Government discussed consequences of VAT on citizens and tries of certain producers and distributors to make higher profit using VAT. Operative Team is established and will follow situation on the market and take all the necessary measures. Reactions of citizens are different when it is about trust to Operative Team. One believes in its work while others are suspicious. Program of measures for misuse of VAT is passed. BD Major Mirsad Djapo said that all preparations regarding VAT were done in Brcko and that adoption of new budget will bring first effects. Djapo added that Team for Supervision and Monitoring is established and will together with citizens fight misuses. Public services will not be more expensive. When it is about coefficient for income distribution, Djapo said that coefficient has to reflect what is being done in entities and district and what they earn. Djapo believes that budget for Brcko district will be adopted by January 15. FTV- carries that BD has established monitoring teams.
NN stresses Price Monitoring Teams have not penalized a single shopkeeper in BiH over price increase	**Nezavisne Novine** cover pg splash 'Nobody is penalizing shopkeepers', pg 2 'Shopkeepers not penalised' by R.Cengic/P.Klincov – Daily notes not a single shopkeeper in BiH ahs been penalized as yet over extra-profiteering following VAT introduction. It notes Price Monitoring Team in F BiH has not been out in the field as yet, Brcko District Wednesday formed the Team, while RS has not formed the Team as yet.

FBiH Gov to increase prices of gas for households	**Oslobodjenje** pgs 4-5 'As of January, gas for households 20% more expensive', mentioned on cover, A. Terzic – FBiH Government will bring decision increasing the prices of gas supplies for households by more than 40%. FBiH Minister oif Trade, **Maid Ljubovic**, underlined that the price increase has nothing to do with the VAT introduction but only with the increase of prices at the market worldwide. Another increase of prices is to occur in April, but as daily comments, the question is whether BiH would have gas supplies by than as Russian company Gazexport has set 1 February as deadline for BiH to either deal with the debt issue or would the pipes would be closed down. Dnevni Avaz, pg 8 'Minister Ljubovic announcing raise of prices, Zvizdic claims that prices in Sarajevo stay the same' by Aj.Delic – Canton Sarajevo Prime Minister **Denis Zvizdic** said that there will be no raise of gas prices in Sarajevo Canton, due to subventions provided by Canton Sarajevo and FBiH Government. Zvizdic stated that FBiH Prime Minister **Ahmet Hadzipasic** has been familiar with this as well as the representatives of FBiH Ministry of Energy. Inset, BH-Gas Director **Almir Becarevic** said price of gas will raise if Canton Sarajevo fails to provide subventions.

SD: Political parties want to seize documentation of FBiH Financial Police	**Slobodna Dalmacija**, pg 19, mentioned on front 'Parties at war for 'papers' on plunders', by Zlatko Tulic – writing about the issue of FBiH Financial Police (FBiH FP), which was subject of many media reports i.e. whether it will be abolished or not, SD notes that according to some leaks from the FBIH FP, there is a big battle going on for the documents that have been filed within the FBiH FP, namely the ruling parties want to seize the documents that are related to the work of some individuals and companies. According to some information, says SD, individuals from the FBIH FP have been covering up malversations in which domestic politicians, especially those from the SBiH and SDA, took part in. As an example, SD says the FBIH Tax Administration managed to carry out only one control of 'NIK Avaz', whilst the FBIH FP was not able to carry out a single control.
PIO/MIO Deputy Director Rogic: 'Increase of pensions starts as early as in February'	**Dnevni List** pg 2, mentioned on cover 'Increase of pensions starts as early as in February' by A. Vrebac – Deputy Director of the FBiH Pension Insurance Bureau **Ivan Rogic** stated that an increase of pensions for about 307.000 pensioners in the FBiH is expected to take place during this month. He added that if the plan on collection of contributions in the first 20 days of this month was implemented, a slight increase and payment of the pensions in February is possible. Rogic also said that they are a bit afraid of the VAT and its influence on their sector, but if everything goes as they planned the pensions would be increased.

	Security

DL interview: SIPA's Novic on future of agency	**Dnevni List**, pg 9 'There is possibility that SIPA becomes homeless', by Mensud Zorlak – In an interview for DL, the SIPA Director, **Sredoje Novic**, stresses the success the SIPA has achieved in 2006 when it comes to hiring of staff given that the institution had begun 2005 with 128 and finished the year with 800 employees. Novic says the plan is to have 1300 employees by end of 2006, hoping that the trend will continue in 2007 when the agency should be fully operational with 1700 people. Questioned about the SIPA's accommodation, given that the SIPA does not have it own premises, Novic says it is still a problematic issue, especially down to the fact that the building they are currently occupying is to be put up for sale later this month, owing to a decision by the BiH Court. However, Novic believes the BiH CoM will solve the situation urgently.

FBiH Police Administration exposes tax evasions worth 1,2 million KMs	**Dnevni List**, pg 4, mentioned on front 'Money launders from Herzegovina exposed?!', by M. Batarello, **Nezavisne Novine** pg 5 'They damaged budgets for BAM 1.2 million' by D.Mu. – Whilst investigating into business operations of a fictitious company from the Herzegovina-Neretva Canton, employees of the FBiH Police Administration exposed 17 companies for which there is a grounded suspicion that they had damaged respective (cantonal) budgets in 2001 and 2002 by more than 1,2 million KMs. Criminal reports have been filed with respective prosecutions.

RS officials visited Doboj PSC	**Nezavisne Novine** pg 6 'Severe forms of corruption at Gvoenrment and municipalities' by S.Ca., **Glas Srpske** pg 2 'More decisively against crime' by Sl.P. – **Darko Matjasevic**, RS Minister of Interior, **Dragomir Andan**, RS Director of Police, **Pero Bukejlovic**, RS Prime Minister and **Borislav Paravac**, Serb member to BiH Presidency Wednesday visited PSC Doboj. Meetings focused on police work, salaries and situation. Bukejlovic and Matjasevic said that police in Doboj proved its work by arresting **Novak Radojcic** and **Dragan Djuranovic** Doboj public administration employees. Bukejlovic expressed surprise over the arrest, since the two are public administration employees, expressing full support to the work of the RS MoI.

	War Crimes
Serbian President Tadic to visit Kravice on January 7	**Dnevni List** pg 4 'Tadic visits RS' not signed, Oslobodjenje, pg 2 'Boris Tadic in Kravice near Bratunac on Saturday' not signed – The RS War Veterans Association announced that the Serbian President **Boris Tadic** would visit Kravice on January 7 to pay tribute to the Serb victims. According to the aforementioned Association, this visit had been agreed on in July last year.

Stojanovic claims SiCG will refute claims BiH made in suit against SR Yugoslavia	**Glas Srpske** pg 3 'There was no genocide' by SRNA, **Nezavisne Novine** pg 2 'There was no genocide' by SRNA – **Radoslav Stojanovic,** legal attorney of SiCG in BiH lawsuit against SR Yugoslavia for genocide, stated that SiCG is prepared to refute suit, assessing that there was no genocide and Belgrade has arguments to prove this in both fields – practice and law. He could not speak in public about these counter-arguments. **Oslobodjenje**, pg 4 'Softic: Genocide has been proved and we are seeking responsibility for SCG' by A.M. – BiH agent before International Court of Justice **Sakib Softic** said: "*The fact that genocide has happen has been legally proved by sentences. (…) All we are seeking for is that SCG is been held responsible*."