

OHR BiH Media Round-up, 7/9/2004

RADIO HERCEG-BOSNA (18,00 hrs)	BH TV 1 (19,00 hrs)	FED TV (19,30 hrs)	RT RS (19,30)
Cro flags burned in Stolac	Segregation in schools	Strikes in new school year	HR & Straw on BiH
New school year started	Cro flags burned in Stolac	Two curricula remain in CB	Help to indictees families
United high school Mostar	RS MoI audit report	Mourning day in Russia	RS MoI audit report
VAT on books	ICC conference in Hague	HB documents found	Audit into Bijeljina

Oslobodjenje	Stealing the former Yugoslav Army property in BiH: real-estates valued at billions dollars taken away from the state
Dnevni Avaz	Over a chauvinistic meeting in Bijeljina – a criminal report against Seselj followers?
Dnevni List	Croat flags burnt
Vecernji List	Croat flags set on fire in Stolac
Slobodna Dalmacija	One school in two languages
Glas Srpske	RS Audit Office on RS MoI: Salaries exceeded the budget

Nezavisne Novine	Audit report on RS MoI: Over hundreds of thousand BAM's vanished without any trace; Bin Laden's associate is co-owner of Vakuf Bank; Barisa Colak: We would investigate whether BiH citizens was murdered in Chechnya
Blic	Features Serbian related stories

	War crimes/cooperation with ICTY
Ashdown meets with British Foreign Secretary Straw: Cooperation with ICTY a condition for progress	<p>Herceg Bosna Radio, RTRS, Dnevni List pg 7 'Cooperation with ICTY condition for progress' by <u>De.L</u>, Nezavisne Novine pg 4 'Cooperation with The Hague is a pre-requisite for BiH progress' by <u>ONASA</u>, Glas Srpske pg 3 'The past is obstructing Srpska', Oslobodjenje pg 4 'BiH must make a break with the past', Dnevni Avaz pg 2 'RS must make a break with the past'- The High Representative, Paddy Ashdown, met on Monday with the UK's Foreign Secretary, Jack Straw, in London. They discussed Bosnia and Herzegovina 's progress on the Stabilization and Association process and towards membership in NATO's Partnership for Peace program. During the meeting it was clearly stated that BiH's full cooperation with the ICTY remains an indispensable condition for progress. Both the High Representative and the Foreign Secretary agreed that BiH, and particularly the RS, must make a decisive break with the past, opening the door to a better future as a full member of the European family of nations. The importance of implementing the reforms achieved to date, particularly in the fields of security and home affairs, defence and indirect taxation was underlined during today's meeting. The High Representative confirmed that this would be his focus during the coming months. The High Representative and the Foreign Secretary also discussed preparations for arrival of the EU led force, which would be led by a British general, at the end of the year.</p>

**HDZ and HB
war
documentation
to be
delivered to
the ICTY**

Herceg Bosna Radio, FTV, Oslobođenje pg 3, mentioned on cover 'The Tribunal to get HDZ BiH documentation by the end of September', **RTRS** – Several thousands of documents on HDZ BiH and former Herceg-Bosna wartime activities will be delivered to the ICTY by the end of this month, stated for Croatian HINA news agency the BiH Croat liaison officer with the ICTY, **Goran Mihaljevic**. Part of this documentation requested by ICTY in July this year has been found, but Mihaljevic did not want to say where these documents had been found.

Vecernji List, pg 5 '20.000 documents of Herceg Bosna recovered so far', mentioned on front, by Dejan Jazvic and Miso Relota – reports that a senior delegation of HDZ BiH will be meeting with the Chief ICTY Prosecutor, **Carla del Ponte**, to talk about activities pertaining to recovery of wartime documents of Herceg Bosna. The HDZ BiH delegation will include **Barisa Colak, Dragan Covic, Niko Lozancic** and **Borjana Kristo**. According to VL's information, del Ponte will be informed about results of the investigation during which some 20.000 documents from the times of Herceg Bosna have been recovered so far. Apparently, 80% of documents on sessions of Herceg Bosna Government have been recovered too. Colak confirmed to VL that the meeting would take place on Thursday, however Colak did not want to reveal any details. He stressed that the HDZ BiH was firmly dedicated to cooperation with the ICTY.

Dnevni List, pg 6 'Documentation of Herceg Bosna at disposal of The Hague', mentioned on front, by Arijana Beus – carries the Croat liaison officer to The Hague, **Goran Mihaljevic**, and spokesperson of the ICTY Prosecution, **Florence Hartmann**, as saying the meeting would take place on Friday. RS Government ordered Ministries to allow access to their archives in order to gather documentation wanted by the ICTY

RS Government ordered Ministries to allow access to their archives in order to gather documentation wanted by the ICTY

<p>RS Government ordered Ministries to allow access to their archives in order to gather documentation wanted by the ICTY</p>	<p>RTRS – RS Government ordered all the relevant Ministries to allow access to archive from RS Army HQ sessions held from 1992-1995. First it is needed to check on whether the wanted documentation exists at all. According to Goran Radivojac spokesman of RS Prime Minister, Government does not have access to archives of every particular Ministry. <i>“All relevant Ministries or secretariats that have connections to the ICTY demand are engaged and procedures are ongoing in order to find that documentation wanted by the ICTY,”</i> says Radivojac.</p>
<p>Mikerevic: Arrest of war crimes indictees priority for RS</p>	<p>Herceg Bosna Radio, RTRS, Oslobođenje pg 4 ‘Non-apprehension of war criminals negative for RS’, Dnevni Avaz pg 4, SRNA – The fact that no war crimes indictees have been arrested so far despite certain measures and activities which have been taken to this end reflects negatively on the credibility of the RS institutions, it was assessed on Monday at the expert collegium of the RS Ministry of Interior. It was agreed that members of the RS Ministry of Interior in cooperation with the RS Government’s Secretariat for Relations with the Hague Tribunal need, in the shortest period possible, to visit accessible family members of war crimes indictees and brief them once again about the decision of the RS government which provides financial assistance and other privileges in cases of voluntary surrender. The past and future cooperation between the RS and The Hague Tribunal and a report by the audit commission of the RS public sector were examined at the collegium. Prime Minister Dragan Mikerevic attended the collegium in capacity of the acting interior minister. The activities undertaken by the members of the RS Ministry of Interior were scrutinized due to the failure to arrest war crimes indictees which was negatively reflecting on the credibility the RS institutions. Mikerevic also requested from the members of the RS Ministry of Interior to step up their cooperation with the commission for investigating events in Srebrenica between 10 and 19 July 1995 and boost activities geared at shedding light on other war crimes.</p>

<p>ICTY request for RS wartime documents is binding this time</p>	<p>Nezavisne Novine pg 6 'RS must hand documents on Karadzic and Mladic in 30 days time' by <u>Sense</u> – NN carries a report according to which the latest order ICTY Judge issued for RS authorities (regarding handing of documentation related to minutes from sessions of RS Army Command in period from 30 November 1992 to 30 November 1995) is a binding order. According to this order, RS must hand documentation of extreme importance for cases of Ratko Mladic and Radovan Karadzic within a month time. If RS authorities failed to act properly within deadline set, the President of Tribunal might deliver a report before the UN Security Council and demand measures be undertaken against the authorities, who violated their international duties and obligations.</p>
---	--

	<p>Political developments/education</p>
--	--

**Start of new
school year**

BHTV – With start of new school year, 54 schools in FBiH are part of action/campaign “two schools under one roof”. Aim of this action is to discontinue segregation in schools and to bring Bosniak and Croat pupils and students together in classrooms, but still, only roofs are common. Marina Boskovic reports on beginning of school year in primary school in Vitez where kids are playing together in a front of schools but they enter into schools through different doors, depending on their nationality. Director of Croat curriculum part of the school says that politics is guilty for division, but that uniting of schools is possible only if the right on language is guaranteed. Seid Masnica reports on beginning of school year in Mostar gymnasium where students will be divided by two curricula, even though they are now again in the same building. Mostar officials sees this as another step forward in Hercegovina-Neretva Canton education system development, thanks to support of governments of Norway, Germany, Spain, Turkey, and Japan. Mostar Mayor Hamdija Jahic stated: *“Mostar’s gymnasium in education is the same thing as Old bridge in cultural and historical terms. It is symbol of this town and we brought it to its purpose now”*. Natalija Popadic reports from Kozarac. RS authorities agreed with FBiH authorities that, if there are more than 18 students in one class of other nationalities (non Serb), they have right to listen group of national subjects in their national language, what is respected in Kozarac. Decision on administrative unification of schools in FBiH supposed to be implemented by the beginning of new school year. The OSCE stated that they wait for acts of good will from some political parties. *“That is kind of segregation, but we also look at the administrative aspect and this is about money wasting at the time when this money is needed for education process itself”*, said OSCE spokesperson, Richard Medic.

<p>New school year brings new strikes</p>	<p>FTV – First new school year day in Herzegovina-Neretva (HNC) and Una-Sana Cantons (USC) is marked with strike announcements and in Tuzla Canton with police announcement of serious fight against drugs dealing in schoolyards. Education workers in USC will go on strike on September 27 if education unions do not reach agreement with USC Government on amount of basis for salaries, harmonisation of teachers' salaries with those of other budget users and on payment of bonus for this year. Education workers in HNC will go on strike on September 20 if Government does not fulfil their demands until then. HNC Education Unions ask increase of salaries for 30%, just as much as ministers' salaries are increased, harmonisation of salaries base for all budget users, payment of contributions for September, October and November and to obey regulations for collective agreement on bonus payment. Education Unions also demand reaching of agreement on taking care for possible surplus of technical staff. Members of Tuzla Canton Ministry of Interior increased number of their patrols on Monday morning around Tuzla schools. Reason is many false bomb alerts last year in schools and possible drugs dealing in schoolyards.</p>
<p>Two curricula in CBC this year again</p>	<p>FTV – Two curricula will remain for about 40.000 pupils and students in primary and secondary schools in Central Bosnia Canton (CBC). CBC Education Minister Nikola Lovrinovic stated: <i>"Schools continue to work as they did before, but now they respect decision imposed by the High Representative."</i> (Not clear statement!) Lovrinovic does not expect any significant changes even after CBC Assembly session on Thursday (expected to pass legislation necessary for the implementation of the plan for unification of schools in the Canton), since his belief is that this situation cannot be solved by political decisions. Conditions for nine years primary education are not fulfilled in this Canton and 450 less new pupils arrived in schools this year.</p>

<p>New school year started in administratively united Mostar Grammar School</p>	<p>Slobodna Dalmacija front and pg 13 'One school in two languages' by <u>J. Terzic</u> – A new school year for students of primary and secondary schools started in the Herzegovina-Neretva Canton yesterday. According to SD, the situation is especially unusual for the students of the MostarGrammar School since this school has been administratively united, however, two curriculums, the Bosniak and Croat ones, are still in place. According to the Headmaster of the MostarGrammar School, Dinko Milicevic, all classrooms of the Grammar School have not been reconstructed yet and their reconstruction is underway. Vecernji List pg 2 'Students are filling up schools all over BiH again' by <u>V. Rupcic</u>, Dnevni List pg 12 'Grammar School for children from whole city again' <u>not signed</u> and Slobodna Dalmacija pg 13 'Children from the whole city together' by <u>M. Landeka</u> say that Mostar Mayor Hamdija Jahic, his Deputy, Ljubo Beslic, and HNC Education Minister, Jago Musa, visited the Mostar Grammar School yesterday and wished the students and teachers a successful school year. The dailies say that Beslic and Jahic said that the unification of the MostarGrammar School is a positive progress for the City of Mostar. Sarajevo dailies also covered the issue.</p>
<p>Protest against Law on Primary and Secondary Education in Posusje</p>	<p>Slobodna Dalmacija pg 13 'We do not want mix of languages!', mentioned on cover, by <u>A. Karamatic</u> and Vecernji List pg 2 'Against lecturing in other people's language' by <u>P. Crnogorac</u> – The dailies say that the Trade Union of Teachers from Posusje organized a protest rally in this town at which a few hundred citizens gathered. During the protest rally, they demanded from the Croat officials to raise the issue of constitutionality of the Law on Primary and Secondary Education since they believe that this Law is contrary to the BiH Constitution, which guarantees to all BiH peoples the right to get educated in their own language.</p>

<p>Irena Guzelova appointed new OHR/EUSR Director of Communications</p>	<p>Nezavisne Novine pg 4 'Irena Guzelova as new spokesperson' by <u>N.N.</u>, Glas Srpske pg 3 'Guzelova instead of Braithwaite', Oslobodjenje pg 6 'Guzelova appointed the Director of Communications', Dnevni Avaz pg 8, FENA – The High Representative and European Union Special Representative in BiH, Paddy Ashdown, has appointed Irena Guzelova as his Director of Communications. Guzelova will succeed Julian Braithwaite in the office in early October this year. She is a former journalist, and a former EUSR spokesperson in Macedonia .</p>
<p>DL int: Milorad Dodik on alleged deal with Cavic, situation in Mostar</p>	<p>Dnevni List, pg 9 'HDZ and SDA expelled Serbs out of Mostar', mentioned on front, by <u>Nermin Bise</u> – carries an interview with the President of SNSD, Milorad Dodik, in which he rejects reports on his alleged secret deal with the President of the SDS, Dragan Cavic, which would result in the SNSD having control of the western part of the RS, and the SDS having control of the eastern part of the RS. When it comes to arrest of war criminals, Radovan Karadzic in particular, Dodik says that the RS authorities were through stories on capture of Karadzic in fact building an epic myth that he cannot be caught, noting that everyone, who is charged with war crimes, has to go to The Hague and prove his/her innocence. Questioned to comment on a thesis that the Serbs in Mostar are divided into SDA/SBiH and HDZ-loyal Serbs, Dodik says some of those Serbs were in fact taking care of their personal, material and other statuses, noting that it is clear that the policy of the SDA and HDZ in Mostar expelled many Serbs from the city. However, Dodik says there is a possibility that the SNSD has post-election cooperation with the HDZ if it results in a clear political agreement about some political issues.</p>

<p>RS radicals Mihajlica on change of BiH Constitution</p>	<p>Glas Srpske pg 2 'Constitution suitable for all' by <u>G.D.</u> – Milanko Mihajlica, President of the Serb Radical Party, yesterday in Banja Luka stated that possible changes of BiH Constitution would certainly damage Serb people and RS. He warned that the international conference is underway to discuss and possibly reach agreement regarding constitutional changes in BiH.</p>
<p>UPDATE: IFIMES report on political situation in BiH</p>	<p>Nezavisne Novine pg 4 'Majority vote for SDA and SNSD' by <u>S. Gojkovic</u> – IFIMES (International Institute for Middle East and Balkans' studies) has prepared another analysis into political situation in BiH, according to which if elections were to take place tomorrow, the voters in RS would give majority vote to SNSD (17.6%), while the number of those willing to vote for SDS and PDP has drastically scaled down.</p> <p>In F BiH, SDA is losing the trust of voters (18.2%).</p> <p>IFIMES further notes that <i>"the consistency of the Socialist Party is evident. In a more emphasised manner than others, the socialists offer solutions for the young, pensioners and those unemployed."</i></p> <p>According to report, the support to SDP of BiH F BiH would scale up to 11.1%, noting that <i>"support to SDP has slightly gone up owing to its overall politics in principle."</i></p> <p>IFIMES is also of the view that Paddy Ashdown, High Representative to BiH, would launch a definite confrontation with the nationalistic parties.</p>
<p>Dnevni Avaz: Over a chauvinistic meeting in Bijeljina – a criminal report against Seselj followers?</p>	<p>Dnevni Avaz cover page, pg 2 'Over a chauvinistic meeting in Bijeljina – a criminal report against Seselj followers?' – If it is determined that an ethnic and religious hatred was being stirred up at a pre-election rally of the Serb Radical Alliance 'Dr Vojislav Seselj' held on September 3 in Bijeljina, the BiH Election Commission will file a criminal report against the party and submit it to the competent prosecution office.</p>

<p>ESI: Western Balkans must not be isolated</p>	<p>Dnevni Avaz pg 3 'Western Balkans must not be isolated' – Bulgaria , Romania and probably Croatia will become EU members by 2007. Macedonia and Turkey will be granted a status of candidate for accession, while BiH, SCG and Albania will remain out of EU, warned the European Stability Initiative members. Presenting the recommendations adopted at the end of a conference in Willstone Park , ESI emphasizes that EU must not allow increase of economic differences between the countries on their way to EU and those, which are still not EU members.</p>
---	--

	<p>Security/judiciary/legal proceedings/incidents</p>
<p>Audit report on RS Interior Ministry's financial operations</p>	<p>BHTV, RTRS, Nezavisne Novine cover and pg 3 'Over hundreds of thousand BAM's vanished without any trace' by <u>Dragan Risojevic</u>, Glas Srpske cover page story 'Salaries exceeded the budget' by <u>V. J. .</u>, EuroBlic RSpG 2 'They were allocating apartments, gins , vehicles...' by <u>Nedeljka Breberina</u> – Final report of RS Chief Auditor's Office has shown that RS Minisatry of Interior had spent 13,861,542 KM more than planned. The Auditor's Office claims that even after the MoI objections were sustained the report has shown a large number of irregularities and illegalities in the financial dealings of this Ministry. <i>"Internal controls do not function properly. Law on Procurement was not respected. Certain bookkeeping items were not completed"</i>, says Bosko Ceko RS Chief Auditor. RTRS reporter presents irregularities specified in the audit report connected to use/purchase of vehicles, purchase of civilian clothes, equipping of press centre, security for Pope's visit to Banja Luka , purchase of weapons and other issues.</p>

<p>BIH Court confirmed indictment against Tihomir Gligoric</p>	<p>BHTV, FTV, RTRS, Dnevni List, pg 4 ‘Indictment against Tihomir Gligoric confirmed’, <u>not signed</u>, Oslobodjenje pg 7, Dnevni Avaz pg 4 – BIH Court confirmed the indictment raised by BIH Prosecution Office against Tihomir Gligoric, the deputy to the sate parliament. He is accused of not complying with the decision of BIH Constitutional Court when he was a Director of RS Administration for Geodetic and Property-legal Issues. According to the indictment Gligoric has registered property of former deputy to RS Parliament Dzevad Haznadar as property of company Domet in Laktasi. Gligoric says that if he had not done so he would have committed a felony since he had to act in accordance to the decisions of Court in Banja Luka and RS Supreme Court. <i>“I think this is an organised campaign since I am an opposition deputy who fights against organised crime in BIH institutions. This nationalistic-political mafia is paying me back through prosecution”</i>, says Gligoric. Gligoric is expected to enter a plea regarding the indictment before BIH Court on September 20.</p>
---	--

**Croat flags
burnt down in
Stolac**

Herceg Bosna Radio, BHTV, Oslobođenje pg 8, mentioned on cover 'Herceg-Bosna flags set on fire', **Dnevni Avaz** pg 3 – The police in Stolac was informed at 0800 on Monday that two flags of the Croat people in BiH were burnt down in the centre of town. The police immediately informed Prosecutor **Nedzat Karalic** about the incident, and he ordered the Capljina police and Hercegovina-Neretva Interior Ministry to carry out an investigation. It was established that out of the three flags flying on a mast, two were burnt down and the BiH flag was left intact. Two lighters and fingerprints were found at the scene, which will be used to identify the perpetrators of this act. In line with the Penal Code of the Federation of BiH, the Capljina police has forwarded its report to the relevant prosecution office, the Hercegovina-Neretva Interior Ministry said in a statement.

Dnevni List, front and pg 5 'Croat flags set on fire', by Nevres Dedic, **Vecernji List**, front and pg 3 'Croat flags set on fire in Stolac', by Franco Matic, **Slobodna Dalmacija**, pg 16 'Two Croat flags set on fire again', mentioned on front, by I. Raguz – Two Croat flags that were flying on flagpoles in centre of Stolac were set on fire on the night between Sunday and Monday between 0300 and 0600 hrs. The CID of Capljina Police Administration has completed an on-sight investigation and according to the Chief of Capljina Police Administration, **Zdravko Dujmovic**, the Police has launched a thorough investigation. According to the Head of Municipality of Stolac, **Zeljko Obradovic**, this incident is an ugly message to the people whose flag was set on fire. Obradovic also believes this is all part of pre-election campaign, hoping that the situation will be more normal after the local elections.

Dnevni List, pg 2 'Who has problems with Croat flags', by Jurislav Petrovic – carries an op-ed in which the author notes that whoever set the flags on fire, he or she must be clear that it only instigates intolerance and re-opens wartime wounds that heal ever so slowly.

<p>Maglaj: Croat flag removed from HDZ building</p>	<p>Slobodna Dalmacija pg 16 'Maglaj: Croat flag removed from HDZ building' by <u>P. Marincic</u> – The Croat flag was removed from the building in which HDZ has its premises in Maglaj only a few hours after the HDZ premises were opened in this town. SD says that, so far, the Maglaj Police Administration has not given any information about possible perpetrators.</p>
<p>Venceslav Ilic appointed acting President of BiH Court</p>	<p>BHTV, FTV, Dnevni List pg 7 'Venceslav Ilic appointed Acting President of BiH Court' by <u>De.L.</u>, Oslobodjenje pg 3, mentioned on cover 'Venceslav Ilic appointed acting BiH Court President', Dnevni Avaz pg 9, FENA – The High Judicial and Prosecutorial Council of BiH has decided on Monday that the function of the Acting President of BiH Court, until the appointment of the new president, will be performed by the President of the Court's Department for Appeals, Judge Venceslav Ilic. As HJPC announced, the judges of BiH Court informed the Council that Judge Venceslav Ilic has replaced the president of the Court in his absence on several occasions, and thus the Council declared that he should continue fulfilling this duty until the appointment of new president. The mandate of the former president of the BiH Court, Martin Raguz, expired on Monday, in accordance with the Law on HJPC and over the age limit for performing the duty.</p>
<p>Paravac on terrorism in BiH</p>	<p>Dnevni List, pg 2 'Paravac knows number of terrorists in BiH', <u>not signed</u>, Vecernji List, pg 3 'BiH threatened by 5000 foreign mercenaries', by <u>Branka Stevandić</u> – The Serb member of BiH Presidency, Borislav Paravac, said that the decision to set up Police forces to fight terrorism at State level was reached due to the danger from the 5.000 foreign mercenaries who fought on the territory of BiH during the war and who are suspected of belonging to terrorist organizations. Paravac noted that the decision was reached to set up Police forces and security services at State level to fight terrorism, which is also in the interest of the Republika Srpska.</p>

<p>Trial against former officials of FBiH Customs Administration starts</p>	<p>Dnevni List pg 39 'Trial against former Heads of FBiH Customs Administration for abuse of office' by <u>V.P.</u> – The trial against former Deputy Head of the Federation of BiH Customs Administration, Fuad Kasumovic, and few other FBiH Customs Administration officials has started before the Cantonal Court in Sarajevo yesterday. They have been charged with the abuse of office because of which the FBiH budget was damaged. DL says that the main hearing will continue on October 4.</p>
<p>Audit report on RS Customs and Tax Administration</p>	<p>Glas Srpske pg 2 'Bills without errors' by <u>D. Vrhovac-Mihajlovic</u> – The RS Chief Audit Office concluded that Reports on last years' performance of RS Customs Administration and RS Tax Administration provide an objective and true presentation of financial situation and business dealings' results. The Audit Office concluded that Tax Administration last year removed irregularities established in previous audit report.</p>
<p>RS Ombudsman faces accusations</p>	<p>Nezavisne Novine pg 4 'He verified false information' by <u>B. G.</u> – The RS MoI yesterday announced that C.S. (1959), Head of Organisational and Personnel Department at Prijedor, compiled and verified certificate containing false information concerning Branka Kolar-Mijatovic, RS Ombudsman. Owing to this reason, police had filed a report with the Banja Luka District Prosecutor's Office. Report notes that C.S. certified a special (doubled) war-time employment records, on basis of which Kolar had an illegal property benefit during purchase of apartment. Kolar learnt of this piece of information from the press, commenting: <i>"Since the process for election of the new RS Ombudsman is ongoing and I have also applied, I find this information was launched with this purpose. This is not the first time since I have assumed this position that I face with bad things."</i> She also added that few days ago, she has received an anonymous letter, which reads: <i>"Dear Madam, it is enough of you. Just to let you know that you will not be elected. We are democratic gentlemen and this time we are playing with hard trumps."</i></p>

<p>An Al-Qaeda financier one of the Vakuf Bank owner</p>	<p>Nezavisne Novine cover and pg 2 'Bin Laden's associate is co-owner of Vakuf Bank' by <u>M. Cubro</u> – The officials of Vakuf Bank from Sarajevo (Edis Kusturica, Deputy Manager of Bank) and F BiH Banking Agency (Nerminka Hromic, Head of Agency Department for Licences) yesterday confirmed that Yassin A.A. Kadi, one of financiers of Al Q'Aeda, is one of co-owners of Vakuf Bank.</p> <p>Kusturica also said: <i>"Kadi has brought the money in BiH in a completely regular manner. He ahs gone through all possible check-ups regarding prevention of money laundering, financial malversations. Everything was just fine until 11 September 2001, when everything has become suspicious. This entire story can only damage reputation of Vakuf Bank, and Bank has nothing to do with it, since Financial Police inspected on our dealings of several occasions and everything was in accordance with the Law."</i></p> <p>Glas Srpske pg 5 'The school of Osama's student' by <u>D.M.-N.Z.</u> – GS carries a report about Vakuf Bank and its co-owner Yassin A.A. Kadi, with confirmation of John McNair form BiH Prosecutor's Office, that <i>"accounts of some persons and financial transfers of firm Risala are being investigated"</i>.</p>
---	---

	<p>Economic/social issues</p>
--	--------------------------------------

**PDHR Hays:
Introduction of
too many VAT
rates could
reduce public
revenues**

Herceg Bosna Radio, Oslobođenje pg 6
'Too many rates not good', **Dnevni Avaz** pg 4
'VAT Law must not be complicated at the very beginning', **FENA** – The introduction of VAT will help the BiH economy, but at the same time ensure adequate revenue for the functioning of state and entity institutions, Principal Deputy High Representative **Donald Hays** told FENA on Monday. Commenting on ongoing debates on the draft VAT Law, and especially on the possible introduction of different VAT rates, Hays said that this law needed to be in accordance with EU standards. *"This is critical because the EU stressed that this is a precondition for entering the accession process,"* Hays said. He urged BiH parliamentarians to fully use the expertise they have at their disposal within the Government and the international community. Hays stressed that if this law is made too complicated in the beginning its implementation will be almost impossible. He reminded that only 50 percent of BiH citizens are paying taxes and stressed that what needs to be developed is a more transparent system in which the people will have more faith and that will be easier to manage. If too many rates are set then it will probably be difficult to explain the law, funds will be difficult to collect and instead of increasing, revenues will decrease. *"We need to think practically. You can always adjust the system once it starts to function and when people know how to deal with it,"* Hays told FENA.

<p>EC's Daviddi on VAT system</p>	<p>EuroBlic RSpg 2'Daviddi: Two-level system of VAT is wrong' by <u>Srna</u> – The EC Deputy Head of Mission, Renzo Daviddi, is of the view that demands for introduction of two-level VAT system are bad, since only the rich would benefit from such a system. He noted that such system would be in the interest of grey economy and tax evasion.</p>
<p>Publishers want different VAT rates</p>	<p>Herceg Bosna Radio – BIH Business Association of Publishers and Bookstore Owners started a public discussion on the economic status of books, press and publishing sector in general. The final goal of the discussion is adoption of amendments to the draft VAT law, which would foresee zero VAT rate on books.</p> <p>Ibrahim Spahic Chairman of the Association warned that the books did not get the dimension they deserve due to obvious lack of interest of BIH public. Members of the Association expressed hope that both Houses of BiH Parliament would pass the amendments to the draft VAT law proposed by the Finance Commission of BIH House of Representatives on September 1.</p>

<p>Farmers cancel protests over customs tariffs, seeks for zero VAT rate</p>	<p>Slobodna Dalmacija, back pg 'Buying of domestic meat increased', by <u>Z. Rerig</u> – Instructions of the BiH Council of Ministers to BiH customs and Indirect Tax Authority regarding the application of the Law on changes and amendments to Law on customs tariffs seem to have satisfied domestic meat producers, who had cancelled protests which were announced for yesterday. According to the President of Association of BiH Farmers, Ranko Bakic, domestic meat industry is showing more interest in buying meat from BiH producers. Still, Bakic says the situation will have to be monitored until end of the year to see the real situation.</p> <p>Oslobodjenje pg 6 'Zero VAT rate on all agricultural products', Dnevni List pg 7 'VAT will be reason of social unrest' by <u>E. Mackic</u> – The BiH Association of Farmers disagrees with a proposed VAT rate on agricultural products and wants introduction of a zero rate on all these products. Otherwise they will organise protests throughout the country, according to Association leader Bakic.</p>
<p>Journalists want zero VAT rate for print media</p>	<p>Vecernji List, pg 4 'Journalists threaten politicians with boycott', by <u>dja</u> – Coordination of journalists' association of BiH calls on MPs in the BiH Parliament's House of Representatives to adopt amendments to the Proposal of law on VAT, which foresee a zero rate for print media, books, textbooks and basic groceries. However, in case there is one VAT rate, The Coordination will call on journalists to boycott all political activities in BiH.</p>

**BiH House of
Representatives
to discuss
draft VAT Law
today**

Oslobodjenje pg 3 'VAT on the agenda',
FENA – The BiH House of Representatives
is expected to discuss the draft Value
Added Tax (VAT) Law in the first reading
at a session in Sarajevo on Monday. The
draft law, which was forwarded by the BiH
Council of Ministers, proposes a
uniform/single tax rate of 17 percent,
while the House of Representatives'
Commission for Finance and Budget
accepted amendments defining three rates
– standard of 18 percent, reduced of 8
percent and a 0 rate for basic living
supplies, medicine, books and publishing
operations.

**President of
World Bank
visits Mostar**

Dnevni List, pg 3 'Old Bridge will always stay bridge of hope', mentioned on front, by **NINA**, **Slobodna Dalmacija**, back pg 'World Bank will help reconstruction of BiH', by **M. Landeka** – The President of World Bank, **James Wolfensohn**, visited Mostar yesterday, when he met with the Chairman of BiH Council of Ministers, **Adnan Terzic**, and Mayor and Deputy Mayor of Mostar, **Hamdija Jahic** and **Ljubo Beslic** respectively. Wolfensohn thanked everyone who participated in the reconstruction of the Mostar's OldBridge, noting that the OldBridge is to him a symbol of peace and reconciliation. World Bank had invested 4 million US\$ into the reconstruction of the OldBridge and OldTown core and several millions of US\$ into other World Bank projects in the city. Wolfensohn is due to meet representatives of BiH authorities in Sarajevo today. Chairman Terzic stated that he got assurances during his last visit to Washington that the World Bank would keep helping in reconstruction of Mostar and BiH. **Sarajevo media** also covered the issue.

<p>Property of former Yugoslav Army stolen from BiH</p>	<p>Oslobodjenje cover page, pg 7 ‘Stealing the former Yugoslav Army property in BiH: real-estates valued at billions dollars taken away from the state’ by <u>Az. Kalamujic</u> – A major part of the properties of the pre-war socialist Yugoslavia’s Army and Defence Ministry has been taken away from BiH as a successor state. The property was before the war in BiH estimated to approximately 13 billion dollars. According to data possessed by the BiH State Attorney and joint institutions, BiH is the only newly-established state in the former Yugoslavia ’s territory, which has still not transferred the ownership over the se properties to its name.</p>
--	---