

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

<b>RADIO HERCEG-BOSNA</b> (18,00 hrs)	<b>BH TV 1</b> (19,00 hrs)	<b>FED TV</b> (19,30 hrs)	<b>RT RS</b> (19,30)
Principles of VAT law	HR's warning to RS	Prlic released from custody	HR on problems in BiH
BiH & Russia on debts	BH Croats to address ICTY	BiH & Russia cooperation	SFOR discovered weapons
Tape of Russian hostages	Milosevic trial	Principles of VAT law	Search for RS archives
Session of BiH Presidency	Session of BiH Presidency	Session of BiH Presidency	Principles of VAT law

<b>Oslobodjenje</b>	Prlic and the others to arrive in Zagreb on Friday
<b>Dnevni Avaz</b>	Terzic: There will be no problems with gas
<b>Dnevni List</b>	Decision of Council of The Hague Tribunal: Six Croats set free
<b>Vecernji List</b>	List of medicines same for whole of BiH
<b>Slobodna Dalmacija</b>	6000 HVO's documents go from Zagreb to The Hague
<b>Glas Srpske</b>	A good man Vojin Gusic: The story of a common soldier
<b>Nezavisne Novine</b>	Paddy Ashdown: Work, or it would hurt badly!; BiH HoR adopted Law on VAT: VAT with three-levels; BiH Court : Krsmanovic claims he has not traded in drugs

<b>Blic</b>	EURO 2.5 billion for corridor 5C
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	<b>Political developments/cooperation with ICTY</b>
<b>Ashdown again warns RS leadership over Hague cooperation</b>	<p><b>BHT, FTV, RTRS, Nezavisne Novine</b> cover and pg 2 'Work, or it would hurt badly! By <b>Agencies</b>; <b>Glas Srpske</b> cover and pg 2 'Ashdown threatening again' by SRNA, <b>SRNA</b> – High Representative <b>Paddy Ashdown</b> has said that there are great obstacles on BiH's road to Partnership for Peace, NATO and Europe, adding that the problem is to be found <i>"in Banja Luka and the BiH Presidency"</i>. Speaking to reporters in Sarajevo upon his return from London and Brussels, Ashdown said that, as far as the problem in Banja Luka is concerned, three months are left until the NATO ministerial summit in December. <i>"Banja Luka and the RS have wasted a month,"</i> Ashdown said and added that it would be disastrous for BiH if serious action was not taken to convince the international community that things had changed and the country was cooperating with the Hague tribunal on meeting its international obligations. <i>"They have twelve weeks to change their position. My message to Banja Luka is: do your job so I'm not forced to do it for you – and that will hurt very much,"</i> Ashdown said. He added that there had been no change in position regarding the appointment of a new RS interior minister, and that there would be no change until specific action was taken to cooperate with The Hague. According to him, the second obstacle to integration is to be found in the BiH Presidency. He explained that the presidency had done nothing in three months in connection with the UN Security Council chairman's letter which stipulated that BiH had to meet its obligations in line with the UN resolution, i.e. to create legal conditions for the reregistration of the police in order to fulfil the UN Security Council's mandate granted to the IPTF (International Police Task Force). <i>"They haven't even informed the chairman of the Council of Ministers about this. If BiH fails to meet its obligations contained in the instructions from the UN Security Council chairman, their will be no EU or NATO association,"</i> Ashdown underscored. The High Representative recalled that <b>Javier Solana's</b> and <b>Jack Straw's</b> messages were very clear and that work should be continued on the programme initiated by the chairman of the Council of Ministers, <b>Adnan Terzic</b>, and the implementation of the six priorities. <i>"These priorities are: the SIPA [intelligence service] and police reform, defence and the Defence Ministry, the intelligence agency on state level, the indirect taxation administration, the BiH Court, and the Council of Ministers being fully operational,"</i> he stressed.</p>

<p><b>OHR: EU's door is open to BiH</b></p>	<p><b>Dnevni Avaz</b> pg 3 'BiH's destiny is in accession to EU', <b>Oslobodjenje</b> pg 3 'BiH must improve cooperation with the Tribunal' <b>ONASA</b>, <b>Dnevni List</b>, pg 4 'Intensive preparations for operation 'Althea'', mentioned on front, by <b>NINA</b> – The EU Special Representative and High Representative, <b>Paddy Ashdown</b>, concluded his two day visit to London and Brussels late on Tuesday with a meeting with <b>Dr. Javier Solana</b>, the EU's High Representative for Common Foreign and Security Policy, OHR said in a press release issued on Wednesday. Paddy Ashdown and Javier Solana in Brussels discussed BiH's progress within the EU's Stabilization and Association Process. Both agreed that BiH's full cooperation with the ICTY remains an indispensable condition for progress. EU Special Representative and High Representative Ashdown underlined that BiH needs to make very significant improvements in its cooperation with the ICTY, without which there is a real danger that its progress towards integration in to the Euro Atlantic institutions could be blocked. Paddy Ashdown made clear that it would be a very grave matter if BiH once again failed to gain admission to NATO's Partnership for Peace program due to noncompliance with the ICTY, in particular on the part of the Republika Srpska. EU Special Representative/High Representative Ashdown and Javier Solana also reviewed the state of preparations for the handover from SFOR to EUFOR Operation Althea at the end of the year. This issue was discussed with the UK Foreign Secretary Jack Straw on Monday in London . A British general will lead the EU led force.</p>
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<p><b>BHTV on HR message, RS cooperation with ICTY</b></p>	<p><b>BHT – HR Paddy Ashdown</b> announced painful measures against RS authorities, if they do not ensure adequate cooperation with ICTY. RS government claims that they will respect ICTY's deadline and submit wartime archives of RS Army Headquarters. ICTY requested all minutes/record from RS Army Headquarters sessions held from September 1992 – September 1995. <b>Zivorad Mijatovic</b>, Chief of RS Government's Office for Cooperation with ICTY says that the Government has requested all the relevant RS institutions including the Office of the RS President, RS Ministry of Defence and RS Army Headquarters to assist in this matter. According to him, they will take necessary measures to find the archives and inform the RS Office for Cooperation with ICTY in less than one month on what they have done. The Office will inform ICTY and submit available documents in a month. ICTY has been requesting those archives since 2001. It is being speculated that the requested documents have never been transported to Banjaluka, but remained in Pale after a political split inside SDS in 1997. Other information say that General <b>Bogdan Subotic</b>, wartime RS Minister of Defence, has submitted some documents from the archives to the ICTY officials. <b>Dragan Barcetic</b>, military analyst from Belgrade claim that Subotic was responsible for the archives and that he has a list of documents submitted to ICTY. According to him, reason for ICTY's request is of political nature Gen. Subotic did not want to comment on these allegations. NATO and EU are generally very unsatisfied with RS' cooperation with ICTY. Since the documents are not a state secret, their delivery to ICTY does not require any special procedure. If RS does not meet ICTY's requests, ICTY can ask for imposition of sanctions against RS by UN Security Council, who founded the Tribunal. Now it is up to RS authorities to submit the archives within the deadline and show some more willingness to cooperate with the Hague Tribunal.</p>
<p><b>Head of RS Government Public Affairs Office made a lapse</b></p>	<p><b>Nezavisne Novine</b> pg 6 'Lapsus about request'; <b>Glas Srpske</b> pg 2 'Request writes confusion' by <u>G.K.</u> – The RS Government Public Affairs Bureau yesterday released a statement, explaining that during a press conference two days ago in Banja Luka, <b>Cvijeta Kovacevic</b>, Head of Bureau, made a terminological lapse by having responded to question regarding ICTY request to RS authorities (regarding location and handing of documentation). She responded: <i>"Documentation is at the Ministries in charge, from which Tribunal demands response."</i></p> <p>The release stressed she actually meant to say "request", which resulted in confusion amongst some media. <b>Sarajevo dailies</b> also carried the statement.</p>

<p><b>Top BiH Croat political representatives to meet with ICTY officials on Friday</b></p>	<p><b>BHT</b> – Croat member of BiH Presidency <b>Dragan Covic</b> will together with other senior BiH Croat officials address ICTY on Friday and express willingness to fully cooperate in discovering requested wartime archives of then Croat Republic of Herceg-Bosna and HDZ BiH and sending them to ICTY. Croatia has already submitted some documents from its archives, which deals with Herceg-Bosna. <b>Goran Mihaljevic</b>, BiH Croat Officer for Relation with ICTY, believes that he will collect 15– 20.000 documents requested by ICTY within several days. ICTY also requested for free access to the central archive of BiH and FBiH. Covic claims that such the archive does not exist, and he does not exclude the possibility that the requested documents might be used in process against <b>Jadranko Prlic</b> and the other Croats accused of war crimes. Covic and other Croat officials will try to convince ICTY that they are ready to collaborate, in order to avoid finding themselves in the same situation, which the RS officials are in.</p> <p><b>Oslobodjenje</b> pg 6 ‘If there is no full cooperation with ICTY there is no cooperation at all’ also covered the issue.</p> <p><b>Slobodna Dalmacija</b>, front and pg 6 ‘6000 HVO’s documents go from Zagreb to The Hague’, by <u>Zlatko Tulic</u> – with regards to request of the ICTY Prosecution on handing over of documentation on activities of Herceg Bosna from 1992 and 1993, SD carries the Croat liaison officer to the ICTY, <b>Goran Mihaljevic</b>, as saying that the said documentation was discovered in the Croatian State archives. He explains that the documents, some 6.000 of them, are currently being copied, whilst the handing over will take place in Sarajevo by end of the month because of technical and security reasons. Mihaljevic also confirmed that there had been two meetings about the documentation at ICTY’s office in Sarajevo in past few days. Apparently, ICTY representatives in Sarajevo are happy with the cooperation in collecting of the documentation.</p>
<p><b>ICTY provisionally releases six BiH Croats</b></p>	<p><b>FTV, Oslobodjenje cover page</b> ‘Prlic and the others to arrive in Zagreb on Friday’, <b>Dnevni List</b>, front and pg 2 ‘Decision of Council of The Hague Tribunal: Six Croats set free’, by <u>J. Petrovic</u>, <b>Slobodna Dalmacija</b>, pg 7 ‘Temporary release granted to six Bosnian Croats’, by <u>H. HINA</u> – The International Criminal Tribunal for the former Yugoslavia Appeals Chamber on Wednesday dismissed as unfounded an appeal by the ICTY Prosecutor’s Office against the decision on provisional release pending trial for six BiH Croats and confirmed its decision on provisional release of <b>Jadranko Prlic, Slobodan Praljak, Bruno Stojic, Milivoj Petkovic, Valentin Coric</b> and <b>Berislav Pusic</b>, reliable sources reported. The ICTY indicted the six former BiH Croat political and military leaders from the wartime Croat Republic of Herceg-Bosna in April for crimes against humanity, violations of the laws and customs of war, harsh violations of the Geneva conventions, persecution of Bosniaks between 1991 and 1994. The six men voluntarily surrendered to the Hague tribunal on 5 April and pleaded not guilty to all counts of the indictment a day later.</p>

<p>BiH Presidency appoints officers for liaison with US Central Command, again failed to discuss foreign policy issues</p>	<p>Herceg Bosna Radio, BHT, FTV, Nezavisne Novine pg 2 'Tihic: There are significant savings' by A. Sisic; Glas Srpske pg 2 'Colonels in formation', SRNA – The BiH Presidency on Wednesday appointed Robert Susac and Col Sinisa Ostojic as officer and deputy officer for liaison with the US Central Command in Tampa, Florida, and Amir Corba as officer for liaison with the Coalition Forces' Command in Qatar.</p> <p>FENA – The BiH Presidency removed several issues of its agenda since the officials that were supposed to report on these issues failed to appear. <i>"The fact that we do not have a representative of the BiH Ministry of Foreign Affairs present at the Presidency sessions is especially worrying"</i>, BiH Presidency Chair Sulejman Tihic told journalists after the session. Tihic said that he would send a warning to BiH Foreign Affairs Minister Mladen Ivanic because of his and the absence of his deputy Lidiya Topic from the Presidency sessions, which has prevented the BiH Presidency several times from discussing issues concerning foreign policy. He said that the Presidency had taken the issue of appointing BiH international representatives, primarily ambassadors, of the agenda for the third time. According to Oslobođenje pg 4 '96.5 percent of the Budget already spent', the Presidency did not consider the execution of the 2003 Budget and information on internal debts also due to absence of the authorized reporters/presenters on the issue.</p> <p>Oslobođenje pg 3 'Rado Dostanic appointed acting SBS Director' – At ist session in Sarajevo on Wednesday, the BiH Presidency appointed Rado Dostanic as acting Director of the State Border Service.</p> <p>Dnevni Avaz pg 2 'There was no discussion on chauvinistic statements made by Tomislav Nikolic (Serbian radicals leader)' also reported on the session.</p> <p>Dnevni List pg 5 'BiH Presidency started to save money' <u>not signed</u> and Slobodna Dalmacija pg 6 'Without discussion on Nikolic's chauvinistic statements' by D. Pasic – Among other things, during its yesterday's session, the BiH Presidency adopted the report on execution of the budget of this institution for the first 6 months of this year. Chairman of the BiH Presidency, Sulejman Tihic, stated that the BiH Presidency saved a lot of money thanks to adoption of a big number of books of rules and decisions on spending of funds. Tihic added that 3 % less funds were spent during the last 6 months than it had been planned. SD also carries Tihic as saying that chauvinistic statements of President of Serbian SRS, Tomislav Nikolic, were not discussed during the aforementioned session. According to Tihic, these statements endanger territorial integrity and sovereignty of BiH.</p> <p>Dnevni List pg 9 'State top without insight in foreign policy' <u>not signed</u> says that Tihic also stated that the BiH Presidency will warn BiH Foreign Minister, Mladen Ivanic, that due to his failure to attend sessions of the BiH Presidency, this body cannot discuss issues from the area of the BiH foreign policy.</p>
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<p><b>Demand for declaring Tomislav Nikolic persona non grata</b></p>	<p><b>Vecernje Novosti</b> pg 4 'Nikolic undesirable in BiH' by <u>D. Stojakovic</u> – VN carries report about demand of Bosniak political from all parliamentary parties in BiH (<b>Sejfudin Toklic, Safet Halilovic, Elmir Jahic</b>) to declare <b>Tomislav Nikolic</b>, President of Serb Radical Party, persona non grata. Demand followed <b>Nikolic's</b> speech in Bijeljina few days ago.</p> <p><b>Glas Srpske</b> pg 3 'Ramp to Tomislav Nikolic' by <u>SRNA</u> – <b>Sulejman Tihic</b>, Chairperson of the BiH Presidency, yesterday stated that <b>Tomislav Nikolic</b> should be declared persona non grata in BiH.</p>
<p><b>SGV's Pejanovic on constituent status of peoples in Mostar</b></p>	<p><b>Slobodna Dalmacija</b>, pg 6 'Eight thousand Serbs returned to Mostar area', by <u>M. Landeka</u>, <b>Dnevni List</b>, pg 'To jobs through private connections', by <u>Sanja Bjelica</u> – report from yesterday's round table entitled 'Coexistence among returnees with look at security issues in local community, protection of human rights and possibility of employment of returnees' that was held in Mostar in organization of the SGV (Serb Civic Council) and Public Relations office of the US Embassy to BiH. General conclusion of the round table is that the security situation in the Canton 7 has improved in past few years, despite criminal acts that have been committed against tombstones and damages to houses and weekend houses. The President of SGV, <b>Ratko Pejanovic</b>, stressed that, when it comes to returnees getting jobs, the story about constituent status of peoples is just 'dead letter'. <i>"People mostly get jobs through old connections, and the SGV found jobs for 17 people, but exclusively through private connections"</i>, explained Pejanovic. He also noted that the decision of the <b>High Representative for BiH</b> to issue internal vacancies in the City administration (CA) of Mostar means that the Serbs have been prevented to get jobs in the CA, although according to the systematisation plan for the CA, there should be 20% of Serbs working in the CA.</p>
<p><b>VL on unified budget in Mostar, debts of former municipalities</b></p>	<p><b>Vecernji List</b>, pg 5 'Whole Mostar would return debt of private company', mentioned on front, <u>Miroslav Vasilj</u> – The daily argues that the single city budget of Mostar has surfaced many irregularities that had been committed when the Interim Statute of Mostar was in place. Apparently, one of the irregularities is a contract that a former, Bosniak-majority, Municipality North had reached with the 'Nerfil-Vrapcici' textile factory (former Djuro Salaj factory). Apparently, the contract stipulated that the Municipality North was going to pay severance pays to former employees of the company, although the company had been privatized, and in return the Municipality got a piece of land owned by the company. VL also carries the Deputy Mayor of Mostar, <b>Ljubo Beslic</b>, as saying the case is being handled by court, promising that the issue will also be discussed by the City administration. VL notes the Croat side will not allow that a debt of a private company be included in the city budget, since the new Mostar Statute says debts of municipalities are to be transferred onto the city budget.</p>

	<b>Economic/social issues</b>
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<p><b>BiH House of Representatives adopts introduction of three VAT rates</b></p>	<p><b>Herceg Bosna Radio, BHT, FTV, RTRS, Nezavisne Novine</b> pg 3 'VAT in BiH will have several levels' mentioned on cover 'VAT with three-levels' by <b>M. Cubro, Oslobođenje</b> pg 3, mentioned on cover 'Three in place of a single tax rate', <b>Dnevni Avaz</b> pg 2 'Proposal for a single VAT rate rejected,' <b>FENA</b> – The BiH House of Representatives adopted on Wednesday the principles of the draft VAT Law proposed by the House of Representatives' Finance and Budget Commission, which foresee introduction of differential tax rates. This means that instead of a uniform/single tax rate of 17 percent three rates will be introduced – a standard, reduced and a 0 rate. The Commission proposed that the standard rate be set at 18 percent, the reduced rate should be 8 percent as the zero rate should be applied for food products, medicines and books. However, the height of the rates has not been finally defined. 15 days have been given for proposing new amendments after which the final rates will be set. In the meantime the Finance and Budget Commission should meet representatives of the BiH Council of Ministers, Indirect Taxation Administration Steering Board and interested associations. The Indirect Taxation Administration Steering Board sent a letter to the BiH House of Representatives on Wednesday urging the parliamentarians to accept a single VAT rate of 17 percent, as proposed by CoM.</p> <p><b>Dnevni Avaz</b> pg 2 'OHR reminds of CoM position', <b>FENA</b> – OHR stated on Wednesday that the VAT rate proposed in the draft law is a proposal of the Indirect Taxation Administration and that it was made after serious discussions of various factors. In a statement to FENA, OHR reminded that the BiH Council of Ministers reviewed that proposal and supported it. <i>"This is now a matter for the BiH authorities, however, any change to the law must reflect the macroeconomic reality of this country,"</i> OHR stated.</p>
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<p><b>BHTV on proposed VAT Law principles</b></p>	<p><b>BHTV</b> – BIH House of Representatives accepted a proposal on introduction of different VAT rates. This is contrary to the suggestion of BIH Council of Ministers and Indirect Taxation Administration on a single VAT rate. It is still not clear whether the different VAT rates will increase or decrease the state budget revenues. The deputies to HoR will discuss budget income issues later on. The parliamentarians made the decision on different VAT rates because they want to avoid increase of basic food products prices. <b>Beriz Belkic</b>, Party for BiH's deputy to BIH HoR says that nobody wants to jeopardize the social status of the citizens. <b>Azra Hadziahmetovic</b>, another Party for BiH's deputy and an economic expert, is concerned because the draft law did not include all the necessary economic calculations for a single VAT rate and three different VAT rates. European Commission will insist on a single VAT rate, in spite of the parliament's decision. They believe that it is the best way to fight "gray economy". <b>Renzo Davidi</b>, Deputy Head of EC Delegation in BIH: <i>"We will continue to explain why a single VAT rate is the best solution. We are surprised by today's decision, which the Representatives made without any analysis or argumentation."</i> International Community believes that the final decision on VAT will be made after the elections. The Representatives will have enough time by then to change their opinion.</p>
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**CRO press on  
VAT law**

**Dnevni List**, pg 3 'VAT with two rates after all', mentioned on front, by Danka Polovina-Mandic, **Vecernji List**, pg 3 'Zero VAT rate on bread, medicines, textbooks', mentioned on front, by Eldina Medunjanin, **Slobodna Dalmacija**, back pg 'Proposal on single VAT rate rejected', by Z. Rerig – The BiH Parliament's House of Representatives rejected a proposal of the BiH Council of Ministers that the VAT in BiH has one single rate set at 17%. Instead, the MPs adopted principles, which were determined by the (chamber's) Commission for finances and budget that the VAT has three rates, the zero, the decreased and the standard rate. MPs also left 15 days for submitting of additional amendments. According to the Speaker of the BiH HoR, **Martina Raguz**, within the next 15 days, the Commission for budget and finances has to organize discussions with all relevant stakeholders, such as the BiH Council of Ministers, European Commission and Indirect Tax Authority (ITA) in order to determine the actual rates. MPs also received a letter from the Steering Board of ITA, which strictly recommended adoption of the VAT law with one rate set at 17%, which would not make the law complicated and prevent possible frauds.

**Dnevni List**, pg 3 'Pressures on MPs and Caucuses', not signed – carries **Beriz Belkic**, a member of the Commission for finances and budget, as saying that MPs do not rule out a possibility of pressures being exerted on them by the ITA Steering Board, helped by the IMF and EC. Belkic believes they could do it indirectly, through the BiH Ministry of Finances.

**Dnevni List**, pg 2 'BiH on test because of VAT', by Danka Polovina-Mandic – carries an op-ed in which the author says one can expect the IMF and other international institutions to exert pressures on BiH politicians to give up their vision on VAT in BiH, which will put the politicians to the test. However, the author notes that yesterday's decision of the MPs could turn out to be a pre-election game, and if that's really the case, they should be removed from the political scene for good.

**Vecernji List**, pg 2 'VAT with measure of caution', by Valentina Rupcic – carries an op-ed in which the author notes that the future VAT in BiH foremost has to take care of socially deprived citizens.

**NN: Reactions  
to adopted VAT  
law principles**

**Nezavisne Novine** pg 3 'VAT in BiH will have several levels' mentioned on cover 'VAT with three-levels' –

According to NN, **Zlatko Lagumdžija**, SDP of BiH President, stated that the proposal on few-level VAT system would ensure the current level of incomes.

**Seada Palavric**, SDA delegate, is of the view that a single VAT is the best option for BiH, but it is not possible to introduce that system at the moment *"because entity Governments have failed to carry out social programmes."*

**Tihomir Gligoric** proposed to **Palavric** to remove entity premiers, since they have been appointed to positions as personnel of the coalition with SDA in it. He further noted that *"it is certain that a lot of money would go missing during transition from one system to another"*.

According to GS, **Nikola Spiric** Deputy Chairman of BIH HoR, stated that the proponents of the VAT law with a single VAT rate are not experts in this field, owing to which reason they did not come to yesterday's session.

**Momcilo Novakovic**, Head of SDS Caucus at HoR, demanded discussion on this point of agenda should be postponed until experts' arguments pro and counter unique VAT rate were presented.

**Petar Kunic** stated that a public debate discussion, which would last 20 to 30 days, should be held on this issue. He pledged in favour of the current tax system.

<p>BiH, Russia agree to clear debts, cooperate in fight against terrorism</p>	<p>BH Radio, Herceg Bosna Radio, BHT, FTV, RTRS, Nezavisne Novine pg 3 'They agreed on the payment of debts' by V. Iliktarevic; Glas Srpske pg 2 'Gasprom" making a jump-off' by D. Majstorovic, Oslobođenje pg 10 'Russia prepared to settle gas debt with BiH', Dnevni Avaz cover page 'Terzic: There will be no problems with gas', pg 4 'Terzic: There will be no gas reduction', Dnevni List, pg 9 'Settling of debts between BiH and Russia agreed upon', by De. L. – A trade agreement was signed on Wednesday in Moscow between BiH and the Russian Federation. BiH Prime Minister Adnan Terzic and his Russian counterpart Mikhail Fradkov also signed an agreement on setting up a commission for economic and trade cooperation and an agreement on road transport. The Ministries of Internal Affairs signed an agreement on exchange of information, particularly those related to world-wide fight against terrorism. The most significant outcome of the talks today was reaching a consensus in principle about payment of outstanding debts. Chairman of the BiH Council of Ministers Terzic said: <i>"The talks were held in the most friendly manner. As far as the debts are concerned, we agreed that delegations from both sides should meet in the next three to six months and find a way to resolving this issue. What is interesting is that Russia has agreed to clear the debt, which the most favourable solution for BiH and this is something that representatives of the Russian Federation have not signalled so far."</i> <i>"The Russian prime minister also gave the green light to BiH authorities and the business community to make deals with Gazprom. We have managed through this to secure gas supplies for BiH for the forthcoming period,"</i> Terzic added.</p>
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<p><b>Commercial Divisions can help attract investment in BiH and create jobs</b></p>	<p><b>Dnevni Avaz</b> pg 2 'To faster resolve commercial disputes', <b>Dnevni List</b> pg 6 'Support to strengthening of Commercial Divisions with BiH Courts' by <u>V. Vujovic</u> – The 16 newly-established Commercial Divisions attached to Municipal and Basic courts across BiH are a key element in attracting the investment that is necessary to create jobs, Principal Deputy High Representative <b>Donald Hays</b> said on Wednesday during a meeting he and USAID Mission Director <b>Howard Sumka</b> had with the President of the Sarajevo Municipal Court <b>Aida Salcinovic-Kuljanin</b> and the five judges of the Court's Commercial Division. <i>"The Commercial Divisions are about putting BiH back to work,"</i> Ambassador Hays said. <i>"They are an integral part of the Jobs and Justice agenda, and an essential element in ensuring an effective and independent judiciary that serves the citizens of BiH,"</i> he added. The Principal Deputy High Representative noted that in talks with prospective investors in BiH, fear of being bogged down in interminable commercial litigation – with cases dragging on for years – is routinely cited as one of the major deterrents to investors putting their money in this country and creating jobs. <i>"The message needs to get out from this court that the concerns of prospective investors are being addressed and that there are solutions,"</i> he said. The Commercial Divisions comprise judges and legal staff who are specialists in business law and who are allocated commercial cases as a priority. The Sarajevo Commercial Division was established at the end of 2003. By March 2004, in addition to Sarajevo, Commercial Divisions had been attached to Municipal or Basic Courts in Banja Luka, Bihac, Bijeljina, Brcko, Doboj, Gorazde, Livno, Mostar, Orasje, Sokolac, Siroki Brijeg, Tuzla, Trebinje, Zenica, and Travnik.</p>
<p><b>BiH Constitutional Court to discuss so-called military apartments on September 21 or 22</b></p>	<p><b>Dnevni List</b>, pg 6 'Court decision on military apartments around September 21', by <u>A. Beus</u> – The daily learns from sources close to the BiH Constitutional Court that a session of the said Court, which would deal with the issue of the so-called military apartments and the Law on</p>

<p><b>Old foreign currency savers want stocks in BH Telekom</b></p>	<p><b>Dnevni List</b>, pg 5 'Savers request purchase of BH Telekom's stocks', mentioned on front, by <u>Ivica Glibusic</u> – The Association for protection of old foreign currency savers in BiH has sent the FBiH Privatization Agency a letter requesting the purchase of BH Telekom's stocks (in exchange) for old foreign currency savings. The letter says that according to the changes and amendments to the Law on determining and realization of claims of citizens in the privatization process, according to which the claims based on old foreign currency savings can be used to buy stocks in companies in the privatization process, members of the Association want to buy stocks in the BH Telekom. The FBiH Privatization Agency's Director, <b>Resad Zutic</b>, has been asked to prepare a proposal of contract on the purchase of the stocks. The letter has also been forwarded to the FBiH Prime Minister, <b>Ahmet Hadzipasic</b>, and FBiH Finance Minister, <b>Dragan Vrankic</b></p>
<p><b>Dokic on 5C corridor</b></p>	<p><b>EuroBlic</b> cover and RSpg 1 'EURO 2.5 billion for 330 km of highway' by <u>Tijana Veselinovic</u> – <b>Branko Dokic</b>, BiH Minister of Traffic and Transportation, yesterday confirmed to EuroBlic that BiH COM received 6 offers for preparation of the project related and technical documentation for the construction of 5C corridor. The offers came from USA , Great Britain , Italy , Austria , Switzerland , Croatia , Slovenia and BiH. According to him, the Commission consisted of 10 leading experts in the field of transport infrastructure should determine which firm should get the confidence of BiH in preparing this project by mid September.</p> <p>The preparation of the project documentation would cost to BAM 50 million, for which BiH COM has already provided resources.</p>

	<p><b>Security/investigations/legal proceedings</b></p>
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**Investigation  
into latest  
Stolac  
incidents**

**Dnevni List** pg 7 'Setting flags on fire is part of pre-election campaign' by N. Dedic – DL carries spokesperson of the Herzegovina-Neretva Canton Ministry of Interior, **Srecko Bosnjak**, as saying that the MoI's Crime Investigation Department is investigating as to who set on fire Croat flags in the center of Stolac a few days ago. According to Bosnjak, there are a few suspects, and there are indications that perpetrators of this act will be revealed soon. DL also carries the Head of the Stolac Municipality, **Zeljko Obradovic**, as saying that the current security situation in Stolac is good and there are no new incidents. In an inset under headline 'Responsibility of groups' DL carries that Stolac officials and citizens believe that certain groups, who use such means in their pre-election campaigns, are responsible for the aforementioned incident.

**Gligoric  
answers to  
charges  
against him**

**Dnevni List** pg 9 'Revenge of construction Mafia in Banja Luka' by D. Polovina-Mandic – An MP of the RS Socialist Party in the House of Representatives of the BiH Parliament, **Tihomir Gligoric**, stated that it was very indicative that he learnt about the bill of indictment that the BiH Prosecution issued against him from media, however, nevertheless, he will respond to the court summon. According to Gligoric, politics stands behind the whole case and the goal is to discredit him at the time of pre-election campaign. Gligoric stressed that the whole case started when he as the Director of the RS Administration for Geodetic and Property-Legal Affairs filed over 20 criminals charges against 'construction Mafia in Banja Luka'.



**Update to RS  
MoI audit  
report**

**Nezavisne Novine** pg 4 'Ceko and officials of RS MoI confront arguments' by D.R.; **EuroBlic** RSpG 2 'MoI announces response' by Nedeljka Breberina – **Branislav Stojanovic**, President of the RS NA Board for finances and economy, announced this RS NA Board would discuss Audit Report on RS MoI for 2003 at the beginning of October. Following conclusions Board would bring, the RS NA would hold further discussion on this.

BiH Prosecutor's Office yesterday confirmed Audit Report has not as yet been forwarded to this institution, hence *"it is too early to speak about possible actions Office would make"*. Furthermore, **Ljubinko Mitrovic**, Head of Ministers' Cabinet, and **Branislav Dukic**, President of RS Association of former inmates, previously disputed observations from audit report.

According to NN, RS MoI Administration for material, finance and property issues yesterday released a press statement, explaining certain irregularities stated in the audit report. The statement read that excess of liabilities according to the audit report is made of liabilities towards suppliers above the resources at hand in the amount of 476,788 KM which wasn't allowed. Also, court decisions passed in 2002 in the amount of 620 000 KM were paid out but were not planned in the budget. (**Glas Srpske** "Debt record recommendations')

**NN op-ed on  
RS MOI audit  
report**

**Nezavisne Novine** op-ed pg 7 'A theft' by Branko Todorovic – The author is writing about the RS MoI audit report, wondering whether citizens of RS have a minimum of consciousness (following publication of all those audit reports) about the need to strongly react on all acts of social injustice. He further notes that the entire composition of RS Government (with rare exceptions) should be actually moved to Penitentiaries in Foca or Tunjice judging by what they have done so far.

He further stresses that there are many things left undetected by audit reports, which are crime and abuses, corruption and organised crime under the patronage of senior officials of RS Government. And these leave no traces, according to Todorovic.

He is shocked over the silence and quietness of the citizens, NGO's and various associations over these criminal activities.

He concludes there is no justice in RS, for which RS judiciary is to be blamed.

<p><b>Update to Krsmanovic case</b></p>	<p><b>Nezavisne Novine</b> cover and pg 4 'Krsmanovic claims he did not trade in drugs' by <u>A. Durmo</u> – <b>Rajo Krsmanovic</b>, charged with illegal trafficking in drugs, pleaded not guilty before BIH Court yesterday. The indictment against <b>Krsmanovic</b> is for illegal trafficking in drugs connected with import of several tons of anhydrite acetic acid.</p> <p>Judge <b>Vlado Adamovic</b> has forwarded the file to State Court, which is to schedule a trial against <b>Krsmanovic</b> in two months time.</p>
<p><b>Another criminal report against Dodik</b></p>	<p><b>Nezavisne Novine</b> pg 3 'Police reports on Milorad Dodik by <u>D.R.</u>; <b>EuroBlic</b> RSpG 2 'Possible denunciation against Dodik' by <u>E.B</u> – Upon request of the Banja Luka District Prosecutor's Office, Banja Luka PSC has forwarded to PO Report on statements and evidence compiled in the case of economic crime involving <b>Milorad Dodik</b>. Report notes that <b>Dodik</b>, Prime Minister at the time of this act in 1998, approved payment of BAM 744 thousand to Banjalucka Banka from RS budget. According to Police Report, Government has never discussed this disputable decision. <b>Dnevni Avaz</b> pg 8 also covered the issue.</p>