

Transcript of the International Agency's Joint Press Conference at CPIC

CPIC/Media Conferences

Subject: JOINT PRESS CONFERENCE – 07 January 2003

1. The following attended the regular Press Conference held at the CPIC at 11:30 hours on Tuesday 07 January 2003:

| Agency | Spokesperson | Topic |
|---------|----------------------------------|---|
| a. OHR | Kevin Sullivan | <ul style="list-style-type: none">• Customs Reform. |
| b. EUPM | Jon Oscar Solnes | <ul style="list-style-type: none">• EUSR and the EUPM Commissioners visit to Prijedor.• EUPM and the EU show its determination to assist the BiH authorities fight organised crime.• EUPM Commissioner visiting Glamoc and Drvar today.• EUPM Commissioner to visit Srebrenica tomorrow.• EUPM Commissioner extends Christmas greetings and best wishes to all those celebrating today. |
| c. SFOR | Lieutenant Commander Yves Vanier | <ul style="list-style-type: none">• No statement. |

2. Twenty-seven members of the media including five television crews attended the conference.

3. The transcript of the questions and answers is attached.

A. Ollivier
Col. (FR A),
Chief Operations and Plans

Kevin Sullivan – OHR

Good morning everybody. Thank you all very much for coming, it is a horrible day outside. On behalf of the OHR I would like to extend greetings to all those who are celebrating Christmas, today.

The main point from the OHR this morning is in relation to Customs Reform. As you know, the chairman of the International Working Group on Customs Reform Renzo Daviddi, of the European Commission, yesterday delivered the expert working groups report on customs to the High Representative. This report represents not only the views of the European Commission, but also those of all the other leading technical and international financial organisations represented in Bosnia and Herzegovina, and that means Customs And Fiscal Assistance Office, the International Monetary Fund and the World Bank. It is, in other words, the definitive report on customs, and the High Representative will be taking it very seriously. The report reiterates that customs and tax fraud are easily the most costly form of corruption in Bosnia and Herzegovina today, and that they are strongly linked to organised crime and also to politicians.

The ways in which criminals are defrauding the public are laid out step-by-step in the report. The need for radical customs reform is compelling. The report explains why that reform should take the form of establishing a single customs administration in Bosnia and Herzegovina. This could be done in a matter of months and very quickly after that the haemorrhaging of cash from the Entities could stop. That

would mean much less money for crooks and much more money for citizens, for doctors, teachers, pensioners and war veterans in the Republika Srpska and Bosnia and Herzegovina as a whole.

There has been opposition to this, particularly from Republika Srpska politicians, despite the fact that Republika Srpska residents are suffering most from the present fraud-ridden customs system. It is not at all clear why they are defending a divided, defrauded and discredited system. No other country in Europe has more than one customs administration.

As the report notes, to focus on trying to improve the current system, as some Republika Srpska politicians have done until recently, misses the point, the current system is itself the problem. The existence of three separate customs administrations, competing for revenue by dumping, by implementing inconsistently the Customs Law and without showing adequate co-operation is the cause of intolerable losses to the budgets.

Republika Srpska Prime Minister Ivanic has proposed scrapping the customs service altogether rather than setting up an efficient service. This was echoed in today's press by Finance Minister Vilendecic who argued that since Bosnia and Herzegovina is negotiating free-trade agreements with its immediate neighbours it will not need a customs service before very long.

The argument that citizens will be better served by no custom service than by a crime-free customs service is absurd. The idea was rubbished by the European Commission yesterday. No other European country even those with much lower tariffs than Bosnia and Herzegovina is planning to scrap its customs administration. The European Commission thinks the unification of customs to improve collection, cut fraud, increase efficiency, and make it easier for Bosnia and Herzegovina to take part in free trade agreements. Is so important that they have tied their assistance worth, 60

million Euros, this year to Bosnia and Herzegovina agreeing to a single customs administration.

I would now like to give you the High Representatives initial response to this report and that is that he agrees with the analysis and with the recommendations, and believes that it makes an overwhelming case for a single customs administration for Bosnia and Herzegovina. He will be telling the leading politicians of the country that political agreement on a single administration will be the first big test of the new authorities commitment to reform, their first opportunity to turn their pro-reform words during the election campaign into reform deeds. That is it from the OHR this morning, I pass you over to EUPM.

Jon Oscar Solnes – EUPM

Thank you, Kevin. Good morning, everyone. I have a few points to make today, on the successful launch of its mission the EUPM would like to bring some points to the attention of the media.

We had on the 2 January, the visit to Prijedor with the European Union Special Representative and the EUPM Commissioner, that was quite successful. The European Union Special Representative and the EUPM Commissioner met with the Chief of Police, and then they gave statements to the media. You will see several more trips like this in the next few days, where the EUPM Commissioner, will be out and about in areas of concern.

The second point, the EUPM and the European Union showed its determination to assist the Bosnia and Herzegovina authorities fight against organised crime, especially trafficking. It was highlighted by the 24 raids carried out by the Bosnia and Herzegovina police on the night of 2 to 3 January, this was monitored and mentored by the EUPM. Several females were questioned many of them did not have proper documents and one

was taken to hospital with a serious illness. The concerted operation of the local Bosnia and Herzegovina police was executed in a swift and professional manner following carefully drawn operation plans. The EUPM believes this is a good signal showing what the terms of co-operation between the EUPM and the Bosnia and Herzegovina local police will be.

The third point, today EUPM Commissioner Frederiksen, is visiting Glamoc before noon and Drvar in the afternoon. In both places, the EUPM Commissioner will be meeting with the Municipal Police Chief, the local Mayor, the Head of Local Assembly and leaders of Local Returnee Associations. The objective of these meetings is to encourage police participation in regular joint meetings with other community leaders. Such sharing of information and dialogue will contribute to building confidence and stability in important returnee areas. I sent out a media advisory yesterday, it was a bit late, so I will distribute it here after the press conference.

There are two media opportunities in today's visit, one is at 12:20 and the second will be in Drvar, at about 16:00.

My fourth point is that, EUPM Commissioner Frederiksen will make a similar format visit to Srebrenica, tomorrow. There will be a media opportunity around noon and we will be sending out the media advisory, telling you exactly when that media opportunity will be, in a couple of hours.

To Finish, I have a statement from the EUPM Commissioner it is a short media advisory, which I will also distribute. He is noting that the holiday season in Bosnia and Herzegovina is continuing. He would like to extend Christmas greetings and best wishes to all of those celebrating Christmas, today. That is it from the EUPM.

Lieutenant Commander Yves Vanier – SFOR

No statement from SFOR this morning.

Kevin Sullivan – OHR

Can we have some questions?

Questions and Answers

Q: Daria Sito-Sucic – Reuters

Kevin, when should local politicians adopt the Customs Reforms and unify the three separate administrations, what is the deadline?

A: Kevin Sullivan – OHR

The possibility exists to resolve the outstanding issues in a matter of weeks and I believe that the general time frame is one that is workable, that is certainly what the High Representative wants to see.

Q: Antonio Prlenda – Oslobodenje

Yves, is there any update on the Radio Sveti Jovan investigation?

A: Lieutenant Commander Yves Vanier – SFOR

I might have something for you on Thursday. We are still going over the report from the team that conducted the inspection. I asked this morning if they had an update for me to give to you today and they said by Thursday, I might have something. So, we will just have to be patient until Thursday.

Kevin Sullivan – OHR

Any more questions? Thank you very much.