

Unsuccessful District Public Companies Will Be Restructured

The experience of privatization of Brcko District of BiH public companies has confirmed that not all of the companies that the District has inherited can be sold in their present state. Rather than liquidate them entirely, such companies may be restructured, to save as much as possible of the companies' commercial potential.

One of the most painful cases is the public transport company "Laser," which had a good reputation before the war. 11 years of war and bad management ruined ODP "Laser." The District announced a public tender in November 2002 for "Laser" and did not receive a single bid. Most of its workers have no work and no salary, and need to find new jobs. Every day the company's losses and debts increase.

OHR and the District Government have searched for a way to stop the waste of public assets, and save as much of the company as possible. A recent analysis by the Government shows that the only solution which can stop the agony would be to urgently restructure the company. Thus Mayor Sinisa Kistic and Brcko Supervisor Henry Clarke have agreed on a series of steps, to be taken in parallel. These will enable the District to restructure companies in general, to address the problem of "Laser" specifically, and to provide reliable and efficient public transport for the District.

Supervisor Clarke today issued a supervisory order to authorize restructuring of public companies that cannot be sold successfully by tender or public auction. Restructuring may include statutory and organizational changes, settlement of liabilities, and other changes that would enable the

privatization the remaining assets of the enterprise. The Brcko District Privatization Office will issue implementing regulations, which will take into account the interests of creditors.

Mayor Kisic will replace the existing management of "Laser." A new management team, together with the Privatization Office, will examine the best alternatives for restructuring the company.

Brcko District Government and OHR are together working on the Law on Public Transportation of Brcko District, with the intention to present it to the District Assembly in the next few weeks. The public transport system must serve the needs of the public, and cannot be designed around a company that is not viable.