

V.I.P. Daily News Report

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Medvedev Promises Nikolic Economic Support

President Tomislav Nikolic has met in Rio de Janeiro with Russian Prime Minister Dmitry Medvedev and the main topic of discussion was the promotion of bilateral economic cooperation, news agencies reported on Wednesday.

Nikolic, who met with Medvedev on the sidelines of a three-day UN Earth Summit, Rio 20 Plus, thanked Russia for its support for Serbia.

Medvedev said that Serbia can count on Russia's support in the areas of the infrastructure and capital investment. He added that Russia supports Serbia also in its struggle for the protection of its territorial integrity and the human rights of Serbs in Kosovo, a statement from Nikolic's office said.

On the sidelines of the Rio summit, Nikolic met also with Norwegian Prime Minister Jens Stoltenberg and Presidents Sebastian Pinera of Chile and Janos Ader of Hungary.

During these contacts, Nikolic stressed the need for intensifying cooperation with these countries and deepening mutual economic and cultural ties.

Stoltenberg congratulated Nikolic on his recent election as president and stressed that friendship between the people of Serbia and Norway dates back to World War II.

Nikolic, for his part, said that Serbia would continue down its European path, because this was important to its economic future. He added that Serbia would do everything to improve its business ambience with a view to attracting new foreign investment, the presidential statement said.

He also thanked Stoltenberg for the interest of Norwegian companies, such as Telenor, in investing in Serbia to date and added that he hoped that there would be new investment in the future.

During his meeting with Pinera, Nikolic urged a promotion of Serbia-Chile economic cooperation.

Nikolic had talks also with officials from Turkey, Morocco, Brazil, and Bulgaria.

"All the meetings were held in a friendly atmosphere and an atmosphere of mutual respect with emphasis laid on the fact that setting a date for opening negotiations on EU membership was one of Serbia's most important foreign policy goals," the statement said.

The delegation headed by Nikolic comprises also Foreign Minister Vuk Jeremic and Minister of the Environment, Mining, and Spatial Planning Oliver Dulic.

Blic: Nikolic to meet with Clinton: On the sidelines of the Rio summit and at the US delegation's initiative, Nikolic will meet with US Secretary of State Hillary Clinton and their main topic of

discussion will be Kosovo, the *Blic* newspaper writes on Friday, quoting unofficial reports.

Blic's source says that US delegation representatives approached the Serbian delegation on the first day of the conference and requested a meeting.

"People in Clinton's entourage said that they were primarily interested in Kosovo and would like to hear about Nikolic's plans in this connection, as well as showing an interest in Serbia's EU integration," the source says.

The paper says that Nikolic will most probably meet also with French President Francois Hollande.

"Efforts are being made to find at least another 10 presidents or prime ministers with whom to organize contacts. Nikolic will be going to all the meetings alone, with an interpreter," the source says.

DS: SPS to Choose Partner for Forming Government by Sunday

Potential coalition partners of the Democratic Party (DS) should say by the end of the week who they want to form a government with, DS Deputy Chairperson Jelena Trivan told *Vojvodina Radio and Television* on Thursday.

"Parties should finally declare their intentions by the end of the week or within a very short period -- and they should do so not through the media, but in a meeting, where potential coalition partners should clearly say whether they want a government headed by the DS or one headed by the SNS [Serbian Progressive Party]," Trivan said.

The DS is currently negotiating with the Socialist Party of Serbia (SPS), the Liberal Democratic Party (LDP), and the United Regions of Serbia (URS). The SPS and the URS have signed a mutual cooperation agreement and SPS leader Ivica Dacic has said in the past that he will have talks with the SNS on a future governing majority if the negotiations with the DS fall through.

As matters stand now, the prospective government will depend on what choice the SPS makes.

While Trivan expects the SPS to announce its decision by the end of the week, DS Political Council Chairman Dragoljub Micunovic is of the opinion that it will not be known before next week or in another seven to 10 days who will form the next government.

"According to some estimates, we should have a clear situation already next week. These things are not expected to go on forever and I think that the process will be accelerated and hope that we will have a clear situation in another week or 10 days," Micunovic said, as quoted by news agencies on Thursday.

He further said that there are two options for forming a government, which was a reference to the possibility that either the DS or the SNS could form a government.

Asked what the DS's chances were of forming the next government, Micunovic said that this "would be natural" and a logical option, arguing that the outgoing government received the people's support as evident from the large number of votes won.

Vucic invites SPS to discuss government: SNS Acting Chairman Aleksandar Vucic invited the SPS again on Thursday to discuss forming a government together, news agencies reported.

"The SNS has done everything to form a government. We have offered talks to the SPS. We are waiting for their response. If they want to form a coalition with the DS and its partners, they are free to do so. People wanted change and a different government, but if they do so, we will defeat them all together in a few months from now," Vucic said.

He added that the best government for Serbia and its people would be one formed by the SNS. According to him, any other government would be illegitimate and would go against the people's wishes, since the SNS won the largest number of votes in the recent elections.

Vucic further said that the SNS has a team made up of hardworking people that know their job.

SPS Deputy Chairperson: Jovanovic Would Make Fine Parliament Speaker: LDP (Liberal Democratic Party) leader Cedimir Jovanovic would do an excellent job as parliament speaker, outgoing Speaker Slavica Djukic Dejanovic, deputy chairperson of the Socialist Party of Serbia (SPS), is quoted by the *Vesti* newspaper on Thursday as saying.

"He is correct, fair, open to consultations, and honors his promises," Djukic Dejanovic said.

She added that she cooperated well with Jovanovic despite differences in the political programs and goals of the SPS and the LDP.

Jovanovic had not been mentioned before as a possible candidate for parliament speaker. He may be given the post if the Democratic Party (DS) forms a government with the SPS, the LDP, and the United Regions of Serbia.

Djukic Dejanovic, however, says that in negotiations with the DS so far, there had been no mention of personnel appointments in the prospective government and that the talks were about the future government's programmatic principles.

Blic: SNS-SPS-SRS government more likely: An agreement on formation of the government that would be led by DS is inhibited by SPS leader Ivica Dacic, who wants the prime minister's office, Belgrade daily *Blic* published on its website on Thursday, calling on an unnamed source from the DS leadership.

The same source said Dacic insisted that SPS obtained in the new government the ministries it had in the previous one, and that he should be both prime minister and the minister of internal affairs at the same time.

Calling on several unnamed sources, *Blic* reported that the government SNS - SPS - URS led by Dacic "was more likely at this moment", and the only obstacle was the issue who should get the post of the minister of internal affairs.

The same source said that Dacic requested from SNS the same what he wanted from DS. SNS offered the prime minister's post to Dacic as well as all the ministries they had before except the post of the minister of internal affairs, which should be taken by the SNS leader Aleksandar Vucic. However, Dacic turned down the proposal.

The allegations made by *Blic* should be taken with a grain of salt because the daily is close to DS.

There is quite confusion about the relations between Mladjan Dinkic's United Regions of Serbia (URS) and Boris Tadic's Democratic Party (DS). High-ranking officials from URS and DS could neither confirm nor deny on Thursday a meeting between Tadic

and Dinkic, as media reported, because they said they found out about the meeting from newspapers.

Blic reported on Friday that an agreement was "nearly achieved" between Tadic and Dinkic on the key principles of the economic program, and that formation of the government depended on whether Tadic would accommodate Dinkic's request that URS should have the ministries of economy and finance.

Belgrade daily *Danas* reported on Friday that Dinkic and the second man of DS Dragan Djilas met on Thursday and "resumed consultations on possible options for the future ministerial cabinet".

Maas: EU not Asking Serbia to Recognize Kosovo

The European Union is not asking Serbia to recognize Kosovo as an independent state, but the question of Kosovo is important in the European integration process, German Ambassador Wolfram Maas said on Thursday, as quoted by news agencies.

Maas said that conditions for obtaining a date for opening negotiations with the European Union are well known and clear, adding that these are the same conditions that were set by the European Council last December.

Over the past few days, Belgrade press has been reporting that the European Union has set new conditions to Serbia, asking that Belgrade should open an office in Kosovo and allow Pristina to open its office in Belgrade. Brussels has denied that any new conditions have been set, but the media speculation has provoked a stormy reaction in Serbia, especially among the opponents of European integration.

The Democratic Party of Serbia (DSS), as the staunchest opponent of membership in the European Union, has repeated several times in the past that this would be tantamount to the recognition of Kosovo as an independent state as it would establish diplomatic relations between Belgrade and Pristina.

Maas said, however, that Serbia is being asked to fulfill well-known and old conditions, which means continuing reform processes, promoting regional cooperation, good neighborly relations, and a normalization with Pristina.

The first item concerning Kosovo, according to Maas, is implementation of agreements reached in the Belgrade-Pristina dialogue. He said that agreements are worth nothing unless implemented, which is why it is very important to implement them.

In addition to this condition, Maas said that other questions on the agenda in the Belgrade-Pristina dialogue, such as energy and telecommunications, should also be brought to a close. He said that visible steps should be taken toward normalizing relations with Pristina.

Danas: EU Envoy had not brought new conditions for Serbia: Deputy Prime Minister and Minister of Foreign Affairs of the Slovak Republic Miroslav Lajcak had not brought any new terms for Belgrade in EU's behalf during his visit in May, daily *Danas* writes in its Friday issue referring to sources from the Slovakian Ministry.

Lajcak had stayed in Belgrade during May, after the general elections in Serbia, as an envoy of the High Representative of the EU Foreign Affairs and Security Policy Catherine Ashton and the European Commission President Jose Manuel Barroso. The media later began to speculate that Lajcak had delivered new terms for the commencement of negotiations on the membership of the EU, including an opening of a new Serbia's office in Pristina, and Kosovo's in Belgrade.

The Ministry of Foreign Affairs of the Slovak Republic, however, stated that the EU had clearly defined conditions which Serbia would need to meet in order to initiate negotiations on joining the EU, and that they can be found in the European Council's conclusions, *Danas* reports.

The Ministry stated that articles in the press which mention additional conditions for Serbia cause misapprehension.

Josipovic: Croatia not Closing Door on Serbia

Croatian President Ivo Josipovic has said that his country has not closed the door on Serbia despite his decision not to attend the inauguration of President Tomislav Nikolic, news agencies reported on Thursday.

Appearing on *Croatian Radio*, Josipovic said that his decision to stay away from Nikolic's June 11 inauguration was in keeping with Croatia's policy of cooperation and friendship.

"Croatian policy does not change, it is the same -- a policy of cooperation and friendship -- but it always requires having a partner. The fact that I did not attend the inauguration is actually part of this policy, because to attend after statements made [by Nikolic] would have sent the wrong message both to our public and to the public in the neighboring countries," he said.

He added that Nikolic should show how far he is prepared, if at all, to change his concept so that Zagreb should "recognize it as a concept of reconciliation and cooperation."

The *Frankfurter Allgemeine Zeitung* newspaper quoted Nikolic in May as saying that Vukovar, a town in Croatia devastated during the 1991/1992 war, was a Serb town. The statement provoked a stormy reaction in Croatia, although Nikolic subsequently denied having made the statement at all.

Besides, Croatia does not take a benevolent view of the fact that Nikolic is refusing to admit that what happened in Srebrenica was genocide and refers to it instead as an "atrocious."

Inauguration of Vojvodina Parliament on Friday

New setup of the Vojvodina assembly will be inaugurated on Friday, at which all the MPs' mandates should be verified and the speaker and other members of the Vojvodina parliament leadership elected, Belgrade press reported on Friday.

The leader of Alliance of Vojvodina Hungarians Istvan Pasztor is expected to be elected new parliament speaker.

Vojvodina parliament has 120 members. Democratic Party-led coalition has the largest number of MPs – 58, Serbian Progressive Party has 22, the coalition gathered around Socialist Party of Serbia 13, League of Social Democrats of Vojvodina 10, Alliance of Vojvodina Hungarians 7, Serbian Radical Party 5 and Democratic Party of Serbia 4 MPs.

Vojvodina government should be elected on 26 June.

THEY SAID

Small Parties not to Be Able to Decide on Government Composition forever

Dragan Djilas: *"A coalition between the Democratic Party (DS) and the Serbian Progressive Party (SNS) is not a realistic proposition at the moment, but I do not think that it will be possible forever for somebody that won one-fourth of the votes to decide whether the biggest parties should form a government or not. At some point, the big parties will react in keeping with their political strength and then we will see what happens,"* DS Deputy Chairman says in an interview carried by the *Blic* newspaper on Thursday.

"People want a government that will be stable and I believe that stability could best be achieved by the outgoing coalition (DS-SPS-URS), with the addition of the Liberal Democratic Party (LDP). However, I am against the principle, according to which 'I can work with both one and the other, now you depend on me.' If you can work with both one and the other, then forming a government ceases to be a consultation and becomes a trade, and trade in politics generally brings nothing good."

Can Boris Tadic glean a parliamentary majority and what is a realistic timeframe for this to happen?

"All along, we have been calling for a broad-based coalition with the three parties already in government, enlarged by the LDP and the minorities. If everybody is sincere about it and not using this

time as a cover for other negotiations, then this kind of government could be formed tomorrow. There are legal timeframes, of course, but I can see no reason why such a government, whose fundamental principles have been agreed, as well as much of its program, should not be formed quickly."

What is the problem, then? Why do we not have a government yet?

"Because such a government can only be formed on the clear understanding that it should function as a compact team with clear rules and clear responsibilities. This is why the DS has been insisting on putting everything down on paper, so as to know who should do what and who should be responsible for what. That is what we have been talking about. We have been coordinating a program, because the economic situation is unfavorable and we must agree on how to get out of it..."

If you agree about everything, why has no agreement been made yet?

"I think that we are getting there. This time, we are not talking about who will have what department and who will do what. We are insisting on everybody taking their share of responsibility for their share of the work and on everybody working as a team."

Who does not agree with this?

"On the face of it, everybody agrees. A meeting will be held by the end of the week of all leaders that should be forming a government. There are many rumors in circulation. In the end, we will arrive at a government rallied round the DS or a government rallied round the SNS. About the latter, there are supposedly no negotiations, but it is the buzz of the town. Everybody will take concrete consequences for what they have been saying and doing."

KOSOVO

Self-Determination Members Pelt Cooper with Tomatoes

Followers of the movement Self-Determination pelted in Pristina the EU mediator in the dialogue between Belgrade and Pristina Robert Cooper with tomato, electronic media reported on Thursday.

Cooper was pelted by the Self-Determination followers when he was leaving the Kosovo government building after a meeting with Prime Minister Hashim Thaci and the head of Pristina negotiating team Edita Tahiri.

In front of the government building, there were several hundred followers of Self-Determination, including the leader of the movement Albin Kurti, and the gathering was secured by a large number of police officers.

The Self-Determination followers protested because they oppose to the dialogue between Belgrade and Pristina and claim that the Kosovo freedom was put at stake by these negotiations.

They carried the banners: Stop the dialogue, No to the dialogue, Self-Determination, Serbia finances parallel structures and Serbia did not apologize for war crimes.

Cooper talked on Wednesday in Belgrade with advisor to President of Serbia Marko Djuric and the head of Belgrade's negotiating team in the dialogue with Pristina Borislav Stefanovic.

Thaci: behavior of Self-Determination detrimental for Kosovo image: Kosovo Prime Minister Hashim Thaci condemned the actions of the Self-Determination members and said this act damaged the Kosovo image, electronic media reported, calling on a statement issued by the Kosovo Prime Minister's cabinet.

The statement reads that Thaci and Cooper talked about implementation of the agreements reached in the technical dialogue between Pristina and Belgrade.

According to the source, Cooper said that the agreements that were reached in the dialogue between Belgrade and Pristina

should be implemented as soon as possible in order to move forward in the process.

Rexhepi: Citizens to Be Given Additional Seven-Day Deadline to Reregister Cars

Citizens of Kosovo, who did not register their cars on the RKS and KS plates, will be given a new seven-day deadline to reregister them, Minister of Internal Affairs of Kosovo Bajram Rexhepi and Deputy Prime Minister Slobodan Petrovic said on Thursday, electronic media reported.

Rexhepi said that the preregistration deadline was extended, but not the presence of cars with the Serbian plates in traffic.

He said that the owners of cars with the Serbian old plates, provided they had regular documents for cars, could reregister them on the KS or RKS plates without any problems and that an expert commission would be formed in the entire territory of Kosovo. He did not specify the date from which the seven-day period would apply.

Rexhepi said that the Kosovo government was making a concession to Serbs by the subsequent deadline for car preregistration.

Asked what would happen to those who did not want to reregister their cars on the KS and RKS plates, i.e. to those who wanted to keep the Serbian plates, Rexhepi replied they could use the Serbian old plates as a souvenir at home, or their cars could be used as henhouses in their backyards.

Rexhepi added that the Kosovo government regulation on ban of Serbian plates was in force even in the north of Kosovo, regardless of, as he put it, "manipulations of [the head of Serbian negotiating team in the dialogue with Kosovo] Borko Stefanovic and other politicians".

Regarding confiscation of plates that the citizens took from Serbian Ministry of Internal Affairs (MUP), Stefanovic said on several occasions this was contrary to the agreement on freedom of movement, reached between Belgrade and Pristina in Brussels. He said that according to Serbian interpretation of the agreement, the north of Kosovo was exempt from the obligation of car preregistration.

Rexhepi said that confiscation of plates in this part of Kosovo was ceded to EULEX. He added that Pristina was aware it did not have the sufficient number of police officers or a possibility to implement the decision on confiscation completely.

Petrovic said he did have the mandate to make anyone reregister the car by force, but to enable the same rights to all, either the citizens in the north or in the south of Kosovo.

"Conditions for the citizens in the process of subsequent preregistration are the same as they were before 1 June [until expiry of the preregistration deadline]. This initiative was launched because of a large number of citizens' requests", Petrovic said.

Rexhepi added that the deadline for replacing Serbian with Kosovo driver licenses was 1 September.

As of the beginning of June, use of Serbian car plates that have the same acronyms as the Kosovo towns is banned in Kosovo. Kosovo police have been confiscating the plates issued by Serbian MUP even if they are not displayed on cars, but can be found inside cars.

KFOR Guarding Kosovo Government Office in Northern Part of Mitrovica

KFOR members were deployed on Thursday in the vicinity of the building housing the Kosovo government administrative office in the northern part of Mitrovica, electronic media reported.

There are also two cars of Kosovo police parked in front of the building where the office is located and on which the final construction works are carried out. Several military jeeps and a KFOR armored carrier are located on the so-called eastern bridge in the northern part of Kosovska Mitrovica, some fifty meters from the building.

Kosovo President Atifete Jahjaga urged KFOR on Wednesday to increase vigilance during the opening of the office,

which is situated in the multi-ethnic settlement Bosnjacka Mahala in the northern part of Mitrovica.

The Kosovo government appointed former head of the municipal preparation team Adrijana Hodzic as the office chief, and Belgrade perceives the opening of the office as one more provocation by the official Pristina.

State secretary in the Ministry for Kosovo Oliver Ivanovic said to radio *Free Europe (RFE)* that Belgrade would "ignore" existence of the office. He said that Belgrade would not react in any way and would cooperate with the office by no means because there was administration in the north of Kosovo, formed by the Serbian government.

Hodzic will have the mayor's competences, and the office will be provided by the annual budget amounting to four million Euros for basic services in the community and infrastructural projects in the northern part of Mitrovica

Jahjaga Ready for Meeting with Nikolic?

Kosovo President Atifete Jahjaga said in the beginning of her mandate she was ready to meet anyone if it was in the interest of Kosovo, the public relations advisor to Kosovo President Arber Vllahu said on Thursday, electronic media reported.

The statement from Jahjaga's cabinet ensued after the European Parliament Rapporteur for Serbia Jelko Kacin said on Wednesday that President of Serbia Tomislav Nikolic was ready to meet with Jahjaga.

Kacin said that Nikolic expressed readiness during his visit to Brussels, on 14 June, to talk to anyone from Kosovo, except with Prime Minister Hashim Thaci.

Danas reported on Friday that unnamed associates of Tomislav Nikolic said that "it [a meeting with Jahjaga] was not likely to happen".

Kuqi Calls Serbs to Return to Kosovo

Kosovo Deputy Prime Minister Hajredin Kuqi called the displaced citizens of Kosovo and especially those of Serbian nationality to return to their homes, *B92* reported on Thursday calling on *Voice of America*.

He said that the government and their state would provide the rights to returnees to Kosovo as those enjoyed by other citizens.

Kuqi said that Pristina could not implement return of Serbs on its own, and therefore it requested from the international organizations to provide assistance in creating material and other conditions.

According to UNHCR data, about 200,000 mostly Serbs and other non-Albanians are displaced from Kosovo at the moment.

NEWS IN BRIEF

Kragujevac City Administration Banned LGBT Population's Performance

Kragujevac City Administration and the Security Council banned a performance organized by the LGBT population for the safety reasons, news agencies reported on Thursday.

The Gay-Straight Alliance (GSA) had on 15 June requested a permit for organizing a gathering called "Demonstration of the cardboard LGBT dolls", but was informed on Thursday that Pokret Ponosnih Kragujevcana (The Proud People of Kragujevac Movement), whose members are opposed to promotion of gay rights, had on Monday 18 June requested to have a gathering at the same time on the same location.

Kragujevac Security Council, however, decided to ban both meetings, explaining that gatherings of two organizations with opposite views and beliefs could threaten "Kragujevac's reputation of one of the safest cities in Serbia".

The council is presided by the Mayor of Kragujevac Veroljub Stevanovic, who is a member of the United Regions of Serbia (URS) political party.

GSA stated that this decision, reached by the authorities, shows that Kragujevac "is not a safe city for its citizens and guests".

This organization stated that its activists had been intimidated and followed by a local football supporters group "The Red Devils" since their arrival to Kragujevac on Friday 15 June.

Investigating Media for the Spreading of Propaganda during the '90s Wars

Prosecution for War Crimes is conducting a pre-investigation procedure against unidentified persons, journalists and editors of some media for encouraging and calling for war crimes during the wars in 1990s at the territory of former Yugoslavia, Independent Association of Journalists of Serbia (NUNS) announced, news agencies reported.

The Prosecution has, in the report sent to NUNS, stated that the decision on the pre-investigation proceeding was reached on the basis of data and information from the documentation material acquired thus far, as well as on the basis of the criminal report filed by the NUNS Executive Board from July 2009.

"Having previous experiences before the international and local courts in mind, we are completely aware how negative connotations this procedure may have, how sensitive it can be, or interpreted as 'persecution of journalists' or 'attempt to limit freedom of speech and media'", Prosecution stated.

In the letter, Prosecution stated that the pre-investigation procedure's goal is not to jeopardize journalists' freedoms and rights guaranteed by domestic and international legal acts, rather to check whether the abuse of these rights had in some specific cases led to endangering civilians' rights to life, and whether it contains elements of a war crime.

The Prosecution stated that the media propaganda of the 1990s was a prelude to war, and that it therefore considers raising a question of the carriers of illegal propaganda not to be inconsistent with the realization of a human right to freedom of thought and orientation.

Danas: Prosecution Office Discovers

Entire Network of Mladic's Aides

The war crimes prosecution office discovered the entire network of aides of Ratko Mladic and Stojan Zupljanin, Belgrade daily *Danas* reported on Friday calling on an unnamed source.

The same source said that altogether 10 people were discovered and they would be suspected on aiding and hiding the war crimes indictees.

Two former high-ranking state officials are among the suspects, while other suspects are mainly connected with the Mladic family.

BUSINESS IN BRIEF

Key Monthly Monetary & Economic Indicators

January 2012

External debt by debtors: **24,338.0 mln EUR**

- official: **10,693.8 mln EUR**

- private: **13,644.2 mln EUR**

February 2012

Money supply M1 in EUR: **2,599 bln**

Money supply M2 in EUR: **4,276 bln**

Current foreign currency reserves in the NBS and in commercial bank accounts: **11,926.6 mln EUR**

Exports (January - February 2012): **1,402.1 USD mln**; Imports: **2,770.5 USD mln**;

Trade balance (January - February 2012): **-1,368.4 USD mln**

Industrial output: **- 12.8%** (February 2012 / February 2012); **- 7.9%** (January - February 2012 / January - February 2011)

Average gross wage: **RSD 55,505**

Average wage without taxes and contributions: **RSD 40,003**

Monthly inflation rate: **0.8%**

- **Ministry of Finances: Amendments to the Law on Public Procurements by the year's end.** Amendments to the Law on Public Procurements should be adopted late this year, the State Secretary at the Ministry of Finances Goran Radosavljevic said. "After the Government has been formed, one of the first things that will have to be done is to return the law, whose bill is currently in the parliament, to the Government's review, and to have it adopted by the year's end. Radosavljevic said. Even though the European Union's recommendation was not to adopt the new law before the EU's directive on public procurements is reached, this "cannot be waited for", he said. "Knowing how negotiations with the EU are developing and knowing that there's a disagreement between the member-countries, there is a high risk of not having this directive adopted before the early 2013. Serbia cannot afford to wait to see what will happen in the EU, and to then change its law", Radosavljevic said. Public procurements' value last year totalled in RSD 293 bln.

- **Serbia among the poorest countries in Europe.** Last year's Serbian GDP per capita, measured according to the purchasing power standard, was 35% of the European Union's average, preliminary data published by the EU's statistical office, Eurostat, show. This places Serbia among the countries with the lowest standard in Europe, in front of Albania and Bosnia and Herzegovina in the region, *RTS* reported on Thursday. Measured by real individual consumption, Serbian GDP was 44% of the EU's average, Eurostat's website shows.

- **Association of Employers requests the Tax Administration to stop companies' shutdowns.** Serbian Association of Employers (UPS) requested the Tax Administration to urgently suspend shutdowns of companies, because it is "counterproductive" and stimulates expansion of grey economy. "Shutdowns cause decreased turnover, non-payment of wages to workers, and, finally, layoffs of employees and, in the extreme case, transfer to the grey zone. This way both workers and employers who operate legally and the state which loses stable incomes are at loss", it was stated in UPS release. Temporary shutdowns create losses for the penalized firms which are far greater than financial penalties provided by law, and thus cause a decline of budget incomes which are larger than an income the state collected from penalties, UPS suggests.

- **Comico Oil will not withdraw from building a refinery in Smederevo.** An American-Dutch company Comico Oil informed the Smederevo city administration that it would not withdraw from constructing an oil refinery in this town, it was confirmed on Thursday. Comico Oil Deputy Director General Radomir Radivojevic confirmed Serbian press' allegations that the company was prepared to pay a legal penalty interest for every day of the delay of a RSD 652 mln payment for a lease for 113 hectares of land the refinery would be constructed on. According to the lease agreement, the payment should arrive by 26 June, and the company informed the city authorities that the payment would be late.

June 22, 2012

- **NBS conducts a super-review of Univerzal Banka's business operations.** A super-review of Univerzal banka's business operations is ongoing, the National Bank of Serbia (NBS) Governor Dejan Soskic confirmed on Thursday. "Univerzal banka's supervision is ongoing and in accordance with the NBS annual supervision plan. It is not possible to give any information at this moment about the ongoing procedure", he told the news agency *Beta*. According to the allegations in the media, NBS is reviewing Univerzal banka's ownership structure, as well as other indicators of the bank's business operations. Univerzal banka is one of 33 banks in Serbia where all stockholders have shares smaller than 5%, though there are some unconfirmed indications that a tycoon Miroslav Miskovic has a much larger co-ownership in this bank through connecting companies, it is stated in the report.

- **Average household has RSD 52,000 per month at disposal.** Households in Serbia have in the first quarter of the year had RSD 52,050 at their disposal per month in average, the Statistical Office of the Republic of Serbia (RZS) released on Thursday. Out of the total of available means, 94.3% are monetary incomes, and 5.7% are incomes in goods. Households' expenses for personal consumption were 49,421 dinar, of which the largest part was spent for food and non-alcoholic beverages – 40.3%, RZS stated.

- **Serbia spends half of the possible amount of fertilizers.** Serbia is currently using 800,000 tons of all kinds of fertilizers, but based on the available arable lands, it is possible to use 1.5 million tons every year, General Manager of the mineral fertilizers factory Fertil from Backa Palanka Igor Rados told *Tanjug*. "Serbia practically uses half of the country's needs, which affects the yield, since, for instance, we had a corn yield of about eight tons per hectare twenty years ago, while it is now only five to six tons", Rados warned.

Weather Forecast

Sunny and very warm. Showers possible from the midday. Morning temperature 14 to 25°C, up to 28°C in southern Banat, daily highs 31 to 37°C. Similar weather in Belgrade, with a morning temperature around 25°C, and a daily high around 34°C.

NBS Exchange Rates

1 EUR - 114.07 RSD
1 USD - 90.49 RSD
1 GBP - 141.830 RSD

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CLASSIFIED ADS

Flat for Rent

A flat at Knez Mihajlova St. (nearby French Cultural Centre) for rent. Adapted; air conditioner, cable TV, central heating, the Internet, elevator. Payment as agreed. Contact phones: 011/2992-308; 064/140-5339

Car for Sale

Toyota Landcruiser 3.0L Diesel, Colorado VX Model. Full leather interior, automatic, excellent condition and engine, right-hand-drive with UK plates, 150k miles, year 2000 registration, Euro 2 standard. Asking price is 4,500 EUR for a quick sale. For more details please contact 00 381 63 80 325 88 (Belgrade, Serbia). Photos available, please email. British owner.