

## MEMORANDUM ON UNDERSTANDING BETWEEN FIPA AND SNV

# Local Development Projects to Get Boost

This Memorandum establishes basic principles from the field of cooperation in improved cooperation between the FIPA and the BiH municipalities regarding issues relevant for local development. Director of Foreign Investment Promotion Agency (FIPA) Haris Basic and coordinator of SNV Sarajevo portfolio (Dutch organization for development) Wilbert Schouten signed Thursday in Sarajevo Memorandum on understanding, which confirms that FIPA wants to realize certain development activities and that the SVN Sarajevo is willing to assure services for development of capacities for support to these activities.

This Memorandum establishes basic principles from the field of cooperation in improved cooperation between the FIPA and the BiH municipalities regarding issues relevant for local development, the FIPA stated.

The project aims to alleviate communication between state agencies and municipalities in relation with conditions for financing realization of local development projects.

The FIPA will introduce BiH municipalities with conditions for foreign investments, in this way.

Aforementioned aim is completely complemented with the BiH Document on strategy of association of the European Union, Mid-term development strategy and the SMR development strategy.

M. B.



## Foreign Trade Minister Met with Pakistani Delegation on Cooperation

Minister Puhac informed the Pakistani delegation over the situation in agriculture in BiH, saying that the share of gross domestic product in agriculture is 12%, and that the number of employed in agriculture is 24%, as well as that 46 to 60 % of citizens is indirectly connected to agriculture

BiH Minister of Foreign Trade and Economic Relations Slobodan Puhac, his deputy Vilim Primorac and experts from this Ministry met Thursday in Sarajevo with Pakistani Minister of Agriculture Sikandar Hayat Khan, general director of National Office for anti corruption activities Qasim Qurchsh and members of Pakistani delegation. According to a statement from the Office of minister Puhac, during yesterday's meeting were exchanged information from the field of agriculture in both countries and it was talked over measures for facilitation of this field.

Minister Puhac informed the Pakistani del-

egation over the situation in agriculture in BiH, saying that the share of gross domestic product in agriculture is 12%, and that the number of employed in agriculture is 24%, as well as that 46 to 60 % of citizens is indirectly connected to agriculture.

He noted that production of fruits, vegetables and cereals along with cattle breeding, is one of the most important segments in this sector.

Minister Puhac also highlighted the importance of agricultural sector, noting that agriculture is one of the key activities of rural area and a very important factor for poverty reduction.

<b>BIFX</b>	<b>7.652,32</b> (+1,19%)	↑
<b>SASX-10</b>	<b>4.412,02</b> (-0,06%)	↓
<b>BIRS</b>	<b>3.590,58</b> (-0,84%)	↓
<b>FIRS</b>	<b>8.793,53</b> (-0,25%)	↓
<b>ERS10</b>	<b>4.333,88</b> (-1,49%)	↓

## Banja Luka Banks under Revision Prior to Privatization

RS Government approved on Thursday KM 134.000 to engage two auditor's companies for estimation of state capital in two RS banks, prior to the privatization processes. In this way, the entity Government accepted proposal of Commission for Revision of State Capital in RS Companies and Banks, to undergo a revision in two banks - the Kristal and Banja Luka Banks.

The Commission decided to have a revision of these two banks again in order to determine the situation in the banks prior to their privatization. The RS Government also confirmed the Bill on Internal Revision in the RS Public Sector, which is aimed to contribute a better financial discipline and relations in the field.

A. Z.

Minister Sikandar Hayat Khan stressed that agriculture is an important segment of Pakistani development policy, and that the main areas, on which the agricultural policy of this country is focused, are food safety, increment of productivity and profitability of production. They concluded that it is necessary to intensively work on facilitation of conditions for trade exchange between these two friendly countries.

R. K.

# REZ Zenica to Feature Work Results

Work results of the Regional Development Agency (REZ) Zenica for the area of Central BiH, for the first half of the year, will be featured Friday at a press conference in Zenica. New projects the REZ Agency implements in cooperation with its partners in the field of development of small and medium companies will be also presented on this occasion.

The announced projects are very important for further development, because they include concrete activities which will indirectly enable faster development of this region through internationalization of companies and the market, introduction of European standards and export increase.

R. K.

## Bosnian Tourist Passport Presented

A BH tourist passport, issued on the occasion of the 630th anniversary of the Bosnian-Hum Kingdom (Hum was the former name for Herzegovina) and the 15th anniversary of the admission of BiH to the United Nations, was presented in Mostar today.

The passport is actually a printed brochure that will help tourists to come to know Bosnia and Herzegovina through historic sketches of this country and its cultural heritage as well as the present structure of the country.

A special emphasis was put on the last Bosnian queen Katarina who gave a large contribution towards conveying the truth about the honorable fight against the Turkish conquerors, and whose tomb is in Rome, in the church of St Mary Aracoeli. The tourist passport is available at all post offices in BiH at the price of 10 KM.

The president of the Association of Small and Middle-Size Entrepreneurs-Managers in BiH, Marinko Brkic, said that the project "BH Tourist Passport" is aimed at promoting tourist and historical facts, which in a way confirm that BiH has been a part of a civilised Europe for full 7 or 8 centuries.

"This is essentially an identity card of a country and we hope that it will bring BiH back to the position it once occupied" - Brkic pointed out and added that the tourist passport is a key to understanding our past and our present.

A. Z.

## Employers Register Some 30,000 Workers Amid Illegal Work Control

Employers have registered some 30,000 workers until July 10 since the action of illegal work control started, president of the headquarters for coordination of activities on preventing illegal work Desnica Radivojevic said at yesterday's press conference.

The action started on July 2, and inspection was carried out in Sarajevo Canton, Tuzla Canton, Central Bosna and Zenica-Doboj Canton. A total of 29 municipalities are encompassed.

A total of 155 inspectors take part in the

action, out of whom 36 tax inspectors. According to overall inspections report for the period from July 2 to 10, 4,446 inspections were carried out.

A total of 24,200 employees were found, out of whom 1,436 illegal.

According to the report, financial realization upon violation order is totaling 727,570 KM. A total of 143 decisions were issued on temporary work suspension, i.e. closing of facilities, and 506 controls were carried out upon the invitation of inspectors.

M. B.

## EBRD President Visits Bosnia, Serbia, Montenegro Next Week

President of European Bank for Reconstruction and Development Jean Lemierre will arrive Monday in Serbia, this international financial institution stated. Lemierre will meet in Belgrade with Serbian President Boris Tadic, vice-president of the Government Bozidar Djelic, minister of finances Mirko Cvetkic and other officials.

After session in Serbia, he will depart of Montenegro on Monday evening, where he will talk with Montenegro president Filip Vujanovic, premier Zeljko Sturanovic and

representatives of the Government and international community.

Lemierre's three-day visit to West Balkan countries will be completed in BiH, where he will meet in Sarajevo and Banja Luka, on July 17 and 18, with officials of both entities.

On this occasion, Lemierre will sign contracts on financing reconstruction of roads and construction of sewage system in BiH.

The EBRD was based in 1991 aiming to assist in accelerating market reforms in countries of central and eastern Europe.

A. Z.

## Radmanovic to Receive "Trznica" Management

BiH Presidency member Nebojsa Radmanovic will receive today in Banja Luka management of AD "Trznica" from Banja Luka, which will be headed by director of the company Radoslav Grbic and presidents of Governing and Supervising boards.

On this occasion, Grbic will hand out Radmanovic the highest award of the company "Golden plaquettes" on the occasion of 80 years of existence and work of

"Trznica", the BiH Presidency stated.

The award will be given to Radmanovic for great contribution in creating general conditions for economy transactions, in the period when Radmanovic was president of Banja Luka Executive board.

As it was announced, Radmanovic will receive representatives of the "AD Trznica" in his Cabinet.

A. G.

## B&H BUSINESS DAILY

Editor - in - Chief

AMRA ZIMIC

Publisher

POENTA d.o.o.

Sarajevo, 4 Zmaja od Bosne Street

Senior Editor

MIRZA BAHIC

Editors

RASID KRUPALIJA

JASMINA SEHIC

Journalist

ARNISA GAGULA

Office Assistant

MUSTAFA BAHTANOVIC

DTP

MERSAD KIJAMET

Marketing manager

SANELA SEHANOVIC-OSMANAGIC

GSM: 061 738 380

Phone/Fax: 033 288 035, 033 288 034

E-mail: bhbusinessdaily@megatel.ba

# RS Workers' Rights Are Violated

Workers' rights are the most endangered in Republika Srpska, both according to the labor law and in application of collective contracts, where employers mainly fail to respect workers' rights, president of the RS Unions Association Ranka Mistic stated Thursday in Trebinje. She said after a meeting with representatives of the union organizations of Trebinje municipality and eastern Herzegovina that wages are not being paid to workers, because there are no calculation lists, since workers don't know at all how



much they are paid.

"Also, neither holiday cash grant nor hot meal allowances are paid, and in majority of firms working conditions are catastrophic," she stressed.

Besides the aforementioned problems, Mistic pointed out workers in Trebinje's textile industry Novoteks have forwarded certain complaints for work of inspectors who recently visited their company, because they are dissatisfied with inspection results. "If local authorities don't get involved in solving of these problems, apart from competent ministries, we will not be able to improve the standard of workers, not only in eastern Herzegovina but in RS as well," she said.

Speaking about eventual introduction of sanctions, she stressed there is no bad laws in RS, but there are certain problems in their implementation, and if the management, owner or director of a company doesn't respect the law, then sanctions should follow. Mistic announced they would soon demand a meeting with competent ministries, where request for taking over more concrete moves aiming to resolve these problems of workers would be forwarded. **M. B.**

## MOSTAR: CITY COUNCIL SESSION HELD

### Parking Charge New Source of Income for the City

Mostar City councilors adopted a conclusion in yesterday's session referring to the procedure of parking charge implementation.

"Starting this system, Mostar should introduce parking charge according to most modern standards. To have it implemented, some 4 to 5 million KM is needed. The investment would shortly pay off, while around 140 people would get job within the first phase", mayor Ljubo Beslic stated after the session.

A feasibility study was done by the company "Zagrebparking", and was financed by Zagreb City.

GV made a decision on allotment of some resources for the Velez Football Club and

Football Club Zrinjski in the amount of 25,000 KM.

As emphasized, the resources relate to backing up FK Velez work conditions, as well as NK Zrinjski's international performance.

"We have taken 50,000 KM from the Item re 'Vrapcici stadium locker rooms building, the resources to be replaced later by budget revision", Beslic said.

A decision on subsidizing reimbursement payment on the grounds of construction land for some groups of defenders population and their families.

The agenda point re the Public Enterprise Komunalno Statute adoption, is withdrawn in lack of material submitted. **A. Z.**

## RS Unions Association Wants VAT-Free Basic Food Items

The Republika Srpska Unions Association reported Thursday that family budget of RS citizens is burdened mostly with food costs which are, considering the amount of an average wage in RS, very high, and upon this argument it demands annulling of value-added tax for basic food items, course books and publishing. A consumer basket of basic food for June this year was 1,008.49 KM and is cheaper compared to the consumer basket for May this year by 20 KM, the RS Unions Association stated.



According to data of the RS Statistics Bureau, the consumers basket for a four-member family in RS for the same month this year amounted to 488.73 KM.

It is specified in the statement that the consumers basket, apart from basic food, includes housing expenses, transport, clothing, education and hygiene, while the statistics consumer basket is calculated only on basis of food expenses.

"The consumers basket as a category, while measuring the living standard and in comparison with an average net wage in RS, is acceptable for the Unions Association only if these expenses include the cost of housing, transport, clothing, education and hygiene, apart from the basket with necessary products (65 items) monitored and published by the RS Statistics Bureau," was said in the statement of the RS Union Association. **R. K.**

## BIHAMK Establishes Training Center for Drivers-Mechanics

BiH automobile and motorcycle club (BIHAMK), in cooperation with Federation BiH Directorate for Roads, has established a Training Center for drivers-mechanics, first of a kind in BiH, Login reports. The primary goal of this center will be providing of continuous education to mechanics and constant monitoring of development of technologies trends integrated into new cars, aiming to repair vehicles as efficient as possible. In this way a larger number of citizens who own a motor vehicle would be enabled to use BIHAMK services in the most qualitative and faster way. The Training Center will constantly conduct certificating of mechanics, while equipment will be also available to students and pupils who have a need for such education.

The training will be conducted in cooperation with partner clubs from The Netherlands Switzerland, Germany, Austria, Croatia, Serbia, Montenegro as well as with experts from BOSCH, other clubs and relevant institutions.

The Training Center is located in Sarajevo's suburb of Ilidza. **A. G.**

# Yesterday's Turnover 1,283,459 KM

The Banja Luka Stock Exchange said yesterday's turnover was 1,283,459 KM, registered through 575 transactions. The value of

BIRS index decreased by 0.84% to 3,590.58 points, as did, FIRS, by 0.25% to 8,793.53 points. The value of ERS10

decreased by 1.49% to 4,333.88 points.

The biggest turnover at yesterday's regular trading was registered with the shares of Telekom Srpske, totaling at 208,693 KM, traded for 2.87 KM per share. Of the privatization-investment funds, the highest turnover was registered with the shares of Polara Invest Fond, amounting to 73,349 KM, traded for 22.48 KM per share on average.

Shares of 3 PIF's marked a rise in prices, the highest being by Zepter Fond, rising by 1.06% to 23.72 KM.

Shares of 9 PIF's decreased in prices, the lowest being marked by Bors Invest Fond, falling by 5.66% to 22.51 KM.

On the free market, the highest turnover was registered with the shares of Rafinerije Nafte Bosanski Brod, amounting to 187,464 KM, traded for 22.51 KM per share. Shares of 11 issuers marked a rise in prices, the highest by Sava Bijeljina, jumping by 38.89% to 0.20 KM, while shares of 16 issuers marked a decrease in prices, the greatest by Kamenji Agregati Banja Luka, falling by 20.00% to 0.60 KM.

A. G.

A. G.

## SASE TODAY'S TURNOVER 2,705,848 KM

The Sarajevo Stock Exchange said yesterday's turnover was 2,705,848 KM, with 127,711 shares traded through 368 transactions. The total turnover on the stock quotation was 1,015,054 KM, covering 37,832 shares through 158 transactions. At the official quotation the total turnover was 139,650 KM. The biggest daily turnover was registered with the shares of Bosnalijek Sarajevo, totaling at 117,354 KM, traded for 56.94 KM per share.

At the PIFs quotation, the total turnover was 875,404 KM. The biggest daily turnover was registered with the shares of IF Big Invest GR Sarajevo, totaling at 315,826 KM, traded for 23.01 KM per share.

At the free market, the total turnover was 1,690,794 KM. The biggest daily turnover was registered with the shares of UNIS dd Sarajevo, totaling at 390,595 KM, traded for 20.19 KM per share.

The winner of the day were the shares of Siporex Tuzla, rising by 84.88% to 44.39 KM per share, while the biggest loss was marked with the shares of Sakupljanje sekundarnih sirovina Vares, plunging by 32.40% to 1.21 KM.

BIFX index increased by 90.01 to 7,652.32 points, up 1.19% from the latest trading. SASX-10 index decreased by 2.57 to 4,412.02 points, down 0.06% from the latest session.

# US Government Congratulated BiH Rafting Team on Successful Promotion

The US Government, through the US Agency for International Development, congratulates BiH rafting team and rafting

group "Four Rivers" on successful promotion of BiH as a rafting destination, the USAID said. As a result of activities, sup-

ported by the USAID, BiH will host the World Championship in Rafting for 2009. During a recently held World Championship in Rafting in South Korea, the International Rafting Association selected BiH for the host country of next championship of the best world rafters.

This big sport event will significantly improve the international image of BiH, as attractive tourist destination for activities on the open.

The USAID assists, through the Cluster Development Project, the tourist cluster of northwestern Bosnia to partake at international tourist fairs, organize tours for foreign reporters and tour operators and also provides international skipper certification and diving instructors.

Besides that, the USAID assists in creation of tourist product "Four Rivers", which combines rafting on Una, Vrbas, Neretva and Drina/Tara rivers. The USAID has been supporting for already three years the linking of tourist organizations that work on development, management and promotion of BiH tourist products. So far, the USAID provided BiH over one billion US dollars of assistance, directed toward establishment of economic, democratic and social progress of BiH.

A. Z.

### Currency exchange - Central Bank of BiH

The International Banking Code (ISO CODE) for the Convertible Marka is BAM.

Currency exchange - July 13, 2007

Country	Num code	Alpha code	Units	Buy	Middle	Sell
EMU	978	EUR	1	1.955830	1.955830	1.955830
Australia	036	AUD	1	1.221858	1.224920	1.227982
Canada	124	CAD	1	1.346962	1.350338	1.353714
Croatia	191	HRK	100	26.739863	26.806880	26.873897
Czech R	203	CZK	1	0.068809	0.068981	0.069153
Denmark	208	DKK	1	0.262174	0.262831	0.263488
Hungary	348	HUF	100	0.791039	0.793022	0.795005
Japan	392	JPY	100	1.158584	1.161488	1.164392
Lithuania	440	LTL	1	0.565032	0.566448	0.567864
Norway	578	NOK	1	0.245943	0.246559	0.247175
Slovakia	703	SKK	1	0.058618	0.058765	0.058912
Sweden	752	SEK	1	0.213338	0.213873	0.214408
Switzerland	756	CHF	1	1.177109	1.180059	1.183009
Turkey	949	TRY	1	1.100983	1.103742	1.106501
UK	826	GBP	1	2.876220	2.883429	2.890638
USA	840	USD	1	1.414956	1.418502	1.422048
Serbia	941	RSD	100	2.392187	2.398182	2.404177
SDR (Special Drawing Rights) July 11, 2007				= BAM	2.176448	

## Sarajevo Stock Exchange

PRICE LIST - July 12, 2007

Symbol	Issuer	Trading System	Official Price (BAM)	% Change	Open Price	Close Price	Volume	Value (BAM)	No. of Transaction
<b>OFFICIAL QUOTATION</b>									
BSNLR	BOSNALIJEK D.D. SARAJEVO	MFTS	56,94	0,02	57,00	56,50	2.061	117.354,81	15
SOSOR	SARAJEVO OSIGURANJE DD SARAJEVO	MFTS	57,17	2,73	57,50	56,00	390	22.295,50	5
<b>THE OFFICIAL QUOTATION - PIF'S</b>									
BIGFRK3	IF "BIG INVEST. GR." D.D. SARAJEVO (K3)	MFTS	23,01	0,00	23,02	23,01	13.726	315.826,63	26
BNSFRK2	IF BONUS D.D. SARAJEVO (K2)	MFTS	13,43	0,00	13,68	12,51	478	6.419,54	4
BSNFRK2	IF BOSFIN D.D. SARAJEVO (K2)	MFTS	14,50	6,54	14,50	14,50	499	7.235,50	8
CRBFRK1	IF "CROBIH FOND" D.D. MOSTAR(K1)	MFTS	26,44	1,33	26,10	27,00	6.609	174.240,63	30
EFNFRK1	IF EUROFOND-1 DD TUZLA	MFTS	6,20	-0,79	6,20	6,20	876	5.429,82	5
FRTFRK1	IF FORTUNA FOND DD BIHAC	MFTS	16,86	3,37	17,00	16,38	672	11.348,76	17
HRBFRK2	IF HERBOS FOND DD MOSTAR	MFTS	28,64	3,72	28,00	28,00	5.915	166.884,62	12
MIGFRK2	IF MI GROUP DD SARAJEVO	MFTS	14,61	1,47	14,53	14,56	1.493	21.816,02	10
NPRFRK2	IF NAPRIJED DD SARAJEVO	MFTS	15,87	1,60	15,90	16,00	485	7.696,04	9
PRPFRK2	IF "PROF-PLUS" D.D. SARAJEVO (K2)	MFTS	14,48	-0,42	14,50	14,80	410	5.969,58	7
PVNFRK3	IF PREVENT-INVEST DD SARAJEVO	MFTS	36,18	0,51	36,50	37,49	4.218	152.536,90	10
<b>THE FREE MARKET - STOCK MARKET</b>									
ABSRK2	ABS BANKA D.D. SARAJEVO	MFTS	560,75	-1,93	560,01	560,08	5	2.803,74	4
BBR9R	BIMAL BRCKO	Auction	12,00	0,00	12,00	12,00	100	1.200,00	1
BHTSR	BH TELECOM D.D.	MFTS	57,30	-0,49	57,79	56,99	2.046	117.223,09	19
EBOSR	ELEKTROBOSNA D.D. JAJCE	Auction	0,94	0,00	0,94	0,94	1.100	1.034,00	1
ELISR	ELOP - IRCE DD SARAJEVO	MFTS	0,60	-6,25	0,60	0,60	10.000	6.000,00	2
ENISR	ENERGOINVEST D.D. SARAJEVO	MFTS	32,04	-0,25	32,15	32,74	6.366	202.845,99	16
ENPSR	ENERGOPETROL DD SARAJEVO	MFTS	84,80	-0,74	87,00	85,00	634	53.762,85	9
ERPSR	EUROPA D.D. SARAJEVO	Auction	15,18	1,20	15,18	15,18	21	318,78	1
ETATRK1	ENERGOINVEST TAT D.D. SARAJEVO	Auction	7,90	-0,38	7,90	7,90	4.958	39.168,20	11
FDSSR	FAB. DUHANA SARAJEVO DD SARAJEVO	MFTS	380,57	0,17	380,00	380,85	374	142.322,10	15
FRESR	FEROELEKTRO DD SARAJEVO	MFTS	10,00	-0,10	10,00	10,00	100	1.000,00	1
GIPSRK2	GIPS D.D. TUZLA (K2)	Auction	17,00	-5,56	17,00	17,00	35	595	1
HDGSR	HIDROGRADNJA D.D. SARAJEVO	MFTS	23,88	1,11	23,89	23,99	3.836	91.557,23	9
IKBZRK2	IK BANKA DD ZENICA	MFTS	319,99	0,39	319,90	320,00	199	63.679,00	2
JPESR	JP ELEKTROPRIVREDA BIH DD SARAJEVO	MFTS	159,95	-0,03	160,00	159,80	1.122	179.494,15	11
KHKLR	KHK DD LUKAVAC	Auction	11,47	14,81	11,47	11,47	563	6.457,61	3
KNJHRK2	KONJUH D.D. ZIVINICE	MFTS	44,60	-0,78	44,60	44,60	222	9.901,20	1
KTKVR	KTK VISOKO DD VISOKO	MFTS	3,20	-2,14	3,27	3,20	166	538,2	2
MAKORK2	MARKET-KOMERC D.D. ZENICA	Auction	2,10	5,00	2,10	2,10	586	1.230,60	2
NTRNRK3	NATRON DD MAGLAJ	MFTS	8,02	0,22	8,00	8,30	3.686	29.551,50	15
PZPMRK2	PREDUZECE ZA PUTEVE MOSTAR DD	Auction	14,70	0,00	14,70	14,70	304	4.468,80	2
RMNTR	REMONTONTAZA DD TUZLA	MFTS	89,99	-0,01	89,99	89,99	44	3.959,56	1
RMUBR	RMU BANOVICI DD BANOVICI	MFTS	165,95	-0,48	165,51	171,00	75	12.446,19	3
RSTTR	RUDNIK SOLI TUSANJ DD TUZLA	MFTS	75,00	-0,03	75,00	75,00	221	16.575,00	3
RZRVR	RUDNIK ZELJEZNE RUDE D.D. VARES	MFTS	4,54	2,13	4,47	4,55	5.885	26.735,20	7
SARBR	SARABON DD SARAJEVO	MFTS	1,13	-1,97	1,10	1,12	11.214	12.567,16	8
SEISR	SIPAD EXPORT - IMPORT D.D. SARAJEVO	Auction	13,05	18,64	13,05	13,05	5.919	77.242,95	20
SOLTRK3	SOLANA DD TUZLA	MFTS	65,00	1,31	65,00	65,00	327	21.255,00	3
SPKMR	SIPAD KOMERC DD SARAJEVO	MFTS	23,20	-0,40	23,12	23,20	2.814	65.422,51	9
SPRXRK1	SIPOREX D.D. TUZLA	Auction	44,39	84,88	44,39	44,39	135	5.992,65	2
SPSORK2	SIP STUPCANICA DD OLOVO	MFTS	10,00	4,82	10,00	10,00	68	680	1
SRPVRK1	SARAJEVSKA PIVARA D.D. SARAJEVO (K1)	Auction	74,00	0,01	74,00	74,00	533	39.442,00	6
SSSVR	SAKUP. SEKUNDAR. SIROVINA DD VARES	Auction	1,21	-32,40	1,21	1,21	275	332,75	1
STVKRK3	SANITEKS DD VELIKA KLADUSA	MFTS	39,03	0,77	39,03	39,03	53	2.068,59	1
TCMKR	TVORNICA CEMENTA KAKANJ DD KAKANJ	Auction	50,99	-3,79	50,99	50,99	200	10.198,00	1
UMISRK2	UNIS D.D. SARAJEVO (K2)	Auction	20,19	-1,99	20,19	20,19	19.346	390.595,74	2
UNPRRK1	UNIS-PRETIS NIS DD VOGOSCA	Auction	8,29	1,22	8,29	8,29	200	1.658,00	1
UPIBR	UPI-BANKA D.D. SARAJEVO	Auction	560,01	0,00	560,01	560,01	10	5.600,10	1
VNCARK1	VRANICA D.D. SARAJEVO	MFTS	162,01	-1,56	164,58	167,00	197	32.357,12	8
ZELLRK2	ZELJEZARA ILIJAS D.D. ILIJAS	Auction	12,98	1,56	12,98	12,98	700	9.086,00	3
ZVLCR	ZVECEVO - LASTA DD CAPLJINA	MFTS	5,95	5,68	5,95	5,95	240	1.428,00	1
<b>Total</b>								<b>3.058.246,53</b>	<b>BAM</b>

# Banja Luka Stock Exchange

PRICE LIST - July 12, 2007

Symbol	Issuer	Avg. Course	% Change	Best Ask	Best Bid	Opening Price	Max	Min	Closing Price	No. of Trans.	Volume	Value (BAM)
<b>THE OFFICIAL MARKET</b>												
ALPR-R-A	ALPRO AD VLASENICA	0,7500	-6,25%	0,7200	0,8000	0,7500	0,7500	0,7500	0,7500	2	2511	1.883,25
BOKS-R-A	BOKSIT AD MILICI	1,9800	3,34%	1,8700	1,9200	1,9000	2,0000	1,9000	2,0000	11	11131	21.990,90
EKBL-R-A	ELEKTROKRAJINA AD BANJA LUKA	3,1600	-0,27%	3,0100	3,1700	3,2000	3,2000	3,1000	3,1000	4	7557	23.891,90
METL-R-A	METAL AD GRADISKA	1,1700	-3,92%	1,1600	1,2900	1,2000	1,2000	1,1500	1,1500	4	2895	3.393,75
RFUM-R-A	RAFINERIJA ULJA AD MODRICA	1,8200	1,11%		1,8200	1,8200	1,8300	1,8200	1,8200	12	27470	49.996,15
TLKM-R-A	TELEKOM SRPSKE AD BANJA LUKA	2,8700	-0,64%	2,8200	2,8500	2,9000	2,9000	2,8500	2,8500	22	72564	208.639,16
TRZN-R-A	TRZNICA AD BANJA LUKA	3,0000	0,00%	2,8500	2,9800	3,0000	3,0000	3,0000	3,0000	1	1100	3.300,00
VBBB-R-A	NLB RAZVOJNA BANKA AD BANJA LUKA	4700,0000	-6,75%		5500,0000	4700,0000	4700,0000	4700,0000	4700,0000	1	1	4.700,00
ZERS-R-A	ZELJEZNICE RS AD, DOBOJ	0,5260	-5,72%	0,5110	0,5600	0,5600	0,5600	0,5100	0,5600	6	77683	41.132,48
<b>THE OFFICIAL MARKET-PIFS SEGMENT</b>												
BLBP-R-A	PIF BLB-PROFIT AD BANJA LUKA	29,0100	-0,12%	28,3000	28,5000	28,3000	29,5000	28,3000	29,5000	32	1735	50.331,00
BLKP-R-A	BALKAN INVESTMENT FOND AD BANJA LUKA	12,1200	-0,06%	12,1000	12,3000	12,1300	12,1300	12,1000	12,1000	6	120	1.455,00
BRSP-R-A	PIF BORS INVEST FOND AD BANJA LUKA	22,5100	-5,66%	22,6000	23,0000	22,5100	22,5100	22,5100	22,5100	3	65	1.463,15
ENIP-R-A	EUROINVESTMENT FOND AD BANJA LUKA	71,0400	-0,02%	71,0000	71,1000	71,0500	71,0500	71,0000	71,0000	17	813	57.754,65
EKVP-R-A	PIF AKTIVA INVEST FOND AD GRADISKA	20,3500	-5,11%	20,5100	20,8000	19,3300	20,5200	19,3300	20,5100	30	676	13.743,26
INVP-R-A	PIF INVEST NOVA FOND AD BIJELJINA	0,4000	0,05%	0,4020	0,4070	0,4000	0,4020	0,4000	0,4020	31	68350	27.348,38
JHKP-R-A	PIF JAHORINA KOIN AD PALE	9,9900	-0,09%	9,5100	10,2000	10,0000	10,0000	9,5100	9,5100	29	1019	10.180,69
KRIP-R-A	KRISTAL INVEST FOND AD BANJA LUKA	24,8100	-0,17%	24,7000	25,0000	24,5300	25,0000	24,5000	24,8000	42	1059	26.241,76
PLRP-R-A	POLARA INVEST FOND AD BANJA LUKA	22,4800	0,49%	22,1700	22,9000	22,1000	22,7000	22,1000	22,1500	28	3262	73.348,73
PRVP-R-A	PIF PRIVREDNIK AD BANJA LUKA	9,0900	-0,07%	9,0100	9,3500	9,0900	9,1000	9,0900	9,1000	6	304	2.764,48
VBIP-R-A	PIF VB FOND AD BANJA LUKA	13,6200	-0,91%	13,6200	13,9200	13,6100	13,7000	13,5100	13,6200	24	1699	23.144,13
VIBP-R-A	PIF VIB FOND AD BANJA LUKA	9,0100	0,00%	9,0100	9,0300	9,0100	9,0100	9,0000	9,0000	37	740	6.667,20
ZPTP-R-A	PIF ZEPTER FOND AD BANJA LUKA	23,7200	1,06%	23,6000	24,0000	23,6000	24,0000	23,5200	23,6000	84	2637	62.544,19
<b>THE FREE MARKET</b>												
BIRA-R-A	BIRAC AD ZVORNIK	0,4200	0,48%	0,4100	0,4200	0,4200	0,4200	0,4200	0,4200	2	100000	42.000,00
BMNT-R-A	BOSNAMONTAZA AD, PRIJEDOR	0,3500	27,27%	0,3500	0,5300	0,3500	0,3500	0,3500	0,3500	3	220600	77.210,00
BNPT-R-A	BIJELJINA PUT AD, BIJELJINA	2,1100	0,00%	2,0000	2,1100	2,1100	2,1100	2,1100	2,1100	2	1500	3.165,00
BOSK-R-A	BOSKA RK AD BANJA LUKA	0,6000	0,00%	0,5000	0,6500	0,6000	0,6000	0,6000	0,6000	1	1790	1.074,00
DECB-R-A	22. DECEMBAR AD BANJA LUKA	0,2000	25,00%		0,2000	0,2000	0,2000	0,2000	0,2000	1	1100	220,00
DEST-R-A	HEMIJSKA INDUSTR. DESTILACIJE AD TESLICI	1,3000	0,00%	1,3000	1,3200	1,3000	1,3000	1,3000	1,3000	3	5433	7.062,90
EDPL-R-A	ELEKTRODISTRIBUCIJA AD PALE	4,0600	-2,18%	4,0700	4,5000	4,1500	4,1600	4,0300	4,1500	8	11015	44.754,74
EKHC-R-A	ELEKTROHERCEGOVINA AD TREBINJE	2,7000	0,00%	2,5000	2,7800	2,7000	2,7000	2,7000	2,7000	3	1394	3.763,80
ELBJ-R-A	ELEKTRO-BIJELJINA AD BIJELJINA	3,1000	0,00%	3,0100	3,2000	3,0000	3,1000	3,0000	3,1000	3	2854	8.762,00
ELDO-R-A	ELEKTRO DOBOJ AD DOBOJ	3,0200	-0,06%	3,1000	3,1400	3,0000	3,1000	3,0000	3,1000	9	5608	16.939,00
FAMO-R-A	FAMOS AD ISTOCNO SARAJEVO	0,2900	-3,33%		0,2900	0,2900	0,2900	0,2900	0,2900	1	7423	2.152,67
GLSG-R-A	GLAS SRPSKI - GRAFIKA AD BANJA LUKA	0,3130	0,97%	0,3130	0,4900	0,3130	0,3130	0,3130	0,3130	2	502	157,13
GLST-R-A	GLAS SRPSKI - TRGOVINA AD BANJA LUKA	0,2600	-10,34%	0,2600	0,4900	0,2600	0,2600	0,2600	0,2600	2	118	30,68
GRDA-R-A	GRADJA AD BANJA LUKA	1,2100	0,83%	1,2100	1,3000	1,2100	1,2100	1,2100	1,2100	4	1714	2.073,94
HEDR-R-A	HIDROELEKTRANE NA DRINI AD VISEGRAD	1,8800	-0,53%	1,7500	1,8700	1,8800	1,8800	1,8800	1,8800	2	297	558,36
HETR-R-A	HIDROELEK. NA TREBISNJICI AD TREBINJE	2,4800	-0,21%	2,4000	2,4500	2,5000	2,5000	2,4000	2,4000	6	5890	14.635,00
HGPT-R-A	HERCEGOVINAPUTEVI AD TREBINJE	3,8500	-1,28%	3,2000	3,8500	3,8500	3,8500	3,8500	3,8500	1	500	1.925,00
KMAG-R-A	KAMENI AGREGATI AD BANJA LUKA	0,6000	-20,00%		0,7500	0,6000	0,6000	0,6000	0,6000	1	100	60,00
KMBJ-R-A	KOMUNALAC AD BIJELJINA	1,5200	1,33%	1,5200	2,0000	1,5200	1,5200	1,5200	1,5200	2	1000	1.520,00
LJUB-R-A	LJUBIJA RZR AD PRIJEDOR	0,3100	-16,22%	0,3100	0,3300	0,3100	0,3100	0,3100	0,3100	1	4528	1.403,68
MATE-R-A	TP MATEX AD BANJA LUKA	0,8000	0,00%	0,8000	0,9300	0,8000	0,8000	0,8000	0,8000	1	5	4,00
MTLB-R-A	METAL AD BANJA LUKA	0,4920	3,66%	0,4750	0,4990	0,4990	0,4990	0,4750	0,4990	7	3695	1.829,30
OMAR-R-A	OMAR AD KENEZEVO	0,0800				0,0800	0,0800	0,0800	0,0800	2	760166	60.813,28
PDPT-R-A	PRIJEDORPUTEVI AD PRIJEDOR	6,5200	0,00%	6,4100	6,5200	6,5200	6,5200	6,5200	6,5200	2	495	3.227,40
PTKZ-R-A	POTKOZARJE AD GRADISKA	0,6300	-0,16%	0,6300	0,6310	0,6300	0,6300	0,6300	0,6300	1	500	315,00
PTRL-R-A	PETROL AD BANJA LUKA	3,1700	0,00%	3,1600	3,1700	3,1700	3,1700	3,1700	3,1700	6	14758	46.782,86
RITE-R-A	R I TE GACKO AD GACKO	1,2400	-1,79%	1,2000	1,2700	1,2700	1,2700	1,2200	1,2200	3	7700	9.529,00
RNAF-R-A	RAFINERIJA NAFTE AD BOSANSKI BROD	1,5500	3,35%	1,5000		1,5400	1,6500	1,5100	1,6500	51	120756	187.464,35
RTEU-R-A	R I TE UGLJEVIK AD UGLJEVIK	1,5100	-8,48%	1,5100	1,6000	1,5100	1,5100	1,5100	1,5100	1	12500	18.875,00
SVBN-R-A	SAVA AD BIJELJINA	0,2000	38,89%	0,1400	0,2000	0,2000	0,2000	0,2000	0,2000	3	10000	2.000,00
TGDO-R-A	TEHNOGAS-DOBOJ AD BUKOVICA VELIKA	0,7600	1,33%		0,9500	0,7600	0,7600	0,7600	0,7600	1	1940	1.474,40
TOPA-R-A	TOP AD BANJA LUKA	0,6920	-1,14%	0,6910	0,7200	0,6920	0,6920	0,6920	0,6920	1	800	553,60
USBS-R-A	USCE BOSNE VP AD SAMAC	1,2200	-18,67%	1,2200	1,6000	1,2200	1,2200	1,2200	1,2200	2	553	674,66
VDBL-R-A	VODOVOD AD BANJA LUKA	1,3500	-0,74%	1,3000	1,3500	1,3500	1,3500	1,3500	1,3500	3	3000	4.050,00
VTNK-R-A	VITINKA AD KOZLUK	15,0200	-3,10%	15,5000	16,0000	15,0200	15,0200	15,0200	15,0200	1	30	450,60
ZTPR-R-A	ZITOPROMET AD BIJELJINA	0,8800	3,53%	0,8600	0,8800	0,8800	0,8800	0,8800	0,8800	1	38	33,44
<b>Total:</b>											<b>1.283.459</b>	<b>BAM</b>

# Karlovacka Brewery Opens €3 Mln Power Plant

## MONTENEGRO

### Favorable Conditions for Mutual Investments

The investment sector is very important for both Montenegro and Belgium, which is why conditions favorable for mutual investments should be established, in order to reach a higher level of economic cooperation, the Minister of Economic Development of Montenegro, Branimir Gvozdenovic and the Ambassador of Belgium Denise de Hauwere have stated. In that view, the representatives of the two

countries shall sign an agreement on mutual encouraging and investment protection.

Gvozdenovic and De Hauwere are of the opinion that development of bilateral economic relations is in their common interests.

They also discussed Montenegro's Energy Development Strategy and the Draft Spatial Plan. **R. K.**

The beverage producer Karlovacka pivovara announced in a statement that it will open a new power plant. The investment amounts to EUR 3mn. The company has undertaken the activity because the investment will guarantee the safety of the production process, will provide the opportunity to save energy and to protect the environment, 'Croatia Today' reports.

**A. G.**

## SERBIA

### PC Hardware VAT Reduced

Value added tax rate for personal computers was reduced from 18 to 8%, which includes all PC hardware elements - from the case with all its elements, to monitor, keyboard and mouse, 'Serbia & Montenegro Today' reports. Components comprising personal computer are considered to be the case, elements of the case, monitor, key-

board and mouse.

Elements of the case are considered to be power supply, motherboard, central processing unit, operating memory, magnet and optical devices for data storage, adapters, controllers and other items installed into the case.

**A. Z.**

### Transparent Sale of State Stake in Istrabenz: Minister

Slovenian Economy Minister Andrej Vizjak said the sale of the state's stake in Istrabenz would be carried out transparently as he visited Tus, the Celje retail group that recently launched a bid for the combined 28.23% stake that the state-run KAD and SOD funds hold in the food, energy and tourism conglomerate, Slovene Press Agency reports.

Vizjak was also pleased that more than one bid has arrived for the stake. "The funds will

sell their stakes in Istrabenz and other companies in line with the government's guidelines," Vizjak said after meeting Aleksander Svetelsek, general manager of the Tus group.

As concerns the price at which the funds will sell the stake, Vizjak said that Istrabenz was listed on the Ljubljana Stock Exchange. The holding closed at EUR 104.42 on the Ljubljana Stock Exchange on Wednesday, well above Tus's bid of EUR 81 per share. The price Tus offered is EUR 1 higher than a competing bid launched some four weeks ago by investment firm Infond Holding, the biggest single owner of beverage group Pivovarna Lasko.

Infond decided to extend its bid until 16 August, while refusing to give any reasons for the move. Svetelsek meanwhile said Tus was ready to pay as much as needed for Istrabenz, but the state has to set the initial price.

He added that Tus decided to buy the stake in Istrabenz because the Koper-based conglomerate was an excellent company, while it was also active in all four areas of Tus's operations. **M. B.**

### Serbian Frikom Hikes Revenues by 7.7 Times

Belgrade-based producer of frozen food Frikom last year increased net revenues by 7.7 times to RSD 707 million. Total company's revenues were increased by 56% to slightly less than RSD 5 billion, while overall expenses in 2006 increased by RSD 1,1 billion to RSD 4,2bn, 'Serbia & Montenegro Today' reports. Since it was sold to Croatia's Agrokor in February 2003, Frikom is recording constant profit growth - from losses totaling RSD 100 million in 2004, the company recorded net revenues of RSD 92 million in 2005 and in 2006, the company recorded almost eight times higher revenues.

During 2005 and 2006, the company invested about RSD 4 billion in acquisition of its own shares, so Agrokor currently owns 95,8% of Frikom's shares. Business plan for the first half of this year stipulated Frikom's revenues of RSD 2,7 billion.

**R. K.**

### Belgdarde's Hotels Prag, Central up for Sale

Serbian Privatization Agency will offer for sale today two Belgrade-based hotels - Prag and Central, 'Serbia & Montenegro Today' reports. Starting price for hotel Prag was set at RSD 127,6 million, with a total value of the capital estimated at EUR 6,53 million, while the starting price for hotel Central stands at RSD 93,8 million, with a total capital estimated at EUR 4,7 million.

**A. G.**



# Montenegro Property Prices Just Keep Rising

Agents dream of parity with elite Mediterranean destinations, saying the recent boom is just the start. Distinguishing hyperbole from genuine promise can be difficult in the fast-growing market for holiday properties in Montenegro. Some local real estate watchers, their spirits buoyed by growth rates as high as 200 percent since 2004, no longer compare Montenegrin real estate merely to similar offers in neighboring Croatia. Instead, they compare directly with Mediterranean region's most glittering resort destinations.

remain far below this level, from 2,000 to 4000 euros per square meter, according to local agents. Before the last years' boom, a typical entry price was 1,000 euros. "Montenegro is very interesting in the long run, and it'll be increasingly interesting for investors in the next ten, fifteen years," says Sasa Dedeic, chief of Interspar, a real estate agency. Dedeic rests his forecast partly on a claim that "the quality of life in Montenegro will be better than anywhere else in

Such rapidity of growth is driven by a shortage in supply, with views and access to the seacoast proving the most powerful driver of demand. In and around Bar, land prices go as low as 10 euros per square meter for inland property outside the area covered by the official urban plan. For land near the sea, prices go up to 350 euros.

For new apartments, prices rise further to 2,500 euros, Kirovic says.

In prime markets near the sea, such as Sveti Stefan, land prices go as high as 450 euros per square metre, according to the Colliers International survey. Sasa Vukicevic of Dream Property Montenegro, an agency that serves mostly British clients, likewise points to a huge disparity in seaside and inland prices, which he says reflects the aims of English buyers. Even as coastal prices rise rapidly, land in villages on the slopes of mountains like Rumija and Lisinja starts at just five euros per square meter.

Domestic price pressure from the coast has been quicker to spill over into Podgorica, the capital, where a square metre of residential property now hits the market at between 1,700 and 3,000 euros.



"Montenegro is small, and it lacks space for developers. As it moves towards the European Union, prices will go sky high. In Monte Carlo, one square meter of an apartment costs 100,000 euros," says Predrag Drecun, an economic analyst. In fact, price parity with markets like Monaco's elite quarter is a long way off, Drecun acknowledges. His own projection foresees the price of a square metre of seaside residential property reaching between 7,000 and 10,000 euros. However, the fact that Drecun mentions Montenegro and Monte Carlo in the same breath is exceptional in itself. Half a decade ago, the former Yugoslav republic was still submerged in the complicated politics of its union with Serbia, mostly undiscovered by foreign property speculators. Now with foreign buyers' rapid entry since 2004 shocking the scene, sellers, buyers and analysts are all scrambling to figure if and when the boom will end. A survey by Colliers International shows that property transactions increased in volume by 400 percent over the past two years already, but most experts answer that there is plenty of room left to grow.

In exceptional cases, prices already exceed Drecun's projection. But entry level prices for residential space in coastal hotspots like Kotor, Budva and Herceg Novi generally

Europe", predicated like many optimistic assessments of the market on the country's new integrationist path in relation to the European Union. Such claims are supported by bullish analyses from outside, as well, such as a prediction from the London-based World Travel and Tourism Council that Montenegro over the next decade will experience the fastest tourist industry growth of any country.

## Spill-over Destination

Whether or not the EU angle bears itself out, Montenegro is now undeniably a spill-over destination for investment capital in booming real estate markets elsewhere in both western and eastern Europe. The bulk of foreign demand seen since 2004 has originated in the United Kingdom, Ireland and Russia - all markets where property values are trending upward sharply - and there is no sign of a slowdown. According to the finance ministry, foreign buyers in 2006 spent 750 million euros on purchases of land and apartments, a figure equal to 45 per cent of Montenegro's gross domestic product. Vera Kirovic, owner of the V&K Svetionik estate agency in Bar, the largest coastal town, says prices for land change "literally by the hour".

## Mitigating Risk

Despite the remarkable price growth seen to date, buyers still run risks. Lawyers specializing in real estate issues warn that Montenegro, sometimes despite appearances, remains a hornets nest of complicated property issues. Naïve entrants sometimes get stung.

"Any purchase of a property may turn out to be a double-edged sword, which is why additional checks are needed," says Dedeic, the Interspar chief.

"A buyer can purchase a holiday house somewhere only to find out that the municipal detailed urban plan designates the location for a hotel or an office building," he says.

Aleksandar Djuricic, a Podgorica lawyer who represents foreign buyers, cites a long list of potential pitfalls: sellers who lack paperwork proving ownership, unresolved disputes within restitution processes not yet run to completion and questions regarding inheritance proceedings before the courts.

"Professional legal aid is needed from the very beginning. If all the checks are done well, there will be no negative consequence for an investment," Djuricic says.

**Nedjeljko Rudovic**