

**SERBIA****MRKIC: SERBIA DEVOTED TO EU, DIALOG & KOSOVO NON-RECOGNITION**

TEHRAN, Sept 1 (Tanjug) -Addressing the participants of the XVI Summit of Heads of State and Government of the Non-Aligned Movement (NAM) in Tehran, Serbian Foreign Minister Ivan Mrkic stated Friday that Belgrade is profoundly devoted to the goal of becoming a member of the European Union and that the new Serbian government will continue to deepen the country's active engagement with the Movement's member states. Mrkic told the representatives of more than 120 countries that Belgrade is also devoted to dialog with Kosovo, but added that Serbia will never, under any circumstances, recognize the UDI-the unilateral declaration of independence by Kosovo's ethnic-Albanian minority authorities. "This will remain our position not only because of the danger Kosovo separatists pose to Serbia's constitutional order, but also because Kosovo's UDI represents a precedent that secessionists across the world would be able to follow," the minister pointed out. Expressing sincere gratitude to the great majority of NAM member states that have not recognized the separatists in Kosovo, Mrkic stressed that "Serbia is firmly committed to reaching a mutually acceptable solution on Kosovo." "We remain committed to negotiating with the province's ethnic-Albanian authorities. Dialogue is the only road to peace in Kosovo." Serbia's foreign minister also referred to the investigation into deeply disturbing report by Council of Europe's Rapporteur Dick Marty on illicit trafficking in human organs in Kosovo. He underlined that if proven true, this would constitute an entirely new category of war crime and crime against humanity. In his speech at the summit that ends today, Mrkic also referred to one of the central topics - the efficiency of the United Nations and its main bodies. "We need to reach a consensus on how to reform the Security Council, but also how to revitalize the General Assembly. In my view, enhancing its role is of unquestionable importance to all of us," he underscored. Mrkic voiced satisfaction with the fact that his immediate predecessor, Vuk Jeremich, was elected President of the UN General Assembly for the forthcoming 67th session. "Many NAM member states cast their vote for the Serbian candidature. Allow me to express my gratitude to each country that placed its confidence in our ability to preside over the body that the Millennium Declaration defined as the "main deliberative, policymaking and representative organ of the United Nations." The minister stressed that Serbia is deeply respectful of the Movement's legacy and achievements, its fundamental values, principles and purposes. According to him, the Tehran Final Document will be a part of a strategic blueprint for how to address both enduring and emerging geopolitical challenges. "To do so, the structures of global governance will need to be updated, because their institutional architecture still remains much as it was during the Cold War era," Mrkic noted. Support will also have to be renewed for NAM's longstanding efforts at collective emancipation from existing economic inequalities, he added. "To that end, existing international economic institutions should be restructured, in order to better reflect coming economic realities and implement in full the right to development for all." Nuclear non-proliferation, a nuclear weapons free world, and the peaceful use of nuclear energy will likewise need to be respected in line with the principles enshrined in the UN Charter and all other relevant international instruments, the minister pointed out. As Mrkic put it, the new Government of the Republic of Serbia will continue to deepen the nation's active engagement with the Movement's member states, through the use of a number of bilateral instruments of cooperation. "For instance, we hope to increase the number of scholarships we have offered, as part of our "World in Serbia"

Scholarship Fund. Already, hundreds of young people from NAM countries have been enrolled at the University of Belgrade," he said.

### **MRKIC HOLDS OVER 30 BILATERAL MEETINGS**

BELGRADE, Sept 1 (Tanjug) -Foreign Minister (FM) Ivan Mrkic completed his visit to Tehran, where he attended the 16th Summit of the Non-Aligned Movement (NAM) and also met with more than 30 colleagues at the margins of the meeting. Before addressing one of the largest multilateral meetings of today, Mrkic met with the foreign ministers of Iran, India, Algeria, Ghana, Namibia, Indonesia, Bangladesh, Pakistan, Iraq, Kuwait and Kazakhstan and other countries, the Serbian Foreign Ministry said in a release Saturday. Mrkic discussed deepening of overall bilateral cooperation with the foreign ministers of Egypt and Cuba, while touching on regional issues at meetings with the officials from Croatia, Bosnia-Herzegovina and Montenegro. The Serbian delegation used the opportunity to meet with representatives of many international organizations such as the Red Cross and the Arab League.

### **NIKOLIC: READY FOR CARRYING OUT MISSIONS AT NEW CHALLENGES AND RISKS**

BELGRADE, Sept 2 (Tanjug) -President Tomislav Nikolic said that the Serbian Armed Forces (VS) had a vision of an efficient air force relying on a well-equipped anti-aircraft defense, adding that he expected from the Serbian government to improve the financial situation in the army. "We expect the Serbian government to use the available funds and put in serious effort to renew the military facilities, encourage the acquisition of knowledge, modernize the equipment and improve the financial situation in the army," Nikolic said at the opening of an air show in Batajnica, organized as part of the celebration of one hundred years of the Serbian military aviation. Nikolic said that training airmen and enabling them to acquire relevant knowledge were among the country's major priorities. "It is therefore our duty to further develop and strengthen our defense, follow the latest trends and work to continuously improve its operational and functional capabilities to have it ready for carrying out its missions at all times, given the new security challenges and risks," said the Serbian president. A total of 16 countries are taking part in the air show in Batajnica, having 27 aircraft displayed. "Our international defense cooperation is in this way further intensifying," said Nikolic. Nikolic pointed out that the first international air show had been held in France in 1909, while Belgrade had the opportunity to see pilots Rudolf Simon and Boris Maslenikov flying their planes as early as the following year. Belgrade hosted its first international air show on July 5, 1935, as part its first international aviation exhibition. "We will see today pilots from the country and abroad showing their skills in operating the most modern aircraft and this is the picture we want to show the world - a true image of a friendly, benevolent and hospitable country, a country of peace, a real host whose doors are always open to friends," Nikolic said. The VS Air Force Command is celebrating an important anniversary - 100 years ago, at the initiative of Duke Radomir Putnik, the army saw its first air force coming into being. Establishing the unit had the Kingdom of Serbia placed among the first 15 countries in the world that have introduced aircraft in the armed forces and among the first five that used them in combat, Nikolic said. "In addition to the love of heights, Serbian pilots' love of their country has always been invaluable to them and we are very proud of that," Nikolic underscored.

## **NIKOLIC & VUCIC CONGRATULATE PILOTS CAME FROM EUROPEAN COUNTRIES**

BELGRADE, Sept 2 (Tanjug) -President Tomislav Nikolic and Defense Minister Aleksandar Vucic received the pilots making demonstration flights on military aircraft at Sunday's 2012 Batajnica air show that marked one hundred years of the Serbian military aviation. The president and minister congratulated the pilots on their successful completion of flights and displays of bravura in the air. The pilots, who came from several European countries, were greeted with applause by the crowd at the airport in Batajnica, near Belgrade. The air show hosted teams from 16 countries totaling 27 aircraft and about 200 people, including from Austria, Bulgaria, Denmark, France, Italy, Romania, Russia, Slovenia, Turkey, USA. Serbia had 27 aeronautical organizations with 58 aircraft and the Serbian Armed Forces with a total of 45 aircraft taking part in the show.

## **WARLICK: MAKE FURTHER PROGRESS IN MILITARY COOPERATION**

BELGRADE, Sept 2 (Tanjug) -U.S. Ambassador to Serbia Mary Warlick congratulated the Serbian Armed Forces (VS) on arriving at a major milestone - a centennial of the Serbian air force - and expressed the hope that the two countries would make further progress in military cooperation.

## **VUCIC: SERBIA WOULD NOT JOIN NATO**

BELGRADE, Sept 1 (Tanjug) -Defense Minister Aleksandar Vucic met with Ohio National Guard Adjutant General, Major General Deborah Ashenurst Friday and said that Serbia would not join NATO, but would continue developing good cooperation with everyone under the framework of the Partnership for Peace (PfP). During the meeting, the officials stressed the importance of cooperation under the state partnership framework, which they said was mutually beneficial and important in all areas of bilateral cooperation, according to a release by the Defense Ministry. Minister Vucic expressed the hope that the Ohio National Guard would continue to support the reform of the Serbian defense system in the future, particularly in the fields of army professionalization, joint training and exercise, strengthening of regional cooperation capacities and in further training and schooling of members of the Defense Ministry and the Serbian Armed Forces (VS). Vucic said he was satisfied about having the honor to attend together with the U.S. Ambassador to Serbia Mary Warlick and the Ohio National Guard commander a celebration of the completion of works on the renovation of a building of an elementary school in Kraljevo, Serbia, which was jointly implemented by members of the Ohio National Guard and the VS as part of a United States European Command (EUCOM) sponsored humanitarian assistance project. In addition, Vucic thanked the American side for helping equip and modernize the VS with the latest technology systems and donating 17 Hammer vehicles that would be delivered to the VS through the Foreign Military Assistance program. He particularly emphasized the importance of the expert assistance by the National Guard to help the development of the military base 'South' and training of VS military chaplains. Major General Ashenurst pointed out that the state partnership program with Serbia was one of the best that the United States was realizing with more than 60 states across the world and confirmed the commitment to support and assist Serbia in all key areas of cooperation in the future. She proposed that Minister Vucic should soon visit Ohio and get familiar with the capacity and

capabilities of the National Guard.

## **NIKOLIC AMONG FIRST SPEAKERS AT UNGA OPENING**

BELGRADE, Sept 3 (Tanjug) -President Tomislav Nikolic will be among the first speakers to address the participants of the UN General Assembly (UNGA) at the opening ceremony, UNGA Chairman and former Serbian foreign minister Vuk Jeremic said. The opening of the UN General Assembly is a formal ceremony and the tradition was established back in 1946 according to which the first speaker to address the participants is the representative of Brazil, after whom the president of the host-country addresses the UNGA (which in this case is the U.S.), and this year, after them the Assembly will be addressed by Serbian President Tomislav Nikolic, Jeremic said in the daily news programme broadcast by the Radio and Television of Serbia late on Sunday. Jeremic will officially take over the UNGA chairmanship on September 18, while the debate should start in New York on September 24. According to Jeremic, the Serbian president will address the UNGA immediately after the representatives of Brazil and the U.S. because of the diplomatic efforts invested by Serbia's officials. This has never happened to Serbia before and it points to the respect which the country has won in the UN after it was granted UNGA chair, Jeremic said. He confirmed that the high council of the UNGA chairman would comprise former Russian Prime Minister Yevgeny Primakov and other experienced diplomats from Spain, South African Republic, Turkey and Switzerland and the costs of the funding would not fall on Serbia's shoulders.

## **SERBIA – EU**

### **DACIC: SERBIA CONTINUES ITS EU PATH**

BELGRADE, Sept 3 (Tanjug) -Prime Minister and Interior Minister Ivica Dacic stated ahead of his visit to Brussels that Serbia wishes to continue its EU path but that the EU should be fair when it comes to the conditions it is imposing. This means that there will be no new conditions for granting Serbia the date for EU accession talks, Dacic told reporters. During his stay in Brussels, Dacic will have seven meetings, and he will first meet with President of the European Council Herman van Rompuy, then with President of the European Parliament Martin Schultz, EU High Representative Catherine Ashton, Commissioner for Home Affairs Cecilia Malmstrom, Energy Commissioner Gunther Oettinger and Director of the EU Enlargement Directorate Stefano Sannino. Dacic will also meet with the Belgian interior minister and the foreign minister. This will be Dacic's the first visit to the EU seat since his appointment as the prime minister, and he said that he wanted to go to Brussels sooner but everyone was on holiday. "This will be our first meeting and I will inform the officials about the government priorities and the reforms which Serbia should implement in the next period, as well as the activities the government is implementing aimed at the preparation of the package of economic and social measures," he explained. Dacic said that political stability is very important for Serbia and that Belgrade is ready for the continuation of the dialogue with Pristina. He also underscored that Belgrade will do everything to get the date for the initiation of the talks with Pristina set but this does not imply that something that is not in Serbia's national interest would be accepted. According to Dacic, the budget deficit in the first six months of the year is now almost double relative to the planned sum. In order for the country to survive and remains able to pay

salaries and pensions, at least EUR 2 to 2.5 billion need to be raised, Dacic said and added that this will be one of the topics of the talks in Brussels.

### **PAJEVIC: TALKS DATE BY YEAR'S END BARELY REALISTIC**

BELGRADE, Sept 3 (Tanjug) -Head of the Office for EU Integration Milan Pajevic preferred not to indulge in speculations as to when the EU would open entry talks with Serbia, but said that if that happened by the end of 2012, that would be an unexpected success, and qualified it as barely realistic."Regardless of the statements made by foreign and Serbian politicians, I do not want to speculate on when Serbia would get the start date, as we have witnessed that tendency too often in the last decade," Pajevic said to daily Press, adding that the opening of accession talks would be a step towards Serbia' modernization.The normalization of Belgrade-Pristina relations remains a key political issue, he said, underlining that one "should not disregard complex internal reforms in the domain of judiciary and fight against corruption which had been particularly emphasized in the European Commission (EC) recommendations."Asked whether this government is more pro-European than the previous one, Pajevic said that the people would be able to judge that taking into account the achieved results, on which "partners in the EU and Serbian public will also voice their views."

### **KOSOVO – METOHIJA**

#### **DACIC: NO SACRIFICE FOR ASTERISK AND FOOTNOTE**

BELGRADE, Sept 3 (Tanjug) -Prime Minister Ivica Dacic has said that the instruction adopted by the Serbian government, which unblocks Serbia's participation in regional meeting in which Pristina also takes part, and ensures asymmetrical representation of the interim institutions in Kosovo, is not a concession to Pristina."By failing to attend these meetings, Serbia does not achieve anything. In the previous government, we sacrificed for an asterisk and the footnote (saying that Kosovo is represented without prejudice to positions on status, and in line with UN SC Resolution 1244 and the ICJ Opinion), and in other agreement, we nearly introduced a customs office. We should make no useless sacrifices for the battles already lost, and an asterisk and the footnote are lost battles," Dacic said in a live broadcast on the Belgrade-based TV B92, adding that the decision had been delivered by unanimous vote.This decision did not introduce anything new, and Serbia will stick to the stand that Kosovo must be represented asymmetrically, Dacic said."The government insists that Kosovo must be represented in an asymmetrical way- that is defined by an asterisk. The footnote is in the documents. If that is not respected and if there are certain state insignia of Kosovo, Serbia will not take part in such meetings," Dacic said.Serbia has much more important problems related to Kosovo than whether the footnote is on the nameplate or in the documents, so it will be wrong to miss the meetings, if the footnote is not on the nameplate, he said.This is not the dispute over what has been agreed by the previous government, as the Serbian government will implement all the agreements reached so far, the prime minister stressed.

#### **SERBIA'S PARTICIPATION IN REGIONAL FORA UNBLOCKED**

BELGRADE, Sept 3 (Tanjug) -The Serbian government adopted an instruction, thereby

unblocking Serbia's participation in regional meetings in which Pristina also takes part, and ensuring the asymmetrical representation of interim Kosovo institutions. The instruction refers to the approach of representatives of the state bodies in the meetings dedicated to regional cooperation in which representatives of the interim institutions of the self-government in Pristina also take part, the government announced. The instruction ensures that that interim institutions of the self-government in Pristina be represented asymmetrically, and envisages that besides the nameplate of Kosovo (Kosovo with an asterisk), in all accompanying documents the text of the footnote (saying that the designation is without prejudice to positions on status, and is in line with UN SC 1244 and the ICJ Opinion) should be noted in the first mention in every single document. This instruction has been delivered with a view to repairing the damage caused by the absence of state bodies from regional fora. The failure to attend regional meetings, based on the obligation arising from the previous instruction, representatives of Serbia were denied a possibility to carry out the state policy on Kosovo-Metohija and further interests of Serbia. Moreover, the absence from regional meetings did the direct and indirect economic damage to Serbia. Representatives of the state bodies are obligated to insist that hosts of the meetings and representatives of the EU strictly adhere to the agreed way of representation of the interim institutions of the self-government in Pristina, without putting up a flag or other insignia, and UNMIK's presence will also be required. If representatives of the interim institutions of the self-government in Pristina are not represented in line with the instruction, representatives of Serbia's state bodies will leave the meeting, and lodge a protest in writing to the organizer. Director of the Office for Kosovo-Metohija Aleksandar Vulin told Tanjug that the Serbian government adopted an instruction on regional presentation of Pristina late on Sunday which shows that this is a serious government and that Serbia is a country that respects its signatures.

### **EU: DECISION OF SERBIAN GOVT IS GOOD STEP FORWARD**

BELGRADE, Sept 3 (Tanjug) -The EU believes that the decision of the Serbian government regarding the asymmetrical representation of Kosovo at regional meetings is a good step forward.

### **SERBIA – ECONOMY**

#### **NIKOLIC: SERBIA NEEDS TO BORROW MONEY FOR BETTER IRRIGATION**

BECEJ, Sept 1 (Tanjug) -President Tomislav Nikolic said that due to damage from drought faced by farmers in Serbia, the government would have to borrow more money to renew the existing irrigation canals and build new ones. Nikolic said that in its first new borrowings from other countries, Serbia should focus on investments to renew the existing irrigation systems and build new ones, because irrigation was neglected in the country. Visiting the Sojaprotein factory in Becej, northern Serbia, together with President of the European Bank for Reconstruction and Development (EBRD) Suma Chakabarti, Nikolic said that the EBRD cooperation with Victoria Group, one of the largest agribusiness companies in Serbia, which owns Sojaprotein, was a good example of how a bank could affect the fate of a company it was dealing with. "This could be an example to many of our commercial banks, whose management should pull away from speculative dealing in the market of securities, cash and from financing dubious or non-existent

projects and look instead to the EBRD, which came to make loans to others first, then to help other banks make loans, and then to become a shareholder," Nikolic told the press. He said that Serbia needed a development bank. Congratulating Victoria Group management on good results, Nikolic said that Serbia would have a lot to invest in agriculture and energy in the future.

### **DACIC: TALKS WITH EBRD GOOD BASIS FOR FURTHER COOPERATION**

BELGRADE, Sept 1 (Tanjug) -Prime Minister and Minister of the Interior Ivica Dacic said that cooperation with the European Bank for Reconstruction and Development (EBRD) is one of the priorities of the governments of Serbia. It is also of great importance for the achievement of the objective of the government to bring the country out of crisis, Dacic stated after meeting with EBRD President Suma Chakrabarti. Serbia has in recent years had good cooperation with the EBRD, said Dacic, adding that the main objectives and priorities of the government are on the one hand the maintenance of macroeconomic stability, the introduction of fiscal discipline and reducing the budget deficit, and on the other development and economic growth, which is certainly not possible without cooperation with the EBRD. Dacic stressed that the sectors in which the EBRD invests money are the sectors that encourage the development of production, which can serve to turn on the ignition of the dormant economic engine in Serbia. Cooperation with the EBRD is of great importance for Serbia, bearing in mind that the country wants to get out of the crisis as soon as possible, and to reduce the deficit to a supportable amount next year, Dacic said. The talks held with EBRD President Chakrabarti are good grounds for making cooperation in the forthcoming period even better, and closer in mutual interest, especially of the citizens of Serbia, Dacic said.

### **NATIONAL COUNCIL FOR ECONOMIC RECOVERY SET UP**

BELGRADE, Sept 3 (Tanjug) -The Serbian government set up the National Council for Economic Recovery and appointed Ivica Dacic as its chairman, the government released. The Council will be analysing the situation in the Serbian economy and preparing draft measures for the country's economic recovery and encouragement of economic growth. The Council has three deputy chairs and 21 members including prominent businessmen, bankers and economists. At the Sunday session, the government formed the National Council for Agriculture which would be analysing the situation concerning agriculture, agricultural production and market of agricultural products, and it will be preparing the measures for enhancement of the Serbian economy, the release states.

### **IMF DELEGATION IN SERBIA STARTING SEPTEMBER 10**

BELGRADE, Sept 1 (Tanjug) -A delegation of the International Monetary Fund (IMF) tasked with analyzing the situation with the public finances will come to Serbia on September 10, and there are technical talks under way, started on August 28 and scheduled to finish on September 4, with IMF officials, State Secretary for Finance and Economy Vljako Senic said. After the visits, an official IMF mission is expected, which will come late this year, ahead of the drafting of the 2013 budget, Senic told Tanjug. "We have prepared all the available information, are completely open to cooperation and convinced we can expect an agreement with the IMF ahead of adopting the 2013 budget," he stated. According to Senic, Serbia will still incur debt,

despite the fact that the public debt rose dramatically in the past 4 years, he noted. "The government will on its own, but also in cooperation with the IMF, define a clear plan on how to reduce the debt," Senic remarked, stressing that it would be important to Serbia to renew its agreement with the IMF, which the old government had "frozen and practically made invalid." "The talks will certainly be difficult, but we have a clear plan. We will present our plans for fiscal consolidation to this IMF mission coming in September and the official delegation, which we hope will come by the end of the year," he explained. "I am the host for a technical mission from the IMF coming to Serbia on Tuesday. We are discussing some technical details of the budget's preparation and planning," he noted. Senic expects the government to increase budget revenue and achieve significant savings in expenditure.

### **BREFORT: RENEWAL OF AGREEMENT WITH IMF GOOD MOVE**

BELGRADE, Sept 1 (Tanjug) -A renewal of arrangement with the International Monetary Fund (IMF) in 2013 would be a good move for Serbia, World Bank's Country Manager for Serbia Loup Brefort said on Friday. Brefort told the press at the Serbian Chamber of Commerce that lowering of Serbia's credit rating was not unexpected, since, as he put it, this is not a result of recent developments but a global phenomenon. Even before the elections, it was clear that Serbia is heading to a big budget deficit, so lowering of the rating is not a result of the elections and the government's first moves, he said. Speaking about the Serbian economy, Brefort said that there have been many announcements about economic changes, but added that not many real decisions and results have been made so far. He noted that Serbia needs adjustments related to budget revenues and expenditures. Brefort also said that improvements in reducing the budget deficit cannot be seen in the short term, and added that we first have to wait for the 2012 budget review and the budget for 2013. Brefort commended the empowerment of the Social-Economic Council and announcements about elimination of unnecessary taxes that burden the Serbian economy.

### **EBRD: VICTORIA GROUP GOOD EXAMPLE FOR WHOLE REGION**

BECEJ, Sept 1 (Tanjug) -President of the European Bank for Reconstruction and Development (EBRD) Suma Chakrabarti said that Victoria Group, a leading agroindustrial company in Serbia, should be an example for the whole region in what can be achieved during such difficult times and market conditions as today. Chakrabarti, who toured with Serbian President Tomislav Nikolic the northern Serbia Becej-based Sojaprotein, a company owned by Victoria Group, said that the company had been successfully implementing partnership programs between the EBRD and Victoria Group. He added that the EBRD had first invested more than EUR 100 million euros in the Serbian company and then became a stakeholder with more than a 20 percent stake in Victoria Group. Chakrabarti also said that the EBRD had invested more than EUR 3 billion in infrastructure, energy and other projects in Serbia over the previous ten years. By the end of this year, the Bank will approve a 400 million loan to Serbia, and an additional EUR 400 million one next year. Chakrabarti said the EBRD was planning a new strategy for Serbia in 2013, as the country was full of investment opportunities. Victoria Group Managing Director Zoran Mitrovic said that over 2012 and 2013, the EBRD investments in the company would amount to around EUR 100 million, while exports should amount to around EUR 200 million in 2012 and around EUR 350 million in 2013. Since Victoria Group's

privatization 10 years ago, the company has doubled its production, its exports have increased four times, and revenues are seven times those of before, said Mitrovic, adding that only the number of employees remained the same and was now around 1,800. The drought that hit the country will cut this year's soybeans' yield by 30 to 40 percent, Mitrovic said, adding that Victoria Group would import soy "only if it has to" but it will not be a genetically modified variation.