



The Republic of Serbia
The Government of the Republic of Serbia
The Anti-Corruption Council
72 No: official
Belgrade, 12th August 2005

THE GOVERNMENT OF THE REPUBLIC OF SERBIA
-Vojislav Kostunica, Prime Minister-

B e l g r a d e

Dear Mr. Prime Minister,

The Anti-Corruption Council analyzed the case of the company "Keramika" Kanjiza, and shall forward you a detailed report on the events in this factory in the near future. We feel that the manner the police forces conducted themselves, obstructing for the sixth time the enforcement of the court's decision and entrance of "Keramika's" majority owners and legal bodies to the company, indicates a possible corruption, as well as that this case, like "Jugoremedija" and other privatized companies analyzed by the Council, demonstrate without doubt that non adherence to law and contracts jeopardize the fundamental rights of the citizens of Serbia, the safety of contract making and private property, thus jeopardizing the whole process of establishment of economic and legal safety promoted by the Government.

Due to disregard by police force, court decisions can not be enforced in "Keramika" and illegal status continues, which gives cause for concern. Even though court decisions aim to establish law and order in "Keramika", the minority owner and illegal management that entered "Keramika" by force a year ago, still remain in the company. The seventh enforcement of the court's decision enabling the majority owners, legal entities and workers of "Keramika" access to factory was scheduled for 17 August. Taking into account that this matter falls within the competence of the Ministry of Interior of the Government of the Republic of Serbia, we call upon you to do everything in your power to bring law and order in "Keramika". We are of the opinion that cases like "Keramika", "Jugoremedija" and other

companies analyzed by the Council represent a paradigm of the privatization process in Serbia, because, even though they are case-specific, they compromise the entire process, as well as the system in charge of its enforcement.

Prior to the usurpation by the minority owner and illegal management, ‘‘Keramika’’ has been the major economic entity in Kanjiza, a prosperous factory on its way to become a significant Serbian brand. Two months ago, the whole of Serbia saw news footage of company’s premises used as gyms for the usurper’s private army .

We believe that it would be very useful to convene a meeting and completely clarify this case and its mechanisms which enable individuals in Serbia to break laws and contract without having to suffer any consequences.

Yours faithfully,

President
Ms Verica Barac