

Partition of Kosovo a solution for Belgrade

Belgrade still seeks some other solution than independent Kosovo. If all other options regarding the Kosovo's status are exhausted, its partition along ethnic lines can be a solution for Serbia, Serbian president Boris Tadic claimed. It is for a first time that high Serbian state official publicly mentions this option, even if Kosovo declared independence on Belgrade already in February 2008. Even if Tadic did not specify further what those ethnic lines are his statements were strongly opposed by Kosovo officials.

Tadic's statements come soon after Serbia's bid to seek the International Court of Justice's opinion on the legality of independence of Kosovo, and after several claims made by Serbian community living in Kosovo that Belgrade does not represent their interests vividly enough.

However, Tadic's plan has one weak point. Even if Serbian community lives in the north part of Kosovo (north of the Ibar river) which may be subject to the plan, half of the 100 000 Serbs living in Kosovo actually live in isolated enclaves in the remaining Kosovo territory.

Sources: BalkanInsight.com, B92, Danas

End of Zastava, Fiat comes to Serbia

Serbian government and representatives of the Italian car producer Fiat signed a deal on selling 67% of the domestic Zastava Company. A brand new car producer – Fiat-Serbia – should be created in a two weeks time after the deal is signed, in which Serbia will keep 33% of the total share. According to the agreement, Fiat is obliged to invest more than 900 million € into modernization of the plant in Kragujevac, while the Serbian government will invest around 350 million € into infrastructure. The local government in Kragujevac also frees Fiat from paying any local taxes and fees for the next 10 years. As a result, Fiat should produce more than 300 000 cars annually and create job for almost 5000 people.

Italian Fiat will also benefit from the fact that Serbia is in a custom free zone with Russia. Italians count that they will export to Russia approximately 300 000 Fiat cars until 2011, out of which 100 000 will be produced in Serbia. New information in regards to the privatisation of other state-owned companies occurred. Serbia has abandoned privatisation of the JAT Airways.

Sources: Danas, B92

Serbia signed agreement with NATO

Serbia is a step closer to the North-Atlantic alliance. In the beginning of October, it has signed the so-called *security agreement* with the NATO. It enables Serbia to become a full member of the Partnership for Peace programme. The agreement enters into force immediately, while Serbian Minister of defence Mr. Dragan Sutanovac promised Serbia would its active member by 2010.

Signing the agreement, which was frozen since 2007, is another international success of the new Serbian Government. However, Mr. Sutanovac did not forget to mention year 1999, when the NATO bombed the former Yugoslavia as a response to ethnic cleansing which took place in Kosovo.

Sources: FONET, B92, BalkanInsight.com