

Luka Beograd –Announcement regarding the statements of the Anticorruption council

At the urgent press conference Luka Beograd strongly disregarded all the claims of the Anti-Corruption Council concerning the Draft agreement on the regulation of the relations which the Council enclosed in the reports sent to Mr Mirko Cvetković, the Prime Minister of Serbia, and Mr Boris Tadić, the president of the Republic of Serbia.

The Council states in its report that with the agreement the two sides reached the decision to relocate the port and change the purpose of the land and these claims are false. Ivana Veselinović, the president of Luka Beograd company, explained to journalists that the dialogue with city authorities was initiated in order to find the best solutions for both sides in a peaceful manner and respecting the laws. That would put an end to long-term disputes which is in line with legal and legitimate interests of both sides and provides new significant resources to the citizens of Belgrade.

The City of Belgrade and Luka Beograd are involved in a dispute over the land downstream from Pančevo bridge which has been used by Luka since its foundation in 1961.

The City of Belgrade tried to register the mentioned land for the first time in 2004 on the grounds of the Contract from 1975 which never took effect because there was no consent of Luka's management which was represented by the Workers' council. Within legal deadline, Luka Beograd filed a lawsuit to District Court which in 2006 altered the decision of Land registration court allowing Luka Beograd to reregister its land.

In March 2008 Second municipal court for the second time registered the city of Belgrade on the disputed land. Luka Beograd filed another lawsuit to the District court which cancelled the decision of the Second municipal court and confirmed that documentation provided by the City for the registration wasn't complete and didn't represent a valid ground.

In this way Luka Beograd again became a registered user of the mentioned land in October of the same year. In April 2009 Second municipal court for the third time made the decision about the registration of the city of Belgrade based on identical documentation which was denied by the District court in 2008. Luka Beograd is currently preparing the complaint which will be sent to the District court of Serbia in legal deadline.

After the presented facts, Veselinović concluded that the claims of the Anti-Corruption Council were false, that Luka Beograd and the city were on the verge of reaching an agreement on the division of city construction land since the land cannot be subjected to division or sale because the right of ownership over the land is in the hands of the Republic of Serbia, while all the others only have the right of use.

The other claim of the Council is equally false that the city discussed with Luka Beograd the relocation of the port because the mentioned agreement clearly indicated the city's interest. "Besides, it is in city's interest to urbanize and make the access to its rivers more attractive for tourists and businessmen and at the same time to keep the pace of conducting port activities on the Danube during the described urban transformation and according to the guidelines of the General plan of Belgrade..." (Preamble II city's interest)

In the same act Luka Beograd's interest is clearly stated: "...It is in Luka's interest to actively cooperate with the city in the process of urban development of the Danube's waterfront, keeping the pace of conducting port activities during the described transformation and according to the guidelines of the General plan of Belgrade..."

Ivana Veselinović pointed out that Luka Beograd company, due to unchecked and incomplete information stated by the Council and under the wing of the Serbian Government, caused considerable damage to its reputation and credibility. The biggest burden of the arbitrary interpretation of the mentioned agreement and the Council's urge for short-term promotion is borne by minor shareholders, the employees but also the company itself which conducts business with local and international partners, banks and potential foreign investors on a daily basis.

In the business atmosphere which is very unfavourable at the moment due to world economic crisis and decreasing investment rates of our country on a world scale, it is extremely difficult to make our companies competitive on an international market. Reputation damage which is caused by placing false information additionally undermines the position of the companies and Luka Beograd. Therefore it is important that the authorized state institutions express their opinions in this particular case as soon as possible.

As always Luka Beograd is available to all authorized institutions including the Anti-Corruption Council for further explanations and documentation which can contribute to the clarification of the Council's statements.