


## OKD and the price of a reputation

Miners, ČSSD and many others want Zdeněk Bakala and his partners to put back into OKD some of the close to Kč 100 billion they have extracted from the mining company. Jan Rafaj of ArcelorMittal Ostrava said yesterday at Forum 2000 that subsidies from the owners or state only make sense if the downturn in the coal price is cyclical and at some point will rebound. Otherwise, he said, the subsidies will only delay the inevitable. The problem is that no one knows what the energy market is going to do in the coming years. Given the uncertainty, the business decision for Bakala et al seems clear enough: Don't throw good money after bad. But Bakala also has his reputation to worry about. Refusing to prop up the mines would make him a most-hated man and would be tantamount to announcing his departure from the country. And once he publicly sets a date for this, he'll no longer have much incentive to subsidize his other local activities. As goes OKD, so probably go Economia, the Aspen Institute and the Havel Library.

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