

Business and Politics in the Muslim World

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Summary:

Political:

NATO Chief 'Surprised' By Russia's Listing Alliance as Threat

NATO Secretary-General Anders Fogh Rasmussen today expressed surprise that Russia still considers the military alliance a major security threat.

Russia, Georgia to be kept apart at Euro 2012 draw - CNN Sports Illustrated

Russia and Georgia and Armenia and Azerbaijan will be kept apart in the draw for the qualifying tournament for the 2012 European Championship, ensuring the former war foes will not play against each other in the qualifying stages.

U.N. Security Council may discuss Iran: Russia's Lavrov

Six major powers on Friday discussed efforts to persuade Iran to halt its nuclear enrichment program but China made clear it wants them to keep talking rather than impose new sanctions on Tehran.

IRAN TO DISCUSS FUEL PLAN WITH IAEA

Iranian Foreign Minister Manouchehr Mottaki said in Munich that he would discuss Iran's new ideas on the fuel exchange plan with the new International Atomic Energy Agency chief, Yukiya Amano, on Saturday on the fringes of a security conference in the southern German city.

Russia's Number-three Politician Condemned For Criticizing Number One

Public criticism of Russian Prime Minister Vladimir Putin by the speaker of the country's Upper House of Parliament, has prompted members of Mr. Putin's political party to demand the lawmaker's dismissal. Sergei Mironov, who is number three in the Russian power structure, is responding with a call for respect of minority rights in parliament

Iran says Russia reports it will still deliver air-defense ...

The Iranian ambassador in Moscow says Russia has assured Iran that it still intends to deliver long-range air-defense missiles. Russian news agencies cite Seyyed Mahmoud-Reza Sajjadi as saying on Thursday "our Russian colleagues have assured us that they will meet their obligations."

US, Russia nearing arms control agreement

The first major U.S.-Russian nuclear arms control treaty in nearly two decades should be ready for signing by the end of March, a senior Russian legislator said Wednesday. President Barack Obama's top arms control official, U.S. Undersecretary of State Ellen Tauscher, said the talks toward a successor agreement to the now-expired 1991 Strategic Arms Reduction Treaty are "in the endgame."

Standing up for national interests – Russia’s new Military Doctrine

Today, on February 5, President Medvedev approved the Military Doctrine. First of all, he said that in May of last year the president adopted the national security strategy up to 2020, where the national defense is determined as one of the strategic national priorities. We should continue to work on the strategy, and the Military Doctrine is one of the results of this work.

BRIC will rule the world, but not that soon – former WB boss

Former World Bank president James Wolfensohn told RT at Davos.

“If you take a view in 10-20 years, there is no question that China and India will become dominant powers, China first and later India. By 2030-2040 the US will rank, perhaps, #3 to those two. But the US is still a hugely important power, not just because of the economics, but because of technology and income per capita, which is still far in excess to China and India, and because of its political leadership,” stated Wolfensohn. *“We are not going to see a change that is too dramatic. But you certainly will find the emerging powers will want a greater share of discussion in the global scene and in particular the BRIC countries, and of the BRIC countries in particular, China and India.”*

Latvian far right goes after “disloyal” motorists

Latvian ultra-rightist have started another witch-hunt by threatening “disloyal car owners” who fix Russian symbols, like St. George Ribbon, or a Russian national emblem or colors on their vehicles.

Cyber attacks a cover for internet-censorship in US – radio host

Radio host Alex Jones sees the new steps to protect the US from cyber attacks as attempts to curb the freedom of speech. A breeding ground for radicalisation and a possible launching site for a devastating attack on the US – that's how the Director of National Intelligence has described the Internet to Congress.

Yanukovych Claims Narrow Win, but Tymoshenko Won't Concede

With a little more than 90 percent of votes counted early on Monday, election officials gave opposition leader Viktor Yanukovych 48.49 percent and Prime Minister Yulia Tymoshenko 45.86 percent, a margin of 2.63 percentage points.

Putin Warns United Russia to Hear the People

Prime Minister Vladimir Putin on Friday called on United Russia leaders to stay in touch with the people and warned the party against bamboozling voters by making promises it cannot keep, a week after a massive anti-government protest in Kaliningrad.

"You must not promise everything to everybody all at once," Putin told top officials of the country's ruling party, which he chairs, at a meeting at his Novo-Ogaryovo residence.

Economic

Russia to Expand Privatization Program, Shuvalov Says

The Russian government will step up its privatization program this year, considering more share sales than previously announced, First Deputy Prime Minister Igor Shuvalov said.

Russia's Lukoil signs final deal with Iraq to develop supergiant oil ...

A consortium led by Russia's energy giant Lukoil signed on Sunday the final contract with the Iraqi Oil Ministry to develop the West Qurna Phase 2 oil field in southern Iraq.

Innovations to unite government and businesses in Russia

Russia's government says it has been generous to big businesses. Now it wants help and its contributions to be returned, with innovation projects in focus.

Carrefour will sell its Russian business in parts

The world's second-largest hypermarket chain, Carrefour, having failed to find one buyer for all of its three Russian hypermarkets, is likely to sell leasing rights to rivals, Reuters reports on Friday. Now Carrefour is preparing to sell leasing rights on its Moscow hypermarket to French rival Auchan and German home improvement chain OBI, while the fate of the other two stores in Krasnodar and Lipetsk is yet to be decided.

Russian car market welcomes new GAZelle Business in Nizhniy Novgorod

Russia's car market was one of the fastest growing ones, even surpassing Germany as Europe's largest at one point. However, ever since the crisis began, the Russian Automotive industry has been reeling, with sales dropping by almost 50% in 2009.

Mark Faber: social obligations will lead Western states to default

The US is predicted to have a \$1.5 trillion deficit in 2010, which could be a real problem for the country's seemingly insatiable appetite for borrowing. Outspoken investor and writer Marc Faber doesn't give America much time before it goes bust.

Russia Forum 2010: alternative energy production is yet to come

Politicians and business leaders are in Moscow for the third annual Russia Forum, organised by Troika Dialog, to discuss world economic challenges.

Business leaders discuss Russia's future

While all unanimously agreed that 2009 was difficult across the board, Aslanyan Sergey Gareginovich, CEO of Sitronics, the largest high-tech company in Eastern Europe, said that business with sound structures fared the best.

Alfa & Telenor to merge in \$23 billion telecoms deal

The new company will see Russia's Alfa group and Norway's Telenor merge their Russian and Ukrainian assets into one firm listed on the New York Stock Exchange.

Stocks Fall on Foreign Fears, Set for Rebound

World markets took a beating last week as problems in several European economies and U.S. jobs data spooked investors, but despite the bad news from abroad, Russian equities are well-poised for recovery. World markets took a beating last week as problems in several European economies and U.S. jobs data spooked investors, but despite the bad news from abroad, Russian equities are well-poised for recovery.

Social:

Russia and US agree to step up joint fight against drugs

Russia on Thursday hailed a new agreement with the United States intended to boost joint anti-drug efforts, but urged the U.S. and NATO to do more to stem a flow of drugs from Afghanistan that has sickened millions of Russians.

Russia bomb hurts rail worker

No carriages were attached to the engine, which was used to check and repair lineside equipment. But the blast will fuel fears of attacks on Russia's railways two months after a bomb killed 26 passengers on a train from Moscow to St. Petersburg.

Russian woman survives after falling from 14th floor.

A 33-year-old Moscow resident miraculously survived a fall from the balcony of her apartment at the 14th floor on Saturday

Pro-Kremlin Spin Doctors Admit to Smear Campaign

A group of former United Russia political operatives in the Saratov region have claimed responsibility for smear campaigns targeting political enemies of State Duma Deputy Vyacheslav Volodin, a senior party leader.

Russian traffic police tricks prohibited by new rules

The official daily Rossiyskaya Gazeta published today changes to the regulations of the traffic police work aimed at ruling out corruption.

Sleeping with the mafia

As the Second Amendment to the United States Constitution gives the people the "right to bear arms," my personal opinion is that all Americans should be able to carry guns around willy-nilly until that particular Amendment is repealed or revised.

Kremlin's baby handouts – now also for mortgages

Thirty-seven year old Maria is excited that she will soon receive a voucher to help pay for her son's college tuition. The voucher comes from Russia's family incentive program, the Maternity Fund. Maria earned this financial reward for having a second child, her younger son, Misha. As she explains, "It's like the little one is giving a present to his older brother."

Sberbank Manager Arrested in \$100M Scam

The complex fraud scheme revealed by the Interior Ministry last week purportedly involved more than 50 front companies that forged contracts to receive more than 3 billion rubles (\$100 million) from various banks. They then funneled the money to banks in Cyprus and Bulgaria.

Detail:

Political:

NATO Chief 'Surprised' By Russia's Listing Alliance As Threat

Rasmussen, speaking on the sidelines of a security conference in Munich, said, "I have to say that this new doctrine does not reflect the real world."

"To make NATO the main threat to Russia simply doesn't reflect realities," he said. "NATO is not an enemy of Russia. On the contrary, we want to develop a strategic partnership with Russia, and I will continue on that path, and I will make that clear in my talks with [Russian] Foreign Minister [Sergei] Lavrov."

His reaction comes a day after Russian President Dmitry Medvedev signed a new version

of Russia's main military strategy document, which names NATO expansion as one of Russia's chief threats.

Russia, Georgia to be kept apart at Euro 2012 draw - CNN Sports Illustrated

The procedure for Sunday's draw specified that neither Russia or Georgia or Armenia and Azerbaijan can be drawn in the same group.

"It's precisely because we don't want to mix sport and politics," UEFA president Michel Platini said Saturday. "It's a very good decision."

Russia and Georgia fought a brief war in August 2008, while Armenia and Azerbaijan are in dispute over a contested enclave and have no diplomatic relations.

Armenia and Azerbaijan were drawn in the same qualifying group for Euro 2008 but did not play and Platini said then it was a mistake to have grouped them together.

"They didn't want to play each other and we did not want to have the same situation again," Platini said.

Armenia and Azerbaijan had back-to-back matches canceled in 2007 after the two failed to agree on a neutral venue. No points were awarded for the matches and both teams failed to qualify for Euro 2008 in Switzerland and Austria.

UEFA and FIFA, which run European and world football, said then they would try to keep nations with tense relations apart for future qualifying tournaments.

Armenia and Azerbaijan remain in dispute over the territory of Nagorno-Karabakh, which is inside Azerbaijan but has been controlled -- along with some surrounding areas - - by local and Armenian forces since 1994.

Sunday's draw in Warsaw's imposing Palace of Culture and Sciences will divide the 51 teams in the running to qualify for the tournament into nine groups.

There will be six groups of six teams and three groups of five. The nine winners and the runner-up with the best record qualify directly for the final tournament. The remaining eight runners-up will go into a home-and-away playoff round that will be played in November 2011. Four teams in those playoffs will be seeded.

As co-hosts, Poland and Ukraine qualify for the tournament automatically.

"We are certain that we will have a very good European championship," Platini said of the tournament.

Although construction delays and other infrastructure problems have plagued preparations for the tournament in four Polish and four Ukrainian cities, Platini said the two host nations were "working well."

"There are things to improve but we still have two years to work and no major problems," he said. "There is a lot of enthusiasm and the Euro will be a success."

UEFA still hasn't decided on the venue of one quarterfinal in Ukraine because of delays in renovating airports and adding more hotel capacity, Platini said.

Platini said both Poland and Ukraine had been severely hit by the global economic downturn and that political instability compounded the problems in Ukraine.

"Maybe it will be easier after the (presidential) election," Platini said. The runoff ballot is Sunday, the day of the draw.

Qualifying for the tournament starts in September and runs until November 2011.

The draw ceremony will mark the 50th anniversary of the Soviet Union winning the first European championship and the scene fits the occasion. Once the tallest building in Europe, the Palace of Culture and Sciences was a gift of the Soviet Union to the people of Poland.

Former Polish stars Zbigniew Boniek and Andrzej Szarmach will help with the draw and will be joined by former Ukraine star Oleh Blokhin and striker Andriy Shevchenko.

The nine top-seeded teams are led by defending champion Spain, plus Germany, Netherlands, Italy, England, Croatia, Portugal, France and Russia.

U.N. Security Council may discuss Iran: Russia's Lavrov

The U.S. State Department said senior officials from the United States, Britain, France, Germany, China and Russia held a conference call on the issue.

"They discussed both tracks, both the pressure track and the (negotiating track)," State Department spokesman P.J. Crowley told reporters, referring to the twin policy of diplomacy and sanctions which the five permanent U.N. Security Council members and Germany have deployed with Iran.

Western members of the group have been discussing a possible fourth round of U.N. sanctions in response to Iran's refusal to freeze uranium enrichment work as demanded by five Security Council resolutions.

Moscow has indicated it is ready to support new punitive steps but China, which like Russia has close commercial ties to Iran, is resisting. As a permanent Security Council member, China can use its veto to block any new sanctions resolution.

This week, Iranian President Mahmoud Ahmadinejad said his country was ready to send its low-enriched uranium to Russia and France for further purification into fuel for a reactor that makes medical isotopes. Tehran had earlier rejected such an offer.

Ahmadinejad's surprising remarks came after details of U.S. and French documents outlining possible new U.N. sanctions against Iran were leaked. Possible targets include Iran's central bank, Revolutionary Guard Corps and energy sector.

But Beijing, which has reacted furiously to a proposed \$6.4 billion arms deal Washington announced with Taiwan, an island China claims as its own, made clear it prefers dialogue.

Referring to Ahmadinejad's remarks, a Chinese diplomat at the United Nations said the six powers should "take that offer and see if the Iranians really mean to want to have a breakthrough in the negotiations."

"This is an open, public ... offer from the highest authorities," the envoy said on condition of anonymity.

Iran rejects Western allegations that it is seeking atomic weapons and refuses to halt its enrichment program. It says its sole aim is to generate electricity.

IRAN TO DISCUSS FUEL PLAN WITH IAEA

Mottaki said Tehran would set conditions on the exchange and wanted guarantees that it would get its uranium back. Crowley made clear there would be limits on the acceptability of any conditions on the fuel proposal, which Iran agreed to in principle at a meeting in Geneva in October.

"If Iran has an official response, it should be formally presented to the IAEA," the State Department spokesman said. "Any conditions from Iran have to meet the requirements of the many (Security Council) resolutions that underscore the international community's concern about Iran's nuclear program."

Like China, Russia reluctantly supported three rounds of U.N. sanctions against Iran after working hard to dilute the measures during closed-door negotiations on the resolutions.

But Moscow warned on Friday that the Security Council would take up the issue again if Tehran fails to act constructively.

"We confirmed that if we do not see a constructive answer from Iran, we will have to discuss this in the U.N. Security Council," Russian Foreign Minister Sergei Lavrov told

reporters at a news conference with his German counterpart, Guido Westerwelle, in Berlin.

Beijing, which appeared to snub the others by sending a low-level representative to a meeting of the six powers in New York last month, had its "assistant secretary for arms control" take part in Friday's conference call. Crowley said this was an appropriate representation.

Chinese Foreign Minister Yang Jiechi, speaking at the same security conference in Munich that Mottaki is attending, said diplomacy remains the best way to resolve the standoff.

"We believe Iran has not totally shut the door on the IAEA proposal on nuclear fuel supply," he said.

A day earlier, Yang said even discussing new sanctions now, let alone imposing them, could be harmful.

"To talk about sanctions at the moment will complicate the situation and might stand in the way of finding a diplomatic solution," he said.

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Russia's Number-three Politician Condemned For Criticizing Number One

The ruling United Russia Party has launched a full scale attack on Parliament Speaker Sergei Mironov after he told a national television talk show that he and his Just Russia Party categorically disagree with Mr. Putin's budget and economic-crisis plan. Mironov also characterized United Russia's program as one of "doubtful conservatism." Mr. Putin has the unusual distinction of heading United Russia, without being a member. The United Russia Party has called for Mironov to resign. Its Web site is filled with scores of comments by party members who denounce the lawmaker as, among other things, a traitor, cynic, rat, threat to political stability, and a person of easy virtue. A member of the party's presidium, Andrei Isayev, told VOA Mironov owes his position to backing by United Russia. He says a speaker should support, not criticize the government, adding that partisan factions are prohibited in the Upper House. Isayev says one cannot be an opposition leader and also occupy a key position of authority. He adds that Mironov has enjoyed all of the perks of power - driving around in an armored Mercedes with a special traffic privileges, a security detail, offices, and the right to order governors to deliver certain percentages for his party. And yet, says Isayev, he declares himself part of the opposition with responsibility for nothing. Mironov writes in Saint Petersburg's Nevskoe Vremya online newspaper that Russians who live below the poverty line, unemployed workers, small businessmen victimized by corrupt bureaucrats, impoverished teachers and others cannot be interested in the status quo. He notes that Just Russia's legislative minority is supported by millions of people. Mironov also challenges United Russia to observe last year's law "On Guarantees of Parliamentary Activity," saying the party will need its legal safeguards if it ends up in the minority. The head of the Just Russia faction in the Lower House, Nikolai Levichev, told VOA that United Russia is blocking the party's legislative program. Levichev says instead of directing its energy and passion

toward what Mironov may or may not say about Putin, it would be better for the country if United Russia publicly examined Just Russia's legislative initiatives. Political analyst Masha Lipman of the Carnegie Moscow Center explains public criticism of Prime Minister Putin is unusual. Lipman says Mr. Putin is never criticized by name at such a high level and on television. She notes that when President Dmitriy Medvedev rather harshly criticizes policies of the preceding period and the country's state of affairs, he never mentions Putin's name. In January, President Medvedev said opposition parties and increased political competition can help modernize Russia. He issued the call for reform in a live, nationally-televised meeting of the State Council, in which representatives of small Russian parties condemned media censorship and United Russia. Sergei Mironov claims in his online article that the ruling party also persecutes members of Just Russia at the municipal level, where its members are intimidated and even fired from their jobs. He concludes by saying it is time for everyone to understand that political diversity and a multi-party system is not someone's whim, but a constitutional principle guaranteed by the Russian constitution.

Iran says Russia reports it will still deliver air-defense ...

Russia signed a 2007 contract to sell the S-300 missile complex, but so far has not delivered. The delay has not been explained, but Israel and the United States strongly objected to Iran obtaining the missiles, which would significantly boost the country's defense capability. The ambassador was quoted as saying Iran is ready to receive the weapons.

A top Russian arms trade official recently signaled the delivery may go ahead.

US, Russia nearing arms control agreement

U.S. and Russian officials said last year that they would sign a new treaty by the end of December, but talks have dragged on.

Moscow and Washington both want to reach a new accord as quickly as possible to give credibility to their efforts to persuade Iran and North Korea to abandon their nuclear programs.

START required each country to cut nuclear warheads by about one-fourth to about 6,000 and implement procedures for verifying the reductions. President Barack Obama and Russian President Dmitry Medvedev agreed in July to cut the number of nuclear warheads each country has to between 1,500 and 1,675 under a new treaty.

One of the hang-ups has been including missile defense issues in a new accord. If completed, the new deal may arguably be the farthest-reaching arms control treaty since

the original 1991 agreement. An interim deal reached in 2002 did not include its own rules on verifying nuclear reductions.

Speaking to The Associated Press during a nuclear disarmament conference in Paris, Mikhail Margelov, the Kremlin-connected head of the foreign affairs committee in Russia's upper house of parliament, said Obama and Medvedev would sign a new treaty "by the end of the first quarter."

"This is not a political question, it is a technical question," he said. "We are fine-tuning and polishing details."

In Moscow, Medvedev's foreign policy advisor Sergei Prikhodko said "March or April is a realistic target," according to Russian news agencies.

Both sides say they will abide by the old START treaty, which expired Dec. 5, until a new one is signed.

Tauscher showed no sign of readiness to abandon the U.S. nuclear deterrent.

"Nuclear disarmament is not the Holy Grail," she said. "As long as we see the rise of nuclear weapons in other countries we will maintain a deterrence that is second to none."

Standing up for national interests – Russia's new Military Doctrine

Russian Security Council Secretary Nikolay Patrushev talked to RT about Russia's new Military Doctrine, national security, and strategic priorities.

It is not fundamentally new. It developed on the Military Doctrine of 1993 and 2000. Besides, they also used new data concerning the situation in the country and in the world.

In order to objectively consider all the information, an interdepartmental group at the Security Council administration was formed. It was made up of the representatives of Russia's Academy of Sciences, the Military Academy of Sciences, and other agencies. Then the first version of the Doctrine was drafted. Later, it was discussed and presented to federal authorities. As a result, after discussions in the Security Council administration and in the Security Council a new Military Doctrine was born, which the President approved today.

First of all, it was necessary to estimate the current situation in our country and in the world. The document had to be successive, not something absolutely new. It is obvious that we had to respect the UN charter, international law, and our international agreements on defense and security that are still in force. After the year 2000, significant changes have taken place. There should not be any contradictions to the current document and

other basic documents. All these documents have been analyzed and finally we worked out this version of the Doctrine.

I am reading you the document which you have on your site: “Russia reserves the right to use nuclear arms in retaliation for any use of nuclear weapons or other weapons of mass destruction against Russia or its allies and in cases of using conventional weapons which pose a direct threat to the state.”

We must say that we are not going to attack anyone, if there is a direct threat to the existence of our state – naturally, we have no other choice left. We will pursue a peaceful policy, but at the same time we will stand up for our national interests and defend ourselves using the means we have.

I have already said that we are not going to attack anyone, but we are not going to wait until we are attacked either. Given the kind of weapons some countries now possess, we simply will not have a chance to retaliate. Therefore, we will work to get information about the existing programs and we will work to ensure these attacks do not take place against Russia. The existence of nuclear weapons serves as a guarantor to deter our potential foes.

Our ultimate goal is that nuclear weapons are not spread, and would be better if they ceased to exist at all. But we have to take into account the current reality. Have other countries given up on nuclear weapons? No, they have not. Do they possess them? Yes, they do. Can they use them theoretically, if they possess them? Yes, they can. Therefore, I believe we shouldn't be running in front of everybody to say no and pose a threat to the state, national interests and our citizens.

First of all, we have allied relations with Belarus. Moreover, we have certain duties in the CSTO.

We have taken into consideration the changes which took place in the world. These changes are really dramatic. In 1993, we had a certain state of affairs in the world. In 2000, that state of affairs was absolutely different, and today we are in another situation. Therefore, we need to bear in mind the changes we have passed through.

The Doctrine is not a dogma, it can be amended if necessary, and such amendments will be required in the future.

BRIC will rule the world, but not that soon – former WB boss

For 40 years the US was the dominant economic power, but today China and India are emerging and there is a complete change internationally.

Answering a question about the role of the IMF and the World Bank in helping smaller countries overcome the great economic downturn, Wolfensohn stated that these organizations were “giving a great deal of money to come and help to solve the problem.”

“I rather feel the IMF and the World Bank emerge stronger as a result of this, because people came to realize you cannot live without them,” he said.

Wolfensohn believes the management of these organizations is already changing due to the fact that *“it is no longer the US-dominated World Bank and the EU-dominated IMF. All this is now subject to examination, and in particular, the role of China and India, Brazil and Russia are becoming very important.”*

Wolfensohn thinks it would be hard for emerging economies to pick up the slack from the US and EU economies, but that this would change rather quickly.

“All BRIC countries, China, India, Russia and Brazil together, are less in terms of GDP than the United States, maybe less than half of the US,” explained Wolfensohn. So *“China and India alone cannot rescue the world economy at the moment.”*

As for the probability of Russia becoming Europe’s biggest economy by 2020, Wolfensohn said it takes *“the government and the Russian people to understand that to compete internationally, it is not enough just to have hydrocarbons, timber and natural resources. That gets back to the educational system, to the management system, to the system of incentives, to the move away from centralized government to a more diversified structure.”*

Though Russia [in comparison to China and India] has some intellectual advantages it should pursue, said Wolfensohn, *“high tech does not create lot of employment.”*

Besides the issue of employment in the world’s biggest country, Wolfensohn also named such problems as ageing population, educational system, the incentives system, the judicial system and corruption as issues that need to be addressed urgently.

Latvian far right go after “disloyal” motorists

A website registered in the US and still operational, <http://www.latvietislatvija.com> (Latvian in Latvia), has published a so-called “Okupantu autoparks,” an “Occupants’ car park,” list of those who dared to decorate their cars with the Russian symbols, revealing personal data of these citizens.

The black list reveals personal information and the names of 118 persons, including their home addresses and car plate numbers.

The witch-hunt was organized not only in Latvia's capital Riga, but also throughout the country. Any car seen with the abovementioned symbols was photographed and put on that list. Some people from that list have already been blackmailed by e-mail. There is a risk of their cars being smashed or desecrated with paint, but the real concern is for affected children.

Latvian police says the website is out of Latvia's jurisdiction, but the very fact of publishing personal info, probably stolen from some governmental source, is illegal, so an investigation has been launched to find out and fine those guilty.

Most of the exposed "disloyal" cars are private, but in at least one case, when a driver of Renault Master belonging to Latvijas Pasts (Latvian Post) tied a St. George Ribbon to it, the end was bitter and he was fired immediately for "improper decoration of an operational vehicle" – amid economic collapse in the country.

Latvian police sees no incitement of ethnic hatred in this case, so the real patriots of the country continue with their job openly, waiting in ambush for disloyal citizens and publishing personal info on them for public use. Needless to say, the names of the crusaders themselves remain in the shadows.

About 44% (up to 95% in certain regions of the country) of Latvia's 2.3 million population are Russian-speakers, and many of them still cannot get citizenship because of it.

Cyber attacks a cover for internet-censorship in US – radio host

The house subsequently voted to spend hundreds of millions dollars to protect the nation from cyber attacks. But critics say the move could be aimed not at hackers, but at the right of freedom of speech.

Radio host Alex Jones sees the Congressional initiative as a fall into Hitlerian censorship.

"The system is discredited, the main stream media is going bankrupt as no one believes them any more about Climategate hoaxes, swine flu hoaxes, banker bailout hoax, healthcare hoax – so the government comes with net-surveillance in an attempt to set up the Internet too," Jones told RT.

Yanukovych Claims Narrow Win, but Tymoshenko Won't Concede

KIEV — Ukraine's opposition leader Viktor Yanukovych claimed a slender victory in a presidential election on Monday that could tilt the former Soviet republic back toward Moscow, but bitter rival Yulia Tymoshenko refused to concede.

With a little more than 90 percent of votes counted early on Monday, election officials gave Yanukovych 48.49 percent and Prime Minister Tymoshenko 45.86 percent, a margin of 2.63 percentage points.

Tymoshenko's camp, alleging fraud, offered a "parallel count" late on Sunday that saw her edging out her rival. The margin in the official results made it likely that Tymoshenko would mount a legal challenge, prolonging the uncertainty.

The official results signaled a comeback for the rough-hewn Yanukovych, tagged as Moscow's stooge five years ago when street protests overturned results that initially gave him victory in an election tainted by fraud.

A Yanukovych victory could see the country of 46 million people shift back towards former Soviet master Russia after five years of infighting and a sliding economy turned the euphoria of the Orange Revolution into frustration and disappointment.

Both candidates pledged integration with Europe while improving ties with Moscow, but Tymoshenko is seen as more pro-Western. Yanukovych is unlikely to pursue membership of NATO, an "Orange" goal that infuriated neighboring Russia.

Yanukovych, 59, a beefy ex-mechanic who wants better ties with Moscow, called on Tymoshenko, 49, to resign as prime minister. But Tymoshenko's team said they had counted 85 percent of votes and she was leading by 0.8 percent.

Each side accused the other of fraud, but Tymoshenko stopped short of repeating a threat she made last week to call people out onto the streets if she believed that the election was unfair.

"I think that Yulia Tymoshenko should prepare to resign. She understands that well," Yanukovych said in a television interview. Exit polls put him 3 to 4 points ahead.

If the latest figures continue as expected, Yanukovych would be the first president since independence in 1991 not to receive more than 50 percent of the vote, although elections in the 1990s were not always judged free and fair.

Some analysts said given the relative weakness of his position he might seek some compromise with Tymoshenko, and they did not rule out the possibility that the two camps were talking to each other on this.

Under this scenario, Tymoshenko might concede defeat in exchange for remaining prime minister and living to fight for the presidency another day.

Tymoshenko was the co-architect of the 2004 revolution with pro-Western President Viktor Yushchenko, but their relationship quickly soured.

Looking stern in front of reporters, the fiery prime minister urged her team to "fight for every result, every document, every vote." The tone was moderate, and analysts said they doubted that Tymoshenko could stage a repeat of 2004.

A disputed outcome would further delay Ukraine's chances of repaying more than \$100 billion of foreign debt and nursing its sickly economy back to health after a 15 percent collapse last year.

In Russia, the source of the gas that flows through Ukraine's pipeline network to the West, the election was closely watched but state-controlled media avoided taking sides.

Sunday's vote, conducted in freezing temperatures and snow, appeared to reflect widespread disillusion among Ukrainians that the Orange Revolution failed to deliver prosperity or stability.

Yushchenko placed a humiliating fifth in the first round of the election in January.

The \$120 billion economy has been battered by a decline in the value of Ukraine's steel and chemicals exports that has hammered the hryvna currency, slashed budget revenues and undermined the domestic banking system.

Voters were unenthusiastic about either candidate but seemed to feel that Yanukovich, a former prime minister who stressed the fight against poverty, had the best chance of restoring order.

"We lost five years of our lives thanks to Yushchenko and Tymoshenko," said Oleg Nochvyn, a miner in his fifties in the eastern region of Donetsk.

"For five years they were promising us, 'Tomorrow will be better.' Well, I get up the next day and it's worse than the day before ... Under Viktor Fyodorovich [Yanukovich] we had everything — economic growth, everything was getting better."

Regardless of the outcome, squabbling was set to continue, reflecting the country's broader divisions. Ukraine is divided almost equally between a Russian-leaning east and south and a Western-friendly center and west.

With a Yanukovich victory, Tymoshenko can expect to be ousted as prime minister by a vote of no confidence in the parliament. Yanukovich will then try to form a new coalition to get his own ally into the role or call a snap parliamentary election.

Putin Warns United Russia to Hear the People

"You mustn't become 'promise makers,' who just make promises to throw dust in peoples' eyes so that you can get into power and start settling your own personal problems," he said, according to a transcript on the government web site.

Putin added that the party should also admit its mistakes, which requires feedback and contact with the people. "Otherwise, any political work leads to a dead end," he said.

Neither Putin nor State Duma Speaker Boris Gryzlov, head of the party's faction in the Duma, mentioned Kaliningrad in their remarks. Vyacheslav Volodin, United Russia's secretary general, told reporters after the meeting that the Jan. 30 protests were not discussed.

Most observers, however, saw Putin's comments as a reaction to the rally, where some 10,000 protested against higher taxes and the regional and national leadership. The largely unexpected protest in the western exclave, the largest to hit the country in years, sent shivers through United Russia, which boasts a crushing 70 percent majority in the State Duma and similar strength in regional legislatures.

Gryzlov said at the meeting that United Russia hoped to field candidates for 90 percent of the regional and municipal seats available in the March 14 elections. He also said the other parties with factions in the Duma were essentially setting themselves up for defeat in the next federal elections because they had candidates for no more than 10 percent of the races.

Voters will select regional lawmakers in eight regions and mayors to five regional capitals, Gryzlov said, adding that voting would take place in 76 regions.

But analysts have said United Russia appears worried ahead of the vote and that a sudden dispute with A Just Russia, the country's other main pro-Kremlin party, appeared to be an attempt to distract attention from the Kaliningrad protest.

United Russia officials have been firing a barrage of criticism at Just Russia leader Sergei Mironov after he offered some mild criticism of Putin on Feb. 1, saying he disagreed with the government's 2010 budget and some of its anti-crisis measures.

Among the most outspoken was Volodin, who demanded that Mironov, a long-standing Putin loyalist, be ousted as Federation Council speaker. He and other United Russia leaders suggested reforming the Federation Council so that senators could build factions along party lines.

The upper house of parliament now has two representatives for each of the country's more than 80 regions. Because most regions are dominated by United Russia, introducing factions would give the ruling party more dominance in the chamber, including a possible impeachment of its speaker, which is impossible under current regulations.

Mironov said Friday that such a reform could only happen once senators are popularly elected. The council's members are now appointed by regional legislatures and executives. He also fired back at United Russia officials, who had compared him to Koshchei the Immortal, an evil character in Slavic myths.

"I would like to tell those Ivan-the-Fools they do not need to wait," he told reporters, Interfax reported.

Putin did not mention the dispute Friday, and Volodin refused to say whether the prime minister supported the party line.

A United Russia spokeswoman told The Moscow Times before the talks that the issue was not on the agenda. Participants would discuss party projects, the regional elections and the situation in the country's single-industry towns, the spokeswoman said, who requested anonymity because she did not have authorization to speak to the press.

Economic

Russia to Expand Privatization Program, Shuvalov Says

"What we must do in 2010 is significantly expand the privatization program," Shuvalov said today at Troika Dialog's Russia Forum in Moscow. "We've confirmed certain plans for 2010, and these plans are significantly more than in the previous two to three years."

Russia seeks to raise 72 billion rubles (\$2.4 billion) in 2010 from privatization of companies' stakes held by the government, Economy Minister Elvira Nabiullina said in November.

The government plans to sell its stakes in companies including power generator OAO TGK-5 and insurer OAO Rosgosstrakh, Nabiullina said. Selling stakes in 28 companies currently classified as strategic is expected to bring 54 billion rubles out of the total 72 billion. Russia will need to amend the law to sell these stakes, she said.

Russia's Lukoil signs final deal with Iraq to develop supergiant oil ...

Lukoil, partnered with Norway's Statoil ASA, will develop the oilfield to produce 1.8 million barrels per day (bpd) from its proven reserves of 12.88 billion barrels of oil.

The Lukoil owns 85 percent of the venture, while Statoil 15 percent. The pair will be paid a remuneration fee of 1.15 dollars per barrel, according to the 20-year deal.

West Qurna Phase 2 is one of the world's biggest undeveloped oil fields.

In 1997, Lukoil was awarded the rights to develop the field, but five years later, Saddam Hussein's regime cancelled the contract as the country was under severe United Nations sanctions.

More than 40 world oil companies from 23 countries participated in the Iraqi Oil Ministry auction on Dec. 11-12, 2009, the country's second round of bidding since 2003, which awarded seven contracts to international oil firms.

The first auction round was held in June 2009.

Estimated at 115 billion barrels, Iraq holds the world's third largest proven oil reserves, only after Saudi Arabia and Iran.

Innovations to unite government and businesses in Russia

In the times of trouble last year, Russia's state spent huge amounts of money in saving big private businesses from going bust. As President Medvedev says, now it's time for payback.

“Last year the government supported big companies, many in the raw materials sector. We had to spend substantial state reserves accumulated during the pre-crisis period. These companies have not only kept their assets, but also increased them. Therefore, the state has the right to count on these companies to be involved in investment projects and help modernize the economy.”

Modernizing the economy will require costly research, investment and acquisitions, often with only a distant prospect of making a profit. Inevitably, business needs centralized help to achieve this collective goal, and the state-run company Rosnano is at the centre of coordinating the effort in Russia.

Anatoly Chubais, the company's CEO, says they are now focused on the documentation that will make it easier for international cooperation in the sector.

“We are in dialogue with companies dealing with innovations and they complain first and foremost about the import-export hurdles they face. We have drafted the document that gives a green light to innovative products. The second document will touch upon the changes in the tax regime with regards to knowledge-based companies. It will be submitted by the end of February.”

Rosnano has already got 64 projects in its portfolio with a total investment of \$6.5 billion.

One company that has a joint project with Rosnano is Sitronics, the country's largest microchip producer, with its president Sergey Aslanian adding that the work on closer cooperation with Russia's government and businesses is already underway.

“The government is taking practical steps in order to create an ecosystem that will allow not only the government to invest in high tech, but also the big businesses.”

Rosnano's chief says the technological gap between Russia and developed countries is roughly 40 years, but with Russia's rich tradition in science, combined with more liberal economics and the political will – it is a gap that is being bridged.

Carrefour will sell its Russian business in parts

The retailer had planned to sell its Russian business in one go, which could be more convenient for the chain, but is still *“very difficult in terms of logistics”*, says Viktor Dima, a senior retail analyst at Otkritie FC.

In October 2009, the French retailer announced its decision to pull out of Russia, only four months after gaining a foothold in the market. The decision was largely caused by virtually no growth or acquisitions prospects. Viktor Dima adds the retailer chose the wrong moment to enter the market, which was possibly coupled with some changes in the retailer's strategy:

“I see three possible reasons for Carrefour's decision to leave Russian market. First is its unsuccessful experience in the market. Second, I think, the company could change its plans, and third, Carrefour came to Russia when there were already enough players both internationally like Auchan in Moscow, and local giants like Magnit in Krasnodar.”

Russian car market welcomes new GAZelle Business in Nizhniy Novgorod

While other Russian carmakers have been plagued by problems during the financial crisis, GAZ has unveiled a new commercial van – the GAZelle Business.

Whilst many car manufacturers were struggling in the crisis and looking for government help, others were quietly reforming their strategy and product portfolio. One of the examples is Gaz Group, which is doing things its own way. The group is combining local and international components to create cost effective solutions for its consumers, such as the GAZelle Business, which was brought into serial production in Nizhniy Novgorod yesterday.

Car manufacturers have been scrambling to try to produce cars that are cheaper for the end-user, often neglecting quality and comfort in the process – something GAZ is keen not to replicate. Pavel Zhygalov, Director of quality control at Gaz Group, adds international experience will help.

“The principal differences in our new model are new active and passive safety systems, new brakes and climate control, among other aspects, which were outsourced and designed by international companies like ZF and Bosch.”

The optimism at GAZ is a timely reminder of what can be achieved by Russian carmakers. Future cheap, no-frills models have been promised by the company, and it hopes to increase sales by 13% in 2010.

Mark Faber: social obligations will lead Western states to default

The United States’ top credit rating is at risk, with its triple 'A' status warned it may be downgraded if the economy grows at a slower pace than expected, says ratings agency Moody's.

“Maximum within 10 years time more than 35% of tax revenues will have to be used to pay the interest on the government debt and then you are in trouble – because then there will be not enough money out of the budget to pay for other stuff. I’m convinced the US government will go bankrupt, but not tomorrow. And before they go bankrupt, they’ll print money, and then you get high inflation rates, you have a depression and eventually they’ll go to war.”

The investment guru also says the cracks in the system are starting to spread, naming other countries that could follow suit.

“Portugal, Ireland, Italy, Greece, Spain... I think, eventually, they will all default – because if one defaults, then the next would say why should we pay and will also default. The obligations of Western governments are far too high; they won’t be able to pay.”

Faber, author of “Gloom Boom and Doom Report”, suggests the governments raise the retirement age to 70 years old and cut on social spending, but he believes even that won’t be enough.

Russia Forum 2010: alternative energy production is yet to come

For three days from February 3 to February 5 “The Russia Forum 2010” will become the main place for discussing the world’s economic problems and Russia’s role in overcoming the downturn. Here governmental authorities, ministers, leading businessmen and economists from around the world will attempt to agree on the ways to further develop and recover the world markets.

The agenda includes such largely discussed questions as the necessity of governmental support, modernization and innovation. However, the oil and gas issue remains one of the main questions, with the necessity to diversify away from commodities being one of the key points.

Mark Gyetvay from Novatek talking to RT at the Forum says it is too early to talk about alternatives, like shale gas, which may become a real competitor to more traditional sources.

“When we look at shale gas today, we say: Shale is \$4 to \$6 per MMBtu – it’s going to be profitable. People are going to produce. If gas goes down, which we know there is a possibility of gas prices declining in America, a lot of these projects don’t come on stream – or they get shut in. So we as a producer here in Russia, with our LNG product specifically, look at not just the United States as a market. We’re looking at Europe as a market, and we’re also looking at Asia as a market. But we know that shale will play a significant role, but we think post 2015/2016, or maybe from 2015 to 2020, the market for LNG will open up in the United States.”

Business leaders discuss Russia’s future

RT spoke with a wide range of leading business heads who shared their reviews of 2009, forecasts for 2010, and ideas for future growth and competitiveness of Russian business.

“Those companies that suffered the least initially had a tougher business structure, or had a so-called safety cushion. A company with a better profile and reputation retains its leading position in crisis times because smaller and weaker ones simply disappear.”

David Yakobashvili, CEO at Wimm Bill Dann, said his company's secret was *"reducing costs and avoiding a heavy debt load, while most of the others did."*

Troika Dialog head of board of directors Pavel Teplukhin said that, while some businesses did fade out in 2009, there is a positive spin to be added for 2010.

"2009 was a very difficult year for everybody and those that survived will have lots of opportunities in the international arena next year."

Confirming this sentiment is Vladimir Chirikov, Vice President on Corporate Economy at Irkut Scientific and Production Corporation.

"Crisis makes people more creative, and pushes businesses to look for new solutions. And this year we managed not only to survive but also launch some new projects."

Teplukhin from Troika Dialog says that 2010 must be viewed as a year of possibilities.

"When most companies suffer difficulties, you have to win the market."

Teplukhin said that Russia is on its own and must also solve internal problems that act as hindrances to growth:

"Nobody likes newcomers to a competitive market, and Russia is a real freshman. Nobody is waiting for us with their arms open. We have a long way to go, but we have to make the first step."

"It is also necessary to get rid of all kinds of barriers for small and medium businesses. For example, Russia's accountancy is a nightmare. This creates enormous costs for Russia's businesses," Teplukhin added

Former head of Russia's Central Bank Viktor Gerashenko said that prosperity for the future starts from birth as well as solid experience in the market.

"It's necessary to live up to one's budget and this should be bred in children from an early age."

Yakobashvili from WBD echoes the same sentiment:

"Russia can be the first, it has enormous potential both resource and human. And it's necessary to do three basic things to go forward. First, we have to breed a sense of responsibility and love for the motherland in our children. Second, we have to fight Russia's stupidity. And last but not least, we ourselves have to remember that our children will live in this country, so we need to make it better."

Alfa & Telenor to merge in \$23 billion telecoms deal

The Russian government has cleared the way for the creation of a new \$23 billion telecoms company.

“The Commission [The Russian government's Commission for Foreign Investment] has clearly approved the deal, which could be implemented in the shortest time,” said Igor Artemyev, Russia’s Minister of Transportation.

He also added that this was the biggest deal the commission has ever dealt with. It calls for 137 billion Roubles of investment by VimpelCom's shareholders in 2010-2013. However, he did not say how much each party would invest.

Earlier in October, Altimio – which manages Alfa-Group's telecommunications assets – and Telenor announced an agreement to unite their stakes in Russia's OJSC VimpelCom and Ukrainian cellular operator CJSC Kyivstar GSM through the newly formed VimpelCom Ltd. Telenor will get a 35.42% stake, with Altimio receiving 43.89%, while the remaining 20.69% will be free float. The new company is registered in the Bermuda Islands and headquartered in the Netherlands.

However, the deal still needs to be approved by Ukraine’s Antimonopoly Committee, reminds Anna Ivanova-Galitsina from Telenor. After Russia’s Antimonopoly Service receives concession from Ukraine, it will have to check whether the deal corresponds with the competition act, says Dmitry Rutenberg, deputy management director at the Antimonopoly service. Furthermore, the merger should be supported by VimpelCom’s shareholders, who own 95% of the company in total. Sergey Vasin, telecom analyst from IFC Metropol adds that it is also necessary to stop judicial proceedings both in Russia and the US, noting though that it is just a technical question.

Konstantin Belov, senior telecom analyst at UniCredit Securities, also thinks the most important step has been taken, with all the remaining issues being just formalities:

“The decision has been taken and that’s the thing that really matters, as it means the end of a long run dispute between Russia and Ukraine.”

“I think, there won’t be any objections of VimpelCom shareholders, because once the deal is completed, they automatically become the owners of a bigger and more attractive company. Kyivstar is a Ukrainian leader in its telecom market and it’s a really good asset to add to the existing VimpelCom. Still, there might appear some special requirements from Ukraine’s Antimonopoly Committee, but I don’t think it’ll put real setbacks for the merger,” Belov added.

Sergey Vasin agrees that no objections are likely to arise, since the deal is reasonable for both Russia and Ukraine.

“Both Russia and Ukraine will gain. Kyivstar will have the access to VimpelCom’s funds after the merger and VimpelCom will acquire Ukraine’s telecoms giant.”

Talking about the prospects for a new company in the NYSE, Konstantin Belov was also very positive, saying Kyivstar will make the bigger company more attractive.

“Not many Russian companies are listed in New York Stock Exchange, and VimpelCom is one of those few who are, and I’d say really successfully. So, the newly created bigger player VimpelCom Ltd. will obviously be at least as attractive.”

Stocks fall on Foreign Fears, Set for Rebound

On Friday, the ruble-denominated MICEX posted its biggest single-day drop in more than two months. The index fell 2.9 percent to 1355.64, which followed a 2.5 percent drop Thursday. All in all, the index lost 4.5 percent for the week.

The dollar-denominated RTS did even worse on Friday, tumbling 3.6 percent to 1411.14, leaving the index down 4.3 percent for the week.

"It's nothing Russia-specific," Vladimir Savov, head of research for Otkritie Investment Bank, said of the sell-off. That's the case for both big losses and large rallies in general on Moscow's bourses, he added.

Indeed, it appears as though the country's own domestic economic situation is the only thing not affecting its stock markets.

U.S. stocks fell sharply on Thursday, with the Dow Jones Industrial Average losing 2.6 percent and dropping below the 10,000 mark on mounting fears that south European countries — Greece, Portugal and Spain — may not be able to bring their debt levels under control.

The crisis of the moment is in Greece, which has accrued mountainous debt from social-program spending, a condition worsened by a claim from the European Commission that Greece gave false budget data to its public and to the commission. The options for Greece are a bailout by Germany or other better-off European countries, a bailout by the International Monetary Fund or — what would be most traumatic for the European Union — a default on Greece's debt.

Debt pileups in Spain and Portugal also undercut the euro and threatened the economic stability of the European Union, also shaking the markets in Russia last week.

Global markets were also hard-hit toward the end of the week by an unexpected jump in U.S. jobless claims, which rose to a seasonally adjusted 480,000. That fall was tempered,

however, on Friday, on a better than expected jobs report that said the U.S. unemployment rate fell to 9.7 percent from 10 percent in December.

Worldwide, investors fled from risk with a huge sell-off of oil, Russia's biggest export. Oil dropped 2.7 percent to \$71.19 on Friday on the New York Mercantile Exchange, bringing the total three-day decline for the commodity to 8 percent.

"In global markets, the fundamentals are not that great," said Philip Townsend, head of research and senior analyst with IFC Metropol. Because Russia has small market capitalization — relative to the U.S. or other stock giants — it will be overinfluenced by outside markets, Townsend said.

Despite the contagion spilling over onto Russian equity markets, the country seems to have its own house in order. The government is venturing back into international credit markets with a proposed sovereign eurobond issue just as fears are mounting about the Greek budget crisis and possible default.

And just as the government is in a position to capitalize on its own position of relative fiscal strength, the Russian consumer is well-placed to drive the economy to growth.

Real disposable income grew 1.9 percent in January year on year. Despite the still-high unemployment level of 6.2 million and a 2009 jobless rate averaging 8.4 percent, Russians managed to protect their savings by buying foreign currencies as the ruble was devalued in late 2008 and early 2009, UralSib chief economist Vladimir Tikhomirov said. Increased public sector wages and pensions also contributed to the trend.

The disposable-income uptick "is a very important factor that should support the economy going forward," Tikhomirov said.

In the short term, Russian equities are poised to take advantage of the better-than-expected U.S. jobs figures released Friday. American Depositary Receipts of Russian firms trading in New York all gained by the end of the day on Friday, with VimpelCom adding 4.5 percent to its daily low to finish down 1.7 percent and Mechel putting on 6.6 percent to close down only 1.7 percent for the day.

And in the medium term, Russia should be able to hold its own — especially as compared with other emerging markets.

"The consensus optimism that Russia is likely to be one of the better investments in 2010 remains intact, and investors are clearly reluctant to sell out of good assets," Chris Weafer, chief strategist at UralSib, said in a note. "Russia's economy is on a recovery path, assets are amongst the least expensive in the world, and they are underowned by international investment funds."

Social:**Russia and US agree to step up joint fight against drugs**

The deal signed by Gil Kerlikowske, director of the U.S. Office of National Drug Control Policy, and Russia's drug control chief Viktor Ivanov, envisages setting up groups of experts to plan joint action in combatting drugs and also steps to curb demand for drugs and toughen law enforcement and coordinate legislation.

Kerlikowske told reporters after the meeting that he promised Ivanov to monitor and assess the U.S. and Afghan governments' efforts to "interdict drug supplies, particularly those drug supplies headed to Russia," combat drug laboratories and drug storage facilities. He added the U.S. and Russia will also "work cooperatively on drug traffickers and financiers."

Ivanov hailed the agreement as a key component of U.S.-Russian efforts to "reset" relations that became badly strained under the previous U.S. administration.

But he also urged the U.S. and NATO forces to do more to combat Afghan drugs which have become a major threat to Russia's security.

"The efficiency of international drug-fighting efforts in Afghanistan needs to be strengthened," Ivanov said. "We agreed that the result of our work should be a significant reduction in drug production in Afghanistan."

He criticized an international conference on stabilizing Afghanistan held in London last week for failing to offer specific steps to fight drug production in Afghanistan.

Afghanistan provides more than 90 percent of the heroin consumed in the world, and the bulk of it flows through ex-Soviet Central Asia and Russia.

The problem of drug abuse is of vital concern for Russia — where cheap, abundant Afghan heroin has helped fuel a surge in addiction rates, and injection drug use has been a key factor in the spread of the virus that causes AIDS.

Ivanov said in an interview published Thursday that there are about 2 million opium and heroin addicts in Russia and another 3 million people who use other drugs. Authorities said that about 30,000 die each year of drug overdoses.

Ivanov has strongly urged Washington to continue the Bush administration's policy of large-scale eradication of opium crops in Afghanistan.

But some U.S. officials have called earlier crop eradication tactics ineffective and claimed that they boosted support for the Taliban. Instead, the Obama administration has

focused on targeting drug labs and encouraging farmers to raise alternative crops.

Kerlikowske said Thursday the U.S. is making "the very best efforts" to combat drugs by offering emphasis on offering rewards to Afghan provincial governors for reducing opium fields and providing alternative crops to farmers so that poor farmers don't fall into the hands of the Taliban.

He stressed that other priorities include tracking down the traffickers and their financiers, cracking down on drug labs and opium and heroin caches and tracking down shipments of chemicals used in heroin production.

Kerlikowske said Russia and the U.S. will "exchange information on a very trustworthy and credible basis and a very timely basis in order to cut the head off the snake, in order to go after the finances, in order to go after those individuals that are trafficking."

Russia bomb hurts rail worker

A bomb exploded on the tracks beneath a railway technician's engine in St. Petersburg on Tuesday, slightly injuring its operator, authorities said.

"We consider it a terrorist act, that's the main theory," Interfax news agency quoted Anatoly Kvashnin, head of a regional investigative department for transport systems, as saying of Tuesday's explosion. There was no word on possible suspects.

The federal Investigative Committee said the bomb exploded with the force of 200 grammes of TNT at most, and left a metre-wide crater on the railbed but did not damage the engine.

The blast occurred before dawn near St. Petersburg's Baltic Station, on a line to Belarus, rail monopoly Russian Railways said. It said the engine operator suffered a leg injury.

In November, a bomb exploded on tracks between Russia's largest cities. Islamic militants from Russia's North Caucasus claimed responsibility for the attack on the Nevsky Express and vowed further "acts of sabotage." No major attacks followed.

Traffic was halted on Tuesday on part of the line near the blast site, Russian Railways said

Russian woman survives after falling from 14th floor.

The woman identified only as Olga lost her balance while standing on a chair, and flipped over the railing. She was able to grasp onto the edge of the balcony with both hands.

Eyewitnesses called police and firefighters to rescue her.

At some point, the woman lost the strength to hang on to the railing, and let go. She fell into a snow bank and survived. Olga was taken to local hospital in critical condition with chest trauma and severe head injuries.

The woman has previously suffered from severe headaches and was due to be hospitalized into a psychiatric facility. It is possible that the fall was caused by a dizzy spell. Snow served as a cushion for the fall.

Just a month ago, in Beijing, a woman survived a fall from the 18th floor, after slipping as she aired out a quilt. She was hospitalized with several spinal cord fractures.

The Guinness World Book of Records lists several cases of people surviving severe falls.

In January 2008, an Ecuadorian window washer fell 152 meters, from the 47th floor New York City high rise and survived. Doctors and physicists say he survived by grabbing onto a 600 kilogram piece of scaffolding, that cushioned the fall.

In 1981, Larisa Savitskaya survived a fall from 5200 meters, after the aircraft she was in collided with another vessel. Her survival is credited to the fact that Larisa's chair was on a 3 by 4 meter fragment of the plane that landed atop of a heavily wooded area.

In 1972, Yugoslavian flight attendant holds the world record for surviving a fall at 10,160 meters, after a plane she was in exploded. Twenty-two year old Vesna Vulovich grabbed onto a piece of debris, and was able to descend smoother. She was in a coma for nearly a month after the accident, and suffered injuries to her back.

Pro-Kremlin Spin Doctors Admit to Smear Campaign

Editors and writers of the website Conspirology.org say they were hired by Duma Deputy Nikolai Pankov of United Russia to organize a smear campaign against his political opponents.

The editors and writers of the web site Conspirology.org told a news conference Thursday that they had been hired by Duma Deputy Nikolai Pankov of United Russia to organize surreptitious media campaigns and stunts to discredit various regional and federal officials at odds with Volodin.

On Pankov's orders, the men behind the web site disseminated hatchet pieces about selected targets in the regional media, Igor Osovin, a writer for the site, said by telephone Friday.

Targets included Saratov Governor Pavel Ipatov and several regional and federal lawmakers, Osovin said.

A fellow collaborator on the site, Alexei Smirnov, said he and his colleagues had a crisis of conscience about their work that prompted them to go public.

Both federal and regional elections are commonly polluted with dirty campaign tactics, some of which can be quite elaborate and esoteric. One common stunt is to hire groups of scruffy homeless people to stage a rally supporting an opposing candidate, thus reflecting poorly on the candidate's base.

Curiously, Pankov said the accusations that he ordered the smear campaigns against Volodin's critics are in fact part of a campaign to discredit him, the Regnum news agency reported Friday.

Both Osovin and Smirnov said Friday that they were prepared to prove the veracity of their claims in court.

Pankov did not respond to a request for comment left with his aide at the Duma on Friday. Repeated calls to Volodin's spokeswoman went unanswered Friday afternoon.

Russian traffic police tricks prohibited by new rules

Under the document traffic police inspectors will no longer be allowed to stop cars for inspections on roads without illumination at night. Policemen have to wear light-reflecting uniform and be clearly visible. Patrol cars also need to be clearly marked and visible to discourage driver from violating traffic rules. The head of the Interior ministry's traffic department, Victor Kiryanov, said the main task of the officers is to prevent the violation rather than seize offenders.

Police car can be hidden only when traffic is monitored by video. But this is only allowed in conditions of limited visibility like road turns or hills.

Officers in patrol cars without markings cannot stop violators and hand out tickets.

The difference between a search and an inspection has been defined. A search involves opening the trunk or the hood, checking the numbers on the engine and so on. These actions require witnesses and formal protocols.

The new rules makes certain officials almost immune. Under the document an officer cannot issue fines to judges, prosecutors and members of the investigations committees of the prosecutor's office. Patrol officers can only report on such violators to their superiors. However, the patrol officer has to prevent any of the aforementioned officials

from driving if they appear drunk. The new rules do not specify how exactly this should be done.

The new changes were introduced amid a general drive to reform the Interior ministry ordered by President Dmitry Medvedev. Amid public debates fuelled by the future reform, some called to eliminate the traffic police altogether. However, Medvedev has ruled out hasty decision in the course of reform, which should complete in two years and include cutting the number of police officers by 20 percent.

Sleeping with the mafia

Despite the fact that I am an extremely good shot, if given the chance I would vote for a repeal of the Second Amendment. Times, obviously, have changed since 1791.

But until the day that particular Constitutional Amendment is repealed, I will remain adamantly against any gun control laws in America.

As far as I am aware, no such right exists in Russia, and I consider Russia to have a much more modern attitude towards gun control than the US has.

That being said, people still seem to be getting shot left and right here.

So I've decided to get a bodyguard.

I made this decision after a night on the town that went very, very badly.

My date, a gent named Mike, wanted to introduce me to some friends of his: a Kiwi guy and his American wife.

Though Mike thought I'd like the couple, I could tell within moments that there was nothing at all appealing about them.

The man (let's call him "Mr. Pseudo-Intellectual") was one of these overbearing bores who loves the sound of his own voice and considers himself an intellectual because he took Russian Literature at some university in New Zealand twenty years ago, or some such nonsense.

On top of that, Mr. P-I had the most preposterous habit of speaking at all times into an imaginary microphone - a practice which I found completely inexplicable and completely cringe-worthy.

The wife was just as cringe-worthy.

She was one of these awful Americans who affect a British-like accent simply because they live abroad and are married to a foreigner.

I can't stand people with what my father used to call "airs". So I clicked my heels together three times and whispered to myself, "There's no place like home," in the hope that the Wizard of Oz would get me the hell out of the bar and magically whisk me off to Novinsky, but to no avail. I was going to be stuck with these people for the rest of the evening.

"I'm going to need some more champagne," I told Mike, passing my flute over to him. "A lot more champagne. And just keep it comin'."

About an hour into the rendezvous, Mike excused himself to go to the toilet. Once I was left alone with these two, Mr. P-I launched into an almost-psychotic vitriolic attack against me and my writing. He was murderously enraged but, to my great relief, unarmed.

The only good thing about Mr. PI's rage was that he was so caught up in it that he forgot to scream at me into his invisible microphone.

Well, that and the fact that it brought the evening with these freaks to an end.

I decided right there and then that a burly Russian with a handgun was the only thing that could prevent similar scenes (or worse) from occurring in the future.

I called my can-get-anythingdone-in-Moscow friend Steve and asked him to find me some security, pronto.

"I can only get you one in the Russian mafia on such short notice," he said.

"That's fine with me," I returned, determined. After a thoughtful pause, I added: "Just make sure he's not good-looking."

"Huh?" Steve asked.

I explained. During a stint in Colombia a few years ago, I had a gorgeous hunk of a bodyguard who was nicknamed "Chick". Once, during a vicious storm, our helicopter

crashed in rebel jungle territory and the end result of that little adventure was a passionate affair with said Chick.

Now I've got nothing against passionate affairs per se, but I thought it probably wasn't the best idea to have one with a guy in the Russian mob.

Or, on the other hand, maybe it's a really good idea. I've learned that if you're screwing them, bodyguards socialise with you rather than remain at a discreet distance.

And let's face it: any Russian gangster worth his salt would immediately shoot anyone who spoke into an imaginary microphone.

Kremlin's baby handouts – now also for mortgages

The government initiative, which was announced in the spring of 2006 by then-President Vladimir Putin, promises nearly \$10,000 (300,000 rubles) to each woman who gives birth to her second, (or consecutive) child between 2007 and 2016.

The money, which is distributed after the child's third birthday, may be spent three ways - 1) apply it towards a home loan, 2) pay for the child's education, or 3) add it to the mother's pension fund.

Since Maria's family already owns a flat, and she is nearly twenty years from retiring, she chose the third option - paying for education.

Last fall, amidst the financial crisis, Prime Minister Putin allowed for the voucher to be used before the child's third birthday, so long as the money is spent on property purchases. He also allowed a small sum - \$400 (12,000 rubles) - to be taken out in cash, for so-called "urgent needs."

Twenty-seven year old Svetlana was able to immediately take advantage of that provision, just a few months after giving birth to her twin daughters. Her family needed exactly 300,000 rubles to pay off their mortgage.

The original sum promised to mothers had been 250,000 rubles, but it was adjusted at the end of 2008 to account for inflation. Each family is eligible for only one voucher.

The idea for these maternity fund vouchers was the result of a series of social welfare committee meetings, during which it was decided that women across the country need a financial incentive to have more children.

At the beginning of this century, Russia's birthrate was alarmingly low - with the average family only having one child. Russia's demographic crisis has been exacerbated, not only because of low birth rates, but also high death rates. According to Russia's National Census, in 2004 there were, on average, three live births and four deaths every minute.

In 2002, scientists studying population patterns announced that Russia as a nation was dying out. The death rate that year was nearly twice as high as the birth rate: 232,200 deaths to only 139,700 live births.

In September of last year, Tatiana Golikova, Minister of Health and Social Development, said that for the first time in 15 years, Russia experienced a natural population increase of 1,000 people the previous month. It may be overly optimistic to say that this slight

population growth is linked to the federal program. True data will not be available for several more years.

So how does a family go about getting that money?

Officials say the process for receiving the vouchers is not overly bureaucratic. According to the website for the Department of Youth and Social Policy, a mother must simply go to her local pension fund office with her child's birth certificate, her passport, and a written request to receive the voucher. Within one to two months, the money should arrive.

Parents living in Moscow agree the procedure is not complicated. Thirty-five year old Alexei Shmitov is a father of two. "The money was in our Sberbank account a little less than two months after we filed the necessary paperwork." Alexei's family took 12,000 rubles in cash, while using the rest to pay off their mortgage.

There are some families still unsure of how to use the money. Thirty-three year old Oksana is one of them. "Our flat is paid off, I don't have much faith in the pension system, and what it will have to offer in over 20 year. My kids' schooling doesn't cost anything yet, so, I'm a bit at loss."

Despite the government's assurances that the process would be speedy and the bureaucracy would be minimal, some parents outside of Moscow have encountered problems with their local banks. Lilya Ushakova, a Samara resident is a mother of two children under the age of five. She is struggling with her local lender, Delta Credit bank, to accept her maternity capital voucher. She says she's been told by the bank that they have not received proper instructions from the Central Bank on how to accommodate her.

Delta Credit representative declined to comment on an individual case, but stated that the bank follows the official procedures when handling maternity fund issues.

The maternity fund measure was developed well before the financial crisis, and also well before the federal budget went into the red. One question now worth asking: will the Russian government be able to sustain this program for the entire nine years?

According to the Health and Social Development Ministry, there were just over 1.6 million children born in 2007. And in 2008 that number went up by 6% to 1.7 million. RIA Novosti reports that is the highest birth rate in all the post-Soviet years.

If even we assume that half of those babies were second (or subsequent) children in the family, this program would set the federal government back \$8 billion in the first year of the program alone.

The federal budget earmarks \$4.4 billion (132 billion rubles) for the maternity payments, so the money exists - at least on paper - to fund this program for the time being.

Sberbank Manager Arrested in \$100M Scam

A senior manager at a Sberbank branch in the Lipetsk region was placed under arrest by a Moscow court Friday on suspicion of laundering more than \$100 million and funneling it out of the country, court officials said.

Kirill Tormyshov, deputy head of the branch, was formally arrested along with two other suspects by the Ostankinsky District Court, Moscow City Court spokeswoman Anna Usachyova told Interfax.

She identified the other suspects only by their last names: Dvurechensky and Ovchinnikov.

It is one of the country's largest purported scams investigated by authorities in recent years.

Investigators have not identified the banks allegedly victimized in the case. Sberbank maintains that there were no wrongdoings in the Lipetsk branch's operations.

The Interior Ministry's economic crimes department said Friday that a total of four suspects had been arrested in the case and that a fifth had been released from custody on condition that he not leave Moscow. All of the suspects are residents of either Moscow or Lipetsk, officials said.

The suspects have been charged with illegal banking activity, punishable by up to seven years in prison. Neither Sberbank nor any other banks were involved in the money laundering, Interior Ministry officials said.

Tormyshov, 42, had previously worked for Alfa Bank as head of the corporate clients department, Kommersant reported Friday.

Police in Chelyabinsk, meanwhile, have detained a local Sberbank cashier suspected of stealing more than 12 million rubles (\$400,000) from the bank.

The cashier, Irina Shvetsova, turned herself in to police and has admitted to stealing the money, regional police spokesman Alexei Popov said, Interfax reported Friday.

Shvetsova claimed that she stole the money over the course of five years and had already spent all of it, Popov told Interfax.

