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Summary:

Political

Abkhazian president to visit Moscow Feb. 16-18 for Medvedev talks

Sergei Bagapsh, the president of the former Georgian republic of Abkhazia, will start a three-day official visit to Russia on Tuesday, the Kremlin said. President Dmitry Medvedev will hold talks with Bagapsh on Wednesday, the press service said.

Pro-Russia Yanukovich named winner of Ukraine vote

Ukraine — Election officials named Russia-friendly Viktor Yanukovich as the official winner of Ukraine's presidential election Sunday, thwarting Prime Minister Yulia Tymoshenko's hopes of overturning the vote.

U.S. Ambassador: Arms Deal to Mention Missile Shield

The United States and Russia have agreed that a new arms control treaty will mention a link between offensive nuclear arms and defenses against them, U.S. Ambassador John Beyrle said.

Russia's crisis super for the super-rich

That's according to Finans magazine, which estimated that 77 Russians had broken through the billion-dollar barrier, up from 49 a year ago, thanks to Moscow's stock markets shooting up despite GDP contracting 7.9 per cent in 2009.

IKEA fires top managers of Russian branch over bribes

Top managers of a popular Scandinavian retail chain fired for alleged bribery of state officials.

Medvedev bets on younger governors

President Dmitry Medvedev's appointment of four new governors on Feb. 8 will be seen as the latest offensive in the Kremlin's ongoing battle with regional leaders. But while the temptation is to install weak governors answerable only to Moscow, in the troubled Caucasus republic of Dagestan the Kremlin has had to compromise with the local elite.

Russia tilts towards Iran sanctions

With Iran's announcement that it has enriched uranium to 20 per cent, Russia's policy towards the Islamic state is clearly changing. Officials have suggested Russia could support a new round of crippling UN sanctions against the Ahmadinejad regime, and now there is a new line of confrontation over its delay in delivering a batch of anti-aircraft missiles.

What price Russia's help with Iran?

Russia, it would seem, is finally making some of the right noises about tougher sanctions against Iran. Excellent.

But is it being reflexively suspicious to ask what's the deal, where's the catch, the quid pro quo that the United States and/or its friends will be pressed to concede in return?

Russia Expands Military Presence on Black Sea

Russia's Black Sea Fleet will become less vulnerable when it is deployed in Abkhazia, the former commander of the Black Sea Fleet of the Russian Federation, Admiral Vladimir Komoyedov believes.

Blowback: Legacy of the CIA in Iran, Afghanistan and Pakistan

the least we can say is that in Iran, Afghanistan and Pakistan the U.S. reaps today what the CIA planted with the help of people like Congressman Charlie Wilson. Osama Bin Laden was trained by the CIA to attack the Russians, liked it and then attacked the World Trade Center in New York. And the bombs in Pakistan (real) and Iran (hypothetical) are due, at least in part, to the same courtesy of the CIA. The current situation of these three countries reflects the past irresponsible behavior of U.S. intelligence. An article by Argemiro Ferreira.

Russia tests its first stealth fighter jet

Russia tested its fifth-generation Sukhoi fighter jet in the Russian Far East on Friday.

Russia: Premier Congratulates Winner of Ukraine Vote

Prime Minister Vladimir V. Putin of Russia congratulated Viktor F. Yanukovich on Monday for winning Ukraine's presidential election, well after many other world leaders had done so. But Mr. Putin may have had his reasons for delaying.

Russia: Military Pact With Abkhazia

Russia has moved to bolster its military presence in Abkhazia, signing an agreement on Wednesday to establish a Russian military base in the separatist territory, a focal point of Russia's war with Georgia in August 2008

President Medvedev holds meeting with Greek prime minister

Russian President Dmitry Medvedev has held a meeting with Greek's visiting Prime Minister, Foreign Minister Georgios Panandreu, at his country residence Barvikha.

Command of the Mujahideen confirms martyrdom of another Mujahid in Arshty

A KC's source in the command of the Mujahideen confirmed the martyrdom of another Mujahid during clashes in the Sunzha District on 11 and 12 February 2010. The name of the martyr (inshaAllah) is Aslan Tatarashvili.

Prophet Muhammad (pbuh) continues to be offended. Muslims are still peacefully protesting

Norway has accepted a dirty relay race of publications of insults to Prophet Muhammad (pbuh). Local tabloid Dagbladet published a cartoon showing the Prophet Muhammad (peace and blessing be upon him) as a pig writing the Noble Quran. In response to another insult of the religion of Allah and His Prophet (pbuh), Muslims are still peacefully protesting, appealing to the enemies "not to offend Muslims".

Lebanese president to visit Moscow

Lebanon's President Michel Sulayman is scheduled to visit Russia on February 24-26 at the invitation of Russian President Dmitry Medvedev. According to the president's press office, the meeting between the two leaders is expected to take place on February 25.

Russia Terminated Armament Projects with Ukraine

Russia has terminated a number of armament projects with Ukraine in the wake of supplies of Ukrainian weapons to **Georgia**, said Valery Konovalyuk, who heads the Ukrainian parliament's commission for investigating illegal weapon supplies.

Russia's Medvedev Orders Police Cuts, Cleanup

Russian President Dmitry Medvedev has fired two deputy interior ministers and 16 other high-ranking police officials as part of a reform of the country's beleaguered law enforcement bodies.

Social:

Patriarch Kirill calls for forgiveness on last day before Great Lent

On the last day before Great Lent, the head of the Russian Orthodox Church called on believers to forgive others and apologize to those they are in "real conflict with."

Over 40 poultry farm workers hospitalized with infection in Siberia

Over 40 poultry farm workers have been hospitalized with acute intestinal infection in the Altai Territory in south Siberia, the regional administration reported on Sunday. The workers of the Altai Broiler poultry farm were taken to hospitals in the city of Biysk after their night shift with an acute infection of unknown origin, the administration said.

Shootout with Ingush militants leaves 4 civilians dead

Four civilians were killed during anti-militant operations in the volatile southern Russian republic of Ingushetia, the republic's president said.

St. Petersburg ombudsman in favor of gay parades

Sexual minorities have the right to stage public marches in St. Petersburg, the city's newly appointed ombudsman said. Writer and playwright Alexey Kozyrev was appointed ombudsman for human rights in Russia's northern capital in late 2009.

Moscow renews vow to ban 'satanic' gay parades

Moscow mayor Yury Luzhkov, known for his negative attitude toward sexual minorities, said Monday he will not allow gay parades in the Russian capital, calling them "satanic."

Berlin critics back Russia, Romania, Polanski films

Fittingly for a festival where low-budget movies jostle with big Hollywood names, three small eastern European entries and Roman Polanski's picture starring Ewan McGregor are favorites for the main prize in Berlin.

In Dagestan, Laugh Track Echoes Across Mountains

A funny thing happened to Magomedkhan M. Magomedkhanov, an ethnographer from the Russian republic of Dagestan, on a recent visit to the United States. Surrounded by distinguished colleagues at Harvard University and sensing that there was only one way to put everyone at ease, he dusted off a favorite joke about a Jew in a pit full of wild animals.

Russia's Version of Four Deaths Disputed

Memorial, a Russian group that advocates for human rights, said Monday that four civilians who were killed during recent operations against Islamist militants in the North Caucasus region had not been accidentally caught in a cross-fire, as Russian authorities have contended

Russian ex-police boss gets life for supermarket murder

A Russian former police officer who shot dead two people at random in a Moscow supermarket last April has been sentenced to life in jail for murder.

Litvinenko's widow says Russian authorities obstructing murder inquiry

Marina Litvinenko a witness for oligarch Boris Berezovsky in libel battle over who was behind poisoning of ex-spy in London

Drunk Policeman Runs Over Woman

A police officer slammed his car into a female pedestrian on a central Moscow sidewalk while driving drunk, injuring the woman, senior police officials said Wednesday.

Medvedev sacks 18 police in purge

Dmitry Medvedev launched a purge of Russia's interior ministry on Thursday, firing 18 senior police officers as part of a drive to root out rampant corruption plaguing the country's law enforcement system.

The Russian Orthodox Church's growing power

As connections between Russia's state and dominant church increase, observers worry about religious freedom.

Moscow ad screen porn hacker did it "for fun"

Moscow ad screen porn hacker did it "for fun"

Kommersant daily wrote Tuesday that police had found the hacker who beamed a porn video to a giant advertising screen in central Moscow.

Fake signatures cost Russian firms tax breaks

Dodgy signatures and "ephemeral" cowboy firms could cost small businesses vital tax breaks, according to a letter sent from the Federal Taxation Services to the Russian Union of Industrialists and Entrepreneurs (RSPP).

Justice Minister Decries Corruption, Pushes Reforms

Justice Minister Alexander Kononov said Monday that the country's prison system is rife with corruption and that prison workers are supplementing meager salaries by extracting bribes from the incarcerated.

Economic:**Oil ends at highest level in 14 months**

Oil for February delivery rose \$2.15, or 3%, to close at \$81.51 a barrel, the highest settlement since Oct. 9, 2008.

New reduction in Russia's discount rate

The Bank of Russia has announced its decision to cut the discount rate 0.25 percent to 8.5 percent, the regulator announced today. The bank indicated that the move is expected to "provide an additional incentive for loan activity in the banking sector."

Georgia Criticizes French Arms Sales To Russia

Georgian President Mikheil Saakashvili has criticized French plans to sell a warship and armored vehicles to Russia.

Moscow eats less as crisis bites

The financial crisis has prompted a new round of belt-tightening for Muscovites - literally. Figures released by the city government show a sharp fall in the amount of food sold in the city during 2009 - with consumers eating 1,000 tonnes a day less than in 2008.

Baltic Pipeline, timber tariffs seen as linked

Finland's decision last week to give its final environmental approval to the Nord Stream gas pipeline came as Russia signalled a concession on another key issue for its Nordic neighbour - a further delay in imposing prohibitive export tariffs on raw timber.

Russia's Fiat deal boosts car industry

Italian car giant Fiat-Chrysler struck a \$2.4 billion deal with Russia's Sollers last week, agreeing to produce up to 500,000 cars per year at a plant in Tatarstan.

Pulp protesters rally over Baikal

Some 2,000 people rallied in the Siberian city of Irkutsk on Saturday to protest the opening of one of Russia's dirtiest factories, the Baikalsk Paper and Cellulose Plant. With speeches by oppositionists from Moscow, including Yabloko leader Sergei Mitrokhin, the rally quickly turned political, Kommersant reported, with local protesters taking up calls

for the resignation of Prime Minister Vladimir Putin, who signed the decree to open the plant last month.

4 children seized - for \$4,500

St. Petersburg resident Vera Kamkina, 34, told *Noviye Izvestia* that local welfare officials seized her four children and told her she would only get them back once she had paid off rent arrears of 140,000 roubles (\$4,500).

Police beat piano prof

A criminal probe has been launched after a 62-year-old piano professor in Yekaterinburg was beaten by police for not producing identification, *RIA Novosti* reports. The assailants had apparently mistaken him for a robber.

US shale creates Gazprom rivalry

Gazprom has been flaunting its growth prospects as the world exits the crisis but its expansion plans could be held back by competition from the United States. Russia's state gas giant has said it will double its exports to non-former Soviet Union countries by 2030 and increase its share of the European market from one-quarter to 32 per cent by 2020.

Moscow brings in pay-per-view job terminals

Job seekers will be able to log on and find work at their local metro station or kiosk by the end of next month.

Lisin Tops Rich List With \$18.8Bln

Novolipetsk Steel chairman Vladimir Lisin is Russia's richest person with a fortune of \$18.8 billion, more than double his wealth last year, *Finans* magazine said Monday in its annual billionaires list.

Detail:

Political:

Abkhazian president to visit Moscow Feb. 16-18 for Medvedev talks

Bagapsh was sworn in for a second term as president on Friday following his victory in December elections, the first since Moscow recognized Abkhazia's independence in August 2008 following Russia's brief conflict with Georgia over South Ossetia, another former Georgian republic.

The trip is Bagapsh's first bilateral official visit, although he has met with Medvedev as part of larger gatherings on several occasions.

Medvedev on Friday congratulated the Abkhazian president on his inauguration, vowing in his message to assist in the rebuilding of Abkhazia.

Pro-Russia Yanukovych named winner of Ukraine vote

Ukraine — Election officials named Russia-friendly Viktor Yanukovych as the official winner of Ukraine's presidential election Sunday, thwarting Prime Minister Yulia Tymoshenko's hopes of overturning the vote.

Tymoshenko's last recourse is now with the courts, after the Central Election Commission also dismissed her complaints of fraud and misconduct during the Feb. 7 ballot.

Yanukovych won the contest by just 3.5 percentage points — or some 888,000 of the nearly 25.5 million ballots cast, the commission said. It said he won 48.95 percent in an election that saw nearly 70 percent turnout. Tymoshenko garnered 45.47 percent, while another 4.36 percent of voters backed neither candidate.

"The commission names Yanukovych the winner," Chairman Volodymyr Shapoval said in a televised meeting with other commission members, who applauded. "This applause is for the newly elected president."

The announcement appeared to have been rushed, coming three days before the deadline, even as complaints of fraud poured in from Tymoshenko's staff. One Tymoshenko representative on the commission refused to read out the results from her districts, forcing a commission secretary to read them out in her place.

"There are still complaints that have not been reviewed by the courts. The result has been announced too early," said another Tymoshenko delegate, Volodymyr Pilipenko.

Late Saturday, Tymoshenko broke six days of silence since the election to ask Ukrainians to support her in challenging the election results in court. She said the vote had been rigged.

International observers deemed the election free and fair, however, hurting Tymoshenko's chances of mounting a successful challenge. President Barack Obama and other leaders already congratulated Yanukovich last week.

No date has been set yet for Yanukovich's inauguration, according to his commission delegate Oleksander Lavrynovych.

Yanukovich campaigned on promises to improve ties with Russia, which became strained as the current pro-Western president, Victor Yushchenko, courted NATO and EU membership for Ukraine.

"Our relations (with Russia) must above all be friendly and pragmatic. We will return them to the format that has historically existed between the Russian and Ukrainian people," he told Russia's Vesti-24 television.

Yanukovich also said Ukraine could discuss the extension of the Russian navy stay in its Black Sea port of Sevastopol beyond 2017, when the current lease expires. Yushchenko had rejected any extension.

Tymoshenko, despite her defiance of the results, asked supporters not to hold street demonstrations — as they did in what became known as the 2004 Orange Revolution. Those mass protests, covered widely by the international media, led to a court's overturning Yanukovich's presidential election victory that year and ordering a rerun, which was won by Tymoshenko ally Yushchenko.

These days, however, Tymoshenko said demonstrations would destabilize the country, which is still reeling from last year's steep recession. "Ukraine now needs stability and calm like never before," she said in her Saturday television address.

Ukraine's economic woes have been exacerbated by vicious bickering between Tymoshenko and Yushchenko, whose re-election bid failed in the first round of voting last month.

"Look around, the Orange Revolution has turned into the Blue one," said factory worker Oleg Rybalko, 42, referring to the thousands of blue-clad Yanukovich supporters gathered outside the election commission Sunday. "Our time has come. Five years we were belittled, but now we have come out on top."

U.S. Ambassador: Arms Deal to Mention Missile Shield

The United States and Russia have agreed that a new arms control treaty will mention a link between offensive nuclear arms and defenses against them, U.S. Ambassador John Beyrle said Thursday.

Beyrle's statement in his blog post could signal a potential breakthrough in the U.S.-Russian talks on a successor to the 1991 Strategic Arms Reduction Treaty.

U.S. President Barack Obama and President Dmitry Medvedev linked the two issues in a statement in July, but Washington had resisted Russia's push for an explicit connection between them in a successor to the treaty.

Moscow and Washington hoped that they would sign a new treaty by the end of December, but talks have dragged on. The delay apparently has been caused by Russia's deep suspicions about U.S. plans for a missile defense shield in Europe. Washington has said it is a reaction to Iran's missile threat, but Moscow has seen it as a potential threat to its security.

Beyrle's statement indicated that the U.S. stance has shifted. "Our presidents have agreed that the treaty will contain a provision on the interconnection between strategic offensive and defensive weapons," he said in his Russian-language blog.

Still, any missile defense restrictions would likely complicate the treaty's approval by the U.S. Senate.

Beyrle's statement apparently reflects an attempt by Washington to overcome Russia's suspicions of the U.S. missile defense plans.

It follows Tuesday's comments by Russia's top military officer, Gen. Nikolai Makarov, who said those plans are a threat to Russian national security and have slowed down progress on the prospective new arms deal with Washington.

Russia's crisis super for the super-rich

The number of Russian billionaires jumped by more than 50 per cent amid the maelstrom of the crisis last year - providing stark evidence that the rich can indeed get richer while the poor get poorer.

While Vladimir Lisin, the owner of Novolipetsk Steel, led the way with a fortune of \$18.8 billion, Oleg Deripaska was the surprise package in the table.

Losses of \$35 billion saw his fortune shrink to \$4.9 billion on the 2009 list but he bounced back to sixth this time around despite a tough year, which saw him given a public dressing-down by Vladimir Putin in Pikalyovo, only to later raise \$2.4 billion in an IPO of heavily indebted Rusal.

His wealth was up to \$13.8 billion, almost the same amount as the aluminium producer's debts, but the listing saw his fortunes revived as new investors snapped up the offering.

"The company, which was valued at almost zero (considering its huge debt), was then valued at more than \$20 billion during the IPO," Finans magazine said in a statement.

"Thanks to the state support and ability to influence its creditors, Deripaska saved his main asset and the debt pit was [simply] converted into unstable ground."

Meanwhile, Lisin saw his fortune jump more than 144 per cent, knocking Mikhail Prokhorov off his perch as he slipped to second despite his wealth growing 27 per cent.

Fans of table-topping Chelsea will be delighted to see their owner Roman Abramovich in third place on the list as his \$17 billion fortune will be able to sustain the club's losses for more than 100 years.

The top 10, for which you would need a mere \$9.95 billion to join, was dominated by commodities, in particular metals and mining as natural resource demand was fed by China's economic growth.

Low valuations at the start of 2009 helped boost the year's performance as the improvement - for Russia's oligarchs, at least - came from a low base. A year ago the RTS was lingering around the 600 mark but since then it has more than doubled, multiplying the value of the tycoons' assets.

The 2010 billionaire's club was the second-biggest on record but still lagged behind 2008, when the number soared to 101 Russians, while the top 500 had a combined wealth of \$470 billion.

The list did not prove good news for everyone as real estate firms - and possibly a supermodel girlfriend - proved the biggest drain as Vladislav Doronin, the chairman of Moscow-based Capital Group slipped 242 places.

Doronin, the boyfriend of Naomi Campbell, may well be buoyed by signs of activity in the real estate market in January, but the list was calculated using valuations from December 31.

IKEA fires top managers of Russian branch over bribes

General Director for IKEA in Russia and the CIS Pierre Kaufman and General Director for IKEA MOS Retail and Property Stefan Gross have been relieved of their duties, RIA Novosti reports, quoting the company's press secretary Oksana Belaichuk.

IKEA's Swedish group found that their Russian division had "cases of tolerance towards their contractor's corrupt actions". Kommersant reports that the issue was over an alleged bribe given by IKEA's contractor for providing power to a Mega shopping mall in St Petersburg. The name of the company is not being released, citing an ongoing investigation.

"Although the actions taken on Friday are unprecedented for a global corporation, but IKEA is committed to taking a firm stance on such issues," the press office reemphasized. "Our company has a strict business ethics code and specific rules that are

mandatory not just for our employees' but for all of our business partners as well. These rules are the same for all countries of the world, and Russia is no exception."

Neither Kaufman nor Gross could be reached for comment. Kommersant daily quoted Belaichuk as saying both men were currently outside of Russia.

"We're deeply disappointed and upset. Any tolerance shown towards corruption is unacceptable for IKEA. That is why we consider the situation at hand intolerable, and we will act quickly and definitively," said IKEA's President Mikael Ohlsson.

Kaufman was responsible for development in Russia since 2006, and Gross worked in Russia since 2009, although has been employed overall with IKEA since 1999. According to Belaichuk, the managers were informed that their contractor is using corrupt methods, but no action was taken.

The first IKEA store opened in Russia in 2000.

IKEA is the largest world retail chain that sells furniture and household items. It runs 11 stores and 13 Mega shopping malls throughout Russia, not only in Moscow and St.Petersburg, but also in Kazan, Nizhniy Novgorod, Yekaterinburg, and Novosibirsk.

Medvedev bets on younger governors

Two of the appointments that have raised eyebrows involved the removal of long-serving governors. In the Jewish Autonomous Region in the Far East, the respected Nikolai Volkov will be replaced by Alexander Vinnikov, the mayor of regional capital Birobidzhan. Meanwhile in Khanty-Mansiysk, Alexander Filipenko - called "Russia's best governor" for his successes - has been replaced by United Russia State Duma Deputy Natalya Komarova.

Other governors would be right to view Filipenko's removal with trepidation, says Alexei Mukhin, director of the Centre for Political Information. "Medvedev is rather actively making the corps of governors younger," he said. "And for one simple reason: younger, politically lightweight governors are easier to control."

Medvedev recently said that governors ought to be limited to three terms, and some view the new appointments as part of a "path of renewal" - perhaps code for consolidating the control over the regions that began with then-President Vladimir Putin's suspension of gubernatorial elections in 2004. "Those governors who have emphasised their independence from Moscow are in the group of risk," said Mukhin.

Serving governors won't necessarily be demoted or their allies sidelined, however. The governor's post in Krasnoyarsk has been vacant since the previous incumbent, Alexander Khloponin, was made a deputy prime minister and sent to head the newly-created North Caucasus Federal District. Medvedev's replacement for him, Lev Kuznetsov, is Khloponin's former business partner.

Meanwhile, in Dagestan, businessman and parliamentary speaker Magomedsalam Magomedov will replace Mukhu Aliyev, who has held the post since 2005. Magomedov is certainly young - at 45 he is a good 15 years Aliyev's junior - but he is hardly the model of a weak governor: as the son of Magomedali Magomedov, Dagestani president from 1991 to 2005, he is about as well connected to the established elites as possible.

But decisions in the Caucasus are complicated by questions of ethnicity, clan loyalty and the ongoing insurgency that Medvedev had little choice, said Alexei Malashenko, a Caucasus expert at the Carnegie Moscow Centre. Aliyev was considered for a second term, but a second candidate, Deputy Prime Minister Magomed Abdoulayev, was backed by Suleiman Kerimov, an influential Dagestani tycoon with good connections in Moscow. "Abdoulayev was completely and utterly unpopular in Dagestan, and nominating him was out of the question," said Malashenko. "So Magomedov was the compromise."

Russia tilts towards Iran sanctions

With Iran's announcement that it has enriched uranium to 20 per cent, Russia's policy towards the Islamic state is clearly changing. Officials have suggested Russia could support a new round of crippling UN sanctions against the Ahmadinejad regime, and now there is a new line of confrontation over its delay in delivering a batch of anti-aircraft missiles.

Despite increasing pressure on Russia from Iran, and a state visit from Israeli Prime Minister Binyamin Netanyahu to get Russia to accept further sanctions, a final decision remains to be made by the country's top leadership, analysts said.

Russian officials came the closest yet last week to acceding to new sanctions against Iran after the announcement of the enrichment programme.

"Everything has its limits, including patience," Russia's Security Council secretary, Nikolai Patrushev, told RIA Novosti. He said that other countries' suspicions about Iran's supposedly peaceful nuclear program were "well-founded," and called for more cooperation with the IAEA, the international nuclear monitoring agency.

Russia was also clearly biding its time in delaying the delivery of S-300 missiles, which would offer substantial protection for Iran in case of a military strike. "There is a signed contract which we must implement, but deliveries have not started yet," Vladimir Nazarov, deputy secretary of the Security Council, was quoted by news agencies as saying, adding that the deal was not restricted by any international sanctions.

Russia, like China, has vocally opposed further sanctions against Iran in the past. In September, Prime Minister Vladimir Putin practically ruled out any further sanctions, his statements coinciding with a secret visit by Netanyahu, who had apparently clinched a delay on the S-300 delivery.

"I think Russia has developed a healthy concern about the Iranian nuclear programme - this is a recent change," said Ariel Cohen, a senior researcher at the Heritage Foundation in Washington. "The Iranians were lying to senior Russian officials. There was a question of the quality of intelligence that was reaching them."

The "grand bargain," Cohen said, is whether Russia will simply "pocket concessions ... or will there be a quid pro quo?"

Such a trade-off could involve cancelling US plans for a missile shield in Eastern Europe and flexibility on the renewal of the START nuclear arms reduction treaty, Cohen said.

But that remains to be seen.

"Patrushev's statement [indicates] some rethinking is being made, but whether Putin [has] made the final decision I don't know," Cohen said.

Russia's hesitancy to fully back new sanctions, then, was coming from somewhere else.

"The only thing Russia fears more than a nuclear weapon in Iran is a stronger presence of NATO and the US in Iran, Iraq and Afghanistan," said Alexander Rahr, Russia and Eurasia programme director at the German Council on Foreign Relations in Berlin. "The feeling of being encircled by NATO in the west is something that, naturally, Russia's top elite feel is directed against them. This is the psychology. So they are very reluctant to support America and its policy against Iran, even though they agree 90 percent that there's no other way but to introduce sanctions against Iran."

What price Russia's help with Iran?

You can assume that Russia, never amused by the notion of a potential nuclear armed Islamic power on its southern flank, has been waiting for the right moment when its status as Iran's major arms supplier and purveyor of civilian nuclear wherewithal could be leveraged into maximum yield.

Last week, Nikolai Patrushev, the usually hawkish secretary of Russia's Security Council, suggested that his bosses regard that this propitious interval starts now.

He offered up an acceptance of the obvious — for years withheld by Moscow — saying, in effect, that the mullahs want to make a bomb. And he combined that revelation with the not fully articulated subtext that maybe, just perhaps, we might find a way to slow the project down.

This was not Russia in a cooperative epiphany, or a conversion to sympathy for the West.

That isn't happening. Publication in Moscow the week before of a new military doctrine for the decade, in which the possibility of NATO's expanding its membership eastward was held up as an existential threat to Russian security, certified the opposite.

But while draft papers listing possible sanctions against Iran circulate at the U.N. Security Council — the French are reportedly recommending action to cut off Iranian gasoline imports, the Americans avoiding it — the Russians seem to see the juncture as one where the Obama administration is susceptible to maximum pressure. And one where helping on Iran and dimming the prospect of a fundamentalist theocracy with nukes puts Russia on track for a payoff.

In this line of reasoning, President Barack Obama is susceptible on two levels: 1) Through the largely ineffectual appearance so far of his attempt at engagement with Iran. 2) As a result of still inclusive talks on a strategic nuclear weapons with Russia, which the president dearly wants as a symbolic triumph but whose failure or challenge in a ratification debate in the Senate could threaten his domestic constituency's support and his international prestige.

The Russians clearly see profit in the Obama administration's entanglement.

Frankly, what good tactician wouldn't be looking for a wedge to potential givebacks when "a partner and friend" like America is trying at once to look tough on Afghanistan, terrorism and China while being an advocate of a world without nuclear weapons? Or a leader appearing to offer little clarity, in relation to its allies' sense of urgency, on what should be the level of new pressure on Iran and how fast it must be applied.

I talked to an international security and nuclear arms expert who spent most of a recent week speaking to Russian counterparts. He said there wasn't a conversation that didn't begin without a Russian's saying something like, "The important thing these days is for NATO to make clear it is not adding new members" in the Russian neighborhood.

Is that what Russia wants as quid pro quo on Iran? Or could a tradeoff be in a follow-on agreement to the Strategic Arms Limitation Treaty whose terms would explicitly link strategic nuclear arms and defenses against them, something that Russia seeks to connect to plans for a U.S. missile shield in Europe against Iranian nukes, and that the United States has resisted?

Secretary of State Hillary Rodham Clinton reiterated this month that NATO must remain open to all qualified applicants. As to the fine print of the Start treaty's successor, The Associated Press, wondering in a dispatch from Moscow whether the Americans' language was shifting in Russia's direction, said this might please Russia but noted, "any restrictions on missile defenses would make it difficult for the White House to win approval for the treaty in the U.S. Senate."

So is there a reasonable price to pay for Russia's help?

Russia Expands Military Presence on Black Sea

"Taking into consideration the fact that the fleet is currently deployed in Ukraine's Sevastopol, opening a new base in Abkhazia implies a landmark geopolitical victory for

Russia. The fleet will be more dispersed and less vulnerable. Here we also defend Abkhazia's sovereignty," the official said.

Russia's Foreign Minister Sergey Lavrov repeatedly stated that the Black Fleet would control the routes of vessels in neutral waters of the Black Sea. The control will be conducted to defend Abkhazia against Georgian aggression. Russian vessels have already been prepared to accompany Abkhazia's cargo ships in neutral waters.

Georgia set out its concerns about the expansion of the Russian military presence on the Black Sea. The vice speaker of the Georgian parliament, Paata Davitaya, stated that Russia was conducting illegal actions near the coast of Abkhazia. The politician particularly stated that the Russians were building a base for submarines there.

Admiral Komoyedov said that Russia had only one diesel submarine in the Black Sea. New subs are expected to arrive in five or six years only, the official said.

Leonid Ivashov, the president of the Academy of Geopolitical Sciences, said that Russia would use military objects in Abkhazia collectively with the armed forces of the independent nation.

"Such a state of affairs is good for Russia since a joint army base is much more functional. A base like that can be used for 49 years and then prolonged every five years and there is no rent. The rent is replaced with military cooperation, the delivery of military hardware to Abkhazia and the training of Abkhazian servicemen in Russian military educational institutions," the specialist said.

The structure of the new base will include former peacemaking objects, an air base, a range ground, joint garrisons and other objects.

Russia will have to invest billions of rubles in the important project. Prime Minister Putin said last year during his visit to Sukhumi that Russia was going to spend 16 billion rubles on the development of army bases in Abkhazia. About four billion more will be required for the construction of transport and border infrastructure.

Blowback: Legacy of the CIA in Iran, Afghanistan and Pakistan

The image of the hero on the white horse to save the girl from the clutches of the villain, be it a bank robber or Indian in defense of their invaded lands, is recurring in the fiction of Hollywood. Representative Charlie Wilson died, aged 76, on 10 February, some consider him a hero in real life. Reason: Congress poured billions of dollars to finance those who fought against the Russians in Afghanistan.

When he died of a heart attack, Wilson was already retired. But he represented Texas for 14 consecutive terms in the House. A book ("Charlie Wilson's War - The Extraordinary Story of the Largest Covert Operation in History" by George Crile), and a movie

("Charlie Wilson's War" by Mike Nichols with Tom Hanks in the title role) portrayed him as a hero .

The week also marked the 31st anniversary of the revolution of the ayatollahs of Iran, which occurred just a few months before the invasion of Afghanistan. Iranians overthrew the regime of Shah Reza Pahlavi, installed in 1953 through the coup planned by the same CIA that used the secret funds provided by Mr. Wilson to recruit and arm Islamic radicals on the Pakistani side of the border with Afghanistan.

The least we can say is that in Iran, Afghanistan and Pakistan the U.S. reaps today what the CIA planted with the help of people like Mr. Wilson. Osama Bin Laden was trained by the CIA to attack the Russians, liked it and then attacked the World Trade Center in New York. And the bombs in Pakistan (real) and Iran (hypothetical) are due, at least in part, to the same courtesy of the CIA.

The current mess in Afghanistan (largely in the hands of Islamic radicals used by the CIA from 1979), Pakistan (where the CIA set up camps to attack the Russians in the neighboring country and encouraged the dream of a Pakistani Islamic nuclear bomb) and Iran (which now refuses to abandon uranium enrichment) reflects the past irresponsibility of U.S. intelligence.

Russia tests its first stealth fighter jet

The plane, provisionally called T-50, is the country's first fighter jet based on the stealth technology and is viewed by military experts as the Russian answer to the American F-35 and F-22 jets.

The flight lasted for 47 minutes and was successful, being piloted by Sergei Bogdan, one of Russia's best test pilots, Sukhoi corporation spokesman Alexei Poveshchenko told CNN.

Speaking to Russian TV from an airfield in Komsomolsk-on-Amur where the company has its main production facility, Sukhoi's General Director Mikhail Pogosian said, "I think this is a new stage in the development of the military aircraft industry in our country, and I believe that this is a very good start of a big work we have yet to do."

According to the manufacturer, T-50 is an "intellectual" jet which can fly at any time of the day and in any weather conditions and is capable of simultaneously attacking multiple targets in air, on the ground and in the sea. The plane's other advertised features include a very high degree of maneuverability and its ability to use short airstrips.

"It will also be less recognizable for radars thanks to many innovations, the use of composite materials and a special coating on the surface of the plane," a Sukhoi official told CNN on condition of anonymity. "The Americans had produced some of those technologies before us, so we're now catching up with them with this new model," he said.

But independent military affairs analyst Pavel Felgenhauer believes the new plane is a "humbug" and is nothing more than a "flying prototype."

"It doesn't have a new engine, modern weapons, or electronics. It's impossible to make a 5th-generation plane without having 5th-generation components," Felgenhauer told CNN.

"It's just a tuned-up version of the existing Sukhoi-27 model."

Another prominent defense expert, Ruslan Pukhov, Director of the Center for Analysis of Strategies and Technologies disagrees.

"It is obvious that this is just a prototype and that it may take a decade before the Russian Army gets equipped with those planes. But it's still a unique technological achievement of the post-Soviet Russia which nothing else could be compared with, even the construction of the International Space Station (ISS). Unlike the ISS, this is a purely Russian project which proves that the country has been, is and will be a great aviation power," Pukhov told CNN. "Sukhoi-27, before its mass production, had been first tested with engines from earlier plane models, too. So there's no bluff," he said.

The new planes, along with the modernized fourth-generation jets, will determine the Russian Air Forces' potential for decades to come, according to Sukhoi's General Director Mikhail Pogosian.

Sukhoi also expects its product will become popular at the international arms market.

Following Friday's test, Russian Prime Minister Vladimir Putin said at a government meeting in Moscow that the sample quantity of the 5th-generation Sukhoi planes will be delivered to the Russian Air Forces in 2013, while their mass production will start in 2015.

Russia: Premier Congratulates Winner of Ukraine Vote

In 2004, he was accused of meddling in Ukraine's affairs by making a similar call to Mr. Yanukovich while the presidential election results were still being contested. Mr. Yanukovich's campaign was accused of fraud, the election was thrown out and the Orange Revolution happened. This time, Mr. Putin waited until Mr. Yanukovich's victory was certified.

Russia: Military Pact With Abkhazia

President Dmitri A. Medvedev of Russia announced the agreement at a news conference in Moscow with Abkhazia's president, Sergei V. Bagapsh. It calls for the base to house about 1,700 Russian troops for a minimum of 49 years, the Interfax news agency reported. Russia recognized the independence of Abkhazia and another separatist enclave, South Ossetia, shortly after the war, vowing to support them economically and

militarily. Georgia has called deployment of Russian troops in the enclaves a violation of the French-brokered peace treaty that ended the war.

President Medvedev holds meeting with Greek prime minister

Also taking part in the meeting were Russian presidential aide Sergei Prikhodko, director of the federal service for military-technological cooperation Mikhail Dmitriyev, Greek's State Minister Charalampos Pampoukis and Deputy Prime Minister Georgios Petalotis.

On the schedule of the Greek prime minister's visit to Moscow is a meeting with Prime Minister Vladimir Putin. Earlier in the day Papandreou met with State Duma Speaker Boris Gryzlov.

A Russian government spokesman has told Itar-Tass the forthcoming Putin-Papandreou talks will revolve around major joint projects, such as the construction of the South Stream pipeline and the trans-Balkan oil pipeline Burgas Alexandroupolis.

The agenda also envisages a wide exchange of opinion of topical aspects of bilateral cooperation in the politics, trade, the economy, energy, investments, and military-technological and cultural-humanitarian spheres, the source told Itar-Tass. Some crucial international problems will be touched upon, including Russia's relations with the EU and NATO, Cyprus, and the outlook for cooperation in the Black Sea Economic Cooperation Organization.

Papandreou arrived in Moscow amid an acute financial crisis in Greece, which forced his government to introduce austerity measures. According to some estimates Greece over a period of twelve months will have to borrow 53 billion euros, including 20 billion by the end of April. The European Union is concerned Greece's problems may cause adverse affects on the entire euro zone and even trigger the currency's crash. However, the Russian government spokesman did not specify, whether this theme will be discussed, too.

Command of the Mujahideen confirms martyrdom of another Mujahid in Arshty

The command of the Mujahideen officially listed the names of 7 Mujahideen who became martyrs (InshaAllah). They are: Emir Rizvan, Emir Arbi, the Mujahideen: Abdullah (Shamil Gadamauri), Muhammad (Beslan Mahauri), Abu Hureira (Yunus Ferzauli), Beslan Khatsiyev, Aslan Tatarashvili. The bodies of all these Mujahideen were handed over to their relatives, and they were buried in the cemetery of the Arshty village.

Prophet Muhammad (pbuh) continues to be offended. Muslims are still peacefully protesting

Thus demonstrations took place in Oslo with the "condemnation of blasphemous cartoon".

Meanwhile, as the Islam Online website specified, an insulting cartoon was drawn in 1990s. Its author was a certain Jew from "Israel".

While weak Muslims are planning new peaceful protests, the so-called "Muslim religious leaders" are calling for "civilized expression of emotions".

"If young Muslims choose to participate in the demonstrations, it's my strong recommendation that it takes place in a very civilized manner," some activist by name of Usman Rana, the former head of the Muslim Student Society, told VG Nett.

Usman Rana is feared that the enemies of Islam can find a "mistake or impropriety in the actions of Muslims". Apparently, according to U. Rana, even meaningless and totally toothless peaceful protest is too a big freedom to the weak and humiliated Muslims.

Earlier, their protest against the cartoons has been expressed by taxi drivers. About a thousand cars, run by Muslims, blocked the street in the center of Oslo for a time.

Norwegian Muslims are estimated at 150,000 out of the country's 4.5 million population, mostly of Pakistan, Somali, Iraqi and Moroccan backgrounds. There are nearly 90 Muslim organizations and Islamic centers across the northern European country.

This is not the first episode of insulting of Islam for Norway. In September 2005, the mass-circulation Norwegian Christian newspaper Jyllands-Posten published cartoons

lamprooning Prophet Muhammad (pbuh), wearing a bomb-shaped turban and another showing him as a knife-wielding nomad flanked by shrouded women.

Lebanese president to visit Moscow

.Lebanon's President Michel Sulayman is scheduled to visit Russia on February 24-26 at the invitation of Russian President Dmitry Medvedev. According to the president's press office, the meeting between the two leaders is expected to take place on February 25.

Russia Terminated Armament Projects with Ukraine

According to Konovalyuk, the matter at stake is upgraded BUK-M1 surface-to-air missile systems. "But when we began to sell it [BUK-M1] secretly to Georgia, they [Russia] refused," the official said.

Ukraine could have solved the defense capacity problem for decades after upgrading those weapons at its enterprises, said Igor Alekseev, who is the deputy head of the commission. Besides, Russia had proposed to use the capacity of repair and engineering works in Zhulyany, the Kiev Region, to upgrade C-300 surface-to-air missile systems.

Russia's Medvedev Orders Police Cuts, Cleanup

At a meeting of senior police officials today in Moscow, Medvedev also ordered drastic cuts in the Interior Ministry, pledged to strengthen discipline in the ranks, and ordered a crackdown on corruption.

"The accountability of Interior Ministry personnel at all levels should be increased," Medvedev said. "In particular, I have proposed making a crime committed by a police officer an aggravating circumstance in criminal cases."

Medvedev fired Deputy Interior Ministers Nikolai Ovchinnikov and Arkady Yedelev, replacing them with Sergei Gerasimov and Sergei Bulavin. Both had served in Medvedev's Kremlin administration. Gerasimov was head of the department for constitutional rights and Bulavin worked in the legal department.

Medvedev said he had ordered that the number of personnel in the ministry's head office be cut in half -- from 20,000 to about 10,000 -- and promised to reshuffle top ministry officials. He also ordered the number of police officers cut by one-fifth by the beginning of 2012, and changed police recruitment rules.

Medvedev also ordered the government of Prime Minister Vladimir Putin to submit a new draft law to regulate the Russian police to parliament by December 1. He also gave Interior Minister Rashid Nurgaliyev one month to submit a new plan for battling corruption within the ministry.

"Those [police officers] who violate discipline should be punished -- and punished severely," he said. "Those who fail to obey a lawfully issued order are criminals."

In a five-page statement released as Medvedev spoke, the Kremlin said the president had signed a decree ordering other measures, including taking away from the Interior Ministry the responsibility for deporting foreign citizens, carrying out automobile inspections, and housing people detained for drunkenness.

Russian police have come under mounting public criticism for massive corruption and abuses. Human rights groups say that police officers routinely use torture and blackmail, falsify evidence, and arrest people on trumped-up charges to meet monthly quotas.

A series of violent incidents -- most recently this week, when a drunk Moscow police major ran over a woman on a downtown sidewalk, fracturing her ribs -- have increased pressure on the Kremlin to act.

One of the most notorious incidents was a supermarket shooting spree last April in which a Moscow police precinct chief killed two people and wounded seven others. Prosecutors have demanded that the police chief, Denis Yevsyukov, be sentenced to life in prison. A verdict in the case is expected in the coming days.

Social:

Patriarch Kirill calls for forgiveness on last day before Great Lent

On the last day before Great Lent, the head of the Russian Orthodox Church called on believers to forgive others and apologize to those they are in "real conflict with."

"The more we are guilty toward someone, the harder it is for us to ask for forgiveness," Patriarch Kirill of Moscow and All Russia said in downtown Moscow's Christ the Savior Cathedral on Forgiveness Sunday.

He said it is easy to follow the Christian tradition of saying sorry on that day and apologize to those you have good relations with.

"But how hard it is to come up to a person you are in a real conflict with, who seems an enemy to you, and ask that person for forgiveness," Kirill said.

On Forgiveness Sunday, Christians ask each other for forgiveness so that they could start Great Lent on Monday without holding anything against one another and so that fasting is useful for them.

During Great Lent, believers in particular abstain from meat, fish, eggs and dairy products. But the true purpose of fasting is not abstention from these products by itself. Fasting helps people cleanse their souls of sin and learn to fight bad habits and dark thoughts, as well as to control their desires. In this way believers prepare, through prayer

and fasting, for Easter, Christianity's most important feast, commemorating the Resurrection of Jesus Christ.

The necessity to forgive others in Christianity is substantiated by Gospel words Jesus told his disciples: "For if ye forgive men their trespasses, your heavenly Father will also forgive you; but if ye forgive not men their trespasses, neither will your Father forgive your trespasses." (Matthew, 6:14-15)

The fasting period before Easter in Eastern Christianity lasts 48 days. The first 40 days of the period are called Great Lent, symbolizing Jesus spending 40 days in the wilderness before being tempted by Satan.

They are followed by Lazarus Saturday, commemorating Jesus raising Lazarus of Bethany from the dead, and Palm Sunday, when Jesus entered Jerusalem, and then by Holy Week, the last week of the fasting period. Holy Week lasts until Easter Sunday but does not include it.

Over 40 poultry farm workers hospitalized with infection in Siberia

Specialists of Russia's consumer watchdog Rospotrebnadzor are currently inspecting the poultry farm to find the cause of massive poisoning, the administration said.

Regional health authorities have taken measures to place the poultry farm's remaining personnel under medical scrutiny but said there is no danger for the intestinal infection spread in the region.

Shootout with Ingush militants leaves 4 civilians dead

President Yunus-Bek Yevkurov said that some 80 civilians had been evacuated from the special operations area before police authorities began an offensive against militants believed to be part of the network controlled by North Caucasus warlord Doku Umarov.

"This is the harvest season for wild garlic in the region and a group of harvesters remained in the area," Yevkurov said, adding: "During the shootout that followed, four civilians were caught in the crossfire."

On Friday, there were reports that between 10 and 17 militants had been killed in the special operation in a forested mountainous area in Ingushetia's Sunzhen region, a province west of Chechnya.

Ingushetia and the neighboring North Caucasus regions of Chechnya and Dagestan have been plagued by violence linked to separatist militants and criminal groups.

St. Petersburg ombudsman in favor of gay parades

He said that according to the Universal Declaration of Human Rights, everyone has the right to freedom of peaceful assembly and association.

"If you have the right, then why not stage a [gay rights] parade?" he said.

"Moscow strongly opposes them [gay rights activists], to its own detriment... Why would it be any different from any other public gathering?" Kozyrev went on, adding that it would be paramount to ensure order was maintained during such occasions.

Moscow's Mayor Yuri Luzhkov has repeatedly claimed he will never allow gay pride marches in Russia's capital.

In May 2009, Russian gay activists were planning to hold the country's first ever gay rights parade during the Eurovision Song Contest final. After the city council refused to give official permission for the parade, a group of activists staged a spontaneous march and a number of them were detained by police.

Moscow renews vow to ban 'satanic' gay parades

"We have banned such parades and will ban them in future as well! Everyone must accept this not as a theorem but as an axiom," Luzhkov said during Christmas educational readings in Moscow.

The city chief in the past has resisted pressure from rights campaigners to allow gay parades in Moscow.

In June 2009, during the Facing the City talk show on the TV-Center channel, Luzhkov used the word "homos" (gomiki, in Russian) when referring to members of the gay community. Gay activists said the word was offensive and sued the mayor over the incident, but a Moscow court rejected their claim.

An attempt to hold an unauthorized parade to coincide with Moscow's hosting of the Eurovision Song Contest in May was swiftly dispersed by police, while a march in May 2007 saw participants attacked by members of radical groups. More than 30 people were briefly detained.

Activists have called the bans illegal and threatened to sue the authorities through the European Court of Human Rights if need be.

Luzhkov also said there was a "crisis of faith" in the world, which, he said, included the blessing of homosexual marriages, and "sexual aids" with "pictures, one glance at which insults the soul of even an adult" which are "lethal moral poison" for children.

"We cannot complacently watch numerous displays of blasphemy under the guise of creative work or freedom of speech," the mayor said.

He said propaganda of same-sex relations was inadmissible and urged the fight against drug trafficking.

The mayor also said there could be no place for discussions of "human rights and universal values" in these cases, and urged harsh measures in the fight against immorality.

Berlin critics back Russia, Romania, Polanski films

The 60th Berlin film festival closes on Saturday with an awards ceremony where the Golden Bear for best picture is announced along with a host of other prizes.

The gala event brings the curtain down on the 10-day cinema showcase where Leonardo DiCaprio, Renee Zellweger, Martin Scorsese and Ben Stiller have walked the red carpet and the simultaneous European Film Market has seen business pick up.

Guessing the winner from 20 competition films is notoriously difficult, with plenty of surprises in recent years, and the 2010 race looks wide open. But critics are expecting the closing ceremony to have a distinctly east European flavor.

Polish-French director Polanski, who is under house arrest in Switzerland and so could not attend the world premiere of "The Ghost Writer," won Berlin's top award in 1966 with "Cul-de-Sac," and would be a popular choice 44 years on.

His political thriller, completed when he was in prison and under house arrest, centers around an ex-British prime minister whose support for U.S. military policies sees him accused of war crimes, a thinly veiled reference to Tony Blair.

Polanski, 76, is fighting extradition to the United States where he is wanted for having under-aged sex in a case that goes back more than 30 years.

Narrowly ahead of him in Screen International's informal poll of critics are two movies: "How I Ended This Summer" from Russia's Alexei Popogrebsky and "If I Want to Whistle, I Whistle" from Romanian director Florin Serban.

ROMANIAN NEW WAVE

A win for Serban would continue the remarkable success of Romanian "new wave" cinema on the European festival circuit in recent years. The movie is a sparse, gritty drama about a young man's desperate bid to escape jail and protect his brother.

Popogrebsky had some critics crowing with his psychological drama set at a remote meteorological station in the desolate Russian Arctic Circle. Sergei tolerates the younger Pavel, who does not take his work as seriously as he should.

When Pavel picks up a radio message concerning an accident to Sergei's family, he dare not tell him, but when his boss eventually finds out, a dangerous confrontation ensues.

Rounding off the eastern European challenge is "On the Path," directed by Bosnia's Jasmila Zbanic who won the Golden Bear with her debut feature "Grbavica" in 2006.

The film examines how people living in a Westernized, multi-cultural society and those observing a strict interpretation of Islam can co-exist, if at all.

"On the Path" is essentially a love story between Luna and Amar, both Muslims by birth who grow apart when Amar joins a group of ultra-conservatives from the Wahhabi sect of Islam.

He quits drinking alcohol and smoking, refrains from sex before marriage and suggests that the couple's inability to conceive a child may be God's punishment for a sinful lifestyle.

Other competition entries that enjoyed some good reviews were China's "Apart Together," tough family drama "Submarino" from Denmark, "Honey" from Turkey's Semih Kaplanoglu and the relentlessly downbeat "Caterpillar," a Japanese anti-war movie.

Three competition films have yet to screen -- Danish drama "A Family," British director Michael Winterbottom's ultra-violent "The Killer Inside Me" and "Mammuth" starring French veteran Gerard Depardieu.

In Dagestan, Laugh Track Echoes Across Mountains

MAKHACHKALA,



The New York Times

Dagestan's topography has helped ethnic humor flourish.

As the silence congealed into something approximating hostility, Mr. Magomedkhanov was reminded that he was no longer in Dagestan.

He grew up among the Archi, a 1,200-member ethnic group that speaks a language of unknown origin and, for at least seven centuries, was connected to the outside world only by rugged mountain paths. This is fairly typical of Dagestan, a collection of 14 major and several dozen minor ethnic groups that formed in tide pools and cul-de-sacs off one of humankind's great migration streams.

All this has proven exceptionally fertile ground for ethnic humor. Dagestanis can tell ethnic jokes for hours, returning to beloved themes like the muscle-bound denseness of the Avars, the naked commercialism of the Dargins, the bookish pusillanimity of the Lezgins, the slyness of Lakhs and so on. And that's not counting jokes about especially dumb villages.

One example: An Avar is carrying a wounded Dargin off the battlefield. The Dargin entreats his friend to leave him behind, lest they both be killed, and asks the one favor of shooting him so he does not suffer. The Avar, finally convinced, pulls out his firearm but finds he has no ammunition. The Dargin roots in his pockets and pulls out a bullet. "I'll sell it to you," he says.

Or this one: An Avar is driving through Makhachkala with a Lakh in the passenger seat. Spotting a red light, he pumps the accelerator and speeds through it. "You just ran a red light!" the Lakh says. "Avars don't stop for red lights," the Avar explains, and speeds through another. In a few minutes, they come to a green light, and the Avar stops. "Why did you stop?" the Lakh asks. "You can't be too careful," his friend says, "an Avar might be coming the other way."

Some say the joke-telling tradition grew out of topography. Before the Soviets connected village groupings, or jamaats, with paved roads, bards would hike from one to another, singing ditties about the neighbors' peculiar clothes or mannerisms, said Enver F. Kisriev, a Dagestani sociologist at the Russian Academy of Sciences. Jamaats were so wildly differentiated — for example, Tsovkra, the village of tightrope-walkers, or Kharbuk, the village of dagger makers — that for centuries they had no choice but to trade across linguistic and ethnic barriers. This bred a bone-deep tolerance, he said.

"In Dagestan, everyone knows there are people who think in a completely different way," Mr. Kisriev said. "A Russian person who lives deep in the countryside and has never seen a Caucasian person — for him, everything is unexpected and alien. In Dagestan, that feeling doesn't exist. We are never surprised at the way people act."

If Dagestanis feel relaxed joking about their nationalities, from the distance of Moscow they look like a minefield. Soviets bureaucrats managed Dagestan by painstakingly distributing influence between important clans, and to this day, upsetting that equilibrium

can lead to disaster. Lezgins, for example, traditionally led the region's federal tax service, and when Moscow appointed a Russian to the post last year, they protested in such numbers that the police persuaded his motorcade to turn around at the republic's border.

When Vladimir Radchenko, the appointee, was able to show up for work, he was abducted — briefly, but long enough to convince decision makers in Moscow that the best candidate for the job was a Lezgin, after all. The appointment was quietly repealed. This complexity may explain why Russia's president, Dmitri A. Medvedev, hesitated for months before announcing his choice for the republic's next president (his nominee, a Dargin, will replace an Avar).

Nationalities historically meant very little to Dagestanis, Mr. Kisriev said, but they flared up in the vacuum left by the Soviet collapse, as local clans built political forces along ethnic lines.

“Traditionally, you turn to the authorities or to the police for protection,” he said. “But if that power comes crashing down, people begin returning to their traditional networks” — in this case the jamaat, or village structure, which, starting in the 1990s, would send buses of armed men to protect a member in trouble, he said.

In this atmosphere, ethnic jokes serve as a safety valve; failure to enjoy them is viewed as “a shortcoming in a man's character,” said Mr. Magomedkhanov, whose scholarly works include “Tattooed Mountain Women and Spoon Boxes of Dagestan.”

One anecdote has a guy approaching his neighbor Gitya, an Avar. He says, “Gitya, I heard a great joke the other day, but it's about Avars. I don't want to offend you, so I'll tell it about Azeris.” He tells the joke, and Gitya laughs so hard that tears stream down his face. “Man,” Gitya gasps, catching his breath. “Those Azeris sure are idiots!”

There are, of course, limitations on the practice. One is that not one joke mocks a woman; in fact, it would be considered a monstrous offense even to ask a Dagestani if his wife was in good health. And if you are thinking of offending a Dagestani, consider that full-on brawls are so common that some restaurants in Makhachkala list the cost of replacing chairs and tables on their menus.

Magomed Sagatov, 52, who lives in the village of Gunib, gave a dry little smile when asked about humor. Standing on his balcony, he could point to the four or five nearest villages through the mist on the snow-covered hills.

“When you've had to live 1,000 years with your neighbors,” he said, “you learn not to make offensive jokes.”

Russia's Version of Four Deaths Disputed

Memorial said in a report that the four had been abducted, tortured and killed, a conclusion that the organization said was based on interviews with witnesses. The four civilians had multiple gunshot or knife wounds, which Aleksandr Cherkasov, a director of Memorial, said had been photographed by local human rights activists.

The Kremlin, which views the militant Islamist insurgency in the North Caucasus as Russia's biggest domestic political problem, had no immediate comment on the report.

The authorities said over the weekend that the four people had accidentally come under attack in a forest during a large-scale operation by security forces that killed at least 20 militants in Ingushetia, a region bordering Chechnya.

Ingushetia's leader, Yunus-Bek Yevkurov, who narrowly survived a suicide bomb attack last year, apologized on Saturday for what he called the victims' "unfortunate deaths" and gave their families compensation money.

But Mr. Cherkasov said Monday, "They are not, as authorities claimed, the victims of cross-fire."

Violence has increased during the past year in Chechnya, the scene of two bloody separatist wars since the mid-1990s, as well as in Ingushetia and Dagestan.

They are the most troubled regions of Russia's North Caucasus, where Islamist militancy and anger at the government overlaps with the activity of criminal groups and clan and ethnic rivalries. Kremlin critics contend that heavy-handed actions by security forces have helped fuel the violence.

An unofficial Islamist Web site, kavkazcenter.com, citing relatives and local witnesses, said Monday that 14 civilians had been killed during the clashes last week, most of them teenagers who were picking wild garlic in a forest. The Web site cited local witnesses and relatives of the dead in its report.

Russian security forces, in particular the OMON riot police, were accused by the European Union and human rights groups of serious abuses during the two Chechen wars, accusations that the security forces disputed.

The newspaper Moskovsky Komsomolets, in an uncharacteristic criticism of the government, reported on Monday: "It's simple: Destroy militants with disregard for peaceful citizens. As it always is and always has been."

Imram Ezhiev, a Chechen human rights activist and head of the Society of Russian-Chechen Friendship, said in an interview from Grozny, the Chechen capital, "Forces kill civilians regularly, but it is rare for authorities to admit to it."

Russian ex-police boss gets life for supermarket murder

Denis Yevsyukov was convicted of two murders and 22 attempted murders.

CCTV recorded the shooting, in which seven people were wounded. Prosecutors say he was drunk at the time.

Friday's verdict came a day after Russian President Dmitry Medvedev announced sweeping measures aimed at reforming the country's police force.

Mr Medvedev dismissed two deputy interior ministers and 16 police generals, as well as ordering the staff of the interior ministry police to be cut by half.

The trial was seen as a key test of the government's drive to tackle police violence.

Yevsyukov, a former local police chief, wandered into the supermarket dressed in his uniform and walked around the shop shooting people at random.

Moscow's police chief was sacked the day after the shooting, and several senior officers were suspended.

During the trial a lawyer for Yevsyukov, Tatiana Bushuyeva, suggested defining the shooting as an act of hooliganism, the news agency Itar-Tass reported.

Intense interest

Massive publicity has surrounded the case and Russians have been following it very closely, the BBC's Richard Galpin reports from Moscow.

The defence was that Yevsyukov was not in his right state of mind. He was put under observation but psychiatrists said there was nothing wrong with him.

Often such cases are pushed under the carpet or punishments are much reduced, our correspondent says.

Many cases of police violence are still ongoing and this one could set a precedent, he adds.

On Thursday President Medvedev castigated Russia's bloated police force for solving barely half the crimes it investigates.

He said 2,000 murders and attempted murders go unsolved in Russia each year - a figure he called "frightening".

He also alluded to the many crimes committed by the police themselves.

The alleged crimes committed by Russian police officers last year alone range from murder and rape to drug-pushing and kidnapping, the BBC's Rupert Wingfield-Hayes reports from Moscow.

But analysts say chastising Russia's 1.4 million officers in public and firing a few top generals will do little to change the culture of abuse and corruption.

Litvinenko's widow says Russian authorities obstructing murder inquiry

The widow of Alexander Litvinenko, the former Russian spy who was poisoned with a radioactive isotope in 2006, appeared at the high court in London today to dismiss as "propaganda" claims that her husband's billionaire friend and benefactor was behind the murder.

Marina Litvinenko also accused the Russian authorities of keeping her "in limbo" by obstructing the investigation into her husband's death as she appeared as a witness for the Russian oligarch Boris Berezovsky in his libel battle with a man called Vladimir Terluk. Berezovsky, a fierce critic of the Kremlin who claimed asylum in the UK in 2003, alleges that Terluk, under the pseudonym "Pyotr", accused him of being behind Litvinenko's killing on a Russian TV show in 2007.

Terluk denies that he is Pyotr but yesterday alleged that Litvinenko had bullied him into making a false confession about being a Russian KGB assassin ordered to murder Berezovsky. This confession was then used to bolster Berezovsky's successful asylum claim by showing that he had a real fear of persecution, he said.

At part of Berezovsky's asylum case in 2003, Litvinenko, then still alive, testified that Terluk had told him that he had been ordered to reconnoitre Bow Street magistrates court, where Berezovsky was due to appear, and see how easy it would be to kill the Russian oligarch.

"The purpose of this was to see whether it would be possible to take in unexamined pens and cigarettes and to see if there was some place within the premises where someone posing as a journalist would be able to get sufficiently close to Berezovsky to drip fluid from the pen on to his clothing or shoe and then light a cigarette, blowing smoke in the direction of the fluid," Litvinenko testified, according to papers submitted to the high court today.

"The introduction of smoke could be a catalyst for a poison of some sort," he added. The court has already heard that Berezovsky considered Litvinenko one of his "most trusted friends in London". He provided the Litvinenkos with accommodation when they fled to

London from Russia after Litvinenko turned whistleblower and said that he had been told to assassinate Berezovsky. Asked by Berezovsky's barrister, Desmond Browne QC, whether she had grounds to suspect that Berezovsky was party to her husband's murder, Marina Litvinenko said: "No, I do not."

"I knew that the accusation against Boris was propaganda but I knew others in the Russian-speaking community would be likely to swallow that propaganda," she said in her witness statement.

She told the court: "In the months following the death I followed every aspect of the police investigation. I remain in limbo as the Russian authorities have obstructed the course of justice and have refused to extradite Andrei Lugovoi, whom the British Crown Prosecution Service named as the man they wished to charge with the murder." The case continues.

Drunk Policeman Runs Over Woman

Police major Alexander Razumnykh, a senior officer with the Basmanny district precinct, was drunk when he ran over the woman with his Mercedes at about 9:30 p.m. Tuesday, Moscow traffic police chief Sergei Kazantsev said in a statement.

The woman, a 31-year-old resident of the Kurgan region who had temporary Moscow registration, was hospitalized with fractured ribs, Kazantsev said.

The Investigative Committee said in a statement Wednesday that officers with the city's traffic police and the Basmanny precinct committed a gross violation of protocol by not informing prosecutors of the incident. The committee learned of the accident first from the media, the statement said.

Moscow police chief Vladimir Kolokoltsev will fire Razumnykh and has asked city prosecutors to pursue possible criminal charges against the officer, city police spokesman Viktor Biryukov said.

Kolokoltsev also fired the officer's supervisor, Yury Bykov, deputy head of the city police's central district branch, citing a "low level of work with his personnel, which has led to a number of incidents," Biryukov told Interfax.

The police force remains one of the country's least trusted institutions. It has come under fire recently for rampant corruption and abuses, including several deadly traffic accidents.

Former city police officer Roman Zhirov will go on trial next week at Moscow's Nagatinsky District Court on charges of running over a pregnant woman crossing the street in southern Moscow last May, RIA-Novosti reported. Zhirov purportedly fled the scene, and the woman died of her injuries in a hospital.

Medvedev sacks 18 police in purge

The Russian president sacked two deputy interior ministers – Nikolai Ovchinnikov and Arkady Edelev – and replaced them with allies from his administration. He also fired 16 interior ministry bosses, mostly from the regions.

The overhaul marks the start of Mr Medvedev’s long-promised drive to tackle corruption in the ranks of Russia’s law enforcers, where an entrenched bureaucracy has fostered bribery, violence – including torture – and extortion.

Mr Medvedev also announced tougher punishments for officers who break the law and a halving of the number of personnel in the interior ministry’s head office from 19,000.

The reforms will be a key test of his ability to change a hidebound political system of vested interests where he is seen to play second fiddle to Vladimir Putin, his predecessor.

Critics say that lawlessness and corruption grew under Mr Putin, who is now prime minister, as he created an authoritarian system where officials attained the status of “untouchables”.

But analysts said Mr Medvedev’s efforts could prove to be little more than window-dressing unless clean-ups were launched in other law enforcement organs, such as the FSB, the successor agency to the KGB, and inside the government itself. The reforms would fail unless the court system and parliament, which under Mr Putin became an instrument for rubber-stamping Kremlin decisions, became independent, critics said.

“As long as the law enforcement system is not transparent and parliament is not an instrument for public oversight then these reforms are no more than imitations,” said Lilia Shevtsova, of the Moscow Carnegie Centre.

Gennady Gudkov, the deputy head of the Russian parliament’s security committee, told the Financial Times: “So far, we don’t see any mechanism for control. It seems the steps are ideologically correct, but it is not clear how they will be implemented,” he said.

Mr Medvedev’s move comes after several violent incidents and corruption cases shook Moscow’s elite, including the case of a journalist beaten to death in police custody last month and the death in prison last November of a lawyer who had alleged corruption at the interior ministry.

The Russian Orthodox Church's growing power

MOSCOW, Russia — Priests serving with military units, religious classes in public schools, even blessings at national hockey games — this is the face of the new Russian Orthodox Church.

Following years of steady post-communism revival, the church saw an explosive growth in its activities and state role last year. Now critics warn that the growth is coming at the expense of religious freedom in the country, with many faiths under attack.

In an annual report on religious freedom released in late January, the Moscow-based Liberty of Conscience Institute said the relationship between the church and the state had become “symbiotic,” violating the constitution and leading to widespread discrimination against religious minorities.

In the latest move, Russia’s top court in December upheld a ruling banning a regional branch of the Jehovah’s Witnesses. The group has long faced scrutiny in Russia.

More widespread, the report warned, was discrimination against some of Russia’s larger minorities — Muslims, Jews and Buddhists. With Russian Orthodoxy, these are the country’s four recognized religions.

Last summer, Russian President Dmitry Medvedev announced an initiative to appoint Orthodox chaplains to all army units. The current school year is the first in which religion classes, for which students ostensibly can study religions other than Orthodoxy and choose a secular option, are offered in public schools. With Orthodoxy being the religion to which the overwhelming majority of Russians belong, critics fear other school options won’t be truly followed. The religious rights report warned that in any case the move could lead to the disintegration of Russia’s proclaimed secularity.

Lacking a state ideology, the Kremlin has had a heavy hand in pushing for the church’s prominence. Medvedev and Prime Minister Vladimir Putin are regularly shown on state-run television attending services. Medvedev’s wife is particularly active in Orthodox circles.

The church, a wealthy institution reveling in its newfound power following the state-mandated atheist years of the Soviet Union, asks its followers to hold not just society, but government, to its standards.

Father Vsevolod Chaplin, the church’s spokesman and head of its department of church-society relations, recently gave a sermon to believers from several former Soviet republics.

“We don’t have to be scared to put the following task before ourselves: If we, the majority in each of our countries — there are people here from Belarus, Ukraine, Moldova — then we have the full right that our moral principles, our vision for the present and the future are determining factors in those spheres of social life and government in which we work,” he said, according to the Interfax-Religion news agency.

In Russia, religion and ethnicity are intertwined — to call oneself Russian is also to call oneself Orthodox (ruski). There is a different word to describe Jews and Muslims (rossianie), for example, even if their families have been in Russia for generations. You

are not considered truly Russian unless you are Orthodox, whether a practicing believer or not.

The government-backed push to further raise the profile of the Orthodox Church only works to reinforce the growing nationalism that has engulfed the country since the Soviet Union's fall, critics say

Moscow ad screen porn hacker did it "for fun"

A special division of the Interior Ministry investigating IT crimes has detained an unemployed 40-year old man from the Black Sea port of Novorossiysk who showing of hard-core porn on an ad screen in the center of Moscow, the daily reported.

The incident occurred on January, 14 when one of the 6x9 meter advertising screens in the centre of Moscow showed pornography instead of adverts. A traffic jam promptly occurred as the drivers watched the video and recorded it with their mobile phones. The agency managed to switch the video off after about twenty minutes.

Police has captured the hacker at home in Novorossiysk. The man, whose name was not disclosed in the interests of the investigation admitted to the crime and said that he uploaded the pornographic video to the server of the advertising agency because he thought it would be shown on a screen in a shop in Moscow to a much smaller audience and would "entertain people".

The man said he had hacked into a server in of an undisclosed organization in Chechnya and changed the video in the playlist of the advertising agency from there. He said he was hoping that the policemen would not go there to look for him.

Employees of the Chechen organization were shocked to see detectives as they were unaware that their server had been broken into. The man now faces up to two years in prison for unlawful access to computer information and unlawful distribution of pornographic materials or items.

He called himself an "advanced Internet user" and said that he had previously broken into various servers "out of curiosity" and to improve his skills. The hacker was tried for documents forgery in 1999.

The hacker was released on his own recognizance. He has not been charged yet and the police are carrying out some technical examinations, deputy head of "K" division of Krasnodar region police department told RIA Novosti.

A city committee in charge of street ads has imposed stronger requirements for the security of the advertising screens after the incident. Owners of the screens now have to enable the agency to switch them off remotely in case of a hacker attack.

Fake signatures cost Russian firms tax breaks

Tax office boss Sergei Shulgin's letter, quoted in a report on gzt.ru, made it clear that a firm's prospects of landing a VAT rebate rested on their being able to verify full details of all contractors employed by the company.

The law does not preclude the possibility of an ephemeral firm appearing, so companies should pay more attention when choosing contractors each year," Shulgin replied to a query about a filed VAT claim.

That did nothing to impress RSPP vice president Alexander Murychev, who said: "Companies are unable to verify all the signatures on documents and have no information about whether the other party pays its taxes."

He added that companies could only reasonably expect to confirm that the sub-contractors were on the legal register of businesses - known as the United Register of Legal Entities - and had a valid taxpayer ID number.

The tax office pointed to the results of court hearings to lend weight to its case, with Shulgin's letter invoking judicial practice.

However, lawyers say the situation is less clear-cut. In cases where a director-contractor refused to confirm a signed contract, courts in Russia's Far East backed the tax office in 90 per cent of cases.

But in northwest Russia that figure was just 39 per cent, according to corporate lawyers at the Pepelyayev Group.

Entrepreneurs are now appealing for government help to stop legitimate businesses being stung by fly-by-night contractors who fail to play by the rules.

A group of 18 companies has lobbied the Finance Ministry urging changes to the tax code to protect businessmen from the tax-dodging ruses of their contractors.

The companies want to ensure that an invalid signature from the director of the fly-by-night firm is no longer a reason to withdraw VAT rebates.

However, tax officials insist that if an employee of a seemingly legitimate company forges a signature on an invoice and fails to pay tax, they can make no payment to the commissioning firm. "Otherwise the budget would lose twice - first when the contractor fails to pay the tax, and again when the money is recovered," explained FNS deputy director Natalya Komova.

She also warned that the Finance Ministry was unlikely to support any change in the rules, as too many companies were trying to create loopholes in the current regulations.

"It's no secret that often buyers and sellers are in collusion to gain reimbursements from the state," she told gzt.ru.

Justice Minister Decries Corruption, Pushes Reforms

Corruption in the Federal Prison Service is in "full bloom," with poorly paid prison personnel taking bribes in exchange for early paroles, meetings with friends and relatives and arranging transfers to different facilities, Konovalov told a news conference.

"The work that [prison authorities] are doing is not the most pleasant, and many of them deserve to have monuments erected to them during the life time," Kononov said. "But there is no black or white, because many of those people are also involved in corruption."

Kononov, a protege of President Dmitry Medvedev, has publicly spoken of the need to weed out corruption and abuses in the country's justice system. He has backed legislation allowing for house arrest rather than jail for suspected petty offenders, as well as the abolition of pretrial detention for white-collar crimes.

Economic:

Oil ends at highest level in 14 months

"Russia is playing oil politics again and is making the market nervous," said energy economist James Williams, president of WTRG Economics.

After earlier reports on Monday that Russia briefly cut off supplies to refineries in Belarus, Russia said later in the day that it had resumed exports.

"The story isn't necessarily over yet," said Phil Flynn, senior market analyst at PFG Best. "This is an ongoing concern and it raises a larger issue of energy security in Europe overall."

Prices were also boosted by a softer dollar, which was down against the euro, pound and the yen. Crude oil, like other commodities, is priced in dollars, and a weaker greenback tends to support prices.

Prices have spiked 10% in the last seven sessions. They climbed 78% in 2009 and posted the largest annual percentage gain since 1999, when prices jumped 112% during the year. Prices surged 134% since hitting an annual low in February.

But Williams doesn't expect the current rally to be a harbinger for the future of oil. While prices may continue to hike the first couple of weeks on colder temperatures across the nation, Williams said oil will not hold above \$80 a barrel for long, and likely drop to between the \$70 and \$80 range as the economy undergoes a slow recovery.

He added that stability in Iraq could pressure oil prices even further.

"Iraq has opened up to foreign oil companies refurbishing its field and getting oil production back up," Williams said. "If the the internal squabbles get under control, Iraq could increase oil production tremendously in a short period of time."

He said peace in Iraq could add up to 1 million extra barrels of crude oil to the market by the end of the year, and the country could rival Saudi Arabia in production levels within five years.

Gasoline prices. The national average price for a gallon of regular unleaded gas increased to \$2.663, up 0.3 cent from the previous day's \$2.660, according AAA. It was the 11th consecutive increase. ■

New reduction in Russia's discount rate

The Central Bank also noted that this decrease was prompted by positive dynamics in the inflation rate (the year-on-year inflation slid to 7.6 percent as of February 15) and a lack of significant risks that could spur inflation and make it exceed the official forecast for 2010.

Moreover, the cut in the discount rate is aimed at "promoting the creation of favorable conditions for sustainable economic growth," the bank's statement reads. Aside from that, it is also expected to curb short-term foreign capital inflow in Russia.

Georgia Criticizes French Arms Sales To Russia

Russia has entered informal talks to buy armored amphibious vehicles from France, a defense firm said this week, days after Paris announced it was ready to sell a Mistral warship to Moscow despite the concerns of NATO allies.

Saakashvili said the prospective warship sale was "very unusual and very, very risky" and the "tank issue is 10 times bigger".

He said that if Russia deployed Mistrals in the Black Sea "there is a direct risk of standoff between French-built Mistrals and basically NATO forces."

The French armored vehicles were superior to Russia's existing equipment and would enable Russia to invade any eastern European country "within hours," he told reporters during a London visit.

Saakashvili said he was sure he would discuss the issue with French President Nicolas Sarkozy.

French company Panhard said this week it was discussing selling "less than a dozen" of the four-person amphibious personnel carriers to Russia.

Plans by Paris to sell military equipment to Moscow have already raised concerns among its NATO allies Lithuania, Latvia, and Estonia, ex-Soviet republics which fear that any such deal could reduce their security.

Russia is in talks to buy a Mistral class helicopter carrier from France to modernize hardware that was exposed as outdated when Moscow invaded the breakaway Georgian region of South Ossetia to drive out Georgian government troops in 2008.

The United States has said East European NATO allies and Georgia had good reason to be nervous about the warship sale.

A French official said there would be no transfers of technology if the Russians bought the Mistral or the amphibious personnel carriers.

Moscow eats less as crisis bites

The average daily food consumption for the city dropped to 31,000 tonnes, compared with 32,000 in 2008, RIA Novosti reported.

At the same time, falling demand in the regions had a knock-on effect for city businesses, many of which sold less in the Russian provinces as a result.

That meant that Moscow became less reliant on buying in food from other regions, though 66 per cent of meat and 26 per cent of butter still has to be brought in.

Officials in the department of food resources believe consumption will start to increase again this year, and by 2012 the daily food demand will reach 33,700 tonnes.

Meanwhile inflation - static for the last quarter of 2009 - has returned to supermarket shelves.

January saw a 1.6 per cent increase in prices, compared with 2.4 per cent in Jan. 2009, while the first week of February saw a 0.2 per cent rise in basic costs, with a 1.2 per cent hike in sugar prices accounting for much of the upswing. Petrol and diesel prices also climbed.

1,000 tonnes ... Is equal to:

Slightly more than five large Blue Whales (estimated weight 190 tonnes each)

About 200 average African elephants, or 250 Indian ones

Approximately 1,000 monster brown bears or polar bears (exceptionally large bears weigh a little over one tonne)

1,572 Jon Brower Minnochs, who weighed 636 kg.

Baltic Pipeline, timber tariffs seen as linked

Speaking at an environmental summit in Helsinki on Feb. 10, Prime Minister Vladimir Putin urged Finland to approve the pipeline and accept that gas, "not dried manure," would be the commodity keeping their homes warm for the next 30 years.

Then, asked by a Finnish journalist whether Russia would hike timber tariffs - a measure that could cripple the Finnish timber processing industry - Putin said he would "consider further prolongation" of the current levels. "We don't want to do anyone any harm," Putin said. "We just want to do good for ourselves."

The approval for Nord Stream - the last in a series of environmental checks ordered by Baltic littoral states - paves the way for pipeline construction to begin as soon as April, and brings closer to fruition Russia's cherished dream of a direct export route for its gas to Europe that bypasses Ukraine and Belarus.

Once construction is completed, testing of the pipeline could start as soon as the end of next year.

'Rhetoric changed'

Russia's decision to hold off on a prohibitive timber export tax last autumn was integral in pushing the Finns to agree to Nord Stream, said Chris Weafer, chief strategist at Uralsib. "Finland was the most vocal in voicing objections to the Nord Stream proposal, raising specific environmental issues and making clear that they would block the programme," Weafer said. "The rhetoric changed as soon as Russia agreed to suspend ... [higher] timber tariffs."

Experts agreed that while the arguments for resolving the two issues stood separately on their own merits, clearly some link was being made by both countries.

Environmental campaigners appear to have been mollified by the ecology checks carried out into the pipeline, even though before they had voiced concern that it could stir up decades of accumulated dirt from toxic dumping, sewage, oil spills and even the remnants of chemical weapons in one of the world's most polluted seas.

Russia's Fiat deal boosts car industry

The deal will be a big boost for the country's struggling auto industry, and comes on the back of another direct investment deal, between Daimler and Kamaz, was struck in October 2009.

The 50-50 Fiat-Sollers partnership will be supported by a 1.2 billion-euro loan backed by the Russian government.

"This sector is one of the few where government is planning and investing," said Alexandr Osin, chief economist at Finam. "As a result, we see the inflow of foreign technologies and investment."

Ronald Nash, chief strategist at Renaissance Capital, said the deal meant that "things are moving in the right direction" for the industry, which needs "a lot of expertise and investment".

Fiat's involvement in the Russian car industry goes back to the late 1960s, when it contributed the design of the Lada for the giant Avtovaz plant at Tolyatti. In Soviet times, the clunky Lada was a dream car and people waited in line to get it. But when the domestic market opened up to foreign brands, Lada sales slumped.

This time Italy's biggest automaker committed itself to produce "C" class sedans, light commercial vehicles, minivans and Chrysler jeeps - nine new models in all.

Sollers manufactures and assembles vehicles under the UAZ 4x4 off-road vehicle and Ssangyoung SUV brands.

In 2005 Sollers became a dealer for Fiat, and began assembling several Fiat models.

Witnessing the deal last week, Prime Minister Vladimir Putin said the government had "supported Sollers in 2009 by allocating 5.7 billion roubles for the purchase of vehicles to meet federal and municipal government needs."

The deal was signed by Vadim Shevtsov, CEO of Sollers, and Sergio Marchionne, CEO of Fiat-Chrysler.

The Fiat factory will be in Naberezhniye Chelny, a small industrial town located on the banks of the Volga River, 1,000 kilometres east of Moscow.

In Soviet times, the factory there made tiny Oka cars.

A year ago Sollers moved its manufacturing base for off-road vehicles in the Far East, clearing the Tatarstan factory for the new venture.

Analysts said the Tatarstan factory will bring new technology to Russia and stimulate development of a local cluster of suppliers.

"The [share of spare parts produced domestically] can be 50 per cent. They can produce engines at existing ZMZ factory [near Nizhny Novgorod], also owned by Sollers, as well as gear boxes," said Mikhail Ganelin, an analyst at Troika Dialog.

He added that Avtovaz parts suppliers could also supply the Fiat-Sollers factory.

Under the agreement, most of the key technology will come from Fiat.

Putin said the government plans to allocate more than 1 billion euros for purchase of equipment, of which 60 percent will be of Italian origin.

Sollers and Fiat said the intellectual property rights for the new platform would be held by the joint venture.

The new factory plans to reach full production capacity of 500,000 vehicles per year by 2016. Currently, Sollers assembles some 75,000 cars there, and by 2012 the factory plans to produce 300,000 cars per year.

Ganelin, of Troika, said that making and selling half a million cars was doable.

"Around 10-15 per cent of this volume is designed for export for CIS countries. Another 10 per cent are Chrysler's Jeep Cherokee. The rest - 400,000 to 420,000 - looks like an achievable sales goal for Fiat brands," he said.

"We expect that by 2016 the Russian car market will recover to its pre-crisis annual sales volume," Ganelin said.

The new factory will create several thousand jobs in Tatarstan, but due to automation the numbers will be nothing like those at Avtovaz, which has a workforce inherited from Soviet times and used to using old-fashioned machinery.

Pulp protesters rally over Baikal

Meanwhile, another 1,000 people gathered in support of the plant, brandishing placards that read "Protecting the fish, remember the people." The rally was organized by United Russia and the plant's management, which provided transportation for 300 of its workers to attend. The pro-factory rally featured a speech by Duma deputy Andrei Lugovoi (wanted by British police in connection with the murder of Alexander Litvinenko), who got up on stage to say "We support the poor, we support you."

4 children seized - for \$4,500

St. Petersburg welfare officials denied this. "These people who tell stories about their children being taken away are alcoholics - they have money for a bottle, but not for their child."

A currently law being discussed in the State Duma would specify that children must be fed, clothed and housed adequately, putting thousands at risk for losing custody, an NGO for large families said. Currently as many as 80 per cent of families with three or more children live below the poverty line, the NGO told the paper.

Police beat piano prof

Sergei Beloglazov, a professor of the Yekaterinburg Conservatory, was stopped by an officer on his way home from a grocery store on Feb. 2. When he failed to produce a

passport, the officer began beating and kicking him. Now, Beloglazov says he has lost sensation in his hand and fears it will affect his piano skills.

New Deripaska IPO

Rusal chief Oleg Deripaska is considering an IPO of Eurosibenergo, with plans to float about \$1.5 billion worth of shares, according to a source cited by The Independent. Eurosibenergo, Russia's second electricity producer, includes power stations in Siberia that provide energy for Rusal's smelters. The IPO may take place in Hong Kong, after Rusal raised \$2.5 billion in a January offering there.

US shale creates Gazprom rivalry

Analysts say that these targets are not overly ambitious and should be achieved with the infrastructure the company is planning to develop.

"It is a question of capturing the market with increased competition from the US and new supplies in Europe," said Artem Konchin, an oil and gas analyst at Unicredit.

US shale gas is providing the greatest threat to Gazprom's targets, with output expected to quadruple by 2015. Increased production and a worldwide collapse in energy demand in the wake of the crisis have led to a "gas glut", but Gazprom believes it can use this as an opportunity to power the economic recovery.

"The majority of European countries' economies will be focused on the use of natural gas in great volumes for industrial needs, which [will] more and more supercede other energy sources," Gazprom said in an e-mailed statement.

Some analysts warn, however, that the development of shale gas and LNG could see Europe lessen its dependence on Russia's vast energy reserves. "If European producers reach half the speed of their US counterparts, the mid-term incremental demand will be met by European unconventional gas and the other half by LNG," said Mikhail Korchemkin, director of East European Gas Analysis.

Meanwhile, Gazprom deputy CEO Alexander Medvedev has dismissed the emerging threat of shale gas, describing it as "a danger to drinking water" that will be banned in the EU.

Regardless of any ban in Europe, Asia is likely to become the key battleground with its higher potential for growth, particularly in China.

"Asian demand is likely to grow quicker, but unfortunately negotiations with China are not progressing as quickly as hoped," said Konchin. A lack of infrastructure will also hold up Gazprom's claims to the Asian market, but the firm says it has investments in the pipeline and its location will give it a head start.

"[The Asian market] is one of the most promising," said Gazprom. "It is connected with the development of a powerful market in Asia and has the large resource centres of Russia in immediate proximity."

Here, both Gazprom and the US are likely to come into conflict with Asia's biggest supplier, Qatar, where US Secretary of State Hillary Clinton held talks with the country's leader, Sheikh Hamad bin Khalifa Al-Thani, over the weekend.

While discussions focused on peace issues in the Middle East, oil and gas were also thought to be on the agenda.

"[The US targeting Asia] would effectively mean that Qatari gas would not flow to Asia," said Viktor Mishnyakov, oil and gas analyst at Uralsib, adding that the Middle Eastern country would be unlikely to agree to any American proposals on this.

Moscow brings in pay-per-view job terminals

More than 20,000 terminals designed to ease job-hunting are set to be installed on Moscow's streets by the end of March, with the HeadHunter company rolling out a pilot scheme across the whole city.

Mikhail Zhukov, the firm's CEO, told RIA Novosti that three prototype terminals were already running.

"In the spring we plan to increase up to 15 terminals," he said. "In addition we are currently negotiating with a partner to provide similar services in Moscow and the Moscow Region for up to 21,000 terminals."

The current machines are in a job centre near Novoslobodskaya metro station, the Moscow offices of the United Russia party and in the Kashirsky Dvor DIY centre. Now the service is free, though the city-wide version will have a toll.

Zhukov says the terminals, due to be placed in rail and metro stations and supermarkets, will bring the benefits of on-line job-hunting to people who don't have internet.

He aims to compete with job newspapers such as Rabota by providing a searchable database of vacancies.

Job seekers can also fill out a short questionnaire and receive targeted information about up to 20 vacancies, complete with contact details for the employers.

Lisin Tops Rich List With \$18.8Bln

He surpassed last year's leader, Onexim Group president Mikhail Prokhorov, and runner-up Roman Abramovich, now perhaps best known for owning the Chelsea football club, to top a Russia rich list for the first time.

The list tracks the country's 500 wealthiest individuals and estimates their wealth as of Dec. 31 of the preceding year.

And while the billionaires parade found a new leader, the top spots were all held by familiar faces. Surging prices for raw materials last year helped owners of oil and metals companies recover lost ground, while those who cashed out before the crisis saw their relative worth fall amid a generally rising tide.

The 2010 list also saw a tentative comeback by Russia's construction moguls, who were almost entirely shut out from last year's Finans list.

"The thaw on the financial markets knocked cash billionaires from their pedestals," Finans magazine wrote Monday. "Although the record results scored two years ago could not be reached, the current rating came very close to 2007."

Prokhorov — widely congratulated for selling assets including a 25 percent stake in Norilsk Nickel before the crisis hit — slid to second place with \$17.85 billion, while Abramovich, who topped the Finans list in 2006, finished third with \$17 billion. And while both fell on the list, their fortunes rose by \$3.75 billion and \$3.1 billion, respectively.

Oleg Deripaska, who topped the 2008 list with \$40 billion, climbed two spots to No. 6 with an estimated \$13.8 billion, more than double his \$4.9 billion a year earlier.

The number of Russians worth at least \$1 billion rose to 77, from 49 a year ago, and the combined wealth of the top 10 wealthiest jumped 84 percent year on year to \$139.3 billion, Finans said last week. But the top 10 still have a way to go before they can match 2008's estimated \$221 billion of wealth.

Finans editors wrote that they were surprised to see Lisin — whose fortune jumped from \$7.7 billion a year ago — at the top of their list.

"Lisin is surprisingly little-known for a dollar multibillionaire, especially if you compare him with the 'number ones' of previous years," Finans wrote. "However, he is the lord and master in Lipetsk, and what's more, he's an honorary citizen of Lipetsk since summer 2009."

Lisin, 53, began working as an electrical fitter in Novokuznetsk while still a student at the Siberian Metallurgical Institute, from which he graduated in 1978. He worked in the

metals industry through the Soviet period and was a partner in Mikhail Chernoi's Trans World Group in the 1990s.

He eventually bought out other shareholders at NLMK to become chairman and fought off Prokhorov and his former business partner, Vladimir Potanin, after they acquired a 34 percent stake in 2000, Finans said.

And while the married Lisin is not a tabloid favorite like some of his predecessors as Russia's leading billionaire, he has made a name for himself as a hunting enthusiast.

Last year, he became president of the European Shooting Confederation, and he has led the Russian Shooting Union since 2002. Lisin, whose surname comes from the Russian word for fox, also runs the elite Fox Lodge gaming club, which bills itself as the largest shooting complex in Europe.

Apart from his 85 percent stake in Novolipetsk Steel, Lisin has extensive interests in the city of Lipetsk, and he owns Universal Cargo Logistics holding, which controls a number of major ports. He also owns the Gazeta newspaper and last summer acquired United Business Media, which owns the Business-FM radio station.

Novolipetsk Steel shares closed Monday at 88.89 rubles on the MICEX, about 1 percent higher on the day and roughly in line with the broader exchange. That's an increase of 110 percent from a year earlier, when NLMK was trading at 42.26 rubles.

The steelmaker's shares fell as much as 87 percent in the stock market's collapse in late 2008, and Finans wrote that Lisin would lose the top spot if his main asset fell just 5 percent.

The magazine heralded Lisin's conservative management style — focusing on investment rather than the aggressive expansion abroad that left his competitors mired in debt — for what it said could be a long reign as No. 1. But the magazine also suggested that Prokhorov was to blame for his drop.

"Mikhail Prokhorov was losing money throughout the year. For instance, he accepted a disadvantageous settlement with Oleg Deripaska agreeing to get additional shares of RusAl instead of cash at a price 1.5 times higher than investors valued RusAl during its IPO," the magazine wrote. "He literally threw to the wind \$100 million of 'investments' into the ZhiVi publishing house, which so far is only remembered for organizing a scandalous party on the Aurora cruiser."

Prokhorov lost at least \$2.5 billion on a deal to acquire an additional stake of indebted RusAl, which he first joined as a shareholder after selling his stake in Norilsk to the aluminum producer. Before the January IPO, he raised his stake to 19.16 percent as part of a restructuring deal to cut RusAl's debt.

But the deal valued RusAl at \$35 billion, Forbes Russia wrote last month, whereas IPO investors gave it a market capitalization of just more than \$21 billion during a Hong Kong listing last month.

Deripaska, who gave up majority ownership of RusAl during the IPO, had a somewhat more successful year, winning promises from state banks to continue refinancing the aluminum giant's debt. RusAl used \$2.14 billion raised from the IPO to pay down what had been \$14.9 billion in debt, which in turn was down from \$16.8 billion until a refinancing deal was agreed with more than 70 banks late last year.

This year's Finans list is also noteworthy for the re-emergence of real estate moguls, who were extinct as Russian billionaires by the time that Forbes put out its own list in May 2009.

Senator Andrei Molchanov, the main shareholder of St. Petersburg-based builder LSR Group, jumped 52 spots to 34th place with a fortune of \$3.15 billion, compared with \$450 million a year earlier.

Inteko president Yelena Baturina — the wife of Mayor Yury Luzhkov and Russia's longtime wealthiest woman — slid two positions to 47th, but her wealth more than doubled to \$2.2 billion, from \$1 billion in 2009. PIK co-owner Yury Zhukov also re-entered the billionaire's list with \$1 billion, up from \$870 million last year.

Senator Suleiman Kerimov, who owns the Nafta Moskva holding and now controls 45 percent of PIK, placed fourth on this year's list, with \$14.5 billion. Another heavily diversified billionaire, Alfa Group chairman Mikhail Fridman, also rose one spot to No. 5, with \$14.3 billion.

Finans commentator and entrepreneur Oleg Tinkov — worth \$2.6 billion on Finans' list in 2006 — placed 424th with \$150 million, down 58 spots. But he said he liked the 2010 trend nonetheless.

"We remember who were the richest before. It was mainly [people] who participated in the privatizations, the loans-for-shares auctions. Mikhail Prokhorov, Roman Abramovich, Mikhail Khodorkovsky," he wrote in his LiveJournal blog. "Lisin is a happy exclusion. He is an engineer. He cares about production — develops it."

But Tinkov said he was disappointed to see all the same people in the top positions: "The market should be changing, it should be shuffled. The cast of characters remains the same, despite the crisis and despite the mistakes they made."