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PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

Central and Eastern Europe including Russia and Baltic States

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Headlines	2
Report Summary	7
• Political fro	7
• Economic front	11
• Social front	14
Detailed report	16
Central Europe (Poland, Czech, Slovakia & Hungary)	16
• Poland	16
• Czech Republic	23
• Slovakia	26
• Hungary	27
Eastern Europe (Belarus and Ukraine)	34
• Belarus	34
• Ukraine	37
Baltic States (Estonia, Latvia & Lithuania)	39
• Estonia	39
• Latvia	43
• Lithuania	45

Head Lines.

Poland

- Rostowski 'Finance Minister of the Year'-05.03.2010
- Kaczynski and Tusk to go to KATYN separately-04.03.2010
- Poland gets NORDSTREAM pipeline shifted-By Jan Cienski in Warsaw-March 3
- Georgian attends Wise grad Group meeting-March 3-Trend News
- Polish labor ministry sees Feb jobless at 13.0 pct-Mar 4, 2010
- Obstacles face Poland's move to nuclear energy-By Dominika Maslikowski Mar 3, 2010
- Poland to Target Asia Investors with \$1 Billion Bond-By Piotr Skolimowski and David McQuaid-March 5, 2010
- Eastern Europe's largest economy grew an annual 3.1 percent last quarter, the fastest pace in a year-(Bloomberg)
- Internal Market Scoreboard: Member States post best-ever result but action still needed on practical application of rules
- Transposition and implementation of Internal Market rules
- Minister: Poland 'most efficient with EU funds'-04 March 2010
- State Tax Incentives and Government Support
- 100 years of International Women's Day-05-03-POLISKIE RADIO-POLANDNEWS
- MPs stub out complete smoking ban-05.03.2010
- PM Tusk scores in Poland-Hungary football match-03.03.2010

Czech Republic

- Energy security in Europe-Central questions -Mar 4th 2010-From the Economist
- Czech left will be hard pressed to meet promises-March 04, 2010- Kuwait Times
- Czech deputy PM visits Afghanistan-March 03,

- Czech Bond Auction Demand May Improve Today, KB Says-March 3 (Bloomberg)
- IMF Expects Czech Republic's Economic Recovery to Be Gradual-By Meena Thiruvengadam Dow Jones Newswires
- Czech Drivers Allege German Harassment-March 02, 2010-(EUNewsNet.com
- Strike threat is preview of what is to come - Czech Republic-Reuters-Mar 05 2010-

Slovakia

- Slovak centre-right picks new leader for election Martin Santa, Reuters
- Slovakia adopts law to crack down on illegal income-Saturday, March 06, 2010
- Slovak foreign minister to visit Georgia-05.03.2010-AFP
- Slovakia's share of renewable in 2005 was 6.4% and its target for 2020 is 14% of all energy produced.
- Slovak economy falls 2.6 per cent in fourth quarter-Mar 4, 2010
- New EU state structural funds should not be 'spread too thin'-VALENTINA POP-02.03
- 'Dubai passports impacted vote'-By HERB KEINON-04/03/2010

Hungary

- Serbian FM visits Hungary-3 March 2010- FOCUS News Agency
- Hungarian and Polish PMs discuss EU economic strategy-02.03.2010
- Hungarian Budget Swings Into Deficit in February-Of DOW JONES NEWSWIRE
- Hungary given option to buy local E.ON gas unit
- Accused war criminal fights extradition -March 5, 2010-AAP

Eastern Europe (Belarus & Ukraine)

Belarus

- OSCE MG plans to meet Armenian FM in Paris later this month-06.03.2010
- Belarus' Aleksander Lukashenko, European Chessmaster-Today's ZAMAN-5 Mar 2010
- Oman, Belarus ink pact to form business council-March 02, 2010-Oman Time

- Ukraine may join Unified Economic Space on WTO terms – Yanukovych-07.03.2010
- Russian Trade Zone: A Soviet Reunion

Ukraine

- Yanukovych in Moscow for better relation and especially the Gas Talk-March 06-EU News Network
- Ukrainian president seeks to improve relations with Russia
- Putin offers Ukraine to join customs union-05.03.2010,
- US Senate applauds Ukraine 'progress' on democracy
- EU urges Ukraine to embark on thorough reforms-March 02, 2010

Baltic States (Estonia, Latvia & Lithuania)

Estonia

- Estonian central bank upbeat on euro entry prospects-Mar 3, 2010,
- Estonian deflation eases, inflation seen in March
- Estonia February CPI down 0.1 percent on year
- Tallinn Botanical Garden opens an exclusive exhibition of archids

Latvia

- Activities of the Baltic sea region's organizations were discussed in Vilnius-2010-03-08 "Learning To Live With Neighbors", a view from Latvia-2010-03
- Swiss investors also eye part of Latvia's Parex-Mar 4, 2010
- Latvia hacker calls for 'fat cat' revolt-By Andrew Ward in Stockholm-March 4 2010
- World Bank Approves €100 Million Special Policy Loan for Latvia to Support Safety Net and Social Sector Reforms
- In 2009 total profit of business sector in Estonia was 17.2 bln kroons-
- Latvia economic ups 2010 GDP forecast to -3 pct
- Latvia c.bank bought net 35 mln Euros last week

- Latvian Grand Music Awards for 2009 presented in Latvia

Lithuania

- Grybauskaitė invites Lukashenko to the independence celebrations-2010-03-08
- Azerbaijani FM received the Chief of Foreign Affairs Committee of the Lithuanian Parliament
- PM of Lithuania: Gazprom claim is entirely law-based-BC, Vilnius-
- Lithuanian economy recovering faster than EU-2010-03-08 by Alfa
- Lithuania's Ministry of F.A invites foreign citizens to take the quiz believe in freedom-

Russia

- Russia, Croatia to sign three inter-governmental agreements-02.03.2010
- Russia-France: The New Alliance That Could Change Europe-Mar 2 2010,
- Maizuru contemplating sea link to NAKHODKA, S Korean port-Japan Today-07th
- Tehran gives all Russian pilots 2 months to leave-Reuters/Tehran
- Lavrov, Clinton discuss plans for Mideast talks in Moscow-3/6/2010
- Russian president demands quicker pace of military modernization-05.03.
- TABLE-Russia Jan trade surplus \$15.7 bln-customs
- Russian bank balances fall to 463.9 bln rbls
- Russia unveils 20-billion-dollar plan to save car industry-March 4
- U.S., British Soldiers Will Mark Hitler's Defeat in Red Square-Twitter Face book

About the Central and Eastern Europe Region

The report is a collection of news regarding the socio- economic, political, cultural and environmental events in the Central and Eastern Europe and Russia. For the compilation of this news update the leading News Papers of the region has been explored through Web. The Central and Eastern European region is consisted upon the following ten States: i.e. (Central Europe: Poland, Czech Republic, Hungary and Slovakia), (Eastern Europe: Belarus & Ukraine), (Baltic States: Estonia Latvia, Lithuania) and Russia.

Overview of the Report 109

At the Political Front of Central and Eastern Europe, the reappearance of Visegrad Group in Budapest and an agreement between Poland and the Consortiums of NORDSTREAM Gas Pipeline Project for the modification of its Pipe Line Project to ensure the safe and free navigation to Poland's Port, the Ukrainian President's visit to Russia, the US Senators resolution congratulating Ukraine for its march towards democracy and Franco-Russo agreement for selling of four French Amphibious Assault Ships to Russia were some exceptional events. While the Slovak Laws to crackdown on income collected through Corruption and Crime and the Poland's laws banning smoking in public places have occupied reasonable place in headlines. At the economic front of Central European States, News like, the prestigious UK-based magazine "Banker Magazine London" has granted their 2010 Finance Minister of the Year award to Poland's Jacek Rostowski, the Poland's strategy to sell about \$1 billion of bonds in Asian Markets of China, Hong Kong, Taiwan, India, Singapore and Korea and IMF's Concerns over growing Budget deficit in Czech Republic, Hungary and Slovakia remained the breaking News. At the social front of Central European States, a football match between the Poland's Prime Minister Donald Tusk and visiting Hungary's PM Gordon Bajnai in Warsaw, the Public Transport workers five-hour token strike in Czech Republic against the new Tax Laws have attracted the Media.

Report Summary

Political and diplomatic front

President Lech Kaczynski and PM Donald Tusk have announced to attend in April the celebrations of the 70th anniversary of the mass murder of Polish officers in KATYN, the place where in 1940 Soviet NKVD executed about 22,000 Polish prisoners of war, primarily officers, intellectuals and policemen. Although the KATYN massacre was approved personally by Joseph Stalin but, Russia is still refusing to acknowledge that the KATYN massacre was genocide

As the NORDSTREAM Gas Pipeline project being built under the Baltic Ocean to carry gas directly from Russia to Germany has threatened the shipping to Poland's most important port of SWINOUJSCIE, the Poland's government has successfully convinced the Consortium to modify the PLAN so that it does not endanger shipping in the region.

The Deputy Prime Minister of Czech Republic Martin Bartak paid an unannounced visit to Afghanistan on Tuesday and exchanged views with President Hamid Karzai. Their talks focused on various issues including enhancing bilateral relations and continued Czech military and civilian assistance to reconstruction process in Afghanistan.

Slovakia adopted a law on Thursday to crack down on income from crime and corruption ahead of a June election. Crime and corruption is a frequent feature of Slovak politics. Corruption has been widespread in central and eastern Europe during post-communist reforms and justice systems have been weak. The law will allow any Slovak to challenge the origin of anyone else's assets over 460,000 Euros (\$629,200).

Renewable energies such as wind and solar power, hydropower and biomass could play a major role in tackling the dual challenge of energy security and global warming. A new EU

directive on renewable energies, agreed in December 2008, requires each member state to increase its share of renewable energies in the bloc's energy mix, in order to raise the overall.

Hungary's PM Gordon Bajnai was on his short trip to Poland where he met his Polish counterpart and discussed various issues of bilateral and regional importance including the EU's new economic strategy.

Budapest hosted the Visegrad Group Meeting on 24 to 26 Feb. The **Visegrad Group** was established in 1991 at Hungarian Town, **Visegrad** by Poland, Czech Republic, Slovakia and Hungary. The delegations of the Eastern Partnership program partner-states- Georgia, Azerbaijan, Ukraine, Belarus, Moldova and Armenia, as well as the foreign ministers of Lithuania, Latvia, Estonia, Spain and Belgium were also invited. The meeting discussed issues of cooperation between the aforementioned countries and EU. Visegrad countries have as many votes in the EU as France and Germany combined. Next year Hungary and Poland will each have six months in the EU's rotating presidency.

President Aleksander Lukashenko, the authoritarian president of Belarus, by starting a campaign to threaten and penalize members of the country's noncompliant Polish community, he opened a new front not only with neighboring Poland, but also with the EU.

Oman Chamber of Commerce and Industry (OCCI) and Belarus Trade and Industry Chamber yesterday signed an agreement establishing an Omani-Belarusian Businessmen Council on the sidelines of the Omani-Belarusian Forum.

Ukrainian President Viktor Yanukovich arrived Friday in Moscow to meet with his Russian counterpart Dmitry Medvedev. He said he would try to convince Russian authorities to lower gas prices for Ukraine in exchange for a gas transit association consisting of Ukraine, Moscow and European member states. Around 80 percent of the Russian gas bound for Europe runs through Soviet-era pipelines in Ukraine currently. He promised to resolve the future status of the Black Sea Fleet, which has sparked clashes between Russian and Ukrainian nationalists in and around the city of Sevastopol, where it is based.

The US Senate unanimously approved a resolution presented by Senate Foreign Relations Committee late Thursday applauding Ukraine's "important progress" in building its democratic

institutions and holding peaceful elections this year. Democratic Senator John Kerry chaired the Senate Foreign Relations Committee. While the Russian Prime Minister Vladimir Putin has invited Ukraine to join the customs union of Russia, Belarus and Kazakhstan

On 4 March, Regional Directors from Foreign Ministries of the Council of the Baltic Sea States (CBSS) member countries met in Vilnius to discuss the interaction of the organizations in the Baltic Sea region and possibilities for the CBSS to take part in the implementation of the European Union's Strategy for the Baltic Sea Region. The European Council has adopted the EU Strategy for the Baltic Sea Region on 29-30 October 2009 in Brussels.

The hacker, with the name Neo, has issued a call for rebellion against "fat cat" officials after stealing millions of Latvian government tax records to expose the salaries of several senior bureaucrats. The computer hacker has even threatened to undermine the delicate public support for Latvia's financial reforms by revealing details of the lavish pay received by top officials while ordinary Latvians see their wages plummet.

Lithuanian president Dalia Grybauskaitė invited Belarusian President Aleksandr Lukashenko to the celebrate Independence Day on March 11. However, it is yet unclear if Lukashenko, who is often called the last dictator in Europe, will attend the 20th anniversary of re-establishment of Independence of Lithuania.

Russia and Croatia will sign in Moscow three inter-governmental agreements in the fields of energy, economy and tourism. The Prime Ministers of the two countries hoped that these agreements would help step up Russian-Croatian cooperation.

Likewise Russian President Dmitri Medvedev was in Paris last week and during his meeting with French President Nicolas Sarkozy, the two have reached a number of agreements, such as, selling of four French Amphibious Assault Ships to Russia, the largest-ever arms sale by a NATO member to Russia, and a massive contract of Russian natural gas to France. Most striking sign of that visit was an emerging Franco-Russo axis on the issues like sanctions against Iran.

Responding to that Franco-Russo understanding, the Iranian government has given Russian commercial pilots, working in the Islamic Republic, two months to leave the country as it has no need for their services. The move is a sign of strains between Iran and Russia, which has indicated it could back new sanctions against Tehran over its disputed nuclear work.

Officials of the Japanese port city Maizuru on the Sea of Japan coast have met with their counterparts from the Russian port city of NAKHODKA to discuss the commercial viability of opening a regular shipping route between the two sister cities. These closer economic ties among the Japanese, Russian and Korean coastal regions have encouraged several port cities in the region to set up shipping routes.

President Dmitry Medvedev on Friday urged Russia's armed forces to speed up the upgrading of their aging military arsenal as the country tries to build a modernized army. The number of Russian soldiers had been reduced to 1 million since the military reform was launched in 2008.

Economic Front

The prestigious UK-based magazine “Banker Magazine London” has granted their 2010 Finance Minister of the Year award to Poland’s Jacek Rostowski. The editor-in-chief, Brian Caplen, praised the tranquility of Poland’s Finance Minister, who did not surrender to the prevailing panic caused by the global finance crisis.

According to the World Nuclear Association, the average energy needs of the Polish citizen are almost half of the European Union average need, and are forecast to grow by 90 per cent by 2025. Moreover increasingly strict environmental regulations have made it almost impossible for Poland to continue to rely on coal-powered plants for electricity. That is why the Poland's government should build its two proposed nuclear-powered electric generating plants by 2020.

Deputy Finance Minister Dominik Radziwill said that Poland is targeting investors in Asia with its first sale of bonds in U.S. dollars since July to help closing its budget deficit. The government has planned to sell about \$1 billion of bonds in Asian Markets, probably in China, Hong Kong, Taiwan, India, Singapore and Korea

According to International Monetary Fund forecasts for 2010, the Eastern Europe's largest economy grew an annual 3.1 percent last quarter, the fastest pace in a year, and is likely to maintain 3 percent expansion through 2010. That compares with 2 percent growth for the central and eastern European region, while China's economy is poised to expand 10 percent and India's 7.7 percent.

The Czech Republic's planned sale of 6 billion koruna (\$317 million) of 10-year bonds will likely have improved demand from the last auction after the government reduced its second-quarter borrowing plan. The government plans to sell as much as 32 billion koruna in bonds and 23 billion koruna in new treasury bills in the second quarter.

Experts and MEPs of central and Eastern European Region agreed here on Monday during a seminar on the topic "the European Parliament Structural funds" that the European Parliament Structural funds should be developed in accordance with the needs and requirements of these all States because these central and eastern European States are not a homogenous bloc and are confronting with different kinds of economic and financial problems. The European Parliament Structural funds are a main tool available for EU new members affected by the recession to different degrees.

The Hungarian budget swung to a big deficit in February from January's surplus, but the developments remained in line with the finance ministry's forecast for the first quarter of this year. The budget generated a deficit of 381.9 billion forints (\$1.95 billion) in February, compared with a surplus of HUF31.3 billion in January.

The inauguration of the Russia-Kazakhstan-Belarus customs union at the beginning of this year gave a very visible push to the Kremlin's long-term goal of economic reintegration of the former Soviet republics. Many analysts interpret the Kremlin's intent as to re-create a kind of modernized Soviet Union, at least at the economic level.

European Commission President Jos Manuel Barroso said at a joint press conference with the new Ukrainian President Viktor Yanukovich on Monday that the European Union (EU) wants Ukraine to intensify economic reforms, especially to reopen talks with the International Monetary Fund (IMF) and make rapid progress in the modernization of country's gas sector.

Economic Ministry's data showed on Friday that Estonian deflation has eased in February as consumer prices dipped just 0.1 percent from a year earlier due to a flow in petrol prices, it forecasts that March will see an annual growth rate of 0.4 to 0.8 percent, but it depends on fuel prices and tax return money.

The World Bank approved a €100 Million Special Policy Loan for Latvia to Support Safety Net and Social Sector Reforms. This loan is a part of the international financial support program led by the International Monetary Fund and the EU aimed at easing the impact of the global financial crisis and rapid economic contraction.

According to preliminary data of Statistics Latvia, in 2009 only Mining, Energy, Real Estate and Human Health Activities were capable of increasing their profits. Agriculture and forestry as well as accommodation and food service activities were in loss.

Lithuania's gross domestic product grew 0.5 percent in the fourth quarter compared to the third in 2009, a larger growth than the EU average of 0.1 percent growth. The yearly result for Lithuania shows a steep decline of GDP of 13.2 percent. The Latvian economy has faced the steepest decline in the same period – the country's economy declined by another 3.2 percent, according to Euro stat.

Russia's foreign trade surplus rose to \$15.7 billion in January from \$9.1 billion in the same period a year ago, the Federal Customs Service said on Friday.

The government on Thursday unveiled a plan to invest almost 20 billion dollars over the next decade to transform the embattled Russian car industry into a major global player. Some 584 billion rubles (19.6 billion dollars) of state funds will be invested in the car industry to 2020,

Social Front

The Lower House of the Parliament has adopted a special resolution, paying tribute to females in celebration of 100 years of Women's Day in Poland. The resolution also touches on the issue of gender equality and stresses that women have the right to receive wages equal to those of men.

Meanwhile the lower house of parliament (Sejm) has passed a much more liberal amendment to a bill banning smoking in public places in Poland, allowing areas in pubs and clubs where smokers can light up a cigarette. Smoking rooms would also be available in schools, universities, hospitals, and workplaces.

Prime Minister Donald Tusk and his associates played a football match against visiting Hungary's PM Gordon Bajnai and his team in Warsaw, the game ended in a diplomatic (3:3) draw. During the match Donald Tusk managed to score a goal past PM Gordon Bajnai, who was Hungary's goalkeeper.

The Public Transport workers pledged to go on a five-hour token strike against the new Tax Laws passed by the Parliament and now put before the President for final signature. Various Trade and workers Unions are opposing the amendment on the ground that it will endanger their benefits. Although the President Václav Klaus says he will not sign the amended law the issue is still not settled. Strikes are rare in this central European EU member. A Czech transport strike has drawn the battle lines for a general election in May.

Visiting Slovak Foreign Minister Miroslav Lajcak told "The Jerusalem Post" on Wednesday that the anger over Hamas Leader, Mabhouh's, death helped keep Goldstone issue alive. European anger over supposed Israeli misuse of passports to kill Mahmoud al-Mabhouh in Dubai on January 19 played a "certain role" in shifting EU votes on the Goldstone Report in the UN General Assembly last week.

A Federal Court judge will decide whether to order the federal government to disclose the reasons behind its decision to extradite accused Nazi war criminal Charles Zentai to Hungary. Mr Zentai, 88, is currently on bail, living with his family in Perth's southern suburbs. He is accused of being one of three Nazi-backed Hungarian soldiers who tortured and murdered Jewish teenager Peter Balazs for not wearing a yellow star in Budapest in November 1944.

Tallinn Botanical Garden opens an exclusive exhibition of fascinating orchids on March 6, 2010. In the exhibition exotic flowers were displayed. Rare Species from nature and varieties created by human efforts around the world were exposed side by side and it was up to visitors to decide whether the work of nature or of man was the most successful.

Lithuania's Ministry of Foreign Affairs invites foreign citizens, who take interest in the Lithuanian history, culture and current politics, to check their knowledge by taking the quiz "BELIEVE IN FREEDOM". The quiz is available here until 30 June. The participant, who will answer all questions correctly, will win a four-day trip to Lithuania for two people.

U.S., British and French soldiers will march on Moscow's Red Square to commemorate the defeat of Nazi Germany 65 years ago. Russia's Western allies against Adolf Hitler in World War II have confirmed their participation in the annual May 9 parade. The military parade will be Russia's largest ever parade. Human rights activists and allies of Prime Minister Vladimir Putin have attacked plans by the city of Moscow to allow portraits of Soviet leader Josef Stalin to be displayed during the commemorations.

Detailed Report

Poland

Political Front

Rostowski 'Finance Minister of the Year'-05.03.2010

The Banker Magazine London has granted their 2010 Finance Minister of the Year award to Poland's Jacek Rostowski. At the award ceremony today, the editor-in-chief of the prestigious UK-based magazine, Brian Caplen, praised the composure of Poland's finance minister, who did not succumb, he said, to the prevailing panic causing costly stimulating procedures during the global finance crisis. Brian Caplen underlined that Minister Rostowski decided that cutting and not increasing public expenditure would help Poland overcome a threatening crisis. Caplen also said that Rostowski managed to present a clear path for Poland's entry into the Euro Zone and negotiated a huge credit reserve from the IMF, which helped Poland maintain its credibility on international markets. Receiving the award in London, Jacek Rostowski underlined that it is also recognition of his fellow ministers in government, who accepted the harsh budget cuts he proposed.

Kaczynski and Tusk to go to KATYN separately-04.03.2010

President Lech Kaczynski and PM Donald Tusk will not attend the celebrations of the 70th anniversary of the mass murder of Polish officers in KATYN together. Prime Minister Tusk will go to KATYN on 7 April to pay homage to Polish victims of the 1940 KATYN massacre together with Russia's PM Vladimir Putin. While President Kaczynski will also take part in the celebrations on 10 April, which is the official date of the national ceremony. Kaczynski will head a Polish delegation comprised of veterans, scouts and Poles from all over the world, announced Wladyslaw Stasiak from the Chancellery of the President. In 1940, Soviet NKVD executed about 22,000 of Polish prisoners of war, primarily officers, intellectuals and policemen, in the Katyn Forest in Russia, Kharkov, Kalinin and other places. The Katyn massacre was approved personally by Joseph Stalin but spite of numerous calls from Polish authorities, Russia is still refusing to acknowledge that the KATYN massacre was genocide

Poland gets NORDSTREAM pipeline shifted-By Jan Cienski in Warsaw-March 3 2010

Poland has succeeded in moving the NORDSTREAM gas pipeline being built under the Baltic so that it does not endanger shipping to the port of SWINOUJSCIE, according to a letter from German authorities to the Polish infrastructure ministry. The pipeline, which will carry gas directly from Russia to Germany, circumventing the countries of central Europe, had threatened to limit shipping to one of Poland's most important ports by limiting the draught of ships. Although the consortium building the €7.5bn pipeline insisted that laying the pipe on the seabed posed no risks, it has agreed to shift it northwards so as not to cause problems for shipping entering the Polish port, site of a future liquefied natural gas terminal

Georgian attends Visegrad Group meeting-03.03.2010, March 3-Trend News

Georgia, Tbilisi -Budapest hosted the Visegrad Group (Poland, Czech Republic, Slovakia and Hungary) meeting scheduled. The delegations of the Eastern Partnership program partner-states- Georgia, Azerbaijan, Ukraine, Belarus, Moldova and Armenia, as well as the foreign ministers of Lithuania, Latvia, Estonia, Spain and Belgium, were also invited to the event. Georgian Vice Prime Minister Giorgi Baramidze and Deputy State Minister for Eurointegration Tamara Beruchashvili will represent Georgia at the meeting, the vice prime minister's apparatus told Trend News. The meeting discussed issues of cooperation between the aforementioned countries

and EU. The Georgian delegation focused attention on the Georgia-Russia conflict, placement of additional military forces in the occupied areas of Georgia, construction of new military bases and a gross violation of human population in the occupied territories. The country's delegation also stressed the importance of EU's participation in the settlement of the Georgia-Russia conflict.

Economic Front

Polish labor ministry sees Feb jobless at 13.0 pct-Mar 4, 2010

WARSAW, March 4 (Reuters) - Poland's unemployment rate likely rose to 13.0 percent in February from 12.7 percent reported for January, TVN CNBC said quoting labour ministry's forecasts on Thursday

Obstacles face Poland's move to nuclear energy-By Dominika Maslikowski Mar 3, 2010

Opole, Poland - Nuclear energy is crucial for a quickly developing Poland to meet its growing needs, but obstacles remain to government plans to build the country's first power plant by 2020, experts say. After years of hesitancy after the 1986 Chernobyl disaster, nuclear energy is now 'unavoidable' if Poland wants to meet its growing energy demand, said former deputy economy Minister Jerzy Markowski, speaking at the Silesia International Economic Forum in Opole last week. A resolution on nuclear energy was adopted by Poland's government last year, with plans to build two nuclear-powered electric generating plants. That resolution calls for opening of the first such plant by 2020. The average energy needs of the Polish citizen are almost half the European Union, but consumption is forecast to grow by 90 per cent by 2025, according to the World Nuclear Association. With that growing demand, the country faces an 'energy crisis' and possible blackouts if it does not move to nuclear power. Increasingly strict environmental regulations will make it impossible for Poland to continue to rely on coal-powered plants for electricity. The European Union agreed in March 2007 on three objectives for 2020: to cut by 20 per cent greenhouse gas emissions, to improve energy efficiency by 20 per cent, and to get 20 per cent of its energy from renewable sources. Germany has 17 nuclear power plants, Czech Republic has six, Slovak Republic has four and Ukraine has 15, according to the European Nuclear Society,

Polish govt woos president over plans to cut debt

WARSAW, March 2 (Reuters) - Polish Finance Minister Jacek Rostowski sought on Tuesday to avert a presidential veto of a set of bills the government says would lower debt and deficit levels in years ahead. But President Lech Kaczynski, a political opponent of the government who is expected to seek a fresh five-year mandate in this autumn's presidential election, said he needed to see the bills' details before deciding whether to back or block them. Prime Minister Donald Tusk's centrist coalition needs to show investors it is serious about reining in the budget deficit and public debt but lacks a big enough majority in parliament to override Kaczynski's veto. He said he hoped to persuade the president during the meeting to allow the bills to pass. The bills under preparation would cut special pension privileges for uniformed services such as the police and soldiers, curb disability benefits, trim defence spending and enact a cap on budget spending growth.

Poland to Target Asia Investors with \$1 Billion Bond-By Piotr Skolimowski and David McQuaid-March 5, 2010

(Bloomberg) -- Poland is targeting investors in Asia with its first sale of bonds in U.S. dollars since July to help plug its budget deficit, Deputy Finance Minister Dominik Radziwill said. The government plans to sell about \$1 billion of bonds due in five years because that was the maturity "preferred" by investors in Asia, Radziwill said in an interview. The sale probably will be next month and follows investor meetings last week in China, Hong Kong, Taiwan, India, Singapore, Korea and Australia, he said. "The presence of Asia investors in our bond sales has been low," Radziwill said. "That's where the growth is right now, reserves are rising so it would be good if their share in the Polish bond market increased." Poland, the only European Union economy to avoid a recession through the credit crisis, is luring international investors, with foreign holdings of domestic government bonds reaching the highest level since at least 2004, according to the Finance Ministry's Web site. While Greece's budget gap of 12.7 percent of gross domestic product is driving away money managers, Poland's pledge to narrow its deficit to 2.9 percent of GDP in 2012 has helped cut yields to a seven-month low. "There is a lot of interest in Poland, despite negative signals coming from the European Union related to Greece," said Radziwill. "Economic growth in Poland even compared to Far East Asian countries is high."

Officials met with investors in Asia to “promote and inform” them about the country’s local and international bonds

Officials met with investors in Asia to “promote and inform” them about the country’s local and international bonds, the Finance Ministry wrote in an e-mailed response to Bloomberg last week. Nomura Holdings Inc. organized the meetings. The country is likely to register the bonds with the U.S. Securities and Exchange Commission “in several weeks,” Radziwill said. The government may have more success selling the bonds to state institutions than fund managers in Asia, according to Wee- Ming Ting, head of Asian bonds in Singapore for Pictet Asset Management, which oversees \$7 billion of emerging-market debt. “Official institutions may have some interest because it is sovereign risk, they are more comfortable with sovereign risk,” Ting said. “For the rest of the industry, they’ll have less interest. It’s a distance away from Asia, there’s less familiarity with it.” China’s foreign exchange reserves, the world’s largest at about \$2.4 trillion, climbed 23 percent last year, according to data compiled by Bloomberg. South Korea increased reserves in 2009 by 34 percent to about \$270 billion, the data show.

Internal Market Scoreboard 20: Transposition and implementation of Internal Market rules-(details)-EU-27 Member State transposition deficit, as at 10/11/2009 – 1521 directive

Ranking	1	1	3	3	3	6	6	6	6	10	10	12	12	14	15	16	16	18	19	20	21	21	23	24	25	25	27
Member State	LT	MT	BG	DK	RO	HU	LV	SK	SE	NL	SI	ES	FI	DE	FR	EE	UK	CY	BE	IE	AT	PT	CZ	PL	IT	LU	EL
Transposition deficit (%)	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.4	1.4	1.4	1.5
Number of directives not transposed	3	3	4	4	4	6	6	6	6	7	7	8	8	9	10	11	11	12	13	15	16	16	19	21	22	22	23
Missig notificatio																					1	1	4	6	7	7	8

monetary policy. The difference between us and other countries is still too great," he added. Poland, the biggest ex-communist member of the European Union, was the only bloc's country to have avoided recession in 2009, but its debt and deficit levels ballooned due to the financial crisis far beyond levels set for euro aspirants.

Minister: Poland 'most efficient with EU funds'-04 March 2010

Poland's use of EU funding has been the most efficient of all new member states, contributing to the country's resistance to the recession, high-ranking Polish politicians and business figures claimed last week. Regional funds account for approximately a third of the total EU budget for the 2007-2013 period.(Full list available here).The goal of European regional policy is to reduce the gap between the development levels of the various regions via so-called economic and social cohesion. Approximately 67 billion euro was allotted to Poland for the 2007-2013 period - the biggest amount of funding made available to an EU member country in the history of the Cohesion Policy. Poland has translated its strategic development priorities into 21 programs: five national and 16 regional programs for all 16 Polish regions. In an interview with online business portal Polish Market, Bieńkowska claimed that "compared to other new EU member states, Poland has made the most efficient use of EU funds". Poland had used in full all the funds allocated to it, she observed, saying this had been felt in the economy's performance. Poland best performer in recession, say bigwigs. In particular, Warsaw has repeatedly emphasized the fact that Poland was the only EU country to avoid a recession in 2009. Despite the fact that GDP growth last year was at a 10-year low, at 1.6%, Poland stood alone as the only member state "in the black". While most economists point to the country's large consumer market and strong economic fundamentals to explain this success, Polish EU experts contend that the skilful and efficient uptake of EU funding is also a key factor.

Benefits of Doing Business in Poland-March 03, 2010-by Declan Mulkeen-(OfficialWire) LONDON, ENGLAND

A country of unique culture, history and geography, Poland increasingly attracts foreign business from all over the world thanks to recent economic changes. The last decade has been very successful for the country's economic growth and transformation. Joining NATO in 1999 and

the European Union in May 2004 have opened the Polish market to foreign investors and development opportunities. Poland receives one of the largest pools of EU funding for development and infrastructure which makes it very attractive to foreign investors. Its location in the heart of Europe where Western and Eastern values meet creates an ideal opportunity for business development. Below are some of the key benefits of doing business in Poland.

Strategic Geographical Location

The strategic geographical location of Poland has played an important role in its development. Located on the crossroads between Eastern and Western Europe, Poland is a link between West and East and offers the large market of Central Europe for trade and transport. Sharing borders with Germany, the Czech Republic, Slovakia, Lithuania, Belarus, Ukraine and Russia provides wide trade opportunities. Also, Poland's ports and over 400km of coastline enhance its trading opportunities. As a member of the EU, Poland also benefits from a free flow of goods and services.

Access to Developing Economy- Poland stands out as a success story among transition economies since its liberalization-Polish Information and Foreign Investment Agency).

Poland stands out as a success story among transition economies since its liberalization in 1990, and today it has one of the most successful and fast-growing economies in Central Europe. Its transformation to a democratic, market-oriented country raised Poland's profile on the international stage. Polish potential was also recognized by the European Union which was generous in funding development, and this in turn attracted foreign investment. Poland is also a leader in Central Europe in foreign direct investment with an inflow of 14 billion dollars (2006, Poland's future looks very promising thanks to the flow of foreign capital into its economy.

State Tax Incentives and Government Support

The Polish government is in favour of foreign investments and has introduced business-friendly reforms to lower taxes. Government incentives depend on the costs of the investment and job creation, as well as the outcomes of negotiations with authorities. They are composed of three types of public aid: regional, horizontal and sectoral. Incentives also include various types of grants and can be combined with tax exemptions and loans. Foreign investors in Poland gain

access not only to the Polish market but also to the vast EU market. They can take advantage of lower production costs in Poland as a new member in comparison to those which are longer established. Poland offers a large qualified workforce and its legal system is moving towards full harmonisation with Western standards.

Strong Relationships with Counterparts

Poland has a family-focused society and the Polish value close personal relationships. Due to Poland's history of occupation, it is generally the case that outsiders must earn the trust of their Polish acquaintances before a close relationship forms. For this reason Polish people tend to adopt a fairly formal approach to begin with and it may take several meetings before any final decisions are made. However, Polish people appreciate the patience of their counterparts in establishing relationships and are very loyal to them once trust is established. Understanding the Polish culture and traditions is key to doing business in Poland effectively. Attending a cross-cultural training program such as Communicaid's Doing Business in Poland will help individuals and organizations to maximize the benefits of their investments in this development-oriented country.

Social Front

100 years of International Women's Day-05.03.2010-POLISKIE RADIO-POLANDNEWS

The Lower House of the Parliament has adopted a special resolution, paying tribute to females in celebration of 100 years of Women's Day in Poland. We pay respect to their everyday chores. We remember that all women who take care of their children, whose efforts are not appreciated on a daily basis; who are raising a new generation of Poles,' reads the document. The resolution also touches on the issue of gender equality and stresses that women have the right to receive wages equal to those of men. The Lower House reminded that women, victims of family violence, outnumber the victims of armed conflicts. The Lower House confirmed the words of the Vienna Declaration that women's rights are an inseparable part of human rights and as such should be respected. International Women's day has been observed since the early 1900s. In 1909, in accordance with the declaration by the Socialist Party of America the first national Women's Day was observed across the US. In 1910 at a second International Conference of

Working Women in Copenhagen, the idea of an International Women's day came up to press for women's demands. In 1913 International Women's Day was transferred to 8 March and this day has remained the global date for International Women's Day ever since, although it is not widely recognized. The importance of the day has waned in Poland in the last twenty years, being more associated with the efforts of communist government to make the gender feel a vital part of the socialist effort.

MPs stub out complete smoking ban-05.03.2010

The lower house of parliament (Sejm) has voted for a much more liberal amendment to a bill banning smoking in public places in Poland, allowing areas in pubs and clubs where smokers can light up a cigarette. The vote in the Sejm yesterday evening - carried by 217 for, 165 against and 48 abstentions - came a shock to the parliamentary health committee which had recommended a total smoking ban in public. Under the new amendment, it will be possible in small restaurants and pubs for the owner to decide whether a smoking ban would be in place. In premises over 100 square meters a separate smoking area must be provided. If the premises with an area of over 100 meters have more than one room, the owner decides which of them a smoking area is. Smoking rooms would also be available in schools, universities, hospitals, and workplaces. The rules would not prohibit the sale of e-cigarettes.

PM Tusk scores in Poland-Hungary football match-03.03.2010

Prime Minister Donald Tusk and his entourage played a football match against Hungary's PM Gordon Bajnai and his team in Warsaw, Tuesday, with the game ending in a diplomatic draw. The match, played on a brand-new school football pitch in Warsaw, ended 3:3. During the match Donald Tusk managed to score a goal passed PM Gordon Bajnai, who was Hungary's goalkeeper. The Polish team included Interior Minister Grzegorz Schetyna, deputy head of the Civic Platform's parliamentary club Slawomir Nowak, Civic Platform MP Ireneusz Ras and former football player turned Member of Parliament Roman Kosecki, who scored two goals. Hungarian politician David Koranyi, member of the Chancellery of the Prime Minister, scored two goals for the rival team but got injured after he bumped into the Polish goalie. The main

purpose of Gordon Bajnai and his colleagues' trip to Poland, however, was to discuss the EU's new economic strategy

Czech Republic

Political Front

Energy security in Europe-Central questions-Mar 4th 2010-From *the Economist*



DOES “Central Europe” exist? It depends on the political climate. Amid worries that France and Germany are stitching up the European Union’s decision-making, the Czech Republic, Hungary, Poland and Slovakia are reviving their ties and pushing shared ideas on energy security and relations with the east. The alliance began in Visegrad, a Hungarian town, in 1991, when even the EU’s waiting-room seemed distant. Once dreams of joining Western clubs became reality, co-operation all but dissolved. New members shunned anything that made them seem different from the rest. Squabbles, most recently over the treatment of ethnic Hungarians in Slovakia, dominated Visegrad meetings. Some even suggested winding the club up. Not anymore. At a summit in Budapest on February 24th Visegrad showed signs of renewed life. The big shift is in Poland, where go-it-alone policies have given way to enthusiasm for working with the neighbors. Under the voting rules of the Nice treaty, in force until 2014, Visegrad countries have as many votes in the EU as France and Germany combined. Next year Hungary and Poland will each have six months in the EU’s rotating presidency. Eurocrats in Brussels like to portray the rotating presidency as largely redundant now there is a permanent European Council president. The Poles and Hungarians are working closely together to disprove this. Hungary wants a “Danube strategy” to divert EU money and attention to the river basin. Poland supports this, in return for

Hungarian backing for more EU aid to countries such as Georgia, Moldova and Belarus. The group is gaining allies. “Visegrad-Plus” adds some neighbors, largely from the former Austro-Hungarian empire. Most of these (especially the core four) depend heavily on Russian gas and oil. These are typically costly and come from clapped-out fields along ageing pipelines through unreliable transit countries, with unwelcome political conditions attached. One way to change this would be to turn the east-west gas pipelines into a grid, with interconnectors running north to south. New Hungarian pipelines to Romania and Croatia will be finished this year. A Czech-Polish connector will open in the summer of 2011. An EU-financed Bosnian-Serbian link will be announced on March 5th. A second idea is coastal terminals in Poland and Croatia to import liquefied natural gas by tanker from countries such as Qatar. The third plan is Nabucco, an ambitious pipeline to connect Caspian and Iraqi gasfields to Europe via Turkey. Visegrad is also pushing for EU rules on mutual help in energy crises. These could offer the region greater security. But big obstacles remain. One is Russia, which is intensifying its co-operation with friendly energy companies in France, Germany and Italy. On a trip to France, Russia’s president, Dmitry Medvedev, started formal talks on the sale of up to four Mistral-class warships, while France’s GDF Suez gained a 9% stake in the Nord Stream pipeline. Russia also continues to push South Stream, a Russian-backed Black Sea pipeline. But it now has less backing than Nabucco. The new Croatian prime minister, Jadranka Kosor, visited Moscow this week and signed up to receive gas from South Stream. But Hungary and other countries have stiffened Croatian resistance to other Russian plans, such as the attempt to gain control of an oil pipeline from the Croatian coast to Hungary. That is a lifeline for Hungary’s energy company, MOL, which otherwise depends solely on oil from the east and is fighting attempts by a Russian company, Surgutneftegaz, to gain control. The biggest problem is that energy security costs money. Gas interconnectors, for example, sound fine. But the extra competition they bring hits market share for companies used to cosy national monopolies. The Visegrad governments may gripe about west Europeans. But they have plenty to do on the home front.

Analysis

Czech left will be hard pressed to meet promises-March 04, 2010-By Jan Lopatka. Kuwait Times

A Czech transport strike set for Thursday has drawn the battle lines for a general election in May, giving the left a popular rallying call to protect welfare but casting the country's euro convergence program into doubt. Strikes are rare in this central European EU member, which has had a relatively good crisis with no bank failures and no loss of confidence requiring International Monetary Fund aid as occurred in Hungary, Romania and the Baltics. But a sharp jump in the fiscal deficit, due mostly to a four percent economic contraction last year, has pushed euro entry back into the second half of the decade and made fixing the budget and protecting jobs the key issues in the May 28-29 poll. Voters will also vent their frustration with politicians stained by a series of corruption scandals, which may bring new parties into parliament and complicate coalition building. The election should break a deadlock that has gripped Czech politics since a centre-right cabinet that had limped along for two years without a parliamentary majority collapsed last year.

Czech deputy PM visits Afghanistan-March 03,

The Deputy Prime Minister of Czech Republic Martin Bartak paid an unannounced visit to Afghanistan on Tuesday and exchanged views with President Hamid Karzai, a statement released by the Presidential Palace said. "Martin Bartak, Deputy Prime Minister and Minister of Defence of Czech Republic visited Afghanistan today and held meeting with President Karzai," said the statement. Their talks focused on various issues including enhancing bilateral relations and continued Czech military and civilian assistance to reconstruction process in Afghanistan, the statement said.

Economic Front

Czech Bond Auction Demand May Improve Today, KB Says-March 3 (Bloomberg)

The Czech Republic's planned sale of 6 billion koruna (\$317 million) of 10-year bonds today will likely have improved demand from the last auction after the government reduced its second-quarter borrowing plan, Komerční Banka AS said. At the Jan. 13 auction of the same security, investors bid for 6.49 billion koruna, less than the 7 billion koruna on offer, as concern about Greece's deficit hurt demand for higher-yielding assets. Bidding for the 5 percent bond maturing in April 2019 ends at 12 p.m. in Prague. Today's sale will probably receive "better demand" and

the prices offered will be more “acceptable” to the government, Anne-Francoise Bluher, an analyst at the Societe Generale SA’s Czech unit in Prague, wrote in a report dated yesterday. The government plans to sell as much as 32 billion koruna in bonds and 23 billion koruna in new treasury bills in the second quarter, the finance ministry said on March 1. This is less than the 42 billion koruna of bonds and 30 billion koruna in T-bills scheduled for sale in this quarter

IMF Expects Czech Republic's Economic Recovery to Be Gradual-By Meena Thiruvengadam Dow Jones Newswires

The International Monetary Fund is expecting economic recovery to take hold in the Czech Republic, but only gradually. The Czech Republic was strong going into the global financial crisis, but spillover from the upheaval has taken a toll on the country's highly open economy, the fund said Tuesday. The IMF is expecting the Czech economy to grow 1.5% this year, the result of strong exports and a buildup of inventories. The fund is expecting consumer spending in the country to drop as unemployment continues to rise and wage growth remains stagnant. The IMF said it does not expect the Czech Republic's growth to return to its pre-crisis level. "The adverse effects of the crisis are likely to be long-lasting," the fund's executive board said. The IMF is pushing for the country to adopt growth-enhancing structural reforms and improve its business climate.

Social Front

Strike threat is preview of what is to come - Czech Republic-Reuters-Mar 05 2010-

A spring of strife looms as transport workers threatened a strike, before stepping back, and other unions consider industrial action. As political tension over the possible strike increased, the Social Democratic Party (ČSSD) leader Jiří Paroubek accused the Civic Democrats (ODS) of "wanting a strike." "The only explanation for the ODS's position is that it wants a strike" to get union members on the street to polarize society, Paroubek told The Prague Post. Public transit workers pledged to go on a five-hour strike March 4 at 4am, in what one union leader described as an initial warning, but a compromise with Parliament to remove a tax on their benefits averted the strike at the 11th hour. The issue is still not settled, however, as President Václav Klaus says he will not sign the amended law

Slovakia

Political Front

Slovakia adopts law to crack down on illegal income-Saturday, March 06, 2010

BRATISLAVA: Slovakia adopted a law on Thursday to crack down on income from crime and corruption, with the government and opposition parties in rare agreement ahead of a June election. Accusations of graft, rarely proven, are a frequent feature of Slovak politics. Corruption has been widespread in central and eastern Europe during post-communist reforms and justice systems have been weak. The law will allow any Slovak to challenge the origin of anyone else's assets over 460,000 euros (\$629,200). A prosecutor will be able to order the person to disclose where the funds came from. Courts will have the right to confiscate assets of unclear origin. The 150-seat parliament saw an unusual consensus when 112 deputies voted to change the constitution, necessary to allow adoption of the law, which was endorsed later by 116 votes. "This law should clear up cases when someone builds a wealth empire over five or 10 years through criminal activity," Prime Minister Robert Fico said after the vote. Fico's ruling coalition has suffered several corruption allegations linked to a sale of carbon emissions credits which led to the sacking of an environment minister.

Slovak foreign minister to visit Georgia-05.03.2010-AFP

Georgia, Tbilisi, March 5 /Trend News, N.Kirtskhalia/ Foreign Minister of Slovakia Miroslav Lajcak will make a visit to Georgia on 16-17 March. Details of the visit were discussed today during the political consultations of foreign ministries of Georgia and Slovakia, information and press department of Foreign Ministry of Georgia told Trend News. Patriotic Fervor Takes Center Stage Ahead of Slovak Elections. Slovakia's Prime Minister Robert Fico and his left-of-center Smer-Social Democratic Party are showing the will to sacrifice good taste and even irk of some of their own voters in order to make their fringe political partner happy. Earlier this week Smer lawmakers voted along with their colleagues from the far-right Slovak National Party, or SNS, to pass a law requiring schoolchildren at public elementary and high schools to sing the national anthem at the start of every school week. Smer party leader and Primer Minister Robert Fico (left), SNS leader Jan Slota (in the middle) and Vladimir Meciar (right), the former Slovak Prime

Minister and the leader of Movement for a Democratic Slovakia Although the law upsets many ordinary Slovaks (see story here), it is a smack in the face for the country's Hungarian minority, which represents roughly 10% of the country's populace. The new law follows the introduction of a language law earlier in Mr Fico's term in office that banned all but the Slovak language in official use.

Slovakia's share of renewables in 2005 was 6.4% and its target for 2020 is 14% of all energy produced.

EU agrees billions to fund renewables, CCSSlovakia and the Czech Republic were two parts of a common federal state until 1993. Comparisons between the two countries are thus telling regarding trends in developing renewable and green technologies. According to analysis by Peter Kolesár from Candole Partners, the Czech Republic has experienced a rapid growth in photovoltaic (PV) installations and wind projects: there are currently 411 MW of PV installations and 180 MW of wind turbines in the country (see EurActiv 26/02/10). However, Slovakia only has 200 kW of PVs and five MW of wind turbines and investment in renewable energy resources has been low. The main reasons for these differences are the following: The Czech Republic has adopted a support scheme guaranteeing feed-in tariffs for 20 years or green bonuses paid together with the electricity price. The Czech Republic benefits from the presence of a Green Party in its parliament, which actively proposes policies on renewable energy resources. More pressure is exerted by energy investors in the Czech Republic to increase the feed-in tariffs. Feed-in tariffs are a policy mechanism designed to accelerate efforts to improve the competitiveness of renewable energy as a power source. The Czech regulator ERÚ (Energy Regulatory Office) has now proposed to amend renewable energy laws to further reduce feed-in tariffs for PVs from the current 5% annual cut. The situation is quite different in Slovakia, where the development of renewable energy policies has been slow. Reportedly, part of the reason for this is the lack of expertise and resources at the Economy Ministry and the transmission system operator (SEPS; Slovak Electricity Transmission System) for analysing current renewable trends. In spring 2009, a new renewable energy law was introduced in Slovakia and since then the country has become more attractive for projects and investments in renewable energy. In particular, a large number of requests have been tabled for developing wind energy projects.

Economic Front

Slovak economy falls 2.6 per cent in fourth quarter-Mar 4, 2010

Bratislava - The Slovak economy shrank 2.6 per cent year-on-year in the fourth quarter of 2009, compared to a year-on-year contraction of 4.9 per cent in the third quarter, according to revised data released Thursday. The Slovak Statistics Office revised downward the country's fourth-quarter gross domestic product (GDP) contraction from an early estimate of 2.7 per cent published on February 12. The economy, however, continued to pick up quarter-on-quarter, the data showed. GDP grew 2 per cent in the last three months of 2009 compared to the previous quarter, the statistics office said. Slovak banks were not hit amid the global financial crisis, but the country's export-reliant economy, which depends heavily on its car industry, has been troubled by lower demand from its markets.

New EU state structural funds should not be 'spread too thin'-VALENTINA POP-02.03

EUOBSERVER / BRUSSELS - Structural funds are the EU's main tool available for its new members affected by the recession to different degrees. But some experts say their effectiveness depends upon providing relevant aid when and where it is needed. The 10 new members states in central and eastern Europe are not a homogenous bloc when it comes to the scale and impact of the economic crisis, experts and MEPs agreed on Monday (1 March) during a seminar on the topic in the European Parliament. Euro zone-members Slovenia and Slovakia have different woes to cash-strapped Hungary, Latvia and Romania, which had to be bailed out by the International Monetary Fund, said Zsolt Darvas, an expert with Bruegel, a Brussels-based free-market economic think tank. Slovakia is suffering mostly from reduced car exports, while Bulgaria, Romania and the Baltic States "see a serious deterioration of their trade balance," which offer dim perspectives for their future growth rates.

Social Front

'Dubai passports impacted vote'-By HERB KEINON-04/03/2010

Slovak FM says anger over Mabhouh's death helped keep Goldstone issue alive. European anger over supposed Israeli misuse of passports to kill Mahmoud al-Mabhouh in Dubai on January 19

played a “certain role” in shifting EU votes on the Goldstone Report in the UN General Assembly last week, visiting Slovak Foreign Minister Miroslav Lajcak told The Jerusalem Post on Wednesday. The Slovak Republic, considered in Jerusalem one of Israel’s best friends in the EU, originally voted – along with six other EU countries – alongside Israel against endorsing the Goldstone Commission report at the General Assembly in November. In a second vote on the matter on Friday, however, all seven EU countries abstained, and another 10 countries that had abstained in the November vote – including Britain, France, Sweden, Belgium and Finland – voted in favor of an Arab resolution to keep the issue alive. After saying that the change of votes was due in part to the EU’s desire to appear to speak in a less fragmented voice on the issue, and that the recent resolution was softer than the November one, Lajcak added, “Don’t take this as any official position, but I also think the European public opinion has been affected by the killing in Dubai, not in favor of Israel, [and this] probably played a certain role in the shifting of policy in certain countries.”Lajcak – who was present in the debate in Brussels last Monday following which the EU issued a statement condemning the killing, but stopped short of blaming Israel – said, “I would be hypocritical if I said this [the passport issue] had no impact whatsoever” on the vote in the UN. No country “is immune to its public opinion,” he said.

Hungary

Political Front

Serbian FM visits Hungary-3 March 2010- FOCUS News Agency

Budapest. Serbian Foreign Minister Vuk Jeremic is paying a visit to Budapest, Serbian Politika daily writes on its website. Jeremic is to meet Hungarian President Laszlo Solyom and Foreign Minister Peter Balazs. Serbia’s European integration will be a major issue up for discussion, but it is expected that the issues related with the Hungarian minority in Vojvodina will be on the agenda too

Hungarian and Polish PMs discuss EU economic strategy-02.03.2010

Hungary's PM Gordon Bajnai is meeting his Polish opposite number to discuss the EU's new economic strategy. During his brief visit to Warsaw this afternoon the Hungarian government leader is to iron out last minute details to the project which is to replace the so-called Lisbon Strategy. Its outline is to be presented in Brussels on Wednesday. Union member governments will have till June to accept the 10 year strategy, but initial evaluations will be tabled in March during the EU summit. Prime Ministers of Visegrad Group countries, comprising the Czech Republic, Hungary, Poland and Slovakia discussed the matter last week and agreed to present a uniform stand on future Union economic strategy. They stressed it must take into consideration interests and problems faced by new EU members of the CEE region - for example, advantageous solutions regarding the labor market to increase employment.

Economic Front

Hungarian Budget Swings Into Deficit in February-Of DOW JONES NEWSWIRES

The Hungarian budget swung to a big deficit in February from January's surplus, but the developments remained in line with the finance ministry's forecast for the first quarter of this year, the ministry said Friday. The budget generated a deficit of 381.9 billion forints (\$1.95 billion) in February, compared with a surplus of HUF31.3 billion in January. As a result, the deficit for the first two months of the year was HUF350.6 billion, or 40% of the full-year 2010 deficit target of HUF878.9 billion. In the first two months of last year, the deficit accounted for 28% of the full-year target. "The wider deficit of this year versus last year is due to some [one-off] items that impact the first quarter, such as the HUF20 billion support to [state railways] MAV, HUF40 billion support for hospitals, HUF55 billion extra payment in interest obligations and a HUF10 billion wage amendment," the ministry said in a release. Developments in the Hungarian budget in the first few months of the year won't have a significant impact on financial markets because of the upcoming parliamentary elections in April, a bond trader said. The new government, which the current opposition Fidesz party is widely expected to form, is likely to look for the budget skeletons in the closet and pile all possible expenditure items, such state-owned transport companies' debts, into this year's accounts, the trader said. This will render the current government's budget figures irrelevant to the markets, he added. Financial markets already regard this year's budget deficit target of 3.8% of gross domestic product--approved by

the International Monetary Fund and the European Commission--as impossible to achieve, the trader added.

Hungary given option to buy local E.ON gas unit-March 2 (Reuters)

Hungary, seeking to boost energy security, has been given an option to buy the local gas wholesale business of German utility E.ON, to stop the unit falling into "unwanted" hands should it come up for sale. "Strengthening energy security is a fundamental strategic interest of Hungary. The 2009 gas crisis has highlighted the country's vulnerability," the prime minister's office said in a statement on Tuesday. E.ON said Hungary's pre-emption right on E.ON Foldgaz Trade Zrt ran until 2016. Last year, Russian oil company Surgut bought a 21 percent stake in Hungarian energy group MOL from Austrian peer OMV for 1.4 billion euros (\$1.9 billion) in a deal which angered MOL and the Hungarian government. About 80 percent of Hungary's gas comes from Russia via Ukraine and a cut-off in supplies after a price dispute between Russia and Ukraine affected millions of people in central Europe in January 2009. Hungary agreed with other central and east European states last week to boost efforts to diversify energy sources, focusing on the Nabucco gas pipeline and liquefied gas -- alternatives to dominant supplier Russia. Hungary has also increased storage capacity and now has a total of 5.5 billion cubic meters of commercial and strategic natural gas storage capacity.

Social Front

Accused war criminal fights extradition CORTLAN BENNETT-March 5, 2010-AAP

A Federal Court judge will decide whether to order the federal government to disclose the reasons behind its decision to extradite accused Nazi war criminal Charles Zentai to Hungary. Mr Zentai, 88, is currently on bail, living with his family in Perth's southern suburbs, awaiting an appeal against Home Affairs Minister Brendan O'Connor's decision to deport him. The Australian immigrant is accused of being one of three Nazi-backed Hungarian soldiers who tortured and murdered Jewish teenager Peter Balazs for not wearing a yellow star in Budapest in November 1944. At a Federal Court hearing in Perth on Friday, Justice Neil McKerracher heard submissions from Mr Zentai's lawyer, Malcolm McCusker QC, that parts of Mr O'Connor's

conclusion to his decision had been blacked out. These needed to be disclosed to the defence to form part of their appeal, Mr McCusker argued.

Bajnai's goodbye-Mar 03 2010-byGergely Kispál - The Budapest Times-Reuter



(Hungarian prime minister Gordon Bajnai gestures as he takes part in a friendly soccer match between two governmental delegations in Warsaw.)

In the last session of parliament on Monday March 1 Gordon Bajnai, who has been prime minister since last April, made his farewell speech. Numerous opposition MPs, including Fidesz chairman Viktor Orbán, were conspicuously absent. "Hungary remained on its feet, we managed the crisis, protected our citizens and paved the way for development," were the opening words of Bajnai's speech. Bajnai named Hungary's key goals as introduction of the euro in 2014, increasing employment and stimulating economic growth. Three goals he cannot kick

Eastern Europe (Belarus & Ukraine)

Belarus

Political Front

Belarus' Aleksander Lukashenko, European Chessmaster-Today's ZAMAN-5 Mar 2010

BRATISLAVA, Slovakia — When Aleksander Lukashenko, the authoritarian president of Belarus, began a recent campaign to intimidate and punish members of the country's disobedient Polish community, he opened a new front not only with neighboring Poland, but also with the EU as a whole that must now meet that challenge head on. Lukashenko knows how to play and is an effective self-made practitioner in international relations. Having ruled with an iron fist over his country of 10 million since 1994, he is one of the longest-serving presidents in Europe and knows very well how to use internal and external conflicts to maintain his rule. As Lukashenko sees it, Belarusians love and need him as the guarantor of nationhood and stability. Despite opposition movements, Russian punishments, EU and U.S. sanctions, and color revolutions around him, he remains comfortably ensconced at his palace while European commissioners, patriarchs, popes, and other presidents have come and gone. But early 2011 will see a presidential election in Belarus and, in some ways, the campaign has already begun. Of course, it will be a campaign that is specific to Belarus and a select group of other countries of the former Soviet Union, where leaders are hesitant to retire anytime before they die. This type of election campaign is hardly recognizable to voters or politicians in democratic countries where ballots are actually counted

Oman, Belarus ink pact to form business council-March 02, 2010-Oman Time

MUSCAT | Oman Chamber of Commerce and Industry (OCCI) and Belarus Trade and Industry Chamber yesterday signed an agreement establishing an Omani-Belarusian Businessmen Council on the sidelines of the Omani-Belarusian Forum. The forum on the OCCI premises, was attended by a delegation led by Boris Batura, chairman of Belarus National Assembly Council. The agreement was signed on behalf of OCCI by Khalil bin Abdullah Al Khonji, OCCI chairman and by Vasily Romanov, chairman of Belarus Trade and Industry Chamber. Boris Batura said that leadership of both the countries are interested in promoting bilateral cooperation not only at the political level, but on the economic and trade fronts. He affirmed that businessmen in both countries are keen to attend the forum. He pointed out that Belarus is keen on promoting joint economic and investment ties as it has recently improved the investment environment and developed rules and regulations to attract local and foreign investment. Investment in the areas of

energy, petrochemicals, communications, construction, agriculture, industrial products and foodstuff, in addition to improving transportation infrastructure are available, he added.

Economic Front

Ukraine may join Unified Economic Space on WTO terms – Yanukovich-07.03.2010

Ukraine will join the Unified Economic Space of Russia, Belarus and Kazakhstan only on the conditions of the World Trade Organization, President Viktor Yanukovich said on Saturday, RIA Novosti reported. "We have fallen far behind in this process [the creation of the economic space]," Yanukovich said in an interview with Russia's Vesti TV channel. In December 2009, the presidents of Russia, Belarus and Kazakhstan agreed to create a single economic space by January 1, 2012. The Customs Union of the three countries started working on January 1, 2010. "Moreover, Ukraine joined the WTO [in 2008] and now may join this space only on the WTO conditions. We wish our partners to join the WTO as soon as possible," Yanukovich said adding that Ukraine's entry to the Unified Economic Space remains relevant. Russia, Ukraine, Belarus and Kazakhstan intended to establish the Unified Economic Space back in 2003. The process stalled due to Ukraine's position that favored the creation of a free trade zone within the single space but did not want to join the Customs Union. When Viktor Yushchenko took office in 2005, the negotiations were suspended

Russian Trade Zone: A Soviet Reunion

A customs union among Russia, Belarus, and Kazakhstan could boost trade and further the Kremlin's dream of reintegrating the economies of the old Soviet Union By Kenjali Tinibai. The inauguration of the Russia-Kazakhstan-Belarus customs union at the beginning of this year gave a very visible push to the Kremlin's long-term goal of economic reintegration of the former Soviet republics. There has never been any doubt that the Russian government would play the leading role in decision making, whether in a customs union or the in the next step foreseen, a single market that could soon become a reality. Many analysts interpret the Kremlin's intent as to re-create a kind of modernized Soviet Union, at least at the economic level

Social Front

Genocide' must be left to historians, says Hayrapetyan-Today's Zaman

The so-called Armenian genocide issue should be left to historians; the most important thing is Turkish-Armenian friendship, Armenian Football Federation (AFF) President Ruben Hayrapetyan told Today's Zaman while watching the training in Antalya of the Armenian national soccer team, which was preparing for a match with Belarus. While the US House Committee on Foreign Affairs will vote on the alleged Armenian genocide resolution today, the head of the AFF delivered a message of friendship. "We will continue to live in a friendly environment together just like we did in the past. There's no other way," Hayrapetyan stressed. The 2010 World Cup qualifying matches between Armenia and Turkey on Sept. 6, 2008 and Oct. 14, 2009 were watched by the presidents of the two countries, and this soccer diplomacy has started to bear fruit. Noting that they came to Turkey as Belarus had invited them to participate in a soccer match, Hayrapetyan said they did not have any security concerns while in Turkey. Stating that they had not taken any measures in terms of security, the official said, "Everything is normal so far." "This is not the first time we've come here. Our teams always prefer Antalya. That's why we have no problems regarding security here," Hayrapetyan said.

Ukraine

Political Front

Yanukovych in Moscow for better relation and especially the Gas Talk-3/06,-EU News Network

Ensuring reliable gas transits to European consumers forms the foundation of Ukrainian ties to Russia, the Ukrainian president said Friday in Moscow. Ukrainian President Viktor Yanukovych arrived Friday in Moscow to meet with his Russian counterpart Dmitry Medvedev. Yanukovych said he would pursue a "sharp turn" in bilateral relations, which he said were damaged by the previous administration, Russia's ITAR-Tass news agency reports. The Ukrainian leader said he would pursue lower gas prices from Russia in exchange for a gas transit consortium consisting of Ukraine, Moscow and European member states. "We shall definitely consider traditional issues in relations between Ukraine and Russia, including gas supplies to Ukraine, gas transit to Europe and the reliability of the (transit) system," Yanukovych added. Moscow cut gas supplies to

Ukraine briefly in 2009 following a bitter row over debt. Around 80 percent of the Russian gas bound for Europe runs through Soviet-era pipelines in Ukraine currently. The European Union warned Kiev that "urgent progress" in the modernization of its gas sector. Ukrainian leaders have said the gas relationship with Moscow was "discriminatory."

Ukrainian president seeks to improve relations with Russia

PRESIDENT VIKTOR Yanukovich has vowed to reinvigorate Ukraine's relations with traditional ally Russia on his first visit to Moscow since taking power in Kiev. Mr Yanukovich promised to resolve two issues that dogged Ukraine-Russia ties under his predecessor, Viktor Yushchenko, whose five years in office were characterised by fierce criticism of Moscow and efforts to break its centuries-old influence over Kiev in favour of closer links with the West. The former mechanic pledged to reverse Mr Yushchenko's decision to give posthumous state honours to two wartime nationalist fighters who are revered in parts of Ukraine, but loathed in Russia. He also told his hosts that he would soon end debate over whether the Russian navy's Black Sea fleet should retain its base on the Ukrainian coast after its current lease expires in 2017. On the future status of the Black Sea Fleet, which has sparked clashes between Russian and Ukrainian nationalists in and around the city of Sevastopol, where it is based, Mr Yanukovich said that "very soon we will have an answer to this question that will satisfy both Ukraine and Russia". Russian president Dmitry Medvedev told his guest that his election presented an opportunity to "open a new page in our relations" after five years under pro-western leaders that saw Moscow and Kiev locked in diplomatic disputes and quarrels over energy that disrupted supplies to the EU.

Putin offers Ukraine to join customs union-05.03.2010,

MOSCOW, March 5 (Itar-Tass) -- Russian Prime Minister Vladimir Putin has invited Ukraine to join the customs union of Russia, Belarus and Kazakhstan. "Ukraine will seriously adjust the domestic and foreign policy. We want a major change and a sharp turn in the bilateral relations," Ukrainian President Viktor Yanukovich said

US Senate applauds Ukraine 'progress' on democracy

WASHINGTON (AFP) – The US Senate unanimously approved a resolution late Thursday applauding Ukraine's "important progress" in building its democratic institutions and holding peaceful elections this year. Democratic Senator John Kerry, who chairs the Senate Foreign Relations Committee, and Senator Richard Lugar, the panel's top Republican, crafted the symbolic measure. The resolution "encourages all parties to respect the independence and territorial sovereignty of Ukraine, as well as the full integration of Ukraine into the international democratic community."

Economic Front

EU urges Ukraine to embark on thorough reforms14:04, March 02, 2010

The European Union (EU) is urging Ukraine to intensify economic reforms, especially to reopen talks with the International Monetary Fund (IMF) and make rapid progress in the modernization of country's gas sector. "We believe Ukraine should go back on track with the IMF. This is the first step to improve the investment climate," said European Commission President Jos Manuel Barroso at a joint press conference with the new Ukrainian President Viktor Yanukovich on Monday. Yanukovich, who faces a deep economic crisis, was visiting the EU on his first foreign trip since his inauguration on February 25. After talks with Barroso, Yanukovich stated that European integration was his country's "key foreign policy priority," and the process of bringing Ukraine closer to the EU is helping his country to carry out important social and economic reforms.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political Front

Estonian central bank upbeat on euro entry prospects-Mar 3, 2010,

Tallinn - The Estonian central bank, Eesti Pank, released an upbeat assessment Wednesday of the Baltic state's chances of become the 17th member of the eurozone next year. In its latest economic policy statement, the bank said 'Estonia is expected to meet all the Maastricht criteria by the spring assessment and to join the euro area in 2011.' Bigger-than-expected tax revenues at

the end of 2009 should keep Estonia's budget deficit within than the 3 per cent of GDP limit specified by the Maastricht rules governing euro adoption, the bank said.

Economic Front

Estonian deflation eases, inflation seen in March

TALLINN, March 5 (Reuters) - Estonian deflation eased in February as consumer prices dipped just 0.1 percent from a year earlier due to a surge in petrol prices, data showed on Friday, and analysts said inflation could return in March. "If we look at March we will see an annual growth rate of 0.4 to 0.8 percent, but it depends on fuel prices and what people will do with their tax return money, if they spend it, save it or paid off debts," said Maris Lauri, an economist at Swedbank in Tallinn. Prices also unexpectedly rose from a month earlier, by 0.2 percent, due to increases in vegetable and clothing prices. Analysts had expected prices to fall 0.6 percent last month from a year earlier, after a 0.7 percent decline in January, and had forecast a 0.1 percent drop in prices compared with January. "Compared to February of the previous year, the prices of motor fuel have increased the most (31.4 percent), which also had the biggest influence on the index," the statistics office said in a statement. "In February compared to January, the consumer price index was mainly influenced by the 12.4 percent higher prices of fresh vegetables and by the end of clothing sales," the office added. Both the Estonian finance ministry and central bank saw prices starting to increase, despite domestic demand remaining weak

Estonia February CPI down 0.1 percent on year

TALLINN, March 5 (Reuters) - The rate of decline in Estonian consumer prices slowed to 0.1 percent in February, less than market expectations, after a unexpected 0.2 percent increase month-on-month, data showed on Friday. The median forecast of seven analysts in a Reuters poll was for a 0.6 percent fall compared to the previous year, after a fall of 0.1 percent month-on-month. In January, Estonia reported a year-on-year price fall of 0.7 percent. "Compared to February of the previous year, the prices of motor fuel have increased the most (31.4 percent), which also had the biggest influence on the index," the statistics office said in a statement. "In February compared to January, the consumer price index was mainly influenced by the 12.4 percent higher prices of fresh vegetables and by the end of clothing sales," the office added.

According to earlier Estonian central bank and Finance Ministry calculations, Estonia met the euro zone entry inflation criteria in November of last year. Estonia has been in a deep recession since 2008, but has adopted tight fiscal policies to keep its public sector budget deficit under 3 percent of gross domestic product (GDP) to meet the Maastricht criteria

Social Front

Tallinn Botanical Garden opens an exclusive exhibition of archids

Tallinn Botanical Garden opens an exclusive exhibition of fascinating orchids on March 6, 2010, LETA/Estonian Free Press reports. Orchids are very special due to heir exquisite beauty. In the exhibition exotic flowers are displayed among the other plants in the new glasshouse. Species from nature and varieties created by human efforts are exposed side by side and it will be up to visitors to decide whether the work of nature or of man is the most successful. In addition to the well-known Phalaenopsis, or Moth Orchids, a wide range of other tropical orchids will be exhibited in Tallinn: Paphiopedilums or slipper orchids, Vandas, Cymbidiums, Epidendrums, Dendrobiums, Masdevallias, Oncidiums and many others. Rare species from various places around the world are also shown at the exhibition.

Latvia

Political Front

Activities of the Baltic Sea region's organizations were discussed in Vilnius-2010-03-08



On 4 March, regional directors from foreign ministries of the Council of the Baltic Sea States (CBSS) member countries met in Vilnius to discuss, among other issues, the interaction of the organizations in the Baltic Sea region and the perspectives of their activities.

At the event, possibilities for the CBSS to take part in the implementation of the European Union's Strategy for the Baltic Sea Region and perspectives of cooperation with Northern Dimension Partnerships were discussed. On 29-30 October 2009 in Brussels, the European Council adopted the EU Strategy for the Baltic Sea Region, which addresses important issues of this region. It provides for a more efficient use of EU funds, better coordination of countries' positions and the maximum usage of the Baltic Sea region's development potential aiming to create an environmentally sustainable, prosperous, accessible, attractive and safe region.

In 1997, the Government of Finland and the European Commission launched the Northern Dimension, which aims to highlight the EU's strategic interests in Northern Europe and to strengthen the cooperation among the Baltic Sea region countries and Russia. The Northern Dimension joins together the EU member states, Russia, Norway and Iceland. The Northern Dimension is made up of a wide range of partnerships. In 2010, Lithuania is chairing the Partnership on Transport and Logistics. The participants of the meeting in Vilnius, which was chaired by Director of Europe Department of Lithuania's Ministry of Foreign Affairs Marius Janukonis, discussed further CBSS reform, initiated by the Swedish Presidency of the organisation and adopted in 2008 by the Riga Declaration. Besides, the preliminary programme of the Baltic Sea States Summit in Vilnius on 1-2 June was presented. The Summit will conclude Lithuania's Presidency of the CBSS.

Swiss investors also eye part of Latvia's Parex-Mar 4, 2010

RIGA, March 4 (Reuters) - A group of Swiss investors said on Thursday it had expressed an interest in buying part of failed Latvian bank Parex, which the government nationalised in 2008 in the Baltic state's financial crisis. Swiss investor group, the Institute For Innovative Trading AG (IFIT), said it was interested in buying Parex's Swiss private bank subsidiary, AP Anlage und Private bank. On Wednesday, investors led by Peter Hambro, chairman of Russian gold mine company Petropavlovsk (POG.L), also made an expression of interest in Anlage and other Parex units.

Latvia hacker calls for ‘fat cat’ revolt-By Andrew Ward in Stockholm-March 4 2010

A computer hacker is threatening to undermine fragile public support for Latvia’s fiscal austerity program by revealing details of the lavish pay received by top officials while ordinary Latvians see their wages plummet. The hacker, who uses the pseudonym Neo, has issued a call for rebellion against “fat cat” officials after stealing millions of government tax records to expose the salaries of senior bureaucrats. Some of the most eye-catching revelations involved the Latvian central bank, some of whose employees apparently earned up to 23,000 lats (\$44,233, €32,426, £29,368) a month in 2008. EBRD warns on rise of risky forex credits - Jan-19.Latvia issues warning to Swedish banks - Dec-22.Recession damps sweetness and light in Latvia - Dec-22.Latvia agrees pact on budget cuts - Oct-12.Lex: Latvian contagion - Oct-11.Lex: Latvia / Nordic banks - Oct-07..Salaries fell steeply at the central bank last year in line with the rest of the public sector but its top employees still earned between 10 and 15 times more than the average Latvian, according to the leaked data.

Latvian parliamentary speaker will visit Georgia-02.03.2010

Georgia, Tbilisi, March 2 / Trend News N.Kirtzkhalia / Latvian Parliament Speaker Gundars Daudze will pay a visit to Georgia March 3. During his three-day visit, he will meet with Georgian Parliamentary Speaker David Bakradze. The sides will also have a joint news briefing. Daudze is expected to meet with Prime Minister Nika Gilauri, State Reintegration Minister Temur Yakobashvili and President Mikheil Saakashvili. The Latvian official will also meet with the parliamentary opposition. He will also visit Signagi and see the Pirosmeni exhibition, as well as visit Tbilisi Museum, the Monastery of the Cross and other attractions. The speaker will also meet with representatives of the Latvian community in Georgia.

Economic Front

World Bank Approves €100 Million Special Policy Loan for Latvia

On March 4, 2010, the World Bank’s Approved a €100 Million Special Policy Loan for Latvia to Support Safety Net and Social Sector Reforms; Main goals of this loan are: to protect vulnerable groups with emergency safety net support during the economic contraction, to reduce the social costs of fiscal consolidation, and to support important reforms in social sector programs; This

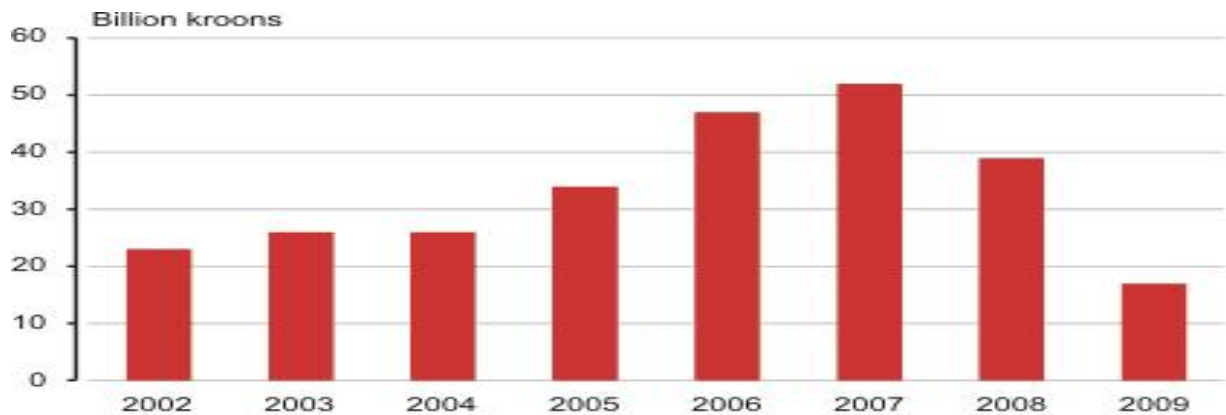
loan is a part of the international financial support program led by the International Monetary Fund and the EU aimed at easing the impact of the global financial crisis and rapid economic contraction. The first of a two-loan program will protect poorest during the economic contraction

The main objectives of the loan are:

1. To protect vulnerable groups with emergency safety net support during the economic contraction (2) To mitigate the social costs of fiscal consolidation, and (3) To support important structural reforms in social sector programs.

In 2009 total profit of business sector in Estonia was 17.2 bln kroons-Internationals Internet Magazine.

According to preliminary data of Statistics Estonia, in 2009 the total profit of business sector was 17.2 billion kroons being more than two times smaller than in the previous year. Compared to 2008 profits decreased in most economic activities. Only mining, energy, real estate and human health activities were capable of increasing their profits. Agriculture and forestry as well as accommodation and food service activities were in loss. In 2009 enterprises sold goods and services for 502 billion kroons, which was a fifth less than a year earlier. Although net sales decreased the most in construction and education, net sales of the whole business sector were mainly influenced by the wholesale and retail trade as well as manufacturing enterprises due to a bigger share of these economic activities in the gross net sales of business sector. Compared to 2008, the net sales of these economic activities decreased by 23% and by a fourth respectively. The costs of enterprises decreased 19%, thereby personnel expenses decreased 17%-Total profit of the business sector, 2002 -2009



Latvia econmin ups 2010 GDP forecast to -3 pct

RIGA, March 2 (Reuters) - Latvia's gross domestic product (GDP) will fall 3 percent this year, the Economics Ministry forecast on Tuesday, a slightly more optimistic forecast than the 4 percent drop expected by the Finance Ministry. The country's 7.5 billion euro bailout deal with the International Monetary Fund and European Union, agreed in late 2008, also sees a 4 percent contraction this year. "The recovery of Latvia's economy in the coming years will largely depend on how fast the global financial system and the main foreign trade partner countries will recover," the Economics Ministry said in a report. It said that Latvia's path of avoiding devaluation via an internal correction of prices and wages was working and saw future growth coming from exports rather than internal demand. It saw GDP falling in the first half of 2010, with growth resuming in the third quarter and 2011 growth of 2 to 2.5 percent, versus the loan programme's forecast of 2 percent

Latvia c.bank bought net 35 mln euros last week

RIGA, March 1 (Reuters) - Latvia's central bank bought a net 35 million euros (\$47.56 million) in currency market interventions last week, up from a 18 million euro net purchase a week before, the bank said on Monday. Traders said the situation on the foreign exchange market remained stable and central bank interventions were most likely due to activities of the State Treasury, which must do its currency deals with the central bank according to an agreement with the International Monetary Fund. On Monday morning the lat was still off levels at which the central bank intervenes, with the euro quoted at 0.7088/98, unchanged from last Monday. The central bank automatically accepts offers to buy lats in what it calls passive intervention when

the euro hits 0.7098 lats, the top end of its 1 percent fluctuation band based on a central rate of 0.7028 lats. One trader said the State Treasury's sale of 2-year government bonds on the domestic market last week showed good results and that interest rates would fall further as liquidity in market is high

Social Front

Latvian Grand Music Awards for 2009 presented in Latvia

At a glittering presentation ceremony last night in the National Opera House, the Latvian Grand Music Awards for 2009 were presented, informs LETA. The award for Outstanding Achievement was won by the Latvian National Symphony Orchestra (LNSO) and its conductor Karel Mark Chichon. The award for Lifetime Achievement went to pianist, concert master Inta Villerusa, but the award for Outstanding International Achievement was won by opera diva Elina Garanca. Best Debut of 2009 was won by singer Gunta Davidcuka, while pianist Vestards Simkus starred in the Best Concert. Production of the Year went to the Arthur Honneger oratorio "Jeanne d'Arc au bucher" in St. Peter's Church August 28.

Lithuania

Political Front

Grybauskaite invites Lukashenko to the independence celebrations-2010-03-08

Lithuanian president Dalia Grybauskaite invited Belarusian President Aleksandr Lukashenko to the celebrate Independence Day on March 11, Lietuvos Rytis television reported on Saturday. However, it is yet unclear if Lukashenko, who is often called the last dictator in Europe, will attend the 20th anniversary of re-establishment of Independence of Lithuania. Grybauskaite has previously said that the Belarusian president would be invited to the celebrations only if the investigation of the January 13 events

Azerbaijani FM received the Chief of Foreign Affairs Committee of the Lithuanian Parliament-04.03.2010-Trend News

Foreign Minister of Azerbaijan Elmar Mammadyarov received on Wednesday the Chief of Foreign Affairs Committee of the Lithuanian Parliament Emanuelis Zingeris, the press service of Foreign Ministry reported. During the meeting the parties highly appreciated the current state of mutual relations between two countries as well as the cooperation within the international organizations.

Economic Front

Lithuanian economy recovering faster than EU-2010-03-08 by Alfa

Lithuania's gross domestic product grew 0.5 percent in the fourth quarter compared to the third in 2009, a larger growth than the EU average of 0.1 percent growth, the EU statistics agency Euro stat reported. The yearly result for Lithuania, however, shows a steep decline of GDP of 13.2 percent. The annual GDP in the EU fell by 2.3 percent on average in 2009, and the euro zone saw its economy slide 2.1 percent. Lithuania's northern neighbour Estonia had the fastest growth of economy in EU with 2.6 percent. In Poland, GDP growth reached 1.2 percent. The Latvian economy has faced the steepest decline in the same period – the country's economy declined by another 3.2 percent, according to Eurostat.

Social Front

Lithuania's Ministry of Foreign Affairs invites foreign citizens to take the quiz believe in freedom-(Alfa)

The following news release has been republished here courtesy of the Ministry of Foreign Affairs of Republic of Lithuania. Lithuania's Ministry of Foreign Affairs invites foreign citizens, who take interest in the Lithuanian history, culture and current politics, to check their knowledge by taking the quiz Believe in Freedom. The participants can win a trip to Lithuania. The quiz is available here until 30 June. One of the participants, who will answer all questions correctly, will win a four-day trip to Lithuania for two people. The winner of the trip will be determined by a draw. During his/her stay in Lithuania, the winner of the main prize will visit Vilnius, the capital of Lithuania, also Trakai and Kernavė, the ancient capital cities of Lithuania, the Baltic seaside and the Curonian Spit. 10 more participants of the quiz, who will answer the questions of the quiz correctly, will win other prizes of Lithuania's Ministry of Foreign Affairs. The winner of

the main prize of the quiz will be announced on 2 July at <http://quiz.mfa.lt>. The winner will be contacted personally.

Russia

Political Front

Russia, Croatia to sign three inter-governmental agreements- 02.03.2010

MOSCOW, March 2 (Itar-Tass) - Russia and Croatia will sign in Moscow on Tuesday three inter-governmental agreements in the fields of energy, economy and tourism, the Prime Ministers of the two countries, Vladimir Putin and Jadranka Kosor stated. "Three documents have been prepared for signing, including in the humanitarian and economic fields," Putin said. For her part, Kosor expressed the hope that the signing of these agreements would help step up Russian-Croatian cooperation. "I'm sure that our cooperation will be growing on the basis of three agreements in the field of economic cooperation, tourism and power generation. Our government is convinced that we have yet many niches where we could develop cooperation," Kosor said

Russia-France: The New Alliance That Could Change Europe-Mar 2 2010,

After standing alone in Europe for nearly a century, Russia seems to be developing its first real European partnership in generations. France may seem an unusual choice, but the interests of the two nations could intertwine with surprising elegance, and there is a long history of French-Russian involvement. Russian President Dmitri Medvedev is in Paris this week meeting with French Paris Nicolas Sarkozy. The pair's much-publicized jaunts about Paris seem designed to demonstrate the two leaders' personal friendliness. The two have reached a number of agreements. France is selling Russia four amphibious assault ships. The largest-ever arms sale by a NATO member to Russia, the deal is still relatively small--but carries huge political significance. Americans, who typically see Russia through the lens of the long-ended Cold War, forget that Russian military strength has loomed over Europe since the Great Northern War of 1700. Sarkozy seeks to demonstrate that Russian military strength is no longer a threat to Europe. Similarly, Medvedev secured a massive contract of Russian natural gas to France, deepening Western Europe's reliance on Russian energy. Business leaders from both countries

are also meeting in Paris, highlighting the trip's economic emphasis. Perhaps the most striking sign of an emerging Franco-Russo axis is the wave of reports that Russia may finally agree to sanctions against Iran. Months of U.S.-led international courting for Russia's United Nation vote on sanctions have been fruitless. There's no guarantee Russia will follow through, but this may be its firmest commitment yet. The sanctions announcement was made not by a Russian official but by Sarkozy, an indication of the French president's apparent role in securing Russian cooperation. The natural gas deal may have been a factor, as Iran is the world's second largest producer after Russia and a potential competitor for contracts.

Maizuru contemplating sea link to NAKHODKA, S Korean port-Japan Today-07th March

Officials of the Japanese port city Maizuru on the Sea of Japan coast have met with their counterparts from the RUSSIAN PORT CITY of NAKHODKA to discuss the commercial viability of opening a regular shipping route between the two sister cities, Maizuru officials said. The prospect of closer economic ties among the Japanese, Russian and Korean coastal regions surrounding the Sea of Japan has prompted several port cities in the region to set up shipping routes. Maizuru, which has sister-city ties with NAKHODKA, is interested in setting up a regular shipping route for passenger and cargo traffic linking the two cities via the South Korean port city Pohang in North GYEONGSANG Province. The Maizuru city government has commissioned consultants to look into the commercial viability of the project. The talks in Nakhodka are part of the plan. NAKHODKA Mayor Oleg KOLYADIN, who met the Maizuru mission last Tuesday, has also shown interest in establishing a regular sea route to Maizuru

Tehran gives all Russian pilots 2 months to leave-Reuters/Tehran

Iran has given Russian commercial pilots working in the Islamic Republic two months to leave the country as it has no need for their services; Transport Minister Hamid Behbahani was quoted as saying yesterday. The move is a further sign of strains between Iran and Russia, which has indicated it could back new sanctions against Tehran over its disputed nuclear work. For its part, Iran has voiced frustration over Moscow's failure to deliver a defense missile system. Iran's semi-official Fars News Agency said the idea to order the Russian pilots to leave the country gained momentum after a Russian-made aircraft caught fire as it landed in northeastern Iran in

January, injuring more than 40 people. The plane belonged to Iran's Taban airline but the pilot was Russian, Fars said. It did not say how many Russians currently worked as pilots for Iranian airlines. "Upon an order from the president, the Road and Transport Ministry has set a two-month deadline, upon the expiry of which all Russian pilots will have to leave the country," Behbahani said.

Lavrov, Clinton discuss plans for Mideast talks in Moscow-3/6/2010

MOSCOW, March 6 (KUNA) -- Russian Foreign Minister Sergei Lavrov and US Secretary of State Hillary Clinton discussed developments in the Middle East, in preparation for a meeting on the issue in Moscow, it was mentioned here on Saturday. The two sides, during a telephone conversation, discussed preparations being made for a ministerial meeting of the Quartet on the Middle East scheduled in the Russian capital on March 19, said a Russian Foreign Ministry statement. Lavrov and Clinton also exchanged viewpoints concerning the Iranian nuclear issue, as well as on Russian-US negotiations related to the Strategic Arms Reduction Treaty (START).

Russian president demands quicker pace of military modernization-05.03.2010

President Dmitry Medvedev on Friday urged Russia's armed forces to speed up the upgrading of their aging military arsenal as the country tries to build a modernized army, Xinhua reported. The number of Russian soldiers had been reduced to 1 million since the military reform was launched in 2008, said Medvedev at a meeting with Defense Ministry officials, adding that the current priority was to build a promising army. "I have tasked the government with bringing the amount of equipment replaced annually to an average level of 9-10 percent. That will help replace up to 70 percent of military equipment by 2020," Medvedev was quoted as saying by Russian news agencies.

Economic Front

TABLE-Russia Jan trade surplus \$15.7 bln-customs

MOSCOW, March 5 (Reuters) - Russia's foreign trade surplus rose to \$15.7 billion in January from \$9.1 billion in the same period a year ago, the Federal Customs Service said on Friday.

Russian bank balances fall to 463.9 bln rbls

MOSCOW, March 5 (Reuters) - Banks' balances in their correspondent accounts at the Russian central bank fell to 463.9 billion roubles (\$15.6 billion) on Friday from 465.5 billion the previous session, the central bank said.

Russia unveils 20-billion-dollar plan to save car industry-March 4

The government on Thursday unveiled a plan to invest almost 20 billion dollars over the next decade to transform the embattled Russian car industry into a major global player. Some 584 billion roubles (19.6 billion dollars) of state funds will be invested in the car industry to 2020, Industry Minister Viktor Khristenko said after a cabinet meeting chaired by Prime Minister Vladimir Putin. "Our end goal is to have in this country a modern auto industry which includes the whole supply chain up to the end product," Putin said, according to a transcript of his remarks on the Russian government's website.

Social Front

U.S., British Soldiers Will Mark Hitler's Defeat in Red Square-Twitter-Face-book

March 5 (Bloomberg) -- U.S., British and French soldiers will march on Moscow's Red Square to commemorate the defeat of Nazi Germany 65 years ago, Russian Defense Minister Anatoly Serdyukov said. Russia's Western allies against Adolf Hitler in World War II have confirmed their participation in the annual May 9 parade, Serdyukov said in an interview with state broadcaster Rossiya 24 today. Poland and other countries also expressed interest, he said. The military parade will be Russia's largest ever, culminating in a flyover of 140 planes and helicopters, Rossiya 24 said. Last year's parade featured 9,000 servicemen, S-400 missiles and only half as many aircraft. President Dmitry Medvedev, who met Serdyukov today, promotes Victory Day as a way of strengthening national pride. Human rights activists and allies of Prime Minister Vladimir Putin have attacked plans by the city of Moscow to allow portraits of Soviet leader Josef Stalin to be displayed during the commemorations.