

Report No.111

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

Central and Eastern Europe including Russia and Baltic States

Weekly report 14th Mar to 20 Mar 2010

Presentation: Mar 24th 2010

By: Saifullah Khan

About Sources and Region	2
Headlines	3
Overview of the weekly report No.110	7
Report Summary	8
• Political front	8
• 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
Russia	47

(About Sources)

The report is a collection of news regarding the socio- economic, political, cultural and environmental events in the Central and Eastern Europe and Russia. The data for the report is collected through the following News sources: BBC Online Monitoring News-Reuters-Associated Press News-Washington Post-NEW YORK TIMES -Bloomberg-EUROPA News-POLONIA Today Online-Centre for Russian, East European and Eurasian Studies-News Now Eastern Europe-China news-FOCUS News-Fox.news.com-International Herald Tribune-STRATFOR- Economist, Foreign Affairs-Official websites of CEE States, IMF, World Bank and EU etc.

(About Region)

According to UN Statistics Division, the following states have been classified as the Eastern Europe. These states were once under the Soviet Union's influence and were part of the Warsaw Pact, i.e. Poland, Czech Republic, Hungary and Slovakia (Central Europe), Belarus & Ukraine(Eastern Europe), and Estonia Latvia, Lithuania (Baltic States).



Head Lines

Central Europe (Poland, Czech Republic, Slovakia & Hungary)

Poland

- Polish M-28 aircraft violated Turkish air space-APP-13 March
- Gas supplies are more important than ideological quarrels with Russia- 10 March- Poleskei Radio International
- The European Commission sent reasoned opinions to Australia, Belgium and Poland. Source: EU Commission- 10 March.
- Polish minister pleased with compromise over Baltic pipeline route-Mar 14,
- China, Poland to promote supervisory co-op-English.news.cn-2010-03-15
- Prince Charles praises UK Poles-16.03.2010-Poleskei Radio International
- Polish Public Debt Will Not Exceed 53% of GDP In 2010-Dow Jones News.
- Polish unemployment to improve from March-Bloomberg.
- Poland's consumer inflation was lower than expected in Feb-Bloomberg-7 Mar.
- A Polish court convicted three men of the theft from the AUSCHWITZ MEMORIAL-News Now Eastern Europe-9 March.
- The Muslim Tatars community of the historic City of KRUSZYNIANY hosts the Britain's Prince Charles-Europa.com-10 March.
- The Krakow court ruled that allegations in the biography of Lech Walesa were slanderous-BBC.News.11 March.

Czech Republic

- European Commission directs Greece and the Czech Republic to ensure implementation of national safety checks-March 18, 2010

- Czech Social Democrats face challenges both from inside and outside-March 16,
- Czechs, Canadians Discuss Visa Dispute-March 17, 2010
- Czech Euro Adoption Possible in 2015, Minister Says
- Czech right-wing launches campaign with jobs pledge
- UN: Roma status getting worse-Mar 16 2010

Slovakia

- Slovak President GASPAROVIC sends back patriotism law-BBC News
- Georgia's President hopes no visa required to EU countries soon-Trend News
- Azerbaijani President receives Slovak FM-15.03.2010
- EU Commission Examines Convergence & Stability Programs of 14 Member States Following Economic Crisis-eGovmonitor-17 March.
- Religious registration in the Slovak Republic-18 Mar 2010-Ekklesia.com.UK
- Slovakia Ambassador Wins Ski Cup of Bulgaria Foreign Minister-March 14.

Hungary

- Hungarian minister demands action after Israeli aircraft sighting-Mar 19, 2010,
- Hungary passes landmark Holocaust denial law-19/03/2010
- Chinese official calls for greater cooperation with Hungary-March 17-(Xinhua)
- Political rallies in Hungary reflect swing to the right-Mar 15-M&G News
- New Croatian president visits Hungary 08:53, March 17, People's Daily Online
- EC takes Port and Hung to Court: Asks France to modify its VAT legislation.
- Next Hungary govt may try to oust c-bank head-paper

- EU countries sell tools of torture, says report-17.03.2010

Eastern Europe (Belarus & Ukraine)

Belarus

- Venezuela inks energy and trade accord with Belarus-Morning Star Online-
- Belarus offers closer military ties with Venezuela-Associated Press-Mar 19,
- China to strengthen trade ties with four European nations.
- Polish-Belarusian talks on Union of Poles-19.03.2010-Poleskei Radio.
- Belarus's Lukashenko to visit Brazil-17 March 2010-FOCUS News Agency
- W. Bank praises Belarus economic performance, energy efficiency
- Italy to Produce Pastry in Belarus-The N.C.L.I of the Republic of Belarus-18/03

Ukraine

- Ukraine says law on gas concessions almost ready-March 19 (Reuters)
- Ukraine communists slam plans to accept loan from IMF-18 March 2010
- Ukraine's No to NATO-17.03.2010 Source: Pravda.Ru
- Ukraine may join Unified Economic Space on WTO terms – Yanukovich-
- Ukraine govt plans to sell 3 nationalized banks
- IMF Mission to Visit Ukraine on Resuming Loan Program-(Dow Jones)
- Ukraine Trade Deficit Up To \$314 Million-March 15-EU News Network
- Higher gas demand causes Ukraine trade deficit-March 15 (Reuters)
- Yanukovich for parade of Ukraine navy and Russia Black Sea Fleet-18.03.2010

Baltic States (Estonia, Latvia & Lithuania)

Estonia

- Europe foreign ministers call for a single EU voice-DPA/Saariselka, Finland
- Malta, Estonia, discuss trade relations-16th March 2010
- Labor productivity of the ICT sector twice higher than average-Mar 22nd
- Estonia, Bulgaria only member states to keep deficit under 3%-Mar 22nd
- Estonia defense minister: Cyber attacks will grow-18 March 10
- Sorainen awarded title of Baltic Law Firm of the Year-Mar 22nd,

Latvia

- Latvia coalition collapses-Largest party withdraws-A Wall Street Journal-MAR-
- Slovenia and Latvia Quizzed over Independence of Telecoms Regulators
- Latvian PM asks opposition party to join government
- Moody's: Latvia political shift has no rating impact
- 55.2% of population in Latvia was employed in 2009-Statistics Latvia, 22.03
- Iceland Illegally Exporting Whale Meat to the European Union

Lithuania

- Lithuanian PM to discuss cooperation in Moscow Mar 26-27-17.03.2010
- Is Obama avoiding Grybauskaitė?-2010-03-22 www.lithuaniantribune.com
- PKN Orlen to seek partner for Lithuanian refiner
- British Cup flop reaches corridors of power-3/17/2010-Reuters
- Ice melts causes flooding-2010-03-22-alfa .com

- Young Lithuanians will not have to pay pension insurance to SoDra during the first year of employment-Mar 22nd-The Baltic Course

Russia

- Thousands protest against Russian PM-21 March-Radio New Zealand News
- Putin tells Clinton to help Russia with WTO bid-Mar 19, 2010
- US interested in cooperation with Russia – Clinton-19.03.2010
- Putin's party wins regional elections as support wanes-March 16, 2010-Reuters
- Putin hints at 2012 presidential run-Reuters
- Chinese vice president arrives in Russia to start four European nation tour-English- news.cn-2010-03-20-Xinhua
- Russia jobless down, but economy still limping
- Russia credit growth seen between 5-10 pct-fin min
- Russian bank balances fall to 475.4 bln rbls
- Russia plans high-tech hub to spur economy-3/19/2010-Reuters
- Moscow fire chief killed in blaze-Sat Mar 20-(AFP)

Overview of the Weekly Report No 111

At the Political Front of Central and Eastern Europe, the violation of Turkish air space by the Polish air Craft, the EU's warning to Poland over gender discrimination in employment, the growing support for opposition Parties in forth coming parliamentary elections in Hungary and Czech Republic were some exceptional events. While the defense and trade agreement between Venezuela and Belarus, the collapse of ruling coalition in Latvia, the victory for the Putin's ruling party in the regional elections in Russia have occupied reasonable place in News headlines.

At the economic front of the region, the IMF and World Bank's negotiation with Ukraine and Latvian authorities regarding the issue of bail out loan, opposition's rallies in a protest against government's economic policies in Russia and signs of slight economic recovery in the Baltic States have remained the attractive News for analysts.

At the social front, the news about the Britain's Prince Charles official visit to Muslim Tatars City of Poland in the middle of his week-long tour of Central Europe and a joint report from human rights watchdogs/Amnesty international and the Omega Research Foundation regarding the involvement of several EU countries including Spain, Germany, Hungary and the Czech Republic in trade of equipment used in torture have attracted the International Media.

Report Summary

Political and diplomatic front

According to APP, a Polish M-28 aircraft, which took off from Kos island of Greece, violated Turkish air space over the Aegean province of AYDIN three times early on 13 of this month. The incident has jeopardized the relations of two countries.

In parliament, responding to criticism of his government's gas policy by oppositionist Law and Justice (PiS), Polish Prime Minister Donald Tusk said that Gas supplies are more important than ideological quarrels with Russia,. PiS accused the Tusk team of protracting Poland's dependence on Russian gas by sealing a long term contract with Russia's gas distributor GAZPROM, Tusk admitted that buying gas from Russia "presented a dilemma, "

The European Commission on 18 March 2010 sent reasoned opinions, the final stage before a case is referred to the European Court of Justice, to Austria, Belgium and Poland after they failed to communicate National Legislation that aims to implement EU rules against gender discrimination in employment.

61 year-old Prince Charles along his wife arrived at Warsaw and met with Prime Minister Donald Tusk. The royal couple is in the middle of a week-long tour of Central Europe, which began in Poland and will finish in the Czech Republic. The Prince and Princess of Wales will go to Hungary on Wednesday.

The European Commission (EC) reported today that it has sent a reasoned opinion to the Czech Republic and Greece as a result of the countries failing to reschedule EU legislation setting procedures for safety checks for EU and third country aircraft using their airports.

With ten weeks remaining to parliamentary elections, it seems quite sure that the Czech Republic would be ruled by Social Democrats for the next four years. Pollsters consider them clear favorites. For example, the last results by Median agency have shown that Social democrats (CSSD) were supported by 34.5 percent of voters, while their prime rivals, Civic Democratic Party (ODS) could count on 20.7 percent.

Czech officials in Prague said they see progress in talks with Canadian diplomats over the requirement for Czechs to have visas. Prague raised a diplomatic protest last year when Canada who does not require visas from any European Union country, had suddenly imposed visa restrictions on Czechs citizens.

The president of Slovakia has vetoed a controversial patriotism law passed recently by parliament. The law, which among other things would require schools to play the Slovak national anthem every Monday, was due to come into force on 1 April. But President Ivan Gasparovic says schools have not had enough time to conform to it.

Georgia's President Mikheil Saakashvili met with Slovakian Foreign Minister Miroslav Lajcak who pledged that Slovakia will be ready to support Georgia in Euro-integration process. He hoped that in near future the Georgia's citizens will not need visas for their travel to neighboring Slovakia.

With just four weeks before Hungarians general elections, two large pre-election rallies in the capital on Monday reflected a marked shift to the right after eight years of socialist government. A crowd of tens of thousands greeted the opposition leader of the centre-right party FIDESZ.

Croatian President Ivo Josipovic, who took office in February, paid a one-day official visit to neighboring Hungary on Tuesday. He held meetings with Prime Minister Gordon Bajnai. Hungarian Leader hope that Croatia would be able to become a full member of the European Union during Hungary's presidency in 2011.

The recant Venezuelan-Belarus agreement for enhancement of their co-operations in Energy sector has attracted the International Media. The two nations have agreed to promote trade in construction materials and equipment regarding the energy sectors. Belarusian President Lukashenko offered to help Venezuela strengthening its military capabilities and the creation of a modern national defense system.

Polish-Belarusian consultations on the situation of the Union of Poles in Belarus begin Friday, after accusations that Lukashenko's regime has persecuted the minority

organization. The EU has already warned Belarus that the harassment of the Union of Poles must stop otherwise Minsk risks losing financial aid packages.

As an IMF mission arrived in Ukraine on Wednesday for discussions on the country's public finances, the Ukraine's Communist Party has slammed government plans to accept a new loan from the US-dominated International Monetary Fund, the World Trade Organization and the World Bank.

The new EU foreign Minister said here in Finland that EU member states are feeling that their global influence is slipping with the rise of the new powers new powers such as China and India, and it can restore if they adopt a single unified foreign policy in accordance with the guidance of Lisbon Treaty.

Malta and Estonia discussed trade and political relations today during a visit to Malta by the Estonian Foreign Minister. The Foreign Ministry said the two countries were exploring new ways to enhance trade and business links.

Latvia's right-wing People's Party pulled out itself from the ruling coalition as protest on unpopular tax rises and drastic cuts in public welfare sector. It recalled its five ministers from the government and moving into the parliamentary opposition after Prime Minister Valdis Dombrovskis has refused to back the party's economic-rescue plan.

The European Commission has decided to send a formal request for information to Slovenia over the independence of its national telecoms regulator Agencije za pošto in elektronske komunikacije (APEK) after the Slovenian Government dismissed its director last November. The Commission said that it is concerned that the rules by which this was done may not conform with EU rules that guarantee the independence of telecoms regulators.

Lithuanian Prime Minister Andrius Kubilius will pay a visit to Moscow on March 26-27 for a discussion of the outlook for bilateral cooperation. Meanwhile the Lithuania's President Dalia Grybauskaitė's administration is experiencing difficulties in arranging her forth coming meetings with the President of the USA Barack Obama.

Seemingly the Foreign Ministry is still incapable to say whether Grybauskaite's visit to the US could take place in March, April or May

Thousands of Russians have taken to the streets in rallies across the country in a protest about falling living standards, unemployment, local issues and government policies. The "A Day of Anger" was organized by a coalition of opposition groups: the Communist Party, the Solidarity movement and human rights groups.

Amid this agitations and protests, the Putin's ruling party, the United Russia, won a control of all eight regional parliaments in Sunday elections, but its support was down significantly in seven compared with 2007 parliamentary elections. Meanwhile Prime Minister Vladimir Putin said he would consider running for president again in 2012.

U.S. Secretary of State Hillary Clinton met here with Prime Minister Vladimir Putin on Friday and pledged to enhance cooperation with Russia in trade and, especially to sort out strategies for the Russian entry to WTO.

At the invitation of Russian Prime Minister Vladimir Putin, Chinese Vice President Xi Jinping arrived here Saturday for a five-day official visit to Russia. Russia is the first leg of Xi's four-nation Europe tour, which will also take him to Belarus, Finland and Sweden.

Economic Front

Statistics office data showed on Monday that Poland's consumer inflation was lower than expected in February, strengthening the case for keeping interest rates unchanged in upcoming months, especially in light of a still fragile recovery. Analysts in a Reuter's poll had expected prices to have risen 3.0 percent last month.

According Finance Minister Eduard Janota, the Czech Republic may be able to adopt the euro in 2015 if it meets the European Union's demand and cuts the budget deficit to within the bloc's limits in the next three years.

However, the next administration, which will replace the current interim government after May 28-29 elections, should focus mainly on cutting spending rather than increasing revenue through higher taxes. The two largest political parties have differing plans for reducing the fiscal shortfall. The Social Democrats, who lead in opinion polls, plan to raise corporate and income taxes, while the Civic Democrats intend to increase indirect taxes, such as levies on alcohol or tobacco products.

The main Czech right-wing party opened campaigning for a May 28-29 general election on Wednesday with a pledge to create up to 265,000 jobs. The right-wing Civic Democrats, led by former Prime Minister Mirek Topolánek, lag in opinion polls and face a tough struggle to win enough votes to prevent a left-dominated parliament. *Jobs are among key campaign issues in the central European country of 10.5 million where the unemployment rate has doubled since 2008 to 9.9 percent last month.*

Today the European Commission examined the updated stability and convergence programs (SCPs)¹ of Belgium, Bulgaria, Germany, Estonia, Ireland, Spain, France, Italy, the Netherlands, Austria, Slovakia, Sweden, Finland and the United Kingdom. These assessments have to be seen against the background of the sharp economic and financial crisis which has had a major impact on public finances.

A senior World Bank official said on Thursday that Belarus' performance was considerably better than that of its ex-Soviet neighbors. Russia's GDP fell by 7.8 percent in 2009 and Ukraine's economy contracted by 15 percent.

Deputy Prime Minister Sergey Tigipko said on Thursday that the Ukrainian government is preparing to sell three banks that it had bailed out in the past year during the financial crisis. The country's banking sector, comprising over 180 banks, has been hard hit by the economic.

Ratings agency Moody's played down the scope of political tensions in Latvia, saying they had no implication for credit quality and the Baltic state was better placed to tackle its fiscal problems now than a year ago. Moody's is the only ratings agency to have kept Latvia at an investment grade, albeit it's lowest level of Baa3.

According to Reuters report, the jobless rate in Russia fell by nearly 400,000 last month, but the economy contracted because (1) the investment continued to fall and (2) growth in retail sales and disposable incomes was very slow. Russian bank lending growth may hit 10 percent this year, compared with annual growth of more than 50 percent before the economic crisis struck. Central bank officials have forecast that lending will pick up in the second half of the year.

Social Front

A Polish court convicted three men on Thursday of the theft of the notorious “Arbeit Macht Frei” sign from the AUSCHWITZ MEMORIAL site in December. The “AUSCHWITZ MEMORIAL site”, former death camp, gets more than one million visitors a year and is one of Europe’s most important sites honoring the memory of the Nazis’ victims.

Britain's Prince Charles, on an official visit to Poland, went to the historic City of KRUSZYNIANY. The City on the Belarusian border is the home to the descendants of Muslim Tatars, who came three centuries ago and have been living peacefully among their Catholic and Orthodox neighbors. KRUSZYNIANY remains a spiritual home for Poland's 5,000 Tatars.

A Polish court says a biography of former President Lech Walesa is slanderous and has fined the publisher and ordered it to apologize. The Krakow court ruled Friday that allegations in the 2009 biography "Lech Walesa: The Idea and History" by Pawel Zyzak that Walesa served as a communist informant were slanderous.

A Slovak Minister slammed “A UN report regarding Roma People “as unrealistic. The report, submitted March 5 by UN High Commissioner for Human Rights, says in the Czech Republic, Italy and Slovakia, the situation of Roma community is noticeably deteriorating and discriminating. While the EU and several European governments have done their best to improve the situation of Roma.

According to a report from human rights watchdogs Amnesty international and the Omega Research Foundation, several EU countries including Spain, Germany,

Hungary and the Czech Republic buy and sell equipment used in torture such as spike batons, metal thumb cuffs and electric-shock stun sleeves delivering 50,000-volt shocks to detainees, despite a 2006 EU law against the trade.

The Confederation of Italian Confectioners is going to manufacture pastry in Belarus by using the Belarusian raw material and capacities. The presentation of the project took place in Minsk on 16 March under the auspices of the Embassy of Italy in Belarus.

Ukrainian President Viktor Yanukovich proposes to hold the joint military parade of the Ukrainian Navy and Russia's Black Sea Fleet in Sevastopol on May 9 to celebrate the 65th anniversary of V-Day.

Icelandic government records state that the country is exporting meat from slaughtered whales to Latvia and Denmark, as well as Japan, in defiance of international law and a global whaling ban.

The Lithuanian Government in order to reduce unemployment rates has announced that now the young people will not have to pay pension insurance to SoDra during the first year of their employment. The new order will come into effect as of July 1 this year and last until 2012.

President Dmitry Medvedev yesterday announced that Russia would build a high-tech hub at Skolkovo, near Moscow to encourage modernization of the economy and reduce its dependence on oil and gas. The centre, designed to develop five priority sectors — energy, IT, telecommunications, bio-medical and atomic technologies.

Moscow's fire chief was killed Saturday as a major blaze swept through an office building in the north of the Russian capital. The head of the Moscow fire department, Colonel Yevgeny Chernyshov "was in the burning building to help evacuate people inside, but was a victim of the roof collapse.

Detailed Report

Poland

Political Front

Polish M-28 aircraft, which took off from Kos island of Greece, violated Turkish air space-APP-13 March

According to APP, a Polish M-28 aircraft, which took off from Kos island of Greece, violated Turkish air space over the Aegean province of AYDIN three times early on 13 of this month. The incident has jeopardized the relations of two countries.

Gas supplies are more important than ideological quarrels with Russia- 10 March- POLSKA Radio News.

In parliament, responding to criticism of his government's gas policy by oppositionist Law and Justice (PiS), Polish Prime Minister Donald Tusk said that Gas supplies are more important than ideological quarrels with Russia. PiS accused the Tusk team of protracting Poland's dependence on Russian gas by sealing a long term contract with Russia's gas distributor GAZPROM, Tusk admitted that buying gas from Russia "presented a dilemma, "

The European Commission on 18 March 2010 sent reasoned opinions to Australia, Belgium and Poland. Source: EU Commission- 10 March.

The European Commission on 18 March 2010 sent reasoned opinions, the final stage before a case is referred to the European Court of Justice, to Austria, Belgium and Poland after they failed to communicate National Legislation that aims to implement EU rules against gender discrimination in employment.

Polish minister pleased with compromise over Baltic pipeline route-Mar 14, 2010,

Warsaw - Polish Foreign Minister Radoslaw Sikorski said Sunday he was pleased his country had resolved its dispute with Germany over the route of a gas pipeline in the Baltic Sea. Good relations between the two neighbours had helped Poland protect its

interests in relation to the Russo-German pipeline, the Polish Press Agency PAP quoted the minister as saying. Poland was afraid the pipeline - from the Russian town of Wyborg to Lubmin in the north of Germany - would have hampered shipping access to the Polish Baltic ports of SWINOUJSCIE and SZCZECIN.

China, Poland to promote supervisory co-op-English.news.cn-03-15-(Xinhua)

A leader of the Communist Party of China (CPC) Monday voiced his hope to boost exchanges between supervisory departments of China and Poland during a meeting with a delegation from the Supreme Chamber of Control of Poland."The Chinese government attaches importance to international cooperation on fighting corruption, and is willing to make joint efforts with other countries in the field, " said He Guoqiang, a member of the Standing Committee of the CPC Central Committee Political Bureau. He, also secretary of the CPC Central Commission for Discipline Inspection (CCDI), said China would uproot corruption and take measures to prevent its occurrence to maintain healthy social development. He told the Polish delegation, led by Jacek Jezierski, president of the Supreme Chamber of Control, that the Chinese government had set the economic growth target as 8 percent this year during the just-concluded session of the National People's Congress. China would speed up the transformation of the economic development model and optimize the economic structure to achieve quality of growth, he said.

Prince Charles praises UK Poles-16.03.2010-Poleskei Radio International

President's minister Mariusz Handzlik said that the heir to the British throne, accompanied by his wife, the 62 year-old Camilla Duchess of Cornwall - radiant in a deep pink frockcoat, grey scarf and flat heels - discussed environmental issues, a subject close to the prince's heart. The UK's contributions to Chopin Year were also on the agenda. Later, 61 year-old Prince Charles met with Prime Minister Donald Tusk and wife, where, according to spokesman Pawel Gras, Charles talked of his admiration for the Polish nation and remembered the Polish war effort during WW II and their great success fighting with the RAF. The busy day continued as President Lech Kaczynski accompanied the prince to a wreath-laying ceremony at the tomb of Father Jerzy

Popieluszko, murdered by the communist secret service in 1984. A special gala dinner for the royal couple was then laid on at the Presidential Palace, where they tucked in to an EU designated product status Oscypek highlanders sheep's cheese, mushroom soup, lamb, and a special Polish apple pie. The Prince and Princess of Wales arrived in Hungary on Wednesday for a three day visit. The royal couple is in the middle of a week-long tour of Central Europe, which began in Poland and will finish in the Czech Republic.

Economic Front

Polish Public Debt Will Not Exceed 53% of GDP In 2010-9th March-Dow Jones News.

WARSAW-Poland's public debt-to-gross domestic product ratio won't exceed 53% in 2010 and will likely stay below 55% in coming years, Finance Minister Jacek Rostowski said Friday. "This year, we're sure that debt-to-GDP will not cross 53% and we don't forecast crossing the 55% threshold in coming years," Rostowski said during a televised speech to Sejm, Poland's parliament.

Polish unemployment to improve from March

WARSAW, March 19 (Reuters) - Poland's unemployment rate will likely reach around 13 percent in March and start falling from there, a deputy labour minister said on Friday. "The unemployment rate in March will be very close to February's," Czeslawa Ostrowska told TVN CNBC. "As of April, the jobless rate should start falling. We are already seeing more job offers." The unemployment rate is estimated at 13 percent in February, up from January's 12.7 percent. Official data is due on March 24. Ostrowska said, echoing many analysts, that the exceptionally harsh winter had a bigger negative impact on the labor market than in most years, causing work on many building sites to come to a stop and adding to the number of jobless. She said, however, that the situation would improve soon, and that studies showed employers were planning to hire.

Poland's consumer inflation was lower than expected in February-Bloomberg-7 March.

Statistics office data showed on Monday that Poland's consumer inflation was lower than expected in February, strengthening the case for keeping interest rates unchanged in upcoming months, especially in light of a still fragile recovery. on Monday consumer prices rose 2.9 percent year-on-year last month, down from a revised 3.5 percent in January. Analysts in a Reuter's poll had expected prices to have risen 3.0 percent last month. In month-on-month terms consumer prices rose 0.2 percent versus expectations of a 0.4 percent rise.

Social Front

A Polish court convicted three men of the theft of the notorious “Arbeit Macht Frei” sign from the AUSCHWITZ MEMORIAL-News Now Eastern Europe-9 March.

A Polish court convicted three men on Thursday of the theft of the notorious “Arbeit Macht Frei” sign from the AUSCHWITZ MEMORIAL site in December. The “AUSCHWITZ MEMORIAL site”, former death camp, gets more than one million visitors a year and is one of Europe's most important sites honoring the memory of the Nazis' victims.

The Muslim Tatars community of the historic City of KRUSZYNIANY hosts the Britain's Prince Charles-Europa.com-10 March.

Britain's Prince Charles, on an official visit to Poland, went to the historic City of KRUSZYNIANY. The City on the Belarusian border is the home to the descendants of Muslim Tatars, who came three centuries ago and have been living peacefully among their Catholic and Orthodox neighbors. KRUSZYNIANY remains a spiritual home for Poland's 5,000 Tatars.

The Krakow court ruled that allegations in the biography of Lech Walesa were slanderous-BBC.News.11 March.

A Polish court says a biography of former President Lech Walesa is slanderous and has fined the publisher and ordered it to apologize. The Krakow court ruled Friday that

allegations in the 2009 biography "Lech Walesa: The Idea and History" by Pawel Zyzak that Walesa served as a communist informant were slanderous.

Czech Republic

Political Front

E.C directs Greece & Czech to ensure implementation of national safety checks-

The European Commission (EC) reported today that it has sent a reasoned opinion to the Czech Republic and Greece as a result of the countries failing to transpose EU legislation setting procedures for safety checks for EU and third country aircraft using their airports. Power and Cooling Capacity Management for Data Centers Learn more, download free white paper. The countries now both have two months to comply with the request. Directive 2008/49/EC1 establishes standards for the whole European Union related to aircraft inspections, possible measures for unsafe aircraft and standards for the training and qualification of inspectors.

Czech Social Democrats face challenges both from inside and outside-March 16,

With ten weeks remaining to parliamentary elections, it seems quite sure that the Czech Republic would be ruled by Social Democrats for the next four years. Pollsters consider them clear favorites. For example, the last results by Median agency have shown that Social democrats (CSSD) were supported by 34.5 percent of voters, while their prime rivals, Civic Democratic Party (ODS) could count on 20.7 percent. Two other parties seem to be sure to qualify for lower house: Communists (13.9 percent) and new center right party TOP 09. Three other smaller parties may, but by no means are sure to step over five percent threshold to get seats for their deputies. Another sociological institution, CVVM, brought similar results (33 percent for CSSD, 20.5 percent for ODS, 14.5 for Communists)

Czechs, Canadians Discuss Visa Dispute-March 17, 2010

Czech officials in Prague said they see progress in talks with Canadian diplomats over the requirement for Czechs to have visas.Czech Foreign Ministry spokesman Filip

Kanda told the CTK news agency talks Monday between the two countries and European Commission representatives showed some consensus." Both sides have agreed that return to the visa-free state should be the result of the process," he said. Prague raised a diplomatic protest last year when Canada announced Czechs would require a visa because of a surge in refugee applications. Canada does not require visas from any other European Union country. Canada obliged a Czech demand it open a visa office in its embassy in Prague and agreed to draft a "road map" for the Czechs to eventually drop the visa requirement, although that hasn't materialized, Kanda said. Before Canada imposed the visa restriction in September, 2,172 Czechs in Canada filed for refugee status. That number fell to 30 after the new requirement, the report said.

Economic Front

Czech Euro Adoption Possible in 2015, Minister Says-March 15 (Bloomberg)

The Czech Republic may be able to adopt the euro in 2015 if it meets the European Union's demand and cuts the budget deficit to within the bloc's limits in the next three years, Finance Minister Eduard Janota said. The government, which doesn't have a target for joining the euro region, must cut the shortfall to within the EU ceiling of 3 percent of gross domestic product by 2013 from the planned 5.3 percent of GDP in 2010. The deficit widened to an estimated 6.6 percent of GDP last year when the country fell into the worst recession since communism collapsed 20 years ago. The government may seek entry into the exchange-rate mechanism, in which a euro candidate must prove currency stability for at least two years, in 2013, Janota said in a debate on Czech Television. "Then, 2015 would be the earliest date for entering the euro zone." Reducing the public-finance deficit will require "tough measures." The koruna led gains among emerging-market currencies today, rising 0.2 percent to 25.482 against the euro as of 9 a.m. in Prague. A close at that level would be its highest in four months.

May Elections- According to finance minister, the next administration, that will replace the current interim government, after May 28-29 elections should focus mainly on cutting and spending rather than increasing revenue through higher taxes. The two

largest political parties have differing plans for reducing the fiscal shortfall. The Social Democrats, who lead in opinion polls, plan to raise corporate and income taxes, while the Civic Democrats intend to increase indirect taxes, such as levies on alcohol or tobacco products. The parties have yet to present concrete plans for spending cuts. The economy is recovering from a recession, with GDP expanding 0.7 percent in the last quarter of 2009, the second consecutive quarter of growth, because of improved demand for its exports, such as cars made by Volkswagen's Skoda Auto AS. The Finance Ministry forecasts 2010 economic growth at 1.3 percent, expecting a further improvement in demand from the main markets in Western Europe. East European nations including the Czechs, Bulgaria, Estonia, Hungary, Lithuania and Slovakia, raised their 2010 economic forecasts in the past two months on expectations of an increase in exports. The European Bank for Reconstruction and Development lifted its GDP growth estimate for the 30 emerging European nations it invests in to 3.3 percent from 2.5 percent. The 10 former communist nations that joined the EU since 2004 must adopt the euro once they meet a set of conditions, including slow inflation, a narrow budget deficit and low debt. Estonia is poised to enter the euro area next year and become the third country in the region to adopt the common currency after Slovenia and Slovakia. Lithuania targets euro adoption by 2014, while Poland, the largest former communist economy in the EU, sees 2015 as a possible date for the switch.

Czech right-wing launches campaign with jobs pledge

PRAGUE, March 17 (Reuters) - The main Czech right-wing party opened campaigning for a May 28-29 general election on Wednesday with a pledge to create up to 265,000 jobs and warnings against loose fiscal policies that could lead to a debt trap. The right-wing Civic Democrats, led by former Prime Minister Mirek Topolánek, lag in opinion polls and face a tough struggle to win enough votes to prevent a left-dominated parliament. Jobs are among key campaign issues in the central European country of 10.5 million where the unemployment rate has doubled since 2008 to 9.9 percent last month. Voters will decide between tax-and-spend policies promoted by the leftist Social Democrats and right-wing prescriptions for spending cuts and pro-business reforms as a way to kick-start economic growth and cut the yawning budget deficit.

Social Front

UN: Roma status getting worse-Mar 16 2010

A UN report saying the situation of Roma is deteriorating in the Czech Republic has been slammed by a minister as "not reflecting reality." The report, submitted March 5 by UN High Commissioner for Human Rights Navi Pillay, says Roma in the Czech Republic, Italy and Slovakia are discriminated against and their plight is worsening. "While the EU and several European governments have done their best to improve the situation of Roma, in many other countries, including the Czech Republic and Slovakia, their position is noticeably deteriorating," she said.

Slovakia

Political Front

Slovak President GASPAROVIC sends back patriotism law-BBC News

Ivan GASPAROVIC said he was in favor of the law. The president of Slovakia has vetoed a controversial patriotism law passed recently by parliament. The law, which among other things would require schools to play the Slovak national anthem every Monday, was due to come into force on 1 April. But President Ivan Gasparovic says schools have not had enough time to conform to it. There has been a public outcry over the law, drawn up by a nationalist party in the governing coalition. Schools in particular complained they did not have enough money to pay for flags, coats of arms and other symbols of Slovak statehood that the law says must adorn every classroom. Neither, said the schools, were there enough loudspeakers to play the national anthem every Monday morning. President Gasparovic told reporters he was totally in favour of the law. The only problem, he said, was its timing. He has now returned it to parliament to be amended to September. Observers, however, believe there are other forces at work, saying Prime Minister Robert Fico put pressure on the president not to sign it

Georgia's President hopes no visa required to EU countries-18 Mar-Trend News

Georgia's President Mikheil Saakashvili met with Slovakian Foreign Minister Miroslav Lajcak. He said that Slovakia is ready to fully support Georgia in Euro-integration process and share its experiences, the Georgian President's press-service said. "We know what it is necessary to be successful and what the result will be. We are kind-hearted mediators. We have no other intentions but to help. We want to help you to take the place which Slovakia has already held, Lajcak said. Georgian President thanked Lajcak for the visit and support of Georgia's interests in the European institutions. Despite the attempts of international isolation, Georgia, on the contrary, has never had such an intensive rapprochement with Europe, Saakashvili said. "I hope that by summer we will achieve simplification of visa regime with Europe. People will not have to stand in long queues, he said. In two years, I hope the initiative of Poland and Finland will be implemented. Georgia's citizens will not need visas. Free trade regime will be launched

Azerbaijani President receives Slovak FM-15.03.2010

Azerbaijani President Ilham Aliyev received Monday Slovak Foreign Minister Miroslav Lajcak and his accompanying delegation, the AzerTaj state news agency reported. The Head of State expressed hope Lajcak's visit to Azerbaijan would be successful and open up new avenues for effective cooperation in a variety of fields. The Azerbaijani Leader noted there is huge potential and interest of both sides to achieve it. He expressed confidence that meetings to be held during the visit would be effective for outlining major areas for development of bilateral relations

Economic Front

EU Economy: Commission Examines Convergence & Stability Programs of 14 Member States Following Economic Crisis-eGovmonitor-17 March, 2010

Today the European Commission examined the updated stability and convergence programmes (SCPs)¹ of Belgium, Bulgaria, Germany, Estonia, Ireland, Spain, France, Italy, the Netherlands, Austria, Slovakia, Sweden, Finland and the United Kingdom. These assessments have to be seen against the background of the sharp economic and financial crisis which has had a major impact on public finances. Reflecting the working of automatic stabilizers and discretionary stimulus measures implemented in line with

the European Economic Recovery Plan (EERP)² to cope with the exceptional economic circumstances, a large majority of Member States is currently subject to the excessive deficit procedure following corresponding Council decisions in 2009. Of the countries assessed today, only Bulgaria, Estonia, and plan to keep their general government deficits below the 3% of GDP reference value set in the Stability and Growth Pact over the programs' period. Overall, for the majority of the fourteen programs, the growth assumptions underlying the budgetary projections are assessed as rather optimistic, implying that budgetary outcomes might be worse than targeted. Furthermore, in several cases, the budgetary consolidation strategy is not sufficiently backed up by concrete measures from 2011 onwards

Social Front

Religious registration in the Slovak Republic-18 Mar 2010-Ekklesia.com.UK

In February 2010, the Constitutional Court of the Slovak Republic rendered a long-awaited landmark decision on a complaint filed by Prosecutor General Dobroslav Trnka, who argued primarily that the present law governing the registration of churches and religious organisations in the Slovak Republic is discriminatory and unconstitutional. In what some might view as a controversial ruling, the Constitutional Court found Trnka's complaint unsubstantiated and as a result, the religious registration law will stay intact for the time being. The Court's ruling is very bad news for presently unregistered smaller churches and religious organisations, which under the present statute are required, *inter alia*, to have 20,000 adult members before they can be officially recognised by the Ministry of Culture. Nothing short of a miracle would be needed for most religious groups to build a sufficiently large membership base: Only six of the eighteen religious communities presently registered were actually able to reach the aforementioned numerical criterion. The majority of the rest have fewer than 5,000 members, even though some of them have been in existence for many decades (and thus are registered, despite their smaller numbers, because they were either legally recognised before the religious registration law came into effect in 1991, or before it was amended in 2007.) The current registration criteria, arguably the strictest among all participating states in the Organisation for Security and Co-operation in Europe

(OSCE), has been criticised for compromising religious freedom by numerous non-registered religious groups as well as by some international observers. Interestingly, even the most senior member and former chair of the Slovak National Council, František Mikloško, candidly admitted that a threshold of 20,000 members is “disproportionate, exaggerated and an unachievable number that was determined on the ground of expedience to prohibit additional churches from registering

Slovakia Ambassador Wins Ski Cup of Bulgaria Foreign Minister-March 14, 2010,

German Ambassador Matthias Hoepfner (center) and Slovakia Ambassador Karol Mistrik (right) came up with the initiative for a ski cup for diplomats in Bulgaria. Photo by BGNES Slovakia’s Ambassador to Bulgaria, Karol Mistrik, has triumphed in the contest for the Ski Cup of Bulgaria’s Foreign Minister Nikolay Mladenov. A total of 34 foreign diplomats, including the Ambassadors of Austria, Germany, Japan, Slovakia, and Ukraine, and two Bulgarian Ministers – Economy Minister Traikov and Regional Development Minister Plevneliev – participated in the contest. Ambassador Mistrik won the Transitional Cup of the Foreign Minister by achieving the best time on the 600 m-track in the Bulgarian mountain resort of Bansko in the contest which took place Saturday. The contest was organized at the initiative of the Ambassadors of Germany and Slovakia to Bulgaria, Matthias Hoepfner, and Karol Mistrik.

Hungary

Political Front

Hungarian minister demands action after Israeli aircraft sighting-Mar 19, 2010,

Budapest - Defence Minister Imre Szekeres intends to ask the Hungarian government to re-establish a Military Aviation Authority in the wake of confusion following reports of two Israeli Air Force planes flying low over Budapest's international airport, the state news agency MTI reported on Friday. Szekeres said it transpired that the flights had not been authorized either by Hungary's National Transport Authority or the ministry or the civilian or military secret services. The defense minister noted that existing regulations stipulate that the ministry must be informed of such exercises in advance.

Hungary passes landmark Holocaust denial law-19/03/2010

BERLIN – A broad coalition of Christian-Jewish organizations and Attila Mesterházy, of the Hungarian Socialist Party, played a crucial role in convincing Hungary’s government to enact legislation earlier this month to punish deniers of the Holocaust. The law is “a major breakthrough” because it was passed at a time when “an anti-Semitic, anti-Israeli extremist movement [the Jobbik party/Movement for a Better Hungary] is set to gain” in next month’s parliamentary election, Peter Morvay, a prominent Hungarian television and print journalist, told The Jerusalem Post on Thursday. The legislation will come into force in early April. “Those who publicly hurt the dignity of a victim of the Holocaust by denying or questioning the Holocaust itself, or claim it insignificant, infringe the law and can be punished by prison sentence of up to three years,” the law reads. Hungary joins a string of Western and Eastern European countries that have criminalized the denial of the Shoah. The law’s passage was helped by January’s visit of the Knesset Christian Allies Caucus to Budapest and the caucus member’s discussions with the main Hungarian political parties, including with Mesterházy, a faction leader and the prime ministerial candidate of the Socialist Party.

Chinese official calls for greater cooperation with Hungary-March 17-(Xinhua)

A leader from the Communist Party of China(CPC) Wednesday called on China and Hungary to cement cooperation and strengthen relations between China and the European Union (EU). Li Changchun, member of the Standing Committee of the Political Bureau of the CPC Central Committee, made the remarks here during a meeting with Ildiko Lendvai, president of the Hungarian Socialist Party. Li said that since the two countries lifted their relationship to a friendly and cooperative partnership in 2004, political trust and economic cooperation, as well as the coordination in international and regional affairs, had been enhanced.

Political rallies in Hungarian capital reflect swing to the right-Mar 15- M&G News

Budapest - With just four weeks to go before Hungarians vote in general elections, two large pre-election rallies in the capital on Monday reflected a marked shift to the right after eight years of socialist government. March 15 is the day Hungarians remember

their country's doomed 1848 revolution against rule by the Habsburg Empire. However, with even US President Barack Obama issuing a statement to mark the 162nd anniversary, the public holiday in Hungary was overshadowed by present day politics. A crowd of tens of thousands - fewer than the 100,000 claimed by organisers - greeted the leader of the centre-right opposition party Fidesz with cries of 'Viktor, Viktor

New Croatian president visits Hungary 08:53, March 17, People's Daily Online

Croatian President Ivo Josipovic, who took office in February, paid a one-day official visit to neighboring Hungary on Tuesday. Josipovic was received by his Hungarian counterpart Laszlo Solyom, and held meetings with Prime Minister Gordon Bajnai and Speaker of Parliament Bela Katona as well as Viktor Orban, head of the conservative Fidesz party currently in opposition but widely expected to win next month's parliamentary elections. Solyom called the visit a symbol of friendship and trust between the two countries and voiced his hope that Croatia would be able to become a full member of the European Union during Hungary's presidency in 2011.

Economic Front

VAT – Commission takes Portugal and Hungary to Court and asks France to modify its VAT legislation-18/03/2010

The European Commission has decided to refer a case concerning the VAT flat rate scheme for farmers in Portugal, and another case regarding the refund of VAT credits in Hungary, to the Court of Justice. At the same time, the Commission has formally requested that France modify its legislation regarding the exemption of certain boat-related supplies. Under the VAT Directive, where the application of the normal VAT arrangements to farmers is likely to give rise to difficulties, Member States may apply a flat-rate scheme designed to offset the VAT charged on purchases of goods and services by the farmers. Instead of introducing such a flat rate scheme for farmers, Portugal has introduced an optional exemption for agricultural activities, exempting VAT on supplies provided by the farmer, unless he opts to apply the normal VAT arrangements. In addition, farmers are not compensated for the VAT paid on their inputs, for which they have to pay 5-12% VAT on agricultural inputs. The Commission takes the view

that the flat rate scheme applied to farmers in Portugal clearly conflicts with the purpose of the scheme and is not in line with the VAT Directive. The Commission sent a reasoned opinion to Portugal in June 2009 (IP/09/1015), but since the reply received in September 2009 was not satisfactory, the Commission decided to refer the case to the Court of Justice.

Next Hungary govt may try to oust cbank head-paper

BUDAPEST, March 18 (Reuters) - Hungary's Fidesz party may try to remove central bank Governor Andras Simor if it wins elections in April, by rewriting the laws that govern the bank's operations, business weekly Figyelo said on Thursday. Without naming its sources Figyelo said the party, currently in opposition but leading opinion polls by a big margin, could consider the idea of merging financial markets watchdog PSZAF or shifting part of its responsibilities into the central bank. It said that with a new central bank legislation and organizational structure, a new governor could replace Simor, whose six-year term will end in 2013 and who was appointed under former Socialist Prime Minister Ferenc Gyurcsany. Asked at a press conference if Fidesz was planning to change the law in any way, and whether the party wanted to see Simor leave before the end of his mandate, Fidesz deputy chairman Mihaly Varga said

Social Front

EU countries sell tools of torture, says report-17.03.2010-EUOBSERVER

BRUSSELS - Several EU countries buy and sell equipment used in torture such as spike batons, metal thumb cuffs and electric-shock stun sleeves delivering 50,000-volt shocks to detainees, despite a 2006 EU law against the trade, according to a report from human rights watchdogs Amnesty international and the Omega Research Foundation. The report reveals how EU countries including Spain, Germany, Hungary and the Czech Republic have authorised exports of policing weapons and other possible torture tools to at least nine countries where use of such equipment in torture has been documented. "The introduction of European controls on the trade in 'tools of torture' ... was a landmark piece of legislation. But three years after these controls came into force, several European states have failed to properly implement or enforce the law," said

Nicolas Beger, director of Amnesty International's EU office. According to the document, law enforcement equipment suppliers in Italy and Spain have promoted the sale of illegal electroshock cuffs or sleeves thanks to loopholes in the EU law that permit their trade, even though similar electric stun belts are prohibited for import and export across the EU on the grounds that their use inherently constitutes torture or ill treatment.

Eastern Europe (Belarus & Ukraine)

Belarus

Political Front

Venezuela inks energy and trade accord with Belarus-World News-Morning Star Online-

The recent Venezuelan-Belarus agreement for enhancement of their co-operations in Energy sector has attracted the International Media. The US and Western Media highlighted the event as a ground breaking event and several prominent News Papers published the critical analysis highlighting the various International implications of the event. The two nations have agreed to promote trade in construction materials and equipment regarding the energy sectors. Belarusian President Alexander Lukashenko offered to help Venezuela strengthen its military.

Belarus offers closer military ties with Venezuela-Associated Press-Mar 19, 2010

Venezuela and Belarus strengthened energy and trade co-operation on Wednesday, with President Hugo Chavez saying that the two allies are seeking to increase their independence from the US and other imperialist states. At a meeting in Caracas, Mr Chavez and his Belarusian counterpart Alexander Lukashenko agreed to invest \$1.6 billion (£1.05bn) to create a joint venture to develop oil and natural gas projects in Venezuela. The projects are expected to produce 200 million cubic feet of natural gas a day by 2012, part of Venezuela's efforts to triple gas output. Officials also reached an agreement for Venezuela to ship 80,000 barrels of heavy crude oil a day to the former Soviet republic. Belarus has also pledged to build public housing complexes and a

factory to manufacture tractors and lorries in Venezuela, and the two nations have agreed to promote trade in construction materials and equipmen. Belarusian President Alexander Lukashenko offered to help Venezuela strengthen its military, saying Tuesday that President Hugo Chavez's government should not have to worry about foreign threats. Addressing lawmakers inside Venezuela's National Assembly, Lukashenko said Belarus hopes to "share the experience of creating an integrated defense system."

China to strengthen trade ties with four European nations: vice Commerce Minister

BEIJING, Mar 19, 2010 (Xinhua via COMTEX) -- China must strengthen trade ties with Russia, Belarus, Finland and Sweden, said Vice Commerce Minister Gao Hucheng Friday, a day ahead of Vice President Xi Jinping's 11-day official visit to the four European countries.

Polish-Belarusian talks on Union of Poles-19.03.2010-Poleskei Radio.

Polish-Belarusian consultations on the situation of the Union of Poles in Belarus begin Friday, after accusations that President Aleksander Lukashenko's regime has persecuted the minority organisation. The joint talks were agreed after Foreign Minister Radek Sikorski met with Lukashenko in Ukraine this month. Deputy Foreign Minister Andrzej Kremer is representing Poland in Minsk with the meeting being chaired by Belarusian ministers responsible for minority rights in the ex-Soviet nation. The EU has warned Belarus that the harassment of the Union of Poles led by Andżelika Borys - which has had property confiscated and members arrested - must stop otherwise Minsk risks losing financial aid packages and other

Belarus's Lukashenko to visit Brazil-17 March 2010-FOCUS News Agency

Moscow. Belarusian President Alexander Lukashenko is to visit Brazil as part of his Latin American tour, national media said on Tuesday, RIA Novosti reported. The Belarusian leader is expected to meet his Brazilian counterpart Luiz Inacio da Silva on March 22 in Rio de Janeiro. Lukashenko said in Caracas on Tuesday that Belarus was

ready to assist Venezuela in the creation of a modern national defense system. Lukashenko's visit to Venezuela has already seen a deal for the South American state to supply up to 80,000 barrels of crude oil per day to Belarus. The Belarusian government press service earlier called "groundless" media speculation that Lukashenko had intentionally gone to visit to Venezuela to avoid meeting Russian Prime Minister Vladimir Putin currently in Belarus.

Economic Front

W. Bank praises Belarus economic performance, energy efficiency

MINSK, March 18 (Reuters) - Belarus' command of its economy and progress made in energy efficiency over the past decade could serve as a useful example to other nations, a senior World Bank official said on Thursday. "You have been able to ensure economic growth that's closer to China's than to Europe's," Philippe Le Houerou, the bank's vice-president for Europe and Central Asia, told Belarussian Prime Minister Sergei Sidorsky during a meeting. Belarus, run by President Alexander Lukashenko along Soviet-style command lines since 1994, averaged annual economic growth of around 10 percent for the five years prior to 2009. That came to an end last year as the global economic downturn pushed growth down to just 0.2 percent whereas China's GDP rose 8.7 percent. Still, Belarus' performance was considerably better than that of its ex-Soviet neighbours. Russia's GDP fell by 7.8 percent in 2009 and Ukraine's economy contracted by 15 percent. Belarus remains one of the least reformed countries in the pre-1990 eastern bloc. Its state-dominated economy has depended heavily on cheap oil and gas from Russia, a benefit that has been cut as relations between the once-close allies have soured.

Social Front

Italy to Produce Pastry in Belarus-Source: The National Center of Legal Information of the Republic of Belarus-18/03/2010

Minsk, March 17 – The Confederation of Italian Confectioners is going to manufacture pastry in Belarus. The presentation of the project took place in Minsk on 16 March

under the auspices of the Embassy of Italy in Belarus, BelTA has learnt. Representatives of the Belarusian confectionaries were invited to the meeting. Renato Cucinotta, Confederation of Italian Confectioners' Envoy in Eastern Europe, owner of the Cucinotta Group Company in Belarus, presented a new confectionary manufacturing concept to Belarus. The joint project envisages the production of Italian cakes and biscuits using the Belarusian raw material and capacities.

Ukraine

Political Front

Ukraine says law on gas concessions almost ready-March 19 (Reuters)

A law on giving concessions for Ukraine's gas transit network is almost ready, a deputy prime minister said on Friday ahead of a Ukrainian delegation trip to Russia to talk about the two countries' energy relations."The law on gas transit system concessions after the creation of a gas transit consortium is practically ready," Deputy Prime Minister Andriy Kluyev was cited by Interfax as saying on a trip outside of Kiev.

Ukraine communists slam plans to accept loan from IMF-18 March 2010

Ukraine's Communist Party has slammed government plans to accept a new loan from the US-dominated International Monetary Fund. As an IMF mission arrived in Ukraine on Wednesday for discussions on the country's public finances, the party warned that "seeking new credits is to tighten a financial noose around the neck of Ukrainians." CP general secretary Petro Symonenko, a key member of President Viktor Yanukovich's new Stability and Reforms coalition, said: "We are witness to the fact that Ukraine's flagship state industrial companies and agriculture have been ruined through the previous government's co-operation with the IMF, the World Trade Organization and the World Bank."

Ukraine's No to NATO-17.03.2010 Source: Pravda.Ru

A statement in yesterday's parliamentary newspaper in Ukraine affirmed categorically that the new governing coalition will pass a law which will legislate against joining

military alliances. The NATO project for the ex-orange State has failed, lies in shreds and tatters and is fit for the dustbin. The Yushchenko dream is shattered. This move can only be described as an abject failure for NATO and its continued plans to expand eastwards despite having given pledges to Moscow that this would not happen after the Warsaw Pact was disbanded. Moreover, apart from being a blow for NATO's plans of intrusion, it can also only be described as a resounding success for Moscow, given that a recent military doctrine published by Russia described NATO's expansion eastwards as its main foreign policy concern. Predictably, Yulia Timoshenko is moving in the wings stirring up trouble, trying to form a united opposition, despite having been dropped by the Ukrainian people. However, the name of Ukraine's Prime Minister under President Yanukovich is not Yulia Timoshenko, who today is simply another parliamentarian. The name of Ukraine's Prime Minister, conformed last week, is Mykola Azarov. Yanukovich's statement of intent against joining military alliances confirms the new strategy and direction chosen by Kiev, namely to foster good relations with Russia and with Europe and to follow this path does not mean that one side has necessarily to be antagonistic to the other. Why should joining the European Union be a move hostile to Moscow? Why should Ukraine join NATO (an out-dated clique of corporate elitists serving as a gentleman's club for Washington's arms lobby) or for that matter the CSTO, the Collective Security Treaty Organization, Moscow's answer to it? Moscow has always claimed that Ukraine's policy is for Kiev to form, believing in the adage that for every action, there is a possible reaction. With Yanukovich, predictably, comes a pragmatic and sensible, balanced foreign policy.

Economic Front

Ukraine may join Unified Economic Space on WTO terms – Yanukovych-07.03

Ukraine will join the Unified Economic Space of Russia, Belarus and Kazakhstan only on the conditions of the World Trade Organization, President Viktor Yanukovych said on Saturday, RIA Novosti reported. "We have fallen far behind in this process [the creation of the economic space]," Yanukovych 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.

Ukraine govt plans to sell 3 nationalized banks

KIEV, March 18 (Reuters) - The Ukrainian government is preparing to sell three banks that it had bailed out in the past year during the financial crisis, Deputy Prime Minister Sergey Tigipko said on Thursday. Tigipko did not name the three banks but the last government of former Prime Minister Yulia Tymoshenko bailed out only three banks -- Rodovid bank, the 15th largest in the country, Ukgazbank, 19th largest, and Bank Kyiv, 40th largest. The country's banking sector -- comprising over 180 banks -- has been hard hit by the economic crisis after the hryvnia currency plummeted in value against the dollar, causing problems with debt repayments from consumers and companies.

IMF Mission to Visit Ukraine on Resuming Loan Program-(Dow Jones)

The International Monetary Fund will send a mission to Ukraine next week to discuss resuming the lending program held up since late last year. The visit, scheduled for March 24 to April 2, will seek "to reach understanding on economic policies that could be supported by a fund program," said Max Alier, resident representative of the IMF, in a statement. Caroline Atkinson, director of external relations at the IMF, said Thursday that to revive the \$16.4 billion financing deal, the government of President Viktor Yanukovich has to reach an agreement with the IMF on the next steps the government plans to take under the fund-sponsored program, she said. Ukraine has already received about \$11 billion of the loan package, but the next disbursement of about \$3.8 billion has been delayed since November over disagreements on the 2010 budget plan

Ukraine Trade Deficit Up To \$314 Million-March 15-EU News Network

KIEV, Ukraine's international trade deficit widened to more than \$710 million in January as imports far outweighed exports, the state statistics office said Monday. Exports grew by 23.6 percent in January on an annual basis to \$3 billion, while imports rose by 63 percent to \$3.3 billion, the agency said. On a monthly basis, imports

exceeded exports by \$314.2 million in January, widening the year-over-year trade deficit to \$710.4 million, the Ukrainian News Agency reported. In January 2009, Ukraine had a \$396.2 million international surplus in its trade with 169 countries, the report said.

Higher gas demand causes Ukraine trade deficit-March 15 (Reuters)

Higher demand for gas caused by a hard winter and the end of a row with Russia that had cut gas imports pushed Ukraine's trade to a \$314.2 million deficit in January, state statistic and energy officials said on Monday. The State Statistics Committee said the share of energy goods rose to 42.8 percent of total imports in the ex-Soviet republic in January as compared to 26.5 percent a year ago. Though figures a year ago reflected lower imports of Russian gas because of the gas "war", Ukrainian energy officials say severe weather this January, in which temperatures have been down to minus 15 centigrade, helped push up imports. The January deficit contrasted with a \$396.2 million surplus registered in the same month in 2009 largely due to interrupted supplies from Russia in the dispute over prices and terms. The row led to gas supplies to Europe being cut off in January 2009 in a two-week period, leaving millions of homes without heat at the height of winter and damaging the industry. Europe receives a fifth of its gas from Russia via Ukraine. Russia and Ukraine signed a 10-year gas contract in late January 2009 ending the crisis. Data from the statistics committee showed that Ukraine imported gas for \$775.5 million in January

Social Front

Yanukovich for parade of Ukraine navy and Russia Black Sea Fleet-18.03.2010

KIEV, March 18 (Itar-Tass) - Ukrainian President Viktor Yanukovich proposes to hold the joint military parade of the Ukrainian Navy and Russia's Black Sea Fleet in Sevastopol on May 9 to celebrate the 65th anniversary of Ve-Day. "I believe it will be right to hold the joint parade with Russia in Hero City of Sevastopol," the president said at the meeting with Crimean leaders in Simferopol, a source in the president's press service told Itar-Tass. Yanukovich stressed the proper celebration of the 65th

anniversary of the Victory has for Ukraine “not only military-patriotic but also moral and ethical significance.”

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political Front

Europe foreign ministers call for a single EU voice-DPA/Saariselka, Finland

European Union (EU) member states must speak with a single voice on foreign policy if they are to balance the rise of new powers such as China and India, European foreign ministers said yesterday as they ended informal talks in Finland. EU member states feel that their global influence is slipping with the rise of the new powers, and are keen to find ways to restore it following the adoption of the bloc’s new Lisbon Treaty.

Malta, Estonia, discuss trade relations-16th March 2010

Malta and Estonia discussed trade and political relations today during a visit to Malta by the Estonian Foreign Minister, Urmas Paet. The Foreign Ministry said the two countries were exploring new ways to enhance trade and business links. "Maltese and Estonian businessmen could possibly assist each other in projects in the North African and Northern European regions," Foreign Minister Tonio Borg said. "There is huge potential for such initiatives which would ultimately be beneficial for both countries."

Economic Front

EU Economy: Commission Examines Convergence & Stability Program of 14 Member States Following Economic Crisis-Source: European Commission-17 March, 2010

Today the European Commission examined the updated stability and convergence programmes (SCPs)¹ of Belgium, Bulgaria, Germany, Estonia, Ireland, Spain, France, Italy, the Netherlands, Austria, Slovakia, Sweden, Finland and the United Kingdom.

These assessments have to be seen against the background of the sharp economic and financial crisis which has had a major impact on public finances.

**Labour productivity of the ICT sector twice higher than average-Mar 22nd-
www.bbn.ee.**

According to Statistics Estonia, the labour productivity on the base of value added of the information and communications technologies (ICT) sector in 2009 was two times higher than the average of business sector.

**Estonia, Bulgaria only member states to keep deficit under 3%-Mar 22nd-by
www.bbn.ee**

The European Commission has examined the convergence programs of 14 member states of the European Union, singling out Bulgaria and Estonia as the only countries that plan to keep their general government deficits below 3% of the gross domestic product.

Social Front

Estonia defense minister: Cyber attacks will grow-18 March 10

Three years after a widespread cyberattack temporarily shut down the Estonian economy, the country's defence minister said such incidents will only continue to grow. The 2007 Estonian incident came at a time when Russian nationalists had taken to the streets in protest over the government's decision to move a Soviet war memorial. The goal of the cyberattack was to undermine the credibility of Estonia's government, said the country's defense minister, Jaak Aaviksoo, speaking at the IT Security Entrepreneurs forum at Stanford University on Wednesday. The Estonian incident, along with a similar attack that coincided with Russia's invasion of Georgia in 2008, "brought the issue of national cybersecurity on the global political agenda," Aaviksoo said.

Sorainen awarded title of Baltic Law Firm of the Year-Mar 22nd, 2010

Law firm SORAINEN won the "Baltic Law Firm of the Year" award at the International Financial Law Review (IFLR) European Awards 2010, held in London on


18 March 2010. It is the second year in a row that SORAINEN has been honored with this international acknowledgement, the company said in a statement today.

Latvia

Political Front

Latvia coalition collapses after the largest party withdraws-A Wall Street Journal-MAR-18

RIGA, Latvia—Latvia's government teetered on the verge of collapse Wednesday after the largest party pulled out of the center-right coalition over disputes about how to handle the country's recession—the deepest in the European Union. The right-wing People's Party announced that it was recalling its five ministers from the government and moving into the parliamentary opposition after Prime Minister Valdis Dombrovskis refused to back the party's economic-rescue plan. The party pulled out to distance itself from unpopular tax rises and drastic public sector pay and welfare cuts in the run up to an October election, according to some analysts



CEE countries	Real GDP growth			Unemployment			Inflation		
	2008	2009e	2010e	2008	2009e	2010e	2008	2009e	2010e
Czech Republic	2.7	-4.3	1.3	4.4	6.9	7.9	6.3	1.0	1.1
Hungary	0.6	-6.7	-0.9	7.8	10.5	11.3	6.1	4.5	4.1
Poland	4.9	1.0	2.2	7.1	8.4	9.9	4.2	3.4	2.6
Slovak Republic	6.4	-4.7	3.7	9.5	12.3	12.8	4.6	1.5	2.3
Estonia	-3.6	-14.0	-2.6	5.5	13.6	15.2	10.4	0.0	-0.3
Latvia	-4.6	-18.0	-4.0	7.5	16.9	19.9	15.3	3.1	-3.5
Lithuania	3.0	-18.5	-4.0	5.8	14.5	17.6	11.1	3.5	-2.9
Bulgaria	6.0	-6.5	-2.5	5.6	7.0	8.0	12.0	2.7	1.6
Croatia	2.4	-5.2	0.4	8.4	10.0	9.8	6.1	2.8	2.8
Romania	7.1	-8.5	0.5	5.8	9.0	8.7	7.8	5.5	3.6
Serbia	5.4	-4.0	1.5	NA	NA	NA	11.7	9.9	7.3
Turkey	0.9	-6.5	3.7	9.8	13.5	13.9	10.4	6.2	6.8
Ukraine	2.1	-14.0	2.7	NA	NA	NA	25.2	16.3	10.3

Slovenia and Latvia Quizzed over Independence of Telecoms Regulators

The European Commission has decided to send a formal request for information to Slovenia over the independence of its national telecoms regulator Agencije za pošto in

elektronske komunikacije (APEK) after the Slovenian Government dismissed its director last November. The Commission said that it is concerned that the rules by which this was done may not conform with EU rules that guarantee the independence of telecoms regulators. The request for information takes the form of a "letter of formal notice", and Slovenia has two months to reply. The Commission also decided to send a complementary formal request for information to Latvia over the lack of effective structural separation between regulatory and ownership functions following a transfer of telecoms regulatory tasks between Ministries. Digital Agenda Commissioner Neelie Kroes said "Independent national regulators are essential for fair and effective regulation in a liberalised European single telecoms market and I will be vigilant to ensure all Member States comply with EU rules to guarantee regulators' independence." According to EU telecoms rules, national authorities can only remove the heads of their telecoms regulatory bodies in very restricted circumstances. However, the Commission is concerned that in Slovenia, the Government may have too much discretion to remove the director of the national telecoms regulator, potentially undermining his or her protection against external intervention or pressure. The Commission's concerns have been accentuated by the fact that the Slovenian Government has continued to exercise its discretion to remove the head of the telecom regulator before the end of the normal term of office

Economic Front

Latvian PM asks opposition party to join government

RIGA, March 18 (Reuters) - Latvia's prime minister said on Thursday he had asked an opposition party to join his government, the day after the largest former ruling party quit the coalition and left him with a minority administration. He also said he saw Latvia's 7.5 billion euro bailout program as being safe despite the political shifts, saying opposition parties had said they would do nothing to put the country's financial stability in danger. Latvia is trying to recover from the European Union's worst recession after the economy dropped 18 percent last year. To meet its bailout terms, it slashed spending and raised taxes. "We decided to start consultations with parties about support for

financial stability issues as well as call on Latvia's First Party/Latvia's Way (LPP/LC) to join the coalition," Prime Minister Valdis Dombrovskis told reporters. "I think that in the next few days, or in half a week, it will be clear whether we will obtain a parliamentary majority or we will continue to work as a minority government," he said.

Moody's: Latvia political shift has no rating impact

RIGA, March 18 (Reuters) - Ratings agency Moody's played down the scope of political tensions in Latvia, saying they had no implication for credit quality and the Baltic state was better placed to tackle its fiscal problems now than a year ago. Moody's analyst Kenneth Orchard said on Thursday that parliament had few difficult political decisions to make ahead of elections a day after the largest member of the five-party coalition quit the government. Even a minority government had the breathing room to respect its commitments under the IMF and EU's 7.5 billion euro bailout program. "Political instability in any country, in any context is never a good thing from a credit ratings perspective, yet it seems to us that the country is better placed to withstand it now than they were 12 months ago," Orchard told Reuters. Prime Minister Valdis Dombrovskis may have to survive with a minority administration until October, when the election is due, though he is also seeking support from opposition parties. "They do have very large financial bumpers in place, which were not there 12 months ago," Orchard said in a telephone interview. "There are no ratings implications at the moment from Latvia's political situation." Moody's is the only ratings agency to have kept Latvia at an investment grade, albeit it's lowest level of Baa3.

55.2% of population in Latvia was employed in 2009-Statistics Latvia, 22.03

The CSB has compiled the Labor Force Survey results on 2009. By means of random sampling 24.1 thsd households were selected and 32.3 thsd persons aged 15-74 years were interviewed. Therefore the results on situation in labour market and population activity include this age group. In order to generalize the survey data, the calculated number of population at the beginning of 2009 is used. The active population or labour force consists of employed persons and persons who are actively seeking a job. In comparison with 2008, in 2009 the number of economically active population decreased

by 2.3%. Two thirds (66.5%) of the population in this age group were economically active; this indicator comprised 71.4% among men and 62.1% among women. Totally 986.7 thsd persons (55.2% of the total number of population aged 15-74 years) in the country were employed. Only 5.7% of them did not work due to various reasons (vocation, illness, childcare leave of up to 3 months, etc.). Compared to the previous year, the number of employed population in 2009 has reduced, as has the share of employed in the total number of population (in 2008 1124.1 thsd persons and 62.6%, respectively). According to methodology of Labour Force Survey the number employed population included 10.5 thsd people, which still having the status of unemployed during the reference week were employed (participated in complex support activities, took part in active employment project "Activities for certain groups of persons", worked salaried temporary jobs, starting with September had work practice in local governments receiving stipend of LVL 100. The livelihood of the population usually comes from various sources of income, and because of this during the survey respondents indicated several sources of income. For slightly more than a half (50.5%) of the population aged 15 to 74 wages and salaries were the most important of the income sources.

Social Front

Iceland Illegally Exporting Whale Meat to the European Union

LONDON, March 18 /PRNewswire-USNewswire/ -- Icelandic government records state that the country is exporting meat from slaughtered whales to Latvia and Denmark, as well as Japan – in defiance of international law and a global whaling ban. Data from Statistics Iceland, the source for official Icelandic government statistics, show a number of recent exports of whale products from Iceland to the three countries. Exports to Denmark and Latvia are contrary to EU law, even if the products are re-exported. International trade in whale products is banned by the Convention on International Trade in Endangered Species (CITES). Exports to Latvia have been confirmed by the Latvian authorities, which have promised a full investigation, which is welcomed by IFAW. The International Fund for Animal Welfare (IFAW) is deeply concerned about illegal international trade in whale products, particularly in the context of current

negotiations over a relaxation of the worldwide ban on commercial whaling. Although both minke and fin whales have been hunted by Iceland in recent years, the products concerned are likely to be from fin whales, an endangered species. Robbie Marsland, UK Director of IFAW, said: "Iceland appears to be riding roughshod over international law. This information comes at a time when the International Whaling Commission (IWC) is considering a compromise deal that could allow commercial whaling despite the moratorium

Lithuania

Political Front

Lithuanian PM to discuss cooperation in Moscow Mar 26-27-17.03.2010

VILNIUS, March 17 (Itar-Tass) -- Lithuanian Prime Minister Andrius Kubilius will pay a visit to Moscow on March 26-27 for a discussion of the outlook for bilateral cooperation, the prime minister's press-service said on Wednesday. Kubilius's visit will be another stride towards a new quality of bilateral relations after a years-long pause in contacts at the summit level. Last month at the Helsinki summit of the Baltic Sea states there was a bilateral meeting between Russian Prime Minister Vladimir Putin and Lithuanian President Dalia Grybauskaitė. "Lithuania seeks a constructive dialogue with all of its neighbors, including Russia. Our relations are getting better," Grybauskaitė said. During his visit Kubilius will be meeting with Russian government officials, academics and Lithuanian businessmen operating on the Russian market. He will take part in the opening of the first international festival Rostropovich Week in Moscow. The prime minister's wife is head of the Mstislav Rostropovich Fund in Lithuania.

Is Obama avoiding Grybauskaitė?-2010-03-22 www.lithuaniantribune.com

On 17 March Vilniaus diena daily published an article by Stasys Gudavicius noting that Lithuania's President Dalia Grybauskaitė's administration is experiencing difficulties in arranging her meeting with the President of the USA Barack Obama. The paper reminds us that back in the late autumn of 2009 it was announced that in the spring of 2010, Possibly in March, Grybauskaitė would travel to the US to meet with Obama. This

announcement was also repeated this January – supposedly, the Lithuanian president might travel to Washington in March. However, the paper noted that even though half of March is already over, it is still unclear when such a meeting could take place and whether it will be held this year at all. Darius Semaska, the president’s foreign policy advisor, was brief in answering questions about Grybauskaite’s planned meeting with Obama. The Vilnius diena asked whether the date of the visit to Washington has been set yet, the advisor said: "No, not yet." Asked whether it was at least clear in which month such a visit could take place, Semaska was brief as well: "I cannot tell you anything about this at this time." The aide also did not know or did not want to say when people could expect more details about the visit. Semaska did not want to say whether Grybauskaite’s visit to the US could still take place in March, April or May, even though earlier he had mentioned these months as a possible date of the visit. The aide neither denied nor confirmed the guesses that the Lithuanian president’s trip to the other side of the Atlantic and meeting with the leader of the world’s most powerful and influential country might take place much later — only in the fall of this year or even next year. Semaska merely said to the paper that "the visit is still in the coordination stages.

Economic Front

PKN Orlen to seek partner for Lithuanian refiner

VILNIUS, Mar 19 (Reuters) - Polish oil group PKN Orlen said on Friday it would look for a strategic partner, after talks with the Lithuanian government about improving transport logistics at its Lithuanian refinery failed. The Lithuanian government is growing concerned that PKN may sell the loss-making Orlen Lietuva (former Mazeikiu Nafta) refinery to Russian oil companies, although it would not object to selling a minority stake. PKN said on Friday another round of talks with the Lithuanian government on improving transport logistics at its refiner had failed, and the company would look for "other scenarios". One of the options is to consider getting a strategic partner, Slawomir Jedrzejczyk, the vice-president of PKN Orlen, told Reuters after meeting with Lithuania Energy minister Arvydas Sekmokas. PKN also said it was

surprised by Lithuanian government demands to make a long-term commitment not to sell the refinery, as the government sold all its shares to PKN last year.

Social Front

British Cup flop reaches corridors of power-3/17/2010-Reuters

LONDON: The fall-out from Britain's Davis Cup flop in Lithuania has reached the corridors of political power with a group of tennis-loving Members of Parliament and peers examining the state of the sport. Britain's lack of success has long been a source of embarrassment and now the All-Party Parliamentary Tennis Group, which brings together members of the House of Commons and House of Lords, is gathering evidence to try and find out where it is all going wrong. "This is an opportunity for the LTA (British Lawn Tennis Association) to set out its stall, for the all-party group to interview those people with an alternative or opposing point of view and then for a positive result to come out from that to go back to the LTA and say where potential gaps may be." The defeat by Lithuania, a nation with just three world-ranked players, all of them teenagers, two weeks ago sparked fierce debate about the LTA's failure to produce top-level performers. Apart from world number four Andy Murray, who spent his formative years training in Spain, Britain has no other men in the top 150 of the ATP rankings.

Ice melts causes flooding-2010-03-22-alfa .com

Scores of people have been rescued by emergency services in Lithuania after flooding caused by melting snow raised the water level by up to two metres in some areas. Spring came suddenly after one of the country's harshest winters in living memory and over the weekend tonnes of snow melted all at once sending icebergs and fresh water into the river systems. Lietuvos Rytas reported that at 10.30 a.m. around 50 people had already been helped from their homes as water rushed into their properties

Young Lithuanians will not have to pay pension insurance to SoDra during the first year of employment-Mar 22nd-The Baltic Course

In order to reduce unemployment rates, it was decided that young people will not have to pay pension insurance to SoDra during the first year of their employment. The new

order will come into effect as of July 1 this year and last until the second half of 2012. Such proposal was approved of at the Government sitting on Monday

Russia

Political Front

Thousands protest against Russian PM-21 March-Radio New Zealand News

Thousands of Russians have taken to the streets in rallies across the country in a protest about falling living standards, unemployment, local issues and government policies. The day was organised by a coalition of opposition groups and there have been calls for Prime Minister Vladimir Putin and his government to resign at several of the rallies, the BBC reports. The Communist Party, the Solidarity movement and human rights groups organised the protests under the banner of A Day of Anger, with demonstrators turning out in several cities from the Far East to the Baltic coast. The rallies, some of which were sanctioned, began in Vladivostok, where 1,500 people turned out, and continued in Irkutsk in Siberia and later St Petersburg where 1,000 rallied. Police stopped a demonstration going ahead in the capital Moscow and are reported to have detained about 70 people. Support for Mr Putin's United Russia party fell in recent local elections, and the economic crisis has brought a sudden end to 10 years of growth. Many participants in the rallies demanded the resignation of Mr Putin and other public officials.

Putin tells Clinton to help Russia with WTO bid-Mar 19, 2010

NOVO-OGARYOVO, Russia, March 19 (Reuters) - Russian Prime Minister Vladimir Putin warned U.S. Secretary of State Hillary Clinton on Friday that full cooperation with the United States was impossible unless Russia was let into the World Trade Organization. At his first meeting with Clinton since she was appointed as Washington's top diplomat, Putin listed a litany of economic complaints against the United States and said Russian companies needed more assistance to penetrate the American market. Putin, speaking to Clinton at the end of her two-day trip to Russia, said trade between the former Cold War foes had more than halved last year to \$16 billion from \$36 billion

and scolded her for U.S. sanctions against Russian companies. Russia's most popular politician, who stepped down as president in May 2008, reminded Clinton that Russia remained outside the WTO, more than 17 years after beginning its bid to join the 153-member body.

US interested in cooperation with Russia – Clinton-19.03.2010

NOVO-OGARYOVO, March 19 (Itar-Tass) -- The United States is interested in international cooperation with Russia and in bilateral trade and economic relations, U.S. Secretary of State Hillary Clinton told Prime Minister Vladimir Putin on Friday. Clinton said she had had fruitful negotiations with Russian Foreign Minister Sergei Lavrov and discussed high tech projects of Russian and American companies with President Dmitry Medvedev. The United States is adherent to the Russian entry into the World Trade Organization (WTO), Clinton said, noting that she had discussed further steps with Russian officials. Clinton welcomed the elaboration of the new strategic arms reduction treaty and the Middle East quartet's appeal for negotiations between Israel and Palestinians. She thanked Russia for support in the settlement of certain pressing international issues

Putin's party wins regional elections as support wanes-March 16, 2010-Reuters

MOSCOW: Russian Prime Minister Vladimir Putin's ruling party won a string of regional elections but its support dropped sharply in some areas, results showed yesterday, amid rising anger at price rises and growing unemployment. Opposition parties said the elections were marred by widespread violations and showed President Dmitry Medvedev had failed to follow through on a pledge to loosen the Kremlin's grip of the political system. About 32 million of Russia's 110 million registered voters were eligible to vote in Sunday elections for eight of 83 regional parliaments, five city mayors and dozens of town councils. The turnout in the elections was about 43 percent. United Russia easily won control of all eight regional parliaments, but its support was down significantly in seven compared with 2007 parliamentary elections.

Putin hints at 2012 presidential run-Reuters

MOSCOW -- Russia's strongman Prime Minister Vladimir Putin said he would consider running for president again in 2012, putting him on a potential collision course with incumbent Dmitry Medvedev. "I will think about it. There is plenty of time," Mr. Putin said in televised remarks when asked whether he would seek to return to the Kremlin when Mr. Medvedev's first term expires. But just hours later, Mr. Medvedev, Mr. Putin's hand-picked successor in 2008, said during a visit to Italy that he might run for a second term

Chinese vice president arrives in Russia to start four European nation tour03-20-Xinhua

VLADIVOSTOK, Russia, March 20 (Xinhua) -- At the invitation of Russian Prime Minister Vladimir Putin, Chinese Vice President Xi Jinping arrived here Saturday for a five-day official visit to Russia. In a written statement upon his arrival, Xi said that China and Russia are friendly neighbors and close strategic partners of coordination, adding that the Chinese government and the Communist Party of China highly value the growth of China-Russia ties. Xi said he believes his visit will "cement the mutual political trust, deepen cooperation with mutual benefit, strengthen cooperation between political parties of both countries, and advance the all-round and rapid growth of the strategic partnership of coordination of the two countries." Russia is the first leg of Xi's four-nation Europe tour, which will also take him to Belarus, Finland and Sweden. During his stay in Russia, Xi, who is also a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, will meet Russian President Dmitry Medvedev, and Putin, who is also chairman of the ruling United Russia party, and State Duma Chairman Boris Gryzlov.

Economic Front

Russia jobless down, but economy still limping

MOSCOW, March 19 (Reuters) - The number of people out of work in Russia fell by nearly 400,000 last month, but the economy contracted as investment continued to fall and growth in retail sales and disposable incomes was very slow, data showed on Friday. The data further cements expectations for another interest rate cut from the

central bank this month as it seeks to spur lending to help Russia recover from its first recession in a decade. The recovery started in the second half of 2009, but the path has been a slow and unsteady one, with any growth driven by higher oil prices and exports while domestic demand lags. Seasonally-adjusted gross domestic product (GDP) fell 0.9 percent in February, erasing most of January's gains, Economy Minister Elvira Nabiullina told reporters

Russia credit growth seen between 5-10 pct-fin min

MOSCOW, March 19 (Reuters) - Russian bank lending growth may hit 10 percent this year, compared with annual growth of more than 50 percent before the economic crisis struck, Finance Minister Alexei Kudrin said on Friday. Russia's central bank has eased monetary policy to encourage affordable lending to the real economy and help the country exit its first recession in a decade, although banks remain worried about the creditworthiness of would-be borrowers. In addition, lacklustre domestic demand is hampering companies' investment plans and high unemployment means many consumers are reluctant to take on new debts. Banks' loans to non-financial organisations were down 6.5 percent in the year to Feb. 1, according to central bank data -- compared to growth of over 50 percent in the pre-crisis 2007. Central bank officials have forecast that lending will pick up in the second half of the year.

Russian bank balances fall to 475.4 bln rbls

MOSCOW, March 16 (Reuters) - Banks' balances in their correspondent accounts at the Russian central bank fell to 475.4 billion roubles on Tuesday from 532.5 billion roubles in the previous session, the central bank said.

Social Front

Russia plans high-tech hub to spur economy-3/19/2010-Reuters

MOSCOW: President Dmitry Medvedev yesterday announced that Russia would build a high-tech hub near Moscow to spur modernisation of the economy and reduce its dependence on oil and gas. The centre, designed to develop five priority sectors — energy, IT, telecommunications, bio-medical and atomic technologies — will be built

near Skolkovo, a new private-sector business school in the Moscow region. "We will build it in a place where we already have the solid groundwork for doing it quickly. Speed is of particular importance," Medvedev said. The project, first mentioned by officials last month, aims to give state backing to major companies to help them develop selected innovative products. The most promising of these will then be taken to fruition in the new "Silicon Valley"

Moscow fire chief killed in blaze-Sat Mar 20-(AFP)

Moscow's fire chief was killed Saturday as a major blaze swept through an office building in the north of the Russian capital, ITAR-TASS news agency quoted the emergency ministry as saying. The fire broke out in the four-storey building at 5:00 pm (1400 GMT) causing a partial roof collapse, the ministry said. The head of the Moscow fire department, Colonel Yevgeny Chernyshov "was in the burning building to help evacuate people inside, but was a victim of the roof collapse," a ministry spokeswoman said. "His body was recovered from the top floor," she said. Fire spread through a square kilo-meter of the city before fire crews brought it under control around 10:00 pm, the ministry said. Around 400 firefighters and 105 fire vehicles were involved in fighting the blaze, it said.