

Report No.113

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

Central and Eastern Europe including Russia and Baltic States

Weekly report 28th March to 3 April 2010

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(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

Poland

- Klich gives Polish troops Easter surprise-01 Apr-Polskie Radio
- Opposition party proposes four-by-four cooperation-30 Mar-East News
- Speaker wins Polish presidential primary- Jaroslaw Adamowski-guardian.co.uk-
- Polish CPI seen at 2.6 pct y/y in March-Fin Ministry
- Poland May Delay Rate Rise until End of Year as Recovery Uneven-March 31
- Poland Spends Credibility Points on IMF Dispute-30 March Bloomberg
- Polish public debt rises to 49.9 pct/GDP in 2009
- Poland Mulls Alliance with France, Germany Over EU Farm Policy-Twitter
Face book-
- Why do Polish women lag behind? – Global Post-March 31
- 10 million zloty for Roma in Poland-26.03.2010- POLSKIE RADIO
- Former minister caught plagiarizing from wiki-29.03-POLSKIE RADIO
- Poland praised for anti-swine flu strategy-31.03.2010

Czech Republic

- Obama to meet Eastern Europe leaders to mend ties-4/2/2010
- Topolanek, Czech Politician, Quits Over Gay, Jewish Comments-04/ 1/10
- Czech Civic Democrats to Reveal Election Strategy on April Fools' Day-The
Wall Street Journal-1 April
- Czech president, NATO Europe chief discuss Czech operation in Afghanistan-

- Quebec's siege of user fees on public services-April 01, 2010
- IMF Signs Deal to Borrow Up To \$1.4 Billion from Czech Bank- (Dow Jones)

Slovakia

- Medvedev to visit Slovakia April 6-7 – Kremlin-30.03
- RI, Slovakia set to strengthen economic ties-The Jakarta Post-31 March
- Slovaks sell EUR 239.5 mln worth of two-year bonds
- April Fools' Day Woes Slovak President to Delay Anthem-Singing Bill-B-30 March

Hungary

- Hungarian premier declares crisis management program successful-April 01,
- Hungary's centre-right party vows to ban foreign land buys-01 April 2010
- Far-right gains could put Hungary reforms at risk-By Marton Dunai-Reuters-
- Next Hungary govt must keep budget tight -panel
- IMF should find new chief through open competition-Gulf Times-31 March
- New evidence on Second World War mystery of Swedish diplomat-4/3/-AP
- Hungarian court upholds gay partnership law-law on 23 March.

Eastern Europe (Belarus & Ukraine)

Belarus

- China & Japan to import flax yarn-April 02, 2010
- Belarus, Azerbaijan sign agreement-02.04.2010
- Chavez Seals Arms-for-Oil Deal With 'Europe's Last Dictator'-March 17:

- Lukashenko urges to diversify relations with Russia-30.03.2010
- Russia, Belarus at Odds over Nuclear Plant Cost - Prime- www.prime-tass.com
- Belarus adapts to oil price, gets \$700 mln IMF loan
- HR's Declaration On Behalf Of The EU On The Situation In Belarus-31 March,

Ukraine

- Cuba and the Ukraine Sign Medical Cooperation Accord
- Ukraine offers Russia role in gas pipeline network-4/3/2010-REUTERS
- Ukraine parliament not to debate Ukraine's membership in CES-01.04.2010
- Ukraine agrees with IMF, funding seen from May
- Ukraine agrees budget with IMF-Irish Times .com-2 April.
- The Hero of the Orange Revolution Poisons Ukraine-February 12, 2010-
- Ukraine's gov't cuts president's salary by 50 pct till 2011-31.03.2010
- Ukraine expects defense budget of 1.64 bln dollars in 2010-March 31, 2010
- Ukraine state debt rises to \$37.9 bln as of Feb 28
- IMF, Ukraine makes progress in loan talks-spokesman
- Ukraine must spend 3.8 billion on Euro 2012 this year-Apr 1, 2010
- Female activists sue Ukraine's PM for violation of women's rights-31.03

Baltic States (Estonia, Latvia & Lithuania)

Estonia

- Estonia takes delivery of missile system

- Treaty satisfies Russia's wish for parity with US: analysts-MBDA-(AFP) March.
- Research and Markets: OECD Economic Surveys: Estonia 2009
- Moody's Raises Estonia Rating Outlook as Econ Prospects Improve-LONDON
- Estonia met euro goals, further effort needed-IMF

Latvia

- Moody's raises debt ratings outlook for Baltic states-Associated Press-Mar 31,
- Estonia on the path of economic stabilization-By Associated Press-March 31,
- Latvian c.bank net interventions at zero last week

Lithuania

- Vilnius Offers Price Advice to Gazprom-29 March 2010
- Lithuania injects capital to save mortgage insurer
- Moody's ups Lithuania outlook, economy stabilizes-
- Lithuania's tribute to Lithuanian born Polish Poet Miłosz-31.03.2010

Russia

- Vladimir Putin arrives in Venezuela to meet US foes
- Russia pledges to continue arms deliveries to Venezuela-3 April -FOCUS News
- Medvedev calls on parliamentary parties to hold together to fight terrorism-April
- Obama, Medvedev To Sign Landmark Nuclear Arms Pact-REUTERS
- New strategic arms reduction treaty linked to missile defense – Prikhodko-
- Russia's Economic Slump Eased to 3.8% in 4th Quarter-By Paul Abelsky

- Airports still struggling to become cargo hubs-Cargo News Asia.com-2 April
- Russian bank balances rise to 523.4 bln rbls
- Russia to apply electronic ticket system to road transport system-April 03, 2010
- Moscow bomber identified as teenage widow from Dagestan-April 3, 2010

Overview of the Weekly Report No 113

At the Political front of Central and Eastern Europe, the selection of Czech Republic as the host of the Summit on April 8 in Prague for the signing of the most comprehensive new Russian-US nuclear arms reduction treaty and Russia's keenness to include US Defense Missile to the Treaty remained the key events.

The selections of Poland's Parliament Speaker, Bronislaw Komorowski as the next presidential candidate for the ruling Civic Platform (PO) and Putin's participation in the 65th anniversary of Slovakia's liberation by the Red Army are some exceptional events.

The increase of the women seats to either half or a third of total seats by Polish Parliament, the Parliamentary support for Ukraine's decision to join a Common Economic Union with Belarus, Kazakhstan and Russia and an oil-for-arms deal between Belarus and Venezuela have occupied reasonable place in International News headlines.

At the economic front of the region, the reports regarding the new ratings for Estonia, Latvia & Lithuania to stable from negative by Moody's and Research and Market have attracted the analysts.

At the social front, introduction of an electronic ticketing for public transport in Russia, Lithuanian Parliament's decision to declare the Year 2011 as the year of Czesław Miłosz, the Nobel Prize-winning Lithuanian born Polish poet and a massive cut in the salary of Ukraine's President by Ukraine's government have got some attraction for International Media.

Report Summary

Political and strategic front

US President Barack Obama is to meet Central and Eastern European leaders during his visit to Prague, in a bid to alleviate fears in the region of US efforts to reset ties with Russia. Obama is expected to meet the leaders of Romania, Bulgaria, Hungary, Slovakia, Slovenia, Croatia, Poland, Estonia, Latvia and Lithuania, which were part of the communist Warsaw Treaty Organization, but are now NATO members

Polish Defense Minister is on a visit to Afghanistan to celebrate Easter with Polish troops stationed in Afghanistan.

Grazyna Gęsicka who leads Law and Justice Party, a ruling Coalition Party in Polish parliament, presented a "4x4" package for cooperation across party lines. The Family, Economy, Poland's Presidency of the EU and the Polish Constitution are four areas which Law and Justice Party wants to work with the three other parties in parliament.

According to analysts, Poland's Parliament Speaker, Bronislaw Komorowski, is likely to become the next President of the Country after his landslide victory in a US-style primary election at the weekend. A majority Civic Platform (PO) party of Prime Minister Donald Tusk's has supported him for the presidential race in an internal party contest.

The US president is expected in the Czech capital on April 8 to sign a new US-Russia nuclear arms reduction treaty with his Russian counterpart Dmitry Medvedev. The new START treaty, the signing of which is taking place around a year after Obama's Prague speech in which he gave his vision of a nuclear-free world, is also seen part of his efforts to improve relations with Russia.

Russia's President Dmitry Medvedev during his visit to Slovakia on April 6-7 will take part in festivities on the occasion of the 65th anniversary of Bratislava's

liberation by the Red Army. The two countries have big joint projects in energy, including nuclear energy, in transport, and in military and technical cooperation.

Visiting Slovak Foreign Minister Miroslav Lajcak and his Indonesian counterpart, Marty Natalegawa, signed Monday an agreement aimed at bolstering economic ties between the two countries. They expressed the need for Slovakia and Indonesia to enhance economic cooperation and help each other overcome the global financial crisis.

According to Bajnai, the International Monetary Fund, World Bank and European Union that granted Hungary a 25-billion-dollar loan had helped Hungary's economy recover despite grumblings over taxes, health care and unemployment.

Meanwhile the Hungary's opposition European People's Party-affiliated FIDESZ has announced that it will bar foreigners from buying arable land indefinitely if it wins elections next month on 31 March. Fidesz is widely expected to obtain an absolute majority in parliament.

According to Reuters's analysis, in a situation where Hungary's economy is in crisis and its large Roma minority is an easy scapegoat there is a possibility that a far-right party might become the second largest party in parliament after the Fidesz's center-right in forthcoming election on April 11 and 25. Jobbik' Far Right could put the next government's policies under pressure. The possible next Far Right Government that emerges from this month's Hungarian elections must show markets it is committed to a tight fiscal policy as the country remains vulnerable to external shocks, committed to maintaining a disciplined and predictable fiscal policy," Kopits said.

Belarusian Deputy Minister of Agriculture and Food, Vasily Pavlovsky informed that the country intends to export Belarusian flax yarn to China and Japan. Belarusian President Alexander Lukashenko approved the draft inter governmental agreement signed with Azerbaijan on promotion and reciprocal protection of investments.

Belarus-Since 1992, when America cut off the sale of arms and spare parts to Venezuela, Hugo Chavez, has been cobbling together a military machine made up mainly of weapons from Russia and other non-Western suppliers. Last week, in an oil-for-arms deal with Belarusian President Alexander Lukashenko, Chavez was able to add a key element to his growing arsenal: advanced ground-to-air radar.

Alexander Surikov, Russia's ambassador to Belarus, said at a news conference Wednesday that there was a sharp difference in opinion between Russia and Belarus over the cost of a Belarusian nuclear power plant project. Last year the Belarussian government requested a \$9 billion loan from Russia for the construction of the plant.

Cuba, the Ukraine and the Chernobyl International Fund signed on Friday a medical cooperation accord, which will give continuity to the medical treatment of children from that nation suffering from health problems as a consequence of the 1986 nuclear accident.

Ukraine's new leadership said yesterday it was inviting Russia to join the European Union in a plan to restore Ukraine's gas pipeline network which carries crucial supplies of Russian gas to Europe. The announcement by Prime Minister Mykola Azarov effectively reversed a March 2009 agreement, signed by former Prime Minister Yulia Tymoshenko, for the EU to overhaul its pipeline system - a move which had enraged Moscow.

The Supreme Rada deputies by 222 out of 423 refused on Thursday to put on the agenda a draft resolution on Ukraine's participation in forming a Common Economic Space (CES) together with Belarus, Kazakhstan and Russia and in the development of mutually beneficial economic cooperation.

According to Defense Analysts, Russia has maintained to include a respectable compromise on the hot-button issue of missile defense in its new nuclear disarmament treaty with the United States. Russia is now watching warily to see whether it will be ratified by the US Senate. Russian analysts described the new treaty as balanced -- an

accomplishment in and of it, given Moscow's hunger to be seen as an equal to Washington after losing the Cold War and suffering a deep decline in the 1990's

Tiny Baltic State Estonia which joined NATO in 2004 said Friday that it had taken delivery of a surface-to-air missile system from European defense giant MBDA and Sweden's SAAB in its largest-ever defense contract. The development of anti-aircraft defense is one of Estonia's 10-year priorities. Estonia regained independence from the crumbling Soviet Union in 1991 and started building its armed forces from scratch.

The nation of 1.3 million people which joined, has been upgrading its defense equipment to meet the standards of the 28-nation trans-Atlantic alliance.

According to the Cabinet of Lithuanian, the Baltic state, which used to import 3 billion cubic meters of gas from GAZPROM annually, may have to increase its consumption by 150 percent to 200 percent.

Russian Prime Minister Vladimir Putin arrived in Caracas, Venezuela, on Friday to meet the two main South American foes of the United States, Venezuela's President Hugo Chavez and Bolivian President Evo Morales both fierce critics of what they call US "imperialism" in Latin America. He launched a \$20 billion project to tap the vast Orinoco heavy oil belt. Putin pledged to continue deliveries of military equipment to Venezuela to help the Latin American country boost its national defense.

Putin and Chavez toured a four-masted Russian tall ship, the Kruzenshtern, one of the world's largest sailing vessels used as a fishery school ship, and viewed photos of Russia's victory over Germany in the Second World War in the ship's museum.

Economic Front

According to the Finance Ministry estimate, the Poland's inflation probably has decreased from 2.9 percent to 2.6 percent year-on-year in March. In February Poland's central bank has laid down inflation target at 2.5 percent. Meanwhile Poland's public debt rose to 49.9 percent of gross domestic product (GDP) in 2009 and stood just 0.1

percentage points below the first debt safety level. In 2008, the figure stood at 47.0 percent.

Poland's central bank, which has kept the benchmark interest rate at a record-low 3.5 percent since June, and will continue with this low till economic recovery.

Poland, along with France and Germany, is seeking to adopt common strategy regarding the future on European Union farming policy.

The International Monetary Fund said Wednesday that it has signed an agreement with the Czech National Bank to provide it with about \$1.4 billion. The agreement is part of a commitment made by the European Union in March 2009 to contribute up to EUR 75 billion, then equal to about \$100 billion, to support IMF lending.

According to the finance ministry's Debt and Liquidity Management Agency (ARDAL), Slovakia has sold 239.5 million euros (\$323.6 million) worth of two-year, zero-coupon state bonds in an auction on Monday. The bonds mature on January 27, 2012.

The International Monetary Fund has approved on Friday releasing a \$700 million tranche for Belarus and said the country was adapting well to higher Russian oil prices.

An IMF mission visited Ukraine this week and said progress had been made in talks to resume a suspended \$16.4 billion bailout for the cash-strapped ex-Soviet republic. The size of the state budget deficit had remained a key problem, with the IMF pressing for fiscal prudence and the government committed to social spending initiatives.

Research and Market has announced the addition of the "OECD Economic Surveys: Estonia 2009" report to their offering. This first OECD Economic Survey of Estonia includes chapters covering getting back to a sustainable growth path, fiscal policy, labor market reform, housing policy and the business environment. Estonia grew

faster than most emerging market economies during 2000-07, but it is now in a severe recession.

Moody's Investors Service Inc. raised the ratings outlook on Estonia, Latvia & Lithuania to stable from negative, reflecting improved financial and economic prospects, as well as likely euro adoption in 2011. The ratings agency said while the economy continues to adjust from the reversal of the domestic credit boom, "the deleveraging process should ultimately build a base for a more sustainable growth profile in the years ahead."

Lithuania's government on Wednesday agreed to inject 60 million Litas (\$23.33 million) into a mortgage insurer to save it from collapse after bad debts surged in the crisis-hit Baltic state. State-owned Busto PASKOLU DRAUDIMAS (BPD) insures mortgages granted by banks or other credit institutions against defaults.

According to the Federal Statistics Service of Russia, output of the world's biggest energy exporter shrank an annual 3.8 percent in the last three months of 2009 after contracting a revised 7.7 percent in the third quarter and a revised 10.8 percent in the second. GDP fell 7.9 percent in 2009, the biggest contraction since the collapse of the Soviet Union in 1991.

Social Front

The move by the ruling Centrist Civic Platform party in the Polish parliament to increase the women seats to either half or a third of total seats, has aroused enormous controversy. Currently women have about a fifth of the seats in the lower house of the Polish parliament and less than 10 percent of the places in the Senate, lower than in many western European countries.

Professor Aldona Kamela-Sowinska, a former Treasury Minister, has been caught copying most of the introduction to her latest book from the web. The copying was discovered by Marek Wronski, a scientist who investigates cases of plagiarism at Polish universities. Wronski revealed that the introduction to the book Economy and

information society is almost entirely copied from popular web sites, such as Wikipedia or Sciaga.pl, where students can find ready-to-use essays and articles.

The Controversial Slovak Patriot Law requiring Slovak school children to sing the national anthem at the start of each school week and would require new clerks in state administration to take a pledge of allegiance has become an April Fools' Day joke. Last Friday, Slovak President Ivan Gasparovic returned the Anthem Bill back to the National Council, Slovakia's Parliament, but Parliament after some minor amendments passed it again and it would automatically become effective from Apr. 1

Swedish magazine and US researchers reported yesterday that evidence from Russian archives suggests Swedish diplomat Raoul Wallenberg, credited with rescuing tens of thousands of Hungarian Jews during the Holocaust was alive despite the Soviets claimed that he had died in a Moscow prison. The fate of Wallenberg, who was arrested in Budapest in January 1945 by the Soviet army, has remained one of the great mysteries of World War II.

Hungary's Constitutional Court upheld the nation's same-sex registered-partnership law on 23 March. Conservative forces - including the Christian Democratic People's Party, the Society for Christian Physicians in Hungary, the Pro Life Forum, and representatives of Faith Church - had argued in nine petitions that the law undermined marriage, discriminated directly against people and violated morality and social values

The European Union expresses grave concern over the human rights violations and the recent harassment of representatives of independent media, civil society and opposition organizations including restrictions on the freedom of assembly, association and expression.

Ukraine's government has cut the salary of Ukraine's President Viktor Yanukovich by 50 percent. The new salary will remain effective till January 1, 2011. The salary of the former president of Ukraine was 41,000 hryvnas /an equivalent of 5,100 dollars/. Yanukovich has ordered to reduce his staff by 20 percent, or even more. The staff of his predecessor numbered 530.

Ukrainian President Viktor Yanukovich on Thursday said his Ukraine must by January 2011 spend at least 3.8 billion dollars on preparations to host its share of the Euro 2012 football championship.

The Lithuanian Parliament has declared 2011 the Year of Czesław Miłosz, the Nobel Prize-winning Polish poet who was born in Lithuania and was the author of *The Captive Mind* (1953) one of the best-known works on life under communism. Czesław Miłosz defected from Poland to the West in 1951. In 1970 he became a U.S. citizen. He received the Nobel Prize in 1980. He died in Krakow in 2004, aged 93.

Russia will use an electronic ticket system (e-ticket system) with its transportation system in an effort to strengthen security. The e-ticket would contain each passenger's information, including identity and destination. The ministry will make an inspection of all bus stations and terminals around the nation, and close the unsafe ones, he added.

One of the suicide bombers who blew herself up aboard a crowded Moscow subway car this week was a teenager from the restive republic of Dagestan. The national counter-terrorism committee released the name of the teen was the widow of Dagestani militant leader Umalat Magomedov, who was killed by federal troops last year.

Detailed Report

Poland

Political Front

Klich gives Polish troops Easter surprise-01.04.2010-Polskie Radio

Defense Minister Bogdan Klich sets off on a visit to Polish troops stationed in Afghanistan. Minister Klich (left) will be staying at Warrior Base in the Ghazni province. The minister said he was paying an Easter visit because at a time like this the place of the defense minister is with his soldiers. "I've done this before and this year is no different. There's no politics involved in any issues to be discussed with our American partner – we already know everything," he said.

Opposition party proposes four-by-four cooperation-30.03.2010-East News

The family, economy, Poland's presidency of the EU and the constitution are four areas which Law and Justice wants to work with the three other parties in parliament. Grazyna Gęsicka (left) who leads Law and Justice in parliament, presented their "4x4" package for cooperation across party lines today. "In the atmosphere of the upcoming [Easter] holidays we once again offer cooperation to all parliamentary parties," Gęsicka said at a press conference in Warsaw. The 4x4 package includes: "Four parties and four important areas of life that should be the subject of cooperation," she said. Grazyna Gęsicka emphasised the need for changes in family law to encourage Poles to have more children to ward off a looming "demographic deficit". The party also wants to talk about creating jobs, to protect Poland from economic stagnation, and how to use six-month presidency of the EU next year to Poland's advantage.

Speaker wins Polish presidential primary- Jaroslaw Adamowski-guardian.co.uk-30 March 2010

WARSAW – Poland's parliament speaker, Bronislaw Komorowski, is on track to become president later this year after his landslide victory in a US-style primary election at the weekend, analysts said yesterday. A majority of Prime Minister Donald

Tusk's Civic Platform (PO) party backed Mr Komorowski (58), for the presidential race in the autumn in an internal party contest – the first time a primary has been held in Poland. If elected, Mr Komorowski, a PO insider, would co-operate smoothly with the government and probably not block government legislation – as the current conservative president, Lech Kaczynski, has done.

Economic Front

Polish CPI seen at 2.6 pct y/y in March-Fin Ministry

WARSAW, April 1 (Reuters) - Poland's inflation probably eased to 2.6 percent year-on-year in March, down from 2.9 percent reported for February, the finance ministry estimated on Thursday. Poland's central bank targets inflation at 2.5 percent. In month-on-month terms, inflation in March likely stood at 0.4 percent, the ministry also estimated in the statement.

Poland May Delay Rate Rise until End of Year as Recovery Uneven-March 31 (Bloomberg)

Poland's central bank, which has kept the benchmark interest rate at a record-low 3.5 percent since June, will delay an increase until the last quarter as the largest of the European Union's eastern members undergoes an uneven economic recovery. The seven-day reference rate will stay unchanged today, according to all 19 economists in a Bloomberg survey. Policy makers will raise it a quarter point in the October-December quarter, 14 out of 16 economists in a separate survey predicted. As recently as two months ago, 11 economists expected two increases this year, with the first as early as June. Construction fell 25 percent in February, the most in seven years, and retail sales barely grew in the only EU economy to avoid a recession since the onset of the financial crisis. Wages rose at half last year's pace that same month and will remain weak through 2010, says Lars Christensen, an economist at Danske Bank in Copenhagen who revised down his forecast for economic expansion this year as private consumption falters

Poland Spends Credibility Points on IMF Dispute-30 March Bloomberg

Officials at the Polish Ministry of Finance and the Central Bank have so far been unable to overcome personal animosities to agree on whether to extend their flexible-credit line with the International Monetary Fund. The two institutions revealed their differences by issuing contradictory statements Monday. Insiders say trust between Finance Minister Jacek Rostowski and Central Bank Governor Slawomir Skrzypek, who was nominated when opposition party Law and Justice was in power, is close to nonexistent. Polish Prime Minister Donald Tusk has, in the meantime, stepped in and requested a meeting with central bankers that is scheduled for Wednesday.

Polish public debt rises to 49.9 pct/GDP in 2009

WARSAW, March 30 (Reuters) - Poland's public debt rose to 49.9 percent of gross domestic product (GDP) in 2009 and stood just 0.1 percentage point below the first debt safety level, the finance ministry said in a statement on Tuesday. In 2008, the figure stood at 47.0 percent. Unlike most European Union members, Poland has debt safety levels built into law which automatically triggers various levels of fiscal tightening after public debt breaches 50, 55 and 60 percent of GDP. The Polish zloty and bonds were unmoved by the rise in debt and analysts said they expected debt to stay below the 50 percent mark because of finance ministry officials' earlier forecasts. However, debt remains a problem to be solved "Just because we are below the safety level does not mean that we don't have a debt problem," said Grzegorz Maliszewski, chief economist at Millennium Bank.

Poland Mulls Alliance with France, Germany Over EU Farm Policy-Twitter Facebook-March 29 (Bloomberg) –

Poland is seeking to ally with France and Germany on European Union farming policy, Polish Agriculture Minister Marek Sawicki said. "We are three large countries in the heart of Europe, and it would be good to have a common stance," Sawicki told reporters today during a meeting of EU farm ministers in Brussels. "I believe it could herald work on new criteria of farm-aid distribution, and I hope we will be able to propose some tasks on climate-related challenges and ways of financing." Agriculture spending costs

EU taxpayers 52.6 billion euros (\$70.8 billion) a year, or about 45 percent of the bloc's budget. France, the biggest EU wheat grower, is the largest farm-aid recipient among its 27 nations. French President Nicolas Sarkozy said last week he would risk an EU crisis to defend the system of agricultural preferences and subsidies. "I believe it is possible to work out a common position under the condition that France is just a little more open toward the future and not only focused on defending the current position," Sawicki said.

Social Front

Why do Polish women lag behind? Poland has few prominent women in politics or business. By Jan Cienski – Global Post-March 31, 2010.

WARSAW, Poland — Polish women have long been placed on a pedestal — hand kissing only went out of fashion in the last decade — but that does not translate into senior positions in politics and business. That's why the Polish parliament is considering a bill that would mandate that either half or a third of places on electoral lists be reserved for women. But the move has aroused enormous controversy — even within the ruling centrist Civic Platform party — and it looks unlikely to become law before local elections at the end of this year. "Parity is not a priority," quipped Waldy Dzikowski, a senior party member. Women have about a fifth of the seats in the lower house of the Polish parliament and less than 10 percent of the places in the Senate, lower than in many western European countries. There is pressure to change that, as Donald Tusk, the prime minister, has recognized. "My dream is for half of the first places on Civic Platform's electoral lists to be for women and half for men," Tusk said recently. In a small sign of change, Agnieszka Pomaska recently defeated Jaroslaw Walesa, the son of Poland's legendary Solidarity labor union leader and Nobel laureate, for the post of Civic Platform party chief in the north of the country. Even Jaroslaw Kaczynski, the traditionalist leader of the right-wing Law and Justice opposition party, has tried to make more places for women in his party. In a campaign aimed at softening the party's often abrasive image, Kaczynski last year launched the "angels" campaign, with three senior women featured prominently in the party's advertising. Nothing much came of that attempt, but Grazyna Gesicka, a woman, remains the head of the party's

parliamentary wing. But in this traditionally Roman Catholic country, advancing women is proving to be a tough slog. Michal Stuligrosz, a member of Civic Platform, has said that the “natural role of a woman is to care for the warm family hearth, and the man to be earning for the family.” There are also questions about how any law mandating equality on electoral lists would actually work, and if it would have any impact on increasing the representation of women in parliament. Unlike in the United States, Poles choose from regional lists of candidates put together by party barons, with only one or two names on a list of 20 or more candidates actually making it into parliament.

10 million zloty for Roma in Poland-26.03.2010- POLSKIE RADIO

The annual government budget to integrate Roma minority reaches 10 million zloty a year. With around half of Poland’s Roma population living in the southern Malopolska province, it’s no surprise that 3 mln zloty is directed here. There are around 40 beneficiaries who receive the money, half of which are Roma organisations, the other half are local councils in the region. While the government programme is geared towards educating young Roma, the Roma Employment Activation Centre in Tarnow also acts as a liason between the Roma and regional employment offices. If they don’t feel like working for anyone, they can take classes on how to set up their own business, paid for by the European Social Fund.

Former minister caught plagiarizing from wiki-29.03.2010-POLSKIE RADIO

It’s not just university students who are plagiarizing Wikipedia in Poland: Professor Aldona Kamela-Sowinska, a former treasury minister, has been caught copying most of the introduction to her latest book from the web. The copying was discovered by Marek Wronski, a scientist who investigates cases of plagiarism at Polish universities. Wronski revealed that the introduction to the book Economy and information society is almost entirely copied from popular web sites, such as Wikipedia or Sciaga.pl, where students can find ready-to-use essays and articles. It turns out that the renowned economist wrote only four sentences by herself. Professor Kamela-Sowinska, caught red-handed,

admitted copying the introduction from internet. “There is no need to cry over the spilt milk, I’m not going to bury head in the sand,” said a defiant Kamela-Sowinska and added that other academics often copy half of their dissertations, while she copied just a few vital facts. The former minister also called for a re-definition of plagiarism in the times of internet. But her critics are unconvinced.

Poland praised for anti-swine flu strategy-31.03.2010

The Council of Europe has praised Poland’s Health Minister Ewa Kopacz for her strategy against the swine flu virus. The council’s Committee on Social, Health and Family Affairs said that the Health Ministry’s decision not to order any A/H1N1 vaccines, in spite of pressure from pharmaceutical companies and health organizations, was correct.

Czech Republic

Political Front

Obama to meet Eastern Europe leaders to mend ties-4/2/2010

VIENNA, April 2 (KUNA) -- US President Barack Obama is to meet Central and Eastern European leaders during his visit to Prague, in a bid to alleviate fears in the region of US efforts to reset ties with Russia, the Czech News Agency reported on Friday. Obama is expected to meet the leaders of Romania, Bulgaria, Hungary, Slovakia, Slovenia, Croatia, Poland, Estonia, Latvia and Lithuania, which were part of the communist Warsaw Treaty Organization, but are now NATO members. During Obama's meeting with Eastern European leaders, he will reassure them that US efforts to have better relations with Moscow would not be at the expense of their countries, the agency said. The US president is expected in the Czech capital on April 8 to sign a new US-Russia nuclear arms reduction treaty with his Russian counterpart Dmitry Medvedev. The new START treaty, the signing of which is taking place around a year after Obama's Prague speech in which he gave his vision of a nuclear-free world, is also seen part of his efforts to improve relations with Russia.

Mirek Topolanek, Czech Politician, Quits Over Gay, Jewish Comments-04/ 1/10

PRAGUE — Derogatory comments by the Czech Republic's former prime minister about Jews, gays and the Catholic Church led Thursday to his resignation as chairman of his conservative political party. Mirek Topolanek had been under strong pressure from within his Civic Democratic Party to step down following the comments to the editorial staff of the gay magazine Lui. He announced last week that he would not lead his party's campaign in a May 28-29 election or run as a candidate.

Czech Civic Democrats to Reveal Election Strategy on April Fools' Day-The Wall Street Journal-1 April

It's no joke. Czech politician Mirek Topolanek will announce the long-term plans for his political party and his future in politics on, of all days, Thursday, April 1, also known as April Fools' Day. The embattled chairman of the Czech right-leaning Civic Democrat party, or ODS, Topolanek is a former prime minister who was president of the European Council during the Czech presidency of the European Union in early 2009. But only three months after he kicked off the EU presidency, his domestic government collapsed and he later resigned from his parliamentary seat. Now his party is losing traction in polls ahead of the general election scheduled for May, and some of his poorly thought out, prejudiced comments earlier this month has led to his party pressuring him to remove his name from the election ballot.

Czech president, NATO Europe chief discuss Czech operation in Afghanistan-March 31, 2010

Czech President Vaclav Klaus discussed the Czech military's operation in Afghanistan at a meeting with NATO's Supreme Allied Commander Europe (SACEUR) James Stavridis Prague Tuesday. During his stay in Prague, Stavridis repeated NATO's request for reinforcement from the Czech Republic in Afghanistan. NATO calls for more Czech instructors to train Afghan soldiers and police.

Economic Front

Polish CPI seen at 2.6 pct y/y in March-Fin Ministry

WARSAW, April 1 (Reuters) - Poland's inflation probably eased to 2.6 percent year-on-year in March, down from 2.9 percent reported for February, the finance ministry estimated on Thursday. Poland's central bank targets inflation at 2.5 percent. In month-on-month terms, inflation in March likely stood at 0.4 percent, the ministry also estimated in the statement

Quebec's siege of user fees on public services-April 01, 2010

The Quebec budget is always interesting for the peculiar and revealing way in which it constructs various concepts. For instance, there's always the irritating equation of Quebec and Canada. You know: "It's been a tough recession in the U.K. and U.S. but not so much in Quebec and Canada." Not "Quebec and the rest of Canada." Just "Quebec and Canada." Like "Slovakia and the Czech Republic." The Quebec civil service is so resolutely nationalist that this is the way it does things even if the government of the day is nominally federalist, as it is now. This year there's also a bizarre but illuminating attempt to determine who's making the bigger sacrifice in balancing the budget by 2014: "the government" or "the taxpayer." The budget says "the government" is doing the heavy lifting, in the ratio of about 60-40.

IMF Signs Deal to Borrow Up To \$1.4 Billion from Czech Bank- (Dow Jones)

The International Monetary Fund said Wednesday that it has signed an agreement with the Czech National Bank to provide it with about \$1.4 billion. The EUR1.03 billion agreement is part of a commitment made by the European Union in March 2009 to contribute up to EUR75 billion, then equal to about \$100 billion, to support IMF lending. The EU has since committed an additional EUR50 billion. The IMF said signing the deal with the Czech National Bank will allow it to add the funds to money already available through agreements with other members

Slovakia

Political Front

Medvedev to visit Slovakia April 6-7 – Kremlin-30.03.2010

MOSCOW, March 30 (Itar-Tass) -- Russia's President Dmitry Medvedev will visit Slovakia on April 6-7 at the invitation of Slovakia's President Ivan Gasparovic, the Kremlin's press service said on Tuesday. Medvedev will take part in festivities on the occasion of the 65th anniversary of Bratislava's liberation by the Red Army. Preparations for this visit have been underway for several months, the source said. The meeting between Russia's Prime Minister Vladimir Putin and his Slovak counterpart Robert Fico in Moscow last November became one of the major stages of these preparations. The two heads of government stated positive development of bilateral relations in many spheres. The two countries have big joint projects in energy, including nuclear energy, in transport, and in military and technical cooperation.

RI, Slovakia set to strengthen economic ties-The Jakarta Post-31 March

Guest of honor: Visiting Slovak Foreign Minister Miroslav Lajcak (left) talks with his Indonesian counterpart Marty Natalegawa before their bilateral talks in Jakarta, on Monday. JP/R. Berto Wedhatama
Guest of honor: Visiting Slovak Foreign Minister Miroslav Lajcak (left) talks with his Indonesian counterpart Marty Natalegawa before their bilateral talks in Jakarta, on Monday. JP/R. Berto Wedhatama. Visiting Slovak Foreign Minister Miroslav Lajcak and his Indonesian counterpart, Marty Natalegawa, signed Monday an agreement aimed at bolstering economic ties between the two countries. "Bilateral relations between Indonesia and Slovakia can be regarded as very good and positive," Marty said after the signing ceremony. Lajcak is on a two-day visit to Indonesia. During his stay in the country, he is scheduled to hold talks with, among others, Defense Minister Purnomo Yusgiantoro and Coordinating Economics Minister Hatta Rajasa. In a joint press conference after Monday's talks, both foreign ministers expressed the need for Slovakia and Indonesia to enhance economic cooperation and help each other overcome the global financial crisis.

Economic Front

Slovaks sell EUR 239.5 mln worth of two-year bonds

BRATISLAVA, March 29 (Reuters) - Slovakia sold 239.5 million euros (\$323.6 million) worth of two-year, zero-coupon state bonds in an auction on Monday, the finance ministry's Debt and Liquidity Management Agency (ARDAL) said. The bonds mature on January 27, 2012. The bid/cover ratio was 1.71 in the second tranche of the paper, compared with 1.6 in the previous sale. Total demand reached 408.5 million euros. The agency said investor demand for euro zone member's shortest maturity was slightly below expectations, reiterating that Greek fiscal problems were still causing certain volatility on the markets, including Slovakia's.

Social Front

April Fools' Day Woes Slovak President To Delay Anthem-Singing Bill Social Front-By Leos Rousek-30 March

April Fools' Day is a day when people play practical jokes on others. And the Slovak President wants to make sure his country's voters won't confuse the proposed April 1 enactment of a new, supposedly patriotic law, with just another April Fools' Day joke. So he's stalling. A new Slovak law that centers on requiring Slovak school children to sing the national anthem at the start of each school week and would require new clerks in state administration to take a pledge of allegiance to Slovakia may not go into force Apr. 1 as earlier planned. Last Friday, Slovak President Ivan Gasparovic returned the anthem bill back to the National Council, Slovakia's parliament, requesting some minor amendments and demanding that it become effective from a later date than Apr. 1 to ensure that students at public elementary and high schools take the anthem-singing seriously. "The date may make some people laugh and therefore it is inappropriate to make such a law effective as of this (Apr. 1) date," Gasporovic said in a statement Friday.

Hungary

Political Front

Hungarian premier declares crisis management program successful-April 01, 2010

Hungarian Prime Minister Bajnai Gordon said Thursday his crisis management program had arrested the country's economic slide. Bajnai said Hungary's economy had been recovering despite grumblings over taxes, health care and unemployment. Although unemployment remained high, at 11.4 percent according to latest statistics, many more jobs had been saved by his belt-tightening measures, he said. He said the International Monetary Fund, World Bank and European Union, which granted Hungary a 25-billion-dollar loan, threw the country a lifeline, "but we managed to swim to shore under our own power." "It was going to hurt," said Bajnai, an economics expert who became prime minister one year ago, noting everyone would have to make some sacrifice. Bajnai said Hungary had dodged the bullet but it was not yet home free.

Hungary's centre-right party vows to ban foreign land buys-01 April 2010

Hungary's opposition European People's Party-affiliated Fidesz will bar foreigners from buying arable land indefinitely if it wins elections next month, party leader Viktor Orban said on 31 March. Fidesz is widely expected to obtain an absolute majority in parliament. According to a recent survey, the Fidesz party of former Hungarian Prime Minister Victor Orbán (55%) should win the legislative elections in April 2010, ahead of the Socialist Party (12%) and the far-right Jobbik party (10%). According to analysts, this could spell "real danger" for the country (EurActiv 04/03/10), as extremists could influence a mainstream party like Fidesz and push it towards nationalism. A similar scenario, with a reversed political situation, is also expected in Slovakia in June. The current ruling coalition in Bratislava, headed by Prime Minister Robert Fico's social democrats (Smer-SD) alongside nationalists LS-HZDS and small xenophobic party SNS, is in pole position ahead of upcoming legislative elections. Elections could 'strengthen extremes' in Central Europe "Foreigners will never buy arable land here, no matter what they decide in Brussels," national news agency MTI cited Orban, a former prime minister, as saying. "I am committed to defending Hungarian land." If implemented, his pledge could put Budapest at loggerheads with its European Union partners and ultimately lead to it being taken to the European Court of Justice for obstructing the free movement of capital - a key EU treaty principle. Hungary's 2004

accession treaty barred land purchases by foreigners until 2011 in an effort to prevent wealthy European investors from buying up large chunks of arable land in the poor new member state. Similar transition clauses were negotiated by other ex-communist newcomers such as Poland and the Czech Republic.

Far-right gains could put Hungary reforms at risk-By Marton Dunai-Reuters-March 29

OZD, Hungary (Reuters) - The scenario is classic. Hungary's economy is in crisis, its large Roma minority is an easy scapegoat, and a far-right party blaming "Gypsy crooks" and "welfare spongers" is set to be the big winner. If opinion polls are right, the nationalist Jobbik party has a chance of becoming the second biggest party in parliament after an election on April 11 and 25, denying the center-right favorites Fidesz a possible two-thirds majority. "With its extreme populist rhetoric, Jobbik could put the next government's policy moves under pressure," said political analyst Andras Giro-Szasz. "Jobbik can limit the popular mandate of the next government." The Roma make up between 5 and 7 percent of Hungary's population and vilifying them has proved Jobbik's most successful tactic as an economic slump of more than 6 percent last year has left more than one in 10 Hungarians unemployed. Its biggest gains will be in places such as Ozd in Hungary's poor northeast, a steel town fallen on hard times, where it looks set to defeat the Socialists who have held the seat for 16 years.

Economic Front

Next Hungary govt must keep budget tight -panel

BUDAPEST, April 2 (Reuters) - The government that emerges from this month's Hungarian elections must show markets it is committed to a tight fiscal policy as the country remains vulnerable to external shocks, the head of the Budget Council said. Gyorgy Kopits, chairman of the panel set up last year to supervise the budget process, told daily Magyar Nemzet on Friday that Hungary's high public debt meant investors still regarded the country as risky, as reflected in the premium payable on Hungarian assets. "The new government will have to send a clear signal to citizens, entrepreneurs

and markets that it is committed to maintaining a disciplined and predictable fiscal policy," Kopits said.

IMF should find new chief through open competition-Gulf Times-31 March

The International Monetary Fund, many say, has had a good crisis. As recently as three years ago, many observers thought that the Fund had outlived its usefulness and should be closed down. Since then, it has intervened in Hungary, Latvia, Iceland, and Ukraine, among other crisis-stricken countries – and has received a massive infusion of new resources. Part of the explanation for the higher esteem in which the IMF is now held is its recent display of intellectual flexibility – a rare virtue for a big, lumbering bureaucracy. It has rethought its traditional opposition to capital controls. It has suggested that central banks may want to consider higher inflation targets in order to avoid hitting the zero bound in the event of deflationary shocks. For this, it drew a stern reproach from Germany's Bundesbank – a clear sign that it is doing something right. The IMF has also put in place a Flexible Credit Line to disburse funds quickly – and free of onerous conditions – to countries buffeted by financial crosswinds through no fault of their own. The problem is that, despite its alluring name, the new facility has had few takers, and no Asian takers in particular.

Social Front

New evidence on Second World War mystery of Swedish diplomat-4/3/2010-AP

STOCKHOLM: New evidence from Russian archives suggests Swedish diplomat Raoul Wallenberg, credited with rescuing tens of thousands of Hungarian Jews during the Holocaust, was alive after Soviets reported that he had died in a Moscow prison, a Swedish magazine and US researchers reported yesterday. The fate of Wallenberg, who was arrested in Budapest in January 1945 by the Soviet army, has remained one of the great mysteries of World War II. The Soviets claimed he was executed July 17, 1947 but never produced a reliable death certificate or his remains. Witnesses claim he was seen in Soviet prisons or labor camps many years later, although those accounts were never verified. Now, the archives of the Russian Security Services say a man identified

only as Prisoner No. 7, who was interrogated six days after the diplomat's reported death, was "with great likelihood" Wallenberg. The security services reported the find last November to Susanne Berger and Vadim Birstein, two members of a research team that conducted a 10-year investigation into Wallenberg's disappearance in the 1990s.

Hungarian court upholds gay partnership law-the nation's same-sex registered-partnership law on 23 March.

Hungary's Constitutional Court upheld the nation's same-sex registered-partnership law on 23 March. Conservative forces - including the Christian Democratic People's Party, the Society for Christian Physicians in Hungary, the Pro Life Forum, and representatives of Faith Church - had argued in nine petitions that the law undermined marriage, discriminated against straight people, violated morality and harmed children, among other things. The court disagreed on all points. The law grants registered partners most of the rights of marriage, with the exception of access to adoption and assisted reproduction, and the right to take a spouse's last name.

Eastern Europe (Belarus & Ukraine)

Belarus

Political Front

China & Japan to import flax yarn-April 02, 2010

Addressing a press conference, Deputy Minister of Agriculture and Food, Belarus, Vasily Pavlovsky informed that the country intends to export Belarusian flax yarn to China and Japan. An agreement in this regard has been signed between Belarus and China. Belarus will soon send its specialists to China, in order to confirm the flax yarn deliveries to the latter. Further, the Belarusian delegation will be meeting Japanese specialists in the coming days to communicate the prospects of co-operation. Country's search for potential partners from around the globe was another point that Pavlovsky spoke about. While it's expecting a noticeable growth in the market in the near future, the country is also looking forward to new opportunities. Off-late flax producers of the

country had to deal with issues pertaining to sales of short and long flax fibers as their demands fell during the economic meltdown.

Belarus, Azerbaijan sign agreement-02.04.2010

Azerbaijan, Baku, Apr. 2 / Trend /Belarusian President Alexander Lukashenko approved the draft intergovernmental agreement signed with Azerbaijan on promotion and reciprocal protection of investments with the modifications and additions of a fundamental nature, made as a result of negotiations with the Azerbaijani side. The president signed the corresponding decree Apr.1, Belta reported with reference to the presidential press - service.

Chavez Seals Arms-for-Oil Deal With 'Europe's Last Dictator'-March 17

Belarus-Since 1992, when America cut off the sale of arms and spare parts to Venezuela, Hugo Chavez has been cobbling together a military machine made up mainly of weapons from Russia and other non-Western suppliers. Last week, in an oil-for-arms deal with “Europe’s last dictator,” Belarusian President Alexander Lukashenko, Chavez was able to add a key element to his growing arsenal: advanced ground-to-air radar. While most experts say the deal itself doesn’t change the balance of arms in the region, they do concede that it represents a strengthening of Chavez’s military might. Moreover, they say the deal also cements an alliance between the respective bad boys of their continents and allows both some wiggle room in their relations with nearby dominant powers.

Lukashenko urges to diversify relations with Russia-30.03

MINSK, March 30 (Itar-Tass) --Belarusian President Alexander Lukashenka said on Tuesday relations with Russia should be diversified once it is impossible to reach transparent and fair trade terms. “Regrettably, our recent efforts to reach transparent and fair terms for mutual trade with Russia have failed. We should diversify our relations both in economics, politics and diplomacy,” Lukashenka told a meeting on the results of his visits to Venezuela and Brazil. Despite Belarus’ efforts to build equal relations within the Union State, the CIS and the EurAsEC, “there has developed a distinct trend

to big brother – little brother relations.” “The issue should be raised openly. We have forbearingly built and will build our relations with partners. But, regrettably, we have not been much successful,” he said and added that “neither Russians, nor Europeans should consider our Latin American efforts and contacts as deviation from the positions we have been holding all the time.” Belarusian seek their good luck where they are understood and respected, he noted.

Russia, Belarus at Odds over Nuclear Plant Cost - Prime-Tass Agency Web site: www.prime-tass.com

MOSCOW (Dow Jones)-Russia and Belarus are at odds over the cost of a Belarusian nuclear power plant project, Alexander Surikov, Russia's ambassador to Belarus, said at a news conference Wednesday, according to the Prime-Tass news agency. He said Russia was insisting the cost be similar to the cost of Russian nuclear plants. Russian engineering company Atomstroyexport is expected to be the general contractor for the plant. The plant's first unit is scheduled to launch in 2016, and the second unit is scheduled to launch in 2018. Last year the Belarussian government requested a \$9 billion loan from Russia for the construction of the plant. However, Atomstroyexport said then construction of a power plant without associated infrastructure could cost less than \$9 billion.

Economic Front

Belarus adapts to oil price gets \$700 mln IMF loan

MINSK, March 26 (Reuters) - The International Monetary Fund has approved on Friday releasing a \$700 million tranches for Belarus and said the country was adapting well to higher Russian oil prices. The tranches bring the total financing provided to Belarus by the IMF to roughly \$4 billion and discussions about a new loan program could start as early as May. The country has two refineries which are able to process over 20 million tones and Russia argues that Belarus sends most refined products to the West and therefore must pay full export duties on volumes exceeding its domestic consumption.

Social Front

HR's Declaration On Behalf Of the EU on the Situation in Belarus-European Commission-31 March, 2010 -

The European Union expresses grave concern over the recent harassment of representatives of independent media, civil society and opposition organisations, including restrictions on the freedom of assembly, association and expression, as well as regrets continued difficulties with the registration of NGOs and opposition parties. EU urges Belarus to address the concerns regarding the democracy, situation for human rights and fundamental freedoms in the country.

Ukraine

Political Front

Cuba and the Ukraine Sign Medical Cooperation Accord

HAVANA, Cuba, Apr 2 (acn) Cuba, the Ukraine and the Chernobyl International Fund signed on Friday in this capital a medical cooperation accord, which will give continuity to the medical treatment of children from that nation suffering from health problems as a consequence of the 1986 nuclear accident. The document was signed by Cuban Public Health Minister José Ramon Balaguer; Vasili Lazoryshynets, deputy minister from the Ukraine in this sector; and Alexander Bozhko, president of the aforementioned Fund. Lazoryshynets reiterated the appreciation of Ukrainian President Victor Yanukovic to the Cuban government and people for the free medical treatment given to over 23,000 children throughout the 20 years of existence of this program. After declaring himself hopeful about the continuity of bilateral friendship and cooperation, he presented Balaguer with the Panteleimon Cross, the highest distinction given by his country's Public Health Ministry. Balaguer, also a Politburo member of the Central Committee of the Cuban Communist Party, recalled that the island's internationalism is based on the ideas of Cuba's National Hero Jose Marti. Following an initiative by Commander in Chief Fidel Castro, on March 29, 1990, amid the crisis Cuba was facing due to the

collapse of the socialist bloc, the first 139 children arrived to the island, a figure that, 20 years later, totals over 25,000 patients.

Ukraine offers Russia role in gas pipeline network-4/3/2010-REUTERS

KIEV: Ukraine's new leadership said yesterday it was inviting Russia to join the European Union in a plan to revamp Ukraine's gas pipeline network which carries crucial supplies of Russian gas to Europe. The announcement by Prime Minister Mykola Azarov effectively reversed a March 2009 agreement, signed by former Prime Minister Yulia Tymoshenko, for the EU to overhaul its pipeline system - a move which had enraged Moscow. "The declaration, signed in March last year in Brussels, was not fulfilled by the Ukrainian side as required and the European Commission did not undertake realistic steps for it to be carried out," Azarov told journalists. "Now we envisage a three-sided approach to modernization: the participation of Russia, the EC and the Ukrainian side," he added. Ukraine expects to have a new International Monetary Fund program in place in May and has agreed on the size of the budget deficit, seen as a key sticking point in talks, Prime Minister Mykola Azarov said. An IMF mission visited Ukraine this week for talks on resuming a suspended \$16.4bn bailout that is seen as vital to restoring investors' confidence in the cash-strapped ex-Soviet republic.

Ukraine parliament not to debate Ukraine's membership in CES-01.04.2010

KIEV, April 1 (Itar-Tass) -- The Supreme Rada deputies refused on Thursday to put on the agenda a draft resolution on Ukraine's participation in forming a Common Economic Space (CES) together with Belarus, Kazakhstan and Russia and in the development of mutually beneficial economic cooperation. This issue was supported by 222 out of 423 deputies, who participated in the voting. Prime Minister Nikolai Azarov and several other members of the government support mutually beneficial cooperation within the Common Economic Space. Russian First Deputy Prime Minister Igor Shuvalov arrived in Kiev on Thursday to have meetings with President Viktor Yanukovich and Prime Minister Nikolai Azarov. The meeting will highlight stronger

bilateral economic cooperation.

Economic Front

Ukraine agrees with IMF, funding seen from May

Ukraine expects to have a new International Monetary Fund program in place in May and has agreed on the size of the budget deficit, seen as a key sticking point in talks, Prime Minister Mykola Azarov said on Friday. An IMF mission visited Ukraine this week and said progress had been made in talks to resume a suspended \$16.4 billion bail out for the cash-strapped ex-Soviet republic. But the size of the state budget deficit had remained a key problem, with the IMF pressing for fiscal prudence and the government committed to social spending initiatives.

Ukraine agrees budget with IMF-Irish Times .com-2 April.

Ukraine expects to have a new International Monetary Fund (IMF) programme in place in May and has agreed on the size of the budget deficit, seen as a key sticking point in talks, prime minister Mykola Azarov said today. An IMF mission visited Ukraine this week and said progress had been made in talks to resume a suspended \$16.4 billion bailout for the cash-strapped ex-Soviet republic. But the size of the state budget deficit had remained a key problem, with the IMF pressing for fiscal prudence and the government committed to social spending initiatives. "We have reached an agreement on the key issue of the state budget. We have agreed that the state budget deficit could be within the limits of around 6 per cent (this year)," Mr Azarov told reporters. Kiev officials have indicated they were seeking a deficit figure of 10 per cent, suggesting the IMF was won concessions from the government on the headline number. In 2009, the deficit was around 14 per cent, Mr Azarov said.

Social Front

The Hero of the Orange Revolution Poisons Ukraine-February 12, 2010- Journalists & Journalism

No politician suffered a more humiliating rejection than the former leader of that revolution and the current sitting president, Viktor Yushchenko--the pockmarked hero of the revolution who overcame a poisoning attempt on his life to lead the pro-democracy crowds to power in 2004. Yushchenko is so widely loathed that he was knocked out of the presidential race in the first round in January, receiving a mere 5 percent of the vote, or fifth place--one of the most embarrassing defeats by any sitting president in modern times. Unfortunately for Ukrainians and for the region, we lost interest in that area after Yushchenko's victory because for us, the revolution was less about improving the locals' lives and more about boosting American exceptionalism's wounded ego, which in 2004-2005 was at its rawest. Now it's five years later, and "our guy" Yushchenko, whom we backed unquestioningly, turned out to be a colossal failure in every way imaginable--and his final moves in office may turn out to be his most destructive of all. Last month, shortly after Yushchenko's humiliating defeat in the first round of elections, he officially rehabilitated one of Ukraine's most controversial WWII-era figures, the ultranationalist leader Stepan Bandera--a move so fraught with danger down the road that it's as though he did it to punish his disloyal voters. Operating in the western region of Ukraine known as Galicia from the 1930s through the 1950s, Bandera's military organization adopted typical fascist symbols and trendy racist ideas promoting ethnic chauvinism and racial purity to pursue its goal of creating an independent Ukrainian state.

Ukraine's gov't cuts president's salary by 50 pct till 2011-31.03.2010

KIEV, March 31 (Itar-Tass) -- Ukraine's government has cut the salary of Ukraine's President Viktor Yanukovich by 50 percent. The new salary will remain effective till January 1, 2011, the minister of labour and social policies, Vasily Nadruga, said on Wednesday. In February the deputy chief of the poresidential staff, Anna German, confirmed Yanukovich was planning to reduce his salary by half. The salary of the former president of Ukraine was 41,000 hryvnas /an equivalent of 5,100 dollars/. Yanukovich has ordered to reduce his staff by 20 percent, or even more. The staff of his predecessor numbered 530.

Ukraine expects defense budget of 1.64 bln dollars in 2010-March 31, 2010

Ukraine's defense ministry said it has proposed a defense budget of 13 billion Hryvnias (about 1.64 billion U.S. dollars) for 2010, Defense Minister Mykhailo Yezhel said here on Tuesday. "The Defense Ministry's initial request for 2010 budget was 19 billion Hryvnias, but this spending was cut to around 13 billion Hryvnias due to the country's current economic difficulties," Yezhel told a press briefing.

Ukraine state debt rises to \$37.9 bln as of Feb 28

KIEV, March 29 (Reuters) - Ukraine's state debt rose to \$37.944 billion as of February 28 from \$37.687 billion at the end of the previous month, the Finance Ministry said on Monday. Data showed the debt rose because of an increase in the domestic debt to \$12.041 billion from \$11.522 billion a month ago. The ministry provided the following details in a statement. STATE DEBT (\$ bln)

	Feb 28, 2010	Jan 31, 2010	Dec 31, 2009
Total debt	37.944	37.687	37.759
Foreign debt	14.853	14.990	15.098
Domestic debt	12.041	11.522	11.405
Govt guarantees	11.050	11.174	11.257

IMF, Ukraine makes progress in loan talks-spokesman

WASHINGTON, April 1 (Reuters) - Talks between Ukraine and the International Monetary Fund on a possible new loan program have made progress but "a few issues remain outstanding," an IMF spokesman said on Thursday, suggesting no agreement with the new government. IMF spokesman Gerry Rice told a regular briefing for reporters the IMF mission will return as planned to the IMF headquarters in Washington on Friday.

Ukraine must spend 3.8 billion on Euro 2012 this year-Apr 1, 2010

Kiev - Ukrainian President Viktor Yanukovich on Thursday said his cash-strapped country must by January spend at least 3.8 billion dollars on preparations to host its share of the Euro 2012 football championship. 'Currently it (Ukraine's Euro 2012 preparations) are in a horrible state,' Yanukovich said at a Kiev press conference. 'We have to find people who can do the job.' European football organizing body UEFA in April 2007 named Poland and Ukraine co-hosts for the Euro 2012 football tournament. Ukrainian efforts to get ready are far behind schedule, because of funding shortages and in-fighting between government bureaucracies.

Female activists sue Ukraine's PM for violation of women's rights-31.03.2010

KIEV, March 31 (Itar-Tass) -- Ukraine's Prime Minister Nikolai Azarov is sued by the president of the La Strada-Ukraine International Human Rights Protection Centre, Yekaterina Levchenko, and the leader of the non-governmental Information and Consulting Female Centre, Elena Suslova. Levchenko told reporters on Wednesday that on Monday she had filed a suit in protest against what she claimed was the prime minister's violation of equal rights for women and men. "His phrase 'It is not a woman's business to make reforms' is directly discriminating against the Ukrainian women and personally myself," she said. "The compensation I have demanded in my suit is just one hryvna." Levchenko attached to the lawsuit a disc with a recording of Azarov's speech in Dnepropetrovsk on March 19, where he had made the controversial statement that made her so angry.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political Front

Estonia takes delivery of missile system

Tallinn (AFP) March 26, 2010 - Tiny Baltic NATO member Estonia said Friday it had taken delivery of a surface-to-air missile system from European defence giant MBDA and Sweden's Saab in its largest-ever defence contract. In a statement, Estonia's high

command said that the short-range anti-aircraft system had cost the country almost one billion kroons (64 million euros, 86 million dollars), the most it has ever spent on arms. "Because the development of anti-aircraft defence is one of Estonia's 10-year priorities, the new system means a huge step forward," Defence Minister Jaak Aaviksoo said in the statement. Estonia regained independence from the crumbling Soviet Union in 1991 and started building its armed forces from scratch. The nation of 1.3 million people has 3,000 professional soldiers and 2,500 conscripts, plus combat-ready reserves of around 12,000, according to its military. Estonia, which joined NATO in 2004, has been upgrading its defence equipment to meet the standards of the 28-nation trans-Atlantic alliance. In 2007 it signed the deal with Saab and MBDA -- a joint subsidiary of European group EADS, Britain's BAE Systems and Italy's Finmeccanica. The package includes Giraffe AMB radars and communication systems from Saab, and Mistral surface-to-air missiles, which can be hand-launched or mounted on vehicles or ships, from

Treaty satisfies Russia's wish for parity with US: analysts-MBDA-(AFP) Mar 27

Russia has much to be happy about in its new nuclear disarmament treaty with the United States, including a respectable compromise on the hot-button issue of missile defense, analysts said. With the treaty finally ready after months of difficult negotiations, Russia is now watching warily to see whether it will be ratified by the US Senate, where conservative Republicans have the power to kill it. Russian analysts described the new treaty as balanced -- an accomplishment in and of itself, given Moscow's hunger to be seen as an equal to Washington after losing the Cold War and suffering a deep decline in the 1990s. "It is very good for Russia that it reached an agreement which on the whole was fairly even in nature," Roland Timerbaev, a retired Russian diplomat and veteran of US-Soviet arms control talks, told AFP. "At the end of the day America is more powerful than Russia. This is clear," said Timerbaev, who took part in the original talks on the 1991 Strategic Arms Reduction Treaty (START), which the new agreement will replace. Moscow has touted the fact that the treaty, due to be signed by

US President Barack Obama and his Russian counterpart Dmitry Medvedev in Prague on April 8, includes language linking strategic offensive arms to missile defense.

Economic Front

Research and Markets: OECD Economic Surveys: Estonia 2009- (http://www.researchandmarkets.com/research/639816/oecd_economic_surv)Research

DUBLIN- and Market has announced the addition of the "OECD Economic Surveys: Estonia 2009" report to their offering. This first OECD Economic Survey of Estonia includes chapters covering getting back to a sustainable growth path, fiscal policy, labour market reform, housing policy and the business environment. Estonia grew faster than most emerging market economies during 2000-07, but it is now in a severe recession. This first edition of OECD's periodic review of Estonia's economy includes chapters covering getting back to a sustainable growth path, fiscal policy, labour market reform, housing policy, and the business environment

Moody's Raises Estonia Rating Outlook as Econ Prospects Improve-LONDON (Dow Jones) Positive news for the Baltic region continued Wednesday as Moody's Investors Service Inc. raised the ratings outlook on Estonia to stable from negative, reflecting improved financial and economic prospects, as well as likely euro adoption in 2011. The ratings agency said while the economy continues to adjust from the reversal of the domestic credit boom, "the deleveraging process should ultimately build a base for a more sustainable growth profile in the years ahead." It also noted that problems in the banking sector have eased, and profitability there will support medium-term growth. This move comes just one day after peer Fitch Ratings placed Estonia's BBB+ rating on positive watch and indicated it would upgrade the Baltic nation if its bid to adopt the euro is formally accepted this summer. Yet while adoption of the euro is likely in January 2011, Moody's said this will not be a cure for all the issues facing the country. "Estonia still needs to overcome a high degree of private sector leverage and weakened competitiveness that are a legacy of the boom years," said Kenneth Orchard, vice-

president in Moody's Sovereign Risk Group. Moody's has an A1 rating for the country's local and foreign currency. Earlier Wednesday, Moody's raised the outlook on Latvia's Baa3 rating and Lithuania's Baa1 ratings to stable from negative.

Estonia met euro goals, further effort needed-IMF

TALLINN, March 29 (Reuters) - Estonia has met the criteria to join the euro zone and its fiscal performance has been good amid a deep crisis, but further efforts will be required for future budget sustainability, the IMF said on Monday. It also said the economic outlook for the country, which hopes to adopt the euro in 2011 despite suffering its worst post-Soviet downturn, had improved slightly. Future prospects depended on re-orienting to the export sector, it added.

Latvia

Political Front

Moody's raises debt ratings outlook for Baltic states, citing economic stabilization- By Associated Press-March 31, 2010

RIGA, Latvia (AP) — Moody's, the credit ratings agency, on Wednesday raised its outlook for the recession-scarred Baltic economies thanks to an overall stabilization in the economy and improved prospects for recovery. Moody's Investors Services said it lifted the outlooks for Estonia, Latvia and Lithuania — the three worst economies in the European Union in terms of economic decline last year — from negative to stable as the countries emerge from their worst recession on record. That means they don't risk having their debt ratings downgraded in the near future. Estonia is considered the strongest of the three since it has an A1, or investment grade, rating, with Moody's analysts praising its "impressive fiscal performance" last year and chances at adopting the euro in 2011. The agency has kept below-investment grade — or junk — ratings for Latvia and Lithuania, due to their high deficits and excessive debt burden.

Economic Front

Latvian c.bank net interventions at zero last weeks

RIGA, March 29 (Reuters) - Latvia's central bank said on Monday it had a zero net position for interventions for the second week running last week, seen as a signal of easing pressure on the currency's band against the euro. The lat's trading band come under pressure in 2008 and 2009 during an economic crisis that sent it to the IMF for help, but intervention this year has been limited or even aimed at capping gains, easing speculation the government would have to devalue. In early trade, the lat was little changed from last week, with the euro quoted at 0.7074/84 lats compared with a 0.7075 close on Friday. The lat is still clear of the 0.7098 level at which the central bank intervenes. However, one trader saw little chance the lat will appreciate further in its band.

Lithuania

Political Front

Vilnius Offers Price Advice to Gazprom-29 March 2010

Lithuanian Prime Minister Andrius Kubilius suggested on Friday that Gazprom update its pricing policies in view of the global gas glut, the latest barb fired at the world's biggest gas producer over its steep bills. Vilnius is considering building a terminal to import liquefied natural gas, which is shipped by tankers rather than by pipeline, Kubilius said, apparently implying that Gazprom could lose out against suppliers that offer the fuel at much lower prices now. Lithuania could pursue the project by itself or in conjunction with some other Baltic countries, he said, without elaborating. Lithuania may need more gas, including from Gazprom, to produce electricity after it shut down the outdated Ingalina nuclear energy plant last year. The Baltic state, which used to import 3 billion cubic meters of gas from Gazprom annually, may have to increase its consumption by 150 percent to 200 percent, the Cabinet said in a statement Wednesday that gave an overview of relations between the countries.

Economic Front

Lithuania injects capital to save mortgage insurer

VILNIUS, March 31 (Reuters) - Lithuania's government on Wednesday agreed to inject 60 million litas (\$23.33 million) into a mortgage insurer to save it from collapse after bad debts surged in the crisis-hit Baltic state. State-owned Busto Paskolu Draudimas (BPD) insures mortgages granted by banks or other credit institutions against defaults. The injection would come via a new share issue to boost the authorised capital from 27 million litas, the Finance Ministry said in a statement. Without providing the additional capital, the insurer would not be able to meet its obligations, which could cause people to lose their homes and depress credit levels, the ministry said. Bad debts have surged in the banking sector, dominated by Scandinavian banking groups such as SEB and Swedbank . BPD suffered a 34.8 million litas loss last year as insurance payments rose to 45.5 million litas in 2009, up 3.3 times from 2008, the company said in its annual report.

Moody's ups Lithuania outlook, economy stabilizes-

VILNIUS, March 31 (Reuters) - Moody's Investors Service said on Wednesday it upgraded its ratings outlook on Lithuania to stable from negative, reflecting a brighter than expected economic picture and easing financial stress in the region. "The Lithuanian economy has stabilised more quickly than previously anticipated, and also faster than the other Baltic countries," Kenneth Orchard, vice-president and senior credit officer in Moody's Sovereign Risk Group, said. Moody's had affirmed the long-term Baa1 rating on Lithuania, saying the government's budget deficit remained high, causing further growth in debt

Social Front

Lithuania's tribute to Milosz-31.03.2010 09:13

The Lithuanian Parliament has declared 2011 the Year of Czesław Miłosz, the Nobel Prize-winning Polish poet who was born in Lithuania. Next year will mark the centenary of Miłosz's birth and was the author of *The Captive Mind* (1953) one of the best-known works on life under communism. Valentinas Stundys, chairman of the parliamentary commission for education, science and culture, has said that as a poet of

world-wide reputation Miłosz deserves to be honoured in the country of his birth with special events focusing on his life and literary output. The Parliament in Vilnius has asked the government to set up a commission to prepare a programme of the Miłosz Year. The proposed budget for the purpose is around 230, 000 euro. Czesław Miłosz defected from Poland to the West in 1951. In 1970 he became a U.S. citizen. He received the Nobel Prize in 1980. He died in Krakow in 2004, aged 93.

Russia

Political Front

Vladimir Putin arrives in Venezuela to meet US foes-April 03, 2010

CARACAS: Russian Prime Minister Vladimir Putin arrived in Caracas on Friday to meet the two main South American foes of the United States and launch a \$20 billion venture to tap the vast Orinoco heavy oil belt. Putin will discuss energy, agriculture and defence issues with Venezuela's leftist President Hugo Chavez and later hold talks with Bolivian President Evo Morales, both fierce critics of what they call US "imperialism" in Latin America. Putin and Chavez toured a four-masted Russian tall ship, the Kruzenshtern, one of the world's largest sailing vessels used as a fishery school ship, and viewed photos of Russia's victory over Germany in the Second World War in the ship's museum. Chavez said Moscow and Caracas would strengthen security ties to "continue increasing Venezuela's defense capability" and also look at cooperating on nuclear energy.

Russia pledges to continue arms deliveries to Venezuela-3 April 2010-FOCUS News Agency

Caracas. Russia will continue deliveries of military equipment to Venezuela to help the Latin American country boost its national defense, Prime Minister Vladimir Putin said on Saturday."We will continue to support the development of the armed forces of Venezuela. As you know, Russia has already delivered the most efficient Su-30 heavy fighters and other military equipment to Venezuela," Putin said at a joint news conference after a meeting with Venezuelan President Hugo Chavez in Caracas.

Medvedev calls on parliament parties to hold together to fight terrorism-Apr 03

Russian President Dmitry Medvedev on Friday called on parliamentary parties to hold together on counter-terrorism measures. Terrorism is "a real challenge to our country," Medvedev said during a meeting with leaders of parliamentary parties. "I hope we will pursue a common policy on this issue." Party leaders, for their part, pledged to work together on the issue. Everyone was involved in the anti-terrorism war, therefore "every citizen should participate (into the fight against terrorism)," Medvedev said.

Obama, Medvedev To Sign Landmark Nuclear Arms Pact-REUTERS

MOSCOW, April 3 (Reuters) - The U.S. and Russian presidents are to sign a pact on Thursday committing the former Cold War foes to unprecedented nuclear arms reductions, cementing a hard-won deal that should put strained ties on firmer footing. After nearly a year of tough negotiations, the signing by Barack Obama and Dmitry Medvedev in Prague, the capital of a former Soviet satellite now in NATO, will symbolise cooperation between Washington and Moscow for the sake of global security. Both presidents say new cuts in the largest arsenals on the planet are a step toward a world without nuclear weapons and a signal to nations seeking them that there is no need.

New strategic arms reduction treaty linked to missile defense – Prikhodko-02.04

MOSCOW, April 2 (Itar-Tass) -- The new strategic arms reduction treaty Russia and the United States will sign in Prague on April 8 will be legally linked to missile defense, although the latter is the subject of another dialog, presidential aide Sergei Prikhodko told Itar-Tass on Friday. "The new treaty does not mean to limit the development of U.S. missile defense. The Russian and U.S. presidents agreed from the very start that the treaty would focus on strategic offensive armaments, while missile defense would be the subject of another dialog," he said. "At the same time, the treaty was elaborated amid the absence of limitations on strategic missile defense systems [the United States unilaterally quit the ABM Treaty in 2002]. Thus, the negotiators had to confirm the inseparable link between strategic offensive armaments and strategic defensive systems,

i.e. missile defense. The mission was accomplished successfully – the relationship between strategic offensive armaments and missile defense and its growing importance against the backdrop of strategic offensive reductions were legalized in the new document,” he said.

Economic Front

Russia’s Economic Slump Eased to 3.8% in 4th Quarter (Update2)-By Paul Abelsky

April 1 (Bloomberg) -- Russia’s economic slump eased in the fourth quarter as oil, gas and metals exporters benefited from higher prices after gross domestic product slumped by a record in the first half of the year. Output of the world’s biggest energy exporter shrank an annual 3.8 percent in the last three months of 2009 after contracting a revised 7.7 percent in the third quarter and a revised 10.8 percent in the second, the Federal Statistics Service said today. GDP fell 7.9 percent in 2009, the biggest contraction since the collapse of the Soviet Union in 1991. A surge in oil prices bolstered state finances as the price of Urals crude more than doubled in the quarter from a low of \$32.34 a year earlier. Leaner inventories, improved global sales and higher raw materials prices prompted companies including iron ore producer OAO Metalloinvest to boost output. The momentum may stall as rising joblessness and low demand for credit damp growth this year.

Airports still struggling to become cargo hubs-Cargo News Asia.com-2 April

Airfreight into Russia is picking up as the global economy recovers, but the country's airports are a long way from becoming cargo hubs, reports Correspondent Phil Hastings. Air cargo volumes from China, other parts of Asia and the rest of the world into Russia are now reported to be recovering in line with general worldwide trends. However, longer-term efforts to develop some of that country's main airports as global air cargo hubs appear stalled at a fairly low level and still largely confined to handling trade moving on a Far East-Russia-Europe axis. The current recovery in Russian air cargo import traffic was confirmed by a spokeswoman for Moscow's Domodedovo Terminal

Cargo (DTC), which, with a floor area of 13,400 sq m and a handling capacity of up to 600 tonnes a day, claims to be Russia's largest and most hi-tech airfreight facility.

Russian bank balances rise to 523.4 bln rbls

MOSCOW, March 31 (Reuters) - Banks' balances in their correspondent accounts at the Russian central bank rose to 523.4 billion roubles on Wednesday from 440.9 billion roubles in the previous session, the central bank said.

All figures are in billions of roubles

BALANCES	March 31	March 30
Total	523.4	440.9
Moscow region	367.9	287.9
Banks' deposits at the central bank	443.7	491.7

Social Front

Russia to apply electronic ticket system to road transport system-April 03, 2010

Russia will use an electronic ticket system with its transportation system in an effort to strengthen security, Transport Minister Igor Levitin said Thursday. The Transport Ministry will install the e-ticket system to public transportation. The e-ticket would contain each passenger's information, including identity and destination, Levitin said at a meeting with Russian transport enterprises. He also ordered all road transport companies to carry out specific operation schedules for long-distance buses next year. The ministry will make an inspection of all bus stations and terminals around the nation, and close the unsafe ones, he added.

Moscow bomber identified as teenage widow from Dagestan-April 3, 2010

Reporting from Moscow - One of the suicide bombers who blew herself up aboard a crowded Moscow subway car this week was a teenager from the restive republic of Dagestan, Russian authorities said Friday. The national counter-terrorism committee

released only the name of the teen who set off her charge in Park Kultury Metro station as Dzhanet Abdurakhmanova, also given as Abdullayeva. But leaks from law enforcement sources filled out the sketch of the 17-year-old's abbreviated, violent life: The girl was the widow of Dagestani militant leader Umalat Magomedov, who was killed by federal troops last year, a source told Interfax news agency.