

Business and Politics in the Muslim World

Weekly Report on **Russia**
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Summary:**Political:****Russia Extradites Senior Kyrgyz Official**

Kyrgyzstan's provisional government said Monday that Russian special forces had seized and extradited Kyrgyzstan's former interior minister, who had been convalescing in Moscow after being severely beaten during bloody antigovernment riots this month.

The extradition of the former minister, Moldomusa Kongantiyev, further signaled Moscow's support for the new Kyrgyz government, which took power after protests on April 7 ousted Kyrgyzstan's president and his government.

Russia, Georgia and Islamic Terrorism - Family Security Matters

It is no secret that Russia is the world's biggest non-Muslim sponsor of Islamic terrorism. Russian weapons and rubles flow into Iran and Syria, and from there to terrorist groups throughout the Middle East. Russian personnel train the Iranians, who in turn train Iraqi Shiite terrorists on the best way to kill American soldiers. While the U.S. was getting ready to take down Saddam Hussein, Russia was using its best delaying tactics in the UN, while rushing its top of the line weapons into Iraq. Putin knew that Saddam was finished and that Iraq's debt to Russia would never be paid. Nevertheless the doomed Saddam got the best the Russian armories had to offer in order to kill as many American troops as possible. After the invasion, Russian officials would boast of the increased demand for their weapons in the Muslim world.

Proposed Bill Could Increase FSB's Power

A bill submitted to the State Duma on Saturday is apparently aimed at lending more legitimacy to the FSB's informal ways of work, but additional documentation suggested that it could also be used by law enforcement to target media reporting unfavorably about the state's actions.

Russia must have role in Europe-based missile defence

Nato secretary general Anders Rasmussen believes that bringing Russia into the plans will help to allay its concerns about the project and contribute to further arms control measures, "Russia should be included in a missile defence system which covers Europe, the secretary general believes, " Nato spokesman James Appathurai said during a visit to London.

Russia, Poland Probe Possible Reconciliation After

Poland and Russia appear to have taken steps toward possible reconciliation, drawn together by the death of Poland's President Lech Kaczynski, who was killed in a plane crash in Russia along with 95 other high-level Poles.

Russian, Belgian frgn ministers sign joint program of action

Russian Foreign Minister Sergei Lavrov and Belgium's Acting Foreign Minister Steven Vanackere have signed a joint program of action for the years 2010 and 2011. "Moscow and Brussels have signed a fifth program of actions in succession," Lavrov said. "It envisions a long range of steps that aim to consolidate political dialogue, bilateral trade, and cooperation in the humanitarian sphere."

ROAR: Russian, Japanese governors set territorial dispute aside

The 15th assembly of governors from the two countries met in Moscow on May 3 to discuss developing relations at a regional level. Observers hope that such contacts may contribute to the development of political, cultural and economic ties, still marred by the territorial dispute over the South Kuril Islands.

Iran plans to produce missile defense systems similar to Russia's S-300

Answering the question on whether Iran has plans to produce an S-300 defense system, Vahidi said, "We don't need to produce the S-300 system, but we have plans on the agenda to produce similar weapons." The minister also said Iran has developed a medium-range air defense system.

Russian Navy base deal with Ukraine

Russia's lease of the base in Sevastopol was extended for 25 years after the current lease expires in 2017 in a deal simultaneously ratified by the Russian and Ukrainian parliaments on Tuesday. The lease may be further extended by five years.

Economic:

Brink's Acquires Cash Logistics Business in Russia ...

The Brink's Company , announced that it has acquired a majority stake in a Russian cash processing business that complements the company's acquisition of a CIT (cash-in-transit) business in the first quarter of 2009. With principal operations in Moscow, Brink's now has approximately 500 employees in Russia and offers a full range of CIT, ATM, money processing and Global Services operations for domestic and international markets.

Reports: Russia's GDP up 0.6 pct in Q1 - Boston Globe

Russia's economic development minister said Wednesday that the country's economy grew 0.6 percent in the first quarter this year, extending the recovery to three consecutive quarters.

Ruble Gains May Force Russia to Protect Industry

The administration of Prime Minister Vladimir Putin has been powerless to stem gains in the ruble, which has surged 15 percent against the dollar in the past 12 months, tracking a 75 percent rise in Urals crude in the same period. The government, which is putting pressure on the central bank to do more to cap the ruble's rise, may resort to a tax on currency transactions to protect exporters in industries including car manufacture, Shuvalov said today.

UPDATE 1-Trakya Cam, Saint Gobain to invest \$325 mln in Russia

Russia's office of special economic zones said on Tuesday that Siseecam ([SISE.IS](#)), which owns nearly 70 percent of Trakya Cam, would be investing in Russia's Alabuga special economic zone in Tatarstan.

Russia to sell weapons to NATO members

Russia will seek direct opportunities to sell weapons to NATO member states, according to Russia's envoy to the alliance, In return, the Alliance might lift all barriers for free military trade between Moscow and NATO member states.

Sistema-Hals posts FY 2009 net loss of \$555.4 million

The bottom line is a 45.7% worsening of the FY net loss of \$381.09 million, with OIBDA falling 159% to minus \$340.5 million and revenue slumping 76% to \$64 million from \$274.6 million for FY 2008.

New players open menus on Russian fast food market

Russia's fast food market has shown huge growth over the past decade, with international and local players alike reaping in the benefits. Some local expats have come to the market looking to take a seat at the table.

Russia, Ukraine Gas Deal Wouldn't Stop South Stream, Peskov Says

Russia's proposal to merge OAO Gazprom and Ukraine's national energy company NAK Naftogaz Ukrainy won't affect plans to build the South Stream gas pipeline to Europe, bypassing the neighboring country, Russian Prime Minister Vladimir Putin's spokesman, Dmitry Peskov, said today.

Export duty on Russian gas for Ukraine reset to zero

The document, signed on April 30, states that the zero duty will apply to supplies of Russian gas in volumes up to 30 billion cubic meters in 2010 and 40 billion cubic meters in the period from 2011 to 2019 . A reduction of 30% of the contract price cannot be more than \$100 per 1000 cubic meters.

Social:**Cheated Homebuyers Create a Social Network**

Odnodolshiki.ru is the first social network for so-called "cheated homebuyers," allowing those who have invested into apartment buildings that have not yet materialized to receive advice and discuss ways of solving their problems.

Lithuanian extremist planned bomb attack in Russia

The woman was arrested on March 28 in the Lithuanian capital Vilnius as she was boarding a flight to Russia. Some media reports have linked her with the terror attacks in the Moscow Metro, which happened a day later, after police found a bomb-making manual and a map of the Metro in her bags.

Russian warships exercise in Indian Ocean

The Moskva guided-missile cruiser, the flagship of the Black Sea Fleet, made a port call in the southwestern Indian city of Kochi on Friday and teamed up on Sunday with the Northern Fleet's flagship, the Pyotr Veliky nuclear-powered guided-missile cruiser.

Russia takes gold in European Gymnastics Championships

The Russian women's gymnastics team have won gold in the team competition of the European Gymnastics Championships.

May Day blast in Nalchik

One of the victims of the bombing in the Russian North Caucasus republic of Kabardino-Balkaria on Saturday, a 104-year-old World War II veteran, has died and the number of injured has risen to 30.

Pope Benedict XVI visits Turin to see Holy Shroud

The shroud is a linen cloth bearing the facial image of a man thought to have died after torture that included crucifixion. Christians believe the body of Jesus Christ was wrapped up in the Shroud, after which his image remained on it.

Russian Orthodox Church urges law banning religious extremism

International organizations, such as the Council of Europe, should equate the ban on religious extremism to the ban on Nazism, archpriest Vsevolod Chaplin, who is in charge of the Church's relations with society, said.

Detailed News:

Political:

Russia Extradites Senior Kyrgyz Official

[Russia](#) was one of the first countries to recognize the provisional Kyrgyz government and has offered millions of dollars in aid to the impoverished but strategically vital Central Asian nation, where an [American military air base](#) important for the [NATO](#) mission in Afghanistan is located.

The Kremlin clashed frequently with the ousted president, [Kurmanbek Bakiyev](#), particularly over his refusal to shut the American base at Manas. Before the protests that removed Mr. Bakiyev from power, Moscow also seemed to play a role in undermining his authority through a media smear campaign and damaging tariff increases on petroleum products.

The interim Kyrgyz authorities have said they hope to prosecute Mr. Bakiyev and major figures in his government for the deaths of at least 85 people, most of whom were shot by the police and presidential guards during the riots.

Mr. Bakiyev, who fled Kyrgyzstan a week after the riots, sought refuge in Belarus, where the president, [Aleksandr Lukashenko](#), offered him protection from extradition.

Mr. Kongantiyev, the former interior minister, found no such assurances in Moscow. He was in Russia receiving medical care for injuries suffered when he was captured by angry protesters, brutally beaten and held hostage until his family reportedly paid for his release.

Mr. Kongantiyev was detained on Sunday by members of the Russian security service, the F.S.B., after he left the hospital without permission, said Edil Baisalov, the chief of staff for the interim government.

Given the severity of Mr. Kongantiyev's injuries, Mr. Baisalov said, the interim government allowed him to obtain medical help in Moscow, "on the understanding that he remained in the custody of Kyrgyz authorities."

It was unclear how or why Mr. Kongantiyev left the hospital or how long he had been gone before he was captured. Mr. Baisalov suggested that supporters of the ousted government in Moscow had sought to help Mr. Kongantiyev go into hiding.

Mr. Kongantiyev arrived in the Kyrgyz capital, Bishkek, on Monday and was taken into custody. He could be charged in connection with a series of kidnappings, beatings and murders of opposition figures during his time as interior minister, as well as for his role in this month's protests, Mr. Baisalov said.

Russia, Georgia and Islamic Terrorism - Family Security Matters

In Lebanon, once again Russian weapons flowed to Hezbollah (the Party of Allah) terrorists. Top of the line Russian weapons destroyed Israeli tanks and killed Israeli soldiers. And once again Russian officials boasted about their weapons being behind it all. And when Israel pulled out, Russia sent two detachments of its Chechen Muslim troops to Lebanon.

According to President Putin, the Chechens, as Muslims, will find it easier to "establish contacts with the local population" (Interfax, October 10). Alu Alkhanov, president of Chechnya's pro-Russian administration, observed: "Importantly, all of these men strictly observe the Muslim rites which will play a role in Lebanon"

Remember Russia's Chechen Muslim soldiers, because you'll see them again soon –this time, marching into Georgia.

The Cedar Revolution failed. The radical Islamists of Hezbollah became a major player in Lebanon's new order, which meant that Iran and Syria were major players and which meant that Russia, which stood behind them both, was a major player again. And all it took was a few thousand dead.

Meanwhile, Putin and Medvedev are not just supplying weapons to Mahmoud Ahmadinejad and the rest of the elite in Iran, but providing them with nuclear technology –technology that puts Iran on track toward a nuclear bomb, which when detonated over Israel will not only remove the biggest obstacle in Russia's longtime plans to control the Middle East, but to execute a Second Holocaust as well.

Some people may wonder how, in the wake of Beslan and the numerous bombings by Muslim terrorists on its own soil, can Russia continue to support and work together with Muslim terrorists? The answer is that Putin and his merry band of ex-KGB operatives, do not object to Muslim terrorists. They like them a lot, they helped train them, they continue to supply to them – so long as they're not fighting against Russia.

Putin, like nearly every Russian leader before him, views Muslim terror as a valuable strategic tool. Russia's tightly controlled mosques preach Jihad... they just preach it against Russia's enemies, as when the Supreme Mufti of Russia, Talgat Tadzhuiddin, called for a "*single-(Russian)-Orthodox Islamic' Jihad against the empire of Satan*" when the U.S. overthrew Saddam Hussein. Unlike Putin's critics, he didn't end up in a jail cell, strapped down in a psychiatric hospital or dead of a suspicious suicide. Perish the thought – here he is with Vladimir Putin (see photo above). And he remains well funded by the Russian government.

Russia fights against Islamic separatists, in order to control them and turn them into loyal subjects and troops again, as was done during the days of the USSR. Russia's campaign in Chechnya is not about fighting Islamic terror, but about consolidating its hold on all the countries it used to control. Those campaigns are not limited to Muslim regions, but Christian ones as well. They include the Ukraine, Poland, Czechoslovakia... and Georgia as well. Because Christian or Muslim, it makes no difference to the Ex-Communists in power. They are determined to once again rule over them all.

Russia's KGB masters have used many tools to achieve their objectives. They've employed blackmail, intimidation, poison, election fraud, street violence and of course outright invasion by Russian "peacekeepers." But above all else, the KGB has excelled at one tool – propaganda.

And so we come to Georgia once again. Russia's invasion of Georgia in 2008 failed to achieve its goals. But that doesn't mean that Vladimir Putin has decided to take a break and spend all his time, posing and primping with tigers, karate outfits and rap stars for the adulation of his own government controlled media. The FSB/KGB propaganda machine, which over the last few years has accused Georgia and President Saakashvili of every conceivable thing, is now trying to plant stories claiming that Georgia is in league with Muslim terrorists against Russia.

As the world's largest non-Muslim sponsor of Islamic terror, Russia accusing anyone else of collaborating with Muslim terrorists is already obscene. Numerous top ranking KGB defectors, including former KGB General Oleg Kalugin, Ion Mihai Pacepa, the former head of Romania's intelligence service, Konstantin Preobrazhenskiy, and others, who have stated repeatedly that Russia was behind much of the world's Islamic terror and that it continues to play that role today. They have even drawn connections between al Qaeda and the KGB/FSB. While these allegations are debatable, al Qaeda's number 2, Ayman Al-Zawahiri spent some time in Russia, and ex-KGB agents have alleged that he was trained by them.

But let's put Russia's own extensive ties to Islamic terrorism on hold for a minute, and focus on the situation in Georgia.

Russia's assault on Georgia is a virtual carbon copy of the NATO campaign against Yugoslavia. Like the Clinton administration, Vladimir Putin used phony claims of ethnic cleansing to invade Georgia in order to force the independence of two regions with sizable Muslim populations inside Georgia. Essentially it was a mirror image of what happened in Yugoslavia, except this time Russia was the invader, Georgia was the victim, and rather than Kosovo and Croatia – the two statelets in question were, Abkhazia and South Ossetia. (South Ossetia is a "country" of some 50,000 people which is only recognized by Vladimir Putin, Hugo Chávez and former Sandanista terrorist leader Daniel Ortega, which should tell you something right there.)

Now Russia is spreading claims that Georgia is in league with Muslim Jihadis and plotting against it. There's one problem with that: Georgia is a mostly Christian country,

while both Abkhazia and South Ossetia are regions that hold sizable Muslim minorities. Do Muslim terrorists really want to prevent independence for two regions that demographically are much more Muslim than Georgia?

Especially when the Mufti of Abkhazia, Timur Dzyba, has called on the Muslim world to recognize Abkhazian independence and laid out extensive plans for Islamizing it by importing Muslims from Turkey.

In fact, it was Russia who took its Muslim Chechen troops and marched them into Georgia. Those Muslim soldiers carried South Ossetian flags (you remember that thriving nation of 50,000 people, whose independence Russia was fighting for.) And who were those Chechen troops fighting for Russia under a South Ossetian flag? They were former Chechen Muslim terrorists and guerrillas who switched sides and fought for Russia under Sulim Yamadayev as the Vostok Battalion.

Sulim Yamadayev, a Muslim thug, had been responsible for numerous gruesome atrocities committed by him and under his command. His men were known for the classic Muslim beheading, as well as carrying out gruesome tortures on their bodies while hiding the bodies. In Georgia, this battalion of Muslim throat-slitters participated in the murder, rape, plunder and abuse of Georgian Christians in a pogrom designed to ethnically cleanse the city of Gori.

It was Putin who brought Muslim terrorists in uniform into the heart of Georgia, to rob and kill, backed by the full might of the Russian military. It was the Russian Government that did it in order to carve out two parts of Georgia with a sizable Muslim minority, and turn them into full fledged countries. And all of this was done under the command of the GRU, the Russian foreign military intelligence directorate created by Leon Trotsky, that has long since become an object of horror to anyone in the region.

Unlike the Russian propaganda about their intelligence services seizing a briefcase from a dead terrorist that supposedly contained notes incriminating the Georgian government – these are all facts. (These are the same intelligence services which report that people in their custody somehow keep committing suicide.) They are events that large numbers of people witnessed. They are part of the historical record. They represent information that can be researched independently without relying on the Russian security services or their Western stooges.

But let's continue exploring the credibility of their accusation that it is Georgia, not Russia that is allied with Muslim terrorists.

Russia's attempt to carve up Georgia was enthusiastically endorsed by Muslims.

The support of Russia's actions on the part of the Islamic community of the Caucasus and several other Muslim states shows that the Islamic world still remains Russia's staunch ally despite the virtual isolation of the country on the part of the West. There is no other European country that can boast of such a position in the Muslim community,

representatives of the Islamic clergy of Russia, North Ossetia and Abkhazia said during their meeting with reporters.

When President Medvedev officially announced the recognition of South Ossetia and Abkhazia, the Muslim clergy of the Caucasus was one of the first communities to have approved the Kremlin's decision. Muslim clergymen congratulated the people of the two republics on their long-awaited independence and urged the world Islamic community to follow Russia's example.

"I would like to address the Islamic world to recognize the independence of South Ossetia and Abkhazia, deputy mufti of Abkhazia, Timur Dzyba said.

Timur, incidentally, has big plans for Islamizing Abkhazia by importing millions of Muslims from Turkey. Turkey's Islamist government and Ahmadinejad in Iran have both pledged to cooperate with Moscow in "rebuilding" Abkhazia and South Ossetia.

Russia's military and political actions in Abkhazia and South Ossetia are likely to have another unintended consequence: they are likely to make it easier and more attractive for Muslim émigrés from the North Caucasus to return there and change the ethno-religious balance not only in these two republics but in the region more generally.

At present, Muslims constitute approximately 35 percent of the populations of Abkhazia and South Ossetia, but both Muslim leaders there and analysts in Moscow say that the new situation which has arisen in the wake of Russia's moves in Georgia is certain to increase that figure, possibly to the tipping point of more than 50 percent.

In an interview given to "NZ-Religii" and published today, Timur Dzyba, the mufti of Abkhazia, said that Muslims in his republic – including Abkhaz, North Caucasians, Tatars, Bashkirs and Turks – have been able to maintain their share of the population in recent times but now expect to expand it.

All this is unsurprising as Muslims in Georgia had been complaining that President Saakashvili was "Christianizing" Georgia by placing a cross on the flag and inserting too many of the country's past Christian values. Of course under an Abkhazian state, in which Russia will help funnel Muslim immigrants to expand the territory under control, that won't be a problem;

During the Soviet period, Abkhazian Islam became weaker, but it would seem that since the fall of the USSR, the establishment of links between Abkhazians of Georgia and descendants of Abkhazian immigrants in Turkey has somewhat favoured an Islamic revival.

And eventually Georgia will go the way of Abkhazia as well. That is Putin's plan.

As a Christian country surrounded by Muslim countries, Georgia has made attempts to reach out to them, although less so than most Western European countries. What it has

not done is employed Muslim terrorists in its armed forces as Russia has. It has not financed and armed Muslim terrorists, as Russia has. It has not provided nuclear technology to Muslim terrorists, as Russia has. It does not control mosques which preach Jihad against the United States – as Russia does.

After all the horrors perpetrated by the KGB, anyone who takes claims made by the same people who were in the KGB as fact... sight unseen, is making a profound mistake. And anyone who supports the side of the ex-Communist thugs who not only tortured innocents, trained terrorists, assassinated dissidents in the past but are still doing it today, need to ask themselves if they aren't playing Dhimmi to monsters who filled mass graves every bit as enthusiastically as the Nazis did.

But if anyone wants evidence of a meeting between a top leader in the South Ossetian war with Islamic terrorists, that's easy to come by.

In 2006, Russian foreign minister Sergei Lavrov met with Hamas terrorist leader Khaled Meshaal. That same year, Vladimir Putin invited Hamas leaders to visit him in Moscow, and stated that he does not consider Hamas to be a terrorist organization.

These are not secret revelations from intelligence sources, but open stories in major media outlets of top Russian officials meeting with and welcoming Islamic terrorists.

I do not believe that the Serbian people, despite their closer ethnic ties to Russia than to Georgia, would want to see what was done to them, done to another country in their name. In fact, a major Abkhazian site uses NATO's actions in Kosovo as a precedent for what Russia is doing in Georgia. Is that really what anyone who is outraged by NATO's actions in Yugoslavia wants to support?

Nor is arguing for Russia's partition of Georgia, any kind of counterjihad effort. Russia's goal is to create two states that will have larger Muslim population percentages than Georgia as a whole. And those populations are meant to continue expanding through repatriation from Turkey. That means Russia will eventually have created its own Kosovo out of parts of Georgia. How in the world is supporting the party that used Muslim troops and is creating countries where Muslims will eventually become a majority, counterjihadist?

To dismantle the last leg of this stool, the Obama administration is not supporting Georgia at the expense of Russia. In fact, the Obama administration has turned its back on Georgia in favor of a reboot with Russia. Saakashvili was snubbed in favor of Putin's pet, Medvedev. The administration earlier compared the Russian invasion of Georgia with the U.S. invasion of Iraq. You are not opposing the Obama administration if you support appeasing Russia and betraying Georgia. You are supporting the administration.

When McCain looked into Putin's eyes, he said that he could see three letters, KGB. Ask yourself. Do you see what McCain sees, or do you see what the current administration sees?

Beyond the politics, there's the question of conscience. While the countries involved are far away, this debate carries a burden of flesh and blood. Russian propaganda claims that Georgia is in league with Muslim terrorists operating in its territory, and that Georgian leaders are actively involved in planning attacks on it. Russia has tried to sell this same line before, but it has implications far beyond plain propaganda. By promoting and distributing this claim, those who do it are providing Russia with a *casus belli* for invading Georgia, the next time a terrorist attack happens in the Caucasus.

Do you remember Russian tanks suppressing the uprising in Hungary? Do you remember them in the streets of Prague? Do you want part of the responsibility for those tanks in the streets of Tbilisi? Do you want the Muslim butchers of Gori roaming through a peaceful city, robbing, raping and murdering? This is not academic. This is not just about words in which no one gets hurt and we all go home afterward. This is about a totalitarian country which has murdered hundreds of reporters, imprisoned dissidents in psychiatric hospitals and jailed their lawyers, carried out assassinations worldwide, that is now determined to conquer a country it once controlled. And it wants to use you to do it.

We may not always do good, but we can always refuse to collaborate with evil. That is our choice. For those brave Russians and Jews who defied the KGB in Soviet times, this was a dangerous and costly choice. For us it is as easy as doing the right thing.

Supporting Russia's campaign against Georgia does not hurt the Jihad, it helps it. It does not hurt the Obama administration; it runs in tandem with what they are already doing. It does not reject NATO's actions in Yugoslavia, it copies them and endorses them. But above all else, there's a simple question to be answered here.

Do you want to help the KGB thugs who provided Saddam with the weapons used to murder U.S. soldiers? Who are providing Iran with nuclear technology in order to commit genocide? Who are the largest non-Muslim state sponsoring Islamic terrorism?

We always have the ability to do the right thing. To refuse to collaborate with evil. To refuse to be *Dhimmi*s for either Islam or the KGB. That is the power of moral choice. That is the power of doing the right thing. That is the power of refusing to collaborate with evil. That is the power of being free. Because the power of evil comes from its ability to seduce you, to trick you, or to finally compel you to serve its ends. The power of good comes from refusing to do its bidding. And that is why only those who refuse to collaborate with evil, are truly free.

Proposed Bill Could Increase FSB's Power

The Federal Security Service could get more power to intimidate citizens and punish them for not complying with what is vaguely described as "legitimate demands" from its officers, according to a government-drafted bill.

The bill, submitted to the State Duma on Saturday, is apparently aimed at lending more legitimacy to the FSB's informal ways of work. But documentation accompanying the bill

suggested that it could also be used by law enforcement to target media reporting unfavorably about the state's actions.

Among the provisions in the legislation is a rule that would allow the FSB to warn citizens or legal entities that their behavior is creating conditions that could lead to crime, even if there are no legal grounds to hold them criminally responsible.

The FSB also wants to introduce fines for citizens and legal entities for not obeying FSB officials' demands or for hindering their work.

Under the existing Administrative Code, those who disobey orders of police, military, prison or migration officials can be punished by a fine of up to 1,000 rubles (about \$35) or be arrested for 15 days. The code does not include FSB in this clause, but by law, FSB officials are considered to be in military service and therefore have the right to issue fines or conduct arrests.

An explanatory note accompanying the bill noted the rise of "extremist activity" in Russia and suggested that the amendments were urgently needed. Citing figures from the Investigative Committee, the document said 460 extremist crimes were registered in Russia in 2008, or nearly 30 percent higher than a year earlier.

The note, posted on the Duma's web site, said the media was partly to blame for the rise of extremism.

"Some media outlets, both print and electronic, openly help shape negative processes in the spiritual sphere, propagate individualism, violence and mistrust of the state's capacity to protect its citizens, effectively drawing young people into extremist activities."

The bill would mark a return to the Soviet-era practice of informal talks, in which officers from the FSB predecessor, the KGB, would intimidate public activists from speaking against the government, human rights activists said.

[Lev Ponomaryov](#), a Soviet dissident who now heads the Committee for Human Rights, recalled how decades ago university students were forced to sign agreements with the KGB promising that they would fight political dissent.

"People will be forced to cooperate with the FSB, and they could face fines and arrests. This is a serious situation and we will protest against these amendments," Ponomaryov said.

Under the law now, warnings to those believed to be involved in suspicious activities are issued by prosecutors. Also, citizens are now free to disregard the FSB's calls to informal talks.

Andrei Soldatov, head of the Agentura think tank, which studies security agencies, said the changes were prepared to raise the FSB's profile and return some of the pre-emptive security functions that it has lost in recent years.

"People got used to the fact that they are investigating cases. But the FSB wants to act when there is no case and they want to act pre-emptively," Soldatov said.

During the 2000s, law enforcement agencies, including the FSB, were amassing legal authority and resources, saying they needed more power to fight extremism and terrorism.

Often, these powers were applied to intimidate and silence political dissent, especially after the controversial law on extremism was adopted in 2007. The law made criticism of the authorities and sowing discord between social groups a punishable crime.

Russian courts have ruled several times since then in extremist cases that officials and law enforcement officers are distinguishable social groups, and they have issued harsh sentences to defendants who have criticized them.

[Mikhail Grishankov](#), first deputy head of the Duma's Security Committee and a member of the ruling [United Russia](#) party, said the amendments were developed long ago.

"In the framework of preventive measures, new opportunities will emerge for the FSB," Grishankov, a retired FSB officer, told *The Moscow Times*.

Even under the new legislation, if it were to pass, a person could not be forced to cooperate with the FSB. "This is his right," he said.

Ponomaryov said the bill appeared to be in response to the recent terrorist bombings in the Moscow metro last month, in which 40 people were killed.

State Duma Speaker Boris Gрызлов sparked a storm of criticism earlier this month for linking the newspapers *Vedomosti* and *Moskovsky Komsomolets* to terrorists for publishing articles that he called "suspicious."

Gрызлов told President Dmitry Medvedev that the newspapers had been critical of the state's response to the attacks and attributed them to revenge for the Kremlin's policy in the Caucasus, which rebel leader Doku Umarov cited as his reason when he claimed responsibility.

Google was forced to remove a YouTube video, in which Umarov claimed responsibility for the attacks and said they were retribution for FSB killings of innocent civilians, after an outcry from United Russia deputies.

Russia must have role in Europe-based missile defence

[Russia](#) must play a central role in plans for a missile defence system in Europe, [Nato](#)'s top official will tell a meeting of alliance foreign ministers this week.

Nato spokesman James Appathurai said plans for a "new security architecture" should be "one roof which includes the Russians [who should be] part of the same security family".

Rasmussen is due to give a press conference in Brussels on Monday . He is expected to say he will tell Nato foreign ministers, meeting in the Estonian capital, Tallin, on Thursday, that missile defence should be officially embraced as a "Nato mission" but with Russia included.

Plans for a missile defence shield in Europe has been an issue between Washington and Moscow since the Bush administration proposed basing missile interceptors in [Poland](#) and a new radar system in the [Czech Republic](#).

Barack Obama shelved the plan, proposing instead a phased "proven, cost-effective" system using land- and sea-based interceptors against Iran's short- and medium-range missile threat. Suspicions remained in the Kremlin where officials warned this month that Russia would pull out of the new strategic arms reduction treaty signed in Prague by Obama and Russian president Dmitry Medvedev if America's missile defence plans threatened Russia.

Russian officials said the project could eventually enable the US to carry out a first nuclear strike against Russia with no risk of retaliation. Washington insists the shield is designed to protect Europe and the US from Iran and poses no threat to Russia.

Private talks between Obama and Medvedev appear to have further allayed Moscow's concerns, a development Rasmussen is expected to seize on in Tallin.

Also on the agenda will be a call by five Nato countries for the removal of all remaining US nuclear weapons on European soil, in a move intended to spur global disarmament. Belgium, the Netherlands, Germany, Norway and Luxembourg have drawn up a joint declaration to influence the growing debate within Nato over the usefulness of nuclear weapons in alliance strategy.

Though official figures are not published, there are believed to be between 150 and 240 "tactical" nuclear weapons in Europe, in the form of aerial bombs. Germany, Belgium and the Netherlands have 10-20 each, but most are stockpiled at US bases in Italy (70-90) and in Turkey (50-90).

The US has begun talks behind the scenes with its Nato allies about withdrawing its tactical nuclear weapons from Europe. Those in favour of keeping them have argued that they provide political rather than military reassurance of America's commitment to its European allies.

Russia, Poland Probe Possible Reconciliation After

Russian President Dmitry Medvedev, who attended Kaczynski's burial April 18 in the city of Krakow, has suggested that the tragedy of the April 10 crash could help bring the Polish and Russian peoples closer.

Later, it was announced that Poland's interim President Bronislaw Komorowski had accepted an invitation from Medvedev to attend May 9 ceremonies in Moscow marking the 65th anniversary of victory in World War II.

The archbishop of Krakow, Stanislaw Dziwisz, who conducted Kaczynski's funeral mass, thanked Russians for their help and support since the crash, saying such actions have given hope for reconciliation.

"(This) gives us hope for reconciliation between our two great nations," said Dziwisz, former personal secretary of the late Polish pope, John Paul II.

Kaczynski had been anti-communist and a frequent critic of what he called Russia's "imperialism." As president, he had focused on building closer ties between NATO and European Union member Poland and the United States.

The plane crash occurred as the Polish delegation was traveling to Russia for ceremonies marking the 70th anniversary of the massacre of more than 20,000 Polish soldiers and intellectuals by Soviet forces around Katyn forest. For decades until 1990, Moscow denied responsibility for the deaths, blaming the Nazis.

Speaking to Polish television shortly before boarding his plane back to Moscow, Medvedev said: "In view of these heavy losses, I believe we can make serious efforts to draw our nations closer together, to develop economic relations and find solutions to the most difficult problems, including Katyn."

After a solemn mass, two gun carriages bore the coffins of Kaczynski and his wife, Maria, draped in the red-and-white national flag, through winding streets to their final resting place in Wawel cathedral high above Krakow, Poland's ancient capital

Other mourners at the funeral included the presidents of Germany, Ukraine, the Czech Republic, Hungary, Slovakia, Romania and Georgia.

U.S. President Barack Obama, German Chancellor Angela Merkel and French President Nicolas Sarkozy were among those who were forced to abandon plans to attend Kaczynski's funeral due to the ash cloud from an Icelandic volcano that has closed Polish and other European airports.

"President Kaczynski was a patriot and close friend and ally of the United States, as were those who died alongside him, and the American people will never forget the lives they led," Obama said in a statement.

Russian, Belgian frgn ministers sign joint program of action

Moscow and Brussels have signed a fifth program of actions in succession, Lavrov said. "It envisions a long range of steps that aim to consolidate political dialogue, bilateral trade, and cooperation in the humanitarian sphere."

"Dialogue between Russia and Belgium is developing extensively in the framework of the EU, the UN, the Organization for Security and Cooperation in Europe, and the Russia-NATO Council," he said.

"We have identical of close positions on most issues," Lavrov said. "On the eve of a Russia-EU summit that's due to be held in Rostov-on-Don, southern Russia, May 31 and June 1, we exchanged opinions on moving forward towards visa-free traveling. We took account of the fact Belgium is expected to hold a term of the EU's rotating presidency in the second half of this year."

ROAR: Russian, Japanese governors set territorial dispute aside

This issue, a matter of national prestige for Russia and Japan, is the most difficult in the two countries' relations.

The Soviet Union captured the islands from Imperial Japan when Moscow joined the other Allied Powers following the defeat of Nazi Germany. Moscow says that the islands were incorporated into the USSR as a result of the Second World War, and Russia's sovereignty over them is indisputable.

Tokyo calls the islands its Northern Territories and insists that they were occupied by the USSR. The two countries have never signed a peace treaty due to this dispute. Japan intertwines the signing of [the peace treaty](#) with the decision on the territorial dispute.

Analysts stress that the issue not only has a political dimension. The waters around the islands are rich in fish and biological resources.

Many observers doubt that Moscow and Tokyo will be able to solve the issue soon and stress that the two countries should rather concentrate on developing cultural and political ties, including those at a regional level. In fact, the governors in Moscow avoided discussing the dispute.

The meeting of the heads of Russian and Japanese regions was not the first one. Such discussions started in the 1960s and took place regularly till 1997, TV Center channel said. The tradition resumed last year when Prime Minister Vladimir Putin addressed the governors.

This time, the importance of the event was underlined by the greeting that President Dmitry Medvedev sent to the participants. He considers interregional ties an "important and much-needed element" in the two countries' relationship. They cover a wide range of

fields “from economic co-operation to cultural exchanges and twin-city contacts,” he stressed.

The relations between Russian and Japanese regions help to build the mutual understanding and “*make our joint efforts to tackle specific social and economic problems more effective,*” the president said. “*It is very good to see that an ever increasing number of Russian regions, from one end of the country to the other, are becoming involved in this kind of co-operation,*” he noted.

More than 20 regional heads from Japan and Russia came to Moscow to discuss a wide range of topics. These meetings are helpful for the exchange of information, said Moscow Mayor Yury Luzhkov, who chaired the event. “*Governors propose information about their regions to their colleagues, which helps to determine the directions of the co-operation,*” the channel quoted Luzhkov as saying.

“*At the same time, some important proposals to step up economic co-operation and solve legal issues were made, and they will be handed to the leadership of the two states,*” the mayor said.

Japanese governors liked the appearance of the Russian capital. “*I visited Moscow in the Soviet times, and I can compare what was then and what is now,*” Wataru Aso, governor of Fukuoka Prefecture and President of the National Governors Association, was quoted by media as saying. “*Today’s Moscow is much cleaner and more beautiful,*” he said.

The city may become better-looking after the governors planted 72 sakura trees, or Japanese cherry trees, near Moscow State University.

It is even more important that after the meeting in Moscow Russian and Japanese governors are continuing their talks. Vyacheslav Shport, governor of Khabarovsk Region in the Russian Far East, has announced plans to use the experience of Japan’s Tottori prefecture on the island of Honshu while creating a special economic port zone in the Sovetskaya Gavan port on the Pacific coast of Russia. The leadership of Khabarovsk Region is considering plans of co-operation with other Japanese prefectures, including Hokkaido.

According to the presidential envoy in the Far East District Viktor Ishaev, who visited Japan in April, Japanese businessmen are ready to modernize the economy in several regions. Investors are interested in projects in the Russia’s Far East, he stressed.

During the meeting in Moscow, governors were able to present their regions and try to find new ways of developing mutually beneficial co-operation, Regnum news agency said. At the same time, such problems were highlighted as the work of the Russian customs and visa service, it added.

Kamchatka Region governor Aleksey Kuzmitsky proposed to ease visa regime for foreign tourists, including those from Japan. He also stressed the need to organize direct

air communication between Kamchatka Region and Japan, at least during a tourist season, Vostok Media news agency said.

However, the Russian side also had complaints in the past over visa issues. In November last year, Russian businessmen were [denied visas](#) to Tokyo. They were supposed to represent the region's potential to Japanese political and business circles.

The governors' proposals were included in the final statement after the meeting. It also contains recommendations on modernizing the Trans-Siberian Railway and improving its work and proposals on promoting energy-efficient and ecological technology. The statement will be handed to the governments of both countries for making particular decisions, the agency noted.

Governors were able to hold bilateral meetings. Aleksandr Khoroshavin, governor of Sakhalin Region, met with governor of Hakodate and Tottori prefectures for the first time. He meets with governor of Hokkaido regularly, the governor's press service said.

In the wake of the meeting in Moscow, governors of several prefectures are visiting Russia's city of Vladivostok on May 4-6. Shinji Hirai, governor of Tottori prefecture and Primorye Region governor Sergey Darkin are expected to sign an agreement on friendship and co-operation, PrimaMedia news agency said.

Contacts between the Tottori prefecture and Primorye Region have stepped up since the ferry line was opened in July 2009. In September that year, Hirai inaugurated the week of Tottori in the Russian region.

The next meeting of the Russian and Japanese governors will take place in Tokyo, and Russia's cities Tomsk or Kaliningrad will host the meeting in 2012.

Many commentators do not expect any shift in relations between Moscow and Tokyo as the two countries are not going to change their positions in the issue. However the meeting of governors showed that particular steps in improving relations are possible at a regional level.

Iran plans to produce missile defense systems similar to Russia's S-300

Iran intends to produce missile defense systems similar to Russia's S-300 system, the county's PressTV channel said on Thursday, quoting Iranian Defense Minister Brig. Gen. Ahmad Vahidi.

"All parts of the system have been domestically produced," the TV channel quoted him as saying.

He said the defense system had "three radars and a domestically produced missile that has high agility and a range of more than 40 kilometers."

Russia and Iran signed a contract on the delivery of Russia's S-300 missile defense systems to the Islamic Republic in December 2005. There have been no official announcements concerning the start of deliveries.

In February, speaker of the Russian parliament's upper house, Sergei Mironov, pledged that Moscow would fulfill its obligations, saying the delay in deliveries was due to "technical" problems.

"We have bilateral agreements with Iran, Russia has always fulfilled its international agreements. That is why the delivery of this defense complex, let me stress it, is a matter of time," he said.

Iran's ambassador to Russia, Seyyed Mahmoud-Reza Sajjadi, told the Islamic republic's Mehr news agency on Wednesday "Russian officials are committed to their [S-300] deal with Iran."

The advanced version of the S-300 missile system, called S-300PMU1, has a range of over 150 kilometers (over 100 miles) and can intercept ballistic missiles and aircraft at low and high altitudes, making the system an effective tool for warding off possible air strikes.

The Russian-Iranian deal has alarmed the United States and Israel, which have consistently refused to rule out the possibility of military action against Tehran if it refuses to halt its controversial uranium enrichment program. The S-300 systems could greatly improve Iranian defenses against any air strike on its strategically important sites, including nuclear facilities.

[Russian Navy base deal with Ukraine](#)

Russian President Dimitry Medvedev instructed the Russian Defense Minister to prepare a plan within the next month for the development of the Russian Black Sea Fleet base in Ukraine's Sevastopol

"Prepare a suitable plan for the development of the Black sea Fleet naval base in Sevastopol with other government bodies within a month and submit it for my approval," Medvedev said at a meeting with Anatoliy Serdyukov on Saturday.

Medvedev said the draft should improve living conditions for the Navy officers living on the base.

"It is very important that our Navy officers live in modern, high-quality, human conditions, and get the chance to relax and make use of other facilities, that should be provided on the base," Medvedev said.

He said it was important that agreements made with the Ukrainian side and with the town of Sevastopol be taken into account in the plan. It has been agreed that the base will provide social-economic support to a number of programs in Sevastopol.

"That town is certainly not extraneous to us and we need to think about how we can contribute to those programs through other authorities and business structures," Medvedev said.

Economic:

Brink's Acquires Cash Logistics Business in Russia ...

Michael T. Dan, chairman, president and chief executive officer of The Brink's Company, said: "While our presence in Russia remains relatively small, Brink's has established itself as the first international provider of CIT and cash logistics solutions in this fast-growing market. Continued penetration of Russia is an important element of our long-term growth strategy, and we look forward to expanding our services there and in other developing markets."

About The Brink's Company

The Brink's Company ([NYSE:BCO](#)) is the world's premier provider of secure transportation and cash management services

Reports: Russia's GDP up 0.6 pct in Q1 - Boston Globe

Elvira Nabiullina also said Russia's GDP went up by 4.9 percent in March year-on-year, but warned that the recovery is still fragile.

"Signs of recovery are evident, but it is still too early to talk about stability yet," she said in comments carried by Russian news agencies. Consumer demand and investment flows remain volatile, she said.

Russia started to recover from the downturn last year, but industrial production and other statistics have sent mixed signals on how soon it will emerge from the slump.

In his annual address to parliament, Prime Minister Vladimir Putin warned Tuesday that although Russia has emerged from recession, "it doesn't mean that the crisis is over." He called for prudent budget spending and pledged to cut the budget deficit in half by 2012.

Russia's GDP contracted by 7.9 percent last year in the sharpest decline in more than a decade as the country struggled under low energy prices and a flagging demand for its natural resources.

Finance Ministry Alexei Kudrin said Tuesday that the government expects the GDP to rise by 4 percent compared to an earlier estimate of 3 percent.

Many investment banks and financial institutions predict GDP growth as high as 5 percent.■

Ruble Gains May Force Russia to Protect Industry

The ruble's appreciation in the next few years will force the government to subsidize heavy industry and raise import tariffs to keep Russian producers competitive, First Deputy Prime Minister Igor Shuvalov said.

"In the long term, or even a period of three or five years, we will observe the strengthening of the ruble," Shuvalov told reporters in Washington late yesterday. "The ruble will appreciate and a few industries will suffer."

The Russian currency, which has been trading at its strongest level since December 2008 against the central bank's basket of dollars and euros, hasn't yet "appreciated that dramatically," Shuvalov said.

"We now understand that we will need to provide subsidies for different sectors, or we will need to have or use tariffs," Shuvalov said. "If we want to have our local and well developed car industries we would need to keep high tariffs for at least five years."

Car Industry

Revamping Russia's automobile industry will require as much as 1.8 trillion rubles (\$61.8 billion) of investment through 2020, the government estimates. Carmakers must invest more than 627 billion rubles to overhaul the industry and the government will spend about 180 billion rubles.

Russia's share of non-energy world exports decreased to 0.9 percent at the end of last year, bringing it to 2005 levels, from 1.01 percent in 2008, Nomura Holdings Inc. said in an April 15 report.

Russian car sales plunged 56 percent last year to 1.4 million vehicles and may rise as much as 15 percent this year, PricewaterhouseCoopers said in a Jan. 20 presentation. Under a pessimistic economic scenario, sales may slide as much as 5 percent this year, the audit firm said.

Ruble non-deliverable forwards today show the currency 12 percent weaker at 32.56 per dollar in three years time. That compares to an expectation the Russian currency will weaken 42 percent to 47.14 a year ago, three-year NDFs show. The contracts are a guide to expectations of currency movements as they allow foreign investors and companies to fix the exchange rate at a particular level in the future.

Raised Duties

The government raised duties at the start of last year on imported new and used cars, to protect domestic producers. The tariffs range from 30 percent to 35 percent.

Deere & Co., the world's largest maker of agricultural equipment, and Caterpillar Inc. were most affected by loan restrictions and tariffs of as much as 25 percent imposed by Prime Minister Vladimir Putin, according to a U.S. Chamber of Commerce survey last year of the top 50 American businesses in Russia.

“Discriminatory” trade policies will slow Russia’s recovery and should be “reversed or allowed to expire as soon as possible,” the Paris-based Organization for Economic Cooperation and Development said in a report last November.

To bolster efforts to contain speculative capital inflows, Russia’s government may levy a tax on capital transactions, Shuvalov said.

Capital Tax

“Maybe we will do something, which is not capital controls, but would be based on taxation,” Shuvalov said. Experts from the Finance Ministry and the Economy Ministry are studying steps that may be taken to limit short-term inflows, he said.

Russia’s central bank, which has lowered its benchmark rate 12 times in as many months to a record-low 8.25 percent, has tried to use the cuts to stem the inflow of short-term foreign capital in an effort to contain ruble volatility.

Brazil in 2009 implemented a tax on foreign purchases of stocks and fixed-income investment in a bid to stem the currency’s advance, while Indonesia’s central bank warned it may impose capital controls to curb speculative inflows. India “may well employ” some form of capital controls on inflows should such investments gain pace, central bank Governor Duvvuri Subbarao said yesterday.

Brazilian Model

“Many people say that we need to impose new legislation which will be against quick and speculative operations on the market,” Shuvalov said. “They say that Brazil has very good rules.”

Equity funds focused on Russia posted inflows of \$106 million in the week ending April 21, showing gains for the 10th consecutive week, according to fund tracker EPFR Global.

Russia abolished capital controls in 2006. The International Monetary Fund said in a Feb. 19 report that “there may be circumstances in which capital controls are a legitimate component of the policy response to surges in capital inflows.”

The Russian currency is about 25 percent undervalued, given the current oil price, according to UBS AG. The ruble is “20 percent cheap” compared with the currencies of Brazil, Canada, Australia, New Zealand and South Africa, ING Groep NV said in a report this month.

The Russian currency was little changed at 29.0875 per dollar by 1:15 p.m. in Moscow. It was little changed at 38.8300 per euro, leaving it at 33.4748, near its strongest level in 16 months, against the central bank’s target currency basket, which is used to manage swings that hurt Russian exporters.

UPDATE 1-Trakya Cam, Saint Gobain to invest \$325 mln in Russia

Turkish glass manufacturer Trakya Cam ([TRKCM.IS](#)) is planning to invest a total \$325 million with French partner Saint Gobain ([SGOB.PA](#)) to build glass manufacturing facilities in Russia, the company said on Tuesday.

Turkey's largest wood-based panel producer Kastamonu also said it would invest in the zone, saying it planned on spending \$110 million to build a factory there, the office said in a statement.

Russia has invested about \$1.5 billion in 16 special zones, which so far have attracted 222 investors from 18 countries.

In recent months, Russia has increased its efforts to entice business to help cut the economy's dependence on oil, promoting the zones, which spread from Kaliningrad in the west to the Pacific port of Vladivostok [ID:nN22232124].

Trakya Cam shares were down 1.7 percent at 2.33 lira by 1152 GMT. (Reporting by Lidia Kelly and Ceyda Caglayan; Writing by Thomas Grove; Editing by [David Holmes](#))

Russia to sell weapons to NATO members

Dmitry Rogozin, also said Moscow is considering sending weapons to Afghanistan to assist its present government.

Last December, the alliance's secretary general asked Russia to supply Kabul with military helicopters.

Sistema-Hals posts FY 2009 net loss of \$555.4 million

Real estate development company, Sistema-Hals has posted a net loss of \$555.4 million under US GAAP.

The figures reflect the buffeting of the property development sector in the face of the Russian economic downturn of the last 18 months, with Sistema-Hals share of projects being reduced in value by 31% after an independent audit. The company has also incurred a \$273 million impairment loss on some of its development portfolio and sold other subsidiaries or projects

New players open menus on Russian fast food market

The nation's entire food outlet market was valued at about 24 billion in 2009, with Fast food accounting to 30-40% of that – or about 8-10 billion worth of take aways.

The market has boomed during the past decade and this has seen the rise of home grown fast food, and an increasing number of global brands looking to cash in.

A recent addition to market comes from a group of expat entrepreneurs who figure they can turn a profit selling Russians a product they usually make in their own kitchens. People like Alex Shifrin, Business Development Director for Soupchik, feel they can create a place at the table despite the economic slowdown

“There's been a mass trend in down- grading money spent on eating out. People are looking for fast food options but a lot don't want to sacrifice things like quality. There's an increasing interest in health. Some segments are saturated. Some are starting to lose popularity.”

Soupchik believe Russians serve up 32 billion soup portions a year, with sales growth of 25% expected in the next 2 years. That sort of growth forecast is common across a wide range of fast food varieties.

From potatoes to soup to hot dogs, chances are, if you're looking for fast food in Moscow, you'll find something that suits your taste. An interesting thing about the market is that many players don't see other outlets as competition, per say, in that many have their own specialized culinary niches.

Maksim Klyagin, an analyst at Finam Management, says that despite the range already available, there is plenty of room around the table for new players to take a seat.

“Without a doubt competition exists. There are certainly a number of large players. But at this stage, it's all more or less comfortable because the market still isn't saturated in spite of the development that's taken place for the past decade. Generally, we see great potential for future growth leading up to the presence seen in Western Europe.”

April saw McDonalds reveal that in 1Q 2010 its European outlets outperformed those in the US when it came to growth. They are eyeing a further 45 outlets in Russia with a planned \$150 million in new investment.

With market players swarming in, Russian consumers will dine out on an increasing range of fast food options while the menus of domestic entrepreneurs and multinationals slug it out for their custom.

Russia, Ukraine Gas Deal Wouldn't Stop South Stream, Peskov Says

It's too early to say how the two state companies may be unified, Peskov said in a telephone interview. Russia is waiting for Ukraine's response to the proposal, first made on April 30 in Sochi, he said.

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Export duty on Russian gas for Ukraine reset to zero

Export duty on Russian natural gas for Ukraine has been reset to zero from April 1, a decree signed by Russian Prime Minister Vladimir Putin said.

"This decree applies to legal relations arising from 1 April 2010," the decree says.

The 30% reduction on Russian natural gas for Ukraine was agreed at a meeting of the presidents of the two countries in Kharkov on April 21. In return for the gas discount, Ukraine has agreed to extend a lease on a Russian naval base in the Ukrainian port of Sevastopol for 25 years after the current lease expires in 2017. The agreement was ratified by the parliaments of the two countries simultaneously on April 28.

Social: Cheated Homebuyers Create a Social Network

Almost six years have passed since Igor Gulyev, a 22-year-old entrepreneur at the time, bought a two-room apartment in a soon-to-be-completed house in Yubileiny, a town in the Moscow region.

Gulyev is still waiting for his apartment to be finished, but the construction has been stalled since 2005. He had to close his business because he was exhausted by legal squabbles with the developers.

Two months ago, Gulyev launched Odnodolshiki.ru, the first social network for so-called "cheated homebuyers," allowing those who have invested into apartment buildings that have not yet materialized to receive advice and discuss ways of solving their problems.

"I had the idea to create a web site where one can upload pictures and videos of meetings, and place articles that no one will delete," Gulyev told The Moscow Times.

The cheated homebuyers first appeared on the Russian real estate market in 2004 after many prospective apartment buyers found that construction on their future apartment buildings, into which they had invested a lot of money, had been halted because of developer bankruptcy and other reasons.

Odnodolshiki.ru, whose name refers to the wildly popular social network [Odnoklassniki.ru](#), currently has about 770 registered users and more than 2,500 unregistered users, and 300 to 400 people visit the web site daily, Gulyev said.

Users join the community by creating an account, which allows them to add friends, post comments, upload pictures and videos, and create their own blogs.

A number of web sites for cheated homebuyers already exist, including [Postroim.com](#), launched by the [United Russia's](#) working group to protect the rights of cheated homebuyers, and [Help.su](#), created by [A Just Russia](#).

The commercial web site [Vdolevke.ru](#) allows current and future apartments owners to find neighbors and chat.

Odnodolshiki.ru has generated resistance, however, from certain corners.

Gulyev said United Russia did not like his web site and that the party's working group had sent him a letter declaring the social network an ineffective project.

Most homebuyers are concerned with their own problems, and "any activity to unite investors somehow usually fails," said the letter, published on Odnodolshiki.ru.

"As far as homebuyers' communication is concerned, such web sites already exist, for example, Vdolevke.ru. It has a broader category for communication, and it's more viable than a portal meant for cheated investors only," it said.

Viktoriya Penkova, a member of the United Russia's working group for cheated homebuyers, admitted that Odnodolshiki.ru is a legitimate project, but said it isn't making constructive suggestions.

"This web site would be more useful if people shared experience — how not to get into such trouble — and suggested certain measures to solve the problem," she said.

Alexander Khinstein, head of United Russia's working group for cheated homebuyers, said earlier this month that a total of 150 houses on which construction had stalled had been completed in Russia last year, providing new housing for 14,000 families.

Cheated homebuyers in the Moscow region will have their apartments completed this year, Vladimir Zhidkin, deputy head of the Moscow regional government, told RIA-Novosti last week.

Alexander Kosovan, head of City Hall's construction department, said Friday that the last house for cheated homebuyers in Moscow had been completed.

"We think that the problem of cheated investors has been solved," Kosovan said.

Users of Odnodolshiki.ru believe that their project “shows a different reality” from the one that authorities are pushing.

A list compiled by Odnodolshiki.ru names 11 construction projects that are still on hold in Moscow. It also mentions stalled projects in the Moscow region and cities such as Rostov-on-Don, Tyumen, Sochi and Samara.

The site has a list of 19,946 cheated households from all over Russia and provides information on unreliable developers, including the amount of money collected in advance payments by each firm.

A post on Odnodolshiki.ru said the lists would be attached to the claim that users of the network plan to file with the Investigative Committee of the Prosecutor General's Office.

"Authorities don't work with cheated homebuyers, they only say they do," Gulyev said.

"It looks like all other web sites for cheated homebuyers have been created to give the impression that something is being done," he said.

Samara resident Ilya Sidelnikov registered on the site about three weeks ago, but said he wasn't an active user of Odnodolshiki.ru. He visits the web site for news and for tracking prosecution of unreliable developers by local authorities.

Sidelnikov, 34, an engineer in a development firm, bought an apartment in a house for which only the foundation laid in 2008, just before the economic crisis hit.

The construction hasn't moved since 2008, and the developer has declared bankruptcy but promises to resume construction, Sidelnikov said.

"I will have to pay all of my wages to cover a mortgage loan over the next 15 years," said Sidelnikov, who is currently living in his parents' apartment with his wife and daughter.

Lithuanian extremist planned bomb attack in Russia

A Lithuanian woman, arrested in March after her links with extremist organization were discovered, was allegedly planning a suicide bombing attack at a Russian military site.

Egle Kusaite, 21, has been trained in handling explosive devices and had contacts with radical extremists in Azerbaijan, Uzbekistan, Russia and Great Britain, a spokesman for the Lithuanian General Prosecutor's House Justas Lautsus said on Tuesday.

“Kusaite did everything she could to do what she set out to do – go to Russia and blow herself up at a military site,” quotes him Interfax news agency.

Kusaite, a citizen of Lithuania, has been under surveillance for several months. Police were monitoring her due to the anti-Russian messages she posted on the Internet. She also applied several times for a Russian visa, but was repeatedly denied.

Lithuanian investigators suspected that Kusaite had some sort of crime on her mind and launched a joint operation with their Russian counterparts. She was allowed to enter Russia, but was arrested en route.

Lithuanian media said that at the age of 18, the girl became engaged to a young man from Chechnya, who later left the country to an unknown destination. A year later, she fled her home and disappeared, to be discovered three months later in Germany living in a family of Chechen immigrants.

Her Lithuanian family said she went through a drastic change of character, becoming a highly religious and radical Muslim. Later she returned to her home country. Kusaite now remains in custody.

Russian warships exercise in Indian Ocean

Two Russian warships started a series of exercises in the Indian Ocean on Tuesday, a Navy officer said.

Vladislav Malakhovsky, a senior aide to the Pyotr Veliky commander, said Tuesday's exercise involved rescue at sea, putting out a fire on board a vessel in distress and towing it to safety.

The two vessels are due to arrive in Russia's Far Eastern port of Vladivostok in June-July to take part in the Vostok-2010 large-scale strategic exercise.

The exact date of the drills has yet to be announced.

Russia announced in 2007 that it was building up its naval presence throughout the world, and foreign port calls by Russian warships have become more frequent.

Russia takes gold in European Gymnastics Championships

The Russian team, consisting of five gymnasts won 169,700 points. Britain took silver with 168,275 points and Romania won bronze with 164, 975.

The European Championships are being held in the U.K. city of Birmingham from April 21 to May 2. There are team and individual competitions for men, women, seniors and juniors.

More than 800 gymnasts from around 40 countries are taking part in the competition.

May Day blast in Nalchik

The bombing at a race-track in Nalchik has been classed as a terrorist attack, the head of the local investigative committee said on Saturday.

"In the course of investigations, facts were established to allow us to qualify the case as a terrorist attack," Tatiana Nauzhokova said

Law enforcement officials earlier announced that the bomb had been detonated by a timer mechanism.

Nauzhokova said the power of the blast was three to five kilograms of TNT, according to preliminary data and the case had been handed over to the main branch of the North Caucasus and Southern Federal District investigative committee.

Pope Benedict XVI visits Turin to see Holy Shroud

Pope Benedict XVI has visited Turin where he viewed the Holy Shroud, a cloth in which, it is believed, Jesus Christ was buried, BBC reported.

"The Holy Shroud eloquently reminds us" of Jesus' suffering, Pope Benedict said.

Ahead of his visit to Turin, he told followers that the shroud "mirrors our suffering in the suffering of Christ."

The Holy Shroud is on public display in Turin Cathedral in a bullet-proof and climate-controlled case for six weeks since April 10.

Over two million people are expected to view it.

Russian Orthodox Church urges law banning religious extremism

Russia and European countries should adopt a law banning the expansion of religious extremism, which results in deaths, a senior Russian Orthodox Church spokesman said on Thursday.

"The expansion of such ideologies should not take place. Those who call for the killing of civilians or justify the murders of civilians should be punished and their ideas must not be voiced in public," Chaplin said at a press conference in Moscow.

The press conference is held in memory of the victims of the March 29 terrorist attacks on the Moscow subway. The suicide bombings, carried out by women at two stations, killed 40 and injured 160 people. The two women are suspected of being linked to a radical Islamic movement in Russia.

"Modern Western ideologists believe a ban on spreading ideas is impossible. I am sure there is a need to restrict the expansion of such ideas as they justify the killing of civilians," Chaplin said.