

Report No.120

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

Central and Eastern Europe including Russia and Baltic States

Weekly report 16th May to 22nd May 2010

Presentation: 26th May 2010

By: Saifullah Khan

About Sources and Region	2
Headlines	3
Summary of the Book/Article Review	8
Overview of the week	10
Brief Report Summary	10
• Political front	10
• Economic front	13
• Social front	14
Detailed report	17
Central Europe (Poland, Czech, Slovakia & Hungary)	17
• Poland	17
• Czech Republic	20
• Slovakia	22
• Hungary	23
Eastern Europe (Belarus and Ukraine)	25
• Belarus	25
• Ukraine	26
Baltic States (Estonia, Latvia & Lithuania)	28
• Estonia	28
• Latvia	30
• Lithuania	31
Russia	32

Head Lines

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

Poland

- Plane crash puts Russia on defensive
<http://www.toledoblade.com/article/20100516/COLUMNIST25/5160303/-1/OPINION>
- Russian Soldiers Kill Survivors on Polish President's Plane after Crash?-May16, 2010
<http://www.express.co.uk/posts/view/175382/Did-Russian-soldiers-kill-survivors-on-Polish-president-s-plane-after-crash->
- Two passengers in cockpit before Kaczynski crash-DAVID NOWAK-The Associated P
<http://www.ajc.com/news/nation-world/22-passengers-in-cockpit-530422.html>
- Poland on course for euro entry-17.05.2010
http://www.thenews.pl/business/artykul131749_poland-on-course-for-euro-entry.html
- Poland to unveil US Patriots missile batteries on May 26-FOCUS News Agency 18 May
<http://www.focus-fen.net/?id=n220072>
- Zloty Declines on Debt Crisis; Stocks Drop to February Low
<http://www.bloomberg.com/apps/news?pid=20601083&sid=aV6UE2389gYE>
- Poland signs agreement on economic reforms with World Bank-May 15, 2010
<http://english.people.com.cn/90001/90777/90853/6986326.html>
- Four dead, many evacuated as floods sweep central Europe-Mon May 17, 2010
<http://www.reuters.com/article/idUSTRE64G3OY20100517?rpc=401>
- Estonia's President Ilves concludes Poland trip-20.05.2010
http://www.thenews.pl/international/artykul131954_estonias-president-ilves-concludes-poland-trip.html

Czech Republic

- Czech PM to visit Mongolia-May 17,
<http://english.people.com.cn/90001/90777/90853/6988188.html>

- Czech Republic attaches importance to Armenia's participation in Eastern Partnership
<http://www.panarmenian.net/eng/world/news/48710/>
- OECD Economic Surveys: Czech 2010: The Challenge of Fiscal Consolidation.
(http://www.researchandmarkets.com/research/1ed02a/oecd_economic_surv)
- Will Free Beer Save Democracy in the Czech Republic?
<http://www.telegraph.co.uk/news/worldnews/europe/czechrepublic/7744788/Czech-brewer-promises-teens-free-beer-for-voting-in-general-election.html>
- Sweden, Czech Republic in world hockey semis-May 20, 2010-The Associated Press
<http://www.cbc.ca/sports/hockey/story/2010/05/20/sp-sweden-czech-hockey-worlds.html>

Slovakia

- Hungary premier-elect rebuffs Slovakia on dual citizenship-May 19, 2010
http://www.monstersandcritics.com/news/europe/news/article_1557060.php/Hungary-premier-elect-rebuffs-Slovakia-on-dual-citizenship
- Slovakia's election-The opposition is in a shambles ahead of Slovakia's election on June
http://www.economist.com/world/europe/displaystory.cfm?story_id=16167828&fsrc=rss
- Davutoğlu says Turkish-Slovak relations run 'perfectly'
<http://www.todayszaman.com/tz-web/news-210232-100-davutoglu-says-turkish-slovak-relations-run-perfectly.html>
- Slovakia: GDP figures show marked upswing-May 17 2010
http://sofiaecho.com/2010/05/17/902072_slovakia-gdp-figures-show-marked-upswing?ref=rss&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+rss2%2Fall-news+%28The+Sofia+Echo%29

Hungary

- Hungary backs speedy Montenegro accession- 19 May 2010
<http://www.euractiv.com/en/enlargement/hungary-backs-speedy-montenegro-accession-news-494338>
- Hungary parliament votes to halve number of MPs (AFP)-20 May 2010
http://www.khaleejtimes.com/displayarticle.asp?xfile=data/international/2010/May/international_May1154.xml§ion=international&col=

- Forint at 260-280/euro good for Hungary econ-Bajnai
<http://www.iii.co.uk/news/?type=afxnews&articleid=7895399&subject=economic&action=article>
- Deutsche Bank encouraged Hungary to sell recycled CERs Printer friendly-17 May 2010
<http://www.argusmedia.com/pages/NewsBody.aspx?id=707887&menu=yes>
- Hungarian Roma Fear Violence and Far Right-16 May 2010
<http://www1.voanews.com/english/news/human-rights/Hungarian-Roma-Fear-Violence-and-Far-Right-93884569.html>
- Opening of the Strasbourg session: EP celebrates IDAHO Institutions - 17-05-2010
http://www.europarl.europa.eu/news/expert/infopress_page/008-74616-137-05-21-901-20100514IPR74615-17-05-2010-2010-false/default_en.htm

Eastern Europe (Belarus & Ukraine)

Belarus

- Venezuela to export oil to Belarus-17-03-10
<http://www.gasandoil.com/goc/news/ntl102070.htm>
- Azerbaijani foreign minister hopes OSCE Minsk Group will be able to persuade Armenia to accept updated Madrid principles-18.05.2010
<http://en.trend.az/news/karabakh/1689336.html>
- EU 'very concerned' about Belarus opposition crackdown-May 19, 2010,
http://www.monstersandcritics.com/news/europe/news/article_1557061.php/EU-very-concerned-about-Belarus-opposition-crackdown
- Putin to prepare Customs Union start-up-21.05.2010
<http://www.itar-tass.com/eng/level2.html?NewsID=15148690&PageNum=0>
- EU says not competing with Russia in eastern neighbourhood-13.05.2010
<http://euobserver.com/19/30070>
- Belarus wants to attract investors to banking sector -minister
<http://www.iii.co.uk/news/?type=afxnews&articleid=7894914&subject=economic&action=article>
- Documenting the ruthless Belarusian regime-Victor Dashuk's movies show-May 16

Ukraine

- Iran to ship uranium to Turkey in nuclear deal
<http://www.thestate.com/2010/05/17/1290216/iran-to-ship-uranium-to-turkey.html>
- Russia's Medvedev Cozies up to Ukraine with Visit
<http://english.people.com.cn/90001/90777/90853/6988893.html>
- Ukrainian president meets Chinese FM-20 May 2010-FOCUS News Agency
<http://www.focus-fen.net/?id=n220241>
- S&P Raises Ukraine's Credit Ratings to 'Stable'
http://www.sptimesrussia.com/index.php?action_id=2&story_id=31459
- European Parliament backs 500-million-euro loan to Ukraine-May 18, 2010
http://www.monstersandcritics.com/news/europe/news/article_1556738.php/European-Parliament-backs-500-million-euro-loan-to-Ukraine
- Ukraine government to sell off state phone company-May 19, 2010,
http://www.monstersandcritics.com/news/business/news/article_1556910.php/Ukraine-government-to-sell-off-state-phone-company
- Ukraine marks Memorial Day of the Victims of Political Repressions
<http://www.day.kiev.ua/296838/>

Baltic States (Estonia, Latvia & Lithuania)

Estonia

- Analysts cautious ahead of Estonia's euro adoption
<http://www.marketwatch.com/story/analysts-cautious-ahead-of-estonias-euro-adoption-2010-05-17>
- Estonia's President Ilves concludes Poland trip-20.05.2010
http://www.thenews.pl/international/artykul131954_estonias-president-ilves-concludes-poland-trip.html
- They Have Made a Desert and called it successful adjustment.
<http://krugman.blogs.nytimes.com/2010/05/14/they-have-made-a-desert/>
- A fiscal consolidation plan-Estonia

<http://bilbo.economicoutlook.net/blog/?p=9787>

- Estonia Wants Stricter Euro Budget Rules, Ligi Says-May 17, 2010

<http://www.businessweek.com/news/2010-05-17/estonia-wants-strict-euro-budget-rules-ligi-says-update1-.html>

- Estonia's unemployment rate hits record high in Q1

<http://www.iii.co.uk/news/?type=afxnews&articleid=7893408&subject=economic&action=>

Latvia

- Latvian c.bank says bought net 40 mln euro last week

<http://www.iii.co.uk/news/?type=afxnews&articleid=7896056&subject=markets&action=>

- Latvia accuses Russia of meddling in war crimes trial-May 17, 2010

http://www.monstersandcritics.com/news/europe/news/article_1556317.php/Latvia-accuses-Russia-of-meddling-in-war-crimes-trial

- Neo: The hacker who tweeted bankers' pay details-05/18/10

<http://www.fsteurope.com/news/latvian-hacker-neo-arrested/>

Lithuania

- Georgian FM to visit Lithuania-15.05.2010

<http://en.trend.az/news/politics/foreign/1687945.html>

- IMF says Lithuania needs more fiscal adjustment

<http://www.iii.co.uk/news/?type=afxnews&articleid=7901166&subject=markets&action=>

- Lithuania cuts 2011 growth forecast – fin-min

<http://www.iii.co.uk/news/?type=afxnews&articleid=7891176&subject=companies&action=>

Russia

- Russia, Turkey see role for Hamas in peace process

<http://www.morning.com/ArticleC.asp?Article=7959&CategoryID=6>

- A New and Modern Foreign Policy-By Dmitry Trenin

http://www.sptimesrussia.com/index.php?action_id=2&story_id=31472

- Russia to Build Nuclear Power Plant in Syria?

<http://pajamasmedia.com/blog/russia-to-build-nuclear-power-plant-in-syria/>

- Moscow to host int'l conference on South Caucasus socioeconomic development

<http://en.trend.az/news/politics/foreign/1689492.html>

- China, Russia pledge to enhance strategic partnership-May 18- (Xinhua/Liu Weibing)

http://news.xinhuanet.com/english2010/china/2010-05/18/c_13301686.htm

- Clinton: Big Powers Agree on Iran Sanctions Resolution-18 May 2010

- <http://www1.voanews.com/english/news/middle-east/US-Sends-Iran-Sanctions-Draft-to-UN-94112804.html>

- Businessmen ask Putin to freeze tax hikes

<http://www.iii.co.uk/news/?type=afxnews&articleid=7897759&subject=companies&acti>

- World Bank lists Pakistan above China, Russia and India for doing business: Senator Waqar

http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=103495&Itemid=38

- Russian GDP Grows 2.9% on Stimulus Package-05.16.2010

<http://www.thisdayonline.com/nview.php?id=173434>

- Russian bank balances fall to 474.5 bln rbls

<http://www.iii.co.uk/news/?type=afxnews&articleid=7898297&subject=economic&actio>

- Russia's Mikhail Khodorkovsky Ends Two-Day Hunger Strike

http://www.postchronicle.com/news/breakingnews/article_212302354.shtml?ref=rss

- Russian woman to oversee Nets-The Associated Press

<http://www.newsobserver.com/2010/05/21/492831/russian-woman-to-oversee-nets.>

Summary of the Book/Article Review-No-1

- **Pond, Elizabeth, “Endgame in the Balkans: Regime Change, European Style”, Brookings Institution Press, 2006, pages-412.**

Source: Foreign Affairs; Jan/Feb2007, Vol. 86 Issue 1, p171-171, 1/3p

Review by: Legvold, Robert,

“Pond is cautiously upbeat about the prospects for both the European Union and the Balkan states that want in. The link between the two constitutes the warp and woof of her book, but, in utterly lucid fashion, she does her weaving by tracing the broader, often unsteady, sometimes rapid path back to modern European ways in each of the Balkan countries, beginning with Romania and the striking success story, Bulgaria. All, however--including Albania, Croatia, Macedonia, Montenegro, and Serbia--are given their due. With just enough history to illuminate each story, Pond skillfully guides the reader through the intricate interplay between the region's later violence (Bosnia and Kosovo) and each country's painful effort to put the pieces back together and chase the hope of joining Europe's effort to achieve a common economic space with sturdy political institutions and a unified voice”. (Pond, Elizabeth)

Summary of the review No-1

Elizabeth Pond in the Book “*Endgame in the Balkans: Regime Change, European Style*” evaluates that the Balkan states with their dissimilar initial conditions during Communism had adopted extremely different paths for Re-Europeanization and modernization. The geopolitical mess left behind by the wars of succession in the region and the interactions between Balkan’s and EU (Though Eastern Partnership and Neighborhood Policies) are basic themes of the book. She remains very optimistic while describing the role of EU in “Modernization” the Balkan States and creates very logical links between the history and the present state of affairs for each Balkan State.

Book/Article review No-2

- **Thomas Goltz. M.E.A, “Chronicle of War and Political Chaos in the Post-Soviet Caucasus”, published by Sharpe, 2006, 312 pp.**

Review by: Goltz, Thomas (p-170-170, 1/3p)

“Even for specialists, the actual details of what happened in the early 1990s when all hell broke loose between Georgia and the separatist territory of Abkhazia remain obscure. Goltz, an often foolhardy freelance reporter, who smuggled himself back and forth across the battle zone and farther afield, fills them in. His up-close, harrowing account captures all the wanton violence, destruction of anything approximating a human existence, and mutual cruelty, hypocrisy, and venality of these brutal, often senseless bloodlettings far from the world's gaze. On the big issues, none of the principals--not President Shevardnadze, and certainly not the Russians--comes off very well. Goltz visited a still war-scarred Abkhazia in 1998 and provides an uninspiring account of the UN monitoring mission there. He returned to Georgia a last time soon

after the November 2003 Rose Revolution--an encounter that did little to raise his spirits” (Goltz, Thomas)

Summary of the Book review- No-2

Goltz is an American author and journalist best known for his accounts of conflict in the Caucasus region during the 1990s. He was born in Japan, raised in North Dakota and graduated from New York University with an MA in Middle East studies. He has worked in and around Turkey and the Caucasus region of the former Soviet Union for the past 15 years. Thomas Goltz narrates the story of War and Political Chaos in the Post-Soviet Caucasus (*Georgia and the separatist territory of Abkhazia*). Goltz went far behind the so called “the restricted world or Iron Curtain” in order to find the truth regarding the conflict between Georgia and separatists. It is an effort to expose the reality of violence, cruelty, destruction, brutality and hypocrisies of the parties. He questions the lifeless presence of UN in this part of the Globe.

Brief Report Summary

Political front

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

Poland

The unclear film clip that was taken on a mobile phone, showing Russian-speaking men shooting survivors has been examined by Polish and Russian experts and concluded that it was digitally manipulated only to embarrass Moscow.

According to the joint investigation team, at least two passengers visited the cockpit of Polish President Lech Kaczynski's plane before it crashed last month. Their presence in the cockpit possibly affected the navigation and in a high fog the plane lost its direction. Russian and Polish aviation experts have already ruled out that any emergency or equipment malfunction or blast had caused Polish president's plane crash.

Polish Finance Minister, Rostowski said that the Greek crisis should not adversely affect the Polish schedule for the adoption of the Euro by 2015. He held the Presidential Vetoes responsible for not allowing Government's to initiate legislation in this regard.

Polish defense ministry spokesman said Tuesday that Poland will unveil on May 26 its first US Patriot-Type Missiles Battery at a military base in the northern town of Morag, some 250 kilometres (150 miles) North of Warsaw and just 60 kilometres (40 miles) from the Russia's Kaliningrad territory. In February, Poland ratified the so-called SOFA deal. In September 2009 US President Barack Obama scrapped a plan agreed a year earlier by his predecessor George W. Bush to install a controversial anti-missile shield system in Poland and the Czech Republic.

Czech Republic

Czech Prime Minister Jan Fischer will pay an official visit to Mongolia next week. The Czech prime minister has been invited by his Mongolian counterpart. Fischer's visit is the first at head of government level since 1993.

Prime Minister Jan Fischer in a joint press conference with his Armenian counterpart on May 17 said that his country attaches importance to Armenia's participation in the Eastern Partnership. The Czech delegation led by the Prime Minister will participate in an Armenian-Czech business-forum.

Slovakia

Hungarian Prime Minister-elect Viktor Orban rejected on Wednesday a Slovak call for a summit over plans to offer dual citizenship to ethnic kin in neighboring countries. Slovak premier Robert Fico had called earlier in the day for an urgent meeting with Orban over an issue he has described as a threat to Slovakia's security. Slovakia had earlier expressed outrage at the proposed dual citizenship legislation, even temporarily recalling its ambassador from Budapest for emergency talks the previous week.

The Turkish foreign minister discussed Turkish-Slovak relations, EU visa rules for Turks and the elimination of visa requirements between Turkey and Russia.

Hungary

Hungary, the largest investor in Montenegro, is supporting the country's accession to the European Union. The integration into the EU of the Western Balkans is a top priority of the Hungarian government and its EU presidency in early 2011 will be a prime opportunity to promote the Montenegrin cause. The EU has accepted Montenegro's accession request and NATO has included it in its Action Plan for prospective members. Montenegro was among the first of the Balkan countries to gain the right to enter the Schengen area without visa requirements

The Hungarian parliament approved changes to the constitution Thursday that would halve the number of MPs (200 from the current 386), in a bid to cut bureaucracy and streamline decision-making in parliament. No date has yet been set for the amendment to come into force but observers said it could happen as early as January 2011. Under the new legislation, parliament will also gain 13 additional MPs, starting in 2014, to represent ethnic minorities living in Hungary.

Eastern Europe (Belarus & Ukraine)

Belarus

Azerbaijani Foreign Minister Elmar Mammadyarov hopes that the co-chairs of the OSCE Minsk Group will be able to persuade Armenia to accept updated Madrid principles so that the sides could start discussing a comprehensive peace agreement on the Armenian-Azerbaijani Nagorno-Karabakh conflict.

European Union officials expressed serious concern Wednesday at reports of an ongoing crackdown against the opposition in Belarus, where President Aleksandr Lukashenko has ruled with an iron fist since 1995. Scores of activists, including opposition writer Vladimir Nekliaev, a proclaimed opponent in the upcoming presidential election, have been arrested as a result of nationwide police raids.

Russian Prime Minister Vladimir Putin will on Friday prepare the startup of the Customs Union with Belarus and Kazakhstan that is to be launched on July 1. Putin will chair a meeting of the EURASEC Interstate Council, which is the supreme body of the Customs Union, and the Council of the heads of government of the CIS.

Ukraine

Russian President Dmitry Medvedev during his visit of Ukraine on Monday said that Russia as a participant in the G20 and the G8 was ready to move forward all issues relating to Ukraine, including International Monetary Fund and World Bank support and Russia was ready to help in the modernization of Ukraine's economy.

Russian President Dmitry Medvedev and Ukrainian President Viktor Yanukovich signed a range of bilateral documents. The two heads of state signed joint statements on European security, on settling the conflict around Moldova's much-troubled Dniester region, and on security measures in the Black Sea littoral area. Medvedev invited Ukraine to join a security bloc of former Soviet republics, a step that would draw Ukraine closer into Moscow's embrace.

Meanwhile Ukrainian President Viktor Yanukovich met Chinese Foreign Minister Yang Jiechi here on Wednesday to discuss bilateral ties.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

In January, Estonia will likely become the 17th nation to adopt the euro, but that will hardly cure all the challenges facing the tiny Baltic economy, whose dramatic decline has pushed unemployment to a record high. The European Commission concluded last week that Estonia has fulfilled the so-called Maastricht criteria and was ready to adopt the euro next year.

The Estonian government implemented severe fiscal tightening last year to make sure it met the convergence criteria. The government budget deficit was 1.7% of gross domestic product in 2009 and general debt stood at 7.2% of GDP, well below EU limits.

President Toomas Ilves of Estonia has concluded a private visit to Poland with a meeting with acting president Bronislaw Komorowski. Yesterday, he received an honorary doctorate from the Catholic University of Lublin. In his address, he focused on the place of Poland and Estonia in the European Union. In his view, six years after accession, Poland and Estonia continue to be called former members of the communist bloc.

Lithuania

Georgian Foreign Minister Grigol Vashadze will pay a working visit to Lithuania May 17-20. Vashadze will meet with Lithuanian President Dalia Grybauskaitė, and other senior leaders of the country, the Foreign Ministry said.

Russia

The leaders of Russia and Turkey have said that the Palestinian Islamist group Hamas should not be excluded from peace efforts in the Middle East. Unfortunately Palestinians have been split into two. In order to reunite them, you have to speak to both sides. Turkish Prime Minister Recep Tayyip Erdogan said at a joint press conference with Russian President Dimitri Medvedev Hamas won elections in Gaza and cannot be ignored. The Russian president, who met Hamas leader Khaled Meshaal in Damascus Tuesday, stressed that no group should be excluded from peace efforts. Their remarks and Medvedev's meeting with Meshaal unleashed an angry response from Israel, which said that it expected Russia to stand by the Jewish state against "Hamas terror".

For the first time since the Bolshevik Revolution, Russia's president visited Syria. Of all the things to discuss and announce, Dimitri Medvedev and Bashar Assad held a press conference

afterward where they announced that they had talked about nuclear cooperation, including the potential construction of a nuclear power plant in Syria. Any effort by Syria to get nuclear weapons capability must be seen as an extension of Iran's own efforts.

Moscow will host an international scientific conference on South Caucasus socio-economic development May 20 with the organizational support of the Azerbaijani Presidential Center for Strategic Studies (CSR).

Chinese Vice President Xi Jinping vowed to make joint efforts with Russia to enhance the Sino-Russian strategic and cooperative partnership Tuesday afternoon. Xi said "The partnership has benefited the two peoples and played a significant role in safeguarding the interests of the two countries. The partnership has also promoted world peace and stability,"

Secretary of State Hillary Clinton says the United States and other major powers have agreed on a draft resolution for new U.N. sanctions against Iran over its nuclear program. The announcement came a day after Iran accepted a Brazilian and Turkish-mediated deal to export some of its enriched-uranium stockpile. Iran's acceptance of the uranium deal mediated by Brazil and Turkey had been widely viewed by analysts as an effort to blunt the U.S.-led drive in the U.N. Security Council for new sanctions.

Economic front

Poland

The zloty extended its decline as Polish officials indicated they are comfortable with its depreciation and the benchmark stock index dropped to a three-month low. The zloty slumped 1.1 percent to 4.1604 per Euro in Warsaw, sliding to its weakest intra-day level since May 7.

The World Bank signed Friday an agreement with Poland's concerning economic reforms. According to this agreement by the end of June, the World Bank will work out a report for Poland's government to answer the question how to lower costs and the risk of conducting economic activity in Poland.

Czech Republic

According to new edition 2010 of Research and Markets survey regarding Czech economy, it was severely affected by the global downturn. The fiscal position was also hit hard, prompting a rapid shift in policy from stimulus to consolidation. The medium-term challenges facing the country are principally concerned with creating conditions of rapid convergence with advanced OECD economies by restoring the sustainability of public finances and improving the business environment.

Slovakia

According to the data released by Bloomberg, Slovakia's GDP not only returned to growth but also blessed the market with better-than-expected numbers and now export-oriented economy is set to grow for the rest of the year and even beyond. However, economists also

suggest that economic performance in the second half of the year might be affected by austerity measures if the government formed after the June 12 general election opts for belt-tightening policies.

Hungary

A report published by the Hungarian ministry of environment and water reveals that Germany's Deutsche Bank has recommended that the Hungarian government sell recycled certified emission reduction (CER) credits. Deutsche Bank turned to the ministry in writing on 21 October 2009 and indicated that their intention was to take the 1,743,000 CERs available to Hungary to the exchange. Deutsche Bank offered to sell the CERs for a commission of 6pc.. Hungary's decision to sell CERs that it had received from its installations to meet their compliance obligations under the EU emissions trading scheme (ETS) has already caused chaos in the carbon market earlier this year.

Eastern Europe (Belarus & Ukraine)

Belarus

Economy Minister Economy Minister Nikolai Snopkov said on Friday that Belarus is ready to create conditions to attract foreign investors to the banking, agricultural and infrastructure sectors as the country is intensifying efforts to attract private capital to help ease a budget deficit that is projected to reach \$900 million this year.

Ukraine

Ukraine's credit ratings were raised at Standard & Poor's on improvements in the country's policy coordination and after a Russian gas subsidy agreement helped boost the government's debt outlook. S&P raised the foreign currency sovereign credit ratings on Ukraine to 'B/B', from 'B-/C', and lifted the local currency ratings to 'B+/B', from 'B/B'.

The European Parliament on Tuesday approved a 500-million-euro (616-million-dollar) European Union loan to help Ukraine out of its financial crisis, voting by a massive majority to back the deal. Ukraine has been hard-hit by the world financial crisis, previously seeking loans from the International Monetary Fund (IMF) in 2008 to help keep its finances afloat.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Estonian Finance Minister Jurgen Ligi said the euro area needs stricter fiscal controls to ensure existing members adhere to the rules. Estonia, which on May 12 won European Commission backing to become currency bloc's 17th member in January, is "of course" worried about the euro's health.

Latvia

Latvia's central bank said on Monday it bought net 40 million Euros last week, down from a net 44 mln euro purchase for its currency interventions the previous week. On Monday,

the lat continued to trade at the weaker end of its band against the euro and was quoted at 0.7070/80 Euros compared with 0.7065/75 on previous Monday.

Lithuania

The head of the International Monetary Fund's mission said on Wednesday that Lithuania needs to make further spending cuts over the coming years to bring its budget deficit in line with rules for euro zone entry. The head of the IMF mission to Lithuania, said the IMF may revise its forecast for Lithuania's economy.

Russia

Russia's biggest business lobby asked Prime Minister Vladimir Putin on Monday for a moratorium on tax hikes and called for a mass privatization program to plug the budget deficit. Finance Minister Alexei Kudrin said last week that Russia should strive to achieve a balanced budget in 2015 through spending more wisely. He said if the country fails to spend wisely, the government will have to raise taxes, but did not elaborate.

Federal Minister for Privatization, Senator Waqar Ahmad Khan gave a detailed presentation on the theme, "Pakistan: The Land of Opportunities", to business delegates in the Plenary session at the 6th World Islamic Economic Summit held in Kuala Lumpurhas. He urged the investors from 30 different countries to invest in Pakistan in different areas of economy as the World Bank has also listed Pakistan above China, Russia and India for ease of doing business. He also urged the investors to invest in areas such as energy, power, infrastructure housing, oil and gas exploration, milk and milk based products, live stock and Halal food products.

Russia's economy expanded for the first time since 2008 in the three months through March as the world's biggest energy producer rebounds on an oil-funded stimulus program and record-low borrowing costs. According to Bloomberg news, Russia's Gross Domestic Product rose an annual 2.9 per cent in the first quarter after contracting 3.8 per cent in the last three months of 2009.

Social front

Poland

Flash floods triggered by days of heavy rain have killed at least four people, forced mass evacuations and cut off power to thousands in Poland Czech Republic, Slovakia & Hungary (Central Europe). Prime Minister Donald Tusk said Thursday that if the losses caused by the flood amount to over two billion Euros than Poland would become eligible for up to 100 million Euros in European Union aid funds. He ruled out any possibility to call a state of emergency because it would have delayed presidential elections scheduled for June 20

Czech Republic

A Czech brewer has promised school pupils a gift of free beer if they vote in the country's forthcoming general elections (on May 28th and 29th). Stanislav Bernard, who once stood as a

Right-wing candidate for the Czech parliament's upper house, said that he would give a keg of beer to the first 250 school classes able to prove that at least 85 per cent of those eligible to vote had cast their ballots in next week's election. Czechs are the world's leading consumers of beer, with every adult, child and retiree on average drinking 160 liters, or about 320 pints, of beer annually. In past elections, various political parties offered free beer at their rallies.

Hungary

Organizations representing Hungary's gypsies, or Roma, have expressed concerns about a new wave of violence against the minority in the country after the entry of a far right party in parliament. Hundreds of people in a heavy rain gathered in a rally, which was aimed at easing tensions between the two communities. Organizers say they are very concerned about the recent rise of the far right elements in Hungary and violence against Roma.

EP President Jerzy Buzek announced that, as every year, the EU was celebrating 17 May as International Day against Homophobia (IDAHO). This is the sixth time the EU has celebrated International Day against Homophobia. Mr Buzek in his opening words stressed that the EU was opposed to all forms of discrimination, under its Treaty and its Charter on Fundamental Rights.

Last week the EU had seen the 60th anniversary of the Schuman Declaration (now celebrated as Europe Day) and Parliament had held its usual Open Days on 8 and 9 May, with over 30,000 citizens visiting its premises in Strasbourg and Brussels. The main Charlemagne Prize was awarded two days later to Polish Prime Minister Donald Tusk.

Ukraine

On the third Sunday of May Ukraine annually pays homage to millions of innocent people whose life was cut short by the Soviet repressive totalitarian regime in the 1920s-1950s. On May 16, the Memorial Day was observed in the horrible Bykivnia Forest, the place where hundreds of thousands of Ukrainians, Poles, Russians, Jews, people of other ethnic groups were massacre by the tyrannical Stalinist government.

Estonia

The statistics office said on Friday that Estonia's unemployment rate leapt to an all-time high of 19.8 percent in the first quarter from 15.5 percent in the previous quarter.

Latvia

Latvia's relations with neighboring Russia came under strain Monday after the Latvian government accused Russia of attempting to influence the European Court of Human Rights (ECHR), following a decision on a controversial war crimes trial. A statement by the Latvian foreign ministry said it 'strongly condemns attempts by representatives of the Russian Federation to exercise pressure on the European Court of Human Rights.' A number of attempts to influence proceedings were made during the case of Kononov versus Latvia at the ECHR. Vasiliy Kononov, an 87-year-old former took part in the killing of nine villagers near the Latvian-Belarusian border in 1944 and Latvia later convicted of war crimes.

Russia

Jailed former Russian oil tycoon Mikhail Khodorkovsky ended a two-day hunger strike on Wednesday after the Kremlin confirmed complaints about his detention had been passed on to President Dmitry Medvedev. Khodorkovsky, once Russia's richest man, was arrested in 2003 after falling foul of then-president Vladimir Putin and is serving an eight-year sentence for tax dodging.

Detailed Report

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

Poland

Political front

Plane crash puts Russia on defensive

<http://www.toledoblade.com/article/20100516/COLUMNIST25/5160303/-1/OPINION>

Out, damn'd spot! Out, I say! The Russian government was all but repeating the phrase after Lady Macbeth even before Polish air crash footage that claims to feature Russian-speaking men shooting survivors emerged last week. Just days before the footage appeared on the Internet, Russian officials released a 1940 note by Joseph Stalin to his secret police chief suggesting the latter hold a mass execution of Polish POWs. Though Stalin's note did catch media attention, Russia still has to come up with a satisfactory explanation of what happened in the more recent tragedy. So far a handful of Moscow journalists not yet controlled by the government have reported enough to put the Kremlin on the defensive. First, the airport is a refurbished former military facility, barely adequate to receive passenger jets such as the president's Tu-154, even in fine weather. Second, the Russian air-traffic controllers who were in communication with the president's Polish pilots barely spoke English and were professionally undistinguished. Third, the presumably highly professional air-traffic control crew who took care of the Polish official delegation arrival just on the eve of the Polish president's scheduled arrival had been pulled off. That's because President Kaczynski - one of Russian Prime Minister Vladimir Putin's better-known nemeses - was not officially invited to the official event at the 1940 massacre site attended by Mr. Putin, among other

Russian Soldiers Kill Survivors on Polish President's Plane after Crash?-May16, 2010

<http://www.express.co.uk/posts/view/175382/Did-Russian-soldiers-kill-survivors-on-Polish-president-s-plane-after-crash->

By Will Stewart INVESTIGATORS of the air tragedy which killed Polish president Lech Kaczynski is analysing internet footage of what appears to show survivors being shot at the crash site. The blurred film clip, which was taken on a mobile phone, is being examined by Polish and Russian experts amid claims it was digitally manipulated to embarrass Moscow. The film was initially shown on Rossiya-24 TV two days after the Tupolev Tu-154 plane crashed near Smolensk military airport in Russia on April 10, killing the 96 people on board. The clip did not

appear to include shooting sounds now heard on the internet version. There is also shouting heard in Russian to “kill” survivors on the web clip, which was not on the earlier footage. The TV station denied masking any gunfire and said they merely edited out a swear word. Last night, Russian officials confirmed they had interviewed the man who allegedly made the film. He was not named, nor has he spoken in public about whether he heard gunfire. Sources do not rule out that bullets from weapons carried by armed presidential bodyguards may have exploded in the burning wreckage. Investigators say seven pistols were found at the site.

Two passengers in cockpit before Kaczynski crash-DAVID NOWAK-The Associated Press

<http://www.ajc.com/news/nation-world/22-passengers-in-cockpit-530422.html>

MOSCOW — At least two passengers visited the cockpit of Polish President Lech Kaczynski's plane before it crashed last month, and others may have chatted on cell phones, possibly affecting navigation as the crew battled heavy fog over challenging terrain. The most tantalizing detail was that two voices not belonging to crew members showed up on the cockpit flight recorders. Officials said it was not clear to whom one of the voices belonged, declined to identify the other person and didn't report what either person said. Russian and Polish aviation experts have ruled out any emergency or equipment malfunction as the cause of the crash of Polish President Lech Kaczynski's plane in Russia last month, killing him and 95 other top Polish officials and dignitaries. No terror, blast caused Polish president's plane crash, experts say

Poland on course for euro entry-17.05.2010

http://www.thenews.pl/business/artykul131749_poland-on-course-for-euro-entry.html

Finance Minister Jacek Rostowski has confirmed Poland's intentions of adhering to its 2015 target for euro zone entry. In an interview with Polish Radio, Monday, Rostowski said the Greek crisis should not adversely affect the Polish timetable in working for the adoption of the single European currency according to the earlier government outlined schedule. By 2015 Europe should have managed to overcome the effects caused by the present problems, Rostowski assured. The Finance Minister added that funds allocated to countries outside the euro zone, including Poland, will not be cut as a result of the sharp economic crisis in Greece. In the opinion of minister Rostowski, the key issue for Poland's economy in the nearest period will be coherence of authority. He reminded that most of the government initiated legislation approved by the House had been vetoed by the President.

Poland to unveil US Patriots missile batteries on May 26-FOCUS News Agency 18 May

<http://www.focus-fen.net/?id=n220072>

Warsaw. Poland will unveil its first US Patriot-type missiles battery at a military base in the northern town of Morag on May 26, a Polish defence ministry spokesman said Tuesday, AFP reports."Ceremonies associated with the first rotation of the Patriot missile battery will be held Wednesday, May 26, in Morag", spokesman Janusz Sejmej said in a statement. Asked by AFP, the defence ministry's press service declined Tuesday to provide further details. The Polish military base at Morag, in the Mazurian Lakes region, is some 250 kilometres (150 miles) north of Warsaw and just 60 kilometres (40 miles) from the border with Russia's Kaliningrad territory.

In February, Poland ratified the so-called SOFA deal on the stationing on its soil of US troops who will crew the surface-to-air Patriot battery. They are also due to train Polish soldiers to use the system. Poland has repeatedly insisted that the base close to Russian Kaliningrad was not chosen for political or strategic reasons, but simply because it already had good infrastructure. In September 2009 US President Barack Obama scrapped a plan agreed a year earlier by his predecessor George W. Bush to install a controversial anti-missile shield system in Poland and the Czech Republic.

Economic front

Zloty Declines on Debt Crisis; Stocks Drop to February Low

<http://www.bloomberg.com/apps/news?pid=20601083&sid=aV6UE2389gYE>

May 20 (Bloomberg) -- The zloty extended its decline as Polish officials indicated they are comfortable with its depreciation and the benchmark stock index dropped to a three-month low on growing concern Europe's debt crisis will deepen. The zloty slumped 1.1 percent to 4.1604 per euro as of 4:50 p.m. in Warsaw, sliding to its weakest intraday level since May 7. The WIG20 Index fell 3 percent to 2,287.07, the lowest close since Feb. 26. Bonds decreased for second day, pushing the yield on the country's five-year notes 7 basis points higher to 5.30 percent, according to HSBC Holdings Plc prices on Bloomberg.

Poland signs agreement on economic reforms with World Bank-May 15, 2010

<http://english.people.com.cn/90001/90777/90853/6986326.html>

The World Bank signed Friday an agreement with Poland's Economy Ministry concerning economic reforms. The document was signed by Poland's deputy Economy Minister Marcin Korolec and World Bank manager for Poland and Baltic states Thomas Laursen, according to the PAP news agency. By the end of June, the World Bank will work out a report for Poland's government, comprising recommendations for conducting economic activity in Poland. It is also ready to support the government in carrying out reforms. The World Bank report for Poland will answer the question how to lower costs and the risk of conducting economic activity in Poland

Social front

Four dead, many evacuated as floods sweep central Europe-Mon May 17, 2010

<http://www.reuters.com/article/idUSTRE64G3OY20100517?rpc=401>

WARSAW (Reuters) - Flash floods triggered by days of heavy rain have killed at least four people, forced mass evacuations and cut off power to thousands in central Europe and weather forecasts offered no hope of respite in coming days. Prime Minister Donald Tusk said Thursday that if the country's losses caused by the flood amount to over two billion euros Poland would become eligible for up to 100 million euros in European Union aid funds. Warsaw residents watched rising water levels on the river Vistula on Thursday as the prime minister said damage caused by several days of flooding across the country could cost more than 2 billion euros. Prime Minister Donald Tusk has said that he will not be calling a state of emergency to fight the flood

waters which have engulfed parts of southern Poland. A state of emergency would have delayed presidential elections scheduled for June 20

Estonia's President Ilves concludes Poland trip-20.05.2010

http://www.thenews.pl/international/artykul131954_estonias-president-ilves-concludes-poland-trip.html

President Toomas Ilves of Estonia has concluded a private visit to Poland with a meeting with acting president Bronislaw Komorowski. Yesterday, he received an honorary doctorate from the Catholic University of Lublin.

Czech Republic

Political front

Czech PM to visit Mongolia 18:04, May 17,

<http://english.people.com.cn/90001/90777/90853/6988188.html>

Czech Prime Minister Jan Fischer will pay an official visit to Mongolia on Wednesday and Thursday, the government of Mongolia said Monday. Fischer's visit is the first at head of government level since 1993. The Czech prime minister has been invited by his Mongolian counterpart, Batbold Sukhbaatar. The two men will hold talks. Head of state of Mongolia Elbegdorj Tsakhia and Parliament Speaker Demberel Damdin will meet Fischer during his stay in Mongolia.

Czech Republic attaches importance to Armenia's participation in Eastern Partnership

May 17, 2010 <http://www.panarmenian.net/eng/world/news/48710/>

Prime Minister Jan Fischer said that his country attaches importance to Armenia's participation in the Eastern Partnership, as it aspires towards Europe. "We believe that this program will have a consecutive nature," Mr. Fischer said during the May 17 joint press conference with his Armenian counterpart Tigran Sargsyan. The Czech delegation led by the Prime Minister will be in Armenia on May 17 and 18. During his visit, Jan Fischer will participate in an Armenian-Czech business-forum, as well as will meet with Armenian President Serzh Sargsyan and Speaker of the RA parliament Hovik Abrahamyan.

Economic front

Research and Markets: OECD Economic Surveys: Czech Republic 2010: The Challenge of Fiscal Consolidation After the Crisis

http://www.researchandmarkets.com/research/1ed02a/oecd_economic_surv

DUBLIN--(BUSINESS WIRE)--Research and Markets has announced the addition of the "OECD Economic Surveys: Czech Republic 2010" report to their offering. This 2010 edition includes chapters covering the challenge of fiscal consolidation after the crisis, pro-growth tax and benefit reform, and improving the business environment. The survey finds that the Czech

economy was severely affected by the global downturn, owing to its high degree of openness and integration in global production chains. The fiscal position was also hit hard, prompting a rapid shift in policy from stimulus to consolidation. The medium-term challenges facing the country are principally concerned with creating conditions of rapid convergence with advanced OECD economies by restoring the sustainability of public finances and improving the business environment.

Social front

Will Free Beer Save Democracy in the Czech Republic?

<http://www.telegraph.co.uk/news/worldnews/europe/czechrepublic/7744788/Czech-brewer-promises-teens-free-beer-for-voting-in-general-election.html>

A Czech brewer has promised school pupils free beer if they vote in the country's forthcoming general elections (on May 28th and 29th), prompting fears that the stunt will encourage underage drinking. Worried by political apathy in the young, Stanislav Bernard, who once stood as a Right-wing candidate for the Czech parliament's upper house, said that he would give a keg of beer to the first 250 school classes able to prove that at least 85 per cent of those eligible to vote had cast their ballots in next week's election. Turnout at the Czech Republic's general elections slated for May 28-29 may get a boost from a truly Czech product, beer. Young Czech voters are being encouraged to let their voices be heard by offers of free beer from the Stanislav Bernard brewery in return for pledging to cast their votes despite young people typically skipping elections. Czechs are perennially the world's leading consumers of beer, with every adult, child and retiree on average drinking 160 liters, or about 320 pints, of beer annually. In past elections, various political parties offered free beer at their rallies, but this get-out-the-vote campaign is different.

Sweden, Czech Republic in world hockey semis-May 20, 2010-The Associated Press

<http://www.cbc.ca/sports/hockey/story/2010/05/20/sp-sweden-czech-hockey-worlds.html>

Sweden and the Czech Republic advanced to a semifinal showdown Thursday at the world hockey championship in Germany. Sweden beat Denmark 4-2 in a quarter-final contest. The Czech Republic got past Finland 2-1 in a shootout, with goalie Tomas Vokoun stopping 29 shots and forcing two penalty misses. Sweden's only loss in the tournament came against the Czechs. Late on Thursday, two-time defending champion Russia faced Canada while host Germany will take on Switzerland.

Slovakia

Political front

Hungary premier-elect rebuffs Slovakia on dual citizenship-May 19, 2010

http://www.monstersandcritics.com/news/europe/news/article_1557060.php/Hungary-premier-elect-rebuffs-Slovakia-on-dual-citizenship

Budapest - Hungarian Prime Minister-elect Viktor Orban rejected on Wednesday a Slovak call for a summit over plans to offer dual citizenship to ethnic kin in neighbouring countries. Slovak premier Robert Fico had called earlier in the day for an urgent meeting with Orban over an issue he has described as a threat to Slovakia's security. Orban restated that he would sit down and talk with his Slovak counterparts only after Slovakia has elected its new government on June 12. Until then there is 'absolutely no point in sending any kind of messages out through the press,' Orban said after speaking at a business forum in the Hungarian capital. Slovakia had earlier expressed outrage at the proposed dual citizenship legislation, even temporarily recalling its ambassador from Budapest for emergency talks the previous week

Slovakia's election-The opposition is in a shambles ahead of Slovakia's election on June 12th-May 20th 2010

http://www.economist.com/world/europe/displaystory.cfm?story_id=16167828&fsrc=rss

SLOVAKIA'S centre-right politicians used to be both popular and prominent, feted in Brussels and Washington for their bold reforms. Before they took over, the country was run by a populist, Vladimir Meciar, whose misrule led Madeleine Albright, America's then secretary of state, to call Slovakia a black hole in 1997. Only six years later, in 2003, the World Bank cited it as a top reformer. But voters soon tired of upheaval and a growing sense of sleaze. The centre-right government of Mikulas Dzurinda narrowly lost office in 2006. Its bequest of competitiveness and credibility lasted for two years, during which Slovakia had rapid growth and low inflation, stoked by foreign investment and an export boom. It joined the euro in 2009. But the economy shrank by 4.7% last year, and the budget deficit is expected to be 7% of GDP in 2010. Yet the economy's troubles have not helped the centre-right. Three weeks ahead of Slovakia's election on June 12th, the polls give the incumbent prime minister, Robert Fico, and his Smer-SD (Direction-Social Democracy) party an unassailable 36%. Mr Dzurinda's brand of Christian Democrats, the SDKU, is trailing with only 13%. Mr Fico has derailed the SDKU with revelations about dodgy-seeming party financing during its days in government. Critics say he is diverting attention from questionable dealings involving his own government, many of which involve his embarrassing coalition partner, the racist Slovak National Party (SNS).

Davutoğlu says Turkish-Slovak relations run 'perfectly'

<http://www.todayszaman.com/tz-web/news-210232-100-davutoglu-says-turkish-slovak-relations-run-perfectly.html>

The Turkish foreign minister discussed Turkish-Slovak relations, EU visa rules for Turks and the elimination of visa requirements between Turkey and Russia while speaking at a joint news conference with his Slovak counterpart late on Thursday.

Economic front

Slovakia: GDP figures show marked upswing-May 17 2010

http://sofiaecho.com/2010/05/17/902072_slovakia-gdp-figures-show-marked-upswing?ref=rss&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+rss2%2Fall-news+%28The+Sofia+Echo%29

The latest statistics have not disappointed those who expected some positive numbers for the first three months of 2010 after the contraction of Slovakia's economy last year. The country's GDP not only returned to growth but also blessed the market with better-than-expected numbers. While market watchers do not predict any spectacular jumps ahead, they say that the country's relatively small, export-oriented economy is set to grow for the rest of the year and even beyond. However, economists also suggest that economic performance in the second half of the year might be affected by austerity measures if the government formed after the June 12 general election opts for belt-tightening policies.

Hungary

Political front

Hungary backs speedy Montenegro accession- 19 May 2010

<http://www.euractiv.com/en/enlargement/hungary-backs-speedy-montenegro-accession-news-494338>

Hungary, the largest investor in Montenegro, is supporting the country's accession to the European Union. The integration into the EU of the Western Balkans is a top priority of the Hungarian government and its EU presidency in early 2011 will be a prime opportunity to promote the Montenegrin cause. Hungary, like the EU and NATO, has acknowledged the efforts Montenegro has made in its preparations for integration. The EU has accepted Montenegro's accession request and NATO has included it in its Action Plan for prospective members. Montenegro was among the first of the Balkan countries to gain the right to enter the Schengen area without visa requirements

Hungary parliament votes to halve number of MPs (AFP)-20 May 2010

http://www.khaleejtimes.com/displayarticle.asp?xfile=data/international/2010/May/international_May1154.xml§ion=international&col=

BUDAPEST - The Hungarian parliament approved changes to the constitution Thursday that would halve the number of MPs, in a bid to cut bureaucracy and streamline decision-making in parliament. Under the changes, the number of parliamentary deputies will be cut to a maximum 200 from the current 386. No date has yet been set for the amendment to come into force but observers said it could happen as early as January 2011. Under the new legislation, parliament will also gain 13 additional MPs, starting in 2014, to represent ethnic minorities living in Hungary. A total 306 deputies voted for the amendments, while 16 voted against and 35 abstained. The centre-right Fidesz had pledged ahead of April general elections to slash the number of parliamentary deputies. But to do so, it needed a two-thirds majority in parliament, as the amendment required a change in the constitution. After Fidesz secured 263 parliamentary seats in the election, the legislation was one of the first it presented to parliament following the inaugural session on Friday.

Economic front

Forint at 260-280/euro good for Hungary econ-Bajnai

<http://www.iii.co.uk/news/?type=afxnews&articleid=7895399&subject=economic&action=articl>

BUDAPEST, May 16 (Reuters) - Hungary's economy needs a stable forint and recent levels of the forint at between 260 to 280 versus the euro could be considered as a kind of equilibrium exchange rate, the outgoing prime minister said on Sunday. Socialist Prime Minister Gordon Bajnai's government is an acting cabinet now before handing over power to the incoming centre-right cabinet later this month.

Deutsche Bank encouraged Hungary to sell recycled CERs Printer friendly-17 May 2010

<http://www.argusmedia.com/pages/NewsBody.aspx?id=707887&menu=yes>

London, 17 May (Argus) — Germany's Deutsche Bank recommended that the Hungarian government sell recycled certified emission reduction (CER) credits, a report published by the Hungarian ministry of environment and water reveals. “Deutsche Bank turned to the ministry in writing on 21 October 2009 and indicated that their intention was to take the 1,743,000 CERs available to Hungary to the exchange. Deutsche Bank offered to sell the CERs for a commission of 6pc,” the report says, adding that the bank later became “passive” following UN climate change talks at the end of last year. Hungary's decision to sell CERs that it had received from its installations to meet their compliance obligations under the EU emissions trading scheme (ETS) caused chaos in the carbon market earlier this year. A number of European-based exchanges were forced to suspend trading after it emerged that recycled Hungarian were being transacted. Under the EU ETS rules, CERs that have been surrendered once for compliance under the scheme cannot be surrendered again. But under the Kyoto protocol, it is possible to use CERs for compliance more than once. “With attention to all that, the head of the ministry decided to sell CERs outside the EU ETS system,” the Hungarian report says.

Social front

Hungarian Roma Fear Violence and Far Right-16 May 2010

<http://www1.voanews.com/english/news/human-rights/Hungarian-Roma-Fear-Violence-and-Far-Right-93884569.html>

Organizations representing Hungary's gypsies, or Roma, have expressed concerns about a new wave of violence against the minority in the country and the entry of a far right party in parliament. Activists held a rare rally to express concern about these developments. Hundreds of people braved heavy rain to attend a picnic at Budapest's City Park on Saturday for gypsies, also known as Roma, and non-Roma. The gathering, which also included music from mainly Roma performers, was aimed at easing tensions between the two communities. Organizers say they are very concerned about the recent rise of the far right elements in Hungary and violence against Roma. They referred to the Movement for a Better Hungary, or Jobbik, which officially entered parliament this week as the country's third political force, after recent elections

Opening of the Strasbourg session: EP celebrates IDAHO Institutions - 17-05-2010

http://www.europarl.europa.eu/news/expert/infopress_page/008-74616-137-05-21-901-20100514IPR74615-17-05-2010-2010-false/default_en.htm

At the start of this week's Strasbourg session, EP President Jerzy Buzek announced that, as every year, the EU was celebrating 17 May as International Day against Homophobia (IDAHO). This year's Europe Day and the Charlemagne Prizes were among other topics mentioned by Mr Buzek, who also congratulated the new UK and Hungarian governments on taking office. He welcomed a request to send condolences to families of soldiers killed in Afghanistan. "This is the sixth time the EU has celebrated International Day against Homophobia", said Mr Buzek in his opening words, stressing that the EU was opposed to all forms of discrimination, under its Treaty and its Charter on Fundamental Rights. Last week had seen the 60th anniversary of the Schuman Declaration, now celebrated as Europe Day, and Parliament had held its usual Open Days on 8 and 9 May, with over 30,000 citizens visiting its premises in Strasbourg and Brussels. On Tuesday 11 May, Mr Buzek had awarded the Charlemagne Youth Prize in Aachen. First, second and third places had gone, respectively, to the German, Irish and Bulgarian entrants. The main Charlemagne Prize was awarded two days later to Polish Prime Minister Donald Tusk. On 14 and 15 May in Stockholm, the President had attended the Conference of Speakers of EU Parliaments, where future cooperation and the forthcoming Belgian EU presidency were discussed.

Eastern Europe (Belarus & Ukraine)

Belarus

Political front

Venezuela to export oil to Belarus-17-03-10

<http://www.gasandoil.com/goc/news/ntl102070.htm>

Venezuela plans to export oil to Belarus beginning in May, President Hugo Chavez said in a meeting with his Belarusian counterpart, Alexander Lukashenko. Chavez and Lukashenko, who is visiting Venezuela for the second time, met to review a series of bilateral accords that had been previously signed but not yet implemented due to various stumbling blocks. At the end of the meeting, both presidents gave a brief statement to the press in which they called for recovering lost time and achieving unprecedented levels of economic complementarity. Chavez announced the plans to supply oil to Minsk, saying the crude will be refined at Belarusian plants and that oil-derived products will be sold in Europe. Lukashenko announced the creation of a commercial group based in Venezuela aimed at creating awareness in Latin American about Belarusian technology and products. The two leaders, who are both harshly critical of the US, said Lukashenko's visit was crucial not only for consolidating their relations in the political, economic and social realm, but also in the ideological sphere.

Azerbaijani foreign minister hopes OSCE Minsk Group will be able to persuade Armenia to accept updated Madrid principles-18.05.2010

<http://en.trend.az/news/karabakh/1689336.html>

Azerbaijani Foreign Minister Elmar Mammadyarov hopes that the co-chairs of the OSCE Minsk Group will be able to persuade Armenia to accept updated Madrid principles so that the sides

could start discussing a comprehensive peace agreement on the Armenian-Azerbaijani Nagorno-Karabakh conflict.

EU 'very concerned' about Belarus opposition crackdown-May 19, 2010,

http://www.monstersandcritics.com/news/europe/news/article_1557061.php/EU-very-concerned-about-Belarus-opposition-crackdown

Brussels/Strasbourg, France - European Union officials expressed serious concern Wednesday at reports of an ongoing crackdown against the opposition in Belarus, where President Aleksandr Lukashenko has ruled with an iron fist since 1995. Scores of activists, including opposition writer Vladimir Nekliaev, a proclaimed opponent in the upcoming presidential election, have been arrested as a result of nationwide police raids, opposition spokesmen said.

Putin to prepare Customs Union start-up-21.05.2010

<http://www.itar-tass.com/eng/level2.html?NewsID=15148690&PageNum=0>

Russian Prime Minister Vladimir Putin will on Friday prepare the startup of the Customs Union with Belarus and Kazakhstan that is to be launched on July 1. Putin will chair a meeting of the EurAsEC Interstate Council, which is the supreme body of the Customs Union, and the Council of the heads of government of the CIS. The Russian government press service said 18 agreements have to be signed and come into force simultaneously with the Customs Union Code. Another 20 documents are being drafted to create the legal basis for the next stage of integration - Common Economic Space.

EU says not competing with Russia in eastern neighbourhood-13.05.2010

<http://euobserver.com/19/30070>

EUOBSERVER / BRUSSELS – The European Commission on Wednesday (12 May) assured Moscow that the EU's policy's towards its eastern neighbors is not a form of competition, with Brussels keeping the door open for "project-based" co-operation with Russia. "We don't want to see competition in that region, with Russia on one side and the EU on the other. Russia has been offered to take part in the neighborhood policy. They have refused. But that doesn't mean we are not open for suggestions from Russia to participate in various projects," neighborhood commissioner Stefan Fuele told journalists while taking stock of the bloc's five-year policy towards its southern and eastern neighbors. Apart from its country-by-country relations with post-Soviet states, the EU last year launched the "Eastern Partnership," a regional approach aimed at boosting EU-inspired reforms in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, which would ultimately lead to more economic integration and a visa-free regime for its citizens.

Economic front

Belarus wants to attract investors to banking sector -minister

<http://www.iii.co.uk/news/?type=afxnews&articleid=7894914&subject=economic&action=articl>

ZAGREB, May 14 (Reuters) - Belarus is ready to create conditions to attract foreign investors to the banking, agricultural and infrastructure sectors, Economy Minister Economy Minister Nikolai Snopkov said on Friday. The comments by the minister, who took office in December, come as the country is intensifying efforts to attract private capital to help ease a budget deficit that is projected to reach \$900 million this year.

Social front

Documenting the ruthless Belarusian regime-Victor Dashuk's movies show, and may add, dangers-May 16, 2010

http://www.boston.com/ae/movies/articles/2010/05/16/victor_dashuks_political_documentaries_about_the_authoritarian_rule_in_his_native_belarus_are_being_released_on_dvd_this_month/

A helicopter skims over trees, its main doors open, guns pointed toward the ground. Far below, animals scurry, but they're no match for the bullets that hurtle from the hunters' weapons. This could be shock footage from a nature documentary; but the context, nestled as it is in director Victor Dashuk's act of reportage from his native Belarus, tells us that this juxtaposition of hunters and hunted is entirely metaphorical. "I was born under Stalin," Dashuk tells us on the soundtrack, "studied under Khrushchev, raised children under Brezhnev, married off my son under Gorbachev, married off my daughter under Yeltsin. I am bringing up grandchildren under Lukashenko." Lukashenko? The name rings few bells for Americans who do not regularly peruse the pages of The Economist or Foreign Affairs. But Alexander Lukashenko, the authoritarian president of Belarus since 1994, haunts the imagination of Dashuk, whose films "Long Knives Night" and "Reporting from a "Rabbit Hutch" are being released jointly on DVD this month. Dashuk is only too aware of the potential cost to him. "

Ukraine

Political front

Iran to ship uranium to Turkey in nuclear deal

<http://www.thestate.com/2010/05/17/1290216/iran-to-ship-uranium-to-turkey.html>

TEHRAN, Iran -- Iran agreed Monday to ship much of its low-enriched uranium abroad and then rolled out a new obstacle to nuclear compromise by insisting it would press ahead with higher enrichment - bringing it closer to being able to make atomic warheads. The deal forged with Turkey and Brazil appeared to be another attempt to stave off U.N. sanctions - a doubtful endeavor judging by reactions from the United States and other Western powers. The White House showed deep skepticism about the pact, warning it still allows Iran to keep enriching uranium toward the pursuit of a nuclear weapon

Russia's Medvedev Cozies up to Ukraine with Visit

<http://english.people.com.cn/90001/90777/90853/6988893.html>

KIEV (Reuters) - Russian President Dmitry Medvedev on Monday threw his country's weight behind an economic recovery in Ukraine, pledging during an official visit to back support for international lending to the ex-Soviet republic. Medvedev's first official visit to Ukraine took place as ties markedly improve under President Viktor Yanukovich, after turning sour with his pro-Western predecessor, and the Kremlin leader said he was glad a new page had been turned. "Russia as a participant in the G20 and the G8 is ready, as a partner, to advance all issues relating to Ukraine, including International Monetary Fund and World Bank support," he told journalists. "Russia is ready to help in the modernization of Ukraine's economy," he added. The new Yanukovich leadership is hoping to secure a new \$19 billion credit program from the IMF for its struggling economy after ramming through parliament a 2010 budget with a relatively tight deficit target of 5.3 percent of GDP. Russian President Dmitry Medvedev and Ukrainian President Viktor Yanukovich signed a range of bilateral documents Monday at the end of their talks in Kiev. In part, the two heads of state signed joint statements on European security, on settling the conflict around Moldova's much-troubled Dniester region, and on security measures in the Black Sea littoral area. Russia is ready to allow a number of Ukrainian television stations to broadcast on the Russian air, President Dmitry Medvedev promised upon the completion of talks in Kiev with his Ukrainian counterpart Victor Yanukovich. Russian President Dmitry Medvedev invited Ukraine to join a security bloc of former Soviet republics, a step that would draw Ukraine closer into Moscow's embrace.

Ukrainian president meets Chinese FM-20 May 2010-FOCUS News Agency

<http://www.focus-fen.net/?id=n220241>

Kiev. Ukrainian President Viktor Yanukovich met Chinese Foreign Minister Yang Jiechi here on Wednesday to discuss bilateral ties, Xinhua informs. Yanukovich said that China is Ukraine's good friend and reliable partner for cooperation. Ukraine puts much emphasis on Ukraine-China partnership the president said stressing the relationship with China is a priority of Ukraine's foreign policy.

Economic front

S&P Raises Ukraine's Credit Ratings to 'Stable'

http://www.sptimesrussia.com/index.php?action_id=2&story_id=31459

LONDON — Ukraine's credit ratings were raised at Standard & Poor's on improvements in the country's policy coordination and after a Russian gas subsidy agreement helped boost the government's debt outlook. S&P raised the foreign currency sovereign credit ratings on Ukraine to 'B/B', from 'B-/C', and lifted the local currency ratings to 'B+/B', from 'B/B', according to a statement Monday. The outlook is stable, S&P said. The upgrade reflects "improved policy coordination, the stabilization in Ukraine's external liquidity position and our expectations of an increase in useable foreign exchange reserves relative to short-term debt, and a relatively moderate general government debt burden," S&P Credit Analysts Frank Gill and Kai Stukenbrock said in the statement.

European Parliament backs 500-million-euro loan to Ukraine-May 18, 2010

http://www.monstersandcritics.com/news/europe/news/article_1556738.php/European-Parliament-backs-500-million-euro-loan-to-Ukraine

Brussels - The European Parliament on Tuesday approved a 500-million-euro (616-million-dollar) European Union loan to help Ukraine out of its financial crisis, voting by a massive majority to back the deal. Ukraine has been hard-hit by the world financial crisis, previously seeking loans from the International Monetary Fund (IMF) in 2008 to help keep its finances afloat. Members of the European Parliament (MEPs) approved the 15-year EU loan by 604 votes to 37, with 16 abstentions. Ukraine can ask for the money at any time in the next 30 months. But, in return, the country will have to guarantee better 'efficiency, transparency and accountability' in its management of its own finances, MEPs said.

Ukraine government to sell off state phone company-May 19, 2010,

http://www.monstersandcritics.com/news/business/news/article_1556910.php/Ukraine-government-to-sell-off-state-phone-company

Kiev - Ukraine's government on Wednesday set August as the date for the sale of the state-owned telephone company, with a probable value in excess of 1.5 billion dollars, according to an official statement. An auction of a 92 per cent stake in the Ukrtelekom will be open to foreign and domestic bidders, according to a statement made public by Ukraine's State Property Fund (USPF.) The sale would place all Ukrtelekom shares currently owned by Ukraine's government in the hands of private investors

Social front

Ukraine marks Memorial Day of the Victims of Political Repressions

<http://www.day.kiev.ua/296838/>

On the third Sunday of May independent Ukraine annually pays homage to millions of innocent people whose life was cut short by the Soviet repressive totalitarian machine that destroyed our people with marked cruelty in the 1920s-1950s. This time, on May 16, the Memorial Day was observed in the horrible Bykivnia Forest, the place of last repose of hundreds of thousands of Ukrainians, Poles, Russians, Jews, people of other ethnic groups who were condemned to death by the tyrannical Stalinist government, often in retaliation for their desire to think like free individuals

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political front

Analysts cautious ahead of Estonia's euro adoption

<http://www.marketwatch.com/story/analysts-cautious-ahead-of-estonias-euro-adoption-2010-05-17>

FRANKFURT (MarketWatch) -- In January, Estonia will likely become the 17th nation to adopt the euro, but that will hardly cure all the challenges facing the tiny Baltic economy, whose dramatic decline has pushed unemployment to a record high. The European Commission concluded last week that Estonia has fulfilled the so-called Maastricht criteria and was ready to adopt the euro next year. The Estonian government implemented severe fiscal tightening last year to make sure it met the convergence criteria. The government budget deficit was 1.7% of gross domestic product in 2009 and general debt stood at 7.2% of GDP, well below EU limits.

Estonia's President Ilves concludes Poland trip-20.05.2010

http://www.thenews.pl/international/artvku131954_estonias-president-ilves-concludes-poland-trip.html

President Toomas Ilves of Estonia has concluded a private visit to Poland with a meeting with acting president Bronislaw Komorowski. Yesterday, he received an honorary doctorate from the Catholic University of Lublin. In his address, he focused on the place of Poland and Estonia in the European Union. He called for counteracting what he described as a continuing division into the old and new members. In his view, six years after accession, Poland and Estonia continue to be called former members of the communist bloc.

Economic front

They Have Made a Desert and called it successful adjustment.

<http://krugman.blogs.nytimes.com/2010/05/14/they-have-made-a-desert/>

Estonia is being hailed for its fiscal rectitude, which qualifies it for entry into the euro. Meanwhile we learn that Latvia is often cited as an example for Greece as it undergoes a brutal internal devaluation while keeping its currency pegged to the euro. So how are these role models doing? Unemployment in Estonia is 19.8%; in Latvia, 20.4%. And here's a little comparison of the depths of recession in three cold countries:

A fiscal consolidation plan-Estonia

<http://bilbo.economicoutlook.net/blog/?p=9787>

Another day passes and lots more reading done. Some of it interesting but a significant amount of it tedious even enraging. I hum my mantras as I read to stay calm. But among the things I read there were some standouts – not all of which I will have time to write about today. But this news report – Estonia Wants Stricter Euro Budget Rules – came in overnight, which caught my eye. Further examination, revealed how skewed policy priorities have become over the course of this economic crisis. The most costly things for an economy are ignored and aspirations that will impose future costs are promoted. Driving this policy agenda (madness) are the false messages that the IMF continually put out which spread a mélange of lies and non-sequiturs across the policy debate. I came up with a fiscal consolidation plan myself today as a result. I will disclose it later.

Estonia Wants Stricter Euro Budget Rules, Ligi Says-May 17, 2010

<http://www.businessweek.com/news/2010-05-17/estonia-wants-strict-euro-budget-rules-ligi-says-update1-.html>

May 17 (Bloomberg) -- Estonian Finance Minister Jurgen Ligi said the euro area needs stricter fiscal controls to ensure existing members adhere to the rules. Estonia, which on May 12 won European Commission backing to become currency bloc's 17th member in January, is "of course" worried about the euro's health, Ligi said in an interview with Bloomberg Radio today, adding "bad news" surrounding the euro region hurts Estonian support for the single currency

Social front

Estonia's unemployment rate hits record high in Q1

<http://www.iii.co.uk/news/?type=afxnews&articleid=7893408&subject=economic&action=article>

TALLINN, May 14 (Reuters) - Estonia's unemployment rate leapt to an all-time high of 19.8 percent in the first quarter from 15.5 percent in the previous quarter, the statistics office said on Friday. Estonia, on line to join the euro zone from Jan. 1, 2011 after a positive recommendation for membership by the European Commission, has been mired deep recession since 2008 with gross domestic product (GDP) contracting by average annual 14.1 percent in 2009.

Latvia

Political front/Economic front

Latvian c.bank says bought net 40 mln euro last week

<http://www.iii.co.uk/news/?type=afxnews&articleid=7896056&subject=markets&action=article>

RIGA, May 17 (Reuters) - Latvia's central bank said on Monday it bought net 40 million euros last week, down from a net 44 mln euro purchase for its currency interventions the previous week. On Monday, the lat continued to trade at the weaker end of its band against the euro and was quoted at 0.7070/80 euros compared with 0.7065/75 on previous Monday. One trader said the central bank interventions were thought to be from state treasury operations, while the market was stable and no significant changes were expected. The central bank automatically accepts offers to buy lats in what it calls passive intervention when the euro hits 0.7098 lats, the top end of its 1 percent fluctuation band based on a central rate of 0.7028.

Social front

Latvia accuses Russia of meddling in war crimes trial-May 17, 2010

http://www.monstersandcritics.com/news/europe/news/article_1556317.php/Latvia-accuses-Russia-of-meddling-in-war-crimes-trial

Riga - Latvia's relations with neighboring Russia came under strain Monday after the Latvian government accused Russia of attempting to influence the European Court of Human Rights (ECHR), following a decision on a controversial war crimes trial. A statement by the Latvian

foreign ministry said it 'strongly condemns attempts by representatives of the Russian Federation to exercise pressure on the European Court of Human Rights.' A number of attempts to influence proceedings were made during the case of Kononov versus Latvia at the ECHR 'at the time when judges were deliberating,' the ministry alleged. It also called for condemnation of Russia's actions at the Council of Europe and said the 'dangerous trend' should lead to reform of the court's working methods. Earlier Monday the court found against Vasiliy Kononov, an 87-year-old former 'Red partisan' who took part in the killing of nine villagers near the Latvian-Belarusian border in 1944 and who Latvia later convicted of war crimes. Born in independent Latvia in 1923, Kononov was awarded Russian citizenship in 2000 and took Latvia to court alleging that his actions as a combatant had not been illegal under international law.

Neo: The hacker who tweeted bankers' pay details-05/18/10

<http://www.fsteurope.com/news/latvian-hacker-neo-arrested/>

For months in Latvia, bankers have had a enemy; it's not been the economic recession or the Icelandic volcano, but a hacker called Neo who has been leaking information on bankers and establishments who 'cashed in' during the recession. Using the likes of Twitter, the hacker called Neo has been revealing the finances of leading Latvia firms, including pay details of managers from a Latvian bank that received a bail-out, but didn't take the salary cuts they promised to. Other leaks have shown state-owned companies awarding bonuses to staff while asking the government for financial aid. Neo, who claims to be a member of the People's Army of the Fourth Awakening, has been embraced as a cult hero in the country and dubbed a 'virtual Robin Hood'.

Lithuania

Political front

Georgian FM to visit Lithuania-15.05.2010

<http://en.trend.az/news/politics/foreign/1687945.html>

Georgian Foreign Minister Grigol Vashadze will pay a working visit to Lithuania May 17-20, the Georgian Foreign Ministry said. Vashadze will meet with Lithuanian President Dalia Grybauskaitė, Foreign Minister Audronius Ažubalis, Seimas Chairman of Lithuania Irena Degutiene and other senior leaders of the country, the Foreign Ministry said.

Economic front

IMF says Lithuania needs more fiscal adjustment

<http://www.iii.co.uk/news/?type=afxnews&articleid=7901166&subject=markets&action=article>

VILNIUS, May 19 (Reuters) - Lithuania needs to make further spending cuts over the coming years to bring its budget deficit in line with rules for euro zone entry, the head of the International Monetary Fund's mission there said on Wednesday. Catriona Purfield, the head of the IMF mission to Lithuania, said the IMF may revise its forecast for Lithuania's economy to

fall 1.6 percent this year after a better-than-expected first-quarter result. The economy contracted 2.9 per cent year-on-year in Q1, a better performance than analysts forecast.

Lithuania cuts 2011 growth forecast – fin-min

<http://www.iii.co.uk/news/?type=afxnews&articleid=7891176&subject=companies&action=article>

VILNIUS, May 13 (Reuters) - Lithuania's economy will grow at a slower pace than previously forecast in 2011 as domestic consumption remains weak due to further fiscal consolidation, the Finance ministry said on Thursday. The ministry upheld its forecast of 1.6 percent growth this year, saying the recovery from a 14.8 percent fall in 2009 will be helped by exports. But it cut its growth forecast for 2011 to 2.8 percent from a previous 3.2 and said it would slow further to 1.2 percent in 2012, the ministry said in a statement. Lithuania, a Baltic state of 3.4 million, was among the worst-hit by the crisis in the European Union, after years of credit-fuelled growth.

Russia

Political front

Russia, Turkey see role for Hamas in peace process

<http://www.morning.com/ArticleC.asp?Article=7959&CategoryID=6>

The leaders of Russia and Turkey have said that the Palestinian Islamist group Hamas should not be excluded from peace efforts in the Middle East, sparking Israel's ire. Unfortunately Palestinians have been split into two... In order to reunite them, you have to speak to both sides. Hamas won elections in Gaza and cannot be ignored, Turkish Prime Minister Recep Tayyip Erdogan said at a joint press conference with Russian President Dimitri Medvedev. The Russian president, who met Hamas leader Khaled Meshal in Damascus Tuesday, stressed that no group should be excluded from peace efforts, without naming the group. "Undoubtedly, all parties to this problem should be included more actively [in the process] in order to reach a solution. The process should not exclude anyone", he said through an interpreter. A divided Palestinian administration could not help resolve the conflict, he said, adding that the division "causes the Palestinians to regress". Their remarks and Medvedev's meeting with Meshal unleashed an angry response from Israel, which said that it expected Russia to stand by the Jewish state against "Hamas terror". "There is no difference between Hamas actions against Israel and Chechen terror against Russia", an Israeli Foreign Ministry statement said.

A New and Modern Foreign Policy-By Dmitry Trenin

http://www.sptimesrussia.com/index.php?action_id=2&story_id=31472

A supposedly confidential Foreign Ministry document — an intentional leak that was published on Russian Newsweek's web site this week — has created a stir among diplomats and journalists. Many saw it as a revelation or a signal of a significant and welcome policy shift toward the West. But in reality, this is quite an overstatement. Contrary to widespread perception, the Kremlin took a defensive rather than an offensive foreign policy position during

Vladimir Putin's second presidential term. From the color revolutions to the 2008 Georgia war, it was under constant pressure and occasional attack from Washington. With the "reset" in U.S. foreign policy under U.S. President Barack Obama, the pressure is now off, and Moscow can return to "business as usual," which has much more to do with business than traditional geopolitics. The modernization angle is a more recent development. The global crisis has knocked Russia down several notches and has significantly diminished the hubris that it had shown in the boom years of high energy prices. It awakened the leadership to the harsh reality that Russia is losing ground in the global pecking order by falling behind its industrial, technological and scientific capabilities. All the proceeds from Gazprom's sales notwithstanding, Russia is sorely lacking what it takes to be a major global economic and political force in the 21st century. Relative energy abundance and nuclear arsenals are simply not enough. The Kremlin was forced to come to terms with the fact that Russia cannot modernize on its own and that it needs Western investment and strong business partnerships with the West. Once this fact was accepted, the implications were clear. Russia's foreign policy, as many political analysts had argued all along, should stop covering up the country's diminishing status with aggressive rhetoric against the West. Instead, Russia needs to attract external resources for modernization. This transformation is now official. Well done. The next step is to attract the resources to make the transformation possible. It is not hard to see that they are mostly found in the countries making up the Organization of Economic Cooperation and Development — that is, North America, Western Europe, Japan, South Korea, Australia and Singapore. Although BRIC, the Shanghai Cooperation Organization, the Commonwealth of Independent States and the Eurasian Economic Community are all important alliances, it is clear that these groups won't be able to produce the same investments and business partnerships for Russia as the more established global financial and technology centers

Russia to Build Nuclear Power Plant in Syria?

<http://pajamasmedia.com/blog/russia-to-build-nuclear-power-plant-in-syria/>

May 18, 2010- by Ryan Mauro Share | Page 1 of 2 Next -> View as Single Page For the first time since the Bolshevik Revolution, Russia's president visited Syria. Of all the things to discuss and announce, Dmitri Medvedev and Bashar Assad held a press conference afterward where they announced that they had talked about nuclear cooperation, including the potential construction of a nuclear power plant in Syria. Any effort by Syria to get nuclear weapons capability must be seen as an extension of Iran's own efforts.

Moscow to host int'l conference on South Caucasus socioeconomic development

<http://en.trend.az/news/politics/foreign/1689492.html>

Moscow will host an international scientific conference on South Caucasus socioeconomic development May 20 with the organizational support of the Azerbaijani Presidential Center for Strategic Studies (CSR). CSR head Elkhan Nuriyev will visit Moscow to attend the conference, which also will be attended by, MP Asim Mollazade, Political Analysis and Information Provision Department Senior Consultant of the Azerbaijani Presidential Administration Farhad Mammadov and independent political expert Rasim Musabeyov.

China, Russia pledge to enhance strategic partnership-May 18- (Xinhua/Liu Weibing)

http://news.xinhuanet.com/english2010/china/2010-05/18/c_13301686.htm

BEIJING, May 18 (Xinhua) -- Chinese Vice President Xi Jinping vowed to make joint efforts with Russia to enhance the Sino-Russian strategic and cooperative partnership Tuesday afternoon. "The partnership has benefited the two peoples and played a significant role in safeguarding the interests of the two countries. The partnership has also promoted world peace and stability," Xi said. The partnership is also a cornerstone for international strategic balance and stability, Xi told Boris Gрызлов, chairman of Russia's State Duma and the United Russia Supreme Council.

Clinton: Big Powers Agree on Iran Sanctions Resolution-18 May 2010

<http://www1.voanews.com/english/news/middle-east/US-Sends-Iran-Sanctions-Draft-to-UN-94112804.html>

Secretary of State Hillary Clinton says the United States and other major powers have agreed on a draft resolution for new U.N. sanctions against Iran over its nuclear program. The announcement came a day after Iran accepted a Brazilian and Turkish-mediated deal to export some of its enriched-uranium stockpile. Iran's acceptance of the uranium deal mediated by Brazil and Turkey had been widely viewed by analysts as an effort to blunt the U.S.-led drive in the U.N. Security Council for new sanctions.

Economic front

Businessmen ask Putin to freeze tax hikes

<http://www.iii.co.uk/news/?type=afxnews&articleid=7897759&subject=companies&action=article>

MOSCOW, May 17 (Reuters) - Russia's biggest business lobby asked Prime Minister Vladimir Putin on Monday for a moratorium on tax hikes and called for a mass privatisation program to plug the budget deficit. Finance Minister Alexei Kudrin said last week that Russia should strive to achieve a balanced budget in 2015 through spending more wisely. He said if the country fails to spend wisely, the government will have to raise taxes, but did not elaborate.

World Bank lists Pakistan above China, Russia and India for doing business: Senator Waqar

http://www.app.com.pk/en /index.php?option=com_content&task=view&id=103495&Itemid=38

ISLAMABAD, May 20 (APP): Federal Minister for Privatization, Senator Waqar Ahmad Khan has urged the investors from 30 different countries to invest in Pakistan in different areas of economy as the World Bank has also listed Pakistan above China, Russia and India for ease of doing business. He also urged the investors to invest in areas such as energy, power, infrastructure housing, oil and gas exploration, milk and milk based products, live stock and

Halal food products, says a message received from Kuala Lumpur here on Thursday. The Minister for Privatization who gave a detailed presentation on the theme, "Pakistan: The Land of Opportunities", to business delegates in the Plenary session at the 6th World Islamic Economic Summit held in Kuala Lumpur.

Russian GDP Grows 2.9% on Stimulus Package-05.16.2010

<http://www.thisdayonline.com/nview.php?id=173434>

Russia's economy expanded for the first time since 2008 in the three months through March as the world's biggest energy producer rebounds on an oil-funded stimulus program and record-low borrowing costs. According to Bloomberg news, Russia's Gross Domestic Product rose an annual 2.9 per cent in the first quarter after contracting 3.8 per cent in the last three months of 2009.

Russian bank balances fall to 474.5 bln rbls

<http://www.iii.co.uk/news/?type=afxnews&articleid=7898297&subject=economic&action=article>

MOSCOW, May 18 (Reuters) - Banks' balances in their correspondent accounts at the Russian central bank fell to 474.5 billion roubles on Tuesday from 487.6 billion roubles in the previous session, the central bank said.

All figures are in billions of roubles

BALANCES	May 18	May 17
Total	474.5	487.6
Moscow region	326.1	347.0
Banks' deposits at the central bank	944.9	959.3

Social front

Russia's Mikhail Khodorkovsky Ends Two-Day Hunger Strike

http://www.postchronicle.com/news/breakingnews/article_212302354.shtml?ref=rss

Jailed former Russian oil tycoon Mikhail Khodorkovsky ended a two-day hunger strike on Wednesday after the Kremlin confirmed complaints about his detention had been passed on to President Dmitry Medvedev. Khodorkovsky said a decision last week to extend his stay at a pre-trial detention facility in Moscow during his second trial violated a law signed by Medvedev earlier this year and demanded the president be informed."The aim of my appeal has been achieved. I have ended my hunger strike," Khodorkovsky said in a statement posted on his web

site. Khodorkovsky, once Russia's richest man, was arrested in 2003 after falling foul of then-president Vladimir Putin and is serving an eight-year sentence for tax evasion after a trial his supporters dismissed as a farce.

Russian woman to oversee Nets-The Associated Press

<http://www.newsobserver.com/2010/05/21/492831/russian-woman-to-oversee-nets.html>

The daughter of a Russian diplomat was hired Thursday as president of the company that will oversee the New Jersey Nets. Mikhail Prokhorov's Onexim Group announced that Irina Pavlova will be the team owner's representative in the New York area. Pavlova has extensive experience in business and finance. She earned an MBA from Stanford, worked as a financial analyst with Prudential Investment Corp. and became Russia's first employee for Google. She lived in Moscow and Washington as a child.