

Report No.123

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

Central and Eastern Europe including Russia and Baltic States

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(About Sources)

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

(About Region)

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



Article Summary

Authors: - *Rogers Brubaker, Margit Feischmidt, Jhon Fox, and Liana Grancea,*

Book title: - *“Nationalist Politics and Everyday Ethnicity in a Transylvanian Town”,*

Publisher: - *Princeton University Press, 2006, Pages 502.*

Review By:- *Robert Legvold*

Original Text

“No topics receive more attention these days than nationalism and ethnic politics, but the reigning abstractions by which they are comprehended, say these authors, miss the way ethnicity actually resonate in the lives of people. By drilling deep into the mundane conversations, cares, and relationships among citizens of Cluj-Napoca, a city of mixed Hungarian-Romanian heritage at the heart of Transylvania, they set out to examine precisely how ethnicity matters--for, indeed, it does--far from the flourishes of the political entrepreneurs operating over people's heads. They are not trying to undo the day's ascendant macro theories, seen not so much as wrong as incomplete, but rather attempting to connect the overarching with the underpinning. In this important and conceptually innovative book, Brubaker's name is in larger lights, because he did most of the writing, but it is a genuinely collaborative effort in which the others added anthropology and sociolinguistics to his sociology”.

Article Summary

Authors seem to be unsatisfied with the overwhelming definition of ethnicity and ethnic politics. By examining the socio-cultural and political relationships and behaviors of the Citizens of Cluj-Napoca, a city of Hungarian-Romanian heritage at the heart of Transylvania, they evaluate that ethnicity and nationalism should also be studied from below as well as from above. Because sense of ethnicity remains dissimilar at different levels of society, at high-level it has very little meanings as compared to its importance in the lives of ordinary people whose main anxiety has been ethnic in nature. Moreover there are various modes for the expression of ethnic feelings and some time ethnic feelings remain silent and the authors call it as the salience ethnicity. Such kind of silent ethnicity has been co-existed which among the Romanians as well as Hungarians living in Cluj-Napoca, since 1989.

Headlines News

Poland

Political front

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- The key to understanding Poles-By Daniel Hannan-June 10th, 2010
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- New UK foreign secretary in Warsaw-10.06.2010
- http://www.thenews.pl/international/artykul133305_new-uk-foreign-secretary-in-w
- **PGNiG to Sell \$879 Million of Bonds to Fund Oil and Gas, Power**
- <http://www.bloomberg.com/apps/news?pid=20601009&sid=aNt2RIAkIc8s>
- **Korean group to build electronics components plant in Poland-10 June 2010**
- <http://www.prw.com/subscriber/rss2.html?cat=1&id=1276162890>
- **Polish May jobless seen falling to 12 pct -ministry**
- <http://www.iii.co.uk/news/?type=afxnews&articleid=7929552&subject=companies&>
- Ivy Tech in orthopedics industry partnership-June 10, 2010
- <http://www.indystar.com/article/20100610/BUSINESS/100610014/-1/news/Ivy-Tech-in-orthopedics-industry-partnership>
- Rare exhibition of homosexual art opens in Warsaw
- <http://nz.entertainment.yahoo.com/100610/8/jjek.html>

Czech Republic

- Czechs may join countries with direct presidential vote-Jun 10, 2010,
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- Czech Republic to support India's bid for United Nations seat

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- Czech leader Necas: Fitch upgrade can help budget
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- Ex-Czech President Havel wins Kafka literary prize
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Slovakia

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- Electoral process for Slovakia's June 12 vote-June 10
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- Slovakia's ruling party may lack allies after election
- <http://www.irishtimes.com/newspaper/world/2010/0610/1224272193768.html>
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Hungary

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Eastern Europe (Belarus & Ukraine)

Belarus

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- Medvedev to meet Lukashenko June 11 – Kremlin-10.06.2010
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- Belarussian hammer throwers to get Beijing medals back-May 12, 2010
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Ukraine

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- Ukraine borrows \$2 bln from Russia to support budget-June 11, 2010

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- Ukraine wishes to broaden economic cooperation with Greece – Yanukovich-06.06.2010
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Baltic States (Estonia, Latvia & Lithuania)

Estonia

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Latvia

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Lithuania

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Russia

- Stronger Russia-Arab economic ties urged-June 08, 2010
- Turkey, Russia to contribute to regional peace, stability
- Medvedev calls for cuts in Russia's bureaucracy-Tue Jun 8, 2010
- Russia, Turkey may scrap Israel gas pipeline deal-Putin says decision not linked to recent flotilla attack-June 10, 2010
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- Russia: Iran sanctions won't stop missile deal
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- <http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2092953&La>
- Putin thanks France for decision to build Russian spiritual center-11.06.2010
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Report summary

Political front

Poland

Polish and British Foreign Ministers Radoslaw Sikorski and William Hague met here on Thursday to discuss the situation in Iran and the Middle East. The ministers holding a joint press conference stressed excellent relations between Warsaw and London. The two declared readiness of cooperation on the EU forum as well as in Afghanistan.

Czech Republic

President of the Czech Republic Václav Klaus committed his country's support for India's bid for United Nations Security Council membership during his meeting here on Monday with the visiting Vice-President, Hamid Ansari. Mr. Klaus also appreciated India's requirement of facilitating mobility of people and goods between the two countries for better trade and commerce. The Czech Republic has already invested in Skoda Auto and entered into joint ventures with Tatra Vectra Motors Limited and Jawa-Yezdi motorcycles. The Bata shoe company originated in the erstwhile Czechoslovakia

Slovakia

In the 1990s Slovakia had central Europe's worst-performing economy and least democratic government. Madeleine Albright, then the U.S. secretary of state, referred to it as "a black hole in the heart of Europe." But in 1998 the country embarked on a reformist course that saw the introduction of a flat tax, liberalization of the labor market, deregulation of business

Slovaks will vote on June 12 to elect a new parliament in a tight battle between Prime Minister Robert Fico's centre-left cabinet and a group of centre-right opposition parties. Slovaks

choose a new parliament on Saturday in the country's first election since joining the euro zone in January 2009. Fico, 45, Slovakia's most popular politician and a tireless political campaigner, became prime minister in July 2006. But now the lead of Fico's leftist SMER party over centre-right rivals has narrowed markedly. The latest polls show, paving the way for right-wing opposition parties to win a majority and form the next cabinet.

Hungary

Hungary's parliament speaker Pal Schmitt has named June 29 as the date for presidential elections to replace Laszlo Solyom, whose mandate expires on Aug. 5. The parties agreed to present their nominations by noon on June 25, Schmitt said on Wednesday. Last weekend, the Hungarian Socialist Party nominated Andras Balogh, who is currently Hungary's ambassador to Thailand, for the position

Eastern Europe (Belarus & Ukraine)

Belarus

The United States has extended sanctions against Belarus aimed at pressuring democratic reform. The White House said the sanctions target specific officials and citizens who have undermined democratic institutions, committed human rights abuses or benefited from corruption. An executive order by President Barack Obama extends the sanctions for one year. Belarusian Foreign Ministry spokesman Andrei Savinykh denounced the U.S. sanctions as "useless and confrontational." He said that Belarus considers lifting the sanctions a key condition for improving relations with Washington.

Russian President Dmitry Medvedev will meet his Belarussian counterpart Alexander Lukashenko on June 11, the Kremlin press service reported on Thursday. Lukashenko will be in Moscow on a working visit, the press service said. They will continue discussing issues concerning the creation of the Customs Union in light of the decisions adopted by Russia and Kazakhstan at the meeting of the Customs Union's supreme body at the level of heads of government in St. Petersburg on May 21, 2010.

Minsk is ready to sign the customs code of the Customs Union between Belarus, Russia and Kazakhstan without exceptions, Deputy Foreign Minister Andrei Yevdochenko told the Belarussian-Polish economic forum on Wednesday. He noted that the customs code signed by Russia and Kazakhstan in St. Petersburg in May contains exceptions. Belarus' state customs committee also took an active part in drafting the document.

Syrian President Bashar al-Assad on Tuesday discussed with the visiting Belarusian Foreign Minister Sergei Martynov bilateral relations. The two sides voiced mutual desire to open new prospects of cooperation in industry, trade and education, Xinhua reported. Martynov conveyed an invitation from Belarusian President Alexander Lukashenko to Assad, hoping the Syrian leader could visit Belarus as soon as possible, the report said.

Ukraine

Political front

Georgian Foreign Minister Grigol Vashadze will pay an official visit to Ukraine June 10-11. During his visit. The sides will discuss a wide range of bilateral relations and prospects for further development of regional cooperation

Baltic States (Estonia, Latvia & Lithuania)

Estonia

The prime ministers of Latvia and Estonia met in Riga Friday to unveil a new report detailing 65 areas of possible future economic, political and cultural collaboration. Estonia's Andrus Ansip and Latvia's Valdis Dombrovskis said the document will form the basis for a further meeting in November and could prove to be 'really fruitful.

Russia

Bahrain yesterday urged a stronger economic partnership between Russia and the Arab world. "There is a great need for joint ventures and investment projects to seize untapped opportunities," Bahrain Chamber of Commerce and Industry chairman Dr Essam Fakhro said.

Turkish prime minister said on Tuesday that consolidation of relations between Turkey and Russia would contribute to regional peace, economic development and stability, particularly in the Caucasus. Turkey's Premier Recep Tayyip Erdoğan defined multi-dimensional relations with Russia as a prior foreign policy item of Turkey. Erdoğan and Putin met over breakfast at the Ciragan Palace on the sidelines of the Third Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA).

The proposed Blue Stream II natural-gas pipeline may not extend to Israel, although it was originally envisioned as a key customer, Russia's prime minister said on Tuesday, citing economic concerns. Vladimir Putin's remarks came after Turkey said it would shelve all energy-cooperation deals with Israel unless the country apologizes for the lethal attack on a Gaza-bound aid ship that killed eight Turks and one American of Turkish descent,

Chinese President Hu Jintao called for increased economic and military cooperation during a meeting with his Russian counterpart, Dmitry Medvedev, in Uzbekistan. Medvedev will visit China in September.

The Shanghai Cooperation Organization (SCO), where Russia and China call the shots, gathered Friday to consider changes to its membership guidelines which could lead to further expansion for the bloc. At its annual gathering in the Uzbek capital Tashkent, leaders were expected to adopt new guidelines seen as potentially opening the door to SCO observer nations India and Pakistan. But Mahmoud Ahmadinejad was expected to stay away from the summit after his country was slapped with fresh sanctions approved by the UN Security Council this week.

Russian Prime Minister Vladimir Putin begins a visit to France on Thursday for talks with leaders and to open a big exhibition, but a row over a warship sale could put a damper on the fete. Putin told AFP in an interview on the eve of his visit that a deal on the Mistral-class assault ship, now under negotiation for more than five months, is possible only if the vessel comes equipped with cutting-edge technology. France has said it will not lump sophisticated

radar systems and other sensitive technology into the deal, which would be the first sale of advanced military hardware by a NATO member to Russia.

Russia has said that the new United Nations sanctions do not forbid the delivery of S-300 air-defense missiles to Iran. Meanwhile Israel and the US have urged Russia not to supply the missile system, which would substantially increase Iran's defense capability. Russia agreed to sell the missiles in 2007, but has not yet delivered them.

Economic Front

Poland

Polskie Gornictwo Naftowe i Gazownictwo (PGNiG) SA will sell as much as 3 billion zloty (\$879 million) of bonds as the company begins raising funds for exploration and production, and to expand into electricity. Poland's dominant company, also known as PGNiG, will be able to sell as much of the domestic bonds under an agreement signed today with six banks, through the end of July of 2013.

A South Korean electronics components manufacturer is investing nearly €10m to build a new plant in Poland to turn out semi-finished products for multinational groups. Ace Rico Poland, part of the Korean Ace Hinge Tech group, is scheduled to launch its new unit in Bielawa, Poland in July this year which will serve OEMs including LG Group, Samsung and Dell.

Poland's unemployment rate likely fell to 12.0 percent in May from the 12.3 percent reported in April, the labour ministry said in a statement on Monday. Poland traditionally sees the number of jobless dip in late spring and summer due to increased activity in construction, agriculture and some other sectors. Analysts say the ministry's estimates tend to prove fairly accurate as the government has access to data from local job centres. Official May unemployment numbers are released at the end of June. Poland, the European Union's largest ex-communist economy, was the only member of the 27-strong bloc to avoid recession last year, helped by its large internal market of 38 million people, pre-programmed tax cuts and an inflow of EU funds.

Czech Republic

An upgrade of the Czech Republic's rating outlook by Fitch can lead to lower debt spreads and thus cut borrowing costs and help the 2011 budget, the likely next prime minister Petr Necas said on Friday. Fitch rating agency raised its 'A+' sovereign rating on the country to 'positive' based on the victory of centre-right parties, which pledged budget austerity, in a national election last weekend. President Vaclav Klaus earlier on Friday asked Necas, chief of the right-wing Civic Democrats, to lead coalition talks, a step confirming him as the clear frontrunner to become prime minister.

Exports and a slight pickup in domestic demand fueled growth in Hungary and the Czech Republic in the first quarter, though analysts said fiscal tightening in the euro zone will slow the pace of recovery later this year.

Hungary

Hungary's government said the new tax reform will not endanger the stability of Banking system. The Tax cuts could boost Hungary's growth and make its finances more sustainable but the government must first deliver on budget goals to regain investor confidence shaken by ill-worded comparisons with Greece. Hungary was the first European Union country to need International Monetary Fund help when the global crisis deepened in 2008, and will probably need to keep some kind of IMF safety net even after its current IMF/EU loan expires in October 2010

The Hungarian government's austerity pledge won the qualified backing of an international ratings agency Wednesday and was welcomed by the IMF while leaving some analysts skeptical. The Fitch ratings agency called the sweeping spending cuts and tax rises, outlined by Prime Minister Viktor Orban and designed to limit the country's public deficit to 3.8 percent of output this year, "moderately encouraging."

Belarus

The NZ International Business Forum (NZIBF) today welcomed the announcement by Trade Minister Tim Groser from Moscow that New Zealand and Russia, together with its customs union partners Belarus and Kazakhstan were in discussions over a future free trade agreement (FTA).

Ukraine

Ukraine has borrowed \$2 billion from Russia this week to bridge its budget deficit as talks on an IMF loan dragged on, a source in the Ukrainian government told Reuters on Friday. The government of the former Soviet republic is seeking a \$19 billion loan from the International Monetary Fund to assist economic recovery after a 15 percent contraction last year. Ukraine may seek bilateral loans from Russia and other countries if the International Monetary Fund turns down its \$19 billion loan request.

Ukrainian President Viktor Yanukovich said after his meeting with Turkish Prime Minister Recep Tayyip Erdogan in Istanbul that Ukraine and Turkey will create a high-level interstate strategic council. Mr. Yanukovich added that the council will be headed by the Turkish Prime Minister and Ukrainian President. Besides, the sides agreed that the Turkish Prime Minister will pay an official visit to Ukraine soon.

Ukraine is interested in broadening trade and economic cooperation with Greece, Ukrainian President Viktor Yanukovich said upon the arrival in Greece on a working visit. Ukraine and Greece should pool efforts to prevent a negative effect of the world economic crisis on the bilateral investments, Yanukovich said.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

As the first Baltic state to join the European common currency, Estonia will gain stability and security, but it also might have to help bail out more indebted nations. European

governments have pledged their support for Estonia to join the euro zone at the start of next year, but accession is not without risks, says the country's finance minister.

European finance ministers backed Estonia's bid to become the 17th country using the euro, overriding the European Central Bank's warning that the Baltic state may struggle to keep inflation under control.

Latvia

The European Commission has authorized, under EU State aid rules, a measure adopted by Latvia to limit the adverse impact of the current financial crisis on exporting firms. The Commission found the measure to be in line with its Temporary Framework for State aid measures to support access to finance in the current financial and economic crisis

The International Monetary Fund said Monday its staff had reached an agreement with Latvia that could free more of its international rescue fund. If the IMF's executive board approves the loan review at a meeting expected to take place in the second half of July, Latvia would get access to about EUR1 billion of financing, which also includes funding from European countries.

Latvia is on track to meet its 2010 budget deficit target of 8.5% of gross domestic product, but it will need to take further steps to meet its 2011 and 2012 objectives, the European Commission said Monday.

Lithuania

Latvian consumer prices fell 2.3 percent year-on-year in May, in line with expectations, while neighboring Lithuania saw 0.7 percent inflation, the countries' statistics offices said on Tuesday. Both have chosen spending and wage cuts to address economic imbalances rather than devaluing their euro-pegged currencies, hoping for rapid entry into the euro zone. But the current euro weakness, and support for commodity prices, may help curtail the period of falling prices in Latvia, analysts.

Lithuania's economic recovery remains fragile, though the Baltic state has managed to withstand the threat of financial collapse, the country's president told parliament on Tuesday. Lithuania, an ex-Soviet republic of 3.4 million, was among the worst-hit by the crisis in the European Union last year, but avoided asking for international assistance unlike neighboring Latvia.

Russia

The dollar rate may drop from the current level of 31 to 28 rubles per dollar by the end of 2012, whereas the Russian ruble may grow against major currencies of the world by 20 percent, a report from the Ministry for the Economic Development of the Russian Federation said.

Banks' balances in their correspondent accounts at the Russian central bank fell to 513.9 billion roubles on Tuesday from 550.2 billion roubles in the previous session,

Social front

Poland

Poland's national museum on Thursday launched an exhibition of homosexual art ranging from ancient Greece to contemporary works, hailing it as a first for the strongly Catholic country. The exhibition titled "Arts Homo Erotica. It is a unique event in an ultra-Catholic and conservative country like Poland. More than 200 works of art are featured, including classical Greek vases and sculptures, male nudes from the 19th and 20th centuries and contemporary art from former Communist countries in Eastern Europe. A small sign at the entrance warns visitors: "The exhibition could be considered indecent for children and they are only allowed to visit if accompanied by their parents or guardians." "We are aware that the exhibition will cause controversy but we think that we can advance democracy" in our country, Piotrowski said.

Czech Republic

Former President Vaclav Havel has won the prestigious Franz Kafka Prize. An international jury that included prominent German literary critic Marcel Reich-Ranicki and British publisher John Calder chose to give Havel the prize, which is awarded annually and includes \$10,000. Previously some of the winners include the American novelist Philip Roth and Nobel laureates Elfriede Jelinek of Austria and Harold Pinter of Britain.

Slovakia

Slovakia is on a mission to improve bilateral trade relations with Indonesia, Southeast Asia's biggest economy, by targeting to increase rubber imports and to offer advanced machinery for rubber-based products. "Slovakia is ranked 4th among top global machinery suppliers in the rubber industry, and we'd like to share our capacity in strengthening Indonesia's rubber industry, especially its tire production. Tire brand Matador was previously produced in Slovakia before being acquired by Germany-based Continental

Belarus

Two Belarusian hammer throwers who tested positive for excessive levels of testosterone and were stripped of their medals at the Beijing Olympics won them back on appeal on Thursday. The Court of Arbitration for Sport (CAS) ruled that Vadim Devyatovskiy and Ivan Tsikhan, who won silver and bronze respectively at the 2008 Games, should have their medals returned

Ukraine

On average 100 Turkish and Ukrainian couples apply to get married in the Turkish Embassy in Ukraine, Turkish Deputy Ambassador to Ukraine Özgür Arslan has said. Family values in Ukraine and Turkey were discussed on Wednesday at a roundtable meeting held in Kiev which Ukrainian deputies, scientists, Turkish and Ukrainian theologians and members of the press attended.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

IT-savvy Estonia, which already hosts NATO's cyber-defence centre, is also keen to draw the European Union's future IT agency, the country's foreign minister said Friday. "Estonia hopes that the European Union's IT agency will be set up here," Estonian Foreign Minister Urmas Paet said Friday. Estonia is competing with France to become the new EU agency's host state and the tiny Baltic nation has said it is willing to invest about 20 million euros (24 million US dollars) in the project should its bid win.

Russia

The exhibition coincides with the start of the joint Russian-Arab Business Council and the organization of working sessions between the two sides to discuss legal and technical aspects for the development of the Russian-Arab cooperation in various fields. Russian Prime Minister Vladimir Putin said that Russia was determined to improve relations with the Arab world to a high level. Putin stressed the importance of giving a new and effective dynamism for trade and economic cooperation between Russia and the Arab world. He expressed hope that such expo and ongoing discussions would contribute to the consolidation of ties between businessmen from both sides and promote trade at the level of companies and small and medium enterprises

Russian Prime Minister Vladimir Putin thanked the French leadership for the decision to build a Russian spiritual center in Paris and a monument to Russian warriors. He was speaking at an opening ceremony of the Russian National Exhibition at the Grand Palais. He saw sites in downtown Paris, where a new Russian Spiritual Center will be built and a monument to Russian warriors, who perished in the First World War and protected the Frenchmen.

Detailed Report

Poland

Political front

Polish, British FMs discuss Iran, EU and Middle East-June 11, 2010

<http://english.people.com.cn/90001/90777/90853/7021481.html>

Polish and British Foreign Ministers Radoslaw Sikorski and William Hague met here on Thursday to discuss the situation in Iran and the Middle East. The ministers holding a joint press conference stressed excellent relations between Warsaw and London. The two declared readiness of cooperation on the EU forum as well as in Afghanistan. Sikorski stressed that he and Minister Hague agreed to closely cooperate on European affairs. "We have similar views on EU enlargement, on building European diplomacy and on such issues as Afghanistan and the Middle East," the Polish minister was quoted as saying by the PAP news agency.

The key to understanding Poles-By Daniel Hannan-June 10th, 2010

<http://blogs.telegraph.co.uk/news/danielhannan/100043033/the-key-to-understanding-poles/>

Not even the most patriotic Varsovian pretends that the Polish capital is beautiful. Warsaw didn't simply suffer during the Second World War; it was systematically destroyed. Buildings were numbered according to their cultural significance, and then dynamited by the departing Nazis. To this day, other than the replica Old Town, the city is dominated by brutal, Communist-era architecture. But there is one sight which, alone, justifies a journey here: the Museum of the Warsaw Uprising, new since my last visit. It is a masterpiece of design and presentation, contriving to convey the magnitude of the ruin without losing the human scale. It is impossible not to think of the Yad Vashem memorial in Jerusalem, that other monument to a people who have suffered more than their due. Both displays keep bringing you back to the personal, reminding you that gruesome statistics are made up of individuals, each as much the centre of his universe as you are. Warsaw contextualises the melancholic streak that foreigners recognise in Poles. It explains their obsession with suffering and redemption. It even throws light on their religion. Among the museum displays is footage of Pope John Paul's first visit, as Pontiff, to Warsaw, in 1979. At an open air Mass, he gently reminded celebrants that the suffering they had experienced was a shadow of the agonies of Another: We cannot understand this city, Warsaw, which in 1944, abandoned by her allies, braved an unequal battle against the aggressor, a battle in which she was buried under her own ruins—unless we understand that under those same ruins was buried the statue of Christ the Saviour that stood before the church at Krakowskie Przedmieście. It seems petty to take issue with the phrase "abandoned by her allies". British, American and South African pilots did their best to drop arms and supplies for the Polish resistance, but were denied the use of Soviet airstrips by Stalin. The consequence was that, from a Polish perspective, the alliance with the Western Powers worked overwhelmingly one way. Poles fought in the Battle of Britain, in North Africa and in Italy, but were twice left alone when their homeland was overrun. I had planned, following the inaugural council meeting of the Alliance of European Conservatives and Reformists in Warsaw, to blog about the nobility, tempered with obstreperousness, in the Polish soul; about the importance of British-Polish

relations; about the coming presidential election; about the way in which the Kaczyński twins have been unfairly traduced. But the exhibition makes these things seem suddenly petty.

Street names become grounds for ideological warfare?-10.06.2010

http://www.thenews.pl/national/artykul133291_street-names-become-grounds-for-ideological-warfare.html

The Institute of National Remembrance, which is in charge of investigating Nazi and Communist crimes against Poland, is reminding local governments across the country to change street names that herald back to the communist era. There are still many streets and squares that recall the regime, yet since June 8 this year it is illegal to propagate totalitarian materials and content, with such a display of communist symbolism even carrying a 2 year prison sentence.

New UK foreign secretary in Warsaw-10.06.2010

http://www.thenews.pl/international/artykul133305_new-uk-foreign-secretary-in-warsaw.html

British foreign secretary William Hague - a former lewader of the Conservative Party - makes his first trip to Poland today, since the general elections in the UK in May put a new government in Downing Street. The working visit mainly features talks with Poland's Radosław Sikorski and an address at a meeting in Warsaw of Polish ambassadors accredited in European states, devoted to the main foreign policy tenets of Britain's new Conservative-Liberal Democrat coalition government

Poland

Economic front

PGNiG to Sell \$879 Million of Bonds to Fund Oil and Gas, Power

<http://www.bloomberg.com/apps/news?pid=20601009&sid=aNt2RIAkIc8s>

June 10 (Bloomberg) -- Polskie Gornictwo Naftowe i Gazownictwo SA will sell as much as 3 billion zloty (\$879 million) of bonds as the company begins raising funds for exploration and production, and to expand into electricity. Poland's dominant company, also known as PGNiG, will be able to sell as much the domestic bonds under an agreement signed today with six banks, which pledged to buy the securities through the end of July of 2013. The bonds won't be publicly traded and will have maturity of up to one year, the Warsaw-based company said in a regulatory statement.

Korean group to build electronics components plant in Poland-10 June 2010

<http://www.prw.com/subscriber/rss2.html?cat=1&id=1276162890>

A South Korean electronics components manufacturer is investing nearly €10m to build a new plant in Poland to turn out semi-finished products for multinational groups. Ace Rico Poland, part of the Korean Ace Hinge Tech group, is scheduled to launch its new unit in Bielawa, Poland in July this year which will serve OEMs including LG Group, Samsung and Dell. Ace Rico, set up in the country by Gyeong-gi do-based Ace Hinge Tech in May 2007, already produces

plastics components and provides assembly services of finished goods from semi-finished products it makes. It also assembles goods from products supplied by its clients, according to the Polish Information and Foreign Investment Agency Palilz.

Polish May jobless seen falling to 12 pct -ministry

<http://www.iii.co.uk/news/?type=afxnews&articleid=7929552&subject=companies&action=article>

WARSAW, June 7 (Reuters) - Poland's unemployment rate likely fell to 12.0 percent in May from the 12.3 percent reported in April, the labour ministry said in a statement on Monday. Poland traditionally sees the number of jobless dip in late spring and summer due to increased activity in construction, agriculture and some other sectors. Analysts say the ministry's estimates tend to prove fairly accurate as the government has access to data from local job centres. Official May unemployment numbers are released at the end of June. Poland, the European Union's largest ex-communist economy, was the only member of the 27-strong bloc to avoid recession last year, helped by its large internal market of 38 million people, pre-programmed tax cuts and an inflow of EU funds

Poland

Social front

Ivy Tech in orthopedics industry partnership-June 10, 2010

<http://www.indystar.com/article/20100610/BUSINESS/100610014/-1/news/Ivy-Tech-in-orthopedics-industry-partnership>

A collaborative education venture between Trine University in Angola, Ind., Grace College and Ivy Tech Community College is geared to support job creation and a work force to sustain the orthopedics industry in Warsaw, Ind. Trine leaders plan to establish a school of professional studies branch campus in Warsaw this fall, and partner with Grace in nearby Winona Lake and Ivy Tech in Warsaw to offer new education opportunities to support OrthoWorx, a Warsaw-based industry, community and education initiative to advance and support growth and innovation within the region's uniquely concentrated, globally significant orthopedics device sector.

Rare exhibition of homosexual art opens in Warsaw

<http://nz.entertainment.yahoo.com/100610/8/jiek.html>

WARSAW (AFP) - Poland's national museum on Thursday launched an exhibition of homosexual art ranging from ancient Greece to contemporary works, hailing it as a first for the strongly Catholic country. "Warsaw is the first city in this part of Europe to organise this kind of exhibition," museum director Piotr Piotrowski said at the opening of the show, titled "Ars Homo Erotica". "It is a unique event to show a subject of this kind in an ultra-Catholic and conservative country like Poland," added Jack Lohman, president of the museum's governing council. More than 200 works of art are featured, including classical Greek vases and sculptures, male nudes from the 19th and 20th centuries and contemporary art from former Communist countries in

Eastern Europe. A small sign at the entrance warns visitors: "The exhibition could be considered indecent for children and they are only allowed to visit if accompanied by their parents or guardians." "We are aware that the exhibition will cause controversy but we think that we can advance democracy" in our country, Piotrowski said.

Czech Republic

Political front

Czechs may join countries with direct presidential vote-Jun 10, 2010,

http://www.monstersandcritics.com/news/europe/news/article_1562125.php/Czechs-may-join-countries-with-direct-presidential-vote

Prague - Three political parties negotiating the Czech Republic's new centre-right majority government agreed Thursday to draft a bill that would allow for the direct election of president, party leaders said. If adopted, the Central European state of 10.4 million would expand the ranks of countries in the region - Austria, Poland, Slovakia and Slovenia - where citizens vote for their head of state directly. Hungary and Germany elect presidents in indirect votes. However, the prospective ruling coalition would need backing from opposition Social Democrats, as the constitutional change requires a majority of 120 votes in the 200-seat lower house.

Czech Republic to support India's bid for United Nations seat

<http://www.hindu.com/2010/06/08/stories/2010060862141400.htm>

PRAGUE: President of the Czech Republic Václav Klaus committed his country's support for India's bid for United Nations Security Council membership during his meeting here on Monday with the visiting Vice-President, Hamid Ansari. Mr. Klaus also appreciated India's requirement of facilitating mobility of people and goods between the two countries for better trade and commerce. The Czech Republic has already invested in Skoda Auto and entered into joint ventures with Tatra Vectra Motors Limited and Jawa-Yezdi motorcycles. The Bata shoe company originated in the erstwhile Czechoslovakia.

Czech Republic

Economic front

Czech leader Necas: Fitch upgrade can help budget

<http://www.iii.co.uk/news/?type=afxnews&articleid=7928211&subject=companies&action=article>

PRAGUE, June 4 (Reuters) - An upgrade of the Czech Republic's rating outlook by Fitch can lead to lower debt spreads and thus cut borrowing costs and help the 2011 budget, the likely next prime minister Petr Necas said on Friday. Fitch rating agency raised its 'A+' sovereign rating on the country to 'positive' based on the victory of centre-right parties, which pledged budget austerity, in a national election last weekend. President Vaclav Klaus earlier on Friday asked Necas, chief of the right-wing Civic Democrats, to lead coalition talks, a step confirming him as the clear frontrunner to become prime minister.

Exports fuel Hungary and Czech GDP-Jun 9

http://news.yahoo.com/s/nm/20100609/bs_nm/us_easteurope_gdp

PRAGUE (Reuters) – Exports and a slight pickup in domestic demand fueled growth in Hungary and the Czech Republic in the first quarter, though analysts said fiscal tightening in the euro zone will slow the pace of recovery later this year. Crawling out of last year's deep slumps, they outpaced Bulgaria, whose economy relies more on internal demand and which continued to contract as it tries to overcome the bursting of a foreign-lending-fueled credit bubble that led to double-digit growth before the global financial crisis. Following an export-led recovery fueled by inventory restocking and stimulus projects in euro zone states, which form the main export market for the European Union newcomers, domestic spending is now showing signs of gaining traction in the Czech Republic and Hungary. The Czech economy grew 0.5 percent versus the previous quarter, significantly more than an earlier flash estimate showing growth of only 0.2 percent

Czech Republic

Social front

Ex-Czech President Havel wins Kafka literary prize

http://hosted.ap.org/dynamic/stories/E/EU_CZECH_KAFKA_PRIZE?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2010-06-08-11-21-52

PRAGUE (AP) -- Former President Vaclav Havel has won the prestigious Franz Kafka Prize. An international jury that included prominent German literary critic Marcel Reich-Ranicki and British publisher John Calder chose to give Havel the prize, which is awarded annually and includes \$10,000. Past winners include the American novelist Philip Roth and Nobel laureates Elfriede Jelinek of Austria and Harold Pinter of Britain.

Slovakia

Political front

Slovakia's Return to the 'Black Hole'

http://online.wsj.com/article/SB40001424052748703302604575294161699943030.html#mod=todays_europe_opinion

The road from communist dictatorship to market democracy for former Eastern Bloc countries has been a rocky one. This is particularly true for Slovakia, which goes to the polls Saturday. The four years since the last election have been greatly disappointing. In the 1990s Slovakia had central Europe's worst-performing economy and least democratic government. Madeleine Albright, then the U.S. secretary of state, referred to it as "a black hole in the heart of Europe." But in 1998 the country embarked on a reformist course that saw the introduction of a flat tax, liberalization of the labor market, deregulation of business

Slovakia

Economic front

Electoral process for Slovakia's June 12 vote-June 10

<http://www.reuters.com/article/idUSL1223799220100610?rpc=401&feedType=RSS&feedName=bondsNews&rpc=401>

Wed, Jun 2 2010 June 10 (Reuters) - Slovaks will vote on June 12 to elect a new parliament in a tight battle between Prime Minister Robert Fico's centre-left cabinet and a group of centre-right opposition parties

Main party leaders in Slovak election race

<http://www.iii.co.uk/news/?type=afxnews&articleid=7937961&subject=markets&action=article>

June 10 (Reuters) - Slovaks choose a new parliament on Saturday in the country's first election since joining the euro zone in January 2009. Here are important facts about some of the country's main party leaders. Fico, 45, Slovakia's most popular politician and a tireless political campaigner, became prime minister in July 2006, succeeding pro-market reformist Mikulas Dzurinda. The lead of Fico's leftist SMER party over centre-right rivals has narrowed markedly, the latest polls show, paving the way for right-wing opposition parties to win a majority and form the next cabinet. Fico has pursued a stronger role for the state in the economy, halted privatisation projects, boosted the power of the unions and increased protection for workers. He has had a hostile, litigious relationship with the media, refusing interviews. Fico's cabinet in 2008 amended the law to force media to print unedited responses from any person or institution they have reported on, even if the published information is true, drawing international criticism

Slovakia's ruling party may lack allies after election

<http://www.irishtimes.com/newspaper/world/2010/0610/1224272193768.html>

SLOVAKIA'S POPULIST government faces a fight for survival in Saturday's general election after a divisive campaign dominated by a row with neighbouring Hungary, criticism of a nationalist party's anti-Roma rhetoric and a spate of devastating floods. The left-wing Smer party of prime minister Robert Fico is expected to comfortably win the ballot but to struggle to secure a majority in parliament, if surveys predicting a poor showing for its coalition partners prove accurate. Polls suggest Smer will take about 35 per cent of votes, but that the far-right Slovak National Party (SNS) and the HZDS party of authoritarian former prime minister Vladimir Meciar could struggle to gain the 5 per cent needed to enter parliament. The centre-right SDKU is forecast to come second, with about 14 per cent of votes, ahead of the Christian Democrats (KDH), the Freedom and Solidarity party and two groups representing Slovakia's Hungarian minority, which constitutes about 10 per cent of its 5.4 million population. Some polls suggest those five parties could form a majority if they joined forces, while others predicted that parliament would be split down the middle between rival alliances. The SDKU and the KDH say they will not form a coalition with Smer, and the ethnic Hungarian parties would find it all but impossible to work with the SNS, whose leader is best known for his virulently anti-Hungarian and anti-Roma outbursts. The Hungarians may also now be unable to work with Mr Fico, who

has spent much of the campaign castigating Budapest's new government for introducing a law to make it easier for ethnic Hungarians living abroad to gain citizenship.

Slovakia

Social front

Slovakia vows to help modernize RI rubber industry-The Jakarta Post-06/05/2010

<http://www.thejakartapost.com/news/2010/06/05/slovakia-vows-help-modernize-ri-rubber-industry.html>

Slovakia is on a mission to improve bilateral trade relations with Indonesia, Southeast Asia's biggest economy, by targeting to increase rubber imports and to offer advanced machinery for rubber-based products. "Slovakia is ranked 4th among top global machinery suppliers in the rubber industry, and we'd like to share our capacity in strengthening Indonesia's rubber industry, especially its tire production," said Counselor Vladimir Pristaš, who is also head of the commercial department at the Embassy of the Slovak Republic. Tire brand Matador was previously produced in Slovakia before being acquired by Germany-based Continental

Hungary

Political front

Hungary's parliament to elect president on June 29 07:49, June 10, 2010

<http://english.people.com.cn/90001/90777/90853/7019759.html>

Hungary's parliament speaker Pal Schmitt has named June 29 as the date for presidential elections to replace Laszlo Solyom, whose mandate expires on Aug. 5. The parties agreed to present their nominations by noon on June 25, Schmitt said on Wednesday. Last weekend, the Hungarian Socialist Party nominated Andras Balogh, who is currently Hungary's ambassador to Thailand, for the position

Commission visit to Hungary for informal discussions

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/712&format=HTML&aged=0&language=EN&guiLanguage=en>

On 7-9 June, the European Commission services, in close cooperation with the International Monetary Fund staff, visited Budapest for informal discussions with the incoming government. They noted the authorities' commitment to the agreed fiscal target of 3.8% of GDP in 2010, and their intention to implement corrective measures as needed. The next review mission, which will formally discuss these measures and other policies under the programme in detail, is expected for early July

Hungary

Economic front

Factbox: Hungarian PM unveils economic plan-Jun 8 2010

<http://www.reuters.com/article/idUSBDT00004620100610?rpc=401&feedType=RSS&feedName=hotStocksNews&rpc=401>

BUDAPEST June 10 (Reuters) - Hungary's government said on Thursday it was important a planned tax on the financial sector should not endanger banks' stability and should have minimal impact on their lending activity

Hungary Government to Prevent Bank Tax Costs Being Passed To Customers

http://www.advfn.com/news_Hungary-Government-To-Prevent-Bank-Tax-Costs-Being-Passed-To-Customers_43193100.html

The new Hungarian government will take steps to prevent banks from passing on to customers the costs of a new extraordinary bank tax the government is planning to introduce, Peter Szijjarto, the prime minister's spokesman said Friday. "Our interest is a significant strengthening of the [financial regulatory body] Pszaf," Szijjarto said. The extraordinary bank tax is part of the new government's economic plan, announced Tuesday. The government expects to take in HUF200 billion (\$862.2 million) this year from the special tax, which it is discussing with the Hungarian Banking Association.

ANALYSIS - Hungary tax cuts offer long term gain; tight budget key-Jun 11, 2010

<http://in.reuters.com/article/idINIndia-49228620100611?rpc=401&feedType=RSS&feedName=businessews&rpc=401>

BUDAPEST (Reuters) - Tax cuts could boost Hungary's growth and make its finances more sustainable but the government must first deliver on budget goals to regain investor confidence shaken by ill-worded comparisons with Greece. Hungary was the first European Union country to need International Monetary Fund help when the global crisis deepened in 2008, and will probably need to keep some kind of IMF safety net even after its current IMF/EU loan expires in October 2010

Hungarian measures win Fitch, IMF approval

http://news.yahoo.com/s/afp/20100609/bs_afp/hungaryfinanceconomy

BUDAPEST, Hungary (AFP) – The Hungarian government's austerity pledge won the qualified backing of an international ratings agency Wednesday and was welcomed by the IMF while leaving some analysts skeptical. The Fitch ratings agency called the sweeping spending cuts and tax rises, outlined by Prime Minister Viktor Orban and designed to limit the country's public deficit to 3.8 percent of output this year, "moderately encouraging." But it cautioned that more information was needed on the "cost, timing and credibility of measures to meet the 2010 target." Orban vowed to meet the 3.8 percent budget deficit level agreed with the International Monetary Fund and European Union after unveiling his new economic programme on Tuesday.

Eastern Europe (Belarus & Ukraine)

Belarus

Political front

Obama administration extends sanctions against Belarus

<http://www.orlandosentinel.com/news/nationworld/sns-ap-us-us-belarus,0,4509769.story>

WASHINGTON (AP) — The United States has extended sanctions against Belarus aimed at pressuring democratic reform. The White House said the sanctions target specific officials and citizens who have undermined democratic institutions, committed human rights abuses or benefited from corruption. A statement released Tuesday acknowledged the 2008 release of political prisoners by Minsk. But it added that "serious challenges remain." An executive order by President Barack Obama extends the sanctions for one year. Belarusian Foreign Ministry spokesman Andrei Savinykh denounced the U.S. sanctions as "useless and confrontational." He said that Belarus considers lifting the sanctions a key condition for improving relations with Washington. Belarus' first post-Soviet leader, Stanislav Shushkevich, said the U.S. move would make it more difficult for President Alexander Lukashenko to win concessions from the Kremlin by threatening to forge closer ties with the West if Russia refused to maintain subsidies for Belarus' Soviet-style economy. "Lukashenko has bad relations with the United States, Europe and Russia, and that's pretty bad for him ahead of presidential elections" set for next year, Shushkevich said.

Medvedev to meet Lukashenko June 11 – Kremlin-10.06.2010

<http://www.itar-tass.com/eng/level2.html?NewsID=15215514&PageNum=0>

MOSCOW, June 10 (Itar-Tass) - Russian President Dmitry Medvedev will meet his Belarussian counterpart Alexander Lukashenko on June 11, the Kremlin press service reported on Thursday. Lukashenko will be in Moscow on a working visit, the press service said. On June 7, Lukashenko telephoned President Dmitry Medvedev to discuss the preparation of a top-level working meeting to be held shortly. The presidents of the two countries confirmed their determination to continue discussing issues concerning the creation of the Customs Union in light of the decisions adopted by Russia and Kazakhstan at the meeting of the Customs Union's supreme body at the level of heads of government in St. Petersburg on May 21, 2010.

Minsk ready to sign customs code without exceptions – FM-09.06.2010

<http://www.itar-tass.com/eng/level2.html?NewsID=15210529&PageNum=0>

MINSK, June 9 (Itar-Tass) - Minsk is ready to sign the customs code of the Customs Union between Belarus, Russia and Kazakhstan without exceptions, Deputy Foreign Minister Andrei Yevdochenko told the Belarussian-Polish economic forum on Wednesday. He noted that the customs code signed by Russia and Kazakhstan in St. Petersburg in May contains exceptions. Belarus' state customs committee also took an active part in drafting the document. "Belarus is ready to sign it, too, but without exceptions," the diplomat said.

Syrian President Assad, Belarus FM discuss bilateral relationship-09.06.2010

<http://en.trend.az/regions/met/arabicr/1701731.html>

Syrian President Bashar al-Assad on Tuesday discussed with the visiting Belarussian Foreign Minister Sergei Martynov bilateral relations, the official SANA news agency reported. During

their meeting, the two sides voiced mutual desire to open new prospects of cooperation in industry, trade and education, Xinhua reported. Martynov conveyed an invitation from Belarusian President Alexander Lukashenko to Assad, hoping the Syrian leader could visit Belarus as soon as possible, the report said.

Belarus

Economic front

Business Forum welcomes discussions towards FTA-10 June 2010

International Business Forum welcomes discussions towards Russia FTA. The NZ International Business Forum (NZIBF) today welcomed the announcement by Trade Minister Tim Groser from Moscow that New Zealand and Russia, together with its customs union partners Belarus and Kazakhstan were in discussions over a future free trade agreement (FTA).

Belarus

Social front

Belarussian hammer throwers to get Beijing medals back-May 12, 2010

LONDON (Reuters) - Two Belarusian hammer throwers who tested positive for excessive levels of testosterone and were stripped of their medals at the Beijing Olympics won them back on appeal on Thursday. The Court of Arbitration for Sport (CAS) ruled that Vadim Devyatovskiy and Ivan Tsikhan, who won silver and bronze respectively at the 2008 Games, should have their medals returned

Honduras Camp Focus - From bad to worse-07 June 2010

As World Cup preparations go, things could not be going much worse for Honduras. After two miserable draws in Austria against minnows Belarus and Azerbaijan, Saturday brought a final warm up game against Romania, and with it, a sorry 3-0 thrashing. To compound matters, star midfielder Wilson Palacios was stretchered off with a shin injury and his chances of featuring in the tournament at all currently hang in the balance.

Ukraine

Political front

Georgian FM to visit Ukraine-08.06.2010

Georgian Foreign Minister Grigol Vashadze will pay an official visit to Ukraine June 10-11. During his visit, Vashadze will meet with his Ukrainian counterpart Konstantin Grishenko, as well as other senior officials, the ministry told Trend. The sides will discuss a wide range of bilateral relations and prospects for further development of regional cooperation

Ukraine says may turn to Russia if IMF talks fail-Jun 8, 2010

<http://www.reuters.com/article/idUSLDE6570N520100608?rpc=401>

KIEV, June 8 (Reuters) - Ukraine may seek bilateral loans from Russia and other countries if the International Monetary Fund turns down its \$19 billion loan request, Deputy Prime Minister Sergey Tigipko said. In a first sign that the new government is unsure about the outcome of prolonged IMF talks focusing on the need for painful reforms, Tigipko said in a television talk show late on Monday that the crisis-hit, former Soviet republic had other options.

Ukraine

Economic front

Ukraine borrows \$2 bln from Russia to support budget-June 11, 2010

Cash-strapped Ukraine has borrowed \$2 billion from Russia this week to bridge its budget deficit as talks on an IMF loan dragged on, a source in the Ukrainian government told Reuters on Friday. "As part of foreign borrowings allowed by the law on state budget, we have borrowed from Russia," said the source who did not provide any other details. The government of the former Soviet republic is seeking a \$19 billion loan from the International Monetary Fund to assist economic recovery after a 15 percent contraction last year

Ukraine and Turkey to create interstate strategic council

<http://www.panarmenian.net/eng/world/news/49748/>

June 8, 2010 - 17:39 AMT 12:39 GMT PanARMENIAN.Net - Ukrainian President Viktor Yanukovich said after his meeting with Turkish Prime Minister Recep Tayyip Erdogan in Istanbul that Ukraine and Turkey will create a high-level interstate strategic council. Mr. Yanukovich added that the council will be headed by the Turkish Prime Minister and Ukrainian President. Besides, the sides agreed that the Turkish Prime Minister will pay an official visit to Ukraine soon. According to Yanukovich, there is a range of issues, on which it is necessary to intensify relations, specifically, to take action on involvement of the two countries' businessmen.

Ukraine wishes to broaden economic cooperation with Greece – Yanukovich-06.06.2010

<http://www.itar-tass.com/eng/level2.html?NewsID=15199972&PageNum=0>

KIEV, June 6 (Itar-Tass) -- Ukraine is interested in broadening trade and economic cooperation with Greece, Ukrainian President Viktor Yanukovich said upon the arrival in Greece on a working visit. "Ukraine wishes to broaden trade and economic cooperation with Greece, which have reduced because of the world economic crisis," Yanukovich told Greek President Karolos Papoulias. Ukraine and Greece should pool efforts to prevent a negative effect of the world economic crisis on the bilateral investments, Yanukovich said. So far, investments fall short the Ukrainian potential, he added

Ukraine

Social front

100 Turkish-Ukrainian couples marry monthly

<http://www.todayszaman.com/tz-web/news-212741-101-100-turkish-ukrainian-couples-marry-monthly.html>

On average 100 Turkish and Ukrainian couples apply to get married in the Turkish Embassy in Ukraine, Turkish Deputy Ambassador to Ukraine Özgür Arslan has said. Family values in Ukraine and Turkey were discussed on Wednesday at a roundtable meeting held in Kiev which Ukrainian deputies, scientists, Turkish and Ukrainian theologians and members of the press attended. The meeting was held by the Turkey-based Dialogue Eurasia Platform (DA), an international civil society organization, and the Ukrainian parliamentary commission on families.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political front

Latvia and Estonia draw up future collaboration wish list-Jun 11, 2010,

http://www.monstersandcritics.com/news/europe/news/article_1562466.php/Latvia-and-Estonia-draw-up-future-collaboration-wish-list

Riga - The prime ministers of Latvia and Estonia met in Riga Friday to unveil a new report detailing 65 areas of possible future economic, political and cultural collaboration. Estonia's Andrus Ansip and Latvia's Valdis Dombrovskis said the document will form the basis for a further meeting in November and could prove to be 'really fruitful.'

Estonia

Economic front

Estonian Euro Zone Membership Has Risks

http://www.businessweek.com/globalbiz/content/jun2010/gb20100610_598140.htm

As the first Baltic state to join the European common currency, Estonia will gain stability and security, but it also might have to help bail out more indebted nations. European governments have pledged their support for Estonia to join the eurozone at the start of next year, but accession is not without risks, says the country's finance minister. Speaking to EUobserver on Tuesday (8 June) after gaining membership approval from EU colleagues, Estonian finance minister Mr Jurgen Ligi said the Baltic state's decision to join the single currency still makes sense, despite recent market turmoil and a weakened euro that has fallen 17 percent versus the dollar this year.

Revised Estonia Q1 GDP shows smaller 2 pct fall

<http://www.iii.co.uk/news/?type=afxnews&articleid=7933819&subject=economic&action=articl>

TALLINN, June 9 (Reuters) - Estonia's first quarter 2010 gross domestic product (GDP) was revised up to show a 2.0 percent year-on-year fall, the statistics office said on Wednesday. Last month's preliminary figures showed a 2.3 percent contraction. In the fourth quarter, Estonia recorded 9.5 percent year-on-year decline in GDP after reporting revised 2.4 percent growth quarter-on-quarter. "Domestic demand was weak," in the first quarter, the statistics office said in

a statement. The office said domestic demand slumped by 11 percent, which was a slower rate of contraction than in previous quarters. The investment climate remained poor.

Estonia to Adopt Euro as EU Overrides ECB Qualms (Update2)

June 8 (Bloomberg) -- European finance ministers backed Estonia's bid to become the 17th country using the euro, overriding the European Central Bank's warning that the Baltic state may struggle to keep inflation under control. Today's decision to admit Estonia, a former Soviet republic that entered the European Union in 2004, shows that the EU won't let the Greece-fueled debt crisis in western Europe prevent it from widening the currency bloc to the east.

Estonia

Social front

Estonia keen to host EU's future IT agency: minister June 5, 2010

<http://news.smh.com.au/breaking-news-technology/estonia-keen-to-host-eus-future-it-agency-minister-20100605-x159.html>

IT-savvy Estonia, which already hosts NATO's cyber-defence centre, is also keen to draw the European Union's future IT agency, the country's foreign minister said Friday. "Estonia hopes that the European Union's IT agency will be set up here," Estonian Foreign Minister Urmas Paet said Friday, after meeting Alexander Alvaro, shadow rapporteur of the European Parliament. Estonia is competing with France to become the new EU agency's host state and the tiny Baltic nation has said it is willing to invest about 20 million euros (24 million US dollars) in the project should its bid win.

Latvia

Economic front

State Aid: Commission approves Latvian short-term export credit insurance scheme

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/718&format=HTML&aged=0&language=EN&guiLanguage=en>

The European Commission has authorised, under EU State aid rules, a measure adopted by Latvia to limit the adverse impact of the current financial crisis on exporting firms. The Commission found the measure to be in line with its Temporary Framework for State aid measures to support access to finance in the current financial and economic crisis (see IP/08/1993). In particular, the measure requires a market-oriented remuneration and tackles the problem of the current unavailability of the short-term export credit insurance cover in the private market. The Commission authorised the measure until 31 December 2010.

Latvia to Continue Working on 2011 Budget Consolidation

http://www.advfn.com/news_Latvia-To-Continue-Working-On-2011-Budget-Consolidation_43124490.html

The Latvian Finance Ministry Monday said the government will continue to work on a detailed list of budget consolidation measures for next year. "The work to estimate the precise need for consolidation will be continued, taking into account future economic developments and the execution of the state budget in the autumn," the ministry said in a statement after the successful completion of a review of the country's international loan program. In late 2008, the Baltic nation, which was on the verge of defaulting at the height of the financial crisis, obtained a EUR7.5 billion international rescue package from the International Monetary Fund, the European Union and other countries. The ministry said in an initial assessment it reached a common understanding with the partners of its international loan program that consolidation in 2011 should amount to LVL395 million-LVL440 million

IMF, Latvia Reach Staff-Level Agreement on Loan Review

http://www.advfn.com/news_IMF-Latvia-Reach-Staff-Level-Agreement-On-Loan-Review_43122078.html

The International Monetary Fund said Monday its staff had reached an agreement with Latvia that could free more of its international rescue fund. If the IMF's executive board approves the loan review at a meeting expected to take place in the second half of July, Latvia would get access to about EUR1 billion of financing, which also includes funding from European countries. Given Latvia's "much stronger financial position," however, the government only plans to draw on the EUR300 million being provided by the IMF and European Commission, as well as another EUR100 million that has been approved by the World Bank, the fund said in a statement.

EU:Latvia 8.5% Of GDP 2010 Budget Deficit Target "Within Reach"

http://www.advfn.com/news_EU-Latvia-8-5-Of-GDP-2010-Budget-Deficit-Target-Within-Reach_43121563.html

Latvia is on track to meet its 2010 budget deficit target of 8.5% of gross domestic product, but it will need to take further steps to meet its 2011 and 2012 objectives, the European Commission said Monday. The commission's comments following discussions between the Latvian authorities, the commission, the World Bank and the International Monetary Fund on the progress of the country's economic program agreed as part of a EUR7.5 billion financial assistance package.

Lithuania

Economic front

Latvia CPI dips 2.3 pct in May, Lithuania up 0.7 pct

<http://www.iii.co.uk/news/?type=afxnews&articleid=7932864&action=article>

RIGA/VILNIUS, June 8 (Reuters) - Latvian consumer prices fell 2.3 percent year-on-year in May, in line with expectations, while neighboring Lithuania saw 0.7 percent inflation, the countries' statistics offices said on Tuesday. Price pressure has been muted in both countries after deep recessions in the wake of the global financial crisis. Both have chosen spending and wage cuts to address economic imbalances rather than devaluing their euro-pegged currencies, hoping

for rapid entry into the euro zone. But the current euro weakness, and support for commodity prices, may help curtail the period of falling prices in Latvia, analysts."The deflation period might be shorter than previously expected," Lija Strasuna, an economist at Swedbank in Riga, said in a note, saying she now expected average consumer price deflation of about 2 percent in 2010 from a previous forecast of 3 percent deflation

Lithuania's economic recovery still fragile-president

<http://www.iii.co.uk/news/?type=afxnews&articleid=7931666&subject=economic&action=articl>

VILNIUS, June 8 (Reuters) - Lithuania's economic recovery remains fragile, though the Baltic state has managed to withstand the threat of financial collapse, the country's president told parliament on Tuesday. Lithuania, an ex-Soviet republic of 3.4 million, was among the worst-hit by the crisis in the European Union last year, but avoided asking for international assistance unlike neighbouring Latvia. The region's troubles are closely watched by investors in Swedish banks, who have poured money into the region.

Russia

Political front

Stronger Russia-Arab economic ties urged-June 08, 2010

MANAMA: Bahrain yesterday urged a stronger economic partnership between Russia and the Arab world. "There is a great need for joint ventures and investment projects to seize untapped opportunities," Bahrain Chamber of Commerce and Industry chairman Dr Essam Fakhro said.

Turkey, Russia to contribute to regional peace, stability

Turkish prime minister said on Tuesday that consolidation of relations between Turkey and Russia would contribute to regional peace, economic development and stability, particularly in the Caucasus. Turkey's Premier Recep Tayyip Erdoğan defined multi-dimensional relations with Russia as a prior foreign policy item of Turkey. "We aim to raise our trade volume to 100 billion USD in five years," Erdoğan told a joint press conference with his Russian counterpart Vladimir Putin in İstanbul. Erdoğan and Putin met over breakfast at the Ciragan Palace on the sidelines of the The Third Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA)

Medvedev calls for cuts in Russia's bureaucracy-Tue Jun 8, 2010

MOSCOW (Reuters) - President Dmitry Medvedev ordered the government on Tuesday to draw up plans to cut the number of Russia's officials by 20 percent in an apparent bid to reduce bloated state expenditure and curb endemic corruption. The number of state officials, who often enjoy more lucrative perks than their private sector counterparts, have grown by almost 50 percent to 1.67 million since Russia's economy took off in 2000, according to official statistics. Activists say Russia's bureaucrats curb economic development by demanding hefty bribes and weighing businesses down with complex paperwork

Russia, Turkey may scrap Israel gas pipeline deal-Putin says decision not linked to recent flotilla attack-June 10, 2010

<http://gulfnews.com/business/oil-gas/russia-turkey-may-scrap-israel-gas-pipeline-deal-1.639065>

Manama: The proposed Blue Stream II natural-gas pipeline may not extend to Israel, although it was originally envisioned as a key customer, Russia's prime minister said on Tuesday, citing economic concerns. Vladimir Putin's remarks came after Turkey said it would shelve all energy-cooperation deals with Israel unless the country apologises for the lethal attack on a Gaza-bound aid ship that killed eight Turks and one American of Turkish descent, Hürriyet Daily News & Economic Review reported. "The problem is different," Putin told a joint news conference with his Turkish counterpart, Recep Tayyip Erdogan, on the sidelines of a regional security summit in Istanbul. "Israel, according to the data available, has found natural gas on its own continental shelf. Therefore I think Blue Stream [II] may not be extended to Israel because of economic concerns.

New Japanese govt to develop political, economic ties with Russia-10.06.2010

TOKYO, June 10 (Itar-Tass) -- The new Japanese government's approach to Russia will not change much and will continue to focus on advancing political and economic relations between the two countries, Foreign Minister Katsuya Okada said. In a telephone conversation with his Russian counterpart Sergei Lavrov on Wednesday, Okada informed him that Japan's new Prime Minister Naoto Kan would like to meet Russian President Dmitry Medvedev at the upcoming G8 summit in Canada in June. The minister also expressed hope that Lavrov's would be able to visit Tokyo shortly in order to exchange views on economic and political issues, including the territorial one

China's Hu Calls for Increased Military Cooperation with Russia-June 10, 2010

<http://www.businessweek.com/news/2010-06-10/china-s-hu-calls-for-increased-military-cooperation-with-russia.html>

June 10 (Bloomberg) -- Chinese President Hu Jintao called for increased economic and military cooperation during a meeting with his Russian counterpart, Dmitry Medvedev, in Uzbekistan. "We should join our efforts to attain greater, real results in cooperation on trade, the economy, energy and military technology," Hu told Medvedev today in Tashkent, where the two leaders arrived to attend a regional summit tomorrow. Medvedev will visit China in September.

Shanghai group meets for expansion without Ahmadinejad

http://news.yahoo.com/s/afp/20100611/wl_asia_afp/russiairanchinadiplomacypolitics

TASHKENT (AFP) – The Shanghai Cooperation Organization (SCO), where Russia and China call the shots, gathered Friday to consider changes to its membership guidelines which could lead to further expansion for the bloc. At its annual gathering in the Uzbek capital Tashkent, leaders including Russia's Dmitry Medvedev and China's Hu Jintao were expected to adopt new guidelines seen as potentially opening the door to SCO observer nations India and Pakistan. But Mahmoud Ahmadinejad, the leader of another SCO observer nation, Iran, was expected to stay

away from the summit after his country was slapped with fresh sanctions approved by the UN Security Council this week.

Putin in France to celebrate ties amid warship row-Friday, June 11, 2010

http://thenews.com.pk/daily_detail.asp?id=244310

PARIS: Russian Prime Minister Vladimir Putin begins a visit to France on Thursday for talks with leaders and to open a big exhibition, but a row over a warship sale could put a damper on the fete. Putin told AFP in an interview on the eve of his visit that a deal on the Mistral-class assault ship, now under negotiation for more than five months, is possible only if the vessel comes equipped with cutting-edge technology. France has said it will not lump sophisticated radar systems and other sensitive technology into the deal, which would be the first sale of advanced military hardware by a Nato member to Russia. "For us, this deal is interesting only if it is accomplished with a parallel transfer of technology," Putin told AFP. The warship deal is expected to figure prominently in talks during a working dinner later on Thursday between Putin and Prime Minister Francois Fillon and with President Nicolas Sarkozy on Friday.

Russia: Iran sanctions won't stop missile deal

<http://www.todayszaman.com/tz-web/news-212770-100-russia-iran-sanctions-wont-stop-missile-deal.html>

Russia has said that the new United Nations sanctions do not forbid the delivery of S-300 air-defense missiles to Iran. Israel and the US have urged Russia not to supply the missile system, which would substantially increase Iran's defense capability. Russia agreed to sell the missiles in 2007, but has not yet delivered them. Russian Foreign Ministry spokesman Andrei Nesterenko told journalists on Thursday that the UN resolution does not apply to air-defense systems, with the exception of mobile missiles. He spoke after the Interfax news agency, citing an unidentified source, reported that the S-300 contract would be frozen because of new UN sanctions

Russia

Economic front

Weaker Euro May Kill Russian Ruble and Industry

<http://english.pravda.ru/business/finance/07-06-2010/113696-ruble-0>

The dollar rate may drop from the current level of 31 to 28 rubles per dollar by the end of 2012, whereas the Russian ruble may grow against major currencies of the world by 20 percent, a report from the Ministry for the Economic Development of the Russian Federation said. The growth of the Russian currency may occur even faster due to the weakening of the euro, the ministry's moderately optimistic forecast for 2011-2013 said.

Russian bank balances fall to 513.9 bln rbls

<http://www.iii.co.uk/news/?type=afxnews&articleid=7931103&subject=economic&action=articl>

MOSCOW, June 8 (Reuters) - Banks' balances in their correspondent accounts at the Russian central bank fell to 513.9 billion roubles on Tuesday from 550.2 billion roubles in the previous session, the central bank said.

All figures are in billions of roubles

BALANCES June 8 June 7

Total 513.9 550.2

Moscow region 359.9 403.4

Banks' deposits at the central bank 809.0 737.1

Russia

Social front

2nd Arabia Expo - 2010 opens in Moscow-Economics-6/7/2010

<http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2092953&Language=>

The exhibition coincides with the start of the joint Russian-Arab Business Council and the organization of working sessions between the two sides to discuss legal and technical aspects for the development of the Russian-Arab cooperation in various fields. Russian Prime Minister Vladimir Putin said in a speech delivered on his behalf by the Russian special presidential envoy to the Middle East Alexander Sultanov that Russia was determined to improve relations with the Arab world to a high level. Putin stressed the importance of giving a new and effective dynamism for trade and economic cooperation between Russia and the Arab world. He expressed hope that such expo and ongoing discussions would contribute to the consolidation of ties between businessmen from both sides and promote trade at the level of companies and small and medium enterprises

Putin thanks France for decision to build Russian spiritual center-11.06.2010

<http://www.itar-tass.com/eng/level2.html?NewsID=15219393&PageNum=0>

PARIS, June 11 (Itar-Tass) -- Russian Prime Minister Vladimir Putin thanked the French leadership for the decision to build a Russian spiritual center in Paris and a monument to Russian warriors. Speaking at an opening ceremony of the Russian National Exhibition at the Grand Palais, the Russian premier noted that he is very glad to visit Paris again and to see this beautiful city. "Monsieur Francois Fillon showed to me two sites in downtown Paris, where a new Russian Spiritual Center will be built and a monument to Russian warriors, who perished in the First World War and protected the Frenchmen, will be unveiled," Putin noted.

