

Report No.140

**PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD
CENTRAL AND EASTERN EUROPE INCLUDING RUSSIA AND BALTICS**

Weekly report 3rd Oct to 9th Oct 2010

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(About Sources)

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

(About Region)

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



Key words for headings (in the Report Summary): -

EU-Geo-strategic front- Geo-strategic Front-Financial and Economic Front-Social Front -Cyber news-Central & Europe-Eastern Europe-Baltic States-Russia

Headlines

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

Poland

- Polish ruling party narrows lead before local polls
- We need to integrate armed forces, says Komorowski
- Turkey to host Austrian, Polish ministers, Chinese PM
- Poland supports Turkey's EU accession bid-07.10.2010
- Minimum wage to rise next year-06.10.2010
- Poland gets four bids for \$1.8 billion stake in ENEA
- Poland goes to war on 'smart drugs'-04.10.2010
- Polish prosecutors to investigate CIA black site torture allegations
- Polish migrants are coming back to UK

Czech Republic

- Klaus on CNBC: Czech economy improving, will grow by up to 2.5%
- Czech industry shows almost 13 per cent surge in August-Oct 7, 2010,
- The Magic of Czech Animation Takes Centre Stage at OIAF
- PM Says Education Key to Roma Inclusion
- Czechs knock off defending champ Australia

Slovakia

- Slovak prime minister gets death threat letter
- Slovakia: Cabinet Okays language law amendment
- Coalition government agrees VAT hike-3 October 2010
- Greece's Minister of Defense meets Slovak counterpart
- Slovak Government Raises Funds Cheaper Than Spain in 15-Year Bond Sale

Hungary

- Political Analyst on why the Municipal elections matter
- Toxic mud slide reaches Danube River Friday, Oct. 8, 2010
- Seven die after toxic spill in Hungary
- Hungary seeks no new IMF agreement -econ ministry
- Bulgaria on alert for any impact from Hungarian red sludge disaster

Eastern Europe (Belarus & Ukraine)

Belarus

- Medvedev shares vision of Russia-Belarus relations in his videoblog-
- Medvedev slams Belarusian leader in run-up to presidential poll
- Belarus to ship oil from overseas via Ukraine
- Number of Belarus presidential candidates reduces to 15

- Belarusian Pres calls on voters to sign up for opposition candidates
- Armenia-Belarus turnover totals \$40 million-October 6, 2010 –
- Putin Gets Birthday Wishes From Belarusian President

Ukraine

- President proposes new motto for united Europe - "One for All, All For One"
- The Visit of the Ukrainian President to France Aims at Making Breakthrough in the Bilateral Relations
- Yanukovich assures Cameron Ukraine to be democratic state
- Ukraine joins Energy Community
- Russia, Ukraine approve program of cooperation for 2011-2016
- A Quiet International Reaction on Ukraine's Constitutional Reform Cancellation
- Ukraine imposes limit on grain exports
- Ukraine bounces back following \$2bn Eurobond issues
- Inflation in Ukraine highest since March
- Hungarian toxic sludge to reach Ukraine in 14 days: officials
- Russian authorities detain Ukrainian national in online fraud scheme

Baltic States (Estonia, Latvia & Lithuania)

Estonia

- Estonian President in Afghanistan
- Estonian inflation rises in September ahead of euro switch
- Milk Rising 66% Sparks Baltic Price-Fixing Probes in Anti-Inflation Fight.
- Estonia to host EU IT agency after deal with France

Latvia

- Latvian coalition retains power
- Latvia PM wins election, to keep on IMF, euro path
- Latvia braces for more budget cuts as voters back premier (Roundup)
- Latvian PM to form majority coalition after vote
- September inflation up in Latvia and Lithuania

Lithuania

- Envoy sees vast scope for trade with Lithuania
- Lithuanian FM and chairmen of Azerbaijani parliamentary commissions discuss bilateral relations
- European cuts spur protests across continent

Russia

- Duma to discuss aggressive rhetoric of Belarusian pres
- Russia successfully tests long-range missile

- India to buy advanced fighter jets from Russia
- Russian president begins first-ever Cyprus visit
- Russia and Cyprus sign double-taxation, 14 other agreements-Oct 7, 2010,
- Russia to Refund Iran for Canceled Missile Deal
- Venezuela's Chavez to visit China, Russia, Belarus, Iran
- Russia and US reach agreement on WTO accession
- Russia to build up gas supply to Macedonia
- Russian Rouble slips to 8-month low
- IMF lowers Russian 2010 economic growth forecast to 4 percent
- Moscow ex - Mayor to Challenge His Old Ruling Party

Overview of report

According to some opinion Poles the Poland's ruling Civic Platform (PO) is leading over the main opposition Law and Justice party (PiS) in the forth coming parliamentary election in January 2011. On the other hand in Hungary the ruling FIDESZ party has swept the Hungarian Municipal Elections Board in the same manner in which it crushed the Social democrats in the April's parliamentary elections.

At Eastern European front the Ukrainian President Viktor Yanukovich has completed his first official visit to France. Moreover Ukraine joined the Energy Community by signing the Commission's accession protocol.

While the Belarusian President has succeeded in occupying a space in the Russian and Eastern European Media by sending happy birthday congratulation to Prime Minister Putin while at same time using very harsh and humiliating remarks against President Medvedev. However reacting to that the lower house of the Russian parliament the State DUMA, also has retaliated very harshly against the Belarusian President

At the social Front the Toxic Red Sludge from a Hungarian Alumina Plant reached the Danube River, It is called an "Unprecedented Ecological Catastrophe" by the Hungarian President and called for International help.

Strikes or protests took place last week in Greece, Portugal, Ireland, Slovenia and Lithuania, against the budget-slashing, tax-hiking, pension-cutting austerity plans that European governments have implemented to try to control their rising debt.

Report Summary

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

Political Front

Poland

A poll showed on Sunday that Poland's ruling Civic Platform (PO), narrowed its lead over the main opposition Law and Justice party (PiS). The survey, conducted by pollster Homo Homini for Polish Radio, showed support for Prime Minister Donald Tusk's centre-right pro-business party had dropped to 37 percent from 42 whilst the socially conservative, right-wing PiS had slightly improved its backing to 28 from 27 percent. The next parliamentary election is set for autumn 2011.

President Bronislaw Komorowski at the opening ceremony of the university year at the National Defense Academy has criticized Defense Minister's idea to transfer the headquarters of the armed forces out of capital city. Minister Klich intends to move the command of the Land Forces to Wrocław and the Air Force to Poznań, but the plans have been put on hold for financial reasons.

Poland reaffirmed once again to bring Turkey closer to EU accession, yesterday during his two-day trip to Istanbul and Ankara. Polish Foreign Minister Sikorski after meeting with his Turkish counterpart said that during its EU presidency in the second half of next year Poland would like to close at least one chapter in the accession talks between the EU and Turkey.

Slovakia

Slovak Prime Minister confirmed on Wednesday that she had received a threatening letter. Radicova got a letter containing a cartridge case at her home address in Nova Dedinka, 20 km from Bratislava,

The Ruling Centre-Right Coalition Government of Slovakia recently agreed on the draft 2011 budget which includes a 1% increase in the standard rate of value-added tax (VAT), from 19% to 20%. The budget proposition also contains a series of austerity measures aimed at taming the ailing economy. The Slovakian government firmly favors the introduction of austerity measures, and hopes to use the provisions to cut the fiscal deficit by more than €1.7 billion next year.

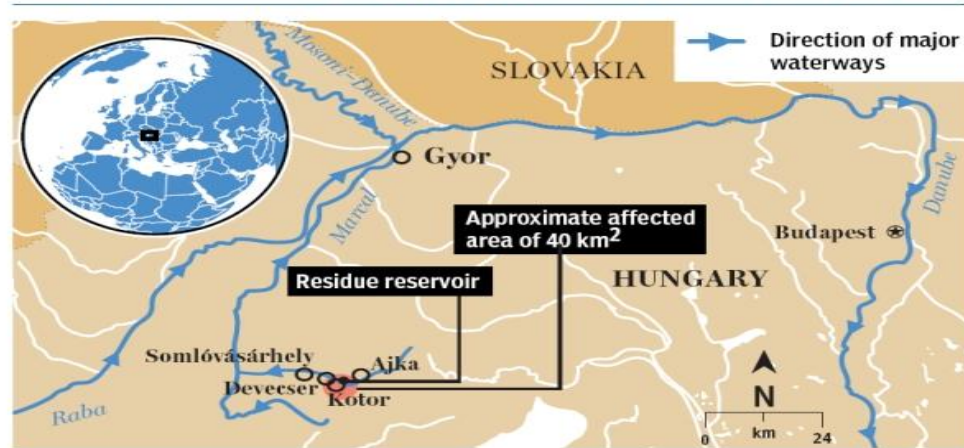
Hungary

In this week's Hungarian Municipal elections the ruling FIDESZ party swept the board in the same manner in which it crushed the Social democrats in the April's parliamentary elections. Now FIDESZ will have a chance to implement its development strategy and to recruit its fellow Hungarian to the positions created by the restructuring of Local Government Institution.

But most of the critics are of the opinion that the winning of the Budapest mayor ship by the opposition is a sort of major coup for FIDESZ because the previous

mayor Budapest Mr. Gabor Demszky of the Social Democrats had been in power for over 20 years since the fall of the previous regime now he won't retire as a popular politician. The recent scandals have seriously damaged his reputation.

RED SLUDGE THREATENS 'BLUE' DANUBE



SOURCE: NATIONAL POST NEWS SERVICES, BBC NEWS
ANDREW BARR / NATIONAL POST

Toxic red sludge from a Hungarian alumina plant reached the Danube yesterday, and crews struggled to dilute it to protect the river from what the Prime Minister called an "unprecedented ecological catastrophe." Experts said damage beyond the borders of Hungary was unlikely to be great, but the threat had to be monitored closely. Meanwhile, the death toll from Monday's disaster has risen to seven.

Meanwhile Prime Minister Viktor Orban said on Thursday Hungary does not need financial help, but welcomes expertise to help contain a deadly toxic mud spill that has devastated villages and is threatening its waterways.

Eastern Europe (Belarus & Ukraine)

Belarus

Russian President Dmitry Medvedev in his recent videoblog has repeatedly focused on Russia's relations with other countries, in particular with the United States, Ukraine and Germany. He spoke about Russia's participation in the G20 and criticized Belarusian President Aleksandr Lukashenka's "anti-Russian rhetoric".

Belarus plans to ship oil from overseas via Ukraine and has been diversifying its fuel supply routes and developing oil deposits in Venezuela, African and Asian countries. Since Ukraine is the second largest trading partner of Belarus among the former Soviet countries, Kiev has agreed to transit oil from Venezuela via the Ukrainian territory.

The number of candidates for the post of Belarusian president has been reduced to 15. President Alexander Lukashenka of Belarus has urged the Belarusian voters to support his opponents so that they could get registered as candidates for presidential election. He issued the appeal in the course of a meeting with Alexander

Radkov, the Belarusian Education Ministry who is currently seeking nomination as a candidate.

Ukraine

The Ukrainian President Viktor Yanukovich has completed his first official visit to France today. The Ukrainian leader has reassured that EU integration remains his country's key strategic goal. The French leader Nicolas Sarkozy invited his Ukrainian counterpart to visit France shortly after the newly elected Ukrainian President was inaugurated. The Road Map of the French-Ukrainian relations was the key document which the two countries have signed. France is the seventh largest investor to the Ukrainian economy

According to the Ukrainian President, "One for all, all for one", should become not only a principle within the European Union, but also one for the whole European continent. The Ukrainian Head of State made this statement in the meeting with the French political and research circles today at the French Institute of International Relations

Ukraine joined the Energy Community by signing the accession protocol at the Eighth Ministerial Council in Skopje, chaired by Economy Minister Fatmir Besimi. Ukraine's Energy Community accession was approved at the Seventh Ministerial Council in Zagreb last year, conditioned with the adoption of the new gas law, which was completed this July. Moldova also signed Energy Community accession protocol on 1 May, whereas Armenia is expected to acquire an Energy Community observer status at the Skopje meeting, joining Turkey, Norway and Georgia.

After Ukraine's Constitutional Court had cancelled the Constitutional amendments of 2004, several senior officials, judicial and constitutional experts from the European Union and the United States expressed their reaction to the changes. Some have also given their forecast of Ukraine's relations with the EU.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Officials in the Afghan Ministry of Foreign Affairs said the purpose of Estonian President Mr. Ives's visit to Afghanistan was to tighten diplomatic relations between the two countries and to visit his country's troops in Afghanistan and to mark the 80th friendship anniversary of the two countries.

Latvia

Latvia's prime minister said today that he and the second-largest coalition partner had agreed to continue working together and would form a new government after yesterday's election. The Unity bloc of Prime Minister Valdis Dombrovskis and the Union of Greens and Farmers formed the current minority coalition with a nationalist bloc. Mr Dombrovskis and his coalition partners had 56 per cent of votes

Lithuania

Despite a drop in bilateral trade between India and Lithuania following the recession in 2009 and the value of bilateral trade between India and Lithuania decreased from \$500 million in 2008 to \$400 million in 2009, it is a fact that “such a high volume of trade” was recorded even during the global slowdown and financial crisis.

Russia

The State DUMA will discuss on Wednesday a draft statement, connected with “the extremely aggressive rhetoric” of Belarusian President Alexander Lukashenko. The State DUMA, the lower house of the Russian parliament has adopted a tough statement about the situation, but in order to soften its language finally agreed to amend it.

Russia on Thursday successfully tested its new nuclear-capable Bulava intercontinental missile, its first successful firing for months after a series of embarrassing failures. The missile was fired from the Dmitry Donskoi submarine in the White Sea in North European Russia and hit its target in the Kura firing area on the Kamchatka peninsula on the Pacific Ocean some 6,000 kilometers (3,730 miles) away.

India will buy 250 to 300 advanced fifth-generation stealth fighter jets from Russia over the next 10 years. Fifth-generation aircraft are invisible to radar, have advanced flight and weapons control systems and can cruise at supersonic speeds, Russia would also supply 45 transport planes.

Russian President Dmitry Medvedev will sign 15 agreements boosting bilateral ties with Cyprus on Thursday during his first official state visit to this ethnically divided island nation Cyprus. Cyprus President Dimitris Christofias said the visit will underscore the two countries' very close economic, political and cultural ties and help nudge forward slow-moving reunification talks. Cyprus was split into an internationally recognized Greek Cypriot south and a breakaway Turkish Cypriot north in 1974 when Turkey invaded the Mediterranean island after a coup by supporters of union with Greece.

Russian officials say the country plans to reimburse Iran, after Moscow canceled the sale of an air defense missile system to Tehran. In the scope of a \$800 million contract brokered in 2005, Russia was obliged to send Iran at least five S-300 missile systems. But last month, Russian President Dmitry Medvedev banned the sale of the missile systems following United Nations sanctions against such arms sales.

Economic Front

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

Poland

Poland's government has decided to raise the minimum wage in Poland starting from January 2011 to 1,386 zloty (352 euro). The issue has been a bone of contention between the government and trade unions. The Finance Ministry suggested that the minimum wage should amount to 1,386 zloty (352 euro), the Labor Ministry wanted it to equal 1,408 zloty (358 euro) and trade unions argued that the minimum salary should be increased to 1500 zloty (381 euro).

Czech Republic

In a recent interview given to the US business news channel CNBC Czech president Klaus said the condition of the Czech economy is improving and the country's gross domestic product should grow by around 2.5%, comparing to the last year's sharp decrease, this year, all the figures, all the statistical data turned into plus figures. Meanwhile the National Statistics Office said that industrial output in August was also 1.3 per cent stronger than in July.

Industrial production in the Czech Republic powered forward by 12.9 per cent year-on-year in August, fuelled by the metalworking and vehicle sectors, Prague officials reported Thursday.

Slovakia

Slovakia has raised 2 billion euros (\$2.8 billion) from notes due in 2025 today that were priced to yield 150 basis points more than the benchmark mid-swap rate, or 4.373 percent. Same-maturity Spanish debt traded with a spread of 166 basis points, according to prices compiled by Bloomberg. Demand was 4.3 billion euros.

Hungary

Hungary is not exploring the possibility of a new agreement with the International Monetary Fund. Earlier it was reported that Hungary's economy minister and central bank governor may explore the idea of setting up a new precautionary credit line in talks with the IMF in Washington.

Eastern Europe (Belarus & Ukraine)

Belarus

Belarus has numerous times stated that the Nagorno Karabakh conflict should be resolved peacefully. Belarusian Ambassador to Armenia Stepan Sukharenko praised the level of the Armenian-Belarusian relations, noting dynamic development of the political dialogue between the two countries. As to economic relations, he said that Armenia-Belarus turnover totaled \$40 million as of September 2010.

Ukraine

Ukraine, one of the world's leading grain exporters, has imposed a limit on grain exports until the end of the year after a severe drought. The government will allow the export of only two million tonnes of maize, 500,000 tonnes of wheat and 500,000 tonnes of barley. The measure "will remain in place until the end of the year.

Ukraine has made a successful return to the capital markets after raising \$2bn. The government issued two separate Eurobond issues, a 10-year \$1.5bn placement with a 7.8% coupon, and a five-year \$500m one at 6.9%. The move marks a rapid change in fortunes of the country after the government asked the International Monetary Fund (IMF) for funds as recently as August this year.

State statistics committee said Thursday in a statement that Ukraine's inflation rate jumped to 10.5 percent in September in comparison with the same period of 2009, the figure was highest since March, as a summer drought boosted food prices, the data showed. Inflation amounted to 7.4 percent since January.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

According to official figures, Estonia's annual inflation rate climb in September. The consumer price index (CPI) increased to 4 per cent in September 2010 compared to September 2009.

Estonian markets witnessed a rapid price hike last week when milk prices have jumped 66 percent in the past year and the cost of some vegetables has doubled. Price increases across the Baltic region are forcing regulators to step up price-fixing investigations and politicians to call for tighter regulation of corporate profits as government officials seek to head off inflation that threatens to stall recovery from the world's deepest recessions.

Latvia

Latvia's prime minister reaffirmed his belief to keep the country on its IMF-led austerity path to eventual euro zone entry. Besides reassuring investors, the result was likely to be a relief for regional neighbors fearful of political instability in the country of 2.2 million people. Sweden immediately congratulated Prime Minister Valdis Dombrovskis.

Lithuania

European Union's workers ranging from Greek doctors to Spanish bus drivers to Lithuanian engineers out to vent over job cuts, higher taxes, soaring unemployment and smaller pensions. Waves of demonstrators clad in bright red, green and blue union jackets marched through Brussels toward European Union buildings, aiming to reinforce the impact of Spain's first nationwide strike in eight years. Strikes or protests took place Wednesday in Greece, Portugal, Ireland, Slovenia and Lithuania, all aimed at the budget-slashing, tax-hiking, pension-cutting austerity plans that European governments have implemented to try to control their debt.

Russia

The Russian ROUBLE set fresh 8-month troughs against the Euro on Monday, pressured by corporate' demand for foreign currencies and concerns about domestic economic health, but strong oil prices capped losses.

According to the latest International Monetary Fund (IMF) report published on 6th October 2010, Russia's economic growth will be 4.0 percent in 2010 and 4.3 percent in 2011, thus, the IMF has lowered its forecast for Russia's growth by 0.3 percentage points for 2010, but increased it by 0.2 percentage points for 2011.

Social Front

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

Poland

Over 900 shops selling so-called "legal highs" or "smart drugs" have been closed down in Poland as the government intensifies its war on what it sees as a new threat to the nation's youth. On Saturday, 3,000 police and health inspectors plunged on over 1000 shops selling smart drugs, also known as NOOTROPICS. On Sunday, a 32-year-old man from the western town of Kepno died after taking drugs, which have become increasingly popular in Poland.

The public prosecutor's office in Poland has opened an investigation into claims by a Saudi national that he was tortured in a CIA secret prison in Poland. The Polish government persistently denies the existence of such prison.

New research has revealed that Polish migrants are returning to the UK after weathering the worst of Britain's economic recession. Figures for the second quarter this year published in Migration Information Source show there has been "a significant increase" in the number of Polish migrants in Britain, with the total jumping from the 484,000 seen at the end of 2009 to 537,000 come the end of June.

Czech Republic

The Ottawa International Animation Festival (OIAF) is showcasing "Solve ET Coagula: Surrealism and Magic Realism in Czech Animation," a unique collection of films by Czech animators who infuse personal style, political and social beliefs into their work. "The uniqueness, artistic quality, and craftsmanship of Czech animation has an internationally respected past of being a flagship country for independent animation.

Czech Prime Minister addressed a session of the international executive committee of the Decade of Roma Inclusion in Prague last Thursday, saying better education and access to jobs are essential to the integration of Czech Roma. Though few would disagree that education is the key to social mobility

Eastern Europe (Belarus & Ukraine)

Belarus

A political tussle between Minsk and Moscow took a new twist Thursday when Belarusian President Alexander Lukashenko congratulated Prime Minister Vladimir Putin on his birthday after snubbing President Dmitry Medvedev's birthday last month.

Ukraine

Russian authorities have detained a Ukrainian national who oversaw a group that manufactured fraudulent payment cards and identity documents. The group, whose members also included Russian and Armenian nationals, stole money from the accounts of 17 Russian credit organizations as well as foreign banks, causing more than US\$660,225 in damages. Authorities seized 100 fraudulent cards, computer equipment and an "encoder," which can replicate the magnetic stripe information of a legitimate card onto a fraudulent one. The frauds occurred between January and June.

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Tech-savvy Estonia is to host a new European Union IT agency, after a deal with France which was the only other nation in the race. It has been agreed between Estonian and French officials that the headquarters of the EU's future IT agency will be located in Tallinn. The 27-nation European Union's decision to set up a specific agency was made last year when member states decided that the bloc's IT systems needed some form of central management..

Russia

The former mayor of Moscow sacked by the Russian president, said on Monday he will set up a political movement to challenge the ruling party, a move that could create a wild card ahead of 2012 presidential elections.

Detailed Report

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

Poland

Political Front

Polish ruling party narrows lead before local polls

October 3 Poland's ruling Civic Platform (PO), narrowed its lead over the main opposition Law and Justice party (PiS), a poll showed on Sunday. Skip related content. The survey, conducted by pollster Homo Homini for Polish Radio, showed support for Prime Minister Donald Tusk's centre-right pro-business party had dropped to 37 percent from 42 in the previous Homo Homini poll on September 19, whilst the socially conservative, right-wing PiS had slightly improved its backing to 28 from 27 percent. The poll, conducted on October 1 among 1,083 respondents,

also gave the post-communist Democratic Left Alliance (SLD) 16 percent and the Polish Peasant Party (PSL), Tusk's current coalition government partner, five percent. This was the first survey to include Modern Poland (NP), an anti-clerical, leftist-liberal grouping set up by maverick PO politician Janusz Palikot on Saturday. In its survey debut the NP fell below the five percent threshold required to win parliamentary seats. Poles will elect new regional assemblies as well as city, town and village councils and mayors on November 21, with a second round on December 5. The next parliamentary election is set for autumn 2011

We need to integrate armed forces, says Komorowski

President Bronislaw Komorowski has criticized government plans to disperse various parts of Poland's armed forces away from Warsaw. Opening the university year at the National Defence Academy, President Bronislaw Komorowski criticised Defence Minister Bogdan Klich's idea to transfer the headquarters of the armed forces out of capital city. Minister Klich intends to move the command of the Land Forces to Wrocław and the Air Force to Poznań, but the plans have been put on hold for financial reasons. President Komorowski said that the move was against recent international trends and that Poland's armed forces needed not dislocation but central integration of systems of command.

Turkey to host Austrian, Polish ministers, Chinese PM

Ankara is preparing to host this week two European foreign ministers and the prime minister of the second largest economy in the world, China. Polish Foreign Minister Radoslaw Sikorski will be in Turkey on Wednesday to boost bilateral ties and review growing relations between the two countries.

Poland supports Turkey's EU accession bid-07.10.2010

Poland will be striving to bring Turkey closer to EU accession, Foreign Minister Radek Sikorski indicated yesterday during his two-day trip to Istanbul and Ankara. After talks with his Turkish counterpart Ahmet Davutoglu in the Turkish capital yesterday, Minister Sikorski said that during its EU presidency in the second half of next year Poland would like to close at least one chapter in the accession talks between the EU and Turkey

Poland

Economic Front

Minimum wage to rise next year-06.10.2010

Poland's government has decided to raise the minimum wage in Poland starting from January 2011 to 1,386 zloty (352 euro) before tax. The issue has been a bone of contention between the government and trade unions. The Finance Ministry suggested that the minimum wage should amount to 1,386 zloty (352 euro), the Labor Ministry wanted it to equal 1,408 zloty (358 euro) and trade unions argued that the minimum salary should be increased to 1500 zloty (381 euro).

Poland gets four bids for \$1.8 billion stake in ENEA

WARSAW, Oct 6 (Reuters) - Poland's treasury ministry said it has received four bids for its stake in the country's utility ENEA ENAE.WA, which analysts say could be worth around 5.2 billion zlotys (\$1.83 bln). The ministry's spokesman, who did not disclose the names of the companies involved, said it would pick two investors for final negotiations over the sale of its 53 percent stake. The Polish treasury wants to sell its stake in ENEA by the end of the year, using the proceeds to ease strained public finances and help it reach its target for sell-off proceeds of 25 billion zlotys (\$8.7 billion) in 2010

Poland

Social Front

Poland goes to war on 'smart drugs-04.10.2010

Over 900 shops selling so-called "legal highs" or "smart drugs" have been closed down in Poland as the government intensifies its war on what it sees as a new threat to the nation's youth. On Saturday, 3,000 police and health inspectors swooped on over 1000 shops selling smart drugs, otherwise known as NOOTROPICS. The crackdown comes after several media reports linking deaths to the drugs, many of which are currently legal in Poland. On Sunday, a 32-year-old man from the western town of Kepno died after taking drugs he bought at one of these retail outlets, which have become increasingly popular in Poland. A post-mortem will show whether there was a direct cause between the drugs and the fatality, say police

Polish prosecutors to investigate CIA black site torture allegations

The CIA allegedly detained and tortured suspects in Europe. The public prosecutor's office in Poland has opened an investigation into claims by a Saudi national that he was tortured in a CIA secret prison in Poland. The Polish government maintains the prison never existed. Polish prosecutors have accepted requests by a Saudi national to investigate his claims that he was tortured by the CIA on Polish territory, Polish media reported this week.

Polish migrants are coming back to UK

Polish migrants are returning to the UK after weathering the worst of Britain's economic recession back home, new research has revealed. Polish workers wait on street: Recession keeps eastern Europeans from coming to Britain. Figures for the second quarter this year published in Migration Information Source show there has been "a significant increase" in the number of Polish migrants in Britain, with the total jumping from the 484,000 seen at the end of 2009 to 537,000 come the end of June.

Czech Republic

Economic Front

Klaus on CNBC: Czech economy improving, will grow by up to 2.5%

According to the Czech president, the Czech economy is undeniably in a healthy state. In a recent interview given to the US business news channel CNBC Klaus said the condition of the Czech economy is improving and the country's gross domestic product should grow by around 2.5%. Notably, last year the Czech economy suffered a drop. This year, all the figures, all the statistical data turned into plus figures," said Klaus who was visiting the USA as the head of the Czech delegation to the United Nations General Assembly

Czech industry shows almost 13 per cent surge in August-Oct 7, 2010,

Prague - Industrial production in the Czech Republic powered forward by 12.9 per cent year-on-year in August, fuelled by the metalworking and vehicle sectors, Prague officials reported Thursday. The national statistics office CSU said the industrial output in August was also 1.3 per cent stronger than in July.

Czech Republic

Social Front

The Magic of Czech Animation Takes Centre Stage at OIAF

The Ottawa International Animation Festival (OIAF) is showcasing "Solve Et Coagula: Surrealism and Magic Realism in Czech Animation," a unique collection of films by Czech animators who infuse personal style, political and social beliefs into their work. "The uniqueness, artistic quality, and craftsmanship of Czech animation has, like Canadian animation, an internationally respected past of being a flagship country for independent animation," notes guest curators Kaspar Saxena and Milada Kovacova.

PM Says Education Key to Roma Inclusion

Czech Prime Minister Petr Nečas addressed a session of the international executive committee of the Decade of Roma Inclusion in Prague last Thursday, saying better education and access to jobs are essential to the integration of Czech Roma. Though few would disagree that education is the key to social mobility, the PM's words seem like little more than platitudes in light of the way his center-right government has approached issues affecting the Roma community since they took power. Until the government takes concrete steps to improve the education system so it works for all children, the prime minister's talk is just empty words.

Czechs knock off defending champ Australia

KARLOVY VARY, Czech Republic (AP) -- Czech Republic President Vaclav Klaus was waiting in the locker room to celebrate the country's biggest women's basketball win. Klaus, a former basketball player, watched as the Czechs knocked off defending champion Australia 79-68 Friday night in the world championship quarterfinals.

Slovakia

Political Front

Slovak prime minister gets death threat letter

Slovak Prime Minister Iveta Radicova confirmed on Wednesday that she had received a threatening letter. Radicova got a letter containing a cartridge case at her home address in Nova Dedinka, 20 km from Bratislava,

Slovakia: Cabinet Okays language law amendment

Fining public officials for not using the official state language – Slovak – will not become history, as some observers had expected when the new government took power. Instead, fines will be limited only to extreme cases. That was the key outcome of the government's approval of an amendment, which will now go before parliament, of the State Language Act. The controversial law contributed significantly to the discordant relations between Slovakia and Hungary over the last couple of years, after it was amended by the previous government. The government passed the amendment to the State Language Act at its session on September 24 and will submit the draft to the October session of parliament. The government had promised in its program statement to 'do away with the redundant restrictive measures' in the language law

Coalition government agrees VAT hike-3 October 2010

The ruling centre-right coalition government of Slovakia recently agreed on the draft 2011 budget which includes a 1% increase in the standard rate of value-added tax (VAT), from 19% to 20%.The budget proposition also contains a series of austerity measures aimed at taming the ailing economy. After the governmental decision was made public, Slovakia's Prime Minister Iveta Radicova said that for her it was one of the hardest decisions to make. In power since July of this year, the Slovakian government firmly favors the introduction of austerity measures, and hopes to use the provisions to cut the fiscal deficit by more than €1.7 billion next year.

Greece's Minister of Defense meets Slovak counterpart

MINISTER of Defense Costas Papacostas met his Slovak counterpart Lubomir Galko in Cyprus yesterday. They discussed issues of common interest, recent developments in the Cyprus problem, the excellent co-operation between the two countries, as well as the possibility of further strengthening bilateral relations in defense matters.

Slovakia

Economic Front

Slovak Government Raises Funds Cheaper Than Spain in 15-Year Bond Sale

Slovak funding costs are set to drop below Spain, a fellow euro-region member with higher credit ratings, in a sale of 15-year bonds as the central European country's fiscal austerity pledge boosts demand for its debt. Slovakia raised 2 billion euros (\$2.8 billion) from notes due in 2025 today that were priced to yield 150 basis points more than the benchmark mid-swap rate, or 4.373 percent, Finance Minister Ivan Miklos said in Bratislava. Same-maturity Spanish debt traded with a spread of 166 basis points, according to prices compiled by Bloomberg. Demand was 4.3 billion euros, Miklos said

Hungary

Political Front

Political Analyst on why the Municipal elections matter

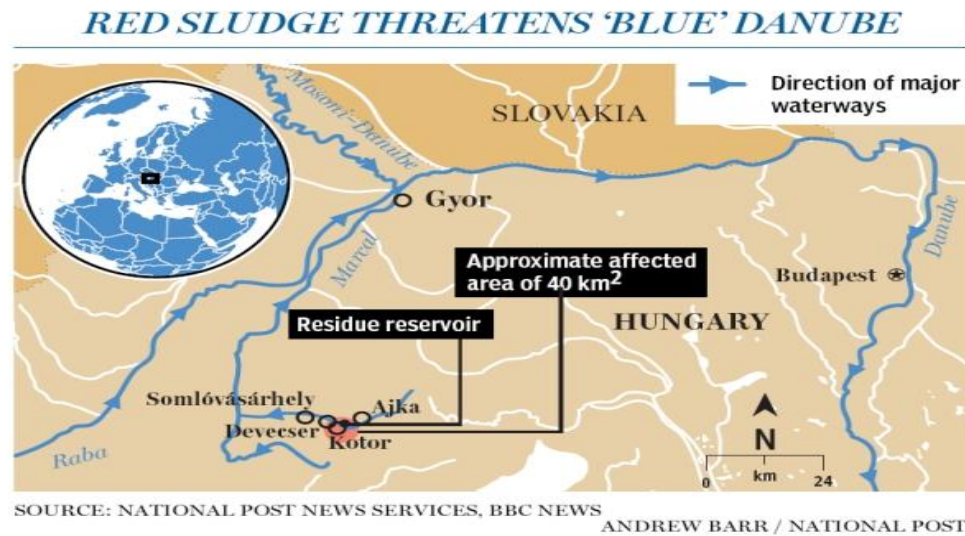
In this week's Hungarian Municipal elections the ruling Fidesz party swept the board. The elections follow the pattern on April's parliamentary elections where Fidesz trounced the Social Democrats gaining over two-thirds of the seats in the process. Hungarian political analyst Igor Breitner describes the municipal elections very important because of the following factors. Fidesz's narrative after the parliamentary election was that they have received an unprecedented authorization and mandate by the two-thirdmajority. This victory will reinforce that narrative and legitimize the changes Fidesz is planning in the Hungarian legal system (especially the creation of a new constitution.)Secondly, due to the necessary cuts in government spending, there will be no major infrastructural developments (new highways, railways, etc.). But the local developments (like renovation of main squares, new statues, parks, etc.) are decided and budgeted on the local level. So by controlling most of the cities (nearly third of them) Fidesz will have a chance to counter-balance the lack of visible developments on the national level by doing it in the settlements. Thirdly, and it is also very important, due to the above mentioned cuts, the number of positions to be distributed on the national level is also very low . If you look at the numbers though you find that there were 17 thousand seats up for election (Sunday Oct. 3), which mean around a hundred thousand other positions directly or indirectly dependent from those seats. This way the parties are able to distribute positions to their clientele, activists or financial contributors. According to him, the winning of the Budapest mayor ship by the opposition is a sort of major coup for FIDESZ. The previous mayor Budapest Mr. Gabor Demszky of the Social Democrats had been in power for over 20 years since the fall of the previous regime now he won't retire as a popular politician. The recent scandals – especially about the new metro line and the renovation of an important bridge in Budapest have seriously damaged his reputation.

Seven die after toxic spill in Hungary

Hungarian officials have played down the threat of disastrous pollution to the Danube River from an industrial accident in Hungary, while its prime minister says the situation is under control. Meanwhile, the death toll from Monday's disaster has risen to seven, officials said on Friday, and one person is still missing. Prime Minister Viktor Orban, who declared a state of emergency in three counties earlier this week, insisted there remained little risk of the pollution running into the Danube, Europe's second-longest river. Prime Minister Viktor Orban said on

Thursday Hungary does not need financial help, but welcomes expertise to help contain a deadly toxic mud spill that has devastated villages and is threatening its waterways.

Toxic mud slide reaches Danube River Friday, Oct. 8, 2010



GYOR, Hungary - Toxic red sludge from a Hungarian alumina plant reached the Danube yesterday, and crews struggled to dilute it to protect the river from what the Prime Minister called an "unprecedented ecological catastrophe." Experts said damage beyond the borders of Hungary was unlikely to be great, but the threat had to be monitored closely.

Hungary

Economic Front

Hungary seeks no new IMF agreement -econ ministry

BUDAPEST Oct 8 (Reuters) - Hungary is not exploring the possibility of a new agreement with the International Monetary Fund, the Economy Ministry told Reuters on Friday, denying an earlier press report. Earlier on Friday the daily Magyar Nemzet reported that Hungary's economy minister and central bank governor may explore the idea of setting up a new precautionary credit line in talks with the IMF in Washington.

Hungary

Social Front

Bulgaria on alert for any impact from Hungarian red sludge disaster

Opinions are divided about the possible impact of the Hungarian toxic red sludge disaster on Bulgaria, with one Bulgarian senior environmental official saying that there was "no risk of pollution". Assen Lichev, head of the Environment and Water Ministry's water management directorate, said that there was no risk of pollution of

the Bulgarian section of the Danube River, Bulgarian news agency BTA said. Bulgarian National Radio (BNR) said that any contamination from the incident in Hungary, reported to have led to four deaths and more than 120 injuries, would reach Bulgaria's part of the Danube by October 12 2010 at the earliest

Eastern Europe (Belarus & Ukraine)

Belarus

Political Front

Medvedev shares vision of Russia-Belarus relations in his videoblog-03.10.2010,

MOSCOW, October 3 (Itar-Tass) - Russian President Dmitry Medvedev has placed a new videoblog message devoted to relations between Russia and Belarus, the president's spokeswoman, Natalia Timakova, said on Sunday. She noted that this message will be available after 22:00 Moscow time. In his videoblog Medvedev has repeatedly focused on Russia's relations with other countries, in particular with the United States, Ukraine and Germany, she said. He spoke about Russia's participation in the G20. "There is more rhetoric than politics in Lukashenko's statements" The tension between Moscow and Minsk has reached a new level after Dmitry Medvedev criticized in his video blog Aleksandr Lukashenko's "anti-Russian rhetoric". On Sunday, President Dmitry Medvedev accused Lukashenko in his video blog entry of trying to present Russia as an enemy during Belarus' presidential campaign. "In the past, this role was given to America, Europe...the West in general," Medvedev stressed. He said that the Belarusian's leader's recent statements "not only go beyond all diplomatic sense, they are downright indecent."

Medvedev slams Belarusian leader in run-up to presidential poll

Moscow - The Kremlin stepped up its criticism of Belarusian President Alexander Lukashenko on Monday, shortly after Russian President Dmitry Medvedev accused the autocratic leader of creating ill-will between the two nations. The comments came in the wake of statements by Lukashenko that the Russian leadership wants to overthrow him

Belarus to ship oil from overseas via Ukraine

Belarus plans to ship oil from overseas via Ukraine, said Prime Minister Sergei Sidorsky on 30 September. Sidorsky said his country has been diversifying its fuel supply routes and developing oil deposits in Venezuela, African and Asian countries, Belarus Belta news agency reported. Klyuev confirmed that Kiev was ready to transit oil from Venezuela via the Ukrainian territory, noting that the particular volumes would be known by November. Ukraine is the second largest trading partner of Belarus among the former Soviet countries

Number of Belarus presidential candidates reduces to 15

MINSK, October 8 (Itar-Tass) - The number of candidates for the post of Belarusian president has been reduced to 15. Chairman of the Liberal Democratic Party, one of

the country's largest - Sergei Gaidukevich said that he has submitted an application to the Central Election Commission (CEC) with a request on the withdrawal of his candidature from the race. Explaining his decision to journalists he said that "elections in Belarus are a show the results of which are long known to all." He also noted that the party has shown that it has a potential. The initiative group of Gaidukevich was the largest – 10,483 people and he said that less in a week it managed to collect the needed 100,000 signatures of the electorate required for the nomination as a presidential candidate.

Belarussian Pres calls on voters to sign up for opposition candidates

MINSK, October 7 (Itar-Tass) - President Alexander Lukashenko of Belarus has urged the Belarussian voters to support his opponents so that they could get registered as candidates for presidential election, the presidential press service said Thursday. He issued the appeal in the course of a meeting with Alexander Radkov, the Belarussian Education Ministry who is currently seeking nomination as a candidate.

Belarus

Economic Front

Armenia-Belarus turnover totals \$40 million-October 6, 2010 –

Belarus has numerously stated that the Nagorno Karabakh conflict should be resolved peacefully. Belarussian Ambassador to Armenia Stepan Sukharenko praised the level of the Armenian-Belarussian relations, noting dynamic development of the political dialogue between the two countries. As to economic relations, he said that Armenia-Belarus turnover totaled \$40 million as of September 2010.

Belarus

Social Front

Putin Gets Birthday Wishes from Belarussian President

A political tussle between Minsk and Moscow took a new twist Thursday when Belarussian President Alexander Lukashenko congratulated Prime Minister Vladimir Putin on his birthday after snubbing President Dmitry Medvedev's birthday last month.

Ukraine

Political Front

Ukraine: President proposes new motto for united Europe - "One For All, All For One"

The Ukrainian President Viktor Yanukovich has completed his first official visit to France today. Having met with the President Nicolas Sarkozy, Prime Minister

Francois Fillion and the head of the National Assembly Bernard Accoyer, the Ukrainian leader has reassured that EU integration remains his country's key strategic goal. "One for all, all for one", according to the Ukrainian President, should become not only a principle within the European Union, but also one for the whole European continent. The Ukrainian Head of State made this statement in the meeting with the French political and research circles today at the French Institute of International Relations

The Visit of the Ukrainian President to France Aims at Making Breakthrough in the Bilateral Relations

Today the Ukrainian President Viktor Yanukovich begins his official visit to France. During the two-day visit Viktor Yanukovich will meet with the President of France Nicolas Sarkozy, the Head of the French National Assembly Bernard Accoyer, the Prime Minister Francois Fillion, as well as the representatives of the largest French corporations. It is only the third visit of a Ukrainian President to Paris. The French leader Nicolas Sarkozy invited his Ukrainian counterpart to visit France shortly after the newly elected Ukrainian President was inaugurated. The Road Map of the French-Ukrainian relations is the key document which the two countries are planning to sign tomorrow. France is the seventh largest investor to the Ukrainian economy

Yanukovich assures Cameron Ukraine to be democratic state

Ukrainian President Viktor Yanukovich and British Prime Minister David Cameron had discussed the prospects of Ukraine's European aspirations, the president's office said Wednesday. Yanukovich assured Cameron in a phone conversation that "Ukraine will be a democratic state with the rule of law," the office said.

Ukraine joins Energy Community

Ukraine joined on 24 September the Energy Community by signing the accession protocol at the Eighth Ministerial Council in Skopje, chaired by Economy Minister Fatmir Besimi. Ukraine's Minister of Fuel and Energy Yuriy Boyko and Minister Besimi, in the capacity of Energy Community chairman, signed the protocol, Ukrinform reported. Ukraine's Energy Community accession was approved at the Seventh Ministerial Council in Zagreb last year, conditioned with the adoption of the new gas law, which was completed this July. Moldova also signed Energy Community accession protocol on 1 May, whereas Armenia is expected to acquire an Energy Community observer status at the Skopje meeting, joining Turkey, Norway and Georgia.

Russia, Ukraine approve program of cooperation for 2011-2016

GELENDZHIK, October 4 (Itar-Tass) -- Russia and Ukraine have approved a programme of inter-regional and cross-border cooperation for 2011-2016. Russian Minister of Regional Development Viktor Basargin and his Ukrainian counterpart Vladimir Yatsuba signed the programme on Monday, October 4, at the first bilateral inter-regional economic forum in the presence of Presidents Dmitry Medvedev and Viktor Yanukovich. The presidents of the two countries' Unions of Industrialists and

Entrepreneurs, Alexander Shokhin and Anatoly Kinakh, signed a protocol of cooperation

Quiet International Reaction on Ukraine's Constitutional Reform Cancellation

After Ukraine's Constitutional Court had cancelled the Constitutional amendments of 2004, several senior officials, judicial and constitutional experts from the European Union and the United States expressed their reaction to the changes. Some have also given their forecast of Ukraine's relations with the EU. Stefan Fuele, EU Enlargement Commissioner: "I underlined that despite the ruling of the constitutional court, a broader constitutional reform is still a matter of priority. And thus we made a point that such a reform should be brought through an inclusive process to bring about effective and lasting system of the checks and balances in accordance with the European values. And I was very pleased to hear that President Yanukovich indeed intends to start such a process of constitutional reform on the basis of the 1996 Constitution taking into account also the expertise and advice of the Venice Commission of the Council of Europe."

Ukraine

Economic Front

Ukraine imposes limit on grain exports

Ukraine, one of the world's leading grain exporters, has imposed a limit on grain exports until the end of the year after a severe drought, a government spokesman says. The government will allow the export of two million tones of maize, 500,000 tones of wheat and 500,000 tones of barley, spokesman Artem Petrenko told AFP. The measure "will remain in place until the end of the year," he said.

Ukraine bounces back following \$2bn Eurobond issues

Ukraine has posted positive financial news emerging again: Ukraine has posted positive financial news. Ukraine has made a successful return to the capital markets after raising \$2bn. The government issued two separate Eurobond issues, a 10-year \$1.5bn placement with a 7.8% coupon, and a five-year \$500m one at 6.9%. The move marks a rapid change in fortunes of the country after the government asked the International Monetary Fund (IMF) for funds as recently as August this year.

Inflation in Ukraine highest since March

Ukraine's inflation rate jumped to 10.5 percent in September in comparison with the same period of 2009, state statistics committee said Thursday in a statement. The figure was highest since March, as a summer drought boosted food prices, the data showed. Inflation amounted to 7.4 percent since January, according to statistics.

Ukraine

Social Front

Hungarian toxic sludge to reach Ukraine in 14 days: officials

Toxic red sludge from the burst reservoir of a Hungarian alumina refinery would reach the Ukrainian part of the Danube River in two weeks, the Emergency Ministry said Friday." The first place to be affected will be city of Reni in Odessa region, southern Ukraine," the statement said.

Russian authorities detain Ukrainian national in online fraud scheme

Russian authorities have detained a Ukrainian national who oversaw a group that manufactured fraudulent payment cards and identity documents, according to a press release from the country's Interior Ministry on Monday. The group, whose members also included Russian and Armenian nationals, stole money from the accounts of 17 Russian credit organisations as well as foreign banks, causing more than US\$660,225 in damages. Authorities seized 100 fraudulent cards, computer equipment and an "encoder," which can replicate the magnetic stripe information of a legitimate card onto a fraudulent one. The frauds occurred between January and June, the ministry said

Baltic States (Estonia, Latvia & Lithuania)

Estonia

Political Front

Estonian President in Afghanistan

Officials in the Afghan Ministry of Foreign Affairs said the purpose of Mr Iives's visit to Afghanistan was to tighten diplomatic relations between the two countries and to visit his country's troops in Afghanistan. The purpose of Estonian president's visit of Afghanistan is also said to mark the 80th friendship anniversary of the two countries. Mr Iives visits Afghanistan while around 160 Estonian soldiers under NATO forces are stationed in Afghanistan's southern Helmand province, and his country has lost 8 soldiers in Afghanistan so far.

Estonia

Economic Front

Estonian inflation rises in September ahead of euro switch

Tallinn - Estonia saw its annual inflation rate climb in September, according to official figures released Thursday. The consumer price index (CPI) increased to 4 per cent in September 2010 compared to September the previous year. August's comparable figure had been 2.9 per cent. The month-on-month rise was 0.8 per cent

Estonia

Social Front

Milk Rising 66% Sparks Baltic Price-Fixing Probes in Anti-Inflation Fight

Estonian milk prices have jumped 66 percent in the past year. The cost of some vegetables has more than doubled. Price increases across the Baltic region are forcing regulators to step up price-fixing investigations and politicians to call for tighter regulation of corporate profits as government officials seek to head off inflation that threatens to stall recovery from the world's deepest recessions.

Estonia to host EU IT agency after deal with France

Tech-savvy Estonia is to host a new European Union IT agency, after a deal with France which was the only other nation in the race, Estonia's Interior Minister Marko Pomerants told AFP on Friday. "It has been agreed between Estonian and French officials that the headquarters of the EU's future IT agency will be located in Tallinn," Pomerants said. The 27-nation European Union's decision to set up a specific agency was made last year when member states decided that the bloc's IT systems needed some form of central management.

Latvia

Political Front

Latvian coalition retains power

Latvia's prime minister said today that he and the second-largest coalition partner had agreed to continue working together and would form a new government after yesterday's election. The Unity bloc of Prime Minister Valdis Dombrovskis and the Union of Greens and Farmers form the current minority coalition with a nationalist bloc. With all votes counted in Latvia and a small number left from voters abroad, Mr Dombrovskis and his coalition partners had 56 per cent of votes.

Latvia PM wins election, to keep on IMF, euro path

Prime Minister Valdis Dombrovskis agreed with coalition partners on Sunday to work on forming a majority government after an election win which kept Latvia on the path of IMF-led austerity aimed at eventual euro zone entry.

Latvia braces for more budget cuts as voters back premier (Roundup)

Riga - Latvians prepared Sunday for prospect of further austerity measures but a stable government, after giving strong support in parliamentary elections a day earlier to incumbent Prime Minister Valdis Dombrovskis. Election results confirmed on Sunday that Dombrovskis' centre-right Vienotiba (Unity) bloc was the leading party, garnering 31 per cent of the vote and winning 33 seats in the 100-seat parliament or Saeima.

Latvia

Economic Front

Latvian PM to form majority coalition after vote

Latvia's prime minister began talks on Sunday on forming a new majority government after a strong election win kept the country on its IMF-led austerity path to eventual euro zone entry. Besides reassuring investors, the result was likely to be a relief for regional neighbours fearful of political instability in the country of 2.2 million people. Sweden immediately congratulated Prime Minister Valdis Dombrovskis. Despite 18 months of tough spending cuts and tax increase to meet the terms of a 7.5 billion euro (\$10.34 billion) bailout, Dombrovskis, 39, led his Unity bloc to victory in Saturday's vote with 33 seats in parliament, official figures showed.

September inflation up in Latvia and Lithuania

Riga - Inflation picked up in the neighboring Baltic states of Latvia and Lithuania in September, according to official statistics released Friday. In Latvia, deflation crossed the line back into inflation as the consumer price index (CPI) moved from minus 0.3 per cent year-on-year in August to plus 0.4 per cent year-on-year in September,

Lithuania

Political Front

Envoy sees vast scope for trade with Lithuania

Despite a drop in bilateral trade between India and Lithuania following the recession in 2009, there lies a “plethora of opportunities in store for gainful commercial exploitation” in the country, especially in sectors such as manufacturing, mining and metals, education and food processing, the Ambassador Extraordinary & Plenipotentiary of Lithuania, Mr Petras Simeliunas, said here on Monday. The envoy was speaking at an interactive session organized by the Indian Chamber of Commerce (ICC). He pointed out that while the value of bilateral trade between India and Lithuania decreased from \$500 million in 2008 to \$400 million in 2009, the fact that “such a high volume of trade” was recorded even during the global slowdown and financial crisis was indeed encouraging

Lithuania

Economic Front

Lithuanian FM and chairmen of Azerbaijani parliamentary commissions discuss bilateral relations

Lithuanian Foreign Minister Audronius Azubalis met Samad Seyidov, chairman of the parliamentary commission of Azerbaijan on international relations and inter-parliamentary ties and Ali Huseynov, chairman of the commission on legal issues, in Vilnius on October 4, official website of the Lithuanian Foreign Ministry reported.

European cuts spur protests across continent

BRUSSELS • European unions orchestrated a crescendo of anti-austerity protests across the continent Wednesday, sending workers ranging from Greek doctors to Spanish bus drivers to Lithuanian engineers out to vent over job cuts, higher taxes, soaring unemployment and smaller pensions. Waves of demonstrators clad in bright red, green and blue union jackets marched through Brussels toward European Union buildings, aiming to reinforce the impact of Spain's first nationwide strike in eight years. Unions estimated the turnout in Brussels at 100,000 people. Some protesters there confronted riot squads with a sit-down protest in the middle of the street. About 150 people were detained, some in scuffles with police. Strikes or protests took place Wednesday in Greece, Portugal, Ireland, Slovenia and Lithuania, all aimed at the budget-slashing, tax-hiking, pension-cutting austerity plans that European governments have implemented to try to control their debt.

Russia

Political Front

Duma to discuss aggressive rhetoric of Belarusian pres

MOSCOW, October 6 (Itar-Tass) -- The State Duma will discuss on Wednesday a draft statement, connected with “the extremely aggressive rhetoric” of Belarusian President Alexander Lukashenko, which is directed at the Russian leaders. A corresponding decision was made during the discussion of the working schedule of the Duma on Wednesday morning. Russian-Belarusian tension should not undermine ties. The State Duma has supported the Russian president’s assessment of the current situation in relations between Moscow and Minsk. The lower house of the Russian parliament has adopted a tough statement about the situation, but agreed to include an addition about the strategic partnership of Moscow and Minsk. The amendment was initiated by the Fair Russia party, which insisted that Belarus remained one of Russia’s most important allies, Regnum news agency said.

Russia successfully tests long-range missile

MOSCOW: Russia on Thursday successfully tested its new nuclear-capable Bulava intercontinental missile, its first successful firing for months after a series of embarrassing failures, the defense ministry said. The missile was fired from the Dmitry Donskoi submarine in the White Sea in North European Russia and hit its target in the Kura firing area on the Kamchatka peninsula on the Pacific Ocean some 6,000 kilometres (3,730 miles) away, it said.

India to buy advanced fighter jets from Russia

Indian Defence Minister AK Antony The deal has been announced by the Indian Defence Minister AK Antony. India will buy 250 to 300 advanced fifth-generation stealth fighter jets from Russia over the next 10 years, Defense Minister AK Antony has said. Fifth-generation aircraft are invisible to radar, have advanced flight and weapons control systems and can cruise at supersonic speeds, officials say. Mr

Antony told a news conference in the Indian capital, Delhi, that Russia would also supply 45 transport planes.

Russian president begins first-ever Cyprus visit

NICOSIA, Cyprus — Russian President Dmitry Medvedev will sign 15 agreements boosting bilateral ties with Cyprus on Thursday during his first official state visit to this ethnically divided island nation. Russia's President Dmitry Medvedev, right, and Cypriot President Dimitris Christofias review a military guard of honor before their talks at Presidential palace in divided capital Nicosia, Cyprus, Thursday, Oct. 7, 2010. Russia's President Medvedev is in Cyprus for two-day official visit. (AP Photo/Petros Karadjias) Cyprus President Dimitris Christofias said the visit will underscore the two countries' very close economic, political and cultural ties and help nudge forward slow-moving reunification talks. Cyprus was split into an internationally recognized Greek Cypriot south and a breakaway Turkish Cypriot north in 1974 when Turkey invaded the Mediterranean island after a coup by supporters of union with Greece.

Russia and Cyprus sign double-taxation, 14 other agreements-Oct 7, 2010,

Athens/Nicosia - Russian President Dmitry Medvedev signed 15 agreements with his Cyprian counterpart - covering tax, trade, energy and other areas - during a visit on Thursday, the first to the ethnically divided island by a Russian head of state. Medvedev's visit comes amid an increase of Russian investment and tourism to the island. Among the deals signed between Medvedev and Cypriot President Dimitris Christofias is an agreement to abolish double taxation on capital and income tax.

Russia to Refund Iran for Canceled Missile Deal

Russian officials say the country plans to reimburse Iran, after Moscow canceled the sale of an air defense missile system to Tehran. The announcement comes as the Russian president is on a one-day state visit to Cyprus. In the scope of a \$800 million contract brokered in 2005, Russia was obliged to send Iran at least five S-300 missile systems. But last month, Russian President Dmitry Medvedev banned the sale of the missile systems following United Nations sanctions against such arms sales.

Venezuela's Chavez to visit China, Russia, Belarus, Iran

President Hugo Chavez said Sunday that he will travel soon to Russia, Belarus, China and Iran; four countries with which Venezuela has sought close political and economic ties in recent years. Chavez did not immediately offer specific dates. "In a few days, I will be travelling to Russia. We have important projects with Russia," Chavez said. A bilateral finance bank to which Russia and Venezuela agreed two years ago could be ready to launch on time for the visit, he said.

Russia and US reach agreement on WTO accession

Russian Finance Minister, Aleksey Kudrin says that Russia and the United States have settled all outstanding issues relating to Russia's bid to join the WTO.

Speaking at the seventh annual Yalta Forum Kudrin stated that all issue with the United States had been negotiated and that the focus would turn to the general working group in Geneva

Russia

Economic Front

Russia to build up gas supply to Macedonia

The Russian Gazprom company and Macedonia are beginning to directly consider economic and technical conditions for increasing supply of Russian gas to Macedonia, including by means of building a branch of the South Stream gas pipeline, Gazprom said in a press release after a meeting of a Gazprom delegation with President of Macedonia Gjorge Ivanov and Government chairman Nikola Gruevski .

Russian rouble slips to 8-month low

MOSCOW: The Russian rouble set fresh 8-month troughs against the euro on Monday, pressured by corporate' demand for foreign currencies and concerns about domestic economic health, but strong oil prices capped losses. The rouble eased as far as 42.04 per euro, its weakest since early February, before erasing the losses to trade little changed on the day at 41.87 by 0734 GMT. Versus the dollar it lost 4 kopecks to 30.52. As a result, it was slightly weaker against the euro-dollar basket, which the central bank uses to manage monetary policy, easing to 35.63 from on Friday's close of 35.61.

IMF lowers Russian 2010 economic growth forecast to 4 percent

Russia's economic growth will be 4.0 percent in 2010 and 4.3 percent in 2011, according to the latest International Monetary Fund (IMF) report published on Wednesday. Thus, the IMF has lowered its forecast for Russia's growth by 0. 3 percentage points for 2010, but increased it by 0.2 percentage points for 2011, the RIA Novosti news agency reported.

Russia

Social Front

Moscow ex - Mayor to Challenge His Old Ruling Party

MOSCOW (Reuters) - The former mayor of Moscow sacked by the Russian president, said on Monday he will set up a political movement to challenge the ruling party, a move that could create a wild card ahead of 2012 presidential elections.