

# DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

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## RUSSIAN FEDERATION

### Politics

#### **Duma Supports Imports Of Nuclear Waster**

• The Russian State Duma on Wednesday approved, in a second reading, three bills which would lift the ban on importing nuclear waste. This vote received only 230 to 267 votes, compared to 319 votes in the first reading. Environmentalists and some politicians have warned that Russia cannot safely store or reprocess its own nuclear waste. Nuclear Energy Minister Alexander RUMYANTSEV said that over the next ten years Russia will import 20,000 tons of nuclear fuel from Asia and Europe, earning the nation \$20 billion. The revenues would be used to finance the maintenance and upgrading of Russia's power plants and nuclear arsenal. South Korea, Taiwan, Singapore, Japan, Germany and Spain have expressed an interested. The Central Electoral Commission in November rejected a 2.5 million-signature petition from environmentalists for a referendum on keeping Russia's ban on nuclear waste imports. Yabloko deputy Ilya YASHIN said, "Most of the population is against this while the majority of the parliament supports it." It is estimated that 70 to 90 percent of the population oppose importing nuclear waste. Greenpeace said, "This is designed to turn Russia into a nuclear dump. Considering the volumes involved, there is a real risk of contamination." Former Nuclear Minister Yevgeny ADAMOV, who was sacked this month, had said Russia lacks treatment facilities to process or store imported wastes.

#### **Russia To Invest In Nuclear Reactors**

• The Russian Atomic Energy Ministry is going to invest 10 billion rubles (about \$346 million) in the construction of nuclear stations in 2001. First deputy Atomic Energy Minister Vladimir VINOGRADOV said the third reactor of the Kalinin nuclear power

station, the fifth reactor of the Kursk nuclear power station, and the second reactor of the Rostov station are among the top priorities. The first reactor of the Rostov station has already produced more than 100 million kWh of electricity. According to the investment program, 10 billion rubles will be allocated from funds of the Atomic Energy Ministry. The volume of investments in construction projects in 2002 is expected to reach 13 billion to 14 billion rubles (\$450 million to \$485 million).

#### **Russia To Complete Work On Bushehr Plant**

• New Russian Atomic Energy Minister Alexander RUMYANTSEV on Monday committed Russia to completing work on Iran's Bushehr nuclear power station, but was noncommittal on plans to build a second reactor there. The US, which opposes the sale of nuclear technology to what it considers a "rogue state," had expressed alarm at suggestions that Moscow could build more reactors for Iran. Washington has slammed Russian sales of nuclear technology to Iran and has cited potential nuclear proliferation to justify its desire to build a \$60 billion missile defense shield that has been strongly denounced by Russia. "If we are lagging behind schedule on the construction of the first Bushehr nuclear power plant, then we will catch up... We must fulfill our contractual obligations," RUMYANTSEV said. The minister repeated Russia's view that the 1995 Bushehr contract did not violate Moscow's international treaty undertakings as the nuclear co-operation was of a strictly civilian nature. He noted

that, "No documents have yet been signed," for the construction of a second reactor. Moscow analysts said RUMYANTSEV's predecessor, Yevgeny ADA-MOV, had been fired for his "excessive enthusiasm" in reaching deals with Iran, which only aggravated Russia's ties with the US, Reuters reported. The US has also criticized Moscow's decision to ship nuclear fuel to India's Tarapur reactor, but RUMYANTSEV said Russia intended to build a nuclear power station on the subcontinent, despite international concerns. "India is our strategic partner. We want to ensure that there are no reproaches [from the international community] in this regard."

### Economy

Ruble = 28.87/\$1.00 (NY rate)

Ruble = 28.91/\$1.00 (CB rate)

Ruble = 25.69/1 euro (CB rate)

### Russian GDP Rises In First Quarter

- Russia's industrial output rose 3.5 percent in the first quarter of this year, while gross domestic product (GDP) increased by more than four percent in the same period, Prime Minister Mikhail KASYANOV said on Monday. He gave no comparative figures, but according to State Statistics Committee data, GDP rose 8.4 percent and industrial output 11.9 percent in the first quarter of 2000, Reuters reported.

### Business

#### **Newsweek Severs Ties With Itogi**

- Newsweek announced it will sever ties with the Russian newsmagazine Itogi after Gazprom fired Itogi's editors, spurring free-press concerns in Russia. Newsweek will no longer send editorial material to Itogi or sell it advertising, according to a company press release. Gazprom fired editors at Itogi, a weekly public affairs magazine, and closed its sister publication, the Segodnya daily newspaper earlier this week. Both were part of the Media Most empire that state-owned Gazprom fully seized last weekend. Newsweek's contract with Itogi gives it the right to end their relationship if control of Itogi changes, Newsweek Editor-in-Chief Richard SMITH said in the statement.

#### **Trouble At TV6**

- Leaders at Boris BEREZOVSKY's TV6 have

announced plans to resign due to the hiring of journalists from Vladimir GUSINSKY's embattled NTV. TV6's board chairman Igor SHABDURASULOV, executive director Alexander PONOMARYOV, and board member Ruslan FOMICHEV announced their resignations on Wednesday. PONOMARYOV blamed his departure on conflicts at the station with newcomers from NTV, which include chief editor Yevgeny KISELYOV. In an interview on ORT, PONOMARYOV said the arrival of NTV reporters meant TV6 journalists were effectively ousted. KISELYOV met TV6 staff late on Wednesday to say that, starting next week, former NTV journalists would handle news broadcasts and fill key editorial roles. TV6 staff decried the "takeover" of their channel and some stated that KISELYOV was acting no better than Gazprom. KISELYOV and other journalists left NTV, following a takeover of the board by state-owned Gazprom. NTV and its supporters claim that the takeover was a Kremlin-orchestrated assault against critical media, the Associated Press reported.

In Washington, the BUSH administration said that freedom of expression is being jeopardized in Russia "by political pressure and intimidation tactics." State Department spokesman Richard BOUCHER said, "We've seen actions that have led many reasonable observers to conclude that the campaign... is politically motivated."

#### **Itera To Build Gas Pipeline**

- Itera Holding said it may participate in building a pipeline from Moldova to Romania to transship about 4 billion cubic meters (bcm) of Russian gas per year, Izvestia reported. The pipeline from the Moldovan town of Droki to Iasi in Romania will cost as much as \$50 million of investment. Itera also plans to participate in Moldova's planned state asset sales to allow it to build a gas-fired power plant and trade agricultural products. Itera has supplied 2.7 bcm of gas to Moldova since 1996. The company also supplies Moldova with electricity from Ukraine. Moldova owes Russia \$700 million for gas supplies, including \$588 million in fines. Moldova, which borders Romania to the west and Ukraine to the east, has a population of 4.4 million and is among the poorest of the former Soviet Republics.