

# DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

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## RUSSIAN FEDERATION

### Politics

#### **Rus-China To Discuss Anti-Terrorism**

• China and Russia will meet at the end of this month in Beijing to discuss ways they can cooperate in combating terrorism. The "working group meeting" would be the first of its kind between the two countries. Chinese Foreign Ministry spokeswoman ZHANG Qiyue told a news conference, "They will exchange views on the current struggle against terrorism and how to strengthen bilateral cooperation between the two sides." Russian Presidents Vladimir PUTIN and Chinese President JIANG Zemin also mentioned the meeting on Monday, when PUTIN called JIANG to brief him about his Texas ranch summit last week with U.S. President George W. BUSH. China and Russia have both backed the U.S.-led war against terrorism following the September 11<sup>th</sup> attacks in large part to their own concerns about Islamic extremist groups. China has drawn parallels between Moscow's conflict in Chechnya and Beijing's campaign against Islamic separatists in the northwestern region of Xinjiang. In their telephone conversation, JIANG told PUTIN the international community should push for the formation of a broad-based transitional government in Afghanistan. The two leaders agreed that the U.N. should play a more active role in finding a political solution that would include all ethnic groups and factions in Afghanistan, the official People's Daily reported. In addition, the Kremlin said, JIANG welcomed announcements by the Russian and U.S. leaders that they would seek to reduce their nuclear arsenals by two-thirds over the coming decade. PUTIN and JIANG repeated their commitment to the 1972 Anti-Ballistic Missile Treaty (ABM), which would ban the sort of missile defense scheme envisaged by BUSH, said ZHANG. Bush wants to scrap the treaty as a Cold War "relic," but Moscow and

Beijing say the landmark arms control accord is vital to their security. ZHANG said, "China maintains its belief that the ABM Treaty is the cornerstone of the global strategic stability. It should be safeguarded and abided by," Reuters reported.

#### **Five Convicted Of 1999 Apartment Bombings**

• Russian news agencies are reporting that a Stavropol court has sentenced five men from Karachaevo-Cherkessiya in connection with the bombings in August and September 1999 of apartment buildings in Moscow and Volgograd. The five received prison terms ranging from nine to 15 years on charges of terrorism, illegal possession of explosives, and forming an illegal armed group. The five men admitted to having trained at camps in Chechnya run by Jordanian-born field commander KHATTAB, but pleaded not guilty to the apartment bombings. According to The Wall Street Journal, the prosecution failed to make public any evidence that they were guilty of those attacks.

#### **Group Urges Smallpox Inoculation**

• A group calling itself "Scholars Against Bio-weapons" urged that officials inoculate 95 percent of the Russian population against smallpox to protect against a biological attack by terrorists, Novye Izvestiya reported. On November 8<sup>th</sup>, Head of the Vektor Biotechnology Center Lev SAN-DAKH-CHIEV told NTV that there was a possibility that poorly paid scientists may have sold smallpox virus samples to terrorist groups. However, Russian President

Vladimir PUTIN in an interview with ABC's Barbara WALTERS said that, "it is impossible," that terrorists could obtain the smallpox virus or anthrax spores in Russia.

### Economy

<p><b>Ruble = 29.80/\$1.00 (NY rate)</b>  <b>Ruble = 29.83/\$1.00 (CB rate)</b>  <b>Ruble = 26.35/1 euro (CB rate)</b></p>
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#### **Russian 2003 Debt Peak To Be Lowered**

- Russian Deputy Finance Minister Sergei KOLOTUKHIN said today that Russia is coping better than expected with its foreign debt payments. Russia's total foreign debt burden is \$140 billion. Russia is to pay \$14 billion in foreign debt this year and next. He predicted that the foreign debt peak, previously predicted to be \$19 billion in 2003, will be much lower. He said, "As a result of the government's work in 2001 on actively managing foreign debt the sum of payment in 2003 will be significantly lower than \$19 billion." KOLOTUKHIN did not, however, speculate how much the debt burden would be reduced for 2003. Russia has tried to set aside funds to make the payments in full for 2003. Some market analysts have said the government has been using revenues earned from high oil prices in the last two years to buy back debt and cut what is owed by the state. KOLOTUKHIN said that a current oil price fall due to the slowdown in the world economy was also not a concern, Reuters reported. "The government has worked actively with foreign debt and I do not have any worries about Russia's ability to fulfill its obligations following falling oil prices," KOLOTUKHIN said. Former Finance Minister and now Duma Budget Committee member Mikhail ZADORNOV supported his assertions. ZADORNOV said, "I do not think that 2003 [debt problems] will be much harder than this one [year]."

### Business

#### **TNK Interested In CNPC Partnership**

- The Tyumen oil and gas company (TNK) has expressed its interests in implementing several oil and gas projects with the Chinese National Petroleum Corporation (CNPC). CNPC officials showed their interest in establishing partnership relations with the TNK and developing Verkhne-Chonsky oil field in the Irkutsk region and Talakansky oil field, the press

service of the Tyumen oil company reported in an interview with RosBusiness Consulting. At the same time, the two companies declared their intention to prepare all documents concerning natural gas supplies from the Kovytkinsky gas field to China in accordance with an agreement reached by the governments of Russia and China on further collaboration in the energy sphere.

### Tuesday Tid-Bit

#### **Suspicious Powder Mailed To Yeltsin**

- ITAR-TASS reported that officials are investigating an envelope containing suspicious white powder that was sent to former President Boris YELTSIN. The envelope came from the local clinic for skin and venereal diseases, and officials there said that the powder looks like household baking soda, but is being studied in a laboratory. So far, the officials said, they have examined 15 suspicious samples in that region, and all turned out to be harmless, RFE\RL Newsline reported.

#### **Fire Damages Peter And Paul Fortress**

- A fire caused heavy damage to a section of the Peter and Paul Fortress, one of St. Petersburg's most important landmarks, officials said. The Sunday evening fire damaged about 500 square feet of the fortress' Naryshkin bastion and destroyed the structure's wooden dome, officials said. The cause of the blaze is under investigation, said Yelena KONONENKO, a spokesman for the fortress. The fortress was one of the first structures built when the city was founded by Tsar Peter the Great in 1703. Peter erected the fortress to protect the area from possible attack by Sweden; it later served as a high-security jail for political prisoners.

### **EUROPEAN REPUBLICS**

#### **Russia-Ukraine Discuss Military Cooperation**

- Russian Defense Minister Sergei IVANOV will hold talks with his Ukrainian counterpart Army General Vladimir SHKIDCHENKO, a military-diplomatic source told ITAR-TASS today. IVANOV and SHKIDCHENKO intend, "to discuss a wide variety of matters of the bilateral military cooperation." The sides will also consider topical matters of the regional and international security and prospects for intensification of the military cooperation within the framework of the Commonwealth of Independent States (CIS).

said the source. According to reports from Kiev, a Ukraine Defense Ministry representative said SHKIDCHENKO would attend a Moscow meeting of CIS defense ministers as an observer.

#### **Ukraine-Moldova Sign Checkpoint Agreement**

- Ukrainian Prime Minister Anatoly KINAKH and his Moldovan counterpart Vasily TARLEV on Saturday signed agreements on the regime of passage through five checkpoints on the border between the two countries. The documents were signed in Odessa after a meeting on the settlement of border and customs issues between Ukraine and Moldova, ITAR-TASS reported. Responding to a question about checkpoints on the Dniester border section, KINAKH said Ukraine considers the state border in its entirety, "without singling out any sections." Dniester representatives attended the meeting as observers. The Ukrainian government press service told ITAR-TASS the sides reached agreement on the equipment and security measures for the checkpoints in Reni-Dzhurdzhuleshty, Rososhany-Prichany, Kelmintsy-Larga, Zelenaya-Medvezhyya, and Mamalyga-Krivaya. The two sides will also adopt amendments on equipment for the checkpoints in Palanka and Kuchurgany. KINAKH and TARLEV instructed experts to work out, within 15 days, documents on crossing these checkpoints.

#### **Latvian Privatization Director Dismissed**

- The Latvian government dismissed Privatization Agency Director Janis NAGLIS by a vote of nine to four with one abstention, LETA reported. He was sacked for procedural violations. Ministers from the People's Party and For the Fatherland and Freedom (TB/LNNK) voted for NAGLIS' dismissal, while Premier Andris BERZINS and other members of Latvia's Way voted against. NAGLIS, who will remain in office until December 14<sup>th</sup>, does not admit to any wrongdoing and is considering filing a court appeal against the decision. NAGLIS added that he can respond to the charges only in general terms since he was not allowed to examine the materials which Economy Minister Aigars KALVITIS provided to justify his ouster, RFEIRL Newsline reported.

### **SOUTH CAUCASUS & CENTRAL ASIA**

#### **Georgian Power Station Under Threat**

- On Monday night, some unidentified individuals attempted to blow a bridge leading to the Khador-

skaya Hydro Power Station, which is currently being built in the Pankisi Valley, Prime News Agency reported. According to Zurab TUSHURI, the local police chief, one of the piers of the bridge was damaged and the traffic across the bridge was stopped. An investigation has been launched. TUSHURI refused to comment any possible motives for the crime. He mentioned, however, that a few weeks ago the building of Khadorskaya Power Station was under the mortar fire, but the damage was minor. Georgian Parliament Speaker Nino BURDZHANADZE called on the law enforcement agencies to implement some urgent measures ensuring peace and stability in the Pankisi Valley. Parliamentary member Revaz ARVELADZE told other deputies that the Chinese investors of the Khadorskaya Power Station are concerned over the incident. They are uncertain whether the project will proceed as planned. Khadorskaya Power Station is deigned to produce 18 megawatt of energy per day. When completed, the power station will provide energy supplies to the Pankisi Valley and a part of the Kakheti region.

#### **Georgian Requests Factual Information**

- Georgian President Eduard SHEVARDNADZE said Monday that his country is ready to cooperate with Russia in anti-terror fight, if the latter supplies concrete information about terrorists. SHEVARDNADZE said he regarded the 7,000 Chechens on Georgian territory "only as refugees" as he had no evidence to prove there are terrorists among them. "I have no proof that there are Chechen terrorists among refugees in Georgia...more than 7,000 refugees from Chechnya found shelter in Georgia in 1999-2000 and most of them are women, children and old people," SHEVARDNADZE told Russian media in Tbilisi. "I cannot order a special operation and detention of 7,000 refugees from Chechnya in order to find criminals among them, because such an operation is not possible physically or practically," he said. The President suggested that things will be different if Russia supplies concrete information about the whereabouts of Chechen terrorists in Georgia. Regarding Chechen field commander Ruslan GELAEV, SHEVARDNADZE said he is not sure about GELAEV's whereabouts, Xinhua reported. Georgian Prosecutor General's office has received from its Russian counterpart an official arrest warrant for GELAEV, Prime News Agency

reported. According to a message sent by the Russian prosecutors, they are confident that GELAEV is in Georgia and they demand his immediate arrest and extradition to Russia. GELAEV's current location, however, was not provided. According to Interpol's Georgian office, GELAEV has been on an Interpol wanted list since 1999. Along with GELAEV, some 150 Chechen gunmen are wanted by this organization.

SHEVARDNADZE has called for a new framework treaty with Russia with talks starting, "as soon as possible." Russian authorities have said that a new treaty with Georgia could be negotiated only, "in conditions that will be different from the current ones," ITAR-TASS reported. Moscow is not satisfied with Georgia's present attitude toward Chechen rebels and accuses Tbilisi of harboring Chechen separatists and their leaders in Georgia. On December 5, 2000, Russia introduced a visa regime with Georgia due to, "problems that arose during the counter-terrorist operation in Chechnya and the fight against terrorism," and stated it would abolish the regime as soon as the problem of Chechen terrorists is solved. But Georgia has repeatedly stated its opposition to Moscow's visa restrictions.

#### **MP On Rus-Georgian Visa Regime**

• Viktor ALKSNIS, Russian State Duma deputy and a member of the Duma federation and regional policies committee, has called for keeping the visa regime with Georgia unilaterally imposed by Russia last year, Prime News Agency reported. According to ALKSNIS, due to the, "anti-Russian position of the Georgian leadership and the terrorism threat, the visa regime cannot be lifted." Furthermore, he stated, Russia should raise the energy fees for Georgia. If Georgia currently pays \$50 per one thousand cubic meters of gas, it should pay \$100 per one thousand cubic meters, he stressed.

#### **Oskanyan Speaks At UN General Assembly**

• Armenia's Foreign Minister Vardan OSKANYAN is calling for a political dialogue between the Turkish and Armenian governments over the issue of 1915 Turkish genocide against the Armenians, Mediamax information agency reported. In his speech at the U.N. General Assembly last week, OSKANYAN stated that the 1915 genocide against the Armenians is still hampering the development of Armenian-Turkish relations. OSKANYAN stressed that, "as victims of genocide, the Armenians do not want their tragic past to influence their acts in the future." The minister added that Armenia is ready to develop relations with Turkey. OSKANYAN is hopeful that Ankara will agree to start the political dialogue.

Commenting on the Nagorno-Karabakh conflict, OSKANYAN said, "Nagorno-Karabakh has never been a part of independent Azerbaijan." According to OSKANYAN, "people of Nagorno-Karabakh have deserved their right to live peacefully on their land." He stated that Armenia's policies are aimed at achieving justice for the people of Nagorno-Karabakh.

#### **Niyazov Sacks Border Guard Officials**

• Turkmen President Saparmurat NIYAZOV issued a decree Wednesday severely criticizing border guard service head Lieutenant General Turkish TERMEEV for serious shortcomings and a cavalier attitude to his work. The decree fined him one month's wages, the Associated Press and Interfax reported. NIYAZOV warned TERMEEV that he will be dismissed, if his performance does not improve within one month. NIYAZOV also dismissed two of TERMEEV's subordinates and stripped them of their military rank for having reportedly accepted bribes to cover up criminal offenses and intimidated innocent persons, RFE/RL Newsline reported.

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