

DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

INTERCON INTERNATIONAL USA, INC., 725 15th STREET, N.W., SUITE 903,
WASHINGTON, D.C. 20005 -- 202-347-2624 -- FAX 202-347-4631

Daily intelligence briefing on the
former Soviet Union

Published every business day
since 1993

Monday, November 5, 2001

RUSSIAN FEDERATION

Politics

Russia Sees New Strategic Ties With US

• Following several rounds of consultations with officials from Washington on arms and missile defense, Russia said that it can see the basis for a new strategic relationship with the U.S., Reuters reported. The Foreign Ministry said an October meeting, between Russian President Vladimir PUTIN and U.S. President George W. BUSH on the sidelines of the Asian Pacific Economic Cooperation (APEC) forum, prepared the ground for working out, "basic views on the framework of future strategic relations." The Ministry added, "Mutual political steps, as well as careful treatment of existing, interconnected strategic arms agreements, offensive and defensive, are now required." The statement followed a meeting between Russian Deputy Foreign Minister Georgy MAMEDOV and senior U.S. Secretary of State John BOLTON, which focused on strategic offensive weapons and anti-missile defense. BOLTON was in Moscow to discuss arms questions with the Russian side before a U.S. summit between PUTIN and BUSH set for November 13th to 15th. Cooperation in the war against terrorism has improved relations between Moscow and Washington, which were dominated in the initial months of BUSH's term by a controversy over the U.S. missile defense shield.

Most Trusted Politician Poll

• A new poll conducted by the All-Russian Center for the Study of Public Opinion [VTsIOM] and released to Interfax showed that Russian President Vladimir PUTIN's approval rating has improved from 73 percent in September to 75 percent. Prime Minister Mikhail KASYANOV's approval rating slid from 50 percent a month ago to 48 percent. The overall opinion of the Cabinet rose slightly from 40

percent at the end of September to 42 percent. When asked by pollsters to name five or six trustworthy political figures, 47 percent of respondents named PUTIN. The President was followed by Emergencies Minister and Unity leader Sergei SHOIGU (19 percent), Communist Party leader Gennady ZYUGANOV (16 percent), and KASYANOV (12 percent).

Russian Military Deals: Iran, Nicaragua

• Vedomosti reported that *Rosoboronekspart* has signed a contract to supply 30 Mi-8 military transport helicopters to Iran. RFE\RL Newsline reported that the total value of the deal was estimated at \$150 million. Russia and Nicaragua signed a five-year agreement on October 24th aimed at modernizing Nicaragua's military. Under the pact, Nicaragua will receive Russian supplies and technical advice. The majority of Nicaragua's military equipment was made in Russia and inherited from the pro-Cuban and pro-Soviet Sandinista government of the 1980s, the Associated Press reported. Nicaraguan Defense Minister Jose Adan GUERRA said the accord grew out of a, "necessity to modernize the technical and logistical capacity" of Nicaragua's military.

Economy

Ruble = 29.76/\$1.00 (NY rate)

Ruble =
29.75/\$1.00
(CB rate)

Ruble = 26.67/1
euro (CB rate)

Business

**G a z p r o m
S h a r e s M a y
F a l l**

• Foreign investors have been

announcing recently that they are ready to sell their *Gazprom* shares at a low price. They expect a plummet in the shares of Russia's largest company soon unless the situation with the *Gazprom* leadership becomes clear next week. In particular, it concerns a possible dismissal of *Gazprom*'s head Alexei MILLER. In addition, the board of the gas giant will hold a meeting this week devoted to scandalous relations with oil and chemical company *Sibur*. Israeli analyst Georgy ARINSON, who consults for *Gazprom* investors, confirmed that the situation around the Russian gas monopolist is aggravated and a lot of investors are ready to sell their shares, the *Izvestia* reported.

UES Media Leadership Appointed

- The Russian national energy utility *Unified Energy Systems of Russia (UES)* has started appointing the leadership of its media group. The press service of the company reported to RosBusiness Consulting that Irena LISNEVSKAYA was appointed the president of the media group and Boris MINTS, former head of the Union of Right Forces executive committee, was appointed general director. The *UES* media group includes *REN-TV* company with its television channel and regional networks. The press service stressed that reforms in *REN-TV*, in which a 70 percent block has belonged to *UES* since 2000, will not result in the establishment of a large media holding similar to structures created by oligarchs Boris BEREZOVSKY and Vladimir GUSINSKY.

EUROPEAN REPUBLICS

Romania, Ukraine Support U.S. Action

- U.S. Secretary of State Colin POWELL on Tuesday expressed gratitude for Romania and Ukraine's support of the U.S. campaign against terrorism. POWELL also assured Romanian Prime Minister Adrian NASTASE that the BUSH administration supports the expansion of the North Atlantic Treaty Organization (NATO). Romania aspires to membership in the military pact. NASTASE's visit was marked by an agreement for Romania and the U.S. to hold joint military exercises. Last week, Ukraine's Prime Minister Anatoly KINAKH visited Washington, meeting with U.S. officials and World Bank President James WOLFENSOHN. The BUSH administration called for more political and economic reforms to be implemented in Ukraine.

State Department officials said the two European countries had provided strong support in the anti-terrorism campaign.

Estonian Maintains Budget Surplus

- The Estonian Finance Ministry Wednesday announced that the country's government sector budget surplus was 1.045 billion kroons (\$60.44 million) at the end of September, down from 1.14 billion kroons a month ago. "The overall surplus amounted to 1.1 percent of the planned annual gross domestic product (GDP)," the ministry said. In the same period a year ago, the government sector budget, made up of the central government and local government budgets plus expenditure from foreign loans, ran a deficit of 270.5 million kroons. Estonia's government sector budget ended 2000 with a 601.6 million kroons deficit and the Central Bank has repeatedly called on the government to run a surplus this year and next to offset that, Reuters reported. The ministry said the budget revenues totaled 25.78 billion kroons in the first nine-month of the year, or 77.6 percent of the planned income for the year, while the expenditure came at 24.74 billion kroons, or 73.8 percent of the annual plan. It added the nine-month central government budget surplus was 1.16 billion kroons while local governments ran a deficit of 52.4 million kroons. The 2001 budget was approved with revenue and expenditure, excluding foreign assistance, balanced at 29.786 billion kroons.

SOUTH CAUCASUS & CENTRAL ASIA

Abashidze An Envoy To Abkhaz Conflict

- As *Intercon* reported, Georgian President Eduard SHEVARDNADZE met with the Chairman of the Adjara Supreme Council Aslan ABASHIDZE on Saturday. The Georgian President appointed ABASHIDZE to serve as presidential envoy in the Georgian-Abkhaz conflict, Prime News Agency reported. At a press conference today, SHEVARDNADZE stated that for a peaceful settlement to the conflict all opportunities should be employed. SHEVARDNADZE believes that ABASHIDZE can effectively work with Sukhumi officials, which can expedite the negotiation process between Georgia and Abkhazia. "The main goal is to define the status of Abkhazia within the united Georgia and the return of the refugees, including the legitimate authorities of Abkhaz autonomous republic." SHEVARDNADZE

stated. According to Sergei SHAMBA, foreign minister of Abkhazia, ABASHIDZE's appointment is acceptable, but it will not change anything, Prime News Agency quoted him as saying. SHAMBA stressed that ABASHIDZE will not be able to make a difference in the negotiation process unless the officials in Sukhumi change their stance towards the conflict settlement. At this point, SHAMBA stated, Sukhumi does not see a possibility to resume a political dialogue with Tbilisi. U.N. envoy to the Georgian-Abkhaz conflict Diter BODEN avoided a detailed commentary on ABASHIDZE's appointment, but he said that it was "an interesting choice." BODEN added that he met with ABASHIDZE in August to discuss the Abkhaz conflict. ABASHIDZE's intermediary role in the negotiations process at that time was not discussed, BODEN said. Analysts speculated that SHEVARDNADZE is trying to attract the votes of the former opposition, Revival, a party controlled by ABASHIDZE. During the visit to Batumi, the President also awarded ABASHIDZE with the top military order of Georgia.

Burdzhanadze, Candidate For Chairman?

- The Citizen's Union of Georgia (CUG) parliamentary faction plans to offer Nino BURDZHANADZE, head of the parliamentary international relations committee, as a candidate for the position of the parliamentary chairman, Prime News Agency reported. According to Georgy KHEVIASHVILI, a faction's deputy, CUG will not support any other candidate for this position. BURDZHANADZE has been described as a member of former chairman Zurab ZHVANIA's "reformers team." A loose coalition has been formed between CUG, Industrialists, Traditionalists, Majoritarians, and Abkhazia, which could garner 130 votes. They have agreed to back a neutral candidate, who does not have aspirations beyond the office. KHEVIASHVILI believes that Revival parliamentary faction will introduce their leader, Jemal GOGITIDZE, for the speaker's position. The position of the parliamentary chairman has been vacant since ZHVANIA resigned last Thursday, following several other resignations and demands from protestors. This afternoon, there were less than thirty people rallying in front of the Georgian parliament.

Russia Withdraws From Gudauta

- Russian President Vladimir PUTIN announced at the Cabinet of Ministers meeting today that as

of Saturday Russia has fulfilled its obligations to withdraw from its Gudauta military base in Abkhazia, Georgia. He said that Russia had met its obligations on the withdrawal "not de jure, but de facto." According to him, this completes, "a process, set by Boris YELTSIN by signing a relative document in Istanbul in 1999." Under the 1999 OSCE agreement, Russia had to withdraw its military bases from Vaziani and Gudauta by July 1, 2001. Russia explained it was unable to comply with the deadlines due to the protests in Abkhazia. PUTIN stressed that Russian peacekeepers are still located in Abkhazia, and they continue fulfilling their mission, *ORT Television* broadcast.

In the meantime, Prime News Agency reported that Abkhaz rebels had stolen an anti-aircraft complex Buk from the Gudauta base. The equipment was returned after Moscow pressured Sukhumi. According to *Izvestia*, "the powerful radiolocation station anti-aircraft complex had controlled air space not only over Abkhazia, but its possibilities were enough to know who is flying in Georgia and Turkey and how." The cost of Buk is \$3.2 million.

OSCE Presents New Proposal To Aliyev

- On Sunday, the Organization for Security and Cooperation in Europe's (OSCE) Minsk groups met with the head of the Moslems of Caucasus department, Sheik-ul-islam Allahshukyr PASHAZADE, Defense Minister Safar ABIYEV, and President Geidar ALIYEV, separately in Baku. The OSCE Minsk group co-chairman presented ALIYEV with concrete proposals on the settlement of the Nagorno-Karabakh conflict. Russian First Deputy Foreign Minister Vyacheslav TRUBNIKOV said ALIYEV had voiced his attitude to every proposal at the meeting. The American representative in the Minsk Group said the group understood the pressing need to settle the conflict. The French representative said that the Group Co-Chairmen were doing their best to bring closer together the attitudes of the conflicting sides. Yet the Co-Chairmen are unable to set a deadline for settling the conflict, because that fully depends on the will of the presidents of Azerbaijan and Armenia. ALIYEV noted that the settlement should be based on the equal account of interests of both parties. He stressed Azerbaijan is the aggrieved party in the conflict. He said, "If that is not taken into account, no solution to the problem will be found." The American representa-

tive emphasized that the conflict could have no military solution. Today, the Minsk group observed monitoring in the Tertersky region of Azerbaijan and later will visit Nagorno-Karabakh, and Armenia. The visit will conclude on November 8th.

Meanwhile, Azerbaijan and Armenia exchanged prisoners of war and hostages on Saturday. Armenia handed over three hostages—Barkhudar RUSTAMOV, Etibar ALIYEV, and Magomed ODZHAGVERDIYEV—who had been detained in last September and October in the Kazakh district that borders Armenia and in Nakhichevan. Azerbaijan handed over prisoner of war Gazar POGOSYAN. The exchange took place in the Kazakh district with the assistance of the International Committee of the Red Cross. According to the Azerbaijani commission, 783 Azeris remain in Armenian captivity, including 18 children, 43 women and 56 old people, ITAR-TASS reported.

Tajikistan Arrests Extremist

- An active member of the outlawed religious extremist Hizbi-al-Tahrir Party Mansur YUNUSOV was arrested in the northern part of Tajikistan. He is a citizen of Uzbekistan. ITAR-TASS has learned that the extremist was caught handing out leaflets condemning the anti-terrorist operation in Afghanistan and calling on all the Moslems of the world to fight the “unfaithful.” He also was in possession of other extremist literature when he was arrested. YUNUSOV is wanted by the Uzbek authorities for stirring up national and religious strife and committing several other crimes. Similar leaflets, containing Osama BIN LADEN’s calls for, “a jihad against members of the anti-terrorist coalition,” have appeared lately with increasing frequency in Tajikistan.

U.S. Commander Visits Tajikistan

- U.S. Army Commander General Tommy R. FRANKS met with Tajik President Emomali RAKHMONOV to discuss reducing civilian casualties in Afghanistan. An official statement said the two

had emphasized “the necessity of using methods of fighting...which will not allow the peaceful population of Afghanistan to suffer.” They also discussed cooperation between the U.S. and Tajikistan, “in the struggle against...international terrorism and extremism in the context of regional security,” Reuters reported. Tajikistan insists that air corridors and bases can only be used for search and rescue and humanitarian operations. RAKHMONOV repeated his position that Tajikistan would not open its borders to refugees from Afghanistan, as this could be a way for terrorists and religious extremists to enter. On Wednesday, FRANKS inspected several airports in southern Tajikistan close to the border with Afghanistan. While the purpose of FRANKS’s visit to the airports was not made clear, it is possible the airports are being assessed for military use in U.S. military campaign in Afghanistan. U.S. Secretary of Defense Donald RUMSFELD has concluded a two-day trip to Moscow and Central Asia, Kyodo News reported.

US State Dept List of Religious Persecutors

- The U.S. State Department has issued its annual list of nations with the worst records of religious persecutions and human rights violations, [The Christian Science Monitor](#) reported. The list is being criticized by those nations which are named and by organizations who believe other nations should have been listed. Seven nations were named “countries of particular concern:” Afghanistan, China, Iran, Iraq, Myanmar, North Korea, and Sudan. All but Korea were on last year’s list. The government’s own Commission on International Religious Freedom wrote Secretary of State Colin POWELL in August, recommending that Saudi Arabia, Turkmenistan, and Laos, as well as North Korea, be added. Human Rights Watch points to Uzbekistan as a prime offender. It recognizes that Uzbekistan commits, “abuses against many [non-violent] devout Muslims for their religious beliefs,” and systematically tortures many.

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