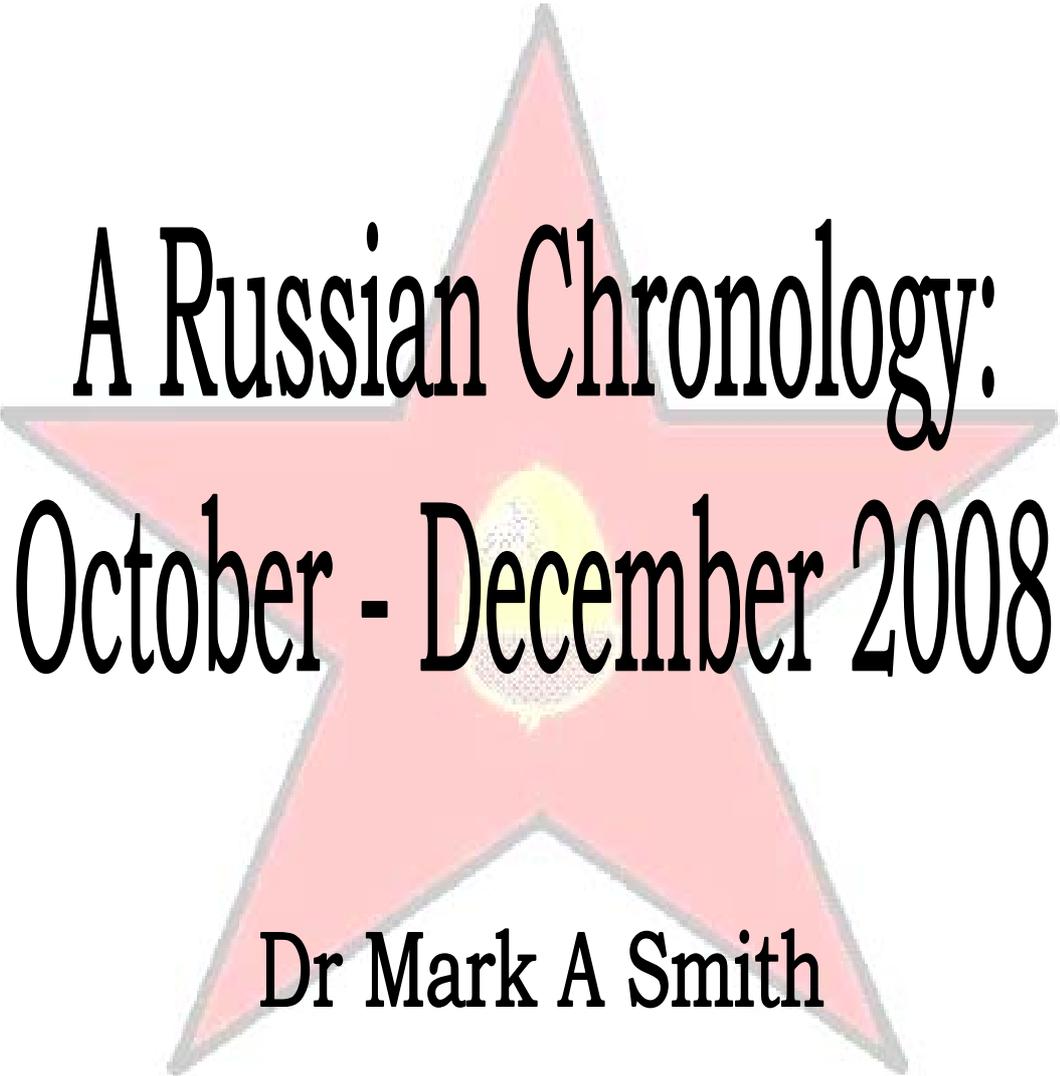


**Advanced Research
and Assessment Group**

Chronology Series

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**A Russian Chronology:
October - December 2008**

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January 2009

Defence Academy of the United Kingdom

Russian Domestic Policy: A Chronology

October – December 2008

1 October 2008 Prime Minister Vladimir Putin addresses a government meeting which examines the concept of long-term development of the country until the year 2020. He says events on the world's financial markets have demonstrated that Russia cannot rely on its existing insurance policies alone and should develop a robust national economy. He states:

In the next few years, Russia should achieve a significant improvement in the quality of work of the main, backbone industries, such as transport, the fuel and energy complex, the banking sector and agriculture...It is necessary to make serious progress in the construction of a national innovation system and the development of competition, to set up more reliable guarantees of protection of property rights.

Putin also lists the priorities of Russia's long-term development programme:

I will list just the most important tasks set by the concept for the long-term development of the country. They are an increase in life expectancy in Russia to 72-75 years, stabilization of the size of the population, [and] a decrease in mortality, above all among working-age people. By 2020, the real incomes of citizens should increase by 100-150 per cent. There should be a manifold increase in productivity in the key sectors. One would wish it to be a three-, four- and, in some sectors, perhaps a five-fold increase. The energy efficiency of the economy should increase by at least 40 per cent.

1 October 2008 The Presidium of the Supreme Court adopts a ruling to rehabilitate Tsar Nicholas II and members of the tsar's family. The court rules that the Russian Emperor and his family were "unlawfully repressed".

1 October 2008 A RS-20B intercontinental ballistic missile is test launched from Orenburg.

An MOD source informs Interfax-AVN that the MOD plans to set up a rapid reaction force made up of airborne troops, marine and special operation units within a short period of time. The rapid reaction force will have a total of 200-300 aircraft and helicopters which organizationally will be part of the Air Force's tactical operational group.

Prime Minister Putin says that the government will allocate an additional R80 billion (over \$3 billion) to buy new military hardware and armaments.

1 October 2008 Border Service deputy chief Lt-Gen Nikolay Rybalkin says the Border Service of the FSB (Federal Security Service) will be staffed only with professional soldiers by the end of 2008.

2 October 2008 Acting head of the Union of Right Forces (known by its Russian

acronym SPS – Soyuz Pravykh Sil) Leonid Gozman says that the federal political council of the SPS has passed a resolution on the dissolution of the party and creation of a new right-wing party together with two other political forces (these are the Civil Force and the Democratic Party, believed to be close to the Kremlin). The SPS, the Democratic Party and Civil Force decide to merge. The legal decision should be made official on 16 November when the unifying party conference will take place.

Yabloko says that the prospects for the merger of the SPS, Civil Force and the Democratic Party of Russia "are putting an end" to long-standing discussions on the possibility for the SPS and Yabloko to unite as one opposition democratic party.

2 October 2008 Prime Minister Putin discusses the construction of the strategic oil pipeline Eastern Siberia - Pacific Ocean, the ESPO. Its first 1,000-km-section, from Talakan to Tayshet, will be launched on 3 October, and it will start taking oil to the Angarsk oil refinery.

2 October 2008 An article by Vladimir Ivanov: "Rapid-Response MoD" appears in *Nezavisimaya Gazeta* on the development of rapid reaction forces.

The navy deputy commander-in-chief, Admiral Aleksandr Tatarinov, says that Russia plans to build eight nuclear submarines by 2015, armed with Bulava strategic missiles, under a new armaments programme.

2 October 2008 The head of armaments of the Russian Armed Forces, Deputy Defence Minister Colonel-General Vladimir Popovkin is interviewed in *Krasnaya Zvezda*. He says the MOD is planning to put into service the Bulava-30 intercontinental ballistic missile in 2009 after testing.

3 October 2008 Yegor Gaydar resigns from the SPS.

3 October 2008 The shareholders of TNK-BP settle the conflict inside the company and intend to legally formalize all agreements by December. A co-owner of the TNK-BP, the chairman of the board of directors of the Renova group of companies, Viktor Vekselberg, told Russian President Dmitry Medvedev about this.

3 October 2008 President of the Chechen Republic Ramzan Kadyrov says that Chechnya can only realize its full economic and cultural potential if it remains part of the Russian Federation:

The Chechen people have never raised the question of living separately from Russia. What would that independence have given us? We as a people see our future only in Russia. We are firmly convinced that the economic, political and cultural prosperity of the Chechen Republic and Chechen people is tied with Russia.

3 October 2008 Viktor Myasnikov writes an article in *Nezavisimoye Voyennoye Obozreniye* that criticizes Dmitry Medvedev's speech of 26 September on military reform.

4 October 2008 The reverse section of the ESPO oil pipeline from the Talakansk oil field in Yakutia to the town of Tayshet in Irkutsk Region is put into operation. Deputy Prime Minister Igor Sechin opens the valve of the pipeline.

5 October 2008 The Moscow Bureau for Human Rights states that from January to September 2008, at least 238 racially motivated attacks were registered that left 108 people dead and at least 235 injured.

6 October 2008 An article by Yury Gavrilov under rubric "Commentary: Defence": "Assault Force on Demand: Rapid Reaction Forces May Appear in the RF Armed Forces in the Near Future" in *Rossiskaya Gazeta* analyses the development of Rapid Reaction Forces.

Rosoboronexport says that specialists from the Russian defence-industrial complex are ready to modify the specimens of weapons upgraded in accordance with NATO standards to the North Atlantic Alliance's control system.

6 October 2008 Russian human rights ombudsman Vladimir Lukin criticizes the investigation into the murder of Anna Politkovskaya. He describes it as "strange and controversial".

7 October 2008 Prime Minister Vladimir Putin proposes introducing a system of state orders for TV and universities. He says: "We cannot start controlling the media again, be it electronic or printed media. There should be a state order for TV, for theatres, universities. That could become a powerful state influence in that sphere."

7 October 2008 Vladimir Markin, official representative of the Investigations Committee under the Prosecutor's Office, says three persons have been charged with the murder of Anna Politkovskaya - Sergey Khadzikurbanov, Dzhabrail and Ibragim Makhmudov. A criminal case against the person who directly committed the murder, Rustam Makhmudov, as well as a number of other persons, has been made into a separate criminal case. Makhmudov is on the international wanted list and the investigation of this criminal case will continue until all the participants in the crime are established and criminal charges are brought against them.

7 October 2008 Dmitry Medvedev demands that the government react as quickly as possible to the situation that is developing on the financial markets. Key banks will receive a multibillion rouble loan from the state to replenish their capital. Medvedev states:

Where, I think, we can take a decision today is: first, in granting subordinated loans to banks of up to R950 billion (\$38 billion) for a term of at least five years. This total amount can be broken down - given our agreements - into the following positions: to Sberbank, up R500 billion; to Vneshtorgbank, up to R200 billion; to Rosselkhozbank, up to R25 billion; and to other banks, up to R225 billion.

7 October 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin says: "Most likely, in the year 2008 the oil and gas production will peak in our country. There will be no more revenues like these. In this sense we are crossing a historical boundary." Kudrin says that at present the revenue from oil and gas account for 50 per cent of the budget. In future a constant reduction of the share of this revenue in the federal budget will start, irrespective of the price of oil. He says future economic growth should be achieved through increased labour productivity. The workforce will also shrink after 2008 due to demographic trends.

7 October 2008 The government increases 1.9-fold the quota for labour migrants for 2008 up to 3.4 million people.

8 October 2008 The Chita Region court satisfies the motion by the Investigations Committee under the Russian Prosecutor-General's Office to extend former Yukos head Mikhail Khodorkovsky's period of custody in the Chita remand centre until 2 February 2009. Khodorkovsky's stay in prison has already been extended seven

times, according to his lawyer Semen Rozenberg.

8 October 2008 Transbaykal governor Ravil Geniatulin says the Transbaykal region is destined to have to draw in foreign labour because of a shortage of its own workforce. He denies that there is a threat of Chinese expansion.

8 October 2008 Defence Minister Anatoly Serdyukov says the Armed Forces will be reduced to one million by 2012, including 150,000 officers. Serdyukov says: "As far as the rapid reaction forces, they already exist in the form of airborne troops. A decision has been made to have an extra rapid reaction brigade in each military district. These structures will be formed by 2012."

9 October 2008 Russian People's Democratic Union (RNDS) leader Mikhail Kasyanov says the RNDS will not cooperate with the new right-wing party which is being set up of SPS, Civil Force and the Democratic Party of Russia.

9 October 2008 Vladimir Putin says that there should not be an energy-intensive economy in Russia and therefore the course towards market pricing and active use of various sorts of fuel should be continued. He states that there must be diversification of energy sources.

9 October 2008 Chechen President Ramzan Kadyrov says the number of young people who are returning home from illegal armed formations has recently increased dramatically.

9 October 2008 United Civil Front activists protest in Moscow about the actions of Russian troops in Georgia.

10 October 2008 The Agrarian Party of Russia holds an emergency congress. It decides to merge with Yedinaya Rossiya (YR).

10 October 2008 The Duma passes a bill on additional measures to support the financial system in the second and third readings. The bill aims to secure the Russian economy against the background of the problems that have hit the financial system of Western countries. Under the new bill, the Bank of Russia will receive additional powers to give banks financial assistance and Vneshekonombank will be authorized to give loans totalling up to \$50 billion.

Vladimir Putin states that in 2009 R175 billion (approximately \$6.7 billion) from Russia's budget will be allocated in order to ensure the stability of the finance market.

Putin chairs a meeting of the government commission for the control of foreign investments. Putin says that Russia is prepared to provide foreign investors with access to Russian strategic enterprises on certain conditions: "If needed, a future foreign owner of a strategic enterprise will have to meet certain conditions, among them - guaranteeing the protection of state secrets, a commitment to process extracted raw materials on the territory of the Russian Federation, preserving job places and fully implementing the stated business plan."

10 October 2008 Chechen President Ramzan Kadyrov announces that bodies of power are to undergo reshuffles and that a "purge" has been launched in the republic that will continue until the end of 2008.

10 October 2008 The MOD says that 45 servicemen died in August as a result of crimes and accidents in the Armed Forces. 307 servicemen have died in the Russian Armed Forces since the beginning of 2008. This figure did not include

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combat and non-combat casualties of the Russian troops during the operation to compel Georgia to make peace in August 2008. The Russian Armed Forces registered 1,361 crimes and accidents in August; altogether 10,724 crimes and accidents - since the beginning of the year.

11 October 2008 President of the Chechen Republic Ramzan Kadyrov holds an emergency commission meeting following the earthquake in Chechnya.

11 October 2008 Dmitry Medvedev attends the Northern Fleet exercise as part of the Stability 2008 exercises. The *Tula* submerged nuclear-powered submarine fired Sineva missiles from underwater in the Barents Sea on targets in the Pacific Ocean.

12 October 2008 Elections to the regional parliaments in take place in Irkutsk Region, Sakhalin Region, Transbaykal Territory, Kemerovo Region and the Chechen Republic.

12 October 2008 A Topol ICBM is launched from the Plesetsk cosmodrome and successfully reaches the target at the Kura test range.

13 October 2008 Anatoly Perminov, head of Roskosmos says that Russia is starting to develop a new manned spaceship that will replace the Soyuz vehicles in current use and will be launched from the Vostochny space launch site in the Amur Region.

13 October 2008 The Chita district court upholds an appeal filed by former owner of the Yukos oil company Mikhail Khodorkovsky and former head of Menatep group Platon Lebedev's lawyers. The defence claims that the rights of the accused are being violated: the investigation refuses to interrogate the witnesses of the defence, gathers evidence covertly and conceals materials. The Chita district court returned the appeal to the Ingodinsky district court.

13 October 2008 Dmitry Medvedev signs a federal law "On amendments to Article 11 of the federal law 'On insurance of deposits of physical persons in the banks of the Russian Federation'." The law was adopted by the Duma on 10 October and approved by the Federation Council on 13 October. The federal law stipulates increasing to R700,000 (\$26,713) the maximum compensation for deposits in banks regarding which an insurable event has occurred (recall (annulment) of the bank's licence to carry out banking operations or the introduction of a moratorium on settling demands from the creditors of the bank). Previously, deposits were insured up to R300,000.

Prime Minister Vladimir Putin demands at a session of the government presidium that the implementation of measures to stabilize the country's financial market is speeded up. Putin says many Russian companies are facing financial starvation.

13 October 2008 The deputies of the People's Assembly of Ingushetia issue a statement expressing their opposition to the idea of recreating Checheno-Ingushetia.

14 October 2008 Dmitry Medvedev appoints Dmitry Kozak as the new deputy prime minister in charge of the preparations for the 2014 Olympics in Sochi. Deputy presidential envoy to the Urals Federal District, Viktor Basargin, will replace Kozak as regional development minister.

14 October 2008 FSB Director Aleksandr Bortnikov says that Russian special

services are taking additional measures in connection with the threat of terrorist attacks in Russian regions bordering on South Ossetia and Abkhazia.

14 October 2008 In a broadcast on Zvezda TV Defence Minister Anatoly Serdyukov outlines a major overhaul in the structure of the Russian armed forces to be carried out over the next few years. The overall strength of the army would be reduced to one million, and there would only be 150,000 officers - less than half the current number. The current structure based on armies, divisions and regiments would be replaced with one based on operational commands and brigades, although military districts would be retained. The overall number of units will be reduced drastically, particularly in the Ground Troops, and all units would be permanent-readiness.

The deputy chair of the Duma defence committee, Mikhail Babich, says the large-scale reorganization of Russia's Armed Forces and the entire central apparatus of the military agency, planned for the period to 2012, is being conducted without a thorough analysis of economic, social and military consequences of these decisions. Babich says that at a closed-door sitting of the State Duma defence committee the deputies did not get substantiated answers from the military leadership as regards the timeframe and plans for this large-scale reorganization.

15 October 2008 The Moscow District Military Court open preliminary hearings into the killing of Anna Politkovskaya despite the absence of her family's lead lawyer, who fears that she was poisoned with mercury in her car in France (it is later revealed that she was not the victim of a poisoning attempt – the former owner of her car broke a barometer in the car which caused the mercury to leak out). Judge Yevgeny Zubov rejects an appeal by Politkovskaya's family to postpone the trial until the lawyer, Karina Moskalenko, returns to Moscow and to set the next hearing for 17 November.

Investigators suspect that Rustam Makhmudov, a Chechen who has not been apprehended, acted as the triggerman and are looking for a number of other people suspected of helping organize the killing.

15 October 2008 A Levada poll reports that 76 per cent of the people are generally happy with Dmitry Medvedev as president. 43 per cent of Russians say they trust the president. Prime Minister Vladimir Putin still remains the most influential Russian politician: 56 per cent of the people trust him, while 83 per cent of those polled are happy with his performance in the post of prime minister.

16 October 2008 Dmitry Medvedev says the defence industry must be supported in view of the global financial crisis. He says he is against any cuts in the state defence order. This order in 2009 will be R1,300 billion. The state defence order has been increased by R60 billion for 2009, by R30 billion for 2010 and by R70 billion for 2011.

Medvedev outlines measures to help the banking sector and stabilise financial markets. He states:

To build up banks' strength, money has been allocated to provide subordinated loans to the total amount of R950 billion (around \$36.5 billion) for a term of 10 years. Thus, banks' capital will be increased. The Bank of Russia has been given the right to provide loans to commercial banks without collateral for a term of up to six months. At the same time additional measures have been developed to stimulate inter-bank crediting. Today this is one of the most important issues.

Efficient steps have also been taken to protect depositors' interests. The level of

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insurance indemnity for citizens has been increased to R700,000. Deposits within this amount will be compensated in full.

16 October 2008 Prime Minister Vladimir Putin dismisses Yevgenny Bachurin as head of the Federal Air Transportation Agency (Rosaviatsiya), replacing him with Gennady Kurzenkov, former head of the Federal Service for Transport Supervision (Rostransnadzor).

16 October 2008 Former SPS leader Nikita Belykh says a new movement with the working title Solidarnost that is being set up by well-known Russian opposition politicians will have branches in several dozen regions, and a party will be set up on its base in the future. A founding congress is to take place on 13 December.

16 October 2008 The board of the Chita Regional Court rejects the appeal lodged by Mikhail Khodorkovsky's lawyers against the refusal to grant him an early release. The ruling passed by a lower court was deemed lawful and correct.

16 October 2008 The investigations committee under the Russian Federation Prosecutor-General's Office says it has completed its investigation into the case of Russian Deputy Finance Minister Sergey Storchak, who is accused of an attempt to misappropriate public funds. The case will later be sent to the courts for examination in substance.

16 October 2008 Dmitry Medvedev accepts the resignation of Amur Region governor Nikolay Kolesov and names Oleg Kozhemyako as acting governor. Medvedev asks the Amur Region legislative assembly to approve the nomination.

16 October 2008 Prime Minister Vladimir Putin, arrives on a working visit in the Chechen Republic. He is accompanied by Emergencies Minister Sergey Shoygu. They are inspecting earthquake recovery work in Chechnya.

17 October 2008 Deputy Prime Minister Igor Shuvalov says that "with regard to systemic banks the government and the Bank of Russia will never allow the worsening of the situation and no matter what happens, all deposits will always be insured and covered in full and there will be no complications".

Deputy Prime Minister Sergey Ivanov outlines government measures to mitigate the negative consequences of the financial crisis on the real economy at a business forum.

- It is proposed that enterprises which produce high-tech competitive products and also take part in performing the state defence order be given the opportunity to obtain targeted loans to cover their shortage of working capital.
- The government proposes linking state support for commercial banks with their obligation to adhere to earlier concluded loan agreements with enterprises.
- It is planned that budget funds be earmarked to render financial assistance to the most significant entities of the high-tech sectors of the economy whereby the state would buy their shares.
- The government intends to expand the practice of providing state guarantees to banks granting loans to the high-tech sectors of the economy to secure the production activities of enterprises belonging to these sectors.

- It is planned that proposals be drafted for state customers' advance payment (of up to 100 per cent, depending on the priority of projects and work) for work under federal targeted programmes and the state defence order. Ivanov says that if funds allocated for federal targeted programmes and the state defence order are put together, they would amount to "tens of trillions of roubles".
- Proposals will be drafted to allocate funds to the State Reserve for long-term and advance procurement of material resources for their further use by real sector entities that produce supplies for state needs.
- It is proposed that necessary arrangements be made to provide state defence order contractors with tax deferments and tax instalments, as envisaged in Chapter 9 of the Tax Code, and to extend the term of these measures to five years.

17 October 2008 The government of the Republic of Ingushetia says reports about a political gathering in the Chechen village of Sernovodskaya on the Ingush border on 12 October, which allegedly called for the merger of Ingushetia and Chechnya, are an act of provocation.

17 October 2008 Europe's largest mosque is ceremonially opened in Grozny. It is named after the first president of Chechnya, Akhmat Kadyrov. People of the republic have already given it a second name, the Heart of Chechnya.

17 October 2008 The Moscow Arbitration Court rules that the main part of the tax claims against the British Council are invalid.

17 October 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin announces an increase in the 2008 spending on national defence with the allocation of additional R16.87 billion. He states at Duma session:

Expenditure in the closed part of the budget, this is first of all national defence, law-enforcement activities, issues connected with the military operation conducted as part of the Georgian conflict, is R16.87 billion; this is the expenditure of the corresponding structures for these purposes. The corresponding instructions were made by the supreme commander. At the present moment we must finance our Armed Forces and law-enforcement structures.

Deputy Prime Minister Sergey Ivanov says that in 2009 Russia's state defence order will be increased by R60 billion to R1,300 billion. Part of the money will be used for major building projects and house construction. Ivanov says that two industries in particular will need to be protected: the defence industry and air transport.

Ivanov states that three more new GLONASS satellites will be put into orbit by the end of 2008; their total number will be 21. "This is a full guarantee of Russia's coverage; 24 permanently operating devices are needed for the whole world but we want to reserve a certain potential so that we have up to 30 devices in orbit, perhaps even 26 and three-four on Earth as reserves." Ivanov says that two more launches will be carried out in 2009 and three devices will be launched each time - in this way there will be 27 of them in orbit.

Chief of General Staff Nikolay Makarov is interviewed by Sergey Brilev on television channel *Rossiya*.

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Pavel Felgengauer is interviewed on *Ekho Moskvy* on military reform. He is critical of the government's approach towards military reform.

18 October 2008 The government announces new measures to help the economy in the global financial crisis. The state will increase credit programmes for small business more than threefold: from R9 billion to R30 billion. The authorities will also help companies working in the raw materials sector settle external debts. The projects that are part of the state defence order will receive loans guaranteed by the government.

18 October 2008 Agriculture Minister Aleksey Gordeyev is appointed head of the anti-crisis working group in the agricultural sector. The group will include representatives of six banks. Together with the major banks involved in granting loans to the agricultural sector, Sberbank, Rosselkhozbank, Gazprombank, MDM, VEB and VTB, the Ministry of Agriculture "will set priorities for financing agricultural projects". The working group will monitor the situation daily and report to Deputy Prime Minister Viktor Zubkov. Zubkov says in case of disruptions on the food market the government will intervene.

20 October 2008 The Moscow City Court convicts Russian citizens Yu Alekseyev and I Starikova of high treason in the form of spying. The convicted parties were acting on the orders of an employee of the intelligence service of one of the countries of South East Asia. Alekseyev and Starikova were gathering classified military-technical information and handing it over to the employee of a foreign intelligence service for remuneration.

20 October 2008 The Russian political Party of Peace and Unity headed by Sazhi Umalatova is merging with the Patriots of Russia party led by Gennady Semigin.

20 October 2008 Vladimir Putin speaks at a meeting of a consultative council for foreign investment. He says Russia is well prepared for the global financial crisis and outlines additional measures that the government is planning to take to ease the effects of the crisis on the Russian economy. He says that the current financial crisis has exposed the inadequacy of all the main components of the Western system for regulation of financial markets and institutions, including rating agencies, the Basel Committee on Banking Supervision and the IMF.

Putin assures Shell chief executive Jeroen van der Veer that investment in the Russian oil and gas industry carries no risks.

Dmitry Medvedev issues a decree setting up a new coordination and consulting body that will be dealing with developing Russia's financial market. It will be headed by First Deputy Prime Minister Igor Shuvalov.

20 October 2008 The President of Ingushetia Murat Zyazikov says that the restoration in Russia of a ministry responsible for the development of interethnic relations is "a most important and urgent issue". The Ministry for Federation Affairs, Ethnic and Migration Policy was abolished in October 2001, and its functions were redistributed among two dozen different departments.

20 October 2008 *Profil* interviews Lt-Gen Vladimir Shamanov, chief of the Main Directorate for Combat Training and Troop Services. He discusses the military operation in South Ossetia in August.

20 October 2008 Dmitry Medvedev signs a decree relieving police Lt-Gen Rafail Divayev of his duties as the interior minister of the republic of Bashkortostan.

20 October 2008 Dmitry Medvedev signs a decree appointing police Colonel Yury Popugayev deputy head of the economic security department in the Interior Ministry (MVD) and awarding him a special rank of major-general of the police.

20 October 2008 The Chechen rebel website Kavkaz-Tsentr issues a statement by the command of the Ingush front of the armed forces of the Caucasus Emirate. It says it aims to completely annihilate Russians in the "Caucasus Emirate", the Islamic state proclaimed by Chechen separatist leader Dokka Umarov.

20 October 2008 The opposition Ingushetia.org website publishes an appeal to Dmitry Medvedev by B Mankiyev, chairman of the National Assembly of Ingushetia national liberation movement, Magomed Khazbiyev, head of the organizational committee of the nationwide rally, and Maksharip Aushev, chairman of the coordination committee of the national protest forces. They protest about the leadership of Ingush President Murat Zyazikov.

21 October 2008 Prime Minister Vladimir Putin says the government regards the space sector as a priority and has increased the financing of this branch of the national economy. He states:

The main thing, of course, is to effectively use space technologies in the interests of our country to insure its security, to transfer the Russian economy to the modern innovation footing and enter global markets of high technology products...I will repeat that the space sector and the scientific, industrial and staff potential created in it are among our competitive advantages that we should preserve and develop.

He is visiting one of the leading companies in the space industry - Information Satellite Systems in Zheleznogorsk.

21 October 2008 The Investigations Committee under the Russian Prosecutor-General's Office releases Deputy Finance Minister Sergey Storchak from custody pending his trial for the attempted misappropriation of public funds.

21 October 2008 Dmitry Medvedev says Russia is successfully coping with the consequences of the global financial crisis. "We are paying for glaring mistakes made by a number of countries, first of all by the United States of America of course, inasmuch as the share of the American financial market and its influence on the global economy are fairly significant."

Presidential aide Arkady Dvorkovich outlines government measures to deal with the financial crisis. He says that many foreign investors plan to invest in Russia.

21 October 2008 Duma speaker Boris Gryzlov says Russia has an opportunity to create a new effective financial system by adopting the package of long-term anti-crisis measures.

21 October 2008 Deputy Prime Minister Sergey Ivanov says that funding for Russia's space-related federal targeted programmes in 2009 will be increased by R100 billion (\$4 billion at the current rate of exchange). Ivanov says that Vladimir Putin has approved of the progress with the implementation of the national strategy of space activities through to 2020.

21 October 2008 The chief of the General Staff, General Nikolay Makarov, praises the outcome of the Stability 2008 strategic command-post exercise.

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22 October 2008 A government source informs RIA Novosti that net capital flight from Russia in the first two weeks of October 2008 was between \$15 billion and \$20 billion. In two and a half months (August, September, and half of October), net capital flight has exceeded \$50 billion.

22 October 2008 The Federal Antimonopoly Service instructs its regional directorates to conduct monthly monitoring of the markets of socially significant foodstuffs: bread, milk and sunflower oil.

22 October 2008 Prime Minister Vladimir Putin criticizes the state of Russia's transport system. He is speaking at a meeting in Novosibirsk dedicated to Russia's transport strategy to 2030. A development strategy for Russia's transport system to 2030 is approved at the meeting. He says: "At the moment only about 1 per cent of the trade between Europe and Asia goes through the territory of Russia. This is a very strange number, given that Russia is located between Europe and Asia - 1 per cent."

22 October 2008 Dagestan interior minister Adilgerey Magomedtagirov says there are six main terrorist groups operating in Dagestan.

22 October 2008 Strategic Missile Troops carry out a successful launch of an RS-18 Stiletto (UR-100N UTTKh) ICBM from the Baykonur cosmodrome.

Col-Gen Nikolay Solovtsov, commander of the Strategic Missile Troops says Russia's strategic nuclear forces are being equipped with new systems to defeat missile defence in response to the US plans to deploy missile defence facilities in Europe.

Solovtsov says that the Troops will test-launch an RS-24 multiple-warhead intercontinental ballistic missile before the end of 2008.

23 October 2008 Prime Minister Vladimir Putin dismisses the head of the Voice of Russia state broadcasting company, Armen Oganessian. The new appointee for the job is Andrey Bystritsky, a deputy director general of the All-Russia State Broadcasting Company.

23 October 2008 The Finance Ministry denies that the lowering of the Russian sovereign credit rating outlook from stable to negative by international rating agency Standard & Poor's will adversely affect the Russian economy.

The Duma adopts amendments to the budget up to the year 2010. Their essence is that colossal funds will be allocated to protect bank deposits, the mortgage market and the stock exchange.

The Board of directors of the Bank of Russia raises by 0.5 per cent the fixed interest rates on its deposit operations from 24 October with the aim of discouraging the outflow of capital.

Ren TV reports that state gold and currency reserves have decreased further by almost \$15 billion and to date they do not exceed \$516 billion. "In the opinion of experts, the Central Bank is forced to spend reserves so as not to allow a significant weakening of the rouble. This week the Central Bank had to sell no less than \$6.5 billion on the stock exchange. Furthermore, the drop in the rate of the euro is threatening the state bank with significant losses, in which a large portion of the reserves is invested. If it continues in this way, then already in a year's time there could be simply nothing left of Russia's safety net."

23 October 2008 An extraordinary shareholder meeting of open joint-stock company Inter RAO UES elects the Russian deputy prime minister in charge of the fuel and energy complex, Igor Sechin, to the company's board of directors. The total installed capacity of power plants under the company's control is about 8,000 MW. The other two government representatives on the board are Energy Minister Sergey Shmatko and the head of the Federal Agency for the Management of State Property, Yury Petrov. The general director of the Rosatom state corporation, Sergey Kiriyyenko, and his deputy Aleksandr Lokshin were also elected to the board.

23 October 2008 *RBK TV* reports a delay in the implementation of the project for the construction of the ESPO oil pipeline. Energy Minister Sergey Shmatko has announced that construction workers won't be able to build the pipeline branch to China by 2009. Rosneft and the China National Petroleum Corporation are preparing to sign a contract for the supply of Russian oil to China. All the details may be agreed within the next six weeks.

23 October 2008 Air Force Commander Colonel-General Aleksandr Zelin says that the current reform of the Russian Air Force envisions the formation of four air force and air defence commands on strategic directions. These commands will be formed based on a geographical principle: Far East, Siberia, South and Northwest. The idea of the reform is to set up air bases to be built around air squadrons. The intermediate link between air formations and squadrons - air divisions - will be excluded from the air force. Defence Minister Anatoly Serdyukov earlier said that the current 340 air force units and formations would be reduced to 180 following the reform.

24 October 2008 An article by Aleksandr Ryklin in *Yezhednevnyy Zhurnal* speculates that Vladimir Putin blocked the state of the nation message that Dmitry Medvedev was due to give to the Federal Assembly on 23 October.

24 October 2008 Dmitry Medvedev says that inefficient management expenditure in the regions must be cut, but all social programmes will be implemented irrespective of the international financial situation. Medvedev is meeting the deputy prime minister and the head of the government staff, Sergey Sobyanyin. Sobyanyin gives a report following an assessment of management efficiency in Russia's constituent parts. Sobyanyin claims that the total volume of inefficient spending is about R400 billion.

24 October 2008 Deputy Prime Minister Sergey Ivanov says that Russia must have a strong IT industry.

The main aim for us is now not to increase the export of software but to create mass production of the final product for the domestic market. This is extremely important because the creation of software is a sphere of economy the development of which promises not only significant financial benefits but it is also capable of radically turning around all our life. Besides, for this one does not need to use any vast resources but it is sufficient just to ensure acceptable conditions for our programmes to work inside the country and to support their export activities in every way.

24 October 2008 Dmitry Medvedev instructs the government to set up a National Centre for Crisis Management under the Emergencies Ministry. The centre is intended to develop a single state system of civil defence and early warning and dealing with the aftermath of emergency situations.

25 October 2008 An opposition rally (The Day of People's Wrath) is held in Triumfalnaya Ploshchad in central Moscow.

25 October 2008 Ingush President Murat Zyazikov says that a united Chechen-Ingush republic is a thing of the past.

26 October 2008 First Deputy Prime Minister Igor Shuvalov is interviewed on *Vesti* TV on the global financial crisis. He says that the government is not planning to review the development strategy. He says that the government's anti-crisis measures have been sufficient so far. He then says: "As for subsequent actions, we are now developing a special programme that will be adopted in the next few weeks. This detailed programme will give us an understanding of how to act with regard to separate sectors and blocs."

27 October 2008 Prime Minister Vladimir Putin says at a government meeting that Russia has to combat its own excessive dependence on the exports of raw materials. He also says that Russia must avoid isolationism. He states:

In conditions of the financial crisis which the whole world is currently experiencing, the temptation of simple decisions is strong of course. People very often start talking about closing national economies, about aggressive protectionism, about restrictions on the movement of capital.

Of course we should take today's realities into account, and this is what we are doing in our practical policies. Strategically, however, isolationism is of course not our choice at all.

Our choice lies elsewhere; it is Russia's further integration in the world economy. It is of course changing, the world economy, it is changing before our very eyes; and it will become different. The future, however, lies in pooling our efforts - not only to overcome crises but also to ensure progress.

He also says: "Russia still excessively depends on exports of hydrocarbons and other raw material products and, hence, on the fluctuation of world prices...Russia is also capable of becoming the world's largest exporter of agricultural produce and of making a substantial contribution to ensuring global food security."

27 October 2008 Dmitry Medvedev signs the law on additional measures to strengthen the stability of the banking system. The document, which was drawn up by the government last week, was then passed by the Duma and approved by the Federation Council. Medvedev also approves amendments to the law on the Central Bank, which is granted the right to buy and sell not only state but also corporate securities.

First Deputy Prime Minister Igor Shuvalov says that the Russian authorities do not intend to change their policy in the economic sphere "under the cover of the commotion" and will support during the global financial crisis not only state companies. He says there is no plan to engage in nationalization. He also says that it is inexpedient to have protracted "stock exchange holidays" in Russia.

Sergey Ignatyev, head of the Central Bank, says the situation in Russia's banking sector is stable but complicated. In a bid to stabilize the situation in Russia in the face of the global financial crisis the Central Bank had held three auctions for unsecured loans, including the most recent one on 27 October, injecting a total sum of R600 billion (\$22.2 billion) into the banking system.

27 October 2008 Economic Development Minister Elvira Nabiullina says the government has approved in general foreign economic policy guidelines until 2020.

The most important directions are reducing the dependence of the economy on the exports of raw materials, and support for hi-tech exports. In terms of priorities for specific countries integration into a customs union as part of the Eurasian Economic Community (EurAsEC) is envisaged, as well as development of trade relations with the CIS, China, India and the EU.

27 October 2008 Agriculture Minister Aleksey Gordeyev says that: "This year Russia is able to export from 20 to 25 million tonnes of grain after filling its reserves including the government reserve funds. The main task now is to make the 100 million tonnes a usual annual practice, and we have not had a crop like this in the last 15 years."

28 October 2008 A jury finds banker Aleksey Frenkel guilty of organizing the murder of first deputy chairman of the Russian Federation's Central Bank Andrey Kozlov.

28 October 2008 The Bank of Development (Vneshekonombank, VEB) invests R20 billion in shares and R5 billion in bonds on the Russian stock market, using funds from the National Wealth Fund.

Prime Minister Vladimir Putin says that the term crisis is being used too frivolously in relation to the financial situation.

28 October 2008 Deputy Prime Minister Igor Sechin says that the government is calculating possible options for reducing oil export duty.

28 October 2008 Transport Minister Igor Levitin is elected chairman of the Aeroflot air company's board of directors.

29 October 2008 Presidential aide Arkady Dvorkovich says that the state will take steps to increase transparency of the judicial system. He is speaking at the annual conference Russia and the CIS: Prosperity Through Partnership in Moscow on 29 October. He says: "I regard as inadmissible the authorities' interference with courts' work and, as far as I know, the president and the government share this opinion."

29 October 2008 Prosecutor General Yury Chayka addresses the Duma on corruption of officials and civil servants. 23,000 criminal cases are being investigated. The fight against illegal seizures of enterprises has become more active. So far in 2008, 177 heads of administration of local governments have been put on trial. He is later interviewed on NTV. He says the decision to divide the functions of supervising and managing investigation was right, but the corresponding law needs to be revised. He says that he therefore welcomes the creation of the Investigations Committee, but that cooperation between this body and the Procuracy needs a firmer legal base.

29 October 2008 Economic Development Minister Elvira Nabiullina forecasts that GDP in Russia will grow no less than 7 per cent in 2008.

29 October 2008 Dmitry Medvedev meets natural resources and environment minister Yury Trutnev. Medvedev urges the need for preserving the environment.

29 October 2008 Vladimir Putin speaks at a government meeting on economic issues about the measures being taken to support the country's economy in view of the global financial crisis. He says: "I would like to emphasize: the transfer of the Russian economy into state ownership is not, cannot be and will not be our goal."

Presidential aide Arkady Dvorkovich says that in Russia there is no danger of

banking, debt or currency crisis.

29 October 2008 Gazprom says it will sell off Gazprombank.

29 October 2008 The Duma adopts amendments to the bill on forming local government in Ingushetia and Chechnya, which sets a transition period in the two republics until 1 January 2010 to complete the formation of local government bodies.

29 October 2008 Chechen Interior Minister Ruslan Alkhanov says that almost 300 militants have been detained in Chechnya in 2008.

30 October 2008 A Levada poll shows a slight decline in the approval ratings of the president, the prime minister and the government of Russia in October 2008. A total of 76 per cent of Russians approved of Dmitry Medvedev's work as president in October. A total of 83 per cent approved of Vladimir Putin's work as prime minister. In September the approval rating for Medvedev was 83 per cent and for Putin 88 per cent. In October a total of 59 per cent of Russians approved of the government's work on the whole, 7 per cent less than in September.

30 October 2008 Interior Minister Rashid Nurgaliyev says that the overall damage caused to the Russian economy by corruption is estimated at R40 billion (some \$1.5 billion) a year. However, some foreign experts assess it at \$20 billion.

30 October 2008 Vneshekonombank chairman Vladimir Dmitryev says that the bank intends to place R5 billion (some \$185 million) on the stock market daily.

30 October 2008 Russian news agencies report that Russia's international (gold and currency) reserves have experienced a record fall - they plunged by \$31 billion in a week from 17 to 24 October, from \$515.7 billion to \$484.7 billion on 24 October, back to their February level. In January 2008 the international reserves amounted to \$477.89 billion.

30 October 2008 Dmitry Medvedev signs a decree "On the early termination of the powers of the president of the Republic of Ingushetia". The President is Murat Magomedovich Zyazikov. The acting president is Yunus-Bek Bamatgireyevich Yevkurov. Zyazikov says that his resignation from the post of president is absolutely voluntary and is connected with his move to another job.

30 October 2008 The first deputy head of the National Antiterrorist Committee secretariat, Lt-Gen Yevgeny Ilyin says that certain foreign non-government organizations are aiming to step up terrorist activities in Russian regions. He says "emissaries of foreign terrorist and extremist religious organizations seek to step up illegal anti-Russian activities in the Volga region and in the Urals, where the activities of several groups of Hezb-e Tahrir and the Islamic Movement of Uzbekistan have been uncovered and stopped."

30 October 2008 Lt-Gen Vladimir Shamanov, chief of the armed forces' Main Combat Training and Service Directorate, says that the MOD is developing new combat training programmes with due account taken of the military conflicts in recent years.

Training programmes for services and service arms are being re-assessed with due account taken of the specifics of the operation to rebuff the Georgian aggression against South Ossetia, and of the experience gained in Chechnya. We are also bearing in mind the Soviet Army's experience in Afghanistan, the

United States' operations in Iraq, and other armed conflicts.

He says the MOD is also drawing up a list of modern tactical weapons and military hardware with the "five-day war" in the Caucasus taken into account.

It is a minimal sufficient list of modern armaments and military hardware necessary for tactical warfare down to the battalion level. We are also laying emphasis on the troops' provision with modern geographic positioning and communication devices, integrated with the tactical fire control system...

Naturally, the combat training process will be adjusted to match the new structure of the armed forces, namely a shift to a brigade-based system. We are actively preparing for that.

He says that:

The defence minister has set a clear deadline for a switch to the brigade-based system of forming the armed forces - January 2009. I think that all reforms will begin by this deadline.

The armed forces will switch from the four-level system, military district-army-division-regiment, to the three-level system: military district - operative command - brigade.

30 October 2008 Deputy Prime Minister Sergey Ivanov says that the Russian defence-industrial complex should produce strategically important assembly units and components inside the Russian Federation.

He notes that the Ministry of Industry and Trade has prepared a list of important components. 'Necessary technical and economic feasibility studies for the organization of their production have been conducted, and the inclusion of arrangements for the transfer of the production of strategically important components to Russia in the programme "Development of the Defence-Industrial Complex of the Russian Federation for 2007-2010 and for the Period to 2015" has been ensured.'

31 October 2008 Major-General Sergey Surovikin replaces Colonel-General Aleksandr Rukshin as head of the General Staff's Main Operational Directorate - deputy chief of staff of the Armed Forces.

31 October 2008 Vladimir Putin says that attempts to send out of the country funds allocated by the government to support the real sector of the Russian economy must be firmly stopped. He also says that more significant support should be provided for small and medium-sized businesses.

Finance Minister Aleksey Kudrin makes the following comment in the Duma on the financial crisis:

The scale of the financial crisis that has broken out in the world was not really expected by any financial analyst in the world. It was expected that this wave, the second wave after the wave of August last year, would be coming to an end. Everybody was waiting for when the so-called bottom would be reached. Nobody forecast a crisis of such scale.

This time Russia has healthy fundamental economic indicators and good reserves and safety cushions. So Russia is more resilient to this crisis, but its scale has currently not only not reduced but is expanding. Therefore risks for

Russia are increasing, too.

He says that state will meet its social obligations, even if the price of oil falls to \$40 to \$50 per barrel.

31 October 2008 Sergey Lavrov addresses the Conference of Compatriots in Moscow. He says the Roszarubezhtsentr (Russian Centre for International Scientific and Cultural Cooperation under the Russian Foreign Ministry) is part of the recently created federal agency for the affairs of compatriots (the Federal Agency for the Affairs of the Commonwealth of the Independent States (CIS), of Compatriots Living Abroad and for International Humanitarian Cooperation).

31 October 2008 Vladimir Putin's website starts operating. It is www.premier.gov.ru

31 October 2008 Molodaya Gvardiya urges Yedinaya Rossiya to pursue an anti-immigration policy.

31 October 2008 The parliament of Ingushetia confirms acting head of the republic Yunus-bek Yevkurov as president of the republic.

31 October 2008 Major-General Mikhail Krush is appointed commander of Battlefield Air Defence of the Armed Forces.

November 2008

1 November 2008 Russia reduces crude oil export duties to \$287 per tonne. The government resolution setting the new rate is signed by Prime Minister Vladimir Putin. The resolution also instructs relevant departments to draw up, by 1 December, suggestions on a new formula for setting oil export duties linked to the market price.

1 November 2008 Lt-Gen Sergey Kutsov, head of the Interior Ministry Troops Main Reconnaissance Directorate says that a special-purpose centre has been set up on the basis of a separate operational division at the Interior Ministry Troops central regional command. Its purpose is to improve the effectiveness of the fight against terrorism and extremism. A similar centre is also formed in the North Caucasus region.

1 November 2008 The Duma members from the Communist Party (CPRF) appeal to the Russian president demanding that the Russian defence minister resign and the military reform be cancelled.

Aide to the commander-in-chief of the Russian Navy and head of the information and public relations service of the Navy Igor Dygalo states:

The Main Command of the Russian Navy will be building up the presence of its forces in the World Ocean over the last few months of 2008. This will be done to strengthen the stability and security in its various regions. A detachment of ships of the Pacific Fleet will soon leave Vladivostok and head for the Arabian Sea, visiting a number of foreign ports. It is also planned that the ships of the Pacific Fleet and the Northern Fleet will carry out a joint military exercise in the Indian Ocean.

2 November 2008 Presidential aide Arkady Dvorkovich says that despite economic uncertainty in the world, there should be no problem with the execution of the budget. Last week the Duma passed a three-year budget for 2009-2011. He states:

The three-year budget will be executed in full. This is what we have been saving our reserves for. We are not afraid that oil prices might fall, that they have fallen already. We will be able to compensate for the loss of reserves and all obligations will be fulfilled. Moreover, we believe that it is necessary to continue working on large projects, including priority national projects, such as education and health, and allocate enough money for them and even more, and projects dealing with the construction of roads and other infrastructure facilities. All these measures will be implemented, taking long-term priorities in account.

3 November 2008 President of Tatarstan Mintimer Shaymiyev is interviewed by Vesti TV. He expresses concern over the decline in oil prices for the Tatarstan economy. He says that the Tatarstan budget is based on an oil price of \$95.

3 November 2008 Presidential aide Arkady Dvorkovich says that the Russian government has drawn up an action plan to support the country's economy against the backdrop of global financial instability. He states:

This action plan includes support in the form of state expenditures, in the form of subsidies to some sectors of the economy, primarily the agricultural sector, where additional interest rate subsidies will be granted as well as capital in Rosselkhozbank and Rosagrolizing, which will provide credit support and support for the leasing of agricultural machinery.

Support will be provided to the machine-building sector, including the defence industry, whereby the defence order is planned to be sped up, an advance payment is planned to be granted several months in advance in 2009 and tenders for orders for three years ahead, 2009-2011, are planned to be held in advance.

4 November 2008 Nationalist protests take place in Moscow on unity day. Several dozen participants are detained in central Moscow. Dmitry Demushkin, leader of the radical nationalist Slav Union, could be charged with extremism and with organizing mass unrest.

4 November 2008 Moscow Human Rights Bureau director Aleksandr Brod says that over 100 people have died in xenophobia-motivated attacks in Russia in 2008. At least 254 xenophobia-motivated attacks were registered between January and October 2008, in which 113 people died and at least 340 were injured. The number of those killed and injured has exceeded that of 2007.

5 November 2008 Dmitry Medvedev gives a state of the nation address to both houses of parliament. He proposes extending the presidential term to six years and the Duma term to five years. They are both currently four years.

The head of the president's Main State Law Directorate, presidential aide Larisa Brycheva, says that amendments to the constitution as regards the duration of the presidential term in Russia do not require a referendum: a constitutional law is enough. Changes to the term of the mandates of the Russian president and the State Duma do not extend to the current head of state and parliament.

Deputy Prime Minister Igor Shuvalov says that the proposal on extending the presidential term of office is not about strengthening one branch of power, but

about optimizing the political structure.

Leader of the For Human Rights movement Lev Ponomarev criticizes the initiative that the presidential term should be extended to six years and that the term for Duma deputies be extended to five years. Head of the Memorial human rights centre Oleg Orlov echoes these criticisms.

Former Prime Minister Mikhail Kasyanov expresses scepticism about the idea of extending the term of office for the president and the parliament.

5 November 2008 Lt-Gen Sergey Kutsov, chief of the Intelligence Directorate of the Chief Command of the Interior Ministry's Internal Troops says that special-purpose centres are being set up in the Internal Troops of the Interior Ministry for carrying out efficient operations on the ground, water and in the air. "At present there are 16 special-purpose detachments numbering more than 10,000 people within the Interior Ministry's Internal Troops. These units have their own aviation and naval units. Also, a Mountain Centre of the Interior Ministry's Internal Troops works for the benefit of intelligence and special-purpose units."

5 November 2008 Deputy Prime Minister Igor Sechin says that Russia will have its own position on issues related to the volume of oil production.

5 November 2008 Finance Minister and Deputy Prime Minister Aleksey Kudrin says that Russia has used just over \$100 billion of its reserves to weather the global economic storm.

6 November 2008 An article in *Vedomosti* by Mariya Tsvetkova, Nadezhda Ivanitskaya, Irina Reznik and Natalya Kostenko entitled "Six Years for Putin" speculates that Dmitry Medvedev may step down as president in 2009, once the constitution has been changed to extend the presidential term, and that Vladimir Putin may then run for president in new elections.

Duma speaker Boris Gryzlov says that the bills on extending the term of office for the president and Duma deputies may be submitted to parliament before mid-November.

6 November 2008 An explosion occurs on a minibus in Vladikavkaz in North Ossetia. 11 people are reported dead. Dmitry Medvedev orders an investigation. A female suicide bomber is believed to be responsible.

6 November 2008 Chief Military Prosecutor Sergey Fridinsky say the number of corruption-motivated crimes in the military and security agencies considerably increased in 2008. The number of registered corruption-motivated crimes has increased by 35.4 per cent during the first nine months of 2008 against a total decrease in the number of crimes in the armed forces. The damage to the state caused by these crimes rose 3.5-fold in 2008 and totalled R1.6 billion (\$61.5 million).

6 November 2008 Deputy Defence Minister Army Gen Nikolay Pankov says that an amalgamation of military schools will take place. There are about 70 military academies at present. Pankov states:

We have drawn up proposals to set up 10 fairly large schools which will form the backbone of the military education system. It's very important to stress, at the same time, that at the current stage we are not planning to close down any military academies. All military schools will remain. However, they will become

part of this backbone system of military academies.

7 November 2008 Prime Minister Vladimir Putin approves the action plan for supporting the financial sector. It has been envisaged to adopt laws aimed at supporting the banking system and the labour market and to provide social support for the population, as well as laws on housing construction, agriculture, machine-building, the raw material and transport industries, and small business. Putin states:

Despite the known difficulties, we intend to implement our strategic plans at the maximum level and we will not abandon them. To the contrary, the tasks voiced also in the strategy for the development of the country until the year 2020 and in the main directions of the work of the Russian government are becoming particularly topical today. Here I mean the diversification of the economy, transferring it to the track of innovation, the formation of a strong national financial system and the implementation of infrastructure and social projects.

7 November 2008 Dmitry Medvedev says that only particularly dangerous criminals should be remanded in custody pending trial. He says "it is necessary to remember how important it is to abide by the law in taking decisions on remanding people in custody".

Medvedev believes that it is important that the law enforcement bodies check businesses but thinks the number of inspections should be reasonable. He is addressing a conference on law enforcement.

7 November 2008 An article by Vladimir Mukhin in *Nezavisimaya Gazeta* analyses changes in the General Staff of the armed forces.

8 November 2008 A fire occurs on a nuclear submarine undergoing sea trials in the Pacific. More than 20 people died.

9 November 2008 Dmitry Medvedev signs into law a bill amending the law on the federal budget for 2008 and for the planning period of 2009 and 2010.

10 November 2008 Dmitry Medvedev urges Interior Ministry staff to step up the fight against corruption and says they should apply new anticorruption legislation competently and effectively.

10 November 2008 The Investigations Committee under the Russian Prosecutor-General's Office registers a sharp increase in the number of extremist crimes.

10 November 2008 Vladimir Putin says that the movement of capital through Russian banks should be monitored by the law enforcement bodies.

Here we must eliminate any corporate egotism as well as corruption and abuse. Therefore, appropriate control is required, not only by financial authorities but also by law enforcement bodies.

Additional state resources are designated not for speculative operations. They are allocated to support, as I have said, the real sector of the economy and our banking system along with this.

The analysis that has been carried out recently revealed a trend of the total volume of operations linked to transfer of funds to foreign banks falling. This is the general trend.

At the same time, for banks who received state funds, the volume of operations of this kind increased.

It is not only the illegal financial flows that must be harshly stopped but, in general, the situation with the flow of capital must be attentively monitored.

10 November 2008 Finance Minister Aleksey Kudrin says that the Russian stock market will be strengthened and liberalized to attract more investors. Kudrin also says that the existing financial architecture based on the International Monetary Fund and the Basel Committee is inappropriate and needs to be changed.

The finance ministers and heads of central banks of G20 countries meet in Brazil to discuss the global financial situation.

10 November 2008 Vladimir Putin says it is necessary to develop a package of measures which would allow Russia to influence actively world oil prices: "Being a major exporter and producer of oil and petrochemicals, Russia mustn't remain on the sidelines when world prices on this raw material are being formed. We should develop a whole range of measures allowing us to actively influence market prices."

11 November 2008 Nikolay Poroskov publishes an article in *Vremya Novostey* entitled "Shagreen Army" on military reform.

11 November 2008 Dmitry Medvedev introduces to the Duma draft laws on amendments to the constitution "On varying the terms in office of the RF president and the State Duma" and "On control powers of the State Duma in respect of the RF government". Medvedev also introduces to the Duma a draft federal constitutional law "On the introduction of amendments to the federal constitutional law 'On the RF government'". The constitution currently establishes a four-year term for the president and the Duma. The draft law establishes that the president is elected for a six-year term by Russian citizens through universal, equal, direct and secret suffrage, and the Duma for a five-year term. The law on constitutional amendments applies to presidents and Dumas elected after its entry into force. The draft federal constitutional law "On the introduction of amendments to the federal constitutional law 'On the RF government'" is aimed at implementing the constitutional amendment establishing Duma powers of control over the government. The draft law provides for the government presenting the Duma with annual reports on the results of government work, including on issues raised by the Duma. These reports are examined beforehand at a government meeting. They are prepared in accordance with procedures envisaged by government regulations. They are mandatory for official publication in *Rossiyskaya Gazeta* and *Parlamentskaya Gazeta*.

The head of the State Duma Committee on Civil, Criminal, Arbitration and Procedural Legislation, Pavel Krashenninikov, says he thinks that the package of bills submitted by the president will be adopted "no later than by the end of this year".

CPRF leader Gennady Zyuganov says that deputies should not rush to adopt draft laws extending the presidential term and the Duma's term. Instead, they should concentrate on dealing with priority financial and economic problems facing the country.

11 November 2008 Dmitry Medvedev demands a reduction in the number of intermediaries distributing the state funds allocated to support the economy as

many companies have still not received any assistance. He meets the leadership of the Chamber of Commerce and Industry of the Russian Federation. He says corruption in state procurement is "colossal" and relevant legislation needs to be improved. He also says the Russian authorities intend to do their best for assisting the establishment and the development of the country's middle class.

11 November 2008 Head of the Rosnanotekhnologii state corporation Anatoly Chubays agrees to become a member of the high council of the new political party which is being created on the basis of SPS, the Civil Force and the Democratic Party of Russia and which will be called the Right Cause.

11 November 2008 Yelena Dikun, an adviser to Russian People's Democratic Union (RNDS) leader Mikhail Kasyanov, says that the RNDS has received a notice from the Russian Federation Ministry of Justice on refusal to register the movement as a legal person.

11 November 2008 The Bank of Russia raises the annual refinance rate by 1 percentage point to 12 per cent with effect from 12 November.

The MICEX stock exchange suspends its main shares trading as of 1840 Moscow time until 13 November or until a special decision of the federal financial markets service because the index fell by more than 10 per cent compared with the close of the previous trading day. The MICEX index fell by 10.83 per cent by 1845 Moscow time.

11 November 2008 The Prosecutor-General's Office approves a programme for protecting public funds earmarked to support the financial and other sectors of the economy. Prosecutor-General's Office spokesperson Marina Gridneva says that among the programme's priorities is the monitoring and oversight of funds earmarked by the government to support the economy and their proper use.

11 November 2008 City mayor Yury Luzhkov says that an additional R1.5 billion has been allocated out of the Moscow city budget for purposes of food supply security.

11 November 2008 Deputy Prime Minister Sergey Ivanov says that Russian banks should stop making profits at the expense of industry and provide loans to companies that fulfil defence orders.

Ivanov announces that enterprises of the military-industrial complex, in the conditions of the current situation on the world financial market, are experiencing difficulties with the production of output for the needs of the MOD. He is speaking at the meeting of the inter-departmental commission on support for the strategic enterprises and organizations of the military-industrial complex.

Viktor Ilyukhin, deputy chairman of the Duma Committee on Constitutional Legislation and State-Building says that the Russian military-industrial complex is at present "controlled by foreign firms".

12 November 2008 The Duma passes a law which tightens control over young men of conscription age. In particular, enlistment offices will keep track of military registration of citizens not only at their place of residence but also at the place of their temporary stay, if they go there for more than three months.

12 November 2008 The Security Council says a new strategy of national security of the Russian Federation until 2020 is being developed.

A Russian Chronology: October – December 2008

12 November 2008 Prime Minister Vladimir Putin says he supports Dmitry Medvedev's proposals for the presidential and parliamentary terms to be increased to five and six years respectively, but believes that it is premature to say who will contest the next presidential election. "I support President Medvedev's proposals. The proposals concerning constitutional amendments do not have a personal dimension. As regards who could run in the next election and when, it is still premature to discuss that."

12 November 2008 Prime Minister Igor Shuvalov says that the government has no plans to cut 2009 budget spending. The Economic Development Ministry is currently preparing an oil price forecast for the 2009 budget.

The Federation Council approves the federal budget for 2009-2011. The government has based the 2009 budget on the assumptions of a budget revenue of R10,927.1 billion (\$404.7 billion) and expenditure of R9,024.7 billion, with a surplus of R1.9 billion. GDP in 2009 is expected at R51,475 billion; inflation at 8.5 per cent; and the dollar rate at R24.7.

Finance Minister Aleksey Kudrin presents Russia's budget strategy to 2023. He says a recession in the global economy will cause the demand for Russian export goods to fall:

The demand for Russian export goods - oil and gas, metals, other natural resources and equipment, technologies which are produced in Russia and exported - the demand for them will fall significantly. We are already feeling this drop in demand in the fourth quarter, which means we will continue to feel it next year...

...The oil price forecast in the budget for 2009 was \$95, for 2010 - \$90, for 2011 - \$88. Now I will tell you our preliminary estimation for next year. We preliminarily estimate the oil price next year at \$50 per barrel, at \$55 in 2010, at \$60 in 2011.

He says that the Finance Ministry is not going to review the long-term forecast for oil price estimated in the strategy to 2023 at \$65-70 per barrel. Oil extraction in Russia is going to grow 0.5 per cent a year until 2018, gas extraction, 1.9 per cent a year. The reduction in oil revenues will cause Russian budget revenues to fall from 35.7 to 31.7 per cent of GDP, including a decrease in the federal budget revenues from 18.2 to 12.9 per cent of GDP by 2023.

The budget will be implemented. But it means that next year the reserve and the national welfare funds may not be replenished. At \$50 a barrel, we will have to replenish oil and gas transfer of the budget to finance the expenditure from the reserve fund and, I repeat, not only to replenish oil and gas transfer but also to compensate for other unreceived revenues, we will have to use the reserve fund.

12 November 2008 First Deputy Prime Minister Igor Shuvalov says the state will support small and medium-sized business. The total support for small business is to rise to R40 billion in 2009.

12 November 2008 Dmitry Medvedev outlines measures to support domestic agriculture. The government will simplify the system of state purchases of agricultural produce. Medvedev also proposes to develop a system of state insurance and to cut the time period for reclaiming VAT for those who sell agricultural produce abroad.

12 November 2008 The first deputy prime minister and the chairman of the board of directors of Gazprom, Viktor Zubkov says Gazprom does not intend to reduce its medium- or long-term investment programme.

12 November 2008 President of Ingushetia Yunus-Bek Yevkurov visits Chechnya for talks with Chechen President Ramzan Kadyrov in Gudermes. Kadyrov says Chechnya will hold local government elections in October 2009.

12 November 2008 Chairman of the Constitutional Court Valery Zorkin says the proposed extension of the presidential and the parliamentary terms of office does not change the basic statutes of the Russian Constitution.

12 November 2008 President of Tatarstan Mintimer Shaymiyev gives his annual address to the State Council of Tatarstan. He stresses the importance of federalism in Russia and the Russo-Tatarstan treaty of 1994 (renewed in 2007).

12 November 2008 Director-general of the Russian Corporation of Nanotechnologies Anatoly Chubays warns against excessive state interference in the economy: "The main risk that the crisis has created for us is not that of bankruptcy but the risk that we'll forget ourselves and move towards massive government support for the economy."

13 November 2008 The Supreme Court bans the activities of the international organization Al-Qaeda in the Islamic Maghreb in Russia, having deemed it terrorist.

13 November 2008 Deputy Prime Minister Aleksandr Zhukov says that by the end of 2008 inflation in the Russian Federation will be about 13.5 per cent.

13 November 2008 Gazprom chairman of the Management Committee, Aleksey Miller, says that the prices of hydrocarbons will never be very low again. He says fuel will become cheaper at the beginning of 2009, but not for long.

13 November 2008 General Nikolay Makarov, chief of the General Staff says that over 160,000 officers will be dismissed from the Russian Army in the next three years within the framework of switching to a new shape for the Army and the Navy from 2009 to 2012. He says the General Staff has begun a massive overhaul of its Armed Forces in line with the goals stated by the Russian Defence Minister.

We have already started compiling regulations for putting in place the whole set of measures modernizing the army and the navy and reducing the number of officers. All officers who are already working in the Armed Forces, the types of troops, and military districts and in the navy will be notified of the certifying commissions' decisions on their further fate.

Defence Minister Anatoly Serdyukov says that over the next three years the number of officer jobs will be cut from the current 355,000 to 150,000; 200 general jobs will also be reduced. "By 2012 we will have a one-million man army, in which officers will account for 15 per cent of the total number of servicemen."

CPRF Duma deputy Viktor Ilyukhin expresses concern over plans for military reform outlined at a closed session of the Duma Defence Committee held with the participation of Nikolay Makarov.

14 November 2008 The United Civil Front holds a protest in Moscow to oppose changes to the constitution and a longer term in office for the president and the

Duma.

14 November 2008 The Ingodinsky district court in Chita rules that putting former Yukos head Mikhail Khodorkovsky in an isolation cell after the publication of his interview in the *Esquire* magazine was illegal.

14 November 2008 The Central Bank states that the amount of gold in Russia's international gold and foreign currency reserves in October dropped by almost 10 per cent, down to \$12.5 billion. This is the biggest reduction in gold reserves in a month since the start of the year.

14 November 2008 The chief of the General Staff, Army General Nikolay Makarov, says a state programme to employ officers who are being made redundant will come into operation on 1 January 2009.

14 November 2008 The Duma passes in the first reading the presidential bill on amendments to the constitution to extend the presidential term of office to six years and the term of the Duma to five years. The bill was supported by 388 Duma deputies; 58 MPs voted against it.

15 November 2008 Political commentator Yuliya Latynina says on *Ekho Moskvy* radio that between \$3 billion and \$7 billion is fleeing to the West every day.

When the Gunvor firm trades in Russian oil and its revenue, according to experts, amounts to \$70 billion, do you really think this money goes back to Russia? In other words, the system is organized in such a way that this money leaves Russia and that the separation scheme - i.e. production is here, in Russia, while profit is somewhere there, in a different place - is organized in Russia on a nationwide scale. And money that has been invested has been, above all, Western credits. And this situation has existed for a very long time.

16 November 2008 The founding congress of a new political party Right Cause makes a decision to create a new liberal party on the basis of the right-wing parties - the Union of Right Forces, the Civil Force and the Democratic Party of Russia. The founding congress approves Leonid Gozman, Boris Titov and Georgy Bovt as co-chairmen. Gozman acknowledges that Right Cause was established "with the help of the Kremlin", but says that it will not be a "pro-Kremlin" party.

17 November 2008 Leonid Gozman says the party will cooperate with the Kremlin but will also be critical. He says: "One should remain critical but to ignore the authorities, to refuse dealing with them is silly, this means ignoring the reality...The Kremlin is not an abstract place, it comprises state institutions and we need to collaborate with them."

Nikita Belykh, the former co-chairman of the Union of Right Forces party, says that Right Cause is a project of the Kremlin administration. He doubts that it is truly independent.

17 November 2008 The Russian People's Democratic Union says that the publication by the Investigations Committee under the Prosecution Service of the results of the investigation over the forging of voters' signatures in support of movement leader Mikhail Kasyanov during the Russian presidential campaign in early 2008 is an attempt to put it under pressure.

17 November 2008 Prime Minister Vladimir Putin says Russia will not give up protecting its national interests even in the conditions of a global economic crisis.

He says that cooperation with foreign partners in overcoming global financial problems should not run counter to Russia's interests.

Deputy Prime Minister and Finance Minister Aleksey Kudrin says that Russia will join the Financial Stability Forum in the next few months.

18 November 2008 Dmitry Medvedev says in Izhevsk that the constitutional reforms are to add stability to the political system, not advocating a switch to a parliamentary form of government. He visits Izhevsk for an away session of the State Council. He states:

First, despite the presidential nature of our republic and despite us being a strong presidential republic with extensive presidential powers, there is still a government that has executive power. The government should regularly report, not just to itself, but to the Federal Assembly, or rather the State Duma in this case, on how it is carrying out the instructions it has been given and should present an annual report on its performance. Of course, we are not turning into a parliamentary republic as a result of that. To be frank, I do not think that Russia should be a parliamentary republic. That would be deadly for us. Nevertheless, this increases the powers of the State Duma and gives it additional means of monitoring life in the country as regards government decisions.

The second decision concerns the presidential and State Duma terms. This is, of course, a question of choice. But I can say that in my opinion - I am supported on this by legislators and my work colleagues - four years is not enough for the Federal Assembly, for the State Duma. The cycle is organized in such a way, including in our country, that we are used to thinking in bigger terms. That is one thing. The second one is that when all elections are held simultaneously, certain problems arise. Campaign fatigue sets in. That is why separating presidential and State Duma elections is also a fairly old idea.

Finally, as regards the presidential term, this is also a question of choice. One could argue that it is possible to achieve a lot within four years. Likewise, it is possible to make a huge mess of things within six months. Yet, speaking of a stable situation, I think that the current stage in the development of our society and state would benefit from a longer presidential term.

He says that regional mergers "cannot be imposed" on people. He rules out returning to the system of electing regional governors.

As for returning to the previous system for governors being vested with powers or for electing them, I have expressed my position. I will reiterate that the system of granting powers to governors that exists today is optimal for the present time. Today I also spoke about the constitution. There are no eternal designs. However, I believe that this system is optimal and the only possible one for the time-being and for the near future.

Its revision is not just unrealistic. It is inadmissible. If heads of constituent members of the federation speak about this, they certainly have the right to express opinions but they are not private individuals. If they have some dissatisfaction with the present procedure for the granting of powers to them, they can offer me their resignation.

18 November 2008 Dmitry Medvedev says that the crisis is spreading from the financial sphere to the real economy and that "the coming year will be a very difficult one". He states:

Today it is clear that the crisis is developing, unfortunately, from the financial sphere - this is an objective thing - to the real sector. Indeed, so far it has only had a slight impact on our real sector, on our industry. Somewhere the impact has been greater and somewhere it is so far not particularly visible. In all probability, the crisis will, of course, spread - here one has to face the truth.

Medvedev says that about \$180 billion will be spent on stabilization measures. He also says that the Russian rouble has every opportunity to strengthen its position with the CIS, thus bringing it closer to the status of a regional reserve currency. He suggests that using the rouble for settlements within the CIS should be discussed at a joint meeting of the Security Council and the State Council in December.

18 November 2008 The Moscow District Military Court selects the jury to try the murder case of *Novaya Gazeta* commentator Anna Politkovskaya.

18 November 2008 Yury Trutnev, minister of natural resources and ecology says that in the last two and a half years Russian "uranium reserves increased from 145,000 to 545,000 tonnes". He meets Director-General of Rosatom Sergey Kiriyenko.

18 November 2008 The chairman of the Duma Defence Committee, Viktor Zavarzin, is interviewed on the website *Utro.ru* on military reform.

19 November 2008 Education and Science Minister Andrey Fursenko faces hostile questioning in the Tatarstan State Council over the federal government's decision to remove the compulsory teaching of languages other than Russian from the national curriculum. Until recently school curricula in the country consisted of federal, regional and school components. The hours given to the regional component in the national republics included studying a second native language, history and culture. Federal law No 309 passed in December 2007 meant that the regional component was withdrawn from the compulsory part of the educational standards. According to this new law, each individual school rather than the federal powers will decide whether or not to include the regional ethnic component in the curriculum.

19 November 2008 Yevgenny Burdinsky, chief of the conscription department of the General Staff's Main Organizational and Mobilization Directorate, says that the number of conscripts in 2009 will be increased.

19 November 2008 The Duma passes in the second reading presidential amendments to the constitution "On changing the term of office of the Russian president and the State Duma" from four to six and five years respectively. The decision was supported by 351 deputies - with the necessary threshold of 300 votes - and rejected by 57 deputies. No-one abstained from the vote.

19 November 2008 It is decided that the Anna Politkovskaya murder trial will be held behind closed doors. On 17 November it was decided that the trial would be open. However jurors refuse to enter the courtroom in the presence of the media. The defendants in the case enter not guilty pleas before the jury.

19 November 2008 Anatoly Kucherena, head of the Public Chamber commission on public control over law-enforcement agencies, says he considers premature the statement by Russian Prosecutor-General Yury Chayka that the media covering the world financial crisis should be checked.

The Prosecutor-General's Office says that it is not going to conduct across-the-

board checks of the mass media but will keep a close watch on the coverage of the situation in the financial market.

19 November 2008 Aide to the president Arkady Dvorkovich says that the rouble will not be devalued and there will no cuts in state spending.

Deputy Prime Minister and Finance Minister Aleksey Kudrin says that Russia has a solid basis for maintaining the stability of the rouble. He speaks at a Duma session. The Russian Reserve Fund now stands at over \$131 billion, while the National Welfare Fund amounted to \$61 billion. The two funds emerged from the splitting up of the Stabilization Fund earlier in 2008. Since the start of 2008 Russia has gained \$6 billion through the placement of money from the Stabilization Fund on foreign markets.

Kudrin tells the Duma that in 2009 the inflation rate in Russia is planned to be at about 8 per cent. Central Bank chairman Sergey Ignatyev says that the annual inflation rate now amount to 13-14 per cent.

Central Bank chairman Sergey Ignatyev tells the Duma that in September-October 2008 Russia's international (gold and forex) reserves fell by \$97.6 billion.

Yevsey Gurvich, head of the Economic Expert Group, says he believes that a rouble devaluation is inevitable. He is speaking on the "Credit of Trust" slot on *Ekho Moskvy* radio.

Rosstat says that in January-September 2008 the volume of Russian investment abroad was \$91.3 billion, up 68.6 per cent compared to January-September 2007. The largest volume of accrued investments was made from Russia in the economies of Cyprus (\$14.5 billion), the Netherlands (\$12.3 billion), the Virgin Islands (\$5.8 billion), the USA (\$4.5 billion), Germany (\$2.8 billion) and Switzerland (\$2.6 billion). The volume of direct investment in the Russian economy in January-September 2008 was \$19.2 billion, 2.3 per cent less than over the same period in 2007.

19 November 2008 The chief of the General Staff of the Armed Forces, Army General Nikolay Makarov, says that by 2020 between 80 and 100 per cent of the army will be armed with the most up-to-date weapons and hardware: "Our plan is to arm 30 per cent of the army with the most up-to-date weapons and hardware over the next three to five years, and to increase this ratio to 80-100 per cent by 2018-2020." He says that the Taman Motor Rifle Division and the Kantemirovskaya Tank Division (both in Moscow Region) will be replaced with four brigades. Makarov also says that the number of staff in the MOD's and the General Staff's central command and control bodies will be cut by almost two thirds. He says "there are 21,500 posts in the Defence Ministry's command and control bodies. We are going to keep 8,500." Makarov also says that the current system of command and control is outdated and does not ensure quick decision-making. He states:

Two levels of command - the regiment and division levels - will be abolished, because the events of the recent years (two campaigns in Chechnya and the events in the Caucasus in August of this year) have shown that this system of command and control created in the 1960s - army, division, regiment, battalion - is so complicated and heavy that currently it does not ensure quick decision-making, conveying tasks to the troops, organizing interaction and effective command and control.

20 November 2008 An article in *Novyye Izvestiya* by Vladlen Maksimov, headlined "Mission impossible: conscripts will correct the Defence Ministry's elementary mathematical miscalculations; draft-2009 will not be joyful" discusses the draft for

2009.

20 November 2008 A Yury Levada Centre poll says that 66 per cent of Russians are concerned by the onset of the economic crisis. 30 per cent of them are ready to call the current economic situation in Russia a "crisis," and the other 36 per cent are expecting the onset of a crisis in the nearest time - "it is all going to that." 26 per cent remain optimistic.

20 November 2008 YR holds its 10th party congress. Dmitry Medvedev attends and addresses the congress.

Prime Minister Vladimir Putin also attends the congress. He outlines immediate economic tasks and says that the current process of reconfiguration of the global economy provides the country with a unique opportunity "to set up an international financial centre in Russia and turn the rouble into a regional reserve currency". He states that:

The government is finalizing the concept of forming a financial centre...Specific measures are being drafted to develop the business infrastructure and the requisite amendments to the laws on the securities market and on the tax code, including the liberalization of interest taxation and the waiving, under certain conditions, of the tax on individuals' revenues from selling securities.

Putin continues: "What does becoming an international financial centre mean for us? It will be from the Russian market that companies will be able to draw the capital they need for their development, and potential investors - primarily, our citizens - to deposit their savings profitably and reliably." Task two is to introduce fiscal changes. Putin urges immediate changes to Russia's tax code to stimulate the real economy and support small business in the regions. Task three - attack foreign markets, protect own economy. He says:

We need to be aggressive, in the best sense of this word, in using the instruments of promotion and assertion of our economic interests. We intend to stimulate domestic exporters of industrial produce, to turn the export support system into yet another effective institute of development.

We might also want to consider acquiring assets of foreign high-tech companies, with the aim of developing mutually beneficial cooperation and partially transferring production processes to Russia if it is economically justified.

On task four - provide special assistance to certain sectors of Russian economy and tackle the housing problem - he states:

We need special measures to support separate industries of the real sector, primarily those which could either drag down the entire economy under unfavourable conditions or, vice versa, become an additional catalyst for its development given our effective work and support. What sectors are these? Construction, the defence industry, agriculture, fuel and energy, and mechanical engineering.

He also lists goals to achieve Russia's development strategy to 2020. He says YR must do everything to prevent a repeat of the economic shocks of 1991 and 1998.

20 November 2008 Boris Gryzlov, chairman of the One Russia Supreme Council and State Duma speaker, says at the YR congress:

Some people might think that the word ideology is outdated, but in reality there is a very tough fight for ideology going on in the world, first of all for the minds of young people. Look at Georgia, look at Ukraine. It is well-known who is working with the youth there and how they do it. We will not allow the ideology of the development of our country to be formed overseas.

The congress elects its general council and its presidium, which will be in charge of the party's day-to-day work over the next four years. The general council presidium has 21 members. Vyacheslav Volodin retains his post as secretary of the general council presidium. He will have four deputies, including one first deputy. The post of first deputy secretary is retained by Andrey Isayev, who will be responsible for the party's campaigning and propaganda work. Konstantin Kosachev, Svetlana Zhurova and Yury Shuvalov are also elected deputy secretaries of the general council presidium. Kosachev will be overseeing international policy issues and inter-party ties. Shuvalov will be responsible for creative ideas and liaison with political clubs. The new deputy secretary, Svetlana Zhurova, will be in charge of liaison with public associations and work with the young. The 150-strong general council was also elected. For its part, the general council approved Andrey Vorobyev in the post of chairman of the party's central executive committee. Thirty-one people were elected to the central control and audit commission. Its work will be headed by State Duma deputy Sergey Popov.

The delegates vote unanimously for merging with the Agrarian Party of Russia. Over 45,000 members of the Agrarian Party have applied to join YR.

YR has a new web portal www.er.ru plus the main website www.edinros.ru

20 November 2008 One of the jurors in the Anna Politkovskaya murder trial, Yevgeny Kolesov, says the jury did not ask for it to be closed to the press.

The head of the Investigations Committee under the Russian Federation Prosecution Service, Aleksandr Bastykin, says he is certain that the person who killed Politkovskaya will be arrested. He says: "We know who it is, and are doing everything to have him arrested. We are searching for him and we will find him."

The deputy editor-in-chief of *Novaya Gazeta*, Sergey Sokolov says there are serious forces in Russia who do not want the murder solved.

20 November 2008 Secretary of the Russian Union of Journalists Mikhail Fedotov says he does not see any sense in the initiative of the Prosecutor-General's Office to check media reports on the operation of establishments operating in the economic and social sphere. The Prosecutor-General's Office stated on 19 November that it intends to monitor the Russian media for news reports which destabilized the work of banks and other financial institutions.

20 November 2008 The deputy prime minister and finance minister, Aleksey Kudrin, says that the Russian Federation will have no budget surplus in 2009; it is even possible that there will be a deficit of around 1 per cent. He says there will be no spending cuts. Reserve Fund money will be used. He addresses the Duma on the Reserve Fund. He says the funds accumulated in the Reserve Fund will be sufficient for between seven and 20 years, depending on the Russian Federation's growth rates. The current size of the Reserve Fund is R3,500 billion (about \$130 billion). He says in 2009 the government may spend up to R500 billion from the Reserve Fund. The Finance Ministry and the Economic Development Ministry forecast the price of oil at \$50 a barrel in 2009.

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20 November 2008 First Deputy Prime Minister Igor Shuvalov says that the government intends to review the terms of the contracts concluded as part of investment projects, including in federal targeted-development programmes. This is because prices have changed because of the global financial crisis.

20 November 2008 Dagestani President Mukhu Aliyev says at a conference held in Makhachkala that "the active interference of 'a number of Western and other countries' in the North Caucasus region helps the spread of the ideology of extremism, nationalism and separatism".

21 November 2008 An article in *Nezavisimoye Voyennoye Obozreniye* by Leonid Orlenko entitled "Money for Modernization of Production and the Army" examines military reform and the capacity of the Russian economy to support it.

Chief of the General Staff of the Armed Forces Army General Nikolay Makarov says one-year military service in the Armed Forces is not going to be reconsidered.

21 November 2008 The Duma votes 392-57 to approve the bill extending the presidential and Duma terms in its final third reading.

21 November 2008 Chita's Ingodinsky court upholds a complaint filed by Mikhail Khodorkovsky, and rules that the decision by the head of the Chita temporary detention centre to reprimand Khodorkovsky and to put him in a punishment cell for three days was unlawful.

Chita's Ingodinsky district court dismisses the motion of the investigation that intended to limit the term of familiarization with the materials of the second criminal case for former head of the Menatep group Platon Lebedev and his lawyers until 15 December 2008.

21 November 2008 Rosstat states that the number of unemployed in Russia in October topped 4.5 million people, or more than 6 per cent of the economically active population. This means that the total number of unemployed has risen by almost 2 per cent month-on-month, while the official unemployment figure has fallen 0.2 per cent.

21 November 2008 Deputy chairman of the Gazprom board, Aleksandr Ananikov, says it is still possible that an Altay pipeline will be constructed, going from western Siberia to China via the Republic of Altay.

21 November 2008 The federal programme "National system of chemical and biological security of Russia" in 2009-2013 says that there are over 10,000 potentially dangerous chemical sites are operating in Russia. This information was presented in the federal targeted-development programme "National system of chemical and biological security of Russia" in 2009-2013. The document also says that Russia has nearly 2 billion tonnes of toxic waste, but there is no efficient technology to recycle it or render it harmless.

22 November 2008 Gazprom Sergey Kupriyanov says Gazprom remains largely unaffected by the global economic crisis despite a precipitous fall in its capitalization. He says: "So far we are talking not about losses but about certain lost profits. The demand is indeed falling, including due to the warm weather in November. We now believe that this year's output may amount to between 552 billion and 553 billion (cubic metres of gas)." He also says: "Our capitalization has reduced significantly. However, this presents no critical problem to those shareholders who retain their securities rather than sell them off, because

everybody understands that the current capitalization does not reflect the actual financial situation in the company."

23 November 2008 Liberal opposition movement Solidarity holds a regional conference in Moscow.

23 November 2008 The Patriots of Russia party merges with the Party of Peace and Unity at a congress in Moscow.

24 November 2008 The Federal Antimonopoly Service commission imposes a fine of R1.3 billion (\$47 billion) on Gazprom Neft and a fine of R1,112 million on TNK-BP for setting artificially high prices for petroleum products.

24 November 2008 Economist Irina Yasina says that Russia could face unemployment as a result of the financial crisis. She says on *Ekho Moskvy*:

The problem is indeed very serious. I believe that it will in effect be the main one in our country, because how can an enterprise not lay off staff if demand for its products is falling and prices are falling too? There is no income, and no way out. The situation will of course be difficult, especially in mono-towns where there is just one or two enterprises; for instance, in the Urals, where they are old-type enterprises, in metallurgic industry - not upgraded, not refurbished, and with very low workforce mobility.

25 November 2008 The Prosecutor-General's Office confirms that the state prosecutor has filed a motion to remove the judge from the trial in the case of journalist Anna Politkovskaya's murder.

Aleksandr Minchanovsky, head of the press service of the Moscow district military court, says further hearings of the case will be open.

Murad Musayev, the lawyer of the suspect in the case, says that the prosecution believes that the murder was ordered by a Russian politician.

25 November 2008 Head of the St Petersburg Yabloko branch Maksim Reznik says Yabloko is ready to admit those members of the SPS who refuse to join the new Right Cause.

25 November 2008 The deputy head of the Interior Ministry's economic security department, Yury Popugayev, says a specialized investigations bureau to combat corruption has been set up at the MVD. According to the Interior Ministry data, from the beginning of the year policemen have unveiled 28,000 corruption-related crimes, which is 18 per cent more than in 2007.

25 November 2008 The Office of the Prosecutor-General issues a statement calling on journalists to be careful with information relating to the state of affairs in individual banks, because in a time of crisis unscrupulous competitors may use the media to their advantage.

Mikhail Delyagin, head of the Institute of Globalization Problems, says the Russian economy is sliding into depression:

The statistics are very clear, it shows that in October the Russian economy was sliding into depression, not just in people's minds but also on the level of macro-economic figures. First of all, industrial prices have been falling for the second month running. In September, the price index of industrial goods dropped by 5 per cent and by another 6.6 in October. However, this does not

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concern the economy as a whole. The fall happened in the extraction of natural resources, oil processing and metallurgy. Prices are falling in these industries. In all other spheres, prices continue to rise because of monopoly.

He says the Concept 2020 (a strategy for the country's development until 2020 which was approved by Vladimir Putin on 25 November) was drawn up before the crisis, from February to early August. "The Concept 2020 does not take into account the crisis, it does not take into account the statistics I mentioned. This is daydreaming which does not notice that our economy is in a free fall."

25 November 2008 Norilsk Nickel co-owner Vladimir Potanin says the conflict between the shareholders of the company has been resolved. The other main shareholder is RusAl. Potanin is speaking at a press conference with RusAl boss Oleg Deripaska.

25 November 2008 Interfax-AVN reports that the Soviet Union Marshal Zhukov Air and Space Defence Military Academy (Tver) will be shut down as part of the military education system reform.

26 November 2008 Sergey Aleksashenko, former first deputy chair of the Central Bank says that "with oil prices at their current level, the Central Bank in 2009 will have to spend \$150 billion to preserve the balance of payments, one-third of the foreign currency reserves we have today. It is obvious that this creates pressure on the rouble and the Central Bank and will make the government nervous. And this will be a factor to balance which the rouble will, possibly, be getting cheaper, while the dollar will be getting more expensive."

26 November 2008 The Moscow district military court dismisses the motion of the Prosecutor-General's Office to remove the judge from the trial in the case of Anna Politkovskaya's murder.

26 November 2008 The Federation Council adopts amendments to the constitution extending the term of office of the president from four to six years and of the Duma from four to five years. The bill was supported by 144 senators, with one voting against and no-one abstaining.

Yabloko leader Sergey Mitrokhin says he regards the constitutional amendments as undemocratic. Head of the For Human Rights movement Lev Ponomarev expresses a similar view.

26 November 2008 Vladimir Putin addresses a session of the council on competition and entrepreneurship. He says that representatives of small and medium businesses should have access to state orders, procurement orders of natural monopolies and state corporations. He also says that criminal liability must be envisaged for civil servants and representatives of business entities who violate competition rules and thus impede the development of business in the country.

26 November 2008 Deputy Finance Minister Anton Siluanov says that the government is to allocate R50 billion (about \$1.8 billion) for the additional capitalization of defence-industrial complex businesses and subsidizing credit rates for them. Siluanov says the government is intending to develop within a week a mechanism for providing state guarantees for bank loans for defence-industrial complex businesses.

26 November 2008 Finance Minister Aleksey Kudrin says that the average price of Russian oil is \$96 per barrel as of year end. He says that a sharp increase in the

price of oil in future should not be expected and the current prices in the range of \$50 a barrel are envisaged in the national budget for the next three years.

26 November 2008 Former minister of labour and social policy and a member of the Duma budget and taxes committee, Oksana Dmitryeva, predicts a 30-per-cent slump in production in the Russian economy in the near future. Dmitryeva says that by now about R5,500 billion has been spent on anti-crisis measures and only R500-600 billion, maximum R1,000 billion, has been spent justifiably.

26 November 2008 First Deputy Prime Minister Igor Shuvalov holds a government meeting on banking sector reforms.

26 November 2008 The head of administration of the city of Vladikavkaz, Vitaly Karayev, dies in hospital after being shot.

27 November 2008 A Public Opinion Foundation (FOM) poll reveals an approval rating of nearly 80 per cent for Dmitry Medvedev. 7 per cent are dissatisfied. 35 per cent believe that Russia's position on the international arena has been strengthened during Medvedev's presidency, while 42 per cent of Russians believe it has stayed the same, and 8 per cent have a pessimistic view. The rest said they could not assess the changes in Russia's international position (15 per cent). The poll was taken on 22-23 November in 100 population centres in 44 constituent parts of the Russian Federation, with 1,500 respondents.

27 November 2008 Vladimir Putin tells the government to implement YR's anti-crisis plan which was set out at the recent YR congress.

Finance Minister Aleksey Kudrin says that the situation with liquidity is improving and that he expects lending to the real sector in the coming months to increase compared with October.

27 November 2008 A FOM poll says that 45 per cent of the public do not believe that the media are not reporting the situation in the Russian economy objectively. One third of those asked (35 per cent) say coverage is objective and one in five (20 per cent) found it difficult to provide an answer. 57 per cent maintain that the Russian media - television, radio and newspapers - are currently failing to provide full coverage of the situation in the Russian economy.

27 November 2008 FSB director and chairman of National Antiterrorist Committee Aleksandr Bortnikov says that the security situation in the sphere of countering terrorism in Russia remains difficult, particularly in the North Caucasus. He says that rebel underground with links to international terrorist organizations was involved in the terrorist attack in Vladikavkaz on 6 November. Bortnikov is speaking at a meeting with heads of antiterrorist commissions of the constituent parts of the Russian Federation forming the Central Federal District in Krasnogorsk.

Bortnikov says at a session of the National Antiterrorist Committee that the number of terrorist attacks in Russia in 2008 has doubled. He says at least 135 extremist crimes have been committed in Central Russia over the last 10 months.

28 November 2008 Presidential aide Arkady Dvorkovich says that the government of the Russian Federation and businesses must be ready for the economic situation in the country to develop according to the worst-case scenario. He is addressing a board of the Russian Union of Industrialists and Entrepreneurs.

28 November 2008 First Deputy Prime Minister Viktor Zubkov says that Russia

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must adopt a food security doctrine. "The key tasks for the agricultural sector are to preserve the dynamics of the sector's development for the long-term, to take domestic agricultural production to a level that would make it possible to ensure guaranteed supplies of essential and good-quality foodstuffs to all our citizens. One would want these to be domestically produced."

28 November 2008 Vladislav Surkov, the first deputy head of the Presidential Administration describes the "emergence and formation in Russia of a very big, quite vast middle class" as the main achievement of the first years of the 21st century. He is addressing a Strategy-2020 forum hosted by YR.

29 November 2008 The 13th CPRF party congress opens.

29 November 2008 An article in *Kommersant* says that several top generals intend to resign. The reason may be discontent with Defence Minister Anatoly Serdyukov's military reform plan. It is claimed that among those who have already submitted their resignation are Gen Valentin Korabelnikov, head of the Main Intelligence Directorate of the General Staff, as well as the heads of Rear Services and the central control panel. However, this has not been confirmed officially.

Gennady Gudkov, deputy chairman of the Duma Committee on Security says that many generals are submitting their resignations in protest against reforms in the Armed Forces:

Unfortunately, there is a negative side to this reform. According to my data, serious voluntary resignations are being filed by the top command and high-ranking officers. Many people do not understand the reforms and simply resign. I can say that many generals have recently resigned voluntarily. They resign because they disagree with the reforms that are being carried out or will be carried out. At least, as I understand, these reforms were not discussed even with generals. I am surprised at the fact that our political leadership does not take into account the moods of an enormous number of army officers. This is very important.

Gudkov says he can neither condemn nor support the reform that is being implemented because he simply does not know what it consists of. He says plans to reform the Armed Forces were not discussed in the Duma.

The MOD later denies media reports that a group of senior military officers submitted their resignations. The MOD also denies reports in the media that there was a ban on talking about army reform and that Gen Valentin Korabelnikov has tendered his resignation.

Krasnaya Zvezda reports that the RS-24 ICBM will begin deployment in 2009.

30 November 2008 A plenary meeting of the CPRF Central Committee votes to re-elect Gennadiy Zyuganov as chairman of the CPRF Central Committee. The CPRF Central Committee first deputy chairman and Duma deputy speaker, Ivan Melnikov, and the CPRF Central Committee deputy chairman and Duma member, Vladimir Kashin, also retain their posts.

The CPRF's 13th congress approves a new version of the party manifesto.

30 November 2008 Prosecutor-General Yury Chayka is interviewed on *Vesti Nedeli*. He says that the murderer of Anna Politkovskaya is on an international wanted list. Chayka says he has discussed this with Interpol.

December 2008

1 December 2008 Oil export duty is reduced further to \$192 per tonne. The new export duty is calculated on the basis of the average price of Russian oil from 15 October to 14 November, which was \$59.35 per barrel.

1 December 2008 Prime Minister Vladimir Putin criticizes the current financial system in which Russian share prices are excessively dependant on foreign markets. He is addressing a session of the government's presidium. He states: "No-one intends to restrict the activity of foreign capital in the Russian stock market. We welcome foreign investors. But at the same time, our goal is to create a truly massive class of Russian investors, form our own powerful financial institutions." He says that Russia has an opportunity to become a global financial centre.

Putin and Finance Minister Aleksey Kudrin both state that the banking sector is under control.

Minister of Industry and Trade Viktor Khristenko says that industrial growth in Russia remains positive but the crisis has affected most sectors of the economy, except the military-industrial complex. Khristenko says that ferrous metallurgy and auto manufacturers were the worst hit by the crisis.

Dmitry Medvedev discusses the situation in the economy and its prospects for 2009 at a meeting with First Deputy Prime Minister Igor Shuvalov. Shuvalov says the situation is difficult, but stable, with the economy currently growing at a rate of 7.5-per-cent. Shuvalov says that "according to the latest forecasts of the Economic Development Ministry, we will finish this year [2008] with a growth rate of 6.8 per cent or about 7 per cent".

1 December 2008 Head of TNK-BP Robert Dudley, whose resignation was one of the conditions of settling the shareholders' conflict in the Russian-British company, resigns his post.

1 December 2008 Central Electoral Commission Chairman Vladimir Churov says there are no plans to hold early presidential or parliamentary elections in Russia.

1 December 2008 The Drugaya Rossiya coalition has applied to the Moscow mayor's office to hold a Dissenters' March on 14 December.

1 December 2008 Deputy Prime Minister Sergey Ivanov says that serial production of the Bulava missile will start in 2009.

Ground Troops Commander-in-Chief Army-Gen Vladimir Boldyrev says that Russian Ground Troops will retain the scale and tempo of exercises in 2009 despite the ongoing reforms. There will be about 40 all-forces tactical exercises at division and brigade level. There will be about 700 company and battalion exercises and over 400 command-post drills.

The MOD denies media reports that a group of top military commanders have tendered their resignations from military service because of their disagreement over military reform. The media has named Chief of the Rear Services of the Russian Armed Forces and Deputy Defence Minister Army Gen Vladimir Isakov; Chief of the Main Investigations Directorate (GRU) of the General Staff Army Gen Valentin Korabelnikov; Chief of the Central Command Post of the Russian Air Force Lt-Gen

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Vladimir Goshkoder; and six chiefs of directorates of the Main Operations Directorate of the General Staff.

1 December 2008 Gennady Onishchenko, the chief state sanitary doctor, says that the Russian public are underestimating the danger of the spread of HIV. About 450,000 HIV-positive cases have been registered in Russia since 1987.

2 December 2008 Dmitry Medvedev addresses the all-Russia congress of judges. He says judges will be appointed for life and their work will be made more open to the public. Medvedev proposes to extend the jurisdiction of arbitration courts. These courts should consider "not only bankruptcy cases and corporate disputes but also disputes over tax and customs violations, the financial market, investment and antimonopoly activities". He discusses international judiciary institutions:

The Strasbourg court and, generally, any international court, with all due respect, cannot and should not substitute Russian justice, this is absolutely obvious. In this sense, our judiciary system should be absolutely independent. But the judiciary system itself should be so effective as to minimize the number of such appeals to international courts.

2 December 2008 Testimony begins in the Anna Politkovskya trial. Murad Musayev, lawyer for Dzhabrail Makhmudov, one of the accused, says that the alleged killer, Rustam Makhmudov, who is on the wanted list, is ready to take part in investigative actions.

2 December 2008 The secretary of the Security Council, Nikolay Patrushev says the national security strategy to 2020 will be passed in February 2009.

On the whole, the priorities for ensuring national security have already been set out by the country's leadership, including in the president's address. They are, among others, to improve the political system, to optimize state governance, and to enhance the state's capabilities in defence and security. All of these decisions are focussed on what is in essence the principal goal, to raise the living conditions and quality of life of Russian citizens.

2 December 2008 A presidential decree rules that the head of the Investigations Committee under the Interior Ministry will simultaneously hold the post of deputy interior minister.

2 December 2008 The Central Bank reports that the outflow of deposits from banks amounted to R354.5 billion (about \$12.6 billion) in October against R88 billion in September. As of 1 November, deposits stood at R5,535.6 billion.

2 December 2008 According to figures from labour market monitoring conducted by the Ministry of Health and Social Development and Rostrud (the Federal Service for Labour and Employment), the number of people in Russia officially registered as unemployed at the end of November was 200,000 down on the same time in 2007.

2 December 2008 The Ministry of Health and Social Development states that "as of the end of **November 2008** 2008, the number of unemployed individuals registered with employment service bodies was 1,293,000. At the same time in 2007, 1,498,000 were registered."

2 December 2008 Lt-Gen Aleksey Verbitsky, deputy commander of the North Caucasus Military District, says that 11 combined-forces permanent readiness brigades will be formed in the District as part of the army reform.

Vladimir Shappo, a major-general in the medical service and head of the Defence Ministry's Main Military Medical Directorate say the number of military medical facilities will be cut by some 30 per cent as the new profile of the Russian army takes shape.

Lt-Gen Vladimir Shamanov, head of the Armed Forces' Main Directorate for Combat Training and Service is interviewed in *Krasnaya Zvezda*.

Grigory Rapota, presidential envoy in the Volga District, says that Russia has by now destroyed 11,852 tonnes of chemical warfare agents, which is 29.8 per cent of the country's total stock. Rapota said that in addition to this about 4,000 tonnes of the VX toxic chemical had also been neutralized.

3 December 2008 Economic Development Minister Elvira Nabiullina says economic growth in 2008 will be about 6.8 per cent and inflation 13.5 per cent.

3 December 2008 Deputy Defence Minister and Chief of the Rear Services of the Armed Forces, General Vladimir Isakov, is dismissed. As a result of downsizing, the central apparatus of the Rear Services will retain a little over 300 posts, 60 per cent of which will be occupied by servicemen and 40 per cent by civilians.

Col-Gen Dmitry Bulgakov, until now chief of staff of the Rear Services, has been appointed new Deputy Defence Minister and Chief of the Rear Services.

4 December 2008 Vladimir Putin holds a live question-and-answer session with members of the public entitled "Conversation with Vladimir Putin" in Gostinyy Dvor. The event is broadcast by official Rossiya TV and a number of other state TV and radio networks. He states:

We have developed a very effective tandem with President Medvedev. We have worked together for many years already. I like very much the way our cooperation goes today from the point of view of the effectiveness of our mutual work.

The next elections will take place in Russia in 2012. I think that everyone must perform his duty at his position. One must not bother about what will happen in 2012. We will see when we get there.

He also rules out any government reshuffle or his own resignation. He also says that the state will not take advantage of the financial crisis to nationalize enterprises, although the state could temporarily buy stakes in companies to help them overcome the crisis and then return them to private ownership.

4 December 2008 Head of the Investigations Committee under the Prosecution Service of the Russian Federation Aleksandr Bastrykin says that the number of corruption cases sent to courts has increased significantly in 2008. He says that in the first nine months of 2008 investigation bodies instituted 7,800 criminal proceedings, or nearly 20 per cent more than in the same period in 2007. A total of 4,495 cases - 1,062 (31 per cent) more than in the same period in 2007 - were sent to courts.

4 December 2008 Central Bank data states that public demand for foreign currency in cash increased by 240 per cent in October compared with September - to £10.3 billion, which is a record for the whole time it has been monitored.

5 December 2008 The Patriarch of Moscow and All Russia Aleksey II dies.

5 December 2008 Prime Minister Vladimir Putin orders the development of a draft governmental decree to reduce the quotas for attracting foreign labour.

5 December 2008 The chairman of the council of heads of security agencies in the Southern Federal District, Col-Gen Nikolay Britvin, says that the situation in southern Russia has stabilized following the conflict between Georgia and South Ossetia in August.

5 December 2008 Col-Gen Vasily Smirnov, deputy chief of the General Staff, says that in the autumn of 2009 the army will draft between 30,000 and 40,000 more people than in the autumn of 2008. A total of 212,000 people were conscripted over the course of the autumn 2008 draft, with the target figure being 219,000.

Deputy Defence Minister Vladimir Popovkin says that the setting up of state corporations in the defence sector could have negative consequences, stemming from "monopolization and falling competition".

The head of communications at the Space Troops, Colonel Sergey Kolesnik, says that the Space Troops are building a promising communications system using fibre-optic data transmission lines.

6 December 2008 Deputy Prime Minister Sergey Ivanov says that the state has increased the state defence order for 2009 by R60 billion.

6 December 2008 Kirill, the Metropolitan of Smolensk and Kaliningrad, is elected as acting head of the Moscow Patriarchal See.

7 December 2008 German Gref, until recently economic development minister and now head of Sberbank, says that Russia may go into recession in 2009.

8 December 2008 Dmitry Medvedev nominates Nikita Belykh, until recently the leader of the now-defunct Union of Right Forces political party, for the consideration of the legislative assembly of Kirov Region in central Russia for the post of governor.

8 December 2008 Dmitry Medvedev signs a decree on the appointment of Nikolay Vinnichenko as the president's plenipotentiary representative in the Urals Federal District. Until now Nikolay Vinnichenko was the head of the Federal Bailiff Service. The president's previous plenipotentiary representative in the Urals Federal District, Petr Latyshev, died on 2 December.

8 December 2008 The Moscow government's security directorate asks the organizers of a Dissenters' March on 14 December to choose another route.

8 December 2008 First Deputy Prime Minister Viktor Zubkov meets Dmitry Medvedev. They discuss the development of the food security doctrine. It should be ready before the end of December.

8 December 2008 Deputy Prime Minister Sergey Ivanov says that there is a need for state protectionism in some industries.

8 December 2008 YR deputies deputies Kontantin Rykov and Vladimir Medinskiy meet representatives of the internet community devoted to the economic crisis and its social manifestations on the net. The leaders of high-profile internet projects and social networks - Odnoklassniki.ru, Mail.ru, Yandex, Rambler, Google, Lenta.ru,

Pravda.ru, and Akado - and also the heads of the internet projects of major news agencies and internet advertisers were invited to YR headquarters. Rykov and Medinsky advised the representatives not to overdramatize the economic crisis on the internet.

9 December 2008 The CPRF demands the resignation of Defence Minister Anatoly Serdyukov because of the military reforms.

The deputy secretary of the Russian Security Council, Army Gen Yury Baluyevsky, says that the Security Council of the Russian Federation, in cooperation with the Ministry of Defence and other interested bodies of state power and both chambers of parliament, has set about drafting Russia's new military doctrine. He says: "I have been instructed to head the Security Council's working group for drafting the new edition of the country's military doctrine to meet modern challenges and threats and reflect the geopolitical and military-political changes in the world, including the rising role of military force in politics." Baluyevsky says that the Security Council and its technical body have been tasked with carrying out overall coordinating work on drafting the military doctrine. He states: "From time to time we meet the heads of the working groups from the Ministry of Defence, the Interior Ministry, the FSB, the Internal Troops of the Russian Interior Ministry and representatives from other power-wielding bodies, as well as representatives from the upper and lower chambers of parliament and expert community, who are actively involved in this work."

Baluyevsky unveiled the concept of the new military doctrine at an extended meeting of the Military Council of the Internal Troops of the MVD on 5 December. He said then that the drafting of the new military doctrine should be completed in 2009.

Lt-Gen Aleksandr Bespalov is appointed Chief of Staff and First Deputy Commander of the North Caucasus Military District.

9 December 2008 Prime Minister Vladimir Putin signs a government resolution providing for the possibility of cutting quotas for employing foreign workers.

9 December 2008 Svetlana Perova, head of the Interior Ministry's finance department, says that the Interior Ministry's budget for 2009 will be increased despite the difficult economic situation. In November, Dmitry Medvedev signed the law on the federal budget for 2009 and for 2010-2011, which envisions a 28 per cent increase in spending on the Interior Ministry bodies in 2008.

10 December 2008 Army General Nikolay Makarov, the chief of the General Staff, meets military attaches posted to Moscow. Makarov discusses various aspects of army reform, plans for the procurement of arms and for military exercises as well as arms control issues. He says:

A programme for the creation and development of air and space defence has been adopted. The air and space defence command is being set up. Organizationally, the Special-Purpose Command (former Moscow District of the Air Defence and Air Force), which is being disbanded, will be a part of it...Some of the functions of the Special-Purpose Command will be handed over to the air and space defence command.

...We plan to complete the reform of the Armed Forces of the Russian Federation and resolve all the issues associated with it by 2015...

Makarov says that regional commands - East, West, South - will not be set up:

The experiment has been completed. The General Staff has no further plans to set up regional commands...we have completed this experiment and moved on to the setting up of operational-strategic commands on the basis of military districts".

Three branches and three arms of service will be retained following the reform of the Armed Forces of the Russian Federation. The district element will be retained. We will give each district the status of an operational-strategic command managing all the structures of the Armed Forces on its territory.

We are planning to set up assault-landing brigades in military districts. These will be mobile formations. A decision to set them up has already been taken. They will be subordinated to operational commands. We will retain the divisional structure in the Airborne Troops.

All the combined units and units will be permanent readiness detachments manned at wartime strength.

On the whole, the Armed Forces of the Russian Federation are switching to a brigade system. This however does not rule out the retention in some of the branches and arms of service of separate battalions or brigade regiments.

Makarov suggests that the Intermediate Range Nuclear Forces Treaty be adapted so that other nations could join it.

10 December 2008 Boris Gryzlov, Duma chairman and chairman of YR writes in *Rossiyskaya Gazeta* on the economic crisis. The article is entitled "No Grounds for Complacency. Crisis Offers Chance for Technological Development of Economy." He writes:

Sufficient time has passed since the world financial crisis started to develop for its initial consequences to be assessed. The main conclusion that we can draw today is that Russia has withstood the first wave of the world economic crisis. And has withstood it more successfully than many other countries.

But this by no means gives grounds for complacency. Against the backdrop of the economic instability, enterprises, cities and villages are encountering real difficulties. It is impossible to hide from this or to remain silent. There are examples of companies that have been forced to cut production by 80 per cent or more.

Sergey Aleksashenko, former first deputy chair of the Central Bank, is interviewed *Ekho Moskvy*. He criticizes the authorities for failing to acknowledge the crisis until it was too late and says that the recent decision to provide banks with about R2,000 billion worth of loans is wrong.

10 December 2008 It is reported that Prime Minister Vladimir Putin has appointed Sergey Sitnikov head of the newly set up Federal Service for Supervision in Communications, Information Technology and Mass Communications. This agency has emerged from former Rossvyazkomnadzor by a presidential decree signed last week.

10 December 2008 Prime Minister Vladimir Putin orders that a commission in charge of developing anticrisis measures and countering negative social phenomena be set up. Until recently this work has been carried out in two separate strands:

First Deputy Prime Minister Igor Shuvalov was dealing with macroeconomic issues, while social matters fell under the responsibility of Deputy Prime Minister Aleksandr Zhukov. Now all these efforts will be under a joint commission under the chairmanship of First Deputy Prime Minister Igor Shuvalov.

10 December 2008 The chairman of the Russian Audit Chamber, Sergey Stepashin, says that there are no cases of budget funds being stolen in Russia.

10 December 2008 Moscow Mayor Yury Luzhkov says that Moscow is to halve its quota for migrant workers for 2009.

10 December 2008 Viktor Zimin is approved as head of the republic by the Supreme Council of the Russian republic of Khakassia. The term in office of the republic's incumbent head, Aleksey Lebed, expires on 15 January 2009.

10 December 2008 Chief of General Staff Army General Nikolay Makarov says "we regard tactical nuclear weapons as a restraining factor for the huge number of weapons located in European countries".

Chief of the information and public relations service of the Russian Navy Capt 1st Rank Igor Dygalo says the Main Command of the Russian Navy will continue to maintain the necessary presence of its fleets in operationally important areas of the World Ocean.

Lt-Gen Arkady Bakhin is appointed commander of the Volga-Urals Military District.

11 December 2008 Dmitry Medvedev says that Russia may cut oil production to maintain the price, and says that Russia may join OPEC. He also calls for supporting domestic industry and ensuring the economy's smooth reorientation towards the domestic market.

11 December 2008 The Institute of Modern Development, whose board of trustees is led by Dmitry Medvedev, holds a presentation of a report entitled Democracy: The Russian Model's Development. The report says that Russia's democratic development is inevitable and that liberalization has to be carried out "from the top".

11 December 2008 Right Cause Co-chairman Leonid Gozman says that the party will not take part in the planned Dissenters' March on 14 December.

11 December 2008 Finance Minister Aleksey Kudrin says that the outflow of private capital from Russia slowed down in November. He is speaking at a meeting of the EuAsEC council on financial and economic policy in Moscow.

Head of the Presidential Administration Sergey Naryshkin says that supervising agencies should ease the pressure on business.

Deputy Prime Minister Aleksandr Zhukov says that the implementation and financing of the national projects will continue despite the difficulties caused by the world crisis.

An article on Gazeta.ru website warns that unemployment could reach serious proportions. It quotes Mikhail Shmakov, the head of the Federation of Independent Trade Unions of Russia as saying that "opportunities for migrant workers should be eliminated" completely "for the duration".

The head of the Ministry of Health and Social Development, Tatyana Golikova,

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denies the possibility of mass layoffs and suggests that "the crisis will cost less than 10 per cent of the working Russians their jobs". Ten per cent of the working Russians is equivalent to almost 6.8 million people (according to Goskomstat records, there were 67,701,000 people employed in 2007). This figure is almost four times as high as Putin's unemployment projection.

The Federal Service for Supervision in Communications and Mass Communications (Rossvyazkomnadzor) issues a statement reminding journalists of the necessity to observe the law on mass media and the responsibility for a violation of the law. It warns journalists not to report material illegally which could destabilize the work of banks and other financial establishments. The statement notes that "the law defines a journalist's obligation to check the veracity of information reported by the journalist (Article 49) and not to allow the use of journalists' rights for hiding or falsifying information of importance for the public, spreading rumours under the guise of credible reports (Article 51)."

11 December 2008 The head of the FSB's border guard directorate in the Far Eastern Federal District, Col-Gen Valery Putov, says the Coast Guard of the Far Eastern Regional Border Guard Directorate of the Russian FSB intends to beef up its presence in the Arctic seas, but it needs icebreakers.

12 December 2008 Dmitry Medvedev says that the Russian constitution should not be fundamentally changed in the next few decades and the federal, presidential structure of the state should probably never be changed.

12 December 2008 Deputy Economic Development Minister Andrey Klepach says that the economy is in a recession. For the year as whole, GDP will be below the earlier expected 6.8 per cent. In 2008 industrial production will grow by only 2 per cent, instead of the expected 5 per cent. Originally it was expected that GDP would be over 7 per cent; however later because of the crisis these figures had to be revised down.

Andrey Zverev, head of the government's analytical centre says that unemployment in Russia is gaining momentum and becoming latent. Inflation in 2008 will reach about 14 per cent against the government's initial forecast of 11.8 per cent. He says over the past few months Russian regions have already encountered problems when forming the revenue part of their budgets and by 2009 these problems, which will have to be tackled by the federal centre, may get worse.

The Federal Antimonopoly Service's industry control department head, Aleksey Ulyanov says the government is planning to reduce the federal budget capital expenditure by at least 15 per cent and to cut down staff numbers in many ministries and departments, including the government headquarters.

The heads of government of EurAsEC meet in Moscow. Vladimir Putin says that the government will do everything in its power to prevent any sharp fluctuations of the exchange rate of the rouble. He says: "About R4,000 billion have been sent to support the banking sector. Altogether, through the Central Bank and through the government, we have reserved for these purposes up to R9,000 billion." He also says: "A raft of measures to support the real sector of the economy is being implemented, including the stimulation of the domestic demand and structures with state participation entering the capital of enterprises. We are working actively with the banking community to continue the lending programmes aimed at the development and modernization of production." He says Russia has reduced labour migration quotas by 50 per cent. He says to the other EurAsEC members:

I ask you for understanding in this matter. Ultimately, we are all interested in labour migration being organized on a civilized basis. In October, the number of unemployed in Russia reached 4.6 million people. It is 300,000 or 8 per cent more than in the same period last year. It is an alarming situation and an alarming signal. So far we have seen no changes for the better, but we are drawing up a whole package of measures aimed at the situation in this sphere not deteriorating but, on the contrary, improving.

Putin invites Kazakhstan to join a forum of gas supplier nations.

12 December 2008 Col-Gen Nikolay Solovtsov says that putting Topol-M missile systems on combat alert duty in Russia will not be delayed in view of the global financial crisis.

12 December 2008 The Duma approves a bill that abolishes trials by jury for cases pertaining to terrorism, espionage and treason. Now such cases will be reviewed by a board of three judges.

13 December 2008 The new democratic opposition party, Solidarity, holds its founding congress. It includes United Civil Front leader Garri Kasparov, human rights activist Lev Ponomarev, head of the Yabloko youth branch Ilya Yashin and former SPS leader Boris Nemtsov.

14 December 2008 The Dissenters March takes place in Moscow. The Moscow police deny this. It is reported that police break up a Dissenters' March on Triumfalnaya Ploshchad. Police say they detained 90 people.

15 December 2008 Vladimir Putin outlines measures to support industry in the current crisis. He says it will cover 1,500 enterprises.

It is necessary to develop measures to support the largest companies that I have talked about. These measures will be providing loans to these companies, including secured by state guarantees; acquiring a stake if need be; subsidizing loan interest rates; providing state orders; restructuring tax debts or providing a tax credit. I would like to single out this last measure. I am asking you to carefully analyze the application of this measure, so that it does not cause dependency.

He says: "And finally, this morning we agreed with the Central Bank of Russia - the Central Bank confirmed its readiness to issue loans without collateral for the term of up to one year. For this it is necessary to introduce amendments to the law on the Central Bank."

Finance Minister Aleksey Kudrin says that Russia is not in a recession yet and in 2009 the national economy may grow by up to 3 per cent. He also says that the state will buy stakes in Russian companies only as a temporary measure to help them out during the crisis and will privatize these stakes back in 12-18 months' time. Kudrin says that the state will spend R325 billion (\$11.7 billion at the current exchange rate) on combating the financial crisis.

15 December 2008 Street protests take place in Vladivostok over a planned increase in car import duties. A member of the region's legislative assembly, Aleksey Yermolayev, warns that a social explosion may take place.

15 December 2008 Dmitry Medvedev meets the presidential representative in the Volga Federal District, Grigory Rapota. They discuss the formation of a personnel reserve in the region. A federal database is also being created.

15 December 2008 Dmitry Medvedev meets human rights ombudsman Vladimir Lukin. He calls for less use of prison where possible.

15 December 2008 A FOM poll shows growing disaffection among Russians. It states that the level of disaffection with the authorities in view of the crisis has reached 39 per cent on average, while in some industrial regions it stands at 54 per cent. Some 42 per cent of Russians regard the present state of affairs in the economy as a crisis, and the same proportion say that those around them expect the situation to get worse soon. Some 26 per cent of those questioned have said that the situation in their region has got worse, 29 per cent have noticed that construction work has been stopped, and 39 per cent have noticed that people around them are disaffected with the regional authorities. The most anxious regions are Tatarstan, Yaroslavl Region, Kursk Region and Omsk Region. Moscow and St Petersburg are also anxious. Calm reigns in Kamchatka, Mordovia and the Jewish Autonomous Region. FOM carried out its research at the end of November in 63 regions where more than 90 per cent of Russia's population is concentrated. It questioned 34,000 people.

15 December 2008 CPRF leader Gennady Zyuganov rules out the possibility of a merger between the party and Spravedlivaya Rossiya.

15 December 2008 Deputy Economic Development Minister Oleg Savelyev says that the more than R1,400 billion (over \$50 billion) that the government has earmarked for 2009 to fund federal targeted programmes and the federal targeted investment programme will be cut by about 15 per cent due to falling prices of building materials, machines and equipment. Starting from 1 January 2009, the Ministry of Economic Development rather than the government will be in charge of distributing money to implement federal targeted programmes and the federal targeted investment programme.

15 December 2008 Drugaya Rossiya press secretary Lyudmila Mamina says that co-chairman of Drugaya Rossiya Garri Kasparov is being threatened by unknown people.

15 December 2008 Aleksandr Golts writes an assessment of military reform in *New Times*. He says that the MOD has produced a secret document entitled "The Future Appearance of the RF Armed Forces and Urgent Measures for their Formation in 2009-2020", which was signed by Dmitry Medvedev.

ITAR-TASS claims that work on Russia's new military doctrine will be completed by the end of 2009. It will be closely interlinked with the national security strategy and the state's foreign policy blueprint.

First deputy speaker of the Duma Oleg Morozov sees conducting a military reform in Russia in view of the threat of NATO expansion to the East as extremely important.

16 December 2008 General Makhmut Gareyev, president of the Academy of Military Sciences says that the schedule for discharging officers from the army as part of the reform of the armed forces must be revised in view of the economic crisis. Gareyev says that during the reform of the armed forces, it is planned to cut 200,000 officer posts in the Russian army between 2009 and 2012 inclusive, bringing their numbers down from 355,000 to 150,000.

Deputy defence minister General Nikolay Pankov outlines plans for reform of the

military education system in 2009. He says:

Between 2009 and 2012, it is planned to form military teaching and research centres based on the three linchpin establishments of higher education - the Combined Arms Academy of the Armed Forces, the Air Force Academy and the Naval Academy - to enlarge military academies and the military university, and to close down a number of higher educational establishments in view of the cut in the officer training requirement.

Pankov says that there are now 65 military establishments of higher education under the control of the Russian Defence Ministry. They comprise 15 military academies, four military universities and 46 higher military colleges and military institutes. He says the network of higher educational establishments is currently still surplus to requirements. As a result of the reforms, the MOD plans to have 10 linchpin establishments of higher education by 2013, made up of three military teaching and research centres, six military academies and one military university.

The chief of the General Staff, Army General Nikolay Makarov says: "We expect the share of new arms in the Ground Troops, the Air Force and the Navy to be about 30 per cent by 2012, while by 2020 the share of new arms should be up to 70 per cent for all branches and arms of service, across all strategic areas." He says there is a lack of combat ready officers. He says during the August 2008 military conflict in Georgia the Russian command had to try hard to find officers capable of directing troops.

Makarov says that some 100,000 officers will be made redundant in the near future. Under the army reform plan, a total of around 200,000 officer posts are to be axed. "We must have armed forces that will be at least at the same level of combat readiness and have the same combat capability as, say, the Group of Soviet Forces in Germany, which needed an hour-and-a-half in wintertime and an hour in summertime to get ready for the implementation of any task." He says that 83 per cent of units are understaffed and that just 17 per cent are capable of addressing the tasks set before them. He says the transfer of Navy HQ to St Petersburg will begin in 2009.

Deputy Prime Minister Sergey Ivanov says Russian military exports in 2008 have exceeded \$8 billion.

An article by Andrey Rezhikov in *Vzglyad* entitled "General Staff not Expecting Improvement in Relations" says that the Russian military leadership is not expecting an improvement in relations with the USA under Barack Obama.

16 December 2008 The head of the regulations committee of the Federation Council, senator Nikolay Tulayev, says that the legislatures of about 60 constituent parts of the Russian Federation have approved at their sessions the introduction of amendments to the Constitution with regard to extending the terms of office of the country's president and the Duma. This means that the required two-thirds of the total number of regional parliaments have done this, making it possible to introduce the amendments in question into the Constitution.

16 December 2008 Mass street protests against rises in housing service and utility charges take place in Izhevsk. About 2,000 people take part.

The head of the Penza regional directorate of the FSB, Aleksandr Grishin, says that there might be public protests in Penza Region because of the difficult financial situation.

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Co-leader of the Drugaya Rossiya coalition Eduard Limonov says that the coalition intends to give up the practice of submitting to the authorities applications for holding public gatherings.

Various experts and political analysts speaking on *Ekho Moskvy* radio express fears of mass protests in the near future and the authorities' heavy-handed response. Journalist and TV presenter Vladimir Pozner regretted Russian television's "unwillingness to show discontent among people".

Ekho Moskvy commentator Matvey Ganopolsky writes in his blog: 'Rumours are spreading about the authorities preparing for possible disturbances... There will be no import of democracy into Russia in the near future. There will be no peacekeepers, and we will find ourselves face to face with our dear OMON. OMON will beat people with truncheons. And this will be the right thing to do because one should not vote for the authorities with one's right hand and hold the poster "Down with them" with one's left hand. It's too late now...'

Roman Dobrokhotoy, leader of the My (We) human rights movement, says that the authorities are becoming increasingly isolated.

16 December 2008 General Nikolay Rogozhkin, commander-in-chief of Interior Ministry Internal Troops, says that the reduction of personnel in the Internal Troops of the Interior Ministry that began three years ago has been suspended. The troops will retain their former number. At present the Interior Troops number over 170,000. The decision on the stage-by-stage reduction of the Internal Troops was made in 2005 by the country's leadership, by the Security Council with participation of the interior minister. According to the plan of reforming, the Interior Troops were to be reduced to 120,000 - 140,000.

16 December 2008 Deputy Prime Minister Igor Sechin says that should the current level of oil prices persist, Russian oil companies may cut exports by 300,000-320,000 barrels a day. Sechin says that Russian companies could not operate at a loss, and that was why they were cutting the supply of oil to the markets.

16 December 2008 Rosstat reports that industrial output dropped 10.8 per cent in Russia in November against October 2008.

16 December 2008 Prime Minister Vladimir Putin announces additional measures to support the agricultural sector. He says that "we will subsidize loans for the APK to the tune of 80 per cent of the refinancing rate". In addition, the charter capital of Rosselkhozbank will be again increased by R45 billion.

16 December 2008 Gazprom and Rosatom sign a cooperation agreement. They intend to develop cooperation in implementing projects for the exploration of sea and offshore hydrocarbons deposits, energy supplies for gas transport networks and the creation of new technology.

16 December 2008 First deputy secretary of the presidium of the general council of YR Andrey Isayev criticizes the measures taken by the government's economic bloc to overcome the consequences of the global financial crisis. Isayev refers to Deputy Prime Minister and Finance Minister Aleksey Kudrin by name: "We are criticizing it. We are saying so openly. And we'll carry on criticizing. As regards personnel decisions, the government is led by the leader of our party. We have full confidence in him, he will take all the personnel decisions on his own, and we'll support him."

16 December 2008 Ren TV reports that in its second reading, the Duma is watering down the draft package of anti-corruption measures.

Aleksandr Moskalets, deputy chairman of the Duma committee for constitutional legislation and state building says: "All the amendments show that we are not ready to take upon ourselves these special high standards of behaviour and attitude towards fulfilling our obligations so as not to allow illegal actions not only by ourselves but also by others."

17 December 2008 Emil Pain publishes an article entitled "From empire to federation and back: Ethnopolitical trends and their trial by crisis" in *Nezavisimaya Gazeta*.

17 December 2008 The commander of the Strategic Missile Troops Col-Gen Nikolay Solovtsov says that Russia's obligations under existing arms treaties did not prevent it from equipping the new RS-24 intercontinental ballistic missiles with multiple warheads. He says that the new RS-24 missiles will start to arrive in units in 2009. They plan to carry out a total of 13 launches of strategic missiles in 2009. Solovtsov says rearming with new types of missiles should chiefly be completed by 2020. By 2016, once the military reform has been completed, the Troops will have two missile armies and nine missile divisions, four of them with stationary and five with mobile missile systems.

17 December 2008 Agriculture Minister Aleksey Gordeyev says the net weight of the 2008 grain harvest in Russia is 105.5 million tonnes: "According to the latest state statistics, the hopper weight of grain produced in the country was 114.4 million tonnes, and if you take the net weight (after processing) it was 105.5 million tonnes."

17 December 2008 Chechen President Ramzan Kadyrov says he is against the idea of reunification with Ingushetia, as the neighbouring republic is in more trouble and is not economically attractive.

17 December 2008 Economic Development Minister Elvira Nabiullina says that the economy is expected to grow 2.4 per cent in 2009 according to a base scenario with some reduction in industrial output - at about 3 per cent.

17 December 2008 Prime Minister Vladimir Putin criticizes officials for being too slow in tackling the issue of funding for national projects. He said that some agencies still had not submitted a clear justification for expenditure items. Putin stresses that there will be no cuts in spending on national projects and that the state should deliver on all its social undertakings on time.

17 December 2008 The Federation Council approves the bill cancelling trial by jury for anti-state crimes and now these cases will be heard by a board consisting of three judges. The bill amends the Criminal Code and the Criminal Procedures Code and concerns serious and very serious crimes including those linked to terrorism, hostage taking, setting up illegal military units, espionage, high treason, forced seizure of power, armed rebellion, diversions and riots.

Lev Ponomarev, leader of the movement For Human Rights, says "these amendments are very dangerous for civil society. They return us to the spy-mania of Stalin's times...We have studied these amendments. They are reminiscent of the law On Counterrevolutionary Activity that existed in the Criminal Code of the Russian Federated Soviet Republic from 1925 to 1927. Now there will be the opportunity to deal with any opposition activist or human rights activist who cooperates with a foreign organization."

Lyudmila Alekseyeva, who heads the Moscow Helsinki Group, says that "legislation is being absolutely toughened up. And this is despite the fact that there is no emergency or war...One gets the impression that the authorities are better informed than we are about what's ahead of us in connection with the crisis, and they are thinking up various means to keep the population on a leash. I have no other explanation for such toughening up of the legislation. It is particularly dangerous now, given that espionage cases are being removed from the competency of jury trials."

17 December 2008 Dmitry Medvedev signs a decree setting up a presidential commission for reforming and developing public service. The head of the Presidential Administration, Sergey Naryshkin, has been made head of the commission.

17 December 2008 Yabloko party members stage a protest outside the Moscow city дума. One of the protesters, deputy head of Yabloko's Moscow branch Ivan Bolshakov, is detained.

17 December 2008 A Levada poll shows 76 per cent support for Dmitry Medvedev, with 42 per cent saying they trust the president. 83 per cent are pleased with Vladimir Putin's performance as head of government, with 60 per cent trusting him. The president's and prime minister's approval ratings fell by 3 per cent in the past months, while their trust ratings fell by 5-7 per cent. In December, more than half the people of Russia (60 per cent) approved of the government's performance in general, while 36 per cent were dissatisfied with it. This figure has been virtually static for the past three months. When asked how things were going in the country in general: 43 per cent said that "things are going the right way", while 40 per cent expressed the opposite view, saying that "things are heading for a dead end". Another 18 per cent were unable to choose. In October and November, the share of the people in Russia who were satisfied with the way things were going in the country was 54 and 49 per cent respectively.

18 December 2008 The legislative bodies of all the 83 constituent parts of the Russian Federation support the introduction of amendments into the Russian constitution aimed at increasing the terms of presidential powers and the Duma's powers.

18 December 2008 Security Council secretary Nikolay Patrushev says that Russia's new national security strategy is to be approved in February 2009. "We plan to adopt it in February at the session of the Security Council." Patrushev is addressing a meeting with the presidium of the Academy of Sciences in Moscow. The new strategy is designated for the period up to 2020, and it has already been discussed in all federal bodies.

18 December 2008 FSB Director Aleksandr Bortnikov says that in 2008 the FSB put an end to the operation of 48 employees of foreign secret services.

18 December 2008 Deputy Economic Development Minister Andrey Klepach says Russia could see a capital outflow of \$90 billion in 2009. He says that Russia's trade surplus is expected to decrease to \$18 billion in 2009, while its current account deficit is forecast to reach \$45 billion. Russia's foreign reserves are expected to decrease by \$110 billion-\$140 billion from their current level. At the end of 2009 the government estimates that foreign reserves will be above \$300 billion. Annual inflation is being forecast at 12.1 per cent, with real incomes rising by 2.5 per cent. The rouble is expected to fall against an unspecified basket of

currencies by 1.2 per cent in 2009. With a euro rate of \$1.3, the average rouble exchange rate for 2009 is expected to be between R30.8-31.8 to the dollar. Average unemployment in 2009 will be 7.4 per cent of the workforce, or 5.4 million people. Productivity is expected to increase by 3.5 per cent in 2009.

The Ministry of Economic Development gives figures for oil and gas production. Oil output is expected to fall from 488 million in 2008 to 480 million tonnes in 2009, with exports down from 116.8 million to 115.3 million tonnes. Annual gas output is being forecast to increase from the current 665 billion to 670 billion cubic metres in 2009. Accordingly, gas exports are due to rise from 203 billion to 208 billion cubic metres.

18 December 2008 First Deputy Prime Minister Igor Shuvalov says the government will allocate additional credit resources amounting to R3,500 billion to support the oil industry.

18 December 2008 Usman Belkharoyev, first deputy head of the Ingushetian republic's investigations administration, says more than 70 security structures personnel have been killed in Ingushetia so far in 2008. This compares with 32 such deaths for the whole of 2007. Another 167 police and troops were injured in such attacks in the same period, more than double the 2007 figure of 80.

18 December 2008 Aleksandr Medvedev, Gazprom's deputy chief executive, predicts lower average gas prices in 2009. He puts the average price of gas at between \$260 and \$300 per 1,000 cubic metres. Medvedev says Gazprom has not yet decided whether the development of the Kovykta gas condensate field is a priority project. He says Gazprom's export revenue in 2008 will exceed \$70 billion.

Chairman of Gazprom's Management Committee Aleksey Miller says that Gazprom does not plan to cut its 2009 investment programme, which is worth R920 billion (almost \$33 billion at the current exchange rate). He states: "As for the basic scenario, it is R920 billion worth of investment, which is up by about 12-14 per cent of the volume of investment which we will get by the end of 2008."

18 December 2008 Deputies taking part in an extraordinary session of the legislative chamber of the Great Khural (parliament) of Tyva ask Dmitry Medvedev to relieve head of the republic Sholban Kara-ool of his duties before his term in office expires.

18 December 2008 Army General Nikolay Pankov, state secretary and deputy minister of defence, is interviewed in *Krasnaya Zvezda* on the reform of military education.

Deputy chief of the General Staff Col-Gen Vasily Smirnov attends hearings of the Public Chamber's Commission for Affairs of Servicemen, Veterans and Their Families. He says the armed forces command will be reduced by over 50 per cent in the course of reforms. The reforms aim at a 50/50 ratio between expenditures on the armed forces' support and modernization by 2011. There will be a 30/70 ratio by the end of 2015. It is also planned to open military research centres - large, multi-layered and multifunctional establishments with 5,000 to 12,000 students. There will be ten higher educational establishments, including three military education and research centres, six military academies and one military university.

Smirnov says the current state of the Russian Armed Forces fails to meet national security interests or fail to fully meet the modern security requirements of Russia. Only 17 per cent of military units are ready for combat, while the rest have incomplete personnel, being mostly officers. Officers and warrant officers make up

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50 per cent of the total number of servicemen in Russia. No other armed forces have so many officers and warrant officers. Smirnov says:

The future armed forces will keep their current structure of three armed services, three branches and district commands. Yet military districts will become tactical-strategic commands in charge of all military units deployed on their territories.

All the Army divisions will be transformed into permanent-readiness brigades. Air Force and Air Defence armies will become commands, while Air Defence corps and divisions will become aerospace defence brigades. Air bases will be formed on the basis of commands of Air Force divisions and regiments.

The structure of fleets and naval air defence will be upgraded. It is also planned to form naval air bases.

Deputy Defence Minister Army General Nikolay Pankov addresses the same hearings. He says there will be 150,000 officers in the Armed Forces in 2009. Up to 45,000 officers were annually dismissed in 1993-2007, up to 80 per cent of them prematurely.

19 December 2008 Deputy prosecutor-general of Russia and chief military prosecutor Sergey Fridinsky makes a statement to the Federation Council. He says the monetary remuneration of Russian officers is lower than salaries of train drivers and street cleaners. He says:

Today the monetary remuneration of a commander of a separate commandant's regiment in Moscow, which, as you realize, is not the worst unit, is equal to 33 per cent of the salary of a train driver and the remuneration of his deputy is equal to 37 per cent of the salary of a trolley bus driver.

The commander of a company of the same regiment receives monetary remuneration that is equal to 72 per cent of the salary of a Moscow street cleaner.

Deputy Defence Minister Nikolay Pankov addresses the Federation Council. He says the monthly monetary remuneration of servicemen of permanent readiness units will be increased to 35,000-150,000 roubles (\$1,243-5,326) in 2009.

19 December 2008 Interfax-AVN has been told by a source that leading companies in the Russian rocket and space industry are to be combined and placed under the control of the Centre for the Operation of Ground-Based Space Infrastructure (TsENKI). These companies are: the Motor Design Bureau, KBOM, KBTM, KBTKhM, the Kosmotrans Research and Production Firm, the Vympel Research and Design Bureau and the Baykonur Federal Space Centre.

19 December 2008 The Duma passes the law "On counteracting corruption" in its third, final, reading. This is a basic law in the presidential anticorruption package.

19 December 2008 The Federal Service for Supervision in Communications, Information Technology and Mass Communications intends to step up the monitoring of actions of media sources reporting on the situation in the banking sector. Head of the service Sergey Sitnikov says that his agency has received such a request from the Russian Prosecutor-General's Office because "incidents have recently come to light of irresponsible coverage of information concerning the banking sector, in particular in the Urals".

19 December 2008 Rosstat reports that in November, another 400,000 people were added to the number of unemployed, and total unemployment in Russia rose by 8 per cent in November, to 5 million.

19 December 2008 Chechen President Ramzan Kadyrov says that the terrorist threat has receded in Chechnya.

19 December 2008 Defence Minister Anatoly Serdyukov visits the Northern Fleet in Severomorsk. He outlines military reform. He says the Russian Armed Forces will be able to take part in at least three regional and local conflicts at the same time after reform is carried out.

20 December 2008 *Ekho Moskvy* reports that two Tatar companies will be set up in the Russian Armed Forces. They will be based in Orenberg and Samara.

20 December 2008 Vladimir Putin's former economic adviser, now an opposition figure, Andrey Illarionov, says the economic crisis in Russia is much deeper than portrayed by the government. He says:

Taking seasonal adjustments into account, industrial production has fallen by 6.7 per cent from October to November 2008. Such rapid decline was not registered either in 1992, 1993, 1994 or 1998. Whereas industry shrunk on the whole by 13 per cent, in certain industries, for instance the iron and steel, it was 23 per cent, and the cumulative figure is 39 per cent for iron and steel. In chemistry and petrochemicals over five months cumulatively the fall was 29 per cent and for machine-building 25 per cent.

He says that: "Our industrial production still has not reached the level of 1990. Our best indices, which we had last June, amounted to two thirds, approximately, of what we had in 1990... The oil prices we have today are two- or three-fold higher than the oil price of 1999 or 2000 when the Russian economy showed fantastic rates of growth."

21 December 2008 Protests take place in Vladivostok over increased car import duties. Some 200 people are arrested as riot police from several Russian regions quell the protest. Around 1,000 people take part. There are protests in a further 30 towns and cities, including on the island of Sakhalin.

21 December 2008 Deputy Prime Minister Aleksandr Zhukov says that a total of R44 billion (\$1.6 billion) will be allocated to support the employment of the population. Zhukov says that it is intended to spend the money on staff training and organizing paid public works for those who are laid off as well as providing assistance to those who want to open their own businesses.

21 December 2008 Energy Minister Sergey Shmatko says that all the large Kuzbass (Kemerovo Region) coalmines will be put on the federal list of enterprises enjoying state support.

22 December 2008 The Federation Council approves the results of regional legislative assemblies considering the amendments to the Russian constitution on the extension of the terms of office of the president and the Duma. The decree passed by senators says that all 83 constituent parts of the Russian Federation have approved the law on the amendments to the constitution. The law will be submitted to the president for signing and official publication.

Yabloko issues a statement saying that the amendments were adopted in breach of

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the law. The statement is signed by Yabloko leader Sergey Mitrokhin. The statement draws attention to the fact that Article 9 of Federal Law 33-FZ dated 04 March 1998 'On the procedure for the adoption and coming into force of amendments to the Constitution of the Russian Federation' sets the period of one year for regional parliaments to consider any law on amendments to the constitution. According to Article 11 of the law, the Federation Council reviews the results of voting at regional legislative assemblies at its first meeting after the end of the period given for the consideration of the amendments, i.e. after one year. Furthermore, the law does not make exceptions from this rule even if all the regional parliaments have considered the amendments early.

22 December 2008 An article by Konstantin Gaaze and Mikhail Fishman in *Russky Newsweek* argues that the relationship between Dmitry Medvedev and Vladimir Putin has now become quite awkward.

22 December 2008 Gazeta.ru news website reports that wage arrears in the Central Federal District have increased tenfold since the beginning of the year. Since the beginning of 2008, wage indebtedness at enterprises in the Central Federal District has increased tenfold, to R2.1 billion.

22 December 2008 The Federation Council passes amendments to legislation in connection with the adoption of the basic anti-corruption law. The amendments will be made to the law on the status of judges, the law on the status of the members of the Federation Council, the law on the status of the deputies of the Duma, the law on the Audit Chamber, the law on the main guarantees of election rights of citizens and their right to participate in a referendum.

22 December 2008 Deputy Prime Minister Igor Sechin says the state intends to support private Russian energy companies alongside state-owned ones.

22 December 2008 Atomenergoprom says the volume of uranium products and uranium enrichment services exported by Russia in 2008 could exceed the 2007 level by 30 per cent, reaching \$3 billion in value. Atomenergoprom currently supplies 40 per cent of the global demand for uranium enrichment services. Atomenergoprom says that uranium production in Russia could reach 3.541 million tonnes in 2008, or 4 per cent up on the level in 2007. Counted together with the uranium produced by the Zarechnoye joint Kazakhstan-Kyrgyzstan-Russia extraction enterprise, the total uranium output in 2008 could be as high as 3.841 tonnes.

22 December 2008 Secretary of the YR regional political council in Maritime Territory Petr Savchuk resigns.

22 December 2008 Chechen President Ramzan Kadyrov hails the role of the military in establishing stability and order in the republic. Kadyrov says: "Practically all cells of terrorism and extremism have been eliminated. We can say confidently today that the Chechen Republic has shifted from the stage of reconstruction to steady social and economic development. However, this success would have never been achieved without the competent work of the security and law-enforcement agencies."

Chechen Prime Minister Odes Baysultanov says that 7,000 rebels had so far laid down their weapons in Chechnya. A total of 485 people gave themselves up since the declaration of an amnesty for rebels in 2007; of them 257 people were amnestied. In 2008, 87 people gave themselves up and charges were dropped against 59 of them.

22 December 2008 First Deputy Chairman of the Military Industrial Commission under the government of the Russian Federation Vladislav Putilin gives a briefing on the state defence order for the next three years. He states: "Measures to maintain and develop strategic nuclear forces are given high priority. Over the three-year period, 1,500 research and development assignments will be completed, and in the course of those, 487 samples of hardware and armaments will be submitted for state tests; tests of nearly 600 samples will be completed; and 400 samples of armaments and military hardware will pass into service." Putilin says that those figures are higher than in the current state defence order because of "concentration of funds on work of the greatest importance for defence and security".

I do not think I'll reveal a great secret if I say that, over three years, we'll procure and send to the troops more than 70 strategic missiles; more than 30 Iskander missiles; and a large number of carrier rockets and spacecraft, which will ensure the implementation of our space programme.

Forty-eight combat aircraft, six unmanned aerial vehicles and over 60 helicopters, 14 ships, nearly 300 tanks and over 2,000 motor vehicles will be procured.

On the whole, the measures in the three-year state order will make it possible to maintain the provision of Armed Forces units at the level of 100 per cent, and to increase the provision of modern types of armaments to the troops. In effect, these armaments will go to re-equip more than 40 forces and units of the Armed Forces.

Putilin says that the government has approved the state defence order for 2009-2011. It is worth R4,000 billion (\$141.5 billion). He says: "The state defence order has been increased considerably compared with the current one: by 28 per cent for 2009, and by 20 per cent for 2010...As for 2011, the increase will be R41 billion compared with 2010." He also says that over the next three years, 100,000 flats will be purchased by the state for employees of law enforcement bodies and military servicemen.

22 December 2008 The MOD says that over 400 servicemen of the Russian Armed Forces have been killed since the start of 2008, which is approximately the same number as in 2007. More than half of those killed in 2008 - 215 servicemen - committed suicide.

23 December 2008 Director of the FSB Aleksandr Bortnikov says that nearly 100 terrorist acts were averted in Russia in 2008.

23 December 2008 Major-General Aleksey Anichin, the head of the Investigations Committee under the MVD says the MVD detected over 8,000 crimes involving the laundering of money and property acquired illegally in 2008, which is similar to the 2007 figures. The finance and credit sector had 33 per cent of all crimes and the consumer market 19 per cent.

23 December 2008 Garun Kurbanov, Dagestan minister of ethnic policy, information and external relations, addresses a meeting on extremism. He states:

Today, some foreign forces are trying to create an arc of instability along the perimeter of the Russian Federation, and the North Caucasus has been given a concrete role here. As you know, they stake on religion in setting up an extremist underground here. The notable increase in the activity of extremist

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gangs in the North Caucasus following the events in South Ossetia points to the desire of some international forces to weaken Russia's position in the world and to change in principle its political line. Our friends, in inverted commas, would want to see Dagestan in this arc of instability, too.

Dagestan President Mukhu Aliyev states:

The main goal of the content, meaning and ideology of religious extremism and terrorism is to tear Dagestan, and not only Dagestan, away from the Russian Federation, create an Islamic Wahhabi state - please remember this and base your work on this - wage a war, a jihad for the sake of establishing this Islamic Wahhabi state and kill, if need be, members of traditional Islam who do not agree with that.

23 December 2008 Defence Minister Anatoliy Serdyukov says that the combined units and military units of the Russian Army must be ready for rapid redeployment in any strategic direction. He leads a meeting of the Board of the Defence Ministry was held in Vladikavkaz. The meeting discusses the development of the North-Caucasus Military District. Serdyukov says: "The troops of North-Caucasus Military District must be capable of immediate action in several operational directions and be ready to carry out combat activities at least in three armed conflicts."

23 December 2008 Major-General Pavel Androsov, Commander of Long-Range Aviation, says that the combat-readiness of Long Range Aviation is improving.

We gathered pace last year, and this year we did our best to bring crew training to approximately the level of those times when Long-Range Aviation was a permanent combat readiness formation. As a matter of fact, today, taking into account the potential resources of Long-Range Aviation, the capabilities of our crews, instructors and command, the capabilities of our aviation equipment, we are generally capable of reaching this level in reality - and not gradually, over the year to come, in the near future.

A test launch of a sea-based intercontinental ballistic missile Bulava fails.

Major-General Anatoly Kraylyuk, chairman of the military-technical committee of the Main Directorate for Armaments of the General Staff says that in 2009 the Russian Defence Ministry will outline the main provisions of the state armaments programme for the period up to 2020. He says: "In the next 30 years the key areas of military-technical research will be the development of information software, intelligence, information countermeasures and weapons."

General Vladimir Boldyrev, commander-in-chief of the Ground Troops, sums up the 2008 training year. He says that "in various armed conflicts, regardless of their scale and intensity, the Ground Troops play the decisive role within the state's system of military security".

Major-General Oleg Ostapenko, commander of the Space Troops, says that the Space Troops will be reorganised.

23 December 2008 Igor Yurgens, head of the pro-Medvedev think tank the Institute for Contemporary Development (INSOR), joins the leadership of the liberal Right Cause party.

23 December 2008 Chief of the Investigations Committee under the Interior Ministry Aleksey Anichin believes that it is inadvisable to create a unified

investigating super-department in the Russian Federation.

23 December 2008 The MVD Internal Troops press service states that three Special Forces Centres equipped with the latest weapons and equipment are being created in the Internal Troops.

24 December 2008 Lyubov Kudelina, deputy defence minister for financial and economic work says that during the period up to 2012 it is planned to spend some R80 billion (about \$2.7 billion) on personnel measures connected with the cut-back of officer posts required by army and naval reform.

Navy Commander-in-Chief Admiral Vladimir Vysotsky says that the possibility of setting up naval stations of Russian ships in various regions of the world is being studied. He is speaking at a session of the Maritime Board in Moscow. He states that work is under way to create a system of logistics in the places of the Russian Navy's presence. Vysotsky speaks also about a draft "strategy of maritime activities to 2020 and beyond".

24 December 2008 Presidential aide Arkady Dvorkovich says that Russia's budget in 2009 - for the first time over the past 10 years - will have a deficit. He says Russia may borrow from abroad.

First Deputy Interior Minister Mikhail Sukhodolskiy warns that the economic situation could lead to unrest.

24 December 2008 The town court of Dimitrovgrad upholds a motion for the early release of former Colonel Yury Budanov, convicted for killing a Chechen girl.

24 December 2008 Sergey Shoygu, emergencies minister, says that the Emergencies Ministry is planning to set up permanent-readiness forces. They are needed to promptly carry out operations in cases similar to events in South Ossetia last August.

25 December 2008 Chief of General Staff Army General Nikolay Makarov says that: "Current financial difficulties will not make us abandon plans to continue the military reform...We have approved a plan for development and supply of military hardware and weapons for 2009-2011. In view of financial difficulties in the country the government has cut our expenses by 15 per cent, however we intend to implement all our plans."

25 December 2008 Dmitry Medvedev signs a package of laws on countering corruption.

25 December 2008 A VTsIOM poll states that 61 per cent consider mass protests over declining living standards to be unlikely at present. The figure for March was seven per cent higher. 21 per cent say they would participate in such protests. According to a poll conducted on 20-21 December in 140 settlements in 42 regions, territories and republics of Russia, the proportion of those who consider mass protests least likely was the greatest among residents of the Southern Federal District (66 per cent); the Urals, Northwest and Far Eastern Federal Districts (63-64 per cent); small towns and villages (68 and 70 per cent, respectively). Such protests were considered most likely by residents of the Central Federal District and the Volga Federal District (37 and 35 per cent, respectively); Moscow, St Petersburg and other large cities (43-47 per cent). Every fifth Russian (21 per cent) is ready to participate in mass protests personally, the poll showed. The proportion of such respondents rose slightly since March, by 3 per cent. The proportion of those most likely to participate in protests was the greatest in the Far East (29 per cent) and in

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the south (26 per cent). Respondents from large cities, small towns and villages agreed with residents of the above regions (23-24 per cent).

25 December 2008 The government publishes a list of enterprises which will be given state support. It comprises 295 companies. They include several oil and gas companies, Gazprom, Rosneft and Lukoil among them. Airlines on the list are Aeroflot, Sibir and Transaero. The state will also support the motor industry. Avtovaz, ZIL and Kamaz are among the companies to receive support.

25 December 2008 The head of the Russian delegation at the Russia-World Trade Organization talks, Maksim Medvedkov, says Russia may restrict import of meat if it does not join WTO by 2010.

26 December 2008 Presidential aide Arkady Dvorkovich says the Russian economy is expected to grow about 2 per cent in 2009, and inflation could amount to 10-12 per cent. He rules out borrowing from the IMF and World Bank. First Deputy Chairman of the Central Bank of Russia, Aleksey Ukubayev, says that inflation for 2008 amounted to about 13-13.5 per cent.

26 December 2008 An article by Natalya Aleksandrova rounding up comments by Mikhail Delyagin, Yevgeniy Gontmakher, Sergey Udaltsov, Aleksey Etmanov, Rostislav Kapelyushnikov, and Marina Krasilnikova examines the prospects for unrest in Russia and is published on the Grani.ru website. The article is entitled "Tension and Resistance".

26 December 2008 Prime Minister Vladimir Putin says the launch of three space navigation craft on 25 December marked an important step toward covering the entire territory of Russia and the former USSR by the navigation signals of the GLONASS system. Putin is speaking with Deputy Prime Minister Sergey Ivanov. This will bring the number of satellites from 17 to 20. Sergey Ivanov added that Russia plans to launch another six navigation satellites in 2009. This will enable GLONASS to cover the entire earth.

26 December 2008 Former head of the Kremlin administration Aleksandr Voloshin, a member of the board of the GMK Norilsk Nickel open joint-stock company, is elected chairman of the company's board.

26 December 2008 Dmitry Medvedev signs laws that to reduce inspections of small businesses.

26 December 2008 Moscow's Taganskiy court sentences former Yukos chief office manager Aleksey Kurtsin to 15 years in prison and a R1 million fine for misappropriating and laundering about R74 million.

26 December 2008 an article in the *Komsomolskaya Pravda* by Yevgeniy Belikov: "The Security Council Has Figured Out Russia's Probably Adversaries" discusses the draft of Russia's National Security Strategy up to 2020, which is due to be approved at the Security Council on 20 February 2009.

27 December 2008 Finance Minister Aleksey Kudrin says 2009 is likely to be the hardest year since World War Two for both the Russian and the world economy. He predicts that the Russian inflation rate would start to fall from mid-2009, and that there would be a 2009 budget deficit of between approximately \$53 billion and \$88 billion. This is based on projection of the oil price being \$50 per barrel. If it is \$30 then inflation could be higher.

28 December 2008 A popular vote for Rossiya TV channel's Name of Russia project for which historical figure best represents Russia gives the following results. Medieval prince Alexander Nevsky was first with 524,575 votes, Tsar Nicholas II's Prime Minister Petr Stolypin was second with 523,766 votes and Josef Stalin was third with 519,071 votes. Poet Alexander Pushkin was a close fourth with 516,608 votes.

29 December 2008 Prime Minister Vladimir Putin says he is pleased with the work of the cabinet and sees no need for a reshuffle. Putin asks journalists to be objective in their coverage of the actions taken by the country's leadership to tackle the financial crisis.

29 December 2008 The movements United Civil Front, Oborona, Smena, Free Radicals, and others hold a rally dedicated to the mass events in 2008 in support of human rights in Moscow. About 200 people take part.

29 December 2008 Major automotive manufacturers GAZ and AvtoVAZ suspend production. The plants' staff have been sent on forced leave after which they will work a shorter working week.

29 December 2008 Dmitry Medvedev says that no crises can amend Russia's long-term development plans. He says "if we can imagine limiting some of our spending in other sectors, the social sphere should of course remain the highest priority in the development of the state. It should remain under the unremitting supervision of the government, the legislators, all public organizations, and parliamentary parties. It is the most important component of our life."

Vladimir Putin says that the government will not abandon its development plans because of the crisis. He says:

In November the government approved the concept of Russia's long-term development until 2020. We are hoping to confidently establishing ourselves in the group of the world's leading countries by the level of economic development as well as by key indicators of the quality of life of the Russian citizens by the end of next decade.

We will in no way abandon the declared plans. On the contrary, we continue and will continue working on their implementation.

In the past two weeks alone a package of laws was passed on removing administrative obstacles to entrepreneurial activities. The government has prepared a bill on the development of competition, to be submitted to the State Duma. From 1 December federal budget organizations have been transferred to new forms of labour compensation, which are aimed at increasing the quality of services provided to the population, at stimulating the best doctors and teachers. Together with this, the common fund of labour compensation for state employees, despite the crisis, has been increased by 30 per cent.

Putin says:

I will begin by saying that despite the negative dynamics of the fourth quarter, the Russian economy and the social sector are finishing the year 2008 with a positive balance. The growth of GDP is expected at a level of 6 per cent and many other key social and economic indices will be positive. For example, industrial growth in agriculture has turned out to be even higher than we expected. The latest figure is a 10-per-cent growth.

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The growth of investment in the economy has also turned out to be higher than expected, also 10 per cent. The average wage in real terms will increase despite the inflation of 13.5 per cent, about 13.5 per cent, nevertheless, the average wage in real terms will increase by 10-12 per cent. Pensions have grown by a third. Naturally, we could have had more positive results. By the way, the growth of industrial output has turned out to be less than expected.

Putin says that the state is consciously letting its gold and currency reserves go down so that citizens can decide on their savings. He states: "We are consciously letting gold and currency reserves go down, but on the other hand we are not making abrupt moves with respect to the exchange rate." He predicts that "in the third-fourth quarters of the next year the world finances will begin recovering. This means that in 2010, in the second-third quarters, this should positively affect the real sector as well."

The government press service announces that the Russian authorities have reserved a total of R10,000 billion (\$342 billion) from various sources for the implementation of anticrisis measures, which is comparable to the country's annual budget.

29 December 2008 RBK TV says that the unemployment level in Russia has increased by 4 per cent over the past week to reach about 1.5 million people. Wage arrears across Russia currently stand at some R8 billion (\$274 million at the current rate of exchange).

Deputy Prime Minister Aleksandr Zhukov says that the government has prepared a range of additional measures to stabilize the situation on the labour market. In particular, over R43 billion will be allocated from the federal budget to regions for re-skilling unemployed people, creating temporary jobs and supporting small businesses. Enterprise administrations will have to notify the federal centre about the introduction of short working hours and forced leaves. Regions will receive additional funding only after they submit appropriate employment support programmes. Zhukov says:

Every constituent part of the Federation should develop a programme to support employment of the population, with a detailed run-down of additional measures involving active work with those workers who are already unemployed or due to become unemployed, with calculations as to the number of participants in the programmes, the size of funding and the specific sources of funding. By 15 January next year, the heads of regions must have set up - and will personally chair - interdepartmental regional working groups for stabilizing the socioeconomic situation, for the purpose of overcoming negative effects of the global financial crisis. The top executives in regions will bear personal responsibility for the implementation of the employment support measures.

29 December 2008 *Vedomosti* newspaper reports that the Investigations Committee under the Prosecutor-General's Office may have its own special-purpose troops. A request to provide the security service of the Investigations Committee with combat small arms has been submitted to the government.

29 December 2008 Dmitry Medvedev signs a decree appointing Artur Parfenchikov director of the Federal Bailiff Service - chief bailiff of the Russian Federation.

30 December 2008 Dmitry Medvedev signs the Law "On amendments to the Constitution of the Russian Federation" "On changing the term of office of the

president of the Russian Federation and the State Duma", passed by the State Duma on 21 November and by the Federation Council on 26 November. The law envisages that the Russian president is elected for a period of six years by Russian Federation citizens through universal, equal and direct vote by secret ballot, while the State Duma is elected for a period of five years. The relevant amendments are made to Part 1 of Article 81 and Part 1 of Article 96 of the Constitution of the Russian Federation.

30 December 2008 Deputy Prime Minister Sergey Ivanov outlines measures to support the civil aviation sector.

30 December 2008 The head of the human rights committee Civil Assistance, Svetlana Gannushkina, calls on the authorities to stop the initiative of the Movement Against Illegal Immigration to set up vigilante groups to fight street crime.

30 December 2008 Prime Minister Vladimir Putin announces that in 2009 R326.3 billion (\$11.18 billion) will be allocated to provide help to the real economy and to tackle problems on the labour market. R50 billion has been envisaged as support for the military-industrial complex, of this R15 billion would go to subsidize interest payments on loans and R35 billion in investment in fixed assets of strategic enterprises of the defence industry. R70 billion will be allocated to increase the charter capital of Rosselkhozbank and Rosagrolizing. R32 billion has been set aside to support aviation companies and R39 billion to help the automobile industry, including purchasing of motor vehicles for state needs. Another R6 billion will be allocated for the support of exports of industrial enterprises and R6.2 billion to develop small and medium-size business.

30 December 2008 Director-General of the Rostekhnologii state corporation Sergey Chemezov is interviewed in *Izvestiya*. He says the Rosoboronexport federal state unitary enterprise stepped up its work to supply arms and military hardware to foreign customers in 2008. He says military and dual-purpose exports will be about \$7 billion.

30 December 2008 The Moscow mayor's office refuses to allow the Federation of Motorists of Russia (FAR) to stage a protest rally against the rise in import duties on used motor vehicles. FAR planned to hold the rally on 10 January.

31 December 2008 Dmitry Medvedev signs the federal law "On introducing changes to certain legislative acts of the Russian Federation on counteracting terrorism", adopted by the State Duma on 12 December and endorsed by the Federation Council on 17 December. This ends jury trial for terrorist crimes. A board of three judges will consider these cases.

31 December 2008 The leader of the Moscow branch of the FAR, Sergey Kanayev says the federation has been refused permission to hold protest actions against the increase of duties on imported second-hand cars during the New Year holidays across the entire country, with the exception of Khabarovsk.

31 December 2008 Federal Migration Service head Konstantin Romodanovsky says the Service has registered an increase in the number of foreign workers departing from Russia. He says this is a year-end trend and also a consequence of the global financial crisis.

31 December 2008 An article in *Krasnaya Zvezda* by Yury Avdeyev entitled "Defence Industry: Goals Set", outlines government measures to support the defence sector.

31 December 2008 Dmitry Medvedev issues a decree permitting the Federal Service for Military-Technical Cooperation to have representatives abroad to cooperate with the relevant bodies of foreign states, which are engaged in military-technical cooperation.

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1 October 2008 Dmitry Medvedev has talks with Spanish Prime Minister Jose Luis Rodriguez Zapatero in St Petersburg. He makes the following comment on Georgia:

We have discussed the progress of our joint work with the European Union to implement the agreements I reached with President Nicolas Sarkozy. As you know, the work to deploy EU observers - no less than 200 military observers - in the zones bordering on South Ossetia and Abkhazia has now been completed; the EU leadership has notified us of this. Hence, our peacekeepers are embarking on practising cooperation with EU observers, and by the deadline set earlier, as agreed before, the peacekeepers will be fully withdrawn from Georgian territory.

Russia has fulfilled everything we planned. As regards the final phase, I already spoke about it in my opening address. We'll do everything on schedule.

The acting head of the MOD's press service and information directorate, Aleksandr Drobyshevsky, says that as part of accords reached earlier, Russia opened the territory of Georgia adjacent to Abkhazia and South Ossetia for monitoring from 1 October.

The Foreign Ministry (MFA) issues a press release entitled: "On the start of deployment of the EU monitoring mission in the security zones around the Republic of South Ossetia and the Republic of Abkhazia".

Dmitry Medvedev rejects the idea of a new cold war. He says Russia sees the EU as a strategic partner.

1 October 2008 Prime Minister Vladimir Putin accuses the USA of irresponsibility under the conditions of the growing world financial crisis, and says that the American system is demonstrating an inability to make appropriate decisions:

All that is happening in the economic and financial sectors began in the USA. This is a real crisis that our economies are facing. The saddest thing is that there is an inability to make appropriate decisions. This is not the irresponsibility of certain people any longer, this is the irresponsibility of the system that as we know, was claiming world leadership.

1 October 2008 Foreign Minister Sergey Lavrov is interviewed in the Greek newspaper *Eleftherotypia*. He says Russia is not going into political haggling by yielding on the Iran nuclear problem in exchange for the West's softening its position on the events in the Caucasus. He says:

Any attempts to use force, all the more so a military action against Iran would lead to an even greater escalation, and a deep and long-term destabilization of the situation in this already volatile region, with unpredictable consequences for the whole international community.

Russia is in favour of an exclusively peaceful, political and diplomatic settlement of the situation around Iran's nuclear problem, and mutually acceptable solutions on the basis of decisions made by the IAEA and the UN

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Security Council. We will continue this dialogue.

1 October 2008 Gazprom head Aleksey Miller says the price of Gazprom's gas deliveries to Europe went above \$500 for 1,000 cubic metres in October 2008. He recalls that during his visit to Azerbaijan in July, he had said that Gazprom's forecasts indicated that the European price for Russian gas could reach \$500 for 1,000 cubic metres by the end of 2008.

1 October 2008 The Russian Navy says that the Russian patrol ship *Neustrashimyy* may use weapons against the Somali pirates who had seized the Ukrainian vessel *Faina*.

1 October 2008 The prosecutor-general's offices of Russia, Abkhazia and South Ossetia sign an agreement on cooperation.

2 October 2008 Security Council Secretary Nikolay Patrushev is interviewed in *Izvestiya*. He says that if Ukraine and Georgia join NATO, tactical nuclear weapons may be deployed in those countries. He says: "According to our assessments, the USA and NATO are currently pursuing a course for consolidating and increasing their military presence in Eastern Europe with the aim of achieving military-strategic superiority over Russia." He also says that if the USA drags Georgia into a conflict with Iran, then additional threats to the national security of the Russian Federation will emerge.

2 October 2008 Gazprom and the German electricity and energy holding company E.ON sign an agreement on a joint participation in a project to develop the South Russian oil and gas field. The agreement is signed by Gazprom head Aleksey Miller and the chairman of the board of E.ON, Wulf Bernotat. The agreement envisages an asset swap, as a result of which the German company will receive 25 per cent minus one ordinary registered share in the charter capital of the Severneftegazprom company and, thus, will take part in the development of the South Russian deposit. Gazprom will receive 49 per cent of the shares of the Gerosgaz company, which owns 2.93 per cent of the shares of Gazprom itself. As a result, the ownership right for this block of shares will completely be transferred to Gazprom. At the same time, E.ON Ruhrgas will preserve the direct ownership of 3.5 per cent of shares in Gazprom, which it still has. The asset swap will come into force on 1 January 2009 and it is planned to fully complete the deal in the second half of 2009

Energy Minister Sergey Shmatko says at the Russian-German forum Petersburg Dialogue in St Petersburg that gas exporting countries may cooperate and set up an institution of their own to protect their interests in reply to energy initiatives of the European Union aimed at the protection of gas consumers' interests.

2 October 2008 The European Court of Human Rights upholds three lawsuits by residents of Chechnya, who blamed the Russian authorities for the disappearance of their relatives in 2000-2002. Isa Khalidov and his son Shamil, residents of Urus-Martan, were detained by Russian servicemen in November 2002, according to the plaintiffs. Islam Dombayev, born in 1984, and Murad Lianov, born in 1983, disappeared in Grozny in June 2000. Ramzan Rasayev disappeared in 2001, after he was detained by Russian servicemen in the village of Chechen-Aul. The court ruled that the Russian authorities violated two articles of the European Convention for Human Rights. The court obliged Russia to pay the plaintiffs 10,000 to 35,000 euros in compensation and cover legal expenses.

2 October 2008 Prime Minister Vladimir Putin says that Russia will find means to fulfil its obligations concerning the supply of gas to Europe irrespective of the

condition of Ukraine's gas transportation system. He has talks with Ukrainian premier Yuliya Tymoshenko. Putin and Tymoshenko agree on an intergovernmental memorandum on cooperation in the gas sector.

Putin says that the actions of Ukraine's political leadership raise many questions in Moscow. Putin describes Ukraine's actions during the conflicts in Georgia as a crime, saying that the person in Ukraine who took the decisions on the supply of arms to Tbilisi is a criminal.

2 October 2008 Dmitry Medvedev has talks with German Chancellor Angela Merkel in St.Petersburg.

2 October 2008 Vladimir Putin says Russia, Ukraine and other CIS countries can pool their economic potentials to stabilize the situation in view of the crisis on financial markets.

2 October 2008 Sergey Lavrov visits Armenia.

2 October 2008 Russia's permanent representative to the EU, Vladimir Chizhov says that Russia intends to coordinate its efforts to fight Somali pirates with the EU. Chizhov also says that there are no obstacles to resuming talks on the new basic agreement between Russia and the EU.

3 October 2008 *Vesti TV* reports that according to reports coming from the capital of South Ossetia, there has been an explosion on the territory of the Russian peacekeepers' HQ. According to the republic's press and information committee, six servicemen were killed and four wounded. A YAZ car exploded on the premises of the peacekeeping contingent. The car was parked outside the headquarters' command building.

The MFA issues a statement condemning the terrorist attack that has killed seven Russian peacekeepers in Tskhinvali.

3 October 2008 Vyacheslav Kovalenko, the former Russian envoy to Georgia, says Russians' interests in Georgia may be represented by a European country.

The MFA says Switzerland will represent Russia's diplomatic interests in Georgia.

3 October 2008 Sergey Lavrov says that Russia is calling for an objective investigation of the events in South Ossetia.

3 October 2008 Sergey Lavrov expresses concern about NATO's eastward expansion.

3 October 2008 The shareholders of TNK-BP settle the conflict inside the company and intend to legally formalize all agreements by December.

3 October 2008 Mikhail Margelov, chairman of the Federation Council international affairs committee and leader of the European Democrats faction in the Parliamentary Assembly of the Council of Europe (PACE) says that "Europe's core" has no desire at all to isolate Russia, sever relations with it or make it leave European organizations. He is commenting on the PACE resolution which required Russia to revoke its recognition of Abkhazia and South Ossetia.

3 October 2008 The Pacific Fleet joins the Stability-2008 strategic command-post exercise. The exercise, under way in Russia and Belarus, involves the Ground Forces of the Union State and Russia's naval fleets, and is aimed at practising

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operations focused on maintaining security in border areas. The exercise will continue until 21 October.

3 October 2008 Sergey Lavrov says that Russia will hold first consultations on a new European security treaty with its partners in the Collective Security Treaty Organization (CSTO).

4 October 2008 The South Ossetia Interior Ministry reports that the death toll in the 3 October explosion in Tskhinvali has risen to 11. Colonel Ivan Petrik, head of the joint headquarters of the Joint Peacekeeping Force in the Georgian-Ossetian conflict zone, was among those killed.

Dmitry Medvedev instructs the leadership of the MOD, Russian law-enforcement bodies, and the MFA to carry out a thorough investigation of all the circumstances of the deaths.

4 October 2008 Dmitry Rogozin, Russia's permanent representative at NATO, says NATO and Russia may cooperate to deal with Somali pirates.

4 October 2008 Russian railway workers begin upgrading the trans-Korean railway. The first stretch of a two-track railway was laid on the North Korean border station of Tumangan. The new railway is to become a continuation of the Russian trans-Siberian railway. Vladimir Yakunin, the head of the Russian Railways, visits North Korea.

5 October 2008 Georgian TV reports that Russian forces are leaving the Zugdidi District.

6 October 2008 The MFA says issues a statement saying Georgia is trying to destabilise South Ossetia.

The withdrawal of Russian peacekeepers from the Georgian-South Ossetian border begins. All the six posts in this security zone will be dismantled within 24 hours.

6 October 2008 Prime Minister Vladimir Putin visits Belarus.

6 October 2008 Marina Gridneva, the official representative of the Russian Prosecutor-General's Office says Russia sent a request to Britain to extradite the former head of Russneft, Mikhail Gutseriyev on 29 July 2008. Gutseriyev is accused of carrying out illegal business activities and tax evasion.

6 October 2008 A draft document in the possession of RIA Novosti on the development of the Russian gas industry to 2030 is pessimistic about the prospects for gas exports to China.

7 October 2008 Sergey Lavrov is interviewed in *Rossiyskaya Gazeta*. He says cooperation between Russia and Venezuela is not aimed against any third country, including the USA.

Foreign Minister Sergey Lavrov meets his Venezuelan counterpart Nicolas Maduro. He says Russia views Latin America as a partner in a multipolar world.

7 October 2008 Dmitry Medvedev gives a speech on European security. He calls for a new agreement on European security.

7 October 2008 Dmitry Medvedev meets for the first time with Israeli prime

minister Ehud Olmert. Medvedev thanked Olmert for handing over Sergei's Courtyard (part of the Russian compound) in Jerusalem to Russia. He states:

Our relations are developing very well and in a stable manner. I believe that this is one of the key factors, including in such a complicated matter as the Middle East settlement process. I would like to say that Russia will continue playing a constructive and active role in this process. This is in our interests. I think that we will certainly discuss all issues relating to Russian-Israeli cooperation and international issues, including settlement issues.

7 October 2008 Presidential aide Sergey Prikhodko says Russia is ready to strictly meet its obligations to withdraw peacekeepers from the buffer zones around Abkhazia and South Ossetia by 10 October.

7 October 2008 Presidential aide Sergey Prikhodko says that Moscow is against attempts to tie the beginning of talks on a new Russia-EU partnership and cooperation treaty to other issues, particularly the implementation of the Medvedev-Sarkozy plan.

7 October 2008 The commander of Russian peacekeepers in the Georgian-South Ossetian conflict zone, Major-General Marat Kulakhmetov, says the withdrawal of all six checkpoints from the southern border of the security zone will start on 8 October.

7 October 2008 The first deputy speaker of the Federation Council, Aleksandr Torshin, says the tense political relations between the USA and Russia, caused by the events in the Caucasus, have not had any negative effect on Russian-American business. He is speaking in the annual session of the US-Russia Business Council.

7 October 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin says Russia has received a loan request from the government of Iceland. He says Russia views this request positively.

7 October 2008 First deputy foreign minister Andrey Denisov and his Japanese counterpart Mitoji Yabunaka hold consultations in Moscow. They focus on international events following the Caucasian conflict.

8 October 2008 Dmitry Medvedev outlines his vision of a new security treaty for Europe. He is speaking at the World Policy Conference in Evian. He states:

My partners and colleagues very frequently ask me what will be new in this treaty. Here in Evian, I would like to present specific elements of such a treaty for the first time, as I imagine them.

First, the treaty should contain a clear confirmation of the basic principles of security and relations between states in the Euro-Atlantic space. This means a commitment to fulfilling international obligations in good conscience, a respect for the sovereignty, territorial integrity and political independence of states, and a respect for all the other principles which stem from the Charter of the United Nations - from that document, which it is no exaggeration to describe as fundamental.

Second, the impermissibility of the use or threat of force in international relations should be clearly confirmed. It is essential that the treaty guarantee an unambiguous interpretation of and compliance with these principles. It would also be possible to reinforce the unity of approaches to preventing and peacefully settling conflicts in the Euro-Atlantic space in the treaty.

Emphasis should be laid on negotiations, on negotiated outcomes, taking the opinions of the sides into account and with unconditional respect for peacekeeping mechanisms. Perhaps these procedures themselves need to be reinforced - the mechanism for resolving disputes itself. That would not be useless.

*The **third** (point) is a guarantee of ensuring equal security - specifically equal security, and not any other kind. Here, three 'do not's' need to be followed. Namely: do not ensure your own security at the expense of the security of others. Do not allow actions which weaken the unity of the general security space within the framework of any military alliances or coalitions. Third, do not allow the development of military alliances to take place to the detriment of other participants in the treaty.*

What's more, today it will be necessary to concentrate on military-political issues, since so-called 'hard security' [Medvedev uses the English expression] plays a decisive role these days. It is here that a dangerous deficit of control mechanisms has formed recently.

Fourth: *it is important to confirm in the treaty that not a single state or international organization can have exclusive rights to upholding peace and stability in Europe. This fully applies to Russia.*

Fifth: *it would be expedient to establish basic arms control parameters, sensible sufficiency in military construction, as well as a new quality of cooperation, new procedures, and new cooperation mechanisms in areas like non-proliferation of weapons of mass destruction, drugs trafficking and terrorism.*

He criticises US unipolarity. He calls for a new Russian-US nuclear disarmament treaty. Medvedev proposes a five-point plan to combat the global financial crisis. He states:

What do we do? I think that, first of all, in the new conditions, it is necessary to regulate and systematize both national and international regulatory bodies.

Second, it is necessary to eliminate the serious imbalance between the volume of the issued financial instruments and the actual profitability of investment programmes. A competition race often leads to the creation of soap bubbles, and the responsibility of public companies before their shareholders is degraded, in fact reduced to zero.

Third, it is necessary to strengthen the system of risk management. Every market player should carry their own share of risk and responsibility from the very beginning. And there should not be any illusions about the endless increase in the value of any asset. It does not work that way. It contradicts the nature of the economy.

Fourth, it is necessary to assist the fullest possible disclosure of the information about companies, to toughen supervisory requirements, to strengthen the responsibility of rating agencies and audit companies.

And finally fifth, it is necessary to make available to everyone the benefits of lifting barriers in international trade, of free capital circulation. Unfortunately, now we are coming to the understanding of this necessity through crisis, and

consequently through the reduction in living standards and the destabilization of business.

All the problems I mentioned are of an international nature. They demand the elaboration of new critical technologies in politics and economy. It is to solve them that Russia suggests changing the global financial architecture, reviewing the role of the existing institutions and creating new international institutions, institutions which would indeed provide stability.

He calls for new financial centres. He states: "The formation of new financial centres and strong regional currencies would become new factors of stability." He emphasises the role of Europe:

In this regard I consider timely the idea that the French president should conduct a multilateral meeting to review the issues that have piled up in the world financial system. I think his proposal to create a common economic space of the European Union and the Russian Federation is far-sighted. This way it will be easier for us to provide the competitiveness and stability for our economies and to create a qualitatively new atmosphere in our relations.

I think together we could start a discussion about the future of the European continent. We are naturally talking about the role of Europe in the global economy and about establishing a fair world order. Russia is historically a part of the European civilization and for us, as Europeans, it matters on what values the future world will be built.

8 October 2008 First Deputy Foreign Minister Andrey Denisov says Russia does not object to the USA's military presence in Central Asia as long as it stays within the proclaimed anti-terrorist goals and is not used to push somebody's extra-regional interests. He stresses that Russia "does not initiate a new confrontation with the USA" on post-Soviet territories. He also says Ukraine's arms supplies to Georgia have provoked Tbilisi to start military action and this will be taken into account in building relations between Moscow and Kiev. He says Georgia's withdrawal from the CIS will only harm Tbilisi itself.

Andrey Denisov says that Russia's decision on its involvement in the construction of the Nabucco gas pipeline will depend on the situation in the region. He also makes the following comments on the the Baku-Tbilisi-Ceyhan pipeline: "We do not regard this oil pipeline as a rival to Russia. However, we believe that the situation surrounding it has been extremely politicized. Its reliability also largely depends on stability in the Caucasus." He says that leading gas exporting countries are not yet going to set up a gas trading structure similar to OPEC.

8 October 2008 Sergey Lavrov has talks with his Mexican counterpart Patricia Espinoza Cantellano in Moscow. He says there should be an international ban on arms supplies to Georgia. Lavrov says that Russia views Latin America as an emerging economic and political centre. He is speaking at a press conference following the meeting.

8 October 2008 The commander of the Russian peacekeeping forces in the Georgian-South Ossetian conflict zone, Marat Kulakhmetov, says Russia has completed, ahead of schedule, the withdrawal of all peacekeeping observation posts from the southern borders of the South Ossetia security zone.

8 October 2008 Japan scrambles fighter planes to intercept Russian TU-22M3 bombers on a training exercise over the Sea of Japan.

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9 October 2008 The MFA says that Moscow has notified the European Union that it has completed the withdrawal of Russian peacekeeping forces from the regions bordering on South Ossetia and Abkhazia.

Sergey Lavrov says that Georgia's membership in the CIS has been formally terminated. He also says the Joint Peacekeeping Forces in Abkhazia have also ceased to exist. Lavrov is speaking at a meeting of foreign ministers of the CIS member states in Bishkek. Lavrov calls for CIS member states to lift sanctions against Abkhazia.

A letter by Russian permanent envoy to the UN Vitaly Churkin, addressed to the chairman of the UN Security Council, states that Russia is extremely concerned about the recent escalation of tension in view of a series of terrorist acts in South Ossetia and is urging the UN to take measures to prevent similar provocations by Georgia in future.

9 October 2008 The Renova group of companies, the Eurasian Development Bank (EDB) and the Kyrgyz government sign a protocol of intent in Bishkek. The agreement envisages further cooperation as part of joint work, which began a year ago, between the Kyrgyz government, the EDB and the Renova group of companies on developing a production complex on enriching raw uranium and producing uranium products at the Kara Balta mining plant joint-stock company.

9 October 2008 Dmitry Medvedev visits Kyrgyzstan. Russo-Kyrgyz trade rose by 60 per cent in 2008. Medvedev hopes that a turnover figure of \$1.7 billion can be attained.

9 October 2008 Prime Minister Vladimir Putin says he is convinced that trust in the USA as the leader of free economy has been undermined forever.

9 October 2008 The MFA warns Ukraine against staging "acts of provocation" on the Crimean peninsula where the Russian Black Sea Fleet (BSF) is based.

9 October 2008 MFA spokesman Andrey Nesterenko says that Russia does not intend to sell arms to politically unstable countries like Iran.

9 October 2008 A meeting of the Azerbaijani-Iranian-Russian working group for the North-South railway project takes place in Baku. It discusses linking the Azerbaijani and Iranian railways from the north to the south. The head of the Russian group, Deputy President of the Russian Railways Aleksandr Bobreshov, says that the Russian side has assumed responsibility for preparing a feasibility study of the Astara (in Azerbaijan) - Astara (in Iran) - Rasht project. The study will be submitted to the sides by the end of October, and it will be discussed already at the next session of the working groups in Moscow in November. The project's funding scheme has not been approved as yet. According to Iranian experts' estimates, the construction of the Rasht-Anzali section will cost \$600 million and Anzali-Astara \$200 million. In all, a 9.5-km long section and a 100-m long bridge over the border river Astaracay are to have been built by 2012.

9 October 2008 The Russian permanent representative to NATO, Dmitry Rogozin, states that Russia deems the cooperation agreement signed by the UN and NATO illegitimate. An agreement between the secretariats of the UN and NATO was signed on 23 September. Sergey Lavrov says Russia is surprised that a cooperation agreement between the UN and NATO was signed secretly, without letting member states know.

9 October 2008 Energy Minister Sergey Shmatko says that Russia and Europe have agreed a strategy for oil and gas supplies. Shmatko takes part in the meeting of the EU-Russia Permanent Partnership Council on Energy in Paris. A report about the plans of the development of the energy sector and satisfying demand for energy resources is signed. The document will be presented in November at the Russia-EU summit.

10 October 2008 Dmitry Medvedev says that the USA and Canada should be involved in drawing up a new European security treaty.

If such a treaty is to be signed and if it is to be developed as a means of regulating security issues on the European continent, then it is not just Europeans, not just European states but also, in my view, the United States of America and Canada should definitely be involved; plus all organizations that enjoy some rather serious influence at least on the European continent. I mean, of course, NATO, the European Union, the CIS, CSTO - in other words, all the structures which shape life in Europe, and, of course, the OSCE.

He says Russia has fulfilled all its obligations over Georgia. Russian peacekeepers have now left the security zone between Georgia and South Ossetia and EU observers are stationed there.

10 October 2008 Dmitry Medvedev says Ukraine is in a state of government crisis.

10 October 2008 Dmitry Medvedev attends the CIS heads of state summit in Bishkek. The summit debates the blueprint of the CIS economic development until 2020.

He says he supports the idea of an emergency summit of the G8 on the financial crisis.

10 October 2008 The deputy chief of the General Staff of the Armed Forces, Colonel-General Anatoly Nogovitsyn says that it is too early to talk about the rollout of Russian military bases in Abkhazia and South Ossetia. Russia on 26 August recognized the independence of the two Caucasus republics and then signed with them friendship and cooperation treaties, which, in particular, envisage the stationing of military bases there.

French Foreign Minister Bernard Kouchner has expressed his support for "the withdrawal of Russian troops from Akhgori and Sachkhere Districts in Georgia. He says: "According to the ceasefire agreement, Russia was to withdraw troops from all areas adjacent to the Tskhinvali and Abkhazia regions before 10 October, but Russia has not yet withdrawn its troops from Akhgori District, the village of Perevi in Sachkhere District, and a number of other areas."

10 October 2008 Deputy Foreign Minister Aleksey Borodavkin says that Russia is keen to strengthen bilateral ties with Iran.

11 October 2008 The Russian Orthodox Church announces it has suspended its membership in the Conference of European Churches. This is because the Conference will not consider the Estonian Orthodox Church's application for membership in this organization.

11 October 2008 The Northern Fleet warship detachment including the Pyotr Velikiy heavy nuclear-powered missile cruiser and the *Admiral Chabanenko* destroyer arrives in the Libyan port of Tripoli. The warships will then head to the Caribbean Sea to reach Venezuela for joint naval exercises.

12 October 2008 Sergey Lavrov has talks with his German counterpart Frank-Walter Steinmeier in Dortmund. He says Russia is strictly abiding by the Medvedev-Sarkozy Caucasus settlement plan. He also says that there should be a South Ossetian and Abkhaz presence at the Geneva talks on Georgia. He also says that an economic G8 summit must be held in an extended format because of the financial crisis.

12 October 2008 The Russian MOD denies Georgian reports that Russian military aircraft have allegedly violated Georgian airspace.

12 October 2008 North-South corridor nations including Iran, Russia and Azerbaijan sign a joint memorandum of understanding on building Rasht-Astara-Qazvin railroads in Baku. In accordance with the north-south corridor project, a 300-kilometre railway will be built in Iranian soil. Iran, Russia, India and Oman initialled the North-South railway corridor agreement in September 2000. Economic experts believe that the corridor, once constructed, will halve the journey by train from Southeast Asia to Europe via the Persian Gulf, Iran and Azerbaijan.

13 October 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin addresses the annual meeting of the Institute of International Finance in Washington. He says the net outflow of capital from the Russian economy in the last two months was \$33 billion. In the whole of 1998 the outflow was \$22 billion. He states: "The developing markets are today fully drawn into the whirlpool of the financial crisis. We are having to find some measures to stabilize the financial system, including the banking system in our countries, within days, sometimes within hours...We shall unfortunately be part of this crisis." Kudrin says he believes that the IMF forecast of 5.5-per-cent growth of the Russian economy in 2009 is too optimistic. He says Russia will continue with economic liberalisation.

13 October 2008 The Russian MOD denies Georgian claims that Russian military aircraft violated Georgia's air space.

13 October 2008 The MOD says that Russian ships can fight Somali pirates independently. The Russian Baltic Fleet's patrol ship *Neustrashimyy* will protect Russian ships off the Somali coast.

The Russian navy says the *Neustrashimyy* is ready for combating piracy off the Somali coast together with other countries' navies.

13 October 2008 The Almaz-Antey concern's deputy director-general, Mikhail Novikov, says that in 2008, the concern delivered eight S-300 air defence missile systems to China.

14 October 2008 Head of the Duma international affairs committee Konstantin Kosachev calls for extended participation of representatives from Abkhazia and South Ossetia in the Geneva consultations on stability and security in the South Caucasus. The conference will be held in Geneva on 15 October.

14 October 2008 Konstantin Kosachev and the US House of Representatives' foreign affairs chairman Howard Berman discuss US-Russian cooperation.

14 October 2008 The MFA welcomes the US decision to exclude North Korea from the State Sponsor of Terrorism list.

14 October 2008 Syria and Russia sign a contract to build a gas pipeline from

Aleppo in northern Syria to the coast of Turkey. The contract is signed by representatives of the Syrian Gas Company and Stroytransgaz. The 62 kilometre pipeline will be built within 18 months.

14 October 2008 The demarcation of the Russian-Chinese border has been completed today near Khabarovsk. Moscow has handed over to Beijing the Tarabarov island and part of the Bolshoy Ussuriysky island. An agreement to that effect was reached by the two countries' leadership in 2004. The overall area transferred to China is some 170 sq km.

14 October 2008 Gazprom head Aleksey Miller says that Gazprom is ready to take part in a large-scale project to build a pipeline from Alaska to Chicago. He is heading a Russian delegation that is discussing Gazprom's possible participation in the project in Anchorage, Alaska.

15 October 2008 Talks take place in Geneva on Georgia. The Russian side decides not to take part in one of the plenary sessions because of the organizers' refusal to invite representatives of Abkhazia and South Ossetia to this session. However other talks take place. The state-secretary and deputy foreign minister Grigory Karasin raises the issue of necessary demilitarization of Georgia and calls for speedy conclusion of an agreement on non-aggression between Tbilisi, Sukhumi and Tskhinvali. Karasin believes that Georgian President Mikheil Saakashvili is "clearly too hasty" to accuse the Russian side of causing the breakdown of international discussions in Geneva on stability and safety in the Caucasus, which are held under the aegis of the UN, the EU and the OSCE. He says that representatives from South Ossetia and Abkhazia must participate. Karasin accuses Saakashvili of avoiding the signing of an agreement on the non-use of force. He says Russia is concerned by Georgian revanchist tendencies.

Defence Minister Anatoly Serdyukov says in St Petersburg that the Medvedev-Sarkozy plan will be carried out without any departures.

15 October 2008 Konstantin Kosachev, chairman of the Duma International Affairs Committee, says that the European Union needs a treaty on strategic partnership with Russia even more than Russia itself does. He states:

A new agreement is needed for Russia and the European Union to an equal extent. Moreover, on some positions the European Union is interested in it even more. The number of our cooperation projects is becoming ever greater and without a solid legal basis it will become more and more difficult to deal with problems that will arise in this situation.

Perhaps for the first time in many years Russia is not just catching up, but setting the pace for tackling relevant problems, demonstrating the top class and, most importantly, turns out to be much more seriously prepared for crisis phenomena than many of our European partners. And the number of pragmatists in Europe is not smaller than that in Russia. They want to solve problems there. They want there to learn the ways of solving them. And in this case Russia turns out to be a very interesting interlocutor.

15 October 2008 Deputy Foreign Minister Sergey Ryabkov is interviewed in *Diplomat* magazine. He says Moscow is ready for an improvement in relations with the USA, but states that the American administration has chosen destructive rhetoric in its dialogue with Russia.

15 October 2008 A delegation from Iceland's Central Bank and the Ministry of Finance visits Moscow where it holds the first round of consultations with

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representatives from the Ministry of Finance of the Russian Federation concerning the possibility of Russia giving the Republic of Iceland a loan which would facilitate the resolution of the liquidity problem of Iceland's banking system. The talk is about a sum of up to 4 billion euros. At the talks the Russian delegation is led by Deputy Finance Minister Dmitry Pankin; Iceland's by the director of the Icelandic Central Bank's international and market operations department, Sturla Palsson.

15 October 2008 Aleksey Sazonov, deputy director of the MFA's information and press department, says a Russian diplomatic representative office will be opened in Paraguay.

15 October 2008 The Federal Counter-Narcotics Service (FSKN) director Viktor Ivanov has talks in Moscow with the secretary-general of Iran's headquarters for fight against narcotics, Esma'il Ahmadi-Moqqadam, on anti-narcotics cooperation and developing joint measures to counter the Afghan narcotics threat.

15 October 2008 Defence Minister Anatoly Serdyukov chairs the 55th session of the CIS Council of Defence Ministers in St Petersburg. The defence ministers discuss about 20 issues of cooperation in different spheres.

16 October 2008 Sergey Lavrov says that the Russian initiative on the creation of a new European security system will be discussed by the foreign ministers of the OSCE in Helsinki in early December.

16 October 2008 Sergey Lavrov has talks with Kazakh Foreign Minister Marat Tazhin in Moscow.

16 October 2008 The secretary of the Russian Security Council, Nikolay Patrushev, visits Venezuela. He has talks with the head of the General Staff of the country's Armed Forces, Jesus Gregorio Gonzales Gonzales, and the security secretary, Francisco Camargo.

16 October 2008 Sergey Lavrov meets Macedonian Foreign Affairs Minister Antonio Milososki in Astana.

17 October 2008 Russia's permanent representative at the EU Vladimir Chizhov says Russia does not aspire to become an EU member but intends to develop partnership with the EU. On 15 October, Italian Prime Minister Silvio Berlusconi said Russia could join the European Union in a few years' time and promised his assistance. Chizhov states: "Russia does not need to join the EU. We want to have strategic partnership with the European Union. But our political and military self-sufficiency, as well as our independent role in the economic sphere, give Russia every reason to expect to achieve economic prosperity independently, not necessary as a member of an association."

17 October 2008 Sergey Lavrov attends a foreign ministers' forum in Astana called "Common World: Progress through Diversity". He says Russia is increasingly concerned by the emergence of cold war methods in international politics and believes that attempts to solve international problems by force will lead to an impasse.

17 October 2008 Sergey Lavrov says that the issue of the status of Abkhazia and South Ossetia will not be discussed at the international consultations in Geneva on 18 November. He says there will be a discussion about security in the region.

17 October 2008 The Parliamentary Assembly of the Union of Russia and Belarus

convenes in Moscow. The Assembly passes the budget for 2009 which comes to R4,872 billion.

18 October 2008 Russian ambassadors to the states of the Persian Gulf discuss the prospects and further steps of Russian diplomacy in the region at a conference in Abu Dhabi. The meeting is chaired by special envoy of the president of the Russian Federation for the Middle East, Deputy Foreign Minister Aleksandr Saltanov.

20 October 2008 Sergey Lavrov is in Armenia. He says that Moscow's concern over US missile defence plans could only be appeased by permanent presence of Russia's representatives at US missile defence facilities in the Czech Republic.

20 October 2008 Sergey Lavrov says that Russia will support Iraq's application to the UN Security Council for the extension of the international military presence in its territory. He says that Russia will not veto plans to extend the current military presence.

20 October 2008 Sergey Lavrov visits India. He says Russia and India have reaffirmed that they continue to be interested in further development of their cooperation in the nuclear field.

20 October 2008 Deputy Foreign Minister Sergey Ryabkov visits Iran. He says Moscow is concerned with a tendency emerging in certain circles for reconciliation with the Taleban. He discusses Afghanistan with his Iranian colleagues. Ryabkov says that Russia is opposed to the introduction of new international sanctions against Iran. He states: "We are against moving along the so-called sanctions track as part of the two-track attitude. We believe there are no grounds for introducing any sanctions against Iran, be it multiparty sanctions or sanctions that are adopted by some countries unilaterally."

20 October 2008 The EU observer mission in Georgia urges Russia to fulfil the Medvedev-Sarkozy plan to the full and admit its representatives to the territories of South Ossetia and Abkhazia. At a briefing in Tbilisi on 20 October the head of the EU Monitoring Mission, Hansjoerg Haber, expresses the hope that members of the mission will be allowed to be present on the territories of the two republics.

A Russian peacekeeping brigade is pulled out of Abkhazia.

21 October 2008 Russian Finance Minister Aleksey Kudrin makes a speech before the finance ministers of CIS countries at a meeting of the council on financial and economic policies of the Eurasian Economic Community countries. He says:

The current crisis has exposed the inadequacy of all the main components of the system for regulation of financial markets and institutions. The American, European and British regulating bodies, with all the differences in the system of their organization and work, have been equally caught unawares by the current crisis. Such bodies as the IMF, the Basel Committee and rating agencies have also shown that they were not ready for the crisis. Mechanisms of estimating the capital adequacy ratio that reduced capital adequacy requirements have been developed recently, but the crisis has shown that this is the issue that has been the most acute.

Kudrin says that the rouble is stable. Russia has gold and foreign currency reserves of \$540 billion. Deputy Finance Minister Sergey Shatalov denies rumours of a possible devaluation of the rouble.

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Kudrin says that Russia will grant Belarus a stabilization loan of \$2 billion. He says that "the funds will be transferred in two tranches of \$1 billion each". The first tranche will be allocated in 2008, the second in 2009.

21 October 2008 Chief of the General Staff Nikolay Makarov says Russian military bases in South Ossetia and Abkhazia, numbering about 3,700 people each, will become fully operational by 2009.

21 October 2008 Dmitry Medvedev visits Armenia. Medvedev says that he hopes to have a Russia-Azerbaijan-Armenia summit in Moscow on Nagorny Karabakh.

21 October 2008 Chief of the General Staff Nikolay Makarov and Chairman of the US Joint Chiefs of Staff Michael Mullen hold talks in Helsinki. Makarov says Russia will respond to the deployment of US anti-ballistic missile (ABM) systems in Poland and the Czech Republic.

Deputy Foreign Minister Sergey Ryabkov says Moscow does not see a point in continuing the Russian-US consultations on ABM until the USA specifies its approach to the issues of transparency and measures of trust at the antimissile defence facilities in Eastern Europe.

The chairman of the Duma Defence Committee, Viktor Zavarzin, says that the presence of Russian military officials at the US missile defence facilities in Eastern Europe would ease tensions in Russian-US relations and prove that these facilities are not directed against Russia.

Chairman of the Duma International Affairs Committee Konstantin Kosachev says that Russian-US cooperation will be more productive if Democratic Party candidate Barack Obama is elected president in the US rather than Republican Party candidate John McCain.

21 October 2008 Gazprom head Aleksey Miller has talks in Tehran with Iranian Oil Minister Gholamhoseyn Nowzari and Qatari Energy and Industry Minister Abdallah al-Atiyah. He says Russia, Iran and Qatar will hold regular trilateral meetings to discuss cooperation in the gas sector.

21 October 2008 Konstantin Kosachev, chairman of the Duma Committee on International Affairs, writes an article in *Izvestiya* entitled "Europe: 'Ours -Theirs'".

Sergey Lavrov has talks in Moscow with his Tunisian counterpart, Abdelouahab Abdallah. He defends the gas agreement reached between Russia, Iran and Qatar in Tehran on 21 October to "coordinate work" on the world gas market. He states:

I think this is an absolutely legitimate phenomenon aimed at allowing us to better understand what is happening on the world energy resources market and, although a world gas market as such does not exist, so that we may better understand how what is happening on the oil market affects the gas market.

These wild fluctuations in oil prices are, of course, not normal phenomena, and they will have an impact on gas pricing, as is well known, so the coordinated work of the three leading producers - Russia, Iran and Qatar - is a healthy phenomenon, I think, including from the point of view of its eventual influence on the overall hydrocarbons situation in the world.

22 October 2008 The International Energy Week takes place in Moscow. OPEC

Secretary-General Abdallah al-Badri has arrived for talks with the Russian side. Deputy Prime Minister Igor Sechin says:

The latest developments on the world financial and energy markets have put forward once again the issues of energy security. Under these circumstances we need to organize as a system and to harmonize both national and international regulating institutions. We need to get rid of the serious disproportion between the quantity of issued financial instruments and the real profitability of investment programmes. This problem is especially acute on commodity markets.

...The policy of the Russian government in the energy sector is open. We are building it on the principles of predictability, responsibility, trust and consideration for the mutual dependence of oil producing and oil consuming countries. Our strategic goals are to make sure that our own needs in energy resources are met and to make an effective contribution to global energy security.

Dmitry Medvedev holds talks with OPEC secretary-general Abdallah Salim al-Badri. He states: "We have good relations with the organization itself, and the member states of the Organization of the Petroleum Exporting Countries, and we intend to continue developing those contacts. Russia is already a major oil producer and exporter and is interested in supporting stable and predictable oil prices."

22 October 2008 The Joint Coordination Committee set up by Gazprom and the China National Petroleum Corporation convenes for its sixth meeting to discuss prospects for Russian gas supplies to China and other aspects of cooperation. The Committee stresses the need to intensify the drafting of the main terms of gas supplies from Russia to China, calls for continuing technical consultations on supplies, and studying specific gas processing projects in Russia and cooperation in third countries. It also discussed prospects for the development of cooperation in the field of environmental protection and energy saving, and say this aspect of work is important.

Rosneft and the China National Petroleum Corporation are preparing to sign a contract for the supply of Russian oil to China. All the details may be agreed within the next six weeks.

22 October 2008 Sergey Lavrov says that EU observers in the areas adjacent to South Ossetia and Abkhazia should work more actively on preventing acts of provocation from the Georgian side.

In Sukhumi the Abkhaz justice ministry and the Justice Ministry sign an agreement on cooperation.

22 October 2008 MFA special envoy Anton Vasilyev says that he believes that talk about the possibility of a military conflict over Arctic resources is unfounded. He says Russia is working on the formation of an application for the expansion of the external borders of the continental shelf. He says it is not possible currently to give specific dates for submission of the application.

22 October 2008 Russia's permanent representative at NATO Dmitry Rogozin says that the work of the Russia-NATO Council can be resumed only after talks at high political level and this is hardly likely to happen in 2008.

22 October 2008 Presidential press secretary Natalya Timakova says Moscow welcomes the USA's readiness to host an international summit on the situation in

the global financial system.

Sergey Lavrov calls for a multipolar approach to the global financial crisis. He says discussions to find a way out should include not only G8 countries but all leading states of the developing world, including those in the Middle East.

22 October 2008 Sergey Lavrov urges Ukraine to stick to existing BSF agreements.

22 October 2008 MFA spokesman Andrey Nesterenko says Moscow is expecting the Latvian authorities to contribute to an improvement in the situation of the Russian-speaking population living in Latvia. He states that the fact that 16 per cent of Latvia's permanent residents are deprived of their basic civil and political rights is unacceptable.

22 October 2008 An agreement to set up the Russian-Palestinian Business Council is signed in Moscow as part of a meeting of the Russian-Arab Business Council. From the Russian side, the agreement was signed by Vladimir Yevtushenkov, chairman of the Russian-Palestinian Business Council, and from the Palestinian side by Munib al-Masri, chairman of Palestine Development and Investment Limited.

23 October 2008 Deputy Foreign Minister Grigory Karasin expects that official Tbilisi will make positive changes in its dialogue with the authorities of Abkhazia and South Ossetia. Karasin says that the two treaties, between Russia and South Ossetia, and Russia and Abkhazia, which had been submitted by Dmitry Medvedev for ratification to the Duma, were thoroughly analysed by the Duma International Affairs Committee on 23 October.

Head of the Duma International Affairs Committee Konstantin Kosachev says the committee voted unanimously to recommend the Duma to ratify the treaties on friendship, cooperation and mutual assistance with Abkhazia and South Ossetia at its session on 29 October.

Sergey Lavrov says Russia is concerned about Georgia sending its special-purpose troops and other armed units to the zones adjacent to South Ossetia and Abkhazia. He also says that Georgian forces are violating the the agreements envisaged in the Medvedev-Sarkozy plan.

The MOD describes as provocative the statement by the Georgian side about a build-up of the Russian military group in South Ossetia.

23 October 2008 Sergey Lavrov has talks in Moscow with his Latvian counterpart Maris Riekstins.

23 October 2008 Russia's permanent representative to NATO, Dmitry Rogozin, says that the Russia-NATO Council is unlikely to resume its work in 2008. It will probably have to wait until a new administration is formed in the USA.

23 October 2008 Chairman of the Duma committee for international affairs Konstantin Kosachev condemns the European Parliament for backing a resolution describing the famine in Ukraine in the early 1930s as a crime against the Ukrainian people and humanity.

23 October 2008 The MFA has asked the Somali government's permission to fight pirates in the country's territorial waters.

23 October 2008 Aleksandr Ivanchenko, the director of the Novovoronezh educational and training centre, says a group of Iranian engineers who will work at the Bushehr nuclear power plant have completed studies at Voronezh metrology and standardization academy.

23 October 2008 Metropolitan Kirill, head of the Moscow Patriarchate's Department for External Church Relations addresses the Venezuelan National Assembly in Caracas. He says Russia and Latin America should work together as two poles in a multipolar world. He rejects the idea of a unipolar world.

23 October 2008 Security Council Secretary Nikolay Patrushev visits India to discuss security cooperation.

24 October 2008 Russia's ambassador to the USA Sergey Kislyak says there is no progress yet in Russian-American negotiations which would allow to speak about the possibility of signing a new treaty between Russia and the USA, which would extend the disarmament process after the expiration of START I.

24 October 2008 Sergey Lavrov says the US government's economic sanctions against Rosoboronexport contravene international law and will affect relations between Moscow and Washington:

The new sanctions have been imposed with no international legal basis. They have been imposed on the basis of an extra-territorial application of American laws, American rules. We will seek the abandonment of this practice. It is completely incompatible with the new reality in the modern world order and it resulted from the same philosophy of a unipolar world. We will certainly take this into account in our practical affairs in relations with the USA, both in trade and economics and in other spheres.

The MFA also issues a statement condemning the US actions.

The sanctions are imposed in connection with Iran. On 23 October, the US State Department announced the imposition of sanctions against FGUP Rosoboronexport, with reference to the domestic US law "Iran, North Korea and Syria Nonproliferation Act".

Rosoboronexport spokesman Vyacheslav Davidenko says the US sanctions are unlawful.

24 October 2008 Dmitry Medvedev appoints Russia's ambassadors to Abkhazia and South Ossetia, Semen Grigoryev and Elbrus Kargiyev respectively.

24 October 2008 Deputy Finance Minister Dmitry Pankin is interviewed on Russian Centre TV's "25th Hour" programme about the financial crisis in Russia. He says Russia hopes to be able to influence changes in the international financial architecture, working with its new BRIC (Brazil, Russia, India, China) allies who will play an important role in bringing about these changes. He says the government is not aiming to nationalise the banking system.

24 October 2008 Sergey Lavrov urges joint action to counter the global finance crisis.

It would hardly be possible to find any other issue on the international agenda which it would be easy to resolve with the United States...Which is absolutely understandable. The USA is a major power, it plays a very influential role practically in all spheres of world life and thinks that its weight, its word

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should be decisive. Such was the case, at least until recently. The situation is changing and the world financial crisis and a deep crisis in the area of Euroatlantic and global security have shown that these days no-one is capable of coping with global problems by themselves.

Despite the emergence of new centres of economic growth, new centres of financial might and consequently political influence, the search for ways of overcoming the current crisis and ways of erecting reliable barriers against a repetition of crises like this in future should be conducted only jointly. In that respect, of course, the forthcoming conference in Washington on 15 November is of particular importance because all the key players will be together. The main thing is for them not just to get together but to think together and act on the basis of a collective analysis and a collective development of solutions.

Lavrov also welcomes the forthcoming G20 finance ministers' session to be held in Sao Paulo in early November ahead of the Washington summit, at which Russia will hold meetings with its BRIC counterparts.

24 October 2008 Sergey Lavrov makes a speech on the UN in Moscow on the occasion of United Nations Day and the 60th anniversary of the presence of the UN information centre in Russia. He says:

In Russia, the UN is considered as a universal, global platform with no alternative and a key element of the international system based on the principles of joint action and the supremacy of the law...The diversity of the problems facing society calls for the strengthening of the organization by any means. In order to respond to the challenges of our time adequately, the UN should be further reformed efficiently, systematically adapted to the changing political and economic realities. For its part, Russia is always prepared to contribute to the search for compromises acceptable for everyone on key areas of reform, including the UN Security Council.

24 October 2008 Sergey Lavrov says that the suspension of several areas of cooperation between Russia and NATO goes against the interests of both sides.

24 October 2008 Deputy Foreign Minister Aleksandr Grushko rejects criticisms made at the EU parliament of Russia's actions during the August conflict in South Ossetia at a meeting of the Russia-EU Parliamentary Cooperation Committee working group in the Duma. He states: "What we did in the Caucasus at the time was forced but thoroughly thought-through action. We were rescuing people, restoring peace in the Caucasus."

24 October 2008 The Telecommunications and Mass Communications Ministry appeals to the Ukrainian authorities to stop the discrimination of Russian-language television channels.

25 October 2008 Sergey Lavrov gives a speech at the opening of the International Conference of the Bergedorf Forum entitled "The Responsibility of Russia in World Politics". He calls for a new security architecture in Europe. The speech appears on the MFA website on 29 October.

25 October 2008 Deputy Foreign Minister Grigory Karasin has talks in Moscow with Pierre Morel, the EU special representative on the Georgia-South Ossetia conflict.

Georgian Foreign Intelligence Special Service chief Gela Bezhuashvili says at a

session of the Georgian parliament's ad hoc commission which is to investigate the events that unfolded in August that Georgia has ample evidence that Russia had been providing Abkhazia and South Ossetia with large amounts of weapons.

25 October 2008 Dmitry Medvedev and Belarus President Alyaksandr Lukashenka hold talks in the Moscow region on the global financial crisis.

25 October 2008 Iran and the Russian Federation sign six protocols on broadening their trade and economic cooperation in their fifth joint economic workgroup session. The sixth session of Iran-Russia joint economic workgroup will be held in the second half of 2009 in Tehran.

26 October 2008 Head of Gazprom Aleksey Miller says the informal forum of gas exporting countries is likely to become a permanent organization with its own charter and HQ at its next meeting in Moscow in November. He also says that the "big gas troika" launched by Russia, Iran and Qatar was a natural consequence of the globalization process on the world gas market, and repeats earlier assurances that it is an informal association, not a "gas OPEC".

27 October 2008 The chief of staff of battlefield air defence of the Armed Forces, Lt-Gen Aleksandr Maslov, heads a military delegation that is to visit Cuba from 27 October to 3 November.

27 October 2008 Vladimir Putin says that Russia is still willing to discuss issues of membership in the World Trade Organization (WTO) and to pursue dialogue with the EU.

27 October 2008 The MFA condemns the US air strike on Syrian territory on 26 October.

27 October 2008 Federation Council speaker Sergey Mironov says he believes that OSCE observers and peacekeepers in the Georgia-South Ossetia conflict zone are not coping with their obligations.

27 October 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin says Russia is continuing talks with Iceland on granting a loan to Reykjavik in connection with the financial crisis.

27 October 2008 Peter Mandelson, British secretary of state for business, enterprise and regulatory reform, has talks in Moscow with Sergey Lavrov.

27 October 2008 Dmitry Medvedev and Vladimir Putin have talks in Moscow with Vietnamese President Nguyen Minh Triet. They discuss energy cooperation.

27 October 2008 A Russian-Polish commission for difficult issues begins working in Moscow.

27 October 2008 Dmitry Medvedev issues a decree appointing Valeryan Shuvayev as Russia's ambassador to Iraq.

27 October 2008 Security Council Secretary Nikolay Patrushev visits Argentina. He meets Defence Minister Nilda Garre. Argentina's Defence Ministry confirms a request made by Patrushev that Russia be permitted to be an observer at the South American Defence Council, which is part of the Union of South American Nations (Unasur). Furthermore, Russia is interested in participating as an observer in the Latin American Association of Training Centres for Peace Operations (Alcopaz).

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The South American Defence Council could be created by the end of 2008 and will be involved in the exchange of defence experiences, in carrying out joint military exercises, in reinforcing peacekeeping missions, and in strengthening the region's defence industry.

28 October 2008 Sergey Lavrov has talks with EU foreign policy chief Javier Solana, French Foreign Minister Bernard Kouchner and other participants in a session of the Russia-EU Permanent Partnership Council at the foreign minister level in St Petersburg. He says Russia is content that the international community has started paying more attention to the situation in the Caucasus and it will support every effort to maintain security in the region.

Lavrov says he regrets Georgia's conditions for participating in Geneva talks. Georgia says that it will not be taking part in the second round of consultations in Geneva aimed at resolving tension between Russia and Georgia if these consultations are attended by representatives of South Ossetia and Abkhazia.

The MFA says Russia is concerned about Georgia increasing the number of military units on the borders with South Ossetia and Abkhazia.

Sergey Lavrov denies statements by the Georgian Foreign Ministry that Russia is impeding the distribution of foreign humanitarian aid in South Ossetia and Abkhazia and advises EU donors to talk directly to the leadership of those two republics.

28 October 2008 Sergey Lavrov says he welcomes EU partners' interest in Dmitry Medvedev's initiative for a new European security treaty.

28 October 2008 Chinese Premier Wen Jiabao visits Moscow for talks with the Russian leadership. Prime Minister Vladimir Putin says he is confident that Russia and China are capable of increasing their trade volume to \$80 billion. He says: "According to early estimates, our trade will set a new record and reach the level of \$50 billion. Naturally, we will also achieve higher levels in the future - \$60 billion and \$80 billion."

Vladimir Putin and Wen Jiabao open the third Russian-Chinese Investment Forum. As of early 2008 China's direct investment in Russia amounted to \$415 million. Contracts worth \$500 million are signed at the forum.

28 October 2008 The advisor of the Libyan national security council, Al-Mu'tasim al-Qadhafi, arrives in Moscow to discuss preparations for the forthcoming visit of Libyan leader Mu'ammarr al-Qadhafi to Russia.

28 October 2008 Icelandic Minister of Commerce Bjoergvin Sigurdsson says in St Petersburg that a meeting on the issue of Russia providing financial assistance to Iceland is planned in Reykjavik in the near future.

28 October 2008 The Baltic Fleet's patrol ship *Neustrashimyy* enters the Gulf of Aden. It will be patrolling Somalia's territorial waters. Permission to that effect has been granted by Somalia's government.

28 October 2008 FSKN Director Viktor Ivanov has talks in Moscow with a delegation of the Bolivian Interior Ministry to discuss anti-narcotics cooperation.

28 October 2008 Dmitry Medvedev at a meeting of the commission for military-technical cooperation accuses the USA of the attempts of unfair competition - this

concerns the sanctions that the USA imposed on Rosoboronexport. He says over 80 countries are Russia's partners in the sphere of military-technical cooperation, relations with them are constantly strengthening and the export defence orders exceed \$30 billion.

28 October 2008 The Plenary Meeting of the Russia-EU Permanent Partnership Council takes place in St Petersburg. Sergey Lavrov attends and gives a press conference.

29 October 2008 The Duma unanimously ratifies Russia's agreements on friendship, cooperation and mutual assistance with South Ossetia and Abkhazia. The two agreements were signed by Dmitiy Medvedev and the heads of the two breakaway Georgian republics, Eduard Kokoyty and Sergey Bagapsh, on 17 September in Moscow.

Deputy Foreign Minister Sergei Ryabkov criticises Ukraine in an article in *Kommersant* for supplying arms to Georgia.

29 October 2008 The MFA issues a statement accusing western powers of interfering in the forthcoming Nicaraguan municipal elections.

29 October 2008 Lt-Gen Aleksandr Burutin, the first deputy chief of the General Staff, says in an article in *Rossiyskaya Gazeta* that Russia will take measures, including military ones, in response to the deployment by the US of a strategic missile defence system in Europe.

29 October 2008 The security councils of Russia and Libya agree to establish regular contacts on the issues of regional and international security with a broad engagement in this process of experts of various levels. The agreement is reached at a meeting between secretary of the Russian Security Council Nikolay Patrushev and adviser of the Libyan national security council Al-Mu'tasim al-Qadhafi.

30 October 2008 Anatoly Safonov, the president's special representative for international cooperation in the sphere of combating terrorism and organized crime, says the global terrorist threat is increasing despite all the efforts of the international community.

30 October 2008 Prime Minister Vladimir Putin has talks in Astana with Iranian First Vice-President Parviz Davudi. Trade between Russia and Iran has reached almost \$3.5 billion.

30 October 2008 Foreign Minister Sergey Lavrov says that Russia will rigorously abide by all its obligations for gas supplies despite the world financial crisis. He is visiting the Netherlands.

30 October 2008 Shanghai Cooperation Organization (SCO) prime ministers meet in Astana. Prime Minister Vladimir Putin has talks with Kazakh Prime Minister Karim Masimov in Astana.

30 October 2008 Vladimir Putin predicts the emergence of a multipolar financial and economic system.

The world has entered a very important transition period in its development whose essence consists in the creation of a multipolar financial and economic system and therefore in the strengthening of a multipolar architecture of international relations as a whole. In front of our very eyes an absolutely new geopolitical situation is developing, related to the strengthening of new centres

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of economic growth and political influence.

We shall witness and take part in the transformation of the global and regional architectures of security and development.

The current difficulties in the global economy and on the world financial markets point to a tectonic change in the structure of international relations. The deficiency of monopolism in world finance and of the policy of economic egoism has revealed itself with all clarity. In order to resolve the existing problems, Russia intends to take part in changing the global financial architecture, capable of truly ensuring the stability and prosperity in the world, to ensure progress.

30 October 2008 Gazprom, Eni and Enel agree to develop the Russian assets of the Italian companies as part of the SeverEnergiya project, including assets which belonged to Yukos. Eni CEO Paolo Scaroni, Enel CEO Fulvio Conti and Gazprom chairman Aleksey Miller meet in Rome and discuss further partnership between the three companies. They sign a treaty on the development of Russian assets of Arctic Gas and Urengoil, and a treaty providing for Gazprom's taking a stake in SeverEnergiya, as established by the 2006 strategic agreement.

30 October 2008 Rosatom head Sergey Kiriyenko visits Brazil. He says Russia has offered to Brazil modern technology for deep exploration and production of uranium, new nuclear power plants and "superconductor technologies" for transmitting energy.

30 October 2008 A Burmese military delegation visits Russia.

31 October 2008 Sergey Lavrov addresses a Conference of Compatriots in Moscow. He says the Roszarubezhtsentr (Russian Centre for International Scientific and Cultural Cooperation under the Russian Foreign Ministry) is part of the recently created federal agency for the affairs of compatriots (the Federal Agency for the Affairs of the Commonwealth of the Independent States (CIS), of Compatriots Living Abroad and for International Humanitarian Cooperation).

31 October 2008 Libyan leader Mu'ammar al-Qadhafi arrives in Moscow for talks with Dmitry Medvedev.

31 October 2008 The MFA says that the USA's fears regarding the preservation of Russia's nuclear arsenals are groundless. This is in response to a statement by US Defence Secretary Robert Gates, who expressed concern about the preservation of Russia's nuclear arsenals. The MFA issues a commentary in response to Gates's speech at Carnegie Foundation in Washington on 28 October on US-Russian strategic arms control.

31 October 2008 The MFA says Moscow regards the decision of the Ukrainian authorities to stop broadcasting Russian-language TV channels from 1 November as an unhealthy symptom and the violation of people's rights.

31 October 2008 Dmitry Medvedev addresses a meeting devoted to preparations for the G20 summit in Washington scheduled for 15 November. He criticizes some G8 countries for failing to heed Russia's warnings of "the negative potential" accumulating in the US financial system. He says:

First, raising the legitimacy of institutions, that is the legislative basis on which international financial institutions operate, and their effectiveness. This should

be done on a new conventional basis. New international agreements will be required for that.

Second, the overall strengthening of the international financial system on the basis of the plurality of world financial centres and plurality of reserve currencies, which we have more than once spoken about.

Third, developing a risk management system which corresponds to, which is adequate to modern technologies: not the principles which are historically laid at the basis of the Bretton Woods system but modern management technologies, including those based on a harmonized system of international and national standards for the operation of financial market players. This should be a harmonized system and not the system which exists today, whereby those who use, for example continental Europe accounting standards, are unhappy with the Anglo-Saxon rules, and vice versa. These should be common, unified rules, rules that can be used in the widest possible meaning of the word without any allowances for national standards.

Finally, developing a system of incentives for rational behaviour by financial market players themselves, rational meaning honest, adequate, balanced, and motivated. How to achieve that is the most difficult question. It is obvious that it will take years to form the look of the new international financial system but work on this needs to be started immediately.

31 October 2008 The MFA issues a commentary on statements made by Czech Foreign Minister Karel Schwarzenberg, who has accused Russia of intending to prevent the spread of classic security guarantees in Eastern Europe.

31 October 2008 Minister of Telecommunications and Mass Communications Igor Shchegolev visits Cuba. He says Russia is inviting Cuba to join the GLONASS global satellite-based navigation system.

31 October 2008 The Duma ratifies an agreement on the joint use of military infrastructure facilities of CSTO member states.

31 October 2008 Duma deputy Konstantin Zatulin urges the creation of a "Russian-language space" in former Soviet countries. Zatulin says that Moscow should work with ethnic Russians and set up movements in neighbouring countries to counter groups that have led to the so-called colour revolutions in a number of states in recent years. He is being interviewed on *Centre TV*.

November 2008

1 November 2008 Sergey Lavrov says that Iran is interested in joining the international discussion on security in the Caucasus, but Russia has not yet received any proposals from it.

1 November 2008 The MFA issues a statement expressing concern about Israeli settlers' attacks on Palestinians in the West Bank and notes the need to stop the construction of Israeli settlements.

1 November 2008 Sergey Lavrov says that Moscow will stand up for the right of Russian TV channels to broadcast in Ukraine.

1 November 2008 The Armenian, Azerbaijani and Russian foreign ministers,

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Edvard Nalbandyan, Elmar Mammadyarov and Sergey Lavrov, meet in Moscow. The main goal of the meeting is to discuss arrangements for a meeting between the Armenian and Azerbaijani presidents, Serzh Sargsyan and Ilham Aliyev, that will be held in Moscow on 2 November. The meeting will be attended by Dmitry Medvedev.

1 November 2008 Nicaraguan foreign minister Samuel Santos has talks in Moscow with Sergey Lavrov.

1 November 2008 Sergey Lavrov says that foreign countries should stop supplying arms to Georgia:

As for South Ossetia and Abkhazia, we insist on the observance of such a fundamental norm of international law as the non-use of force to solve any problems - in ways that are not compatible with the United Nations Charter. It was precisely using force in this way that happened overnight on 7-8 August, and we will firmly demand from all those that have contact with the incumbent regime in Tbilisi that this should not happen again.

You know that the European Union has acted as the guarantor of the non-use of force against Abkhazia and South Ossetia as part of the Medvedev-Sarkozy plan, and we will also demand from other states that they not supply arms, primarily offensive weapons, to the incumbent regime in Tbilisi. We all already know well how that regime uses these weapons, and there are plenty of examples of that.

It is precisely this that is the most important thing for us now regarding the position of other countries in relation to Abkhazia and South Ossetia.

2 November 2008 Libyan leader Mu'ammarr al-Qadhafi meets Chechen President Ramzan Kadyrov in Moscow. He also meets with Russian Moslem leaders.

2 November 2008 The presidents of Russia, Azerbaijan and Armenia sign a joint Declaration on Nagornyy Karabakh following their talks in Moscow. Yury Merzlyakov, the Russian co-chairman of the OSCE Minsk Group, says this is the first agreement since 1994 that has been concluded on paper directly between the two conflicting parties. The declaration states:

The presidents of the Republic of Azerbaijan, Republic of Armenia and the Russian Federation met in Moscow on 2 November 2008, at the invitation of the Russian president, discussed thoroughly and in detail, in a constructive atmosphere, the state of, and prospects for, settling the Nagornyy Karabakh conflict by political means, through a direct dialogue between Azerbaijan and Armenia with the mediation of Russia, the USA and France as co-chairs of the OSCE Minsk Group. The presidents state that they will facilitate the improvement of the situation in the South Caucasus and establishment of stability and security in the region through a political settlement of the conflict based on the principles and norms of international law and the decisions and documents adopted in this framework. The presidents agree that the achievement of a peaceful settlement should be accompanied by legally binding international guarantees of all its aspects and stages.

Chairman of the Duma committee for international affairs Konstantin Kosachev says Russia has, by its decisive actions, prevented the drawing of all the nations of the Caucasus into a war.

3 November 2008 Argentine Defence Minister Hilda Garre meets the director for

technical-military cooperation, Mikhail Dmitriyev, in Buenos Aires.

4 November 2008 Russia's permanent representative at the UN Vitaly Churkin says that the victory of Democrat Barack Obama in the US presidential election is on the whole more preferable to Russia and international relations.

4 November 2008 Sergey Lavrov visits Japan.

5 November 2008 In his first address to Parliament, Dmitry Medvedev says Russia will deploy short-range Iskander missiles in its exclave of Kaliningrad in response to US missile plans for Europe. Medvedev also says that Russia has cancelled plans to take three missile regiments out of service in a region (Kaluga Region) to the west of Moscow.

Russia's permanent representative to NATO Dmitry Rogozin praises Dmitry Medvedev's decision. Rogozin says that the election of Barack Obama as US president will improve Russia-NATO relations.

The Duma defence committee chairman, Viktor Zavarzin, welcomes the measures announced by Dmitry Medvedev.

Konstantin Kosachev, the head of the Duma international affairs committee, says Russia may not deploy missiles in Kaliningrad if the USA abandons plans to increase its military presence in Europe. He states:

I am convinced that all the measures announced yesterday by the president are subject to revision in case there is any transformation from that side, from the side of the USA and NATO, of their current strategy of boosting their military presence in Europe.

...The thing is that President-elect Obama, although indirectly, has already expressed doubts about the need to deploy these systems in Europe. He will certainly need time now to turn his doubts into US official policy. What the Russian president said yesterday is, in my opinion, a direct, not allowing any interpretation, expression of our well-known position that until [the West] continues to create problems for us, until they continue to encircle us with more and more weapons systems, we will react to this.

5 November 2008 Sergey Lavrov says that Russia expects that continuity in Russian-American relations will continue after the election of the new US president. "We shall build relations with America on an equal basis - the way in which we have proposed to do this on more than one occasion and the way that was documented in the Sochi declaration, which the presidents approved in April 2008." Lavrov says that he would like the new president to look at the issue of strategic arms control, given that START 1 expires in December 2009.

Deputy Foreign Minister Grigory Karasin says that: "We believe that the tone in relations with Russia will be set by the US president himself. As for presidential advisers, they also will have an opportunity to take a new look at seemingly well-known approaches and perhaps review stereotypes which they used to adhere to previously."

5 November 2008 Sergey Lavrov has talks in Tokyo with his Japanese counterpart Hirofumi Nakasone. He says a resolution of the territorial issue between Japan and Russia should be mutually acceptable and should be accepted by the public in both countries. He says Moscow is closely following the deployment of the missile defence system in the Asia-Pacific region and calls for the development of a security and

cooperation system in this region.

5 November 2008 Prime Minister Vladimir Putin and Indian Petroleum and Natural Gas Minister Murli Deora discuss bilateral cooperation in the energy sector.

5 November 2008 Russia and the EU sign an agreement on a Russian contingent's participation in the EU peacekeeping operation in the Republic of Chad and the Central African Republic. Russia's permanent representative at the EU Vladimir Chizhov and EU High Representative for the Common Foreign and Security Policy sign the document. In accordance with a decree issued by Dmitry Medvedev, Russia is prepared to assign four Mi-8MT transport helicopters and up to 200 servicemen to participate in the operation for up to 12 months.

5 November 2008 The director of the Federal Service for Military-Technical Cooperation, Mikhail Dmitriyev, visits Chile to discuss military-technical cooperation. He says he does not rule out the possible creation of a separate Russian-Chilean intergovernmental commission on military-technical cooperation or similar body.

5 November 2008 Defence Minister Anatoly Serdyukov rejects reports that Russia intends to set up a naval base in Libya.

5 November 2008 Gazprom opens offices in Kazakhstan and Latvia.

6 November 2008 Dmitry Medvedev congratulates the US president-elect, Barack Obama. He states:

As regards our colleague who yesterday was elected president of the United States of America, Russia is extending its hearty congratulations to him. We hope that the new president of the United States of America, Mr Barack Obama, will be a successful president who will be able to build both domestic and foreign policy of his country correctly and who will be able to build a foundation for lasting relations between the Russian Federation and the United States of America. Russia is ready for that. So we wish the new United States president success in this.

Duma Chairman Boris Gryzlov makes the following comment about Barack Obama's victory in US presidential election. He states: "As far as Russia is concerned, a lesser of two evils has been elected."

6 November 2008 Konstantin Kosachev, head of the Duma international affairs committee, is interviewed on *Vesti TV*. He says that, in order to ease tension in relations with Russia, NATO should adopt a much more cautious attitude towards Ukraine's and Georgia's admission: "If the position of the USA and their NATO allies is formulated like this, I am sure that this subject will not be so irritating in Russian-US relations, as it is now when Ukraine is literally being drawn kicking and screaming into this organization."

6 November 2008 Italian Prime Minister Silvio Berlusconi visits Moscow.

Prime Minister Vladimir Putin says that Russia and Italy should cooperate on joint energy projects in third countries, including Libya. Putin speaks at a meeting with Italian Prime Minister Silvio Berlusconi at his residence of Novo-Ogarevo outside Moscow. Several Russo-Italian bilateral deals are signed.

The Russian Federal Drug Control Service and the Italian Interior Ministry sign a

memorandum on cooperation in combating trafficking in narcotic substances.

Also signed are a declaration of intent between the Rosatom and the Italian Ministry of Economic Development; a deal between Rostekhnologii and Pirelli on the construction of an automobile tyre plant in Tolyatti; and an agreement on joint activities between Rostekhnologii and Finmeccanica.

OAO RZhD concludes a cooperation agreement with Finmeccanica, and also with OAO Rusenergosbyt on the development of cooperation based on long-term contracts.

Lukoil signs a deal with the Italian oil processing company Erg S.p.a. to set up a joint venture.

A memorandum on cooperation in power supply is signed between Inter RAO YeES and the Italian concern Enel. An agreement of intent is signed between the Russian company Sollers and Fiat to launch a new production line to make Fiat cars.

Also signed are a cooperation agreement between the government of Orenburg Region and Buzzi Unicem group to launch hi-tech cement production, and an agreement on basic principles of operation of a joint venture for licensed production, sale and servicing in the Russian Federation of the AgustaWestland 139 civilian helicopter.

6 November 2008 Dmitry Medvedev says that Russia wants to develop strong, durable and very close relations with the European Union. He also says that he would like "Georgia's aggression against South Ossetia not to affect Russia's relations with the EU in any way".

6 November 2008 Dmitry Medvedev says that Russia has already drafted its own proposals to make the international financial system "more resilient and more transparent", and that these will be presented at the G20 meeting in Washington later in November.

6 November 2008 Sergey Lavrov has talks in Moscow with the head of Lebanon's ruling majority and the son of Lebanon's prime minister, Sa'd Hariri.

6 November 2008 The head of Rosatom Sergey Kiriyenko says that all the work that the Russian side is doing at the nuclear power plant in Bushehr (Iran) is proceeding on time.

7 November 2008 PDVSA and Gazprom begin the exploitation of gas reserves in the Gulf of Venezuela and the Falconian Coast within the framework of the Rafael Urdaneta Project. The Russian -Venezuelan High Committee was established on 6 November.

7 November 2008 Arkady Dvorkovich, the presidential aide on financial issues says Dmitry Medvedev has sent his proposals on tackling the global financial crisis to the leaders of 18 countries, the European Union and the CIS partners. He says:

There are concrete proposals about forming new organizations to coordinate policy. This primarily concerns the dialogue on macroeconomic policy, performing the role of a lender of last resort, forming institutions to resolve disputes between states and commercial organizations.

We have proposed the principle of including the biggest number of countries and the principle of equal, but proportional responsibility and thirdly, the

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principle of multiple institutions, including both international and regional organizations.

Dvorkovich calls for the role of the International Monetary Fund (IMF) to be reviewed:

It should operate more like a bank, rather than like a project funding institution...

The IMF can continue performing its obligations on the analysis of the situation and early prevention of negative phenomena in macroeconomics. But we do not have a similarly clear understanding regarding the fund's function as a lender of last resort and this issue, we believe, is subject to discussion.

7 November 2008 Venezuelan President Hugo Chavez and Deputy Prime Minister Igor Sechin have talks in Caracas on energy cooperation. Gazprom begins deep-sea drilling of the first exploration well on the Venezuelan shelf. Caracas is also going to purchase weapons from Russia, in particular T-72 tanks, BMP infantry fighting vehicles, Sukhoi fighters and helicopters. Sechin states:

I would like to say a few words about large projects in the oil and gas sector. Gazprom's projects are now being developed and in the next few days a drilling platform in the Gulf of Venezuela will be launched. Our experts are preparing an intergovernmental agreement in the oil and gas and the energy sectors.

Projects in the mining industry are being actively developed and we support the plans of the Russian company Rusal and the Venezuelan corporation Venezolana de Guayana to create a joint venture on a parity basis for building an integrated industrial complex to mine bauxite and produce alumina and aluminium. As I have already said, we aim at achieving results in the financial sector as quickly as possible, both in arranging loans and in creating a common bank.

7 November 2008 The Bush Administration sends a number of proposals on arms control to Russia. Among other things they have to do with facilities of US missile defence systems in Eastern Europe. As part of trust measures it is being proposed to allow Russian observers access to missile defence facilities in the Czech Republic and Poland. The documents mention the 1991 START Treaty. The MFA says it is studying the proposals.

Russia's permanent envoy to the European Union Vladimir Chizhov says he hopes that the possible deployment of Iskander missile systems in Kaliningrad Region in response to the deployment of elements of the US missile defence system in Europe will not have an adverse effect on Russia's relations with European countries.

Arkady Dvorkovich says the deployment of new anti-radar systems will not be required if the USA does not deploy missile defence system elements in East Europe.

7 November 2008 Sergey Lavrov has talks in Moscow with Chinese State Councillor Dai Bingguo.

8 November 2008 Dmitry Medvedev talks by telephone with Barack Obama.

8 November 2008 The MFA says it welcomes talks between China and Taiwan.

8 November 2008 Chinese Vice Premier Li Keqiang meets Alex Safonov, the Russian president's representative in the Far East in Beijing.

9 November 2008 Sergey Lavrov has talks in in Sharm al-Sheikh with Condoleezza Rice. Lavrov says that the handed documents both on START and on ABM fall short of the agreements in principle that the sides have reached earlier both at the presidents' level and at the level of foreign ministers and defence ministers.

Deputy Foreign Minister Aleksandr Grushko says Russia will not deploy the Iskander missile systems in Kaliningrad Region if the USA scraps its plans to deploy anti-missile defence elements in Eastern Europe.

9 November 2008 Sergey Lavrov says that South Ossetia and Abkhazia should take part in the Geneva consultations on 18 November only as equal partners.

9 November 2008 Sergey Lavrov says that Russia is not trying to take away part of Ukraine's territory. He is commenting on a statement by the director of the Ukrainian Foreign Ministry's first territorial department, Leonid Osavolyuk, about Russia allegedly trying to take away part of Ukraine's territory in the Kerch Strait.

10 November 2008 EU foreign ministers express support for the resumption of negotiations with Russia on a new Partnership and Cooperation Agreement.

10 November 2008 Deputy Foreign Minister Aleksandr Grushko says Russia has sent to the European Union several proposals aimed at improving the coordination between Russian peacekeepers and EU observers in areas adjacent to Abkhazia and South Ossetia.

Russia's permanent representative at the EU Vladimir Chizhov says that Russia is ready to consider proposals on arranging an independent investigation of the events in the Caucasus in August 2008.

10 November 2008 Russia and Cuba sign a number of greements in oil production, transport and the nickel mining industry. This is the result of the visit of Deputy Prime Minister Igor Sechin to Havana.

10 November 2008 Security Council secretary Nikolay Patrushev has talks in Moscow with Brazilian minister of the Extraordinary Ministry of Strategic Affairs, Roberto Mangabeira Unger. He says Russia is interested in strengthening strategic cooperation with Brazil.

10 November 2008 Rosslekhohnadzor lifts the ban on imports of plant produce including fruit and vegetables from Poland.

11 November 2008 Alexander Belousov, president of Angarsk Electrolysis Chemical Complex in east Siberia says that Russia is considering shipping uranium enriched at a plant in Siberia to Japan and other East Asian markets via a port in the Russian Far East. Rosatom plans to increase Angarsk Electrolysis' uranium enrichment capacity by 3.5 times by 2015 and hopes to win orders for enrichment of uranium that Japan imports from Kazakhstan under a 2007 bilateral agreement, Belousov says.

11 November 2008 Sergey Lavrov says that Russia will only deploy the Iskander missile system in Kaliningrad if the planned third positioning area of US anti-missile defence is physically set up in the Czech Republic and Poland.

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11 November 2008 Sergey Lavrov meets Finnish foreign minister Alexander Stubb in Moscow. He says Russia's initiative to conclude a new treaty on European security will become a key issue on the agenda for the forthcoming meeting of the OSCE foreign ministers on 4-5 December. Lavrov says that Russia is "very much interested to learn the truth" about what information the OSCE received from its observers on the situation before and after the start of the August 2008 conflict in South Ossetia.

11 November 2008 Prime Minister Vladimir Putin meets his Egyptian counterpart Ahmad Nazif in Moscow on a four-day visit. Trade between Russia and Egypt is nearing \$4 billion. Economic cooperation is discussed.

11 November 2008 Dmitry Medvedev has talks in Moscow with Cuban Foreign Minister Felipe Perez Roque. Cuban leader Raul Castro will visit Moscow in 2009. Sergey Lavrov also has talks with Roque. Roque rules out Russian missiles being based in Cuba.

Sergey Lavrov says Russia welcomes democratization in Latin America:

I want to stress that Russia welcomes the developing of democratization and increased attention to the tasks of national development that we see in Latin America. We welcome Latin America's role in the efforts to democratize international relations in the context of the objectively forming multipolarity in the world. We believe that these processes are in the interests of the whole mankind. Russia is interested in the closest cooperation with our Latin American partners in reply to the reciprocal interest they are showing.

As to economic sanctions against Cuba, we have voiced our attitude to them during the voting at the UN General Assembly, together with the overwhelming majority of UN member states. I am not planning to give any advice to the president-elect of the United States of America. I hear that President-Elect Obama has named relations with Cuba among those issues that his administration will contemplate in the current situation, analyse it and take relevant decisions. We proceed from the premise that it will be a decision of the United States of America and hope that the voice of the world community that was heard again at the UN will be of course taken into account.

11 November 2008 Prime Minister Vladimir Putin says that fears of certain countries about the work of the gas exporting countries' forum are groundless.

11 November 2008 Gazprom says Russia will supply to Ukraine no less than 55 billion cubic metres of gas in 2009. Talks take place in Moscow between Gazprom chief Aleksey Miller and the head of Naftohaz Ukrayiny, Oleh Dubyna.

11 November 2008 Russia's permanent representative at the EU Vladimir Chizhov says that the economic section of the new cooperation agreement between the Russian Federation and the European Union will be agreed only after the conditions of Russia's accession to the WTO have been fully clarified.

11 November 2008 The Kurdish department of Voice of Russia starts transmitting its programmes in the Kurdistan Region and Kirkuk.

11 November 2008 Moscow Mayor Yury Luzhkov calls the ban on Russian television broadcasts in Ukraine a disgrace.

12 November 2008 Finance Minister and Deputy Prime Minister Aleksey Kudrin

says that US Treasury Secretary Henry Paulson's plan is not enough to overcome the financial crisis and improve the American economy.

12 November 2008 Prime Minister Vladimir Putin has talks in Moscow with Finnish Prime Minister Matti Vanhanen. They are discussing the prospects of economic cooperation between Moscow and Helsinki. The main subject of the talks is the construction of the Nord Stream gas pipeline. The prime ministers also discuss Russia's participation in Finland's nuclear power engineering, strategic partnership and the development of economic relations. Vladimir Putin says that in 2008 Russia had become Finland's main trade partner. Putin warns Europe that it will have to pay a higher price for gas if the planned Nord Stream pipeline is not built:

Europe must decide whether or not the Europeans need gas delivered through pipelines in the quantities we are offering them. If it is not needed, it means that we will not build a pipeline, but we will build liquefied gas plants and supply it to world markets, including European ones. But it will be more expensive for you. That's what it's all about. That's it. So, do your maths. It can be easily done on computer. It's your loss.

Gazprom chairman Aleksey Miller says that the export prices for Russian gas for consumers in Europe will fall from the beginning of 2009. Gas prices in the fourth quarter of 2008 would exceed \$500 per 1,000 cubic metres, which is the highest price in history.

12 November 2008 Sergey Lavrov receives US Under Secretary of State for Political Affairs William Burns in Moscow. They discuss strategic stability, settlement of the Iranian nuclear issue and stabilization in the Caucasus.

12 November 2008 Interfax cites a Kremlin source as saying that Moscow considers the US response to Russia's proposals on resolving the issue of deploying US missile defence in Europe insufficient.

Chairman of the Federation Council committee for international affairs Mikhail Margelov says Russia is ready for compromises on ABM but the interests of all sides should be taken into account. He says that the current US administration "is preoccupied with narrowing the new president's window of opportunities, with forcing him to go through with the Republicans' plans, including those he does not believe to be unquestionably right". He says the so-called new proposals on ABM contain nothing new.

Chief of General Staff Army General Nikolay Makarov says the Iskander tactical ballistic missile systems have not been deployed in Kaliningrad Region so far, but the political decision to the effect has been made.

12 November 2008 Interfax reports a Russian source as saying that Russia and China have suspended negotiations on the supply of oil and loans. According to the memorandum on cooperation in the fuel and energy sector signed in Moscow in late October, Transneft and Rosneft can borrow \$10 billion and \$15 billion, respectively, from Chinese banks. The loans were supposed to be provided in exchange for long-term supplies of oil to China by Rosneft and the construction of a branch of the Eastern Siberia-Pacific Ocean (ESPO) oil pipeline to China.

12 November 2008 The Federation Council ratifies the treaties on friendship, cooperation, and mutual assistance between Russia and South Ossetia and Abkhazia. The Russian, South Ossetian and Abkhaz presidents signed the treaties on 17 September.

Chief of the General Staff General Nikolay Makarov says the establishment of Russian military bases in Abkhazia and South Ossetia will be completed in 2009. Makarov denies Georgian media reports alleging that Russia plans to set up a Black Sea Fleet submarine base in Ochamchire, Abkhazia.

12 November 2008 The Eurasian Economic Community officially confirms that Uzbekistan has suspended its membership in the organization.

12 November 2008 Nikolay Dimidyuk, a representative of state arms exporter Rosoboronexport, says that a Russian air defence brigade might be deployed in Belarus as part of a joint Russian-Belarusian air defence system.

13 November 2008 Dmitry Medvedev arrives in France. He attends the 10th anniversary meeting of representatives of the business communities of Russia and the European Union in Cannes. He outlines a seven-point proposal for reforming international financial architecture.

I shall outline my approaches to this issue. We have done this before, and now this position has probably crystallized definitively. In essence, I will tell the same things tomorrow and the day after to my colleagues in G20. What do we need?

Above all, it is the streamlining and systematization of national and international regulating institutions.

Second, the elimination of the imbalance between the volume of all sorts of financial instruments that are issued and the real investment profitability of the corresponding programmes.

Third, increasing the transparency of public companies of all kinds.

Fourth, tightening supervisory requirements.

Fifth, strengthening the responsibility of ratings agencies and auditing companies. I would also of course add here the creation of a new universal and mutually acceptable system of accounting.

Sixth, expanding responsibility for risk management to cover all market players.

And finally the seventh point is ensuring universal profitability and accessibility of benefits from the removal of barriers, the removal of problems in international trade, i.e. from what we traditionally refer to as flow of capital.

And in the end, perhaps the last thing, this is our initiative - we need a system of rapid warning and rapid decision-making in the conditions when a new crisis is approaching. The main problem of the current crisis lies in the situation whereby everyone was looking at the events unfolding in the United States of America, at the growth of the known bubbles, at problems with liquidity; listened to our American friends, but no measures were taken either in our countries or in the global economy in general. But a system of universal response should, of course, create a different situation.

Dmitry Medvedev is interviewed in *Le Figaro*.

Dmitry Medvedev says that Russia is open to the development of neighbourly partnership relations with the USA and hopes that a meeting with US President-Elect Barack Obama will take place in the near future.

Dmitry Medvedev speaks at the EU-Russia business forum in Cannes. He says Russia will be a reliable energy supplier to Europe:

As regards energy supplies, Russia will behave as responsibly - I insist on this word - as consistently as it has in recent years. We have always honoured all of our commitments, despite the fact that some of our actions have been interpreted in different ways.

When, for example, a country was not paying for the supplied energy resources, of course we had to take restrictive, limiting measures. However, on the whole that had no effect on the supplies to Europe.

We shall continue to behave in the same manner, despite our aspirations to finally switch our relations with other states, states that are close to us, CIS states to market terms. It is impossible to endlessly subsidize foreign economies. This contradicts economic logic.

13 November 2008 Sergey Lavrov welcomes Sudanese President Umar al-Bashir's announcement of a ceasefire in Darfur.

13 November 2008 Russia and Belarus sign an agreement on the allocation of a \$2 billion loan to Minsk. The agreement is signed by Russian Deputy Prime Minister and Finance Minister Aleksey Kudrin and Belarusian Finance Minister Andrey Kharkavets. Kharkavets says that Russia and Belarus have agreed to switch to the rouble in oil and gas trading.

13 November 2008 The deputy prime minister and finance minister Aleksey Kudrin says the IMF and a number of EU countries have shouldered the bulk of the burden of supporting Iceland. Russia will take a decision to grant a loan to that country if it is satisfied with the plan for the restructuring of Iceland's debt. Iceland's central bank said on 7 October that Russia had granted Reykjavik a 4 billion-euro loan. Kudrin said later that Russia had received a request for a loan but that a decision would be taken at a later stage.

13 November 2008 Vladimir Komoyedov, a Duma deputy and former commander of the Black Sea Fleet says the Russian authorities are considering setting up a base for the Black Sea Fleet ships in Abkhazia. Komoyedov is taking part in an extended session of the Duma defence committee attended by Chief of General Staff Army General Nikolay Makarov. The meeting discussed the concept of the development of the armed forces for the period until 2020.

Emergencies Minister Sergey Shoygu and Interior Minister Rashid Nurgaliyev visit Abkhazia for talks with president Sergey Bagapsh.

14 November 2008 Dmitry Medvedev attends the Russia-EU summit in Nice. He expresses the hope that talks on the new EU-Russia agreement will start "in the very near future". Negotiations between Russia and the European Union on an enhanced partnership agreement that were suspended on 1 September after the Georgian conflict are to resume on 2 December. At the summit EU Commission President Mr José Manuel Durao Barroso proposes pursuing negotiations on the partnership agreement between the EU and Russia.

14 November 2008 Dmitry Medvedev says an OSCE summit on European security

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may be held in mid-2009 and calls on European leaders to refrain from unilateral steps in resolving international issues until a new global security treaty is signed.

I am glad that this idea is becoming more and more popular among the leaders of the European Union. A new agreement on European security, or an agreement about all the parties joining this pan-European security space, may become a principle for future work, a set of rules for the future.

And in this sense we have indeed considered the idea of holding an OSCE summit; I formulated this idea some time ago. I would like to thank the French president for supporting the idea. And we talked today about holding the summit not only at the end of next year - this could be done earlier, this could be done in the middle. The main thing is that we are ready, that we meet and discuss all these issues on the platform of the OSCE, involving all the European institutions, including NATO, the European Union, the OSCE, and the CIS.

And in this context, I absolutely agree that before signing a special global agreement on ensuring European security, we should all refrain from unilateral steps that affect this security. Russia has never taken such steps unilaterally. All the decisions that we prepared, including the decisions that I talked about not long ago [deploying Iskander missiles in Kaliningrad Region], is reaction to the behaviour of certain European states which, without asking anyone, have in fact agreed to deploy what is, in fact, new equipment on their territory. If we all live in the same house, let us meet, let us discuss things. This is the meaning of the new agreement. We will be ready for work. I am sure that the European Union could play its coordinating and very constructive role here.

Medvedev praises the role of the European Union and French President Nicolas Sarkozy in the settlement after the war over South Ossetia in August.

Medvedev says he will not participate in the events to mark the 75th anniversary of the Ukrainian famine.

14 November 2008 Interfax-AVN reports a source saying that Russia will leave the Conventional Forces in Europe Treaty (CFE) if Ukraine and Georgia join NATO.

14 November 2008 Prime Minister Vladimir Putin attends a meeting of CIS heads of government in Chisinau. He says CIS countries must coordinate their actions in the economic sphere to counter the consequences of the world financial crisis.

14 November 2008 Deputy Foreign Minister Sergey Ryabkov is interviewed in *Rossiyskaya Gazeta*.

Ryabkov says that Russia regards statements made by the headquarters of newly elected US President Barack Obama as a favourable background for Russian-American relations. He thinks progress can be made with the USA on arms control.

14 November 2008 The executive director and co-owner of TNK-BP Viktor Vekselberg says it is not feasible for Russia to join OPEC, but closer cooperation with the oil cartel is necessary.

15 November 2008 Dmitry Medvedev attends the G20 summit in Washington. He speaks at the Council on Foreign Relations after the summit. On US-Russian relations he states:

I think that we have good opportunities to restore relations in full, as they say, and form them in a different way. You can start with anything, but there is a good issue regarding missile defence in Europe. But that does not mean that we have to get fixated on this. One could start with something else.

It seems to me that the main thing is that this meeting should take place and take place soon. I and the president-elect, Mr Obama, have the same opinion about this. It should take place without delay or without any preconditions. I think that there is a readiness for this on the part of the new president of the USA. I am also ready for this.

He also says that Russia is ready to develop partnership relations with NATO.

15 November 2008 Sergey Lavrov is interviewed on *Ekho Moskvy* radio. He discusses Russia's proposal for a European security treaty. He states:

No-one intends to abolish, do away with or replace anything or in any other way encroach on the prerogatives of the organizations or structures functioning in this area.

We are talking about approving rules of conduct for all of us, not only the rules that NATO is drawing up for itself, the CSTO for itself, the CIS for itself and the European Union for itself, but rules that will be based on the principle stipulated by the Helsinki Final Act - the indivisibility of security. No-one guarantees their own security at the expense of the security of others. No-one has done away with these principles, but for some reason they are not functioning.

On the EU he states:

I think the [Russia-EU summit in Nice] summit, first and foremost, showed that both Russia and the European Union are vitally interested in cooperation. Trade to the tune of hundreds of millions of euros now unites us; more than 50 per cent of Russia's trade is with countries of the European Union; the European Union has a comparable economic share in Russia. There is interest in mutual investment, and I think these circumstances, as well as our affiliation as civilizations, mutual interest in deepening most intensively cultural ties and humanitarian contacts, ordained that, under the French presidency, the European Union and Russia - I would put it like this - reached an unequivocal understanding that our partnership, first, depends on the closest mutual dependence, and second, meets the interests of reinforcing the competitiveness of the EU and the Russian Federation in the modern globalizing world.

17 November 2008 The Russo-Argentinian Joint Commission for Technical-Military Cooperation meets in Buenos Aires.

17 November 2008 The Russian MOD denies statements by the Georgian authorities that a Russian unmanned aerial vehicle allegedly fell and then exploded on the ground in the area of the village of Plavi in Georgia's Gori District.

17 November 2008 Gazprom's official representative Sergey Kupriyanov says a gas pipeline directly linking Russia and South Ossetia will be built by mid-2009.

17 November 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin says that Russia will join the Financial Stability Forum in the next few months.

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17 November 2008 The second session of the Montenegrin-Russian Inter-Governmental Committee takes place in Moscow.

17 November 2008 Sergey Lavrov says Russia's closer relations with Latin American and Caribbean countries are based on common interests and are not aimed against any third countries.

17 November 2008 The Russian NTV-Plus launches a new programme package aimed specifically at Ukraine. It consists of 28 channels, 20 of which are in Russian.

17 November 2008 The Russian co-chair of the OSCE Minsk Group Yury Merzlyakov states that the basic principles of the Karabakh settlement, proposed in Madrid, "open up additional opportunities to act within the provisions of Moscow Declaration, signed by the presidents of Armenia, Azerbaijan and Russia. This agreement was signed on 2 November.

18 November 2008 Dmitry Medvedev says that there is a "crisis of trust" with the incumbent US Administration and blames the USA for missed opportunities. He expresses optimism about the incoming Obama Administration.

18 November 2008 Dmitry Medvedev accuses the Georgian authorities of "criminal actions" and calls for President Mikheil Saakashvili to be held personally responsible for them:

As regards the existing administration, the existing regime, I have already said that we will have no contact with it because we regard their actions as criminal. We believe that they, including the leader of that state, should be held responsible for them. But in the end, these things should be decided by the Georgian people. They should themselves make decisions on who they entrust with power and who they remove from power.

He says the international community will eventually accept the existence of Abkhazia and South Ossetia as independent states.

18 November 2008 Sergey Lavrov visits Portugal. He says US political guarantees on missile defence do not suit Moscow.

Duma Chairman Boris Gryzlov meets the chairman of the Chamber of Deputies of the parliament of the Czech Republic, Miroslav Vlcek. He urges Czech MPs not to pass a decision to deploy a radar for the US missile defence system in the country.

18 November 2008 Defence Minister Anatoly Serdyukov says that the Georgian administration's efforts to grow its military potential and to get closer to NATO cause concern. He visits Turkey for talks with his Turkish counterpart Vecdi Gonul. Serdyukov states:

We respect Turkey's stance on preserving Georgia's territorial integrity and independence. Nevertheless, we are concerned about the build-up of Georgia's military potential being carried out by that country's leadership, and by the pushing of that country into NATO. These activities can provoke another conflict, a far more serious one than the events that took place this August.

18 November 2008 Gazprom Deputy Chairman Aleksandr Medvedev says the EU's new energy policy groundlessly limits imports of gas from the Russian Federation. According to the European Commission's vision, by 2020 it is planned to reduce

carbon dioxide emissions by 20 per cent, to reduce the total demand for energy by 20 per cent and to increase the share of renewable energy sources in the overall energy balance. According to the European Commission's calculations, if these three targets are achieved the European Union will not need additional imports of gas, including those from Russia. Aleksandr Medvedev says:

Russia is the main supplier of gas and coal to the EU markets and the second-largest supplier of oil, after the OPEC. We are surprised that in the system of priorities of the new energy policy, energy imports are not considered important. It rather gives priority to actions aimed at limiting demand for Russian gas imports.

When presenting the EU action plan on energy security and solidarity, European Commission President Jose Manuel Barroso said that the plan was not directed against any country. Although the plan does not specify a source of danger, clearly it implies that it is Russia in the first place. But if the concept of Europe's energy security is built on the myth of a nonexistent threat from Gazprom, this concept will lead to the approval of pointless actions.

Medvedev says Gazprom will start supplying gas directly to South Ossetia in the middle of 2009.

18 November 2008 Montenegrin Foreign Minister Milan Rocen and Russian Federation Minister of Emergencies Sergey Shoygu sign at a ceremony in Moscow a protocol of the second session of the Montenegrin-Russian Inter-Governmental Committee and a memorandum on cooperation in the sphere of emergency situations. Russia will pay back an \$18 million debt of the former Soviet Union to Montenegro by delivering equipment.

19 November 2008 Deputy Prime Minister and Finance Minister Aleksey Kudrin says that Russia has not granted any credit resources to Iceland. He says that the negotiations on a potential loan to Iceland are under way.

19 November 2008 Deputy interior minister and state secretary Nikolay Ovchinnikov meets Swedish Justice Minister Beatrice Ask. He expresses concern over the continued operation in Sweden of the Kavkaz-Tsentr website.

19 November 2008 Sergey Lavrov visits Columbia.

19 November 2008 Talks take place in Geneva on the situation in Georgia. Deputy Foreign Minister Grigory Karasin attends. He says tough discussion took place with Georgia. Karasin says Russia insists on a change of the formal status of the OSCE and UN observer missions in South Ossetia and Abkhazia. He says historically it has come about that a UN observer mission in Georgia worked in Abkhazia, while an OSCE observer mission in Georgia worked in South Ossetia. He says that following Russia's recognition of the independence of the two Caucasus states, the status of these missions should be changed. Karasin says that Russia confirms some of its fundamental positions: Georgia must adopt a legally binding document on no use of force and a multilateral ban on sales to Georgia of offensive and heavy weapons must be introduced. Karasin says that on 1 and 2 December representatives of Russia and the European Union will discuss joint work in regions bordering on South Ossetia.

South Ossetian and Abkhaz delegations are present at these talks. The next meeting will be in Geneva on 17-18 December.

The chief of the General Staff, Army General Nikolay Makarov, says that the

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number of personnel at the Russian military bases in Abkhazia and South Ossetia stands at 3,700 at each base. By the end of 2010 these bases will be furnished in line with the most up-to-date standards of construction equipment.

19 November 2008 The Russian permanent representative at NATO, Dmitry Rogozin, says that in order to eradicate piracy in Somalia, deploying even a large fleet at its coast is not sufficient - it is necessary to carry out a ground operations to destroy the bases of the pirates.

19 November 2008 Sergey Lavrov rejects Colombian media claims that Dmitry Medvedev's upcoming visit to Latin American countries would be "a challenge to the United States".

The USA interacts with all countries, and I hope it is on a mutually beneficial basis. Yet we do not describe this as a challenge to Russia, do we? We want this interaction to be transparent and not to harm our interests.

...We are ready to compete on Latin American markets. We offer our goods and economic services, our investments. This then is the real challenge, and all the rest is just inventions from the Cold War era.

...Latin America is developing fast and acquiring a new look, projects which economically unite countries of the region are being implemented...We want to see our interest here, and at the same time we can see that Latin American states are interested too.

Sergey Lavrov rejects Columbian media claims that Russian weapons are being delivered to FARC.

19 November 2008 Syrian Minister of Economy and Trade Amer Husni Lutfi visits Moscow for a meeting of the Russian-Syrian Ministerial Committee for Trade and Economic Cooperation. He says the trade volume between Syria and Russia reached to \$1,300 billion during the first eight months of 2008. He says it is expected to reach at \$2 billion during 2009.

19 November 2008 Dmitry Medvedev has talks in Moscow with Cypriot President Dhimitris Khristofias. The two presidents sign a joint declaration on promoting friendship and cooperation between the two countries.

20 November 2008 Gazprom says Ukraine owes Russia \$2.4 billion for gas. This debt has increased. Gazprom head Aleksey Miller says:

At the moment, the issue of the debt has not been resolved. While the transition to a new system of relations in the gas sector, namely, the transition to direct gas supplies from Gazprom to Naftohaz Ukrayiny, of signing long-term agreements under which for the first two years, 2009 and 2010, gas will be supplied to Ukraine on fixed agreed prices - this condition for repaying the debt has not been met and the question that you have posed - where the money is - is absolutely pertinent. The amount is simply astronomical, \$2.4 billion. Yet we have so far seen no progress in the talks with the Ukrainian side to indicate that we shall see this money any time soon.

20 November 2008 The Abkhaz president's special envoy in Gali District Ruslan Kishmaria denies Georgian media reports that Georgian territory (the village of Ganmukhuri, in Zugdidi District) came under fire from Russian forces stationed in Gali District.

20 November 2008 Deputy Foreign Minister Aleksandr Grushko says that Russia and the European Union are planning to organize cooperation to fight pirates near the coast of Somalia. The EU operation Atlanta will be rolled out at the beginning of December and in the near future Russia and the EU will hold consultations regarding operational cooperation in the area patrolled by the ships.

20 November 2008 Navy Commander-in-Chief Admiral Vladimir Vysotsky says that Russian Navy ships will be present in the area of the Horn of Africa on a regular basis due to pirates' attacks on ships off Somalia coast.

20 November 2008 Presidential aide Sergey Prikhodko says that President Dmitry Medvedev will have a meeting with new US president Barack Obama soon after his inauguration.

20 November 2008 Chairman of the Duma International Affairs Committee Konstantin Kosachev says Barack Obama's taking office gives hope that the USA will communicate with Russia in the form of dialogue. Kosachev is speaking at the international round table discussion "Global problems. Role of political parties in overcoming the crisis", which is being held as part of the 10th congress of Yedinaya Rossiya. Kosachev states:

Obama remains for us not quite predictable, not quite understandable in his foreign policy approaches...his coming to power gives hope that in many issues the communication can be carried out in the form of dialogue rather than in the form of monologue, as was the case before...It is this dialogue that has a great future for both sides. Russia is ready for this.

20 November 2008 The MFA issues a statement saying that Russia will permit the transit through Russian territory of German military cargoes for the needs of the NATO-led International Security Assistance Force in Afghanistan.

Dmitry Medvedev approves the draft version of the intergovernmental agreement with Spain on the transit of military property and personnel through the territory of the Russian Federation due to the participation of the Spanish armed forces in the effort for stabilization and reconstruction of Afghanistan.

20 November 2008 The FSKN opens a representative office in China.

20 November 2008 CSTO Deputy Secretary-General Valery Semerikov says the Collective Peacekeeping Forces within the CSTO could be used in peacekeeping operations starting from the second half of 2010. He is interviewed in *Krasnaya Zvezda*.

21 November 2008 Gazprom Export extends the contract for gas supplies to Slovakia (with Slovak gas company Slovenský Plynárenský Priemysel - SPP) by 20 years, up to 2028. An agreement is also signed between Gazprom Export and Eustream (a 100-per-cent SPP subsidiary which is responsible for gas transit through Slovakia) about the transit of gas for the same time period. According to the agreements, SPP will buy around 130 billion cubic metres of gas up to 2028, and Eustream will ensure the transit of around 1,000 billion cubic metres of gas. The agreements come into force from 1 January 2009.

21 November 2008 Dmitry Medvedev visits Portugal. He has talks with the country's president, Anibal Cavaco Silva, and the prime minister, Jose Socrates.

21 November 2008 The MFA issues a statement criticising anti-Russian

statements by Czech Prime Minister Mirek Topolanek in a Czech newspaper.

21 November 2008 Chief of General Staff Army General Nikolay Makarov says at a briefing in Kaliningrad that Russia will consider Western partners' proposals on the US anti-ballistic missile system in Europe and on trust measures only after they have been formalized.

21 November 2008 Aide to the Russian navy commander Igor Dygalo says Russia may dispatch a squadron of warships to the Somali coast to fight piracy.

21 November 2008 The MFA issues a statement condemning the USA and certain EU states for "destabilizing" Nicaragua following the country's local elections.

21 November 2008 First deputy chairman of the Duma International Affairs Committee Leonid Slutsky says that Russia will complete lists of the names of those killed in the war over South Ossetia in August "in the next few weeks". He says the official Russian death toll of 1,600 people is accurate. Slutsky also says that Russia advocates a single international investigation into the war, and that Georgia would inevitably take part in it.

22 November 2008 Agriculture Minister Aleksey Gordeyev says he considers it necessary to create a Russian-American agricultural committee at the level of relevant ministries, with an aim of developing productive business contacts with the USA. Gordeyev meets US Secretary of Agriculture Edward Shafer in Sao Paulo. He says: "It is time to speak about major joint investment projects in the agricultural and industrial sectors, in pig breeding, beef cattle breeding, bioenergy, agricultural mechanic engineering, as well as advanced processing of grain, among other things."

22 November 2008 Andrey Lugovoy is interviewed on *Ekho Moskvy*. He says Dmitry Kovtun, who is the main witness in the case of Aleksandr Litvinenko's murder, has agreed to go to London and cooperate with the investigators. Lugovoy says he might go to Britain.

22 November 2008 Sergey Lavrov says Moscow is ready for a constructive dialogue with Barack Obama's administration.

22 November 2008 Japanese Prime Minister Taro Aso and Dmitry Medvedev agree to realize a visit to Japan early in 2009 by Prime Minister Vladimir Putin. Putin's Japan visit was initially planned for 2008. Medvedev says that he has no intention of leaving the Kurile Islands dispute up to the next generation to resolve. He says the issue can be settled if the political will is there.

22 November 2008 Gazprom spokesman Sergey Kupriyanov says that no long-term gas supply contracts with Ukraine are currently possible because Ukrainian national oil and gas company Naftohaz Ukrayiny is failing to repay outstanding debts for previous deliveries.

23 November 2008 The Russian navy announces that a detachment of ships of the Northern Fleet are to pay a visit to the port of La Guaira (Venezuela) from 25 November to 1 December. On 1 December, after the end of the visit, the Russian ships would hold a joint naval exercise with the Venezuelan Navy.

Capt 1st Rank Igor Dygalo, spokesman for the Russian Navy C-in-C, says: "The Russian Navy's High Command has stated that Russian ships will be in the Horn of Africa area on a regular basis. It means we will ensure a continuous presence

there."

23 November 2008 Dmitry Medvedev attends the APEC summit in Lima (Peru). He has talks with US President George Bush.

Sergey Lavrov meets US Secretary of State Condoleezza Rice in Lima. Lavrov says that Russian-US consultations on problems concerning US ABM systems in Eastern Europe will be held in December.

23 November 2008 Dmitry Medvedev says that Russia has begun work under the Russian-Chinese joint action plan until 2012, which was approved at the previous summit of the two heads of states. He meets the head of the People's Republic of China, Hu Jintao, as part of the APEC summit in Lima. A Russian-Chinese joint action plan for the period 2009-2012 has been agreed.

23 November 2008 Georgian TV reports that Russian forces near Akhalkgori opened fire on the entourage of the Georgian and Polish presidents (Mikheil Saakashvili and Lech Kaczynski) near the Georgian-South Ossetian border.

The HQ of Russian peacekeepers deployed in South Ossetia denies the Georgian side's assertion implicating Russian servicemen in the shelling.

The MFA says that Russian troops in South Ossetia have not fired at Georgian territory.

South Ossetian separatist president Eduard Kokoyty accuses the Georgian and Polish presidents of a provocation aimed to destabilise the situation in the region.

24 November 2008 Sergey Lavrov describes the incident on the Georgian-South Ossetian border as a Georgian provocation.

24 November 2008 Russia and China resume talks on Russian oil supplies to China in Beijing.

24 November 2008 Sergey Lavrov says he believes that the so-called new US proposals to lift Russia's concerns regarding the Americans' ABM plans in Europe "have brought little that is new".

Dmitry Medvedev says in Lima that as a result of dialogue between Russia and the USA on the issue of ABM systems in Europe, the US administration under President-elect Barack Obama may be more flexible.

I have said completely openly that we do not need, do not want to deploy anything. This is a response, and everything will depend on the position of our US partners. I believe chances exist because whereas the present administration's position on the issue looks extremely inflexible - we [USA] have decided, we will install all this and then come what may - the position of the president-elect looks more careful.

24 November 2008 Dmitry Medvedev makes the following comment on Russo-Latin American relations after the APEC summit in Lima.

I think [it should be regarded] the way I talked about in summer 2008 when I listed the five principles of Russian foreign policy. One of the principles, as you may remember, was the principle of willingness to develop relations with countries that we would like to have privileged relations with. These are the CIS countries, these are Latin American countries. During the Soviet period we

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had rather strong, serious relations with many of these states. Now the time has come to restore these relations. That is why this is also a state that we would like to have special, privileged relations with.

24 November 2008 Dmitry Medvedev says that no country will give up protectionism completely. He says the latest Russian-Ukrainian gas row may be resolved in court. Gazprom announces that it has prepared documents for filing a lawsuit against Ukraine with an international court.

24 November 2008 Various bilateral agreements are signed during Dmitry Medvedev's visit to Peru. The Oboronprom corporation and the Peruvian Defence Ministry sign an agreement setting up a technical centre for maintenance and major overhaul of Russian helicopters such as the Mi-8, Mi-17 and Mi-26.

24 November 2008 Vladimir Putin gives a speech at an international conference on humanitarian law in St Petersburg on US ABM plans in Europe.

Unfortunately, we are witnessing an alarming tendency to erode the basis of the existing treaties and laws. First of all, I mean, of course, the unilateral decision of the US administration to withdraw from the ABM Treaty. We have forgotten it somehow but this is a crucial moment in modern history. We are talking about a treaty which was the cornerstone of strategic stability on a global scale. Exactly this, exactly the cornerstone. All other agreements on strategic stability were based on this treaty. The true purpose of this decision was vividly demonstrated in the context of the plans to deploy a third positioning area of ABM in Europe. Whichever arguments our US partners provide, it is absolutely clear to us that this project is aimed against Russia's strategic potential and we cannot but give an appropriate response to it. It is only unclear who will benefit from these actions. But it is clear that the world in general, and Europe first of all, will lose. We have already said - and the Russian president stressed it once again at a press conference yesterday - if the new US administration abstains from the intention to deploy ABM positioning areas in Poland and the Czech Republic, the issue of our retaliatory measures will cease to exist.

I would like to stress that what we talked about were only retaliatory measures. If there are no ABM positioning areas in Poland and in the Czech Republic - there will be no retaliatory measures. In such case we will be able to overcome the dangerous negative tendency on the European continent.

He also calls for new START talks with the USA. Putin says that Russia proposes to incorporate basic parameters of arms control into a new agreement on European security. He also says the new agreement on European security should be based on the principles of "Three Nos": "First - not to ensure own security at the expense of others' security; second - not to allow (within any military alliances and coalitions) actions that weaken the unity of the common security space; and third - not to allow the development and expansion of military alliances to the detriment of other parties to the agreement."

24 November 2008 The head of the Investigations Committee under the Prosecutor's Office, Aleksandr Bastrykin, says that Russian law enforcement agencies have established that Georgia was using prohibited types of weapons during the August conflict with South Ossetia. He is addressing the same conference.

24 November 2008 Sergey Lavrov says that "the legal framework for a joint

international fight against piracy should be a little tougher and clearer".

25 November 2008 Gazprom reaches an agreement with Naftohaz Ukrayiny on the partial settlement before 1 December of the debt for gas delivered in September and part of the debt for deliveries in October.

25 November 2008 Dmitry Medvedev visits Brazil.

25 November 2008 Deputy foreign minister Aleksey Borodavkin says Moscow sees it as inadvisable to change the existing format of the six-party talks on the North Korea nuclear problem.

26 November 2008 President Dmitry Medvedev makes a major speech on Russo-Brazilian relations. Medvedev says that energy cooperation between Russia and Brazil has "a huge potential" and that Gazprom will open its representative office in Brazil at the beginning of 2009. Current trade turnover between Russia and Brazil is about \$5 billion.

A memorandum of understanding between the Federal Service for Military-Technical Cooperation and the command of the Brazilian Air Force is signed by Director of the Federal Service for Military-Technical Cooperation Mikhail Dmitriyev and Brazilian Air Force Commander General Juniti Saito. The two sides also sign a programme of cooperation in the use and development of the Russian global navigation satellite system Glonass between Roskosmos and the Brazilian Space Agency.

26 November 2008 Russian naval ships arrive in Venezuela for exercises (VenRus 2008) to commence on 1 December.

26 November 2008 Negotiations reach a deadlock between China and Russia over \$25 billion in loans that would guarantee China an oil supply for 20 years. Disagreements over the interest rates are the cause. A primary agreement was reached in late October during Premier Wen Jiabao's visit to Russia. Under that deal, China would provide \$15 billion and \$10 billion worth of loans to Russian state-owned oil companies Rosneft and Transneft respectively. In return, Rosneft promised to supply oil to China National Petroleum Corporation for 20 years, while Transneft would use a pipeline infrastructure project as collateral.

26 November 2008 Russia's permanent representative at the EU Vladimir Chizhov says that Moscow is ready to cooperate with an EU commission that will investigate the August 2008 events in the Caucasus and hopes the investigation will be objective. He says that the commission should have been set up much earlier.

26 November 2008 Deputy Chairman of the Federation Council international affairs committee Vasily Likhachev says Russophobia is being cultivated in European structures at the instigation of the administration of current US President George Bush.

26 November 2008 Deputy Energy Minister Anatoly Yanovsky says an international organization of gas exporting countries may be set up in Moscow on 23 December at a ministerial meeting of the Gas Exporting Countries Forum.

27 November 2008 Dmitry Medvedev condemns the terrorist attack in Mumbai and expresses condolences to the Indian prime minister.

27 November 2008 Dmitry Medvedev begins his visit to Venezuela. He says Russia will continue military cooperation with Venezuela. Agreements are also reached on

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cooperation in the nuclear energy, oil industry, military and technical spheres as well as a visa-free regime. Mutual settlements between the two countries will be carried out in bolivars and roubles and a joint Russian-Venezuelan bank will be established. An agreement has been reached to launch direct flights between Moscow and Caracas. Medvedev says that Russia has not ruled out the possibility that the Russian Federation may become an associated member of the Bolivarian Alternative for the Americas (ALBA) organization.

Rosatom says Russia may help Venezuela explore and develop uranium and thorium deposits as part of the bilateral intergovernmental agreement on cooperation in the use of nuclear energy for peaceful purposes. The agreement is signed by head of the Rosatom state corporation Sergey Kiriyenko and Venezuelan Minister of Energy and Petroleum Rafael Ramirez Carreno in Caracas.

Deputy Prime Minister Igor Sechin says the agreement on oil, gas and power generation cooperation signed between Russia and Venezuela covers 25 years and envisages an opportunity to extend it by another five years. It covers the complete chain of energy projects.

The head of Lukoil Vagit Alekperov says oil to be produced by the national oil consortium jointly with Venezuelan PDVSA will be exported to the USA, to the Chinese and European markets. The national oil consortium for implementing projects in Venezuela consisting of Gazprom, Lukoil, Surgutneftegaz, and TNK-BP was registered on 8 October 2008.

Russia's United Shipbuilding Corporation and PDVSA Naval, the shipbuilding subsidiary of Petroleos de Venezuela sign a memorandum of understanding.

Gazprom and state oil company Petroleos de Venezuela signed an agreement on joint exploration of Ayacucho 3 block in the Orinoco Oil Belt.

Intergovernmental agreements are also signed on cooperation in competition policy, the use of nuclear energy for peaceful purposes, air traffic, visa-free travel for the citizens of both countries and energy cooperation.

27 November 2008 Dmitry Medvedev says that Russia is ready to coordinate its actions on the oil market with member states of OPEC.

We are ready to discuss and coordinate (actions) on the oil market with OPEC member states. The case in point is responsible actions of the countries that are key players on the oil market, including Russia...Russia is not a member of the OPEC, but it has contractual obligations with this organization. The situation with oil prices cannot but worry Russia... Every time we discuss if the current oil price is fair or it is caused by market factors.

Deputy Prime Minister Igor Sechin says that Russia has submitted to OPEC a draft memorandum on cooperation providing for exchange of information and hopes that it will be considered at the next OPEC summit in Algeria.

27 November 2008 The MFA condemns the situation with regard to monuments to Soviet soldiers in Western Ukraine which it says are being damaged deliberately.

27 November 2008 Serb Energy Minister Petar Skundric is interviewed in *Vecernje Novosti*. He says the Serbian Oil Industry (NIS) will be sold to Gazprom by 20 December, and the Russians have confirmed that the South Stream gas pipeline will be completed approximately by 2015.

27 November 2008 Sergey Lavrov visits Ecuador. A joint declaration is signed by Lavrov and his counterpart Maria Isabel Salvador in Quito. They also sign an inter-governmental agreement on military-technical cooperation. In 2007 trade between the two countries reached \$800 million and in the coming year it is expected to reach \$1 billion.

27 November 2008 Prime Minister Vladimir Putin has a telephone conversation with Ukrainian Prime Minister Yuliya Tymoshenko. They discuss Ukrainian payments for gas debts and a contract for the supply for gas in 2009.

27 November 2008 Head of Rosatom Sergey Kiriyenko says that the construction of the Bushehr nuclear power plant in Iran should be completed in 2009.

28 November 2008 Russia's envoy to NATO Dmitriy Rogozin says that the recent series of terrorist attacks in Mumbai should get the USA thinking if it is to blame for provoking radical sentiments in Pakistan by its disproportionate policy in the region. He is interviewed on *Vesti TV*. He states:

This is a very alarming signal for NATO, for all of us, for India, for Pakistan, for the whole region and for NATO because NATO troops, more than 50,000 coalition troops, are currently in Afghanistan.

In some sense, the Americans should start wondering whether they are themselves provoking all this, with their operations and disproportionate use of force against Pakistan. Without asking Pakistan, without asking the president of Pakistan, they are carrying out strikes, including those that result in civilians' deaths on the territory not only of Afghanistan, but of Pakistan, where the Americans believe Al-Qa'idah and Taleban militants are hiding. This cannot but provoke a rise in radicalism, in anti-American radicalism, inside Pakistan.

That is why I would apply utmost seriousness to the task of analysing the situation in Pakistan, and militants' actions against foreigners on Indian territory. It is a serious grief, it is a major problem. It is not an internal ethnic row. It may cause such a blaze that, as some pessimistic experts, unfortunately, predict, may lead to serious military conflicts in southern Russia in 10-15 years' time.

28 November 2008 Dmitry Medvdev visits Cuba. He says that Russia intends to stay in Latin America for a long time to come: "One can say that we have come back already. If we talk about the component parts of our cooperation, in my opinion, these should be all the component parts that link countries that have partnership, fully-fledged relations, both economic, cultural and humanitarian, and military." He states:

We have visited states that have never been visited either by Russian or Soviet leaders before. This means only one thing: no attention has been paid to these countries. In a sense, we are only just starting fully-fledged, full-format and, I hope, mutually beneficial contacts with the leaders of these states, and with the economies of these states, respectively. There is nothing to feel shy about, one should not fear competition here. One should bravely join in the fight.

28 November 2008 Dmitry Medvedev says that Russia is happy about the US decision not to offer NATO's Membership Action Plan to Georgia and Ukraine.

I am happy that common sense has prevailed. Unfortunately, this happened at

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the end of the incumbent US administration's term of office. Anyway, this acknowledges the current state of affairs, at the very least. Whether the Americans have listened to the Europeans or to someone else, the most important thing is that this idea is no longer being promoted in a frenzy or with the same pointlessness it used to be promoted a while ago.

Let these countries themselves sort out what they need, internally, so to speak. I have repeatedly mentioned this, let them hold referendums where they have not been held and then move wherever they want.

Sergey Lavrov says that Russia intends to discuss with NATO the basic principle of the Russia-NATO Council - the indivisibility of security.

Russian permanent representative to NATO, Dmitriy Rogozin calls for fundamentally re-negotiating relations with NATO. He predicts that under Obama the USA will undo some of the damage caused by the Bush Administration.

28 November 2008 Sergey Lavrov says Moscow hopes that any actions of Ukrainian border guards along the border with Russia are only aimed at strengthening the security of their country. Several media reports claim Ukraine is building up troops on the Ukrainian-Russian border.

28 November 2008 Deputy Foreign Minister Sergey Ryabkov says that Moscow has stressed the need for Iran to ensure full cooperation with the IAEA as regards Iran's nuclear activities.

Russia's permanent representative at the UN, Vitaliy Churkin, says that if the Iran nuclear issue is not settled it could lead to most serious consequences in the near future.

Grigory Berdennikov, a member of the Board of Governors of the International Atomic Energy Agency, says that it is important for "Iran to fully implement safeguards agreement".

28 November 2008 Dmitry Medvedev meets the president of Nicaragua, Daniel Ortega in Caracas, Venezuela, on the occasion of the special meeting of the members countries of ALBA.

29 November 2008 The head of the Russian delegation at the PACE and chairman of the Duma commission for international affairs Konstantin Kosachev says PACE has seen for itself that the Office for Democratic Institutions and Human Rights (ODIHR) is biased when monitoring elections in the republics of the former Soviet Union.

30 November 2008 Mikhail Margelov, Chairman of the Federation Council's foreign affairs committee, welcomes the expansion of Russia's economic relations with Latin America: "It is a good thing when official visits strengthen international positions of our state and private companies that we see turning into multinational corporations. The expansion of these corporations in Latin America will undoubtedly increase their foreign assets and sales."

30 November 2008 Gazprom spokesman Sergey Kupriyanov says that Ukraine has begun making payments for gas. Russia says Ukraine owes \$2.4 billion for Russian gas supplies.

30 November 2008 Dmitry Medvedev has a telephone conversation with Indian

Prime Minister Manmohan Singh. They discuss anti-terrorist cooperation.

30 November 2008 Russian peacekeepers fly to Chad. Another 14 flights to African will be made until the end of December. Altogether 120 people will be in the Russian peacekeeping force in Chad and will spend six months there.

December 2008

1 December 2008 Konstantin Kosachev, chairman of the Duma international affairs committee, says that US President-elect Barack Obama's announcement that Hillary Clinton will be appointed Secretary of State and Robert Gates Secretary of Defence does not give grounds to hope for a serious improvement in Russian-American relations.

1 December 2008 The head of the Russian delegation at the Russia-WTO talks, Maksim Medvedkov, says that Russia's entry into the WTO is being delayed because of the change in the US administration, the protracted WTO Doha round and the conflict with Georgia this August. Medvedkov says he hopes that Russia will complete the WTO entry talks in 2009. The next round of talks will be held in Geneva in January 2009.

2 December 2008 Russia's permanent representative to NATO, Dmitry Rogozin, welcomes NATO's decision to move towards the resumption of dialogue with Russia. However this decision is opposed by the USA. The NATO foreign ministers also oppose granting a Membership Action Plan (MAP) to Ukraine and Georgia.

Chairman of the Duma international affairs committee Konstantin Kosachev states:

The entry of Georgia and Ukraine, or, rather, them being dragged into NATO has always been an exclusively American project in which a lot of money and a lot of effort have been invested. Without doubt, both Saakashvili and Yushchenko found themselves in power largely in order to implement this project. Now it has become apparent to many other NATO member states, US allies, that this is introducing into the alliance completely new problems which have not been solved and, most importantly, which, in some ways, cannot be solved.

Russia's new main military representative to NATO, Army General Aleksey Maslov, returns to Brussels.

Permanent representative to NATO Dmitriy Rogozin says NATO is split and will become more so as it expands.

Neither Ukraine nor Georgia has received this plan [MAP]. They have received a surrogate instead, some sort of deeper cooperation, advanced cooperation, but this is not the MAP. That is why the plans of those who have always spoken about Russia from icy positions have been destroyed. The split in NATO is clear, and it will deepen as NATO tries to grow even more, to swell, to bloat, and so on...Despite American intrigues, the intrigues by Condoleezza Rice, who is leaving for Stanford University, she failed to arrange a deluge after her. This indicates that Europe is gradually acquiring its own political face.

Konstantin Kosachev says the fact that NATO has not granted Ukraine and Georgia the MAP shows that NATO minds are "sobering up". He also says that "American

approaches regarding this issue will not have any support in the future either".

Chairman of the Duma's Defence Committee Viktor Zavarzin states:

NATO's decision to restore bridges with Russia, which were broken off after the conflict in the Caucasus, shows a growth in understanding Russia's role, its authority on the international scene, and the decision to postpone Georgia's joining NATO is some kind of understanding of the reality of the August events, though not to the extent we would like.

2 December 2008 Mikhail Margelov, chairman of the Federation Council's foreign affairs committee says that the appointment of Hillary Clinton as US Secretary of State means that Russian-US relations may improve.

2 December 2008 Talks on a new basic treaty between the Russian Federation and the European Union resume in Brussels after a five-month hiatus.

2 December 2008 The working group of the Russian defence and foreign ministries meets representatives of the EU monitoring mission to Georgia in Ergneti in South Ossetia "in order to discuss practical issues of cooperation between representatives of the command of the Russian military contingents in South Ossetia and Abkhazia and EU observers".

2 December 2008 King of Bahrain Shaykh Hamad Bin-Isa Bin-Salman Al Khalifah visits Moscow for talks with Dmitry Medvedev.

2 December 2008 A delegation of the Armed Forces of the Republic of Korea headed by Chairman, Joint Chiefs of Staff, Kim Tae-yung arrives in Moscow on an official visit.

3 December 2008 The MFA says the process of revision of Russia-NATO relations is under way. This is a comment on the 2 December agreement of NATO foreign ministers to resume the dialogue with Russia in "a conditional and graduated" regime. The MFA states: "Taking into account the latest events, the process of revision of Russia-NATO relations is under way. One can hardly expect that from now on our relations will be developing in the same way as before."

3 December 2008 Foreign Minister Sergey Lavrov and King Hamad Bin-Isa Bin-Salman Al Khalifah of Bahrain have talks in Moscow.

3 December 2008 Around 50 activists of the youth movement Young Russia bury "the political corpse of Ukrainian President Viktor Yushchenko" near the Ukrainian embassy in Moscow.

3 December 2008 Deputy Prime Minister Aleksandr Zhukov says that Russia and India hope that trade between the two countries will reach \$10 billion by 2010. Zhukov is taking part in a session of the intergovernmental commission on cooperation in trade and economics before the official visit of Dmitry Medvedev to India on 4 December.

3 December 2008 Chairman of the Duma International Affairs Committee Konstantin Kosachev calls on the UN to consider the draft Comprehensive Convention on International Terrorism to the United Nations submitted by India to the UN in 2001.

3 December 2008 Deputy Chairman of Gazprom Aleksandr Medvedev and the

chairman of Egyptian gas holding EGAS, Mahmoud Latif hold talks in Moscow. EGAS invites Gazprom to participate in gas projects in Egypt.

3 December 2008 *Vesti TV* reports that a naval squadron of Russia's Northern Fleet has completed manoeuvres off Venezuela and is now heading towards the Indian Ocean for exercises with India in January 2009.

4 December 2008 Dmitry Medvedev visits India. He rejects the idea of a return to a Cold War. He calls for a multipolar international system. He says Russia is ready to further develop and deepen cooperation with India in the defence industry and nuclear energy sectors.

4 December 2008 Mikhail Margelov, chairman of the Federation Council foreign affairs committee, believes that NATO's decision to resume dialogue with Russia and to refuse MAPs to Ukraine and Georgia indicates that the alliance is ready for serious concessions in relation to Russia.

4 December 2008 The MFA welcomes the adoption by the UN General Assembly of a draft resolution on transparency and confidence building measures in outer space as an important step towards transparency in the sphere of military and space activities.

4 December 2008 The MFA says that assumptions coming from the USA about Russian involvement in cyber attacks on the Pentagon's computer system are impermissible.

4 December 2008 Sergey Lavrov attends a meeting of the OSCE Minsk Group co-chairmen in Helsinki. On Nagorny Karabakh he says: "We are urging the sides, together with the co-chairmen of the Minsk Group, to put in efforts in order to achieve an agreement within the next few months on basic principles for settling the situation and then to move on to preparing a comprehensive peace agreement."

5 December 2008 Prime Minister Vladimir Putin has talks in Moscow with Armenian Prime Minister Tigran Sargsyan. The total volume of Russian investments in the Armenian economy amounts to \$1.6 billion and trade increased by almost 17 per cent in 2007.

5 December 2008 Mongolia's armed forces and the Siberian Military District hold joint exercises.

5 December 2008 Dmitry Medvedev and Indian Prime Minister Manmohan Singh in New Delhi sign an agreement to extend their military and technical cooperation programme for 10 years until 2020.

The head of the Federal Service for Military-Technical Cooperation, Mikhail Dmitriyev says that supplies of Russian arms and military equipment to India are expected to reach a new record in 2008. It will reach more than the planned \$8 billion.

The head of Rosatom, Sergey Kiriyyenko, says Russia and India will sign an agreement on building a further four generating sets at the Kudankulam nuclear power plant in India. A contract to supply the plant with more than \$700 million worth of fuel will also be signed.

5 December 2008 Sergey Lavrov attends the OSCE Ministerial Council meeting in Helsinki. He considers the OSCE is not only incapable of preventing wars but also failing to react to breaches of the basic principles of the Helsinki Final Act. However

he states:

Russia is against the OSCE's demise. We propose enriching its agenda with unifying topics that look into the future, the topics of key importance to today's and tomorrow's well-being of all member states and its citizens. It is this spirit that is reflected in our proposals on involving the OSCE in implementing President Medvedev's initiatives to conclude a legally binding European security agreement, which could help create a single collective security space for all Euro-Atlantic states.

He also repeats calls for a European security treaty:

We think that concluding the treaty on European security would have a positive significance also for the states which are located outside the boundaries of the Euro-Atlantic zone. I am confident that if we put the business of ensuring stability in the region on a firmer footing in our region, this would make it possible to avoid the emergence of a suspicion that a threat to our external partners could originate from any of us. In addition to this, we would give everyone else a new good example of a civilized organization of inter-state relations in an extensive and varied region.

Lavrov says that: "No-one is going to claim that NATO or other structures in which Russia does not take part should be closed down...We are not talking about that, but about all states in the Euro-Atlantic space looking at problems together and working out ways to overcome these problems on a mutually acceptable basis." Lavrov calls for a thorough investigation of information that OSCE observers were aware of Georgia's intention to attack South Ossetia in August.

Lavrov calls on the OSCE's ODIHR to be more active in developing new rules for monitoring elections.

5 December 2008 The MFA issues a statement saying that Russia is concerned by the worsening situation regarding the rights of the Russian-speaking population in Ukraine. Sergey Lavrov meets OSCE High Commissioner on National Minorities Kurt Vollebaek in Helsinki.

5 December 2008 The MFA says that it welcomes the agreement on the withdrawal of US troops from Iraq.

5 December 2008 Col-Gen Anatoly Nogovitsyn, deputy chief of the General Staff of the Armed Forces comments on the decisions adopted at the meeting of the NATO foreign ministers in Brussels on 2-3 December. He says that the reason behind NATO's decision to resume dialogue with Russia is the realization by the alliance that the most important problems of world and regional security cannot be resolved without cooperation with Moscow.

5 December 2008 An Agreement on the Russian-Serbian Business Dialogue is signed in Belgrade during the visit of the Russian president's authorized representative, Grigory Poltavchenko.

5 December 2008 The MFA says that Russia is to open an embassy in Brunei and Prime Minister Vladimir Putin signed the relevant directive on 1 December.

5 December 2008 The MFA refuses to sign the Convention on Cluster Munitions held in Oslo on 3-4 December.

7 December 2008 The MOD denies reports alleging that ships of the Russian navy intruded into Georgia's territorial waters while military helicopters violated that country's airspace near the village of Ganmukhuri on the Abkhaz border.

8 December 2008 MFA spokesman Andrey Nesterenko says that Moscow is convinced that if NATO decides to create its missile-defence system, it would be aimed against Russia.

The MFA issues a statement on the NATO Council position on the CFE Treaty.

8 December 2008 Viktor Zavarzin, chairman of the Duma Defence committee, says there will be no new Cold War with the West. He says Russia will continue providing support to the international force in Afghanistan under the UN Security Council mandate.

8 December 2008 Mikhail Margelov, chairman of the international committee of the Federation Council, is appointed special representative of the Russian president for Sudan. He says Russia is returning to Africa after a pause in the 1990s. He says Russia is supplying products of the machine-building industry to Sudan, joint projects on modernization of Sudanese railways are being developed, the partnership in the energy sector is being established. Annual trade totals \$30 million.

9 December 2008 Vladimir Voronkov, director of the MFA's department for all-European cooperation says the deployment of the third ABM positioning area in Eastern Europe goes against all the principles of maintaining security. Voronkov also blames the USA for the failure of the OSCE foreign ministers to pass a political declaration in Helsinki. Voronkov says that the main differences were over the Russian-Georgian conflict and the CFE.

9 December 2008 RIA Novosti reports an MOD source as saying that the Russian-US dialogue on the further reduction of nuclear arsenals as well as new control measures to replace the START-1 Treaty that expires in December 2009 has not yielded results so far because American proposals in fact allow to circumvent limitations and secretly enhance one's own nuclear potential. The source says:

The USA are leaving out of the treaty MBR [ground-based ICBMs], BRPL [submarine-launched ballistic missiles] and TB [heavy strategic bombers] with non-nuclear warheads, the places where they are based, as well as space-launched carrier rockets and interceptor rockets created on the basis of the first stages of MBR and BRPL. Thus, possibilities are being created for circumventing limitations and secretly enhancing the potential of strategic offensive arms. The regime of control and predictability in the strategic sphere is being undermined.

9 December 2008 State Secretary - Deputy Foreign Minister of the Russian Federation Grigory Karasin receives the head of the EU commission for the investigation of the Georgian-Ossetian conflict, Heidi Tagliavini. Karasin urges the EU commission to establish contact with all sides involved.

9 December 2008 Vladimir Voronkov, director of the MFA's department for all-European cooperation, says that Moscow believes that at present Iran won't be able to develop nuclear weapons and its delivery means.

9 December 2008 Secretaries of Armenian and Russian Security Councils Artur Baghdasaryan and Nikolay Patrushev sign a cooperation plan for 2009 in Yerevan.

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9 December 2008 Central Bank estimates report that the Russian Federation's foreign trade surplus calculated by the balance of payments method was \$11,931 million in October 2008, down 26.8 per cent on September's figure, which was \$16,296 million. Exports in October were \$38,895 million, down 11.2 per cent on September's figure; and imports, at \$26,964 million, down 2 per cent. In January-October, Russia's foreign trade surplus amounted to \$166,188 million, up 61.5 per cent on the same period of 2007 (\$103,550 million).

9 December 2008 Russian NATO envoy Dmitry Rogozin has talks with Assistant Secretary-General for Political Affairs Martin Erdmann and Special Representative for the Caucasus Robert Simmons. The restoration of relations in the framework of the Russia-NATO Council was the topic of discussion. A roadmap of restoring relations was agreed upon.

9 December 2008 The antisubmarine ship *Admiral Chabanenko* pays a goodwill visit to Rodman Naval Station in Panama.

10 December 2008 Panamanian newspaper *La Prensa* reports that a Russian trade delegation comprising 14 companies involved in real estate, sea food, banking, insurance and other sectors, have been exploring the Panamanian market since 4 December for possible short-term investments.

10 December 2008 Foreign Minister Sergey Lavrov addresses a session of the Association of European Businesses in Moscow. He says that the world is not ready for complete nuclear disarmament, but the immediate task is to strengthen the non-proliferation regime. He says that the unipolar world has ceased to exist and any attempts to revive it are hopeless.

The crisis in the Caucasus in August as well as the global financial crisis have clarified very many things, both in world politics and in the world economy. They have confirmed that the critical mass of a transformation potential has accumulated long enough ago and the policy of inertia based upon prejudices of the past is no longer working. We are no longer able to do business as if nothing has happened in the world, of course, apart from the collapse of the Berlin Wall and the disappearance of the Soviet Union.

One of the most important conclusions we are drawing is that the unipolar world is in the past and attempts to revive it are hopeless. As new centres of economic growth and political influence are emerging, an objective process of forming a polycentric international system based on the supremacy of the rule of law and multifaceted cooperation is going on in the world. At least, it should be founded on these principles, this is in the interests of the absolute majority of the world states.

The key role in resolving international problems is beginning to be played by flexible coalitions with the aim of promoting the sides' common interests in this or that matter. Russia is leading an open and constructive foreign policy and we believe that in modern conditions this is fully justified.

When we are talking about military-political issues, about the so-called tough security, classical security, unfortunately, an ideology-driven and bloc-oriented approach is often dominating so far. I mean, of course, the line for further NATO expansion to the East and the plans to deploy elements of US ABM system in Europe and I mean, of course, the developments in the Caucasus.

He calls for NATO-CSTO cooperation in fighting terrorism.

Lavrov says that Russia is ready to introduce visa-free travel with the EU any time. Lavrov says he believes that it is possible for a common economic space of the Russian Federation, EU and the USA to be established.

He says that joining the WTO remains one of Russia's foreign policy priorities, but Moscow is not prepared to accede to the organization at any price.

10 December 2008 Chief of the General Staff Nikolay Makarov repeats Russia's threat to deploy short-range missiles such as the Iskander to counter the stationing of US missile defence systems in Europe. He says the USA's plans to deploy the third positioning region of its anti-missile defence are clearly directed against Russia. He also says that he hoped that the work on updating the CFE Treaty and signing a new strategic arms control treaty with the USA would be successfully completed. In his view, for Russia to lift a moratorium on the CFE, it is necessary that the treaty envisages lowering the allowed levels of armaments, primarily for NATO countries. He says that Russia and NATO must continue cooperation within the framework of the Russian-NATO Council on key issues of global security.

Makarov says that Russia "had and has no plans to invade Georgia". He also says that Russia did not attack Georgia first in August.

10 December 2008 President of Argentina Cristina Fernandez de Kirchner visits Moscow for talks with Dmitry Medvedev. Russia and Argentina plan to implement joint projects in the nuclear energy, gas and transport sectors, boost trade, step up cooperation in agriculture and the humanitarian area and introduce visa-free travel. Medvedev says that:

There is an opportunity to develop cooperation in the gas sector, including the creation of a new gas pipeline to link Argentina and Bolivia. This is an interesting project. We expect that we will come to terms on the main positions in implementing this project and that it will be put into practice in large volumes in order to fully resolve the problems our colleagues in other Latin American countries are facing.

In a joint statement the Russian and Argentine presidents call for further reform of international financial institutions.

Lukoil and Argentina's Energia Argentina and Pobater sign a memorandum of understanding. Under this agreement Lukoil will supply petroleum products (fuel oil and diesel fuel) for Argentina's Energia Argentina and use Pobater's infrastructure for fuel storage.

10 December 2008 Defence minister Anatoly Serdyukov visits China for talks with his Chinese counterpart Guanglie Liang. China and Russia will hold a joint anti-terror military exercise in 2009. This will be the third joint military exercise between the two militaries. The first was in August 2005: a total of 10,000 people attended a week-long exercise first in Vladivostok, in Russia's Far East, then later moved to east China's Shandong Peninsula. The second was the "Peace Mission 2007" involving 6,500 people and 80 aircraft from China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, members of the SCO.

10 December 2008 Presidential administration chief Sergey Naryshkin visits Japan. He calls for "searching for new approaches and non-standard solutions" to a peace treaty with Japan.

10 December 2008 Sukhoi design bureau director-general Mikhail Pogosyan says

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Russia and India will soon sign a general contract to work together on building a fifth-generation combat aircraft.

10 December 2008 Gazprom Neft says it is ready to invest in Iran's Azadegan oil field.

11 December 2008 Finance Minister Aleksey Kudrin says that the outflow of private capital from Russia slowed down in November. He is speaking at a meeting of the Eurasian Economic Community council on financial and economic policy in Moscow.

11 December 2008 Sergey Lavrov says he hopes that Hillary Clinton, who is going to replace Condoleezza Rice in the post of US Secretary of State, will be a more convenient partner in talks for Russia than her predecessor.

Deputy Foreign Minister Sergey Ryabkov expresses cautious optimism about the line taken by Barack Obama on missile defence. He says: "What Barack Obama was saying during the election campaign and after he was elected (in several public speeches he touched upon relations with Russia) indicates a positive mood."

11 December 2008 The Economic Development Ministry reduces the US poultry import quota for 2009 by 20 per cent. The total quota has been cut down by 300,000 tonnes, says a document detailing the distribution of 25 per cent of 2009's poultry import quotas.

11 December 2008 State-controlled Channel One TV shows Russian peacekeeping forces arriving in Chad.

11 December 2008 Defence Minister Anatoly Serdyukov meets Chinese President and Central Military Commission Chairman Hu Jintao in Beijing.

12 December 2008 The heads of government of the Eurasian Economic Community meet in Moscow. Vladimir Putin says that the government will do everything in its power to prevent any sharp fluctuations of the exchange rate of the rouble. He says: "About R4,000 billion have been sent to support the banking sector. Altogether, through the Central Bank and through the government, we have reserved for these purposes up to R9,000 billion." He also says:

A raft of measures to support the real sector of the economy is being implemented, including the stimulation of the domestic demand and structures with state participation entering the capital of enterprises. We are working actively with the banking community to continue the lending programmes aimed at the development and modernization of production.

He says Russia has reduced labour migration quotes by 50 per cent. He says to the other members:

I ask you for understanding in this matter. Ultimately, we are all interested in labour migration being organized on a civilized basis. In October, the number of unemployed in Russia reached 4.6 million people. It is 300,000 or 8 per cent more than in the same period last year. It is an alarming situation and an alarming signal. So far we have seen no changes for the better, but we are drawing up a whole package of measures aimed at the situation in this sphere not deteriorating but, on the contrary, improving.

Putin also invites Kazakhstan to join a forum of gas supplier nations.

12 December 2008 Deputy Foreign Minister Grigory Karasin says Russia is in favour of normalizing relations with Georgia. He says that Georgia must make the first move. He says that a new reality has emerged in the Caucasus following Russian recognition of Abkhazia and South Ossetia.

The MFA says that it welcomes the Swiss initiative to represent its interests in Georgia.

12 December 2008 Aleksandr Zasyplin, deputy director of the Middle East and North Africa Directorate at the MFA, says Moscow "wants to preserve the quartet format in the Middle East settlement". He says "Russia and the United States have different approaches to the situation in the region". He says that "until the main negotiators define their positions, it is too early to talk of holding a Middle East conference in Moscow".

12 December 2008 Deputy Foreign Minister Aleksey Borodavkin says Moscow is satisfied with the results of the latest round of six-party talks on the North Korean nuclear problem which has ended in Beijing. Borodavkin says that the participants provisionally approved of the documents on the principles of peace and security in the region.

12 December 2008 CSTO Secretary-General Nikolay Bordyuzha says NATO is refusing to cooperate with the CSTO mainly for political reasons. "NATO prefers to go ahead with individual plans with each country separately; apparently, this is more convenient for the bloc." He says: "In view of the current situation, we should start working out new rules of the game. The CSTO should be transformed from a military-political organization into a universal structure dealing with problems of ensuring international security."

12 December 2008 Russian warships visit Nicaragua.

13 December 2008 The Georgian MFA accuses Russian forces of occupying the village of Perevi in Georgia. On 12 December OSCE Secretary-General Marc Perrin de Brichambaut described the withdrawal on 12 December of Russian troops from the Georgian village of Perevi as a positive event.

13 December 2008 Sergey Lavrov and his Swiss counterpart, Head of the Swiss Federal Department of Foreign Affairs Micheline Calmy-Rey, exchange notes on signing an agreement confirming Switzerland's readiness to represent Russia's interests in Georgia.

13 December 2008 Sergey Lavrov says that it will take time to normalize Russian-NATO relations; the process would depend on NATO's meeting a number of conditions and the Caucasus crisis in August will need to be discussed again. Lavrov states:

The Caucasus crisis has entailed a chain of other events, including the strengthening of practical cooperation on European issues between Russia and the European Union and the worsening of relations with NATO - a kind of moment of truth linked to the fact that the alliance unequivocally sided with the aggressor, ignoring the facts and the true sequence of events and also rejecting our proposal to urgently convene a Russia-NATO Council amid the war unleashed by the Tbilisi regime.

In general, a reconfiguration of Euro-Atlantic policy has occurred, with the role of the European Union strengthened and NATO-centrism weakened. It has

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become clear that NATO cannot claim a substantial role in Europe beyond productive contact with Russia.

13 December 2008 Aleksey Borodavkin, Russian deputy foreign minister, says Russia intends to complete fuel deliveries to North Korea in exchange for its decommissioning of its nuclear facilities in the Yongbyon research centre, which was used to produce weapons-grade plutonium. Borodavkin states: "We expect to be able to complete our full quota of 200,000 tonnes very shortly." Borodavkin headed Russia's delegation at the six-sided talks on the North Korea nuclear issue. After the latest meeting, which took place in Beijing earlier in the week, a spokesman for the US Department of State announced that because of Pyongyang's refusal to sign a protocol on the inspection of its nuclear materials, the participants in the Six would suspend fuel deliveries to Pyongyang.

15 December 2008 Deputy Foreign Minister Sergey Ryabkov has talks in Moscow with his US counterpart, acting Undersecretary of State for arms control and international security John Rood. He says serious disagreements remain between Russia and the USA on ABM in Europe and on the future of the START treaty.

The chairman of the Duma International Affairs Committee, Konstantin Kosachev says Russia hopes that the USA will take into account its concerns about the plans to deploy a missile defence system in Europe and fears that NATO expansion might undermine the trust that exists between the two countries. He meets a delegation from the US House of Representatives in Moscow. Kosachev says:

We have naturally talked about the fate of missile defence in Europe today. And here our points of view certainly differed in certain ways. We assess the seriousness of threats that are now being used to justify the creation of this system differently and we hope that our American partners will act with reserve in this issue and will take into account the concerns that the Russian side naturally has in this context.

We have talked today about the fate of the Conventional Armed Forces in Europe Treaty. The Russian side explained the view that linking the Georgian and Moldovan themes in this context is no longer productive and is now a factor that is slowing down the resolution of the situation, the preservation of the treaty and that it [the treaty] is equally necessary for all participants in the process.

And we, of course, talked about NATO expansion. The Russian side expressed the point of view that this expansion undermines the trust that exists.

15 December 2008 The ambassador extraordinary and plenipotentiary of the Russian Federation to the republic of Abkhazia, Semyon Grigoryev, presents his credentials to the republic's foreign minister, Sergey Shamba.

15 December 2008 ITAR-TASS claims that work on Russia's new military doctrine will be completed by the end of 2009. It will be closely interlinked with the national security strategy and the state's foreign policy blueprint.

First deputy speaker of the Duma Oleg Morozov sees conducting a military reform in Russia in view of the threat of NATO expansion to the East as extremely important.

15 December 2008 Russian forces say they forced a Georgian special purpose unit out of the South Ossetian village of Perevi after it was deployed there on 12

December in violation of existing agreements.

15 December 2008 The Middle East Quartet meets in New York. The USA and Russia submit a new draft resolution of the UN Security Council on Israel and the Palestinian Authority.

15 December 2008 The CSTO Secretariat says an interstate council for coordinating information policy is planned to be created within the CSTO. According to the document, it is planned that a CSTO scientific and analytical centre will be set up. In addition, a monitoring system will be created to reveal the propaganda of terrorism, extremism and drug adverts. A strategy is being prepared to counteract negative informational and psychological influences. The plan also envisages the training of specialists in the area.

16 December 2008 An article by Andrey Rezchikov in *Vzglyad* entitled "General Staff not Expecting Improvement in Relations," says that the Russian military leadership is not expecting an improvement in relations with the USA under Barack Obama.

Nikolay Makarov, the chief of the General Staff of the Armed Forces, says that the United States has plans to set up bases in Kazakhstan and Uzbekistan. He says:

US President-elect Barack Obama has said that it is necessary to consolidate all the power and resources to control democratic transformations in Russia and China... If anyone thinks that with the arrival in the White House of the new administration the situation in the world will change substantially, they are deeply mistaken.

Deputy Foreign Minister Sergey Ryabkov and a delegation of the House of Representatives of the US Congress discuss strategic issues of Russian-American relations and international security in Moscow.

16 December 2008 Gazprom says that the latest round of negotiations between the management of Gazprom and the Naftohaz Ukrayiny state oil and gas company has failed to produce results. Until recently, Gazprom was saying that unless Ukraine's debt was repaid, it would have to raise the price of gas for Ukraine from 179.5 to \$400 per 1,000 cubic metres from 1 January 2008. On 12 December, deputy head of Gazprom Aleksandr Medvedev said that Gazprom has offered Kiev a compromise on the settlement of Ukraine's gas debt.

16 December 2008 Prime Minister Vladimir Putin says that the Ministry of Economic Development should look into the possibility of introducing protective measures against dairy products and vegetable oil imported from Ukraine.

16 December 2008 The Russian Public Chamber says it will apply to the Russian leaders with a request to resume direct air service between Moscow and Tbilisi.

16 December 2008 Defence Minister Anatoly Serdyukov has talks with his Lebanese counterpart Ilyas al-Murr in Moscow. They discuss military-technical cooperation.

17 December 2008 The fifth meeting of the India-Russia Joint Working Group on Combating International Terrorism is held in New Delhi. The Russian delegation is led by Anatoly Safonov, the president's special representative for International Cooperation in the Fight Against Terrorism and Transnational Crime.

17 December 2008 Shareholders of the Caspian Pipeline Consortium sign a

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memorandum on expanding the pipeline. The memorandum is signed by Russian Federation Deputy Energy Minister Anatoly Yanovsky, Kazakh Deputy Energy and Mineral Resources Minister Lyazzat Kiinov, Transneft Vice President Mikhail Barkov, KazMunayGaz President Kaigeldy Kabyldin, Rosneft Vice President Dmitriy Bogdanov, Lukoil's Osman Sapayev and representatives of Kazakhstan Pipeline Ventures, Chevron Caspian Pipeline Consortium Company, Oryx Caspian Pipeline, Rosneft-Shell Caspian Ventures Limited, and BG Overseas Holding Limited.

17 December 2008 Sergey Lavrov says that the Russian navy will retain its presence in the region off the coast of Somalia.

17 December 2008 Deputy Energy Minister Anatoly Yanovsky says Russia will not state an intention to join OPEC at the OPEC meeting in Algeria.

At the meeting Deputy Prime Minister Igor Sechin says Russia is considering different options for cooperation with OPEC, from observer status to membership. He later says Russia wants to receive the status of permanent observer at OPEC. He states:

The result of the negotiations that have taken place with the leadership of OPEC will be the setting up of a joint working group by the OPEC secretariat and the Russian Energy Ministry that will work out coordinated approaches to resolve the most important issues of the global oil sector which require our cooperation.

We believe that granting the Russian Federation permanent observer status at OPEC would also promote closer coordination.

Sechin also says that Russia hopes that oil prices would have stabilized by the time the second stage of the Eastern Siberia - Pacific Ocean oil pipeline was launched in late 2011 - early 2012. Sechin says that Russia may reduce oil supplies by 16 million tonnes in 2009 should the current level of oil prices persist. Sechin says that the need to reform the existing system of fixing oil prices in one currency should be discussed. Sechin says oil exports from Russia dropped by 1.5 million tonnes (or 350,000 barrels a day) in November because of falling prices on the world market.

Energy Minister Sergey Shmatko says that oil production in Russia in 2008 as a whole would reach 485-488 million tonnes.

17 December 2008 The Interior Ministry (MVD) says it has intensified the exchange of information with the "Antimafia" investigative directorate of the Italian Interior Ministry.

17 December 2008 The director of the Federal Service for Military-Technical Cooperation, Mikhail Dmitriyev says Russia will give Lebanon 10 MiG-29 fighter jets free of charge as part of its military assistance programme.

17 December 2008 Sergey Lavrov says the UN Security Council resolution on the Middle East settlement has codified the results achieved at the Israeli-Palestinian talks. He says this resolution has laid a bridge between the process after the conference in Annapolis in November 2007 and the upcoming conference on the Middle East settlement to be held in Moscow in 2009. Lavrov states:

It is important that the statement of the Middle East Quartet has a reference to a readiness to cooperate with any Palestinian government that will be

committed to the obligations assumed within the framework of the Palestine Liberation Organization. This wording must be heard by representatives of the Hamas movement because it makes it possible to move towards our common goal step-by-step, through commitment to the principles that were not imposed from outside but drafted by the Arab League and the Palestine Liberation Organization.

17 December 2008 Head of the Duma international affairs committee Konstantin Kosachev rules out the possibility that a new Russia-EU partnership agreement might be signed in 2009. He says negotiations will last at least two years.

17 December 2008 Sergey Lavrov says that Russia will honour its obligations on supplies of fuel oil to North Korea and is calling on the participants in the six-party talks on the Korean peninsula nuclear problem to follow the agreements reached earlier.

18 December 2008 Deputy Energy Minister Anatoly Yanovsky says that Russia has proposed to OPEC to sign a memorandum on mutual understanding with the Russian Energy Ministry. This memorandum envisages setting up a permanently acting working group, drafting a cooperation plan in very different areas, beginning with exploration and up to resolving environmental issues.

18 December 2008 Sergey Lavrov says Dmitry Medvedev will meet US President-elect Barack Obama soon after the latter's inauguration.

18 December 2008 Gazprom spokesman Sergey Kupriyanov says Gazprom will have no legal grounds for supplying gas to Ukraine from 1 January if Ukrainian national gas company Naftohaz Ukrayiny does not pay its gas arrears.

18 December 2008 Head of the Federation Council international affairs committee Mikhail Margelov says: "Nobody is using the words strategic partnership about relations between Moscow, on the one hand, and Washington and Brussels, on the other hand, any longer. Our proposals on energy cooperation with the European Union will most likely clash with counter-proposals in the form of the European Energy Charter." Margelov is speaking at a round table discussion at the Federation Council called "Global energy security and international financial risk-managing mechanisms".

18 December 2008 Nicaraguan President Daniel Ortega has talks with Dmitry Medvedev in Moscow. A joint statement and a set of documents on cooperation are signed.

18 December 2008 Deputy Foreign Minister Aleksandr Grushko says that after the August events Russia cannot conduct relations with NATO as before, but hopes that dialogue, which is being effectively resumed by the alliance on 19 December, will be open and honest and will make it possible to draw up the principles of interaction.

18 December 2008 CSTO Secretary-General Nikolay Bordyuzha says the CSTO "still believes that cooperation with NATO could be mutually beneficial". He names "the organization of joint consultations of experts to discuss preventing and eliminating emergencies in border areas of the CSTO and SCO countries as one of possible areas for cooperation with NATO". Bordyuzha says that as from 2009, the CSTO will conduct operations to stop drug trafficking on a permanent basis. Bordyuzha says he has no information regarding the establishment of US military bases in Kazakhstan and Uzbekistan.

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18 December 2008 Closed door talks take place on Georgia in Geneva. The international discussion is being held under the auspices of the UN, the European Union and the OSCE. The consultations are attended by representatives of Russia, South Ossetia, Abkhazia, Georgia and the USA. The Russian delegation is headed by Deputy Foreign Minister Grigory Karasin. Deputy Foreign Minister Grigory Karasin expresses pleasure at the third round of two-day consultations on security and stability in the Caucasus.

18 December 2008 Deputy Finance Minister Dmitry Pankin says if Russia takes the decision to grant Iceland a loan, it could allocate it around \$500 million.

18 December 2008 Deputy Foreign Minister Aleksandr Grushko says Russia is hoping to end talks with the European Union on a new basic agreement in the next two or three years. The talks resumed on 2 December and "we are planning to hold the talks systematically and hoping that they will finish in reasonable time, maybe in the next two or three years". He talks about the need to establish visa-free travel.

19 December 2008 Dmitry Medvedev has an informal summit with the leaders of Tajikistan, Armenia, Kazakhstan and Kyrgyzstan in Borovoye (Kazakhstan). Medvedev proposes that they synchronize their positions so that Russia could represent the collective interests of its partners at the G20 summit in London in April 2009.

19 December 2008 Sergey Lavrov says that Russia will insist on restarting the dialogue with NATO by discussing the causes of the August war over South Ossetia. He has talks with his Bulgarian counterpart Ivaylo Kalfinin in Moscow. He says:

When you say that relations between Russia and NATO and Russia and the European Union have suffered as a result of the Caucasus crisis, I still believe that in the long run they have won as a result of the Caucasus crisis. A lot has become clear.

First, it has become clear that NATO-centrism cannot be the answer to all threats and challenges existing in the security field.

He also says:

It became clear that the European Union can, if it has good leadership, take the initiative in European security issues. The Medvedev-Sarkozy plan was a result of such an initiative. The plan must be implemented conscientiously and in full, first of all in preventing new attacks and use of force. The EU is a guarantor that Georgia will not do this. Also, it must prevent military preparations by Georgia, signs of which are seen, unfortunately, in words and actions by the Georgian leaders. I think it is extremely important to agree that nobody should supply offensive weapons to Georgia.

All these questions are discussed at the Geneva talks which were initiated under the Medvedev-Sarkozy plan. They are not easy but we raise all these questions at the talks. It is difficult to get away from these questions. I hope that we will be heard and measures will be taken under the Medvedev-Sarkozy plan to ensure security and stability in this region. We are ready for such a discussion. We will continue to cooperate with the EU.

Sergey Lavrov demands that Georgia resume gas deliveries to South Ossetia.

The MFA accuses European observers of a lack of reaction to Georgia fomenting

tension on the borders with Abkhazia and South Ossetia. The MFA says that Russian servicemen have had to return to the outpost in the village of Perevi (Georgia's Sachkhere District) because of acts of provocation by Georgian special-purpose units.

Participants at the twelfth meeting of the council of heads of Russia's constituent parts declare the need to develop programmes of cooperation between Russian regions and South Ossetia and Abkhazia. The meeting is chaired by Sergey Lavrov. The meeting is attended by the head of the Republic of North Ossetia, the governors of Bryansk, Volgograd, Kursk, Lipetsk and Orenburg regions, representatives of Belgorod, Kurgan regions and the Moscow city government, envoys of the Russian Federation to Abkhazia and South Ossetia, and representatives from the presidential administration and government ministries.

19 December 2008 Sergey Lavrov speaks at a joint news conference with Bulgarian Foreign Minister Ivaylo Kalfin in Moscow. He says that joint Russian-Bulgarian projects in the energy sector will be implemented as planned, despite the current economic and political situation. In his view, there is no need to thwart additional opportunities for Russian oil and gas supplies to Europe. He states:

As for our energy projects with Bulgaria, there are no grounds to believe that they will be put off, delayed or changed. Both the South Stream and Burgas-Alexandroupolis (pipeline projects) and the nuclear power plant in Belene (Bulgaria) - all these projects will be implemented regardless of the economic situation, and all the more so of the political one.

There are agreements to this effect between appropriate organizations and companies, and we have again confirmed today that everything will be implemented on time.

Speaking about the energy sector, we also support Bulgaria's initiative to hold an energy security conference in April next year. We will take an active part in preparing it, along with all others, and I think that artificially creating barriers and being guided by the sole purpose of bypassing additional opportunities or, to be more precise, eliminating additional opportunities in gas and oil supplies from Russia to Europe are actions that directly run counter to the tasks of stepping up European energy security.

19 December 2008 The Russian permanent representative to NATO, Dmitry Rogozin, has an informal meeting in Brussels with NATO Secretary General Jaap de Hoop Scheffer. He says Russia and NATO are moving "in the direction of normalizing bilateral relations". Rogozin states: "The initiative to restore relations comes from NATO, just as NATO itself took the decision to suspend these relations. We cautiously welcome the resumption of dialogue, but we don't think it will continue as before without an in-depth analysis of the causes of the current crisis."

19 December 2008 Deputy Foreign Minister Sergey Ryabkov issues a commentary on the final round of Russian-American strategic dialogue involving representatives of the Bush administration, which was held in Moscow. The commentary says the measures announced by Russia in response to the possible deployment of American ABM missile defence system facilities in Eastern Europe are not rhetoric, but "a lawful reaction to unilateral actions in the strategic sphere". Ryabkov also criticises the US approach towards START.

Strategic Missile Troops Commander Colonel-General Nikolay Solovtsov says that Russia may give up some programmes related to the development of strategic offensive arms if the new US administration revises plans for the deployment of a

global missile defence system.

19 December 2008 Duma deputy Andrey Kokoshin says that a new European security system should be constructed proceeding from a Ukraine-Russia union rather than from Ukraine's cooperation with NATO. He is speaking at a meeting of Yedinaya Rossiya party representatives with Ukrainian parliament deputies in Moscow. He says: "We fully welcome and support Ukraine's neutral status which should be fixed with the help of international documents guaranteeing its security."

19 December 2008 A Russian naval squadron visits Cuba. This is the first visit by the navy since Soviet times.

20 December 2008 Sergey Lavrov's Article 'Russian Foreign Policy and a New Quality of the Geopolitical Situation' for the Diplomatic Yearbook 2008 appears on the MFA website.

21 December 2008 The MFA says it is studying the reports in Iranian media saying that Russia will supply components to S-300 air defence systems to Iran. The Deputy Head of the National Security and Foreign Policy Commission in Iran's Majlis (parliament) Esma'il Kowsari says that Tehran has reached an agreement with Moscow on the delivery of the advanced S-300 surface-to-air missile system.

21 December 2008 Gazprom spokesman Sergey Kupriyanov says that Gazprom still hopes to resolve the Ukrainian gas debt problem before the New Year, yet the deliveries will stop on 1 January if no contract is signed. The Russian and Ukrainian premiers signed a gas cooperation memorandum on 2 October. A key provision of the memorandum allowed for signing long-term direct contracts between Gazprom and Naftohaz Ukrainy starting from 1 January, 2009. Gazprom retained the possibility of the annual direct selling of 7.5 billion cubic metres of gas to Ukrainian customers.

21 December 2008 Head of the Palestinian National Authority Mahmud Abbas arrives in Grozny. This is the beginning of his three-day visit to Russia.

22 December 2008 RIA Novosti reports that Russia and Iran are holding talks on supplying medium-range air defence systems. Rosoboronexport refused on 21 December to comment on a statement from the deputy head of the Iranian parliament's National Security and Foreign Policy Commission, Esma'il Kowsari, that Tehran had reached an agreement with Moscow on the delivery of S-300 surface-to-air missile systems.

The head of the press service of Rosoboronexport, Vyacheslav Davydenko says Russia is only supplying defensive arms, which includes air defence systems, to Iran. He says:

The prospects of further cooperation with Iran as well as with other countries can only be discussed with the clients themselves for obvious reasons. At the same time it is noteworthy that Russia's military and technical cooperation with Iran is implemented in strict compliance with the international obligations of the Russian Federation under the current regulations on nonproliferation and cannot be a cause of concern for other countries.

Interfax AVN states that it is planned to deliver S-300 surface-to-air missile systems to Iran from MOD warehouses.

The Federal Service on Military-Technical Cooperation says S-300 surface-to-air

missile systems are not being supplied to Iran.

The Iranian MFA says it has no information on the reported delivery of the S-300 air defence systems to Iran.

Viktor Litovkin, executive editor of *Nezavisimoye Voyennoye Obozreniye* says that a contract to supply S-300 air defence missile systems to Iran is "an open secret".

22 December 2008 Dmitry Medvedev meets the head of the Palestinian National Authority, Mahmud Abbas, in Moscow.

22 December 2008 First Deputy Chairman of the Military Industrial Commission Vladislav Putilin says that Russia is considering the possibility of buying Israeli-made unmanned aerial vehicles.

22 December 2008 The presidents of Russia and Belarus, Dmitry Medvedev and Alyaksandr Lukashenko, reach agreement on the principles of supply of Russian gas to Belarus and of payments for it. Lukashenko is visiting Moscow.

Deputy Finance Minister Dmitry Pankin says Belarus is asking Russia for a loan of R100 billion (just over \$3.5 billion) if the two countries are to switch to settlements in roubles.

22 December 2008 Russia's permanent representative at the OSCE Anvar Azimov says that Russia did not agree to the extension of the OSCE mandate in Georgia. He says that the current mandate of the "Georgian mission" included the Abkhaz and South Ossetian components, and it therefore had to be revised. The mandate of the OSCE mission in Georgia expires on 31 December. Azimov states:

As for the 'technical' extension of the OSCE mission in Georgia until the end of March, which is being suggested by the Finnish presidency in order to continue talks on the new mandate, we can only consider it under one condition: the decision on the 'technical' extension should clearly say that the provisions of the old mandate concerning South Ossetia and Abkhazia lose force from 1 January.

22 December 2008 First Deputy Prime Minister, Gazprom chairman Viktor Zubkov assures Russia's European partners that Gazprom will fulfil its contracts for gas supplies, however he does not rule out the possibility that Ukraine's actions may destabilize these supplies. He sends a message to the EU leadership and heads of European states.

22 December 2008 Deputy Foreign Minister Sergey Ryabkov and US Assistant Secretary of State Thomas Shannon have talks in Moscow on Latin America.

22 December 2008 Deputy Finance Minister Dmitry Pankin says Russia has so far not taken a decision on granting a stabilization loan to Iceland.

22 December 2008 The Federation Council ratifies an agreement on settling Laos's rouble debt on Russian loans. The total debt on state loans amounts to an equivalent of \$1.3 billion as of 1 November 2003. Laos has been granted the right not to pay back 70 per cent of this amount. The remaining 30 per cent is the amount to be settled. It is envisaged that this amount can be used in exchange for a Russian share in environmental protection projects, assistance to the country's development and other investment projects on the territory of Laos.

22 December 2008 Rosoboronexport says it has no comment on Turkish media

reports on alleged plans to supply a batch of Mi-28 helicopter gunships to Turkey.

23 December 2008 The Gas Exporting Countries' Forum (GECF) meets in Moscow. This is the founding meeting of this organization. Energy Minister Sergey Shmatko says that the organization is different from OPEC in that it was not concerned with production levels. Shmatko notes that pricing is an important area of the organization's work but no firm decisions or recommendations were adopted at this stage. Shmatko says:

I would like to inform everyone that today a new organization was born - an organization set up by an international treaty, which complies with all the norms of the international law. The organization is called the Gas Exporting Countries' Forum.

The charter of this organization has been approved and, naturally, all main provisions have been approved, which define the main aims of the organization and the working procedures. It has been decided to have the headquarters of the organization in Qatar.

I would like to note that along with many tasks the organization sets for itself, the sides agreed on not simply exchanging information but also coordinating their actions to achieve the tasks that have been set out in the charter.

With regard to coordination - coordination as a general principle of our activities, of the activities of this organization and its members, applies to all main areas of our activities. Therefore, during the work, concrete ways of interaction will be decided upon, including the synchronization of our investment programmes.

On pricing gas, Shmatko says:

You know, one of the main qualities that gas exporting countries have is being responsible about the stability of the gas market. Therefore, we discussed the issues of price formation. We think that this issue, inter alia, will be an important area of our work but we did not adopt any firm decisions or recommendations. Therefore it was suggested to continue studying the trends on the world gas market with the aim of identifying the current trends and trends for the long and medium term in order to formulate corresponding results and recommendations for the members of our organization.

We agreed to cooperate on the broadest spectrum of issues. As I said, this is an exchange of information about the existing forecasts at the market, exchange of information about the implementation of current investment programmes, our relations with countries that are the main consumers of gas, issues of marketing and issues of technology.

Shmatko says GECF is not like OPEC:

We would like to stress once again that the newly-created organization should not be directly associated with OPEC. Therefore, we certainly will not be speaking today about the necessity to coordinate the level of production of gas. We are taking much broader view. Why is that? The thing is that the level of gas production is a result of many years of work on creating relevant gas infrastructure and this is essentially the main difference between the gas market and spot markets for hydrocarbons, which exist, for example for oil. Therefore, we will be holding certain consultations from the point of view of

exchange of information and synchronization of our investment programmes but we are not speaking of the level of production of gas.

Vladimir Putin speaks at the GECF:

Russia is making a sufficient practical contribution to strengthening energy security of many regions in the world, first of all Europe, of course. However, often behind the question of energy security there hide the wishes of some countries that themselves either do not have hydrocarbon reserves of their own, or have them but are reserving them due to some circumstances, for the future. Often behind the issues of security that these countries raise there is simply the wish to create for themselves a special preferential access to somebody else's resources. Hence, when speaking about energy security it is necessary to clearly understand what the participants in the discussion mean.

We believe that energy security lies in the following principles. For energy producers it is first of all a guarantee of sovereignty over national energy reserves and also responsibility before consumers for the provision of rhythmical, uninterrupted supplies. But there is also responsibility that consumer countries should bear: it implies a guaranteed long-term opportunity to buy these resources in necessary volumes and on predictable terms.

Also, transit countries play a special role in ensuring global energy security. They bear the responsibility for the uninterrupted work of infrastructure and for ruling out any kind of risks on the transit of natural gas. This sphere must be absolutely depoliticized. The only way to achieve a balance of interests of producers, consumers and transit countries is, in our opinion, transparent and long-term market-based relations, principles that would be clear, transparent to all and that would be applied universally.

The system of energy security will be viable only if it stimulates maintaining the necessary level of production. A gas producer, just like a consumer, should be confident of the future, should have an opportunity to make long-term investment plans. Here, any energy egoism is absolutely inappropriate. Responsibility should be mutual. Unfortunately, there is no such confidence today. It is no secret that in Europe one of the main factors impeding the realization of infrastructure projects is uncertainty as regards the rules of the game on the market which I have mentioned.

He says: "Political tools should not be used to solve economic problems. One should not manipulate the notions of security and energy stability in whoever's interests. This sphere should be balanced." Putin says that the era of cheap energy is over. He states:

I can say, and I know that you will not be surprised to learn this, that Russia invests dozens of billions of dollars in the exploration of such regions as the Yamal Peninsula in Russia's north, the shelf of the North Seas [sic] and the creation of the gas transport infrastructure.

All this means that the costs of the development of the sector are rising sharply and this means that despite the well-known problems in the world finances, despite the well-known economic slowdown, despite even the current decline in prices on energy resources, nevertheless the epoch of cheap energy resources, including the epoch of cheap gas, is certainly coming to an end.

Vladimir Putin invites the GECF to set up its HQ in St Petersburg. He says Russia is prepared to carry all of the organization's costs. Putin states:

The fact that gas producers and exporters have recently been paying increased attention to developing partnership on the global gas market should not surprise anyone. One should not be looking for any pitfalls here. Strengthening cooperation between gas producers reflects their natural aspiration to make the market more predictable, to reduce the level of existing risks both for themselves and their consumers. This position is quite logical, all the more so given the globalization of the gas market and growing uncertainty as regards the prospects for the development of regional markets.

23 December 2008 Gazprom spokesman Sergey Kupriyanov says that Kiev's failure to pay for the gas it has received from Russia deprives the Russian economy of additional investments and damages domestic producers of the goods that are being imported from Ukraine. Ukraine owes \$2.15 billion. Kupriyanov denies Ukrainian President Viktor Yushchenko's assertion that Ukraine has resolved the issue of settling Ukraine's gas debt to Russia.

Energy Minister Sergey Shmatko says Europe should "exercise appropriate influence on Ukraine with regard to guaranteed ensurance of transit gas supplies" from Russia.

23 December 2008 Interfax AVN reports from a MOD source that one of Russia's responses to the deployment of US strategic missile defence systems in Europe could be the deployment of Topol missile systems in Belarus.

23 December 2008 Major-General Oleg Lagunov, deputy head of the investigations committee under the Interior Ministry says that the Russian law-enforcement bodies will request the extradition of former RussNeft head Mikhail Gutseryev from Britain.

23 December 2008 Aleksandr Bastrykin, the head of Investigations Committee under the Prosecutor-General's Office, says that over 5,000 civilian residents of South Ossetia have been documented as victims of the August 2008 military conflict in Georgia in which 162 South Ossetian civilians were killed. He says the Investigations Committee has materials proving that the Georgian Armed Forces planned to destroy both military and civilian facilities, including villages predominantly populated by Ossetians, and the peacekeepers' HQ. The Georgian army planned to use indiscriminate weapons in offensive operations, including multiple rocket launcher systems that can cause mass civilian casualties. The timeframe for the investigation has been extended till April 2009. After that, materials of the case will be handed over to the MFA and will be probably used by an international court.

The MFA issues a statement on the Russian position on the OSCE mission in Georgia.

Sergey Lavrov describes extending the mandate of the OSCE mission in Georgia as unrealistic. He claims that the OSCE could have assisted in supplying gas to South Ossetia via Georgia.

Lavrov says that the agreement on friendship, cooperation and mutual assistance between Moscow and Sukhum has come into force.

The foreign ministers of Russia and Abkhazia, Sergey Lavrov and Sergey Shamba, state that the formalization of Georgia's obligations on the non-use of force and the agreement on an embargo on supplying offensive arms to Georgia should be a

priority at Geneva consultations on the Caucasus. They also discuss the process of establishing full-scale interstate relations between Russia and Abkhazia with a focus on forming the legal basis for bilateral ties.

23 December 2008 An Ilyushin Il-76 plane of the Russian Air Force performs the final flight to Chadian capital of N'Djamena to deliver the Russian Helicopter Group participating in the European Union operation under the aegis of the United Nations.

23 December 2008 FSKN director Viktor Ivanov criticises Barack Obama's plan to increase the level of US forces in Afghanistan.

24 December 2008 Lukoil head Vagit Alekperov says that Russia is unlikely to join OPEC in the foreseeable future.

In fact, for technical reasons - the current absence of investment - oil production has already begun declining in Russia. Nationwide oil production in November was 1.6m tonnes less than last year. If this trend continues next year, then we could project a drop in daily oil production of around 320,000 barrels in 2009, which translates to about 16m tonnes. This represents quite a significant contribution of Russia to the joint efforts that OPEC countries are demonstrating.

24 December 2008 Dmitry Medvedev has talks with Serb President Boris Tadic in Moscow. He says the precedent of Kosovo's independence and the recent events in the Caucasus mandate the necessity of adopting a pan-European security agreement.

Medvedev and Tadic sign agreements on the South Stream gas pipeline. An agreement is also signed on the purchase by Gazprom Neft of a controlling stake in Serbian Oil Company NIS.

24 December 2008 A delegation from Moscow, headed by Mikhail Shvydkoy, Dmitry Medvedev's adviser for cultural affairs attends the 31st anniversary of the enthronement of Georgian Patriarch Ilia II in Tbilisi. The Holy Synod of the Moscow Patriarchate calls for the continuation of comprehensive dialogue with the Georgian Orthodox Church.

24 December 2008 Gazprom spokesman Sergey Kupriyanov says that Ukraine's state gas company Naftohaz has said that it will not be paying off its gas debt for November and December by the end of the year. Kupriyanov says "we could end up in a situation where on 1 January we will not have a contract on the basis of which we could continue supplies to Ukrainian consumers". He says that the debt for November stood at \$805.8 million and the debt for December would amount to \$862.3 million. The planned deadline for cutting off gas supply for Ukraine is 1 January.

25 December 2008 The Kremlin refuses to confirm the statement by Belarusian President Alyaksandr Lukashenka about a loan of \$1 billion in February 2009 having been granted to Minsk.

25 December 2008 Chief of the economic security department of the Interior Ministry Yury Shalakov says that the heads of security and law enforcement agencies of Russia and a number of CIS countries have agreed to work together in the investigation of corruption-related crimes.

25 December 2008 Deputy Foreign Minister Sergey Ryabkov says that Russian-

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Iranian military cooperation is in strict compliance with international regulations and it will be continued. He says Russia does not supply any offensive systems to Iran.

25 December 2008 The head of the Russian delegation at the Russia-WTO talks, Maksim Medvedkov, says Russia may restrict the import of meat if it does not join WTO by 2010.

25 December 2008 Sergey Lavrov reviews Russian foreign policy in 2008. He criticises unipolarity, the excessive reliance on market forces over the last 20 years, and praises the role of the G20 in tackling the world financial crisis. He also criticises NATO-centrism and welcomes Dmitry Medvedev's call for a European Security Treaty.

25 December 2008 Audit Chamber auditor Sergey Ryabukhin says the Chamber has presented the government with a proposal for a federal directorate to be set up to coordinate the rebuilding of South Ossetia.

26 December 2008 Mikhail Shvydkoy, the Russian president's special representative for international cultural cooperation, says that Russia will not reverse its decision to recognize Abkhazia and South Ossetia.

27 December 2008 Gazprom head Aleksey Miller says that Gazprom will do its best to ensure uninterrupted gas supplies to Europe, but problems may arise because of the transit of gas via Ukraine.

27 December 2008 Defence Minister Anatoly Serdyukov visits Azerbaijan. He signs a cooperation plan with his Azeri counterpart Safar Abiyev.

28 December 2008 The Group Managing Director of the Nigeria National Petroleum Corporation (NNPC), Engineer Abubakar Lawal Yar'Adua, says that the Nigeria-Gazprom gas exploration deal is inconclusive, that European Union and Gazprom will finally form a consortium to finance the long awaited Transaharan gas pipeline that involves three African countries. Yar'Adua said the Memorandum of Understanding signed between Nigeria and Gazprom recently has no commitment. It is just to formalize the relationship between the two parties. The Transaharan gas pipeline project involves Nigeria, Niger and Algeria. The project is meant to pipe gas from Nigeria to Algeria via Niger which estimated to cost about \$13 billion.

28 December 2008 Bolivian Hydrocarbons Minister Saul Avalos announces that the Russian government will assist Bolivia in establishing its own institute for scientific gas research beginning in January 2009. In addition a technical team from Gazprom will arrive in the country next month to conduct a study on Bolivia's gas energy potential. Lukoil will also arrive in the country to carry out a task similar to Gazprom's.

28 December 2008 Sergey Lavrov has a telephone conversation with Israeli Foreign Minister Tzipi Livni about Gaza. He also has a telephone conversation with the Egyptian foreign minister.

The UN Security Council adopts at an emergency meeting a statement on the situation in the Middle East. The resolution is based on a draft suggested by Russia.

The head of the Federation Council international affairs committee Mikhail Margelov believes that the international community's main task is to stop the

bloodshed in Gaza.

29 December 2008 Chairman of the Gazprom's management committee Aleksey Miller the price of gas for Ukraine could be \$418 per 1,000 cubic metres from 1 January.

First Deputy Prime Minister Viktor Zubkov calls "madness" Ukraine's reluctance to sign a contract on gas deliveries to the country in 2009. He says he has sent letters to heads of European countries warning them that Russia will not deliver gas to Ukraine if the gas debt is not paid off by the end of the year. In this case there is the risk of Ukraine siphoning off illegally the fuel destined for European consumers.

Prime Minister Vladimir Putin says it has not yet been possible to reach agreement with Ukraine about the problem of the repayment of its gas debt. Putin says Ukraine does not want to pay.

Gazprom deputy head Aleksandr Medvedev says that Gazprom still hopes to reach an agreement with Ukraine on gas supplies in 2009.

First Deputy Foreign Minister Andrey Denisov says he believes Russia and Ukraine can find a solution to the gas problem before the New Year.

29 December 2008 First Deputy Foreign Minister Andrey Denisov says that Russia believes that its Black Sea Fleet will be able to remain in Sevastopol after 2017, and calls on Ukraine not to politicize the issue. He says Ukraine is trying to squeeze out the BSF. He also says that Ukraine's and Georgia's aspirations to join NATO reduce the chances of Russia's constructive cooperation with these states. He says Russia intends to work actively with Georgia despite its political differences with Tbilisi and Georgia's withdrawal from the CIS. Denisov also makes the following comment on Russia's interests in the former Soviet Union.

There is a certain suspicion that maybe Russia thinks the independent states on its perimeter are not actually independent. But it is probably too late to lecture us - we understand this perfectly well ourselves... We may have entirely specific, entirely obvious interests on the territory of those states. These interests do not clash either with the interests of the states in question, or with the interests of any third countries.

If we lived together for many years (the generation which lived in the Soviet Union is still alive), then we can probably claim some kind of special characteristics in our relations with our neighbours, while fully and absolutely unconditionally respecting their independence and sovereignty.

29 December 2008 Sergey Lavrov is interviewed on *Vesti TV*. He says Russia sees no alternative to direct talks between the Israelis and Palestinians and calls on the USA to use more of its clout to achieve a settlement in the Middle East. He also discusses energy cooperation with Europe.

Dmitry Medvedev instructs Foreign Minister Sergey Lavrov and Emergencies Minister Sergey Shoygu to render necessary aid to Russian nationals in the conflict zone in the Gaza Strip and evacuate them if necessary. There are approximately 200 Russian citizens there, who are largely wives of Palestinian nationals.

29 December 2008 First Deputy Foreign Minister Andrey Denisov says Russia will conduct any military-technical cooperation talks, including on theoretical supplies of S-300 surface-to-air missile systems to Iran, only within the framework of its bilateral and international obligations.

Denisov says that Moscow's proposal to share use of the Qabala radar station in Azerbaijan with the USA remains on the table.

29 December 2008 Foreign Minister Andrey Denisov says that Russia will join the WTO only on equal terms. He says the current terms offered are unequal.

29 December 2008 Sergey Lavrov talks by telephone to his Chinese counterpart Yang Jiechi. Sergey Lavrov and Yang Jiechi agree to coordinate their actions to encourage India and Pakistan to settle problems in bilateral relations.

Andrey Denisov says the global economic crisis will have an adverse effect on trade between Russia and China.

29 December 2008 Chen Bingde, chief of General Staff of the People's Liberation Army (PLA) of China and his Russian counterpart Nikolay Makarov have their first-ever conversation via direct phone link.

29 December 2008 A subsidiary of Inter RAO YeES, TGR Energy, founded in Turkey, has received permission to import electricity from Russia through Georgian territory. TGR Energy became part of Inter RAO YeES group in 2005. Shortly afterwards, the company obtained a licence for wholesale electricity sales in Turkey. The company staff are now working on the implementation of projects to develop Inter RAO YeES business in the Black Sea basin region.

29 December 2008 Konstantin Kosachev, chairman of the Duma International Affairs Committee, publishes an article in *Rossiyskaya Gazeta* entitled "Next Year. In 2009 the Most Burning Subject in Relations with the West - NATO Expansion - Will Continue To Become More Acute."

29 December 2008 Aleksandr Medvedev, deputy chairman of the Gazprom Management Committee, is interviewed on *Vesti TV*. He says that Gazprom wants to sell gas at "predictable, stable prices" that "should ensure long-term return on investment". He says prices cannot be cheap in the future. On Russia's role in ensuring Europe's energy security, Medvedev says:

As for our long-term contracts - we now have contracts that have been extended to 30-35 years - we are confident and guarantee that these contracts will be performed. As for additional volumes, we need to understand if Europe needs additional gas. We are ready to consider this issue because investment needs to be made today and considerable investment at that. The same applies to the new markets: Southeast Asia, China, Korea want to receive Russian gas. The same applies to North America.

But one should not forget that we first and foremost think about supplies for Russian consumers. There is absolutely no conflict with our export obligations here because our long-term balance, which is calculated for a period of 30 years, already now includes all the projected amounts. We are confident that we shall produce exactly as much gas as the market needs, both in Russia and abroad.

As for other countries, only three countries in the world are capable of being the main sources of gas for the world economy in the long term, I mean 30-35 years and more. These are: Russia, Qatar and Iran. For known political reasons, so far the market has practically no access to Iranian gas. It is hard to predict if this situation will change or not. We cooperate with our Iranian

colleagues in full compliance with all UN resolutions, without breaching any rules. We have a successful project implemented together with our French and Iranian colleagues, the South Pars gas field.

However, there are no other sources of natural gas for the world economy. It is not by chance that we have agreed with our Iranian and Qatari colleagues to consider a large-scale project that can touch not one but several countries and to show to the world how the leading countries in terms of gas reserves can cooperate.

30 December 2008 Gazprom head Aleksey Miller states:

The last round of talks with Ukraine is beginning. We are counting hours. If Ukraine does not pay its debt by the end of 31 December, Gazprom will have no grounds for supplying gas to Ukraine. For the eventuality that the situation evolves this way, Gazprom has already formed an operational headquarters today. The operational headquarters has already started its preparation work. If Ukraine switches to European market prices as of 1 January 2009, then the price of gas for Ukraine will be \$418 per 1,000 cubic metres.

Gazprom spokesman Sergey Kupriyanov says that Gazprom will honour its gas supplies obligations to European partners to the full. Kupriyanov states:

Unlike the situation in 2005, now we have an acting contract for transit that is in no way linked to our relations in the field of gas supplies to Ukraine's consumers directly. This contract must be fulfilled unconditionally, independently from our other relations on other issues.

At the same time, the Ukrainian side is declaring its readiness to fulfil the transit obligations under any developments. This cannot but please us. However, on the other hand, and we have told our European partners straightforwardly about this, the way the obligations under the contract on supplies are being fulfilled does not give us assurance that the Ukrainian side's obligations on transit will be fully met.

Gazprom, for its part, will do its best to honour all its obligations to European partners to the full.

Naftohaz Ukrayiny says it plans to complete payments to the Swiss gas trader RosUkrEnergo for natural gas imported in November -December 2008 by the end of 30 December.

The press service of the Ukrainian president says that Ukraine has fully paid for Russian gas imported in 2008 thanks to the efforts and coordinated actions by the president, the cabinet, Naftohaz Ukrayiny and the National Bank of Ukraine.

Gazprom says it has not yet received the money from the Naftohaz Ukrayiny national oil and gas company for gas supplies.

30 December 2008 Prime Minister Vladimir Putin signs an instruction to conclude an agreement with Switzerland on representing Russia in Georgia.

30 December 2008 Foreign Minister Sergey Lavrov and US Secretary of State Condoleezza Rice discuss the Gaza situation by telephone.

31 December 2008 Gazprom head Aleksey Miller says that gas supplies to Ukraine will stop on 1 January, while supplies to European consumers will be maintained in

full. Miller says:

The debt to Gazprom for gas supplied earlier was not paid after all. Despite verbal statements from Kiev, Gazprom did not see any money in its account. To the Russian side's proposal to supply gas to Ukraine on preferential terms in 2009, we received a negative reply. We are forming the impression that there are political forces in Ukraine which are very eager to see a gas conflict between our two countries.

Gazprom will continue supplying gas to its customers in Europe in full. We have a valid transit contract.

A telephone conversation takes place between Prime Minister Vladimir Putin and European Commission President Jose Manuel Barroso on the Russo-Ukrainian gas crisis.

Deputy Chairman of the Gazprom Management Committee Aleksandr Medvedev says that the company is determined to defend existing agreements on gas transit via Ukraine.

Aleksandr Medvedev says the Ukrainian authorities are threatening the supplies of transit gas to Western Europe and in so doing are "blackmailing" Gazprom, Russia and the continent. Medvedev says:

We are in a situation where the transit amount of the gas of Western Europe is being threatened. The main achievement of our negotiations in 2006 was precisely dividing the supplies and transit contracts, concluding such a supplement in which all the conditions were agreed to the end of 2010, including the transit rate. I would also like to remind you that it was precisely at that time - on New Year's eve in 2005-6 - that the issue of the old arrears to the tune of \$1.5 billion was settled, which also determined the rules for transporting a specific volume of gas, and these rules should be observed, including 2009. And now such irresponsible statements threaten all the work that was done in the previous period and the scheme for the transit of gas that was successfully implemented throughout 2006, 2007 and 2008.

Aleksandr Medvedev says that Gazprom has agreed upon the prices and volumes of gas supplies from Kazakhstan, Uzbekistan and Turkmenistan.

31 December 2008 Foreign Minister Sergey Lavrov discusses the situation in the Gaza sector with the head of Hamas Political Bureau, Khalid Mish'al, by telephone. He says there should be an immediate bilateral ceasefire.

31 December 2008 The MFA issues a commentary on the future of the OSCE mission in Georgia. It says there should be separate OSCE missions in Georgia and South Ossetia.

The MFA commentary expresses regret that that the OSCE and the EU are taking no actions to help resume gas deliveries to South Ossetia through Georgia.

BSF servicemen on combat duty in the security zone of Abkhazia's sea border say they have shot down five Georgian unmanned aerial vehicles.

Disclaimer

The views expressed in this paper are entirely and solely those of the author and do not necessarily reflect official thinking and policy either of Her Majesty's Government or of the Ministry of Defence.

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