

EU-Russia Centre Review V



THE BILATERAL
RELATIONS OF
EU MEMBER STATES
WITH RUSSIA

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FOREWORD

One of the main issues the EU Russia Centre seeks to promote is the importance of the EU speaking with one voice towards Russia. Politicians, diplomats, officials and others all agree with this aim. Yet the EU rarely manages to achieve a united position, let alone articulate one towards its large eastern neighbour. The EU-Russia summit at Samara on 30 May 2007 was an example of the Union speaking as one, but it came from a defensive position, not a coherent, positive, forward-looking approach.

One of the main reasons for the EU's failure to speak and act as one towards Moscow is the very substantial number of bilateral relationships that many member states enjoy with Russia. This is most apparent in the energy sector where in recent times there has been a rush to sign a plethora of bilateral energy deals with Russia. But the bilateral relationships go far beyond the energy sector, touching recent history, political and parliamentary contacts, trade and investment, the influence of diasporas, language, media, education, science and culture.

This study by the EU Russia Centre is a unique attempt to examine the bilateral relations of all 27 member states with Russia. It is hoped that knowledge of these relationships will lead to a greater understanding of the problems in trying to reach a common EU position. Bilateral relations will continue in many areas, not least because the EU cannot claim 'competence' across the board. But there are areas where the Union could be much more effective if it were able to speak with one voice. These include *inter alia* energy, transport, the environment, migration, and security policy.

Each chapter is divided into three broad categories. The first covers political relations and considers the impact of recent history, for example the fact that many new EU member states were either part of the former Soviet Union or under its direct control for several decades. This section also covers high-level contacts, parliamentary exchanges, official meetings and diplomatic representation. The second section covers economic and trade matters including foreign investment and trade promotion offices. There is a separate sub-section covering the vital aspect of energy. The third section covers societal issues such as respective diasporas, media, language, religion, NGOs, number of flight routes linking member states and Russia, plus culture, education and science.

This study is a collective effort by the EU-Russia Centre team. The basic data collection was done by an external researcher, Dr Annette Semrau, who is also a Russian speaker. With such a complex undertaking there can never be one hundred percent accuracy. Most chapters have been reviewed by national experts or officials, but EU-Russia Centre takes full responsibility for the content. In some areas and for some countries it was quite difficult to obtain accurate figures. There are sometimes discrepancies between EU, member state and Russian statistics. The main sources for the study were the websites of member states' foreign ministries and their embassies in Moscow, the Russian MFA, Eurostat, Rosstat, various think tanks and foundations, the EU-Russia Speaking Alliance, commercial firms and NGOs.

It is intended to update the data at regular intervals and EU-Russia-Centre would be most pleased to receive comments about the material selected and suggestions for future reviews.

INTRODUCTION

This unique study provides a revealing insight into the many factors that impact upon the bilateral relations between EU member states and Russia, and consequently on EU-Russia relations. These include the patchwork of historical links from centuries before the formation of the Soviet Union, as well as more recent agreements that have been signed since the Russian Federation replaced the USSR in 1991. It demonstrates that the EU could be a far more cohesive and influential actor if it was able to speak with one voice, something the EU Russia Centre has been advocating since its inception.

History and geography are important components of bilateral relations. For example, the three Baltic States were incorporated for several decades into the Soviet Union, and this is an important element of their attitudes towards Russia. A number of new member states suffered under Soviet occupation for over four decades. All the states in these situations consider that they 'know' Russia better than the member states without such an experience and they often resent that the EU does not take their views more seriously.

Finland also claims, as a direct neighbour, to know Russia well. Its attitude towards Russia is coloured by a painful history involving empire, humiliation, war, patriotism, defeat, reparation, collapse and recovery. Finland's economic relations with Russia have oscillated between boom and bust. When Finland was an autonomous region of the Russian empire from 1860 to 1916, trade with Russia was 40% of total trade. This collapsed with Finland's independence in 1917 and until 1944 Finland's trade with Russia averaged just 2%. Between 1945 and 1990, the period of 'Finlandisation', Russian trade averaged 16%. In 1991, when the Soviet Union collapsed, Finland suffered a 3% drop in GDP. Later in the 1990s Russia trade increased to 6% before falling again as a result of the 1998 financial crash. By 2005, Russia was again Finland's main trading partner accounting for 12% of trade. The Bank of Finland estimates that Finnish exports to Russia have been growing at 25% a year this decade. But within this figure there is also about a quarter that is not really Finnish exports but rather re-exports of goods produced in another country. These figures make clear that the two countries share a complicated and volatile rapport.

The study shows that, like Finland, most EU countries have significantly increased their trade with Russia over the past five years. Exports have tripled in some cases, while imports from Russia have doubled; a trend which is due mainly to increased costs for Russian energy supplies.

Germany is also the top exporter to Russia (€23,132m) followed by Italy (€7,639m) and Finland (€6,200m). Germany again leads the import list (€29,023m) followed by the Netherlands (€17,018m) and Italy (€13,592m). The only EU countries whose exports exceed the import levels are Austria, Denmark, Ireland, and Slovenia.

One of the most controversial aspects of bilateral relations is energy. At present EU piped gas imports come from just three sources - Russia, North Africa and Norway - hence the EU's determination to seek diversification of supplies. This is difficult, however, because several major EU companies (Eon, Gaz de France, OMV, MOL, Eni, etc) have struck huge deals with Gazprom that undoubtedly have some impact on political relations. The example of Hungary is illustrative here. A central feature

of this strategy is the planned Nabucco pipeline that would bring gas from Central Asia, Iran and the Caspian Sea to Europe. Over the past year there is increasing evidence that Gazprom is seeking to undermine Nabucco. First, it signed a memorandum of understanding with MOL, the Hungarian company which was already a partner in Nabucco, to build a rival pipeline, an extension of the Blue Stream pipeline that brings gas from Russia to Turkey.

Gazprom talked about Hungary becoming the 'gas hub' for central Europe and there were also rumours that Gazprom had provided finance for some key decision-makers in Hungary. In early 2007, Prime Minister Ferenc Gyurcsany described the Nabucco project as a 'dream' - yet by September 2007 he was again backing the EU's favoured project. Poland has also been highly critical of the German-Russian plan to build the Nord Stream pipeline in the Baltic Sea which would bypass Poland.

There is a widespread perception that the more dependent a country is on Russian energy supplies, the more pro Moscow it is in its political orientation. This thesis is not borne out by the study. Although seven EU member states have over 90% dependency on Russian energy supplies, this does not translate into clear political attitudes. For example, the four Visegrad states (Poland, the Czech Republic, Hungary, Slovakia) have roughly similar levels of dependency on Russian energy supplies but take very different attitudes towards Russia.

On the political front, the number of summits is a good indication of the depth of bilateral relationships and levels of economic co-operation. The study reveals that Germany has far and away the most intense relationship with Russia, with 16 summits having taken place over the past three years. Italy follows with seven summits over the same period, then France and Greece with six, Finland five and the UK four.

One notable trend is the rapid development of Russian tourism to Europe. The Russian population appears to be determined to visit EU countries, despite complex and often cumbersome visa requirements. The most popular destinations either as transit countries or final destinations are: Finland, Italy, Spain, Greece and Germany.

There are also substantial Russian diasporas in EU member states. Germany has the largest Russian immigrant population at an estimated 3.6% of the total population, the second largest Russian populations is to be found in Spain.

What then are the prospects of the EU speaking with one voice towards Russia? One would have to say that the prospects are not particularly good. Yet the political mood may be changing. The disappearance from politics of Messrs Schroeder, Chirac, Berlusconi and Blair has led to a more pragmatic group of leaders in power, none of whom look like enjoying a cosy relationship with Mr Putin. The Samara EU-Russia summit in May 2007 provided a convincing display of EU solidarity with Poland and other countries suffering bilateral problems with Russia. The Gymnich meeting of EU foreign ministers in September 2007 also agreed on a more robust approach towards Russia in light of clear backsliding on democracy and the rule of law.

The EU simply needs to be aware of its formidable assets when dealing with Russia. While smaller in territory, it has a far larger population (493 million) than Russia

(143 million). Indeed just two member states, Germany and France, have a similar population to Russia. In economic terms the EU is more than ten times as wealthy as Russia with a GDP of €10,750 billion compared to €740 billion. In terms of GDP per head at purchasing power parity the EU figure is €22,300 compared to €9,200 for Russia (EU figures).

The EU has the most important internal market in the world, continually expanding through enlargement. It is the leading player in setting global regulatory and manufacturing standards. It has more top brands (Siemens, BMW, Shell, Airbus, Total, etc) than the US. It is the leading exponent of 'soft power' in the world.

Despite all these assets, some Europeans are fixated about not upsetting Russia with its alleged military might and propensity for energy blackmail. But the EU spends much more on defence than Russia and has proved capable of sending highly professional forces to deal with conflict prevention and crisis management situations in different parts of the world. The Russian military is not highly regarded by experts. True, it retains some 3,000 nuclear weapons - but does this really equate to power to influence decisions in today's world?

The other fixation is about energy blackmail and Russian control of pipelines. It is certainly true that Russia behaved crassly in its disputes with Ukraine and Belarus. But Moscow appears to have learned some lessons from these events and is keen to demonstrate that it will remain a reliable supplier while boosting the influence of Gazprom whenever possible. There is now a hotline between Brussels and Moscow to consult should a similar situation arise. The EU is also taking steps to diversify its energy supplies and the European Commission has drawn up proposals that would limit Gazprom's involvement in EU markets.

In conclusion, there is no doubt that the EU is a formidable actor, not least because of its huge internal market and its consumption of Russian energy supplies. But Russia does not want to lose this lucrative market where Gazprom makes 69% of its profits. Russia is gradually realising that consumers have power too. The EU is slowly heading towards a more coherent EU energy policy. It needs to convince Russia that energy cooperation should be a win-win situation and not a zero sum game.

There is much ignorance about the EU in Russia and about Russia in the EU. It is to be hoped that this study will make a modest contribution to increasing knowledge and promoting greater mutual understanding between the EU and Russia.

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Table of contents

Foreword	2
Introduction	3
Chapter 1: Germany	7
Chapter 2: France	14
Chapter 3: United Kingdom	20
Chapter 4: Italy	26
Chapter 5: Spain	31
Chapter 6: Poland	34
Chapter 7: Romania	39
Chapter 8: Netherlands	43
Chapter 9: Greece	48
Chapter 10: Portugal	52
Chapter 11: Belgium	54
Chapter 12: Czech Republic	59
Chapter 13: Hungary	63
Chapter 14: Sweden	68
Chapter 15: Austria	71
Chapter 16: Bulgaria	74
Chapter 17: Denmark	79
Chapter 18: Slovakia	82
Chapter 19: Finland	86
Chapter 20: Ireland	90
Chapter 21: Lithuania	93
Chapter 22: Latvia	99
Chapter 23: Slovenia	104
Chapter 24: Estonia	106
Chapter 25: Cyprus	111
Chapter 26: Luxembourg	114
Chapter 27: Malta	117

ANNEXES

Annex 1 - EU 27 Member State populations	119
Annex 2 - EU27 and Member States trade with Russia	120
Annex 3 - EU27 and Member States FDI flows to and from Russia	121
Annex 4 - EU27 Member States gas imports from Russia	122
Annex 5 - EU 27 Member States crude oil imports from Russia	123
Annex 6 - Tourist visits by Russian citizens to EU countries	124
Annex 7-Direct contacts between Vladimir Putin and leading political figures from EU member states, and the European Commission	125
Annex 8 - Visa policy	129
Annex 9 - Gas and oil pipelines to Europe	130



POLITICAL RELATIONS

Germany is the most important EU member state in the eyes of Russia which views it as its most powerful advocate within the EU. They share a long historical relationship including the two devastating wars of the 20th century. The impact of the Nazi attack on Russia in 1941, the horrendous casualties on the Eastern Front, the Russian victory over fascism (still celebrated on 9 May) and the Soviet occupation of East Germany for over 40 years, still have an impact on the relationship. Gerhard Schroeder lost his father in the war, while Angela Merkel grew up with Russian a compulsory subject at her East German school. Vladimir Putin learned German while working as a KGB officer in Dresden. The feeling of guilt resulting from German wartime atrocities is still a factor in German-Russian relations. President Gorbachev made good use of it in leveraging large loans from Germany in connection with reunification of the country. Gorbachev remains president of the Russian Steering Committee of the Petersburg Dialogue which demonstrates a strong Russian commitment to this forum. There have also been several examples of close personal relationships at the top level: Helmut Kohl and Boris Yeltsin, Schroeder and Putin (a Russian girl, Viktoria, has been adopted by the Schroeder's). The relationship between Angela Merkel and Vladimir Putin is, however, less warm.

Germany was disappointed during its EU Presidency in the first half of 2007 to have been unable to move forward negotiations with Russia on a new strategic partnership due to a bilateral dispute between Poland and Russia. At the EU-Russia summit in Samara, Chancellor Merkel expressed full solidarity with Poland.

Bilateral agreements and political contacts

There are several bilateral agreements between Germany and Russia. Since 1998 alone, there have been thirteen. They regulate *inter alia* travel and visa issues, youth and cultural exchanges, and nuclear, military and space cooperation.¹ Since 1998, there have been annual inter-governmental consultations (most recently in Tomsk in April 2006) and frequent political, economic and cultural exchanges.

Regular contacts exist between the Bundestag and the Duma. There are high-level working groups on security and economic and financial matters. Joint commissions cover scientific and technical cooperation, history and youth activities. Political parties maintain direct contact with political figures in Russia. The Foreign Ministry has established an office for inter-societal cooperation under the leadership of Andreas Schockenhoff MP. The Petersburg Dialogue facilitates contacts between members of parliament as well as high ranking players in business, culture, education and the media. These meetings are often attended by the Russian President and the German Chancellor.

Diplomatic representation

Apart from its embassy in Moscow, Germany has consulates in St Petersburg, Novosibirsk, Yekaterinburg, Kaliningrad and Novosibirsk. In addition to its Berlin embassy, Russia has consulates in Munich, Leipzig, Hamburg and Bonn.

As part of the Schengen area, Germany issues visas to Russians for several EU member states. The visa is valid for up to 90 days/6 months. Costs range from €30

¹ WGO Monatshefte für osteuropäisches Recht 1998-2006



for a national visa to €35 for a Schengen visa. They are usually issued within one to three days, but it can take a couple of weeks to secure the necessary appointment at the embassy to present an application. Russian students are subject to a special agreement and receive their study-visa for free. The cost of visas to Russia depends on processing time: from €40 (more than 15 days) up to €155 (within 3 hours). In June 2007, a new visa facilitation agreement entered into force for most EU countries and Russia. This should speed up the visa process for certain categories of travellers.

ECONOMICS AND TRADE

Germany is Russia's most important trading partner and the volume of trade between the two countries increased considerably in 2006. German companies, including many small and medium-sized enterprises managed to almost double their business volume in Russia every two years since 1998.

In 2006, Germany was by far the largest exporter to Russia with €23.1 billion or 32% of total EU exports to Russia. The same is true for imports: €29 billion or 21% of total EU imports from Russia.² Exports more than tripled from €6,660 million in 2000 to €23,132 million in 2006. Imports also grew considerably from €14,263 in 2000 to €29,023 in 2006. The trade balance has remained negative for Germany, but decreased from € 7,603 million in 2000 to €5,890 million in 2006.³ This was one of the largest trade deficits of EU member states with Russia owing to the sharp rise in energy prices. Russia's principal exports are raw materials and energy, while Germany mainly exports finished products (machines, chemical products, motor cars and communication equipment are the top four) and capital goods.

In 2006, Germany invested in Russia four times as much as Russian companies did in Germany (€2,034 million). Over 1,400 Russian enterprises receive some German financial support. The fastest growing sectors for German investment are IT, communication technologies and high-tech industries.

Numerous organisations promote closer economic and trade ties. Among the most important in Russia are the Moscow based Delegation of German Commerce to the Russian Federation (an organisation of the German Foreign Chamber of Commerce - AHK with offices in Moscow, St Petersburg, Kaliningrad and Novosibirsk); the German industrialists association in Moscow (VDW) and the Information Centre of the German Economy (IZDW), which opened in 2004 at the AHK. There are also a number of important organisations in Germany such as the Committee on Eastern European Economic Relations in Berlin (Ost-Ausschuss der Deutschen Wirtschaft). In addition, there is an Invest in Russia Forum.

Russian participation at trade fairs (Hannover, Munich, Berlin, Frankfurt and Leipzig) has been growing steadily. In 2003, Russia was featured prominently at the Frankfurt Book Fair. This resulted in a real boom of Russian literature in Germany and numerous new translations. At the high-tech Cebit fair in Hannover in March 2007, 173 Russian enterprises were represented and many new projects were agreed.

² Eurostat, News Release, 15 May 2007

³ Eurostat News Release, 15 May 2007





Thanks to its improved economic situation, Russia concluded two bilateral agreements with Germany in 2005 and 2006 on repayment of its Paris Club debts ahead of time. Germany was Russia's main creditor in the Paris Club holding more than 40% of Russian credits. Contrary to other European countries like Italy, France or Belgium, German banks are rather weakly represented in Russia. HVB and Commerzbank are the most prominent German banks in Russia while Deutsche Bank has subsidiaries, a joint venture with the Russian broker UFG, and is a shareholder in the Probusiness bank and the Moscow Impex-Bank.

Energy

Germany is Russia's biggest energy-customer of Russia within the EU, taking 34% of its oil and 36% of its gas from the country. Germany imported 38,170 thousand tons of oil and 36,54 mia m³ of gas from Russia in 2005. This close cooperation, and also high dependence, has a long tradition. During the Cold War, Germany and the Soviet Union managed to make the first bilateral economic contract: the 1970 "Gas-Tubes-Agreement". The large amount of gas ordered by Germany made the building of pipelines to Europe a necessity, thus opening Europe's energy market to Russia. This privileged partnership is reflected in the creation of many joint ventures. For example, WINGAS, established by Gazprom and Wintershall AG in 1993, owns around 2,000 km of pipelines in Germany and Europe's largest underground gas depot (UGD) at Reden, holding upwards of 4 billion m³. Gazprom negotiated the increase of its interest from 35 to 50% less one share.⁴ Mention should also be made of Wiekh, set up in 1990 (shareholders are Gazprom and Wintershall) and Herosgas in 1999 (Gazprom and Ruhrgas). Since 2002, Vingas has supplied Russian gas to Britain. Numerous contracts bind German gas companies to Gazprom and its subsidiaries.

Oil is transported through the Druzhba-pipeline which leads from Samara to Leipzig, and also by tanker via the Baltic Sea. Gas is flowing through the pipeline system called Northern Lights, connecting Siberia with Europe, passing through Belarus, Ukraine, Moldova and Poland. The pipeline Jamal-Europe runs from the Jamal peninsula in the far North of Russia to Germany. One section remains to be completed. The German part is financed by Vingas. Given that there are currently no alternatives to the pipeline system, Germany is dependent not only on Russian gas and oil but also on the stability of transit routes through Ukraine, Poland and Belarus. This is one of the arguments quoted in favour of another pipeline project causing considerable resentment in Poland and the Baltic States: the Nord Stream pipeline which is to connect Russia directly to Germany (Greifswald), with links to the Netherlands and the UK.

CIVIL SOCIETY

Germany has the largest Russian community in Europe and one of the largest in the world (exceeding the USA and Israel). Russian immigration into Germany occurred in four waves: after the October Revolution, at the end of the 1930s as a reaction to Stalinist terror, in the 70s and 80s as result of forced exile and finally after the fall of the Soviet regime. After reaching a peak in the second half of the 90s, it slowed down in the early years of this century. Due to their recognition as so called quota refugees (Kontingentflüchtlinge), in 1991 the influx of solely Russian

⁴ <http://www.gazprom.com/eng/articles/article20160.shtml> last visit 12 April 2007



Jews reached 12,000 in 1996, but almost halved to 6,800 in 2000. According to Rosstat, 36,928 Russians emigrated to Germany in 2003 and 31,876 in 2004.

The official number of ethnic Russians living in Germany (185,931 = 0.2%) compares to that of ethnic Germans living in Russia (about 0.4% of the Russian population). Official statistics do not contain German Kazakhs or Russian Jews with a German passport (3 million). Therefore, all Russian speaking inhabitants of Germany make up about 3.6% of the population. The main centres of the Russian diaspora are Berlin, Cologne and Munich. There are a number of Russian immigrant organisations as for example the GARS (German Association of Russian Compatriots), the Association of Russian Germans or the EU Russian-Speakers Alliance.⁵

Due to the Soviet occupation of East Germany, a large number of the older generation speak or understand Russian. In Russia, German occupies a firm second place in foreign language teaching behind English. The latest Rosstat-Report (2005) gives the following figures for knowledge of: English: 6,955,000, German: 2,895,000 and French: 705,000.⁶ Both the Federal Ministry of the Interior and the Foreign Ministry support the teaching of the German language and culture.

Due to its size, the Russian community in Germany has a large choice of Russian language media. Some 35 Russian internet newspapers and 27 Russian newspapers and magazines are available, the overwhelming majority of which are local and include tips for new arrivals. The biggest is *Russian Germany*, issuing also the local versions, *Russkij Berlin*, *Rejnskaja Gazeta* and the Russian radio channel *Russkij Berlin*. In addition, there are 11 journals in German about Russia, mainly dealing with business contacts and economic themes. The Russian publishing house, Possev, is located in Frankfurt. A Russian TV channel is available by satellite. Russian books, music and DVDs can be easily bought through five online-shopping-sites and numerous internet portals exist, as for example the business-portal ru-partner⁷ or *Germany.ru*.⁸

A similar situation exists with regard to the German media in Russia where there are about 30 newspapers and magazines. The highest concentration is naturally found in Moscow, the weekly Moscow German Newspaper, *Moskauer Deutsche Zeitung*, being by far the biggest with a print run of 32,000 copies.

The Russian Orthodox Church has over 100 parishes in 31 German cities. There are about 400 protestant parishes in Russia for some 16,000 members. The German Catholic Church used to be much bigger (600,000 at its peak) but has declined partly due to emigration. The Catholic Church has also had a tense relationship with the state, noticeably when the Pope upgraded four administrative entities in Russia to fully entitled dioceses in February 2002.

Over 300 German non-governmental organisations cooperate with Russia in the fields of social and cultural exchange, education, and business contacts. The German-Russian Forum is one of the biggest Russia-oriented NGOs in Germany with a multitude of different activities in the fields of town twinning, cultural and

⁵ <http://eursa.org/germany>

⁶ Rosstat 2005

⁷ <http://www.rupartner.de/>

⁸ <http://www.germany.ru/>





information exchange and exchange programmes for young journalists. It houses the German secretariat of the Petersburg Dialogue. As a result of the conference in 2004, the German-Russian Youth Foundation was created. The Koch-Metchnikov Forum, another initiative of the Petersburg Dialogue, fosters cooperation in the field of health care. The German-Russian Exchange (Deutsch-Russischer Austausch) focuses on yet another area: support for Russian human rights organisations and citizens' groups by procuring know-how and partners and finding and organising volunteers. It maintains two offices (Berlin and St. Petersburg).

A rising number of town twinnings (90 in 2004) and town friendships (28 in 2004) link not only the capitals and the big cities, but also create a dense network of civil contacts in the province. Germany enhances cooperation by awarding a prize each year for the most active cooperation. In addition to these municipal contacts 14 (out of 16) federal states have cooperation agreements with Russian regions covering economic and trade issues, culture and education.

Air traffic between Germany and Russia is by far the most intense in Europe: 664 flight routes connect the two countries (Austria holds second place with only 70 flight routes). In 2006, there were 15,341 direct flights covering not only the big cities like Berlin, Frankfurt, Munich, Düsseldorf and Moscow, St Petersburg and Kaliningrad, but also smaller towns. In addition to regular daily flights by the major airlines there are cheap airlines with connections to Moscow and/or St. Petersburg up to six days a week. According to Eurostat, airlines transported in 2005 a total of 2,344,029 passengers to Russia (25,984 on business). There are also regular direct train services between Berlin and Moscow / St. Petersburg.

Culture

German-Russian cultural relations are also gaining momentum and are increasingly coming to embrace regional centres outside Moscow and St. Petersburg. In April 2005, the Joint Declaration on a Strategic Partnership in Education, Research and Innovation was signed by Chancellor Schroeder and President Putin. This accord aims to step up bilateral cooperation in education, especially in training specialist and executive personnel. In June 2006, an 18-month German-Russian project on the protection of historical monuments was launched as part of the EU's TACIS Programme. The restitution of German cultural property taken to Russia during the war is an issue that has yet to be settled.

Regular events are held in various German cities to promote scientific or cultural ties. Once a year, German-Russian meetings (Deutsch-Russische Begegnungen) bring together Russian and German intellectuals. Several festivals of Russian art, film (Berlin), literature (Berlin, Cologne, Munich) and theatre (Düsseldorf, Berlin) are held each year. There are even Russian theatres (e.g. in Berlin) with mixed language performances.

Education and Science

Germany has traditionally been strong in promoting Russian studies but there has been a decline in recent years entailing the closure of several university departments. Slavic Studies are still offered at 41 universities and 9,600 students were enrolled in 2005. Friendship and partnership relations exist between 112 German universities and their Russian counterparts. There are genuinely Russian educational institutions in Germany like, such as the Free Russian Andrej Sakharov Academy which, since 1976, has provided courses in Russian language, culture, history and politics.





The Goethe Institute acts as a sort of cultural ambassador in many parts of Russia, especially in Moscow and St. Petersburg, where it has its own offices. Together with the German Institute for Foreign Cultural Relations (Institut für Auslandsbeziehungen, sponsored by the Federal Foreign Office) it reinforces German language teaching and knowledge of German culture. Representations of political foundations concentrate mainly on political education. In 2004, the German Institute of History was opened in Moscow.

In June 2006, a new Russian-German Institute for Energy Politics and Economy was inaugurated in Moscow based on cooperation between MGIMO and Leipzig University and co-financed by Gazprom. In addition, MGIMO houses a Masters programme of Political Sciences in German. As for German universities in Russia, the Free Russian-German Institute for Journalism has existed since 1993. The website, German-Russian Science Portal, facilitates contact between all sorts of educational institutes in Russia and Germany.

Useful websites

German embassy in Moscow

http://www.moskau.diplo.de/Vertretung/moskau/de/03/Bilaterale_Beziehungen/Bilaterale_Beziehungen.html

Russian embassy in Berlin

<http://www.russische-botschaft.de/>

Economy and trade

German Chamber of Commerce Moscow <http://www.russland.ahk.de>

Russian Chamber of Commerce and Industry in Germany:

<http://www.hik-russland.de/index.html>

Committee on Eastern European Economic Relations <http://www.ost-ausschuss.de/>

Verband der deutschen Wirtschaft Moscow

http://www.vdw.ru/dbw/public_vdw/Homepage/€frameset/start

Civil Society

Russian Orthodox Church in Germany <http://www.r-o-k.de/index.html>

German-Russian association for cultural relations Mir e.V. <http://www.mir-ev.de/>

Cultural events in Germany <http://www.kulturportal-russland.de/>

Internet Portal German culture in Russia <http://www.po-nemezki.ru/>;

German-Russian Forum e.V. <http://www.deutsch-russisches-forum.de>

German-Russian Exchange e.V. <http://www.austausch.com/>

German-Russian Science Portal <http://wissportal.info/>

Andrej Sakharov Academy in Germany <http://www.akademie-sakharov.org/>

Free Russian-German Institute for Journalism, Moscow <http://www.frdip.ru/>

Institute for Foreign Cultural Relations <http://cms.ifa.de/>



**Political Foundations:**

CDU: Konrad-Adenauer-Foundation (Moscow, St. Petersburg)

<http://www.kas.de/proj/home/home/49/1/index.html>

CSU: Hanns-Seidel-Foundation (Moscow) <http://www.hss.de/1746.shtml>

SPD: Friedrich-Ebert-Foundation (Moscow, St. Petersburg)

<http://www.fesmos.ru/index.html>

Greens: Heinrich-Böll-Foundation (Moscow) <http://www.boell.ru/>

Liberals: Friedrich-Nauman-Foundation (Moscow)

http://www.msoe.fnst.org/webcom/show_article.php/_c-758/_lkm-578/i.html

PDS: Rosa-Luxemburg-Foundation (Moscow)

<http://www.rosalux.ru/main/index.php>





POLITICAL RELATIONS

France and Russia have a long history of rivalry dating back to Napoleon's doomed attempt to conquer Russia in the early 19th century. Many of the Russian aristocracy spoke French and after the Bolshevik Revolution, many White Guards emigrated to France. French leaders from Charles de Gaulle to Jacques Chirac have sought to cultivate good relations with their Russian counterparts.

Diplomatic relations were established in October 1924. After a less favourable period during the late 1990s, relations between the two countries have improved considerably since 2000 and have continued to intensify. The strength of this bilateral relationship is borne out by the frequency of contacts at the highest level, as illustrated by the strong personal relationship between Chirac and Vladimir Putin. France views its relationship with Russia as a key element in its great power thinking. Chirac (and Schroeder) were quick to enlist Putin's support in their anti-Iraq war stance in 2003.

The French public is divided between condemnation of Putin's regime and the will to keep good relations with such a powerful, and potentially threatening, neighbour. Since 1994 there has been widespread criticism of Russia's policy towards Chechnya in the French political class and the media. There are calls, particularly from the left and human rights activists, for a tougher attitude toward the Russian government. These calls found echoes in the wider public after the murder of Anna Politkovskaya. Although Chirac's conciliatory policy approach was broadly accepted, both candidates in the 2007 Presidential elections were more critical of Russia, especially on human rights. The new President, Nicholas Sarkozy, may be expected to take a tougher line towards Moscow.

Bilateral agreements and political contacts

More than 70 agreements and treaties regulate bilateral institutions, defence and security, financial and energy issues, nuclear energy, police cooperation, recognition of degrees, and educational and cultural exchanges.¹

Political dialogue takes the form of bilateral visits and regular meetings of different working groups. The Franco-Russian governmental seminar meets once a year, presided by the French and Russian prime ministers. There are also twice-yearly meetings of foreign and defence ministers. Two other working groups, the CEFIC (Economic, Industrial, Financial and Trade Council) and the CCQS (Franco-Russian Cooperation Council on Security Issues, launched in 2002) help promote closer bilateral relations.²

The French-Russian Parliamentary Commission (la Grande Commission Parlementaire France-Russie) was set up in 1994 to foster inter-parliamentary cooperation. It is chaired by the President of the National Assembly and the President of the Duma and meets once a year. In addition, there is a large and active Russian friendship group in the French parliament.

¹ http://www.ambafrance.ru/article.php3?id_article=22 last visit 29 March 2007;
<http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256a7700508f8b?OpenDocument>

² Homepage French Foreign Office





The first meeting on the development of decentralised cooperation between Russian and French local authorities was held in Paris in February 2007. It proposed new links for cooperation between local authorities and the business world.³

Police and security cooperation, which has long been the result of diverse initiatives, was ratified by an intergovernmental agreement in early 2003. The police component involves information exchange, visits by French experts to Russia and the hosting of Russian trainees in France. Collaboration has focused on a few major issues: the fight against drug trafficking, prostitution, money laundering and organised crime.⁴

There is also increasing cooperation in the legal field following a 2002 protocol which provides for Franco-Russian professional exchanges. An agreement signed between the Russian Federal Notarial Association and the French Superior Council of Notaries in 2003 led to delegation exchanges. Similarly, there are many contacts between the Russian and French bars. Other aspects of this cooperation concerns prison reform and the fight against corruption.⁵

Diplomatic representation

Apart from its Moscow embassy, France has consular representation in St Petersburg and Yekaterinburg. Russia, in addition to its embassy in Paris, has consulates in Strasbourg and Marseille. France is a signatory of the EC-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Economic relations between France and Russia are developing rapidly. Imports from Russia in 2006 reached €9.4 billion having doubled since 2000. French exports to Russia also doubled in the same period, reaching €4.7 billion. Despite this increase in trade, France's trade deficit widened in 2006 to €4.7 billion due to the high price of raw materials.⁶ Russian consumers, however, are making a huge impact on the French luxury market.

This general trend must not overshadow the relatively modest position that Russia still holds in terms of trade with France. The Russian market absorbs only 0.7% of French exports and France is only the sixth leading investor in Russia (with total FDI of €3.7 billion at the end of 2005) behind Germany (€17.1 billion), Italy (€6 billion), Finland (€5.9 billion), and the Netherlands(€4.4 billion).⁷

More than 450 French companies have a presence in Russia. Among them are most of the big names like Total, Renault, Alcatel, L'Oréal, EADS-Airbus, Danone, Thalès and Thomson. Others are preparing to establish themselves there. The sectors prized by France are the food industry, catering, retail, oil and gas extraction and conversion, transport, machines and capital goods, and communications. The international branch of the French employers' organisation MEDEF International

³ Homepage French Foreign Office

⁴ Homepage French Foreign Office

⁵ Homepage French Foreign Office

⁶ Homepage French Foreign Office, new figures from Eurostat, News release, 15 May 2007

⁷ Homepage French Foreign Office, figures according to Eurostat, Press-Release 24 May 2007



and the Club France (French chamber of commerce in Moscow) are represented in Russia. An exporter of finished goods (automobiles in particular jumped 49% in 2005), France imports primarily oil and gas (representing 88% of imports in 2005), chemicals and metals (8.5%).

French banks are highly active in Russia. Société Générale for example is a shareholder at Rosbank, and, in 2005, obtained outright control of Delta Credit, the consumer credit company Rusfinance, the car loans specialist Promek Bank and the Banque Société Générale Vostok. There are plans for further expansion. Crédit Lyonnais has established its Russian subsidiary Crédit Lyonnais Russie.

Energy

Russia and France began cooperating on energy supplies in 1975. Since 1980, the pipeline Megal which runs through Germany has supplied France. The latest agreement between Gaz de France and Gazprom, dating from 2006 and running until 2030, envisages the right for Gazprom to deliver directly up to 1.5 mia m³ gas a year starting in October 2007.⁸ In 2005, gas imports from Russia climbed to 11,50 mia m³, almost one third of national needs.⁹ France is the third biggest European importer of Russian gas, behind Italy and Germany.¹⁰

Oil imports from Russia cover 11% of national needs, placing France in 16th place among European countries¹¹ In 2005, France imported 9,590,000 tonnes - slightly less (-1.1%) than the previous year.

Areva and Total are also well represented in the Russian energy sector, Areva is in the process of modernising Moscow's electricity distribution grid. In 2006, a consortium of Areva and Atomstroyexport won a tender for the modernisation of the Bulgaria-based nuclear plant Belene. Additionally Areva, with state-run TVEL, supplies fuel for nuclear plants in UK; and in June 2007 Areva signed an agreement with Russian aluminium giant OK Rusal to establish a joint venture to produce electrical equipment for the aluminium industry.

Total Elf is active in Russia in the Timan-Petchora region where it operates the SHAPKINO field through its SeverTEK affiliate. In 2005, Total and Gazprom signed a Memorandum of Understanding on a plan to develop the giant Sthokman gas field located in the Barents Sea.

CIVIL SOCIETY

Russian emigration to France, especially to Paris, occurred in four waves: after the October Revolution, at the end of the 1930s as a reaction to Stalinist terror, in the 70s and 80s as result of forced exile and finally after the fall of the Soviet regime. The PEN-Club played an important role by welcoming those Russian and Soviet writers who were excluded from the Soviet Writers Union and consequently exiled. Now, emigration is fairly low. According to Rosstat, only 190 people

⁸ ne sont pas garanties par des actifs dans les réseaux de distribution, ce que voudrait pourtant Gazprom

⁹ EIA, BP (2005), CIS and E. European Energy Databook, 2005

¹⁰ Cedigaz 2005

¹¹ Eurostat, Environment and Energy, Statistics in focus 17/2006, p. 11





emigrated to France in 2004, slightly more than in 2003 (174).¹² The EU-Russian speaking alliance estimates the size of the Russian community in France at between 200,000 and 400,000 people.¹³

The Russian language used to be offered in many French schools, but since 1990 it has suffered a decline in interest.¹⁴ Russian culture, especially literature, has a long tradition in France, Paris being one of the favourite destinations for Russian emigrés since the early 20th century. They founded their own publishing house, the Ymca Press (in Prague in 1921 and in Paris in 1925) where all banned literature could appear in print and be sent to Russia.¹⁵ The famous Russian, *Russkaja mysl*, has been published in Russian in Paris since 1947 and appears weekly. The monthly *Paris Harold (Parizhskij kurer)* is another journal which can be bought throughout the country. In addition, there are some French-Russian internet portals like *Russie.net* providing useful links for Russians in France and for the French interested in Russia¹⁶, as well as French-Russian web-TV: <http://www.russie.tv/>.

In 2005, 75,622 French were officially registered¹⁷ as living in Russia. French is the third most spoken language in the country (Rosstat counted 705,000 French speakers in 2005). Russian affinity to the French language has a long tradition if one considers that Peter the Great introduced French as the official 'language of power and culture' in Russia in the 18th century. There are no French journals in Russian newspaper kiosks, but they are available at the airport and at some hotels in Moscow and St. Petersburg. There have been efforts to bring French TV channels to Moscow via satellite and cable. Radio France Internationale is already broadcast in Moscow and St. Petersburg and other cities are planned.

In addition to those associations centring on religious themes such as the Association Européenne de Saint Vladimir (founded in 1987), there are 14 Russian Orthodox churches across the country.

France has many Russian associations consisting mainly of Russians. Some date from the 1920s, while others were founded in the 1980s or 1990s. The majority focus on Russia's cultural heritage. One of them is the Federation of Russian Associations, uniting 16 institutions, among them are the Association Russe d'Entraide Interprofessionnelle (AREP) and the Association Européenne de Saint Vladimir. A great number of associations focus on cultural exchanges between Russia and France. Most consist of French nationals interested in one way or another in Russia and the CIS-states. About 80 emerged from the former Association France-USSR and

¹² Rosstat 2005

¹³ <http://eurssa.org/node/88>

¹⁴ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/69b0d2e39c874b4143256c28004eba33?OpenDocument>

¹⁵ YMCA = Young Men Christian Association. Originally founded to provide Christian literature to revolutionary Russia where religion was officially banned. <http://www.ymca-press.com/rus/ymca.shtml?ymca-press=3a70b130297652291e7f1c29fe78da4a> last visit 29 march 2007

¹⁶ <http://www.russie.net/infos/>. Others are Hello Paris (Privet Parizh), Paris-Moscow (Parizh-Moscvva) or Company (<http://www.kompashka.com/forums>).

¹⁷ There is a big difference between this Rosstat-figure and the number given on the homepage of the French representation in Russia, citing about 3000 in March 2002. http://www.ambafrance.ru/article.php3?id_article=22 last visit 29 march 2007





now form the Association France-Russia-CIS. Others are independent and specialise in the economy (Cercle Kondratieff, Sofarus, Conseillers Techniques pour la Russie), linguistics (Association Française des Russisants, Union des Russophones de France), health (Aide Médico-Sociale pour la Russie, SOS Hôpitaux Russes, ACER-Russie) or the environment (Europe-Baïkal). A Russian Centre for Science and Culture is based in Paris and the EU-Russia speaking alliance also has a branch in France. Mention should also be made of the Rachmaninov conservatory and the Turgenev museum and library.

The town twinning programme is evolving rapidly. It was initiated in the 1960s for cultural and academic exchanges, expanding after the fall of the Soviet Union to cover the economy and public service institutions. There no exist some 50 cooperation agreements, covering 27 town twinings, economic, cultural and educational exchanges and areas ranging from space to wine and tourism.

Russia and France are connected by 36 airline routes (the third densest transport network with Russia in Europe) which transported 866,304 passengers in 2005.

Culture

Cultural cooperation with Russia is especially dynamic and enjoys strong visibility and governmental support. Special agreements ensure the promotion of French films and French musicians. The tri-centennial of St Petersburg in May 2003 was an opportunity to revive strong cultural ties uniting the two countries. In recent years, there have been many exchanges and concerts, exhibitions and conferences covering music, art, literature and language.

Education and Science

The French Cultural Centre as well as the Cooperation and Cultural Action Service and the Alliance Française¹⁸, which both have branches in the provinces, all help spread French culture and language in Russia. University partnerships connect Nancy and Yekaterinburg, Caen and Irkutsk, and Strasbourg and Eastern Siberia. There is also a French school in Moscow, the Lycée Français de Moscou, and scholarships are funded by the French Ministry of Education.

The status of the French language has recently improved, with 5.5% of students now choosing to learn it.¹⁹ Some 2,300 Russian students are currently studying in France. The goal is to triple this figure in the near future.

Other centres exist where Russian and Russian studies are pursued, including the Centre d'études et de documentation sur l'ex-URSS, la Chine et l'Europe de l'Est (CEDUCEE), the Centre d'études Russes et Ex-Soviétiques (CERES), the Ecole des Hautes Etudes en Sciences Sociales, l'Europe Orientale et le Domaine Turc, the Institut d'Etudes Slaves, and, finally, the Groupe de Recherches sur l'Émigration Russe (GRER).²⁰ Both CERI and IFRI have programmes dealing with Russia.

¹⁸ 10 representations, 3 regional centres of French language in St. Petersburg, Ufa and Voronezh

¹⁹ Homepage French Foreign Office

²⁰ Homepage of Cercle Kondratieff http://www.colisee.org/article.php?id_article=441 last visit 29 March 2007





Educational cooperation concentrates on the graduate level. With Russia joining the Sorbonne-Bologna process, the possibilities of joint diplomas based on the BMD system (Bachelor, Master and Doctorate) will increase. There are currently seven Franco-Russian university courses in Russia, including the one created by the IEP (Institut d'Études Politiques) in Paris and MGIMO in Moscow and the two Franco-Russian Colleges in Moscow and St Petersburg. The two parties are looking to increase student exchanges by providing information on opportunities to study at university level in both countries and by awarding more scholarships.²¹ Finally, France and Russia agreed in December 2004 to develop studies of each other's language.

Franco-Russian technical and scientific cooperation is also particularly well developed, with many joint projects in the areas of space (notably the Soyuz programme in Kourou), aeronautics (RRJ regional aircraft project) and nuclear (knowledge exchange, cooperation for reprocessing waste and channels for fast neutrons and improving the safety of Russian power stations). Nine bi- or multinational research laboratories have been working together for six to 12 months on scientific problems in the fields of mathematics, physics and chemistry.

Launched after a Franco-Russian agreement was signed in May 2001, administrative cooperation plays a role in the development in Russia of a new system of public life. To this end, especially close attention was paid (in the form of projects of the former Project Guidance Coordination Committee [former COCOP] and Technical Assistance to the Commonwealth of Independent States [TACIS]) to supporting state and territorial reform and to modernising and improving public life (training executives and civil servants, fighting corruption and promoting transparency).²²

Administrative cooperation involves courses and training programmes at ENA (École Nationale de l'Administration) and in IRAs (Instituts Régionaux d'Administration) for Russian civil servants, seminars and expertise and agreements between French and Russian institutes. The most symbolic partnership took place in May 2001 between ENA and the HSE (Higher School of Economics - School of Management).²³

The governmental programme ARCUS (Action en Région de Coopération Universitaire et Scientifique) aims to improve coordination between regional or inter-regional universities, high schools, large scientific organisations and public and private research involving one or more countries.²⁴

Useful websites

French embassy in Moscow

http://www.ambafrance.ru/rubrique.php3?id_rubrique=49

Russian embassy in Paris

http://www.france.mid.ru/index_fr.html

²¹ Homepage French Foreign Office

²² Homepage French Foreign Office

²³ Homepage French Foreign Office

²⁴ French Embassy in Russia: http://www.ambafrance.ru/article.php3?id_article=1741 last visit 29 March 2007





POLITICAL RELATIONS

The UK and Russia have a long history of rivalry dating back to the 19th century. But both countries formed an alliance in the Second World War to defeat Nazi Germany. After 1945, Britain became one of the Soviet Union's main enemies in the Cold War and there were routine expulsion of spies from both sides. Prime Minister Margaret Thatcher and President Gorbachev, however, formed a good working relationship as did Tony Blair and Vladimir Putin.

Relations between the UK and Russia (2003 was their 450th anniversary) have been transformed since the collapse of the Soviet Union. There are frequent contacts at all levels to discuss a wide range of bilateral and key foreign policy issues. The state visit by the Queen to Russia in October 1994 was the first ever by a reigning British monarch. President Putin came to the UK on a State visit in summer 2003 - the first by a Russian leader since 1874. President Putin also visited the UK in October 2005, during the UK Presidency of the European Union.

But the assassination of former KGB agent, Alexander Litvinenko in London in November 2006 led to a sharp deterioration in relations with Russia refusing to extradite a prime suspect. Moscow also complains about the number of Russians who have been granted political asylum in the UK, the most prominent being Boris Berezovsky.

Bilateral agreements and political contacts

There are many bilateral agreements between the UK and Russia covering diplomatic, economic, trade, educational, scientific and cultural cooperation. Two were signed in 1998 and cover cooperation in the fight against terrorism and in the peaceful use of nuclear energy.¹

The all-party British-Russian Parliamentary Group maintains regular contact with the Russian Duma and Federal Council.

One major area of bilateral cooperation is defence based on a 1997 Memorandum of Understanding.² The Royal College of Defence Studies visits Russia annually³ and there are exchanges covering peacekeeping operations, counter terrorism and language training. Both navies exercise together for peace support operations and the British helped rescue the Kursk submarine in the Arctic in 2002.⁴ Cooperation between air forces is at an early stage.⁵

The UK's Department for International Development (DFID) has provided considerable assistance to support Russia's economic transition and given humanitarian aid in the North Caucasus. Programmes have supported work with Russian partners at the federal, oblast and local levels in Moscow and in a number of regions on issues that include administrative and civil service reform, social

¹ WGO Monatshefte für osteuropäisches Recht 1998-2006

² Homepage Foreign Office UK last visit 30 March 2007

³ <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1091892653999> last visit 2 April 2007

⁴ <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1091892654115> last visit 2 April 2007

⁵ <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1091892654330> last visit 2 April 2007





protection, health, HIV & AIDS, public finance, civil society development, trade and conflict prevention.⁶

Diplomatic representation

The UK has an embassy in Moscow and consulates in St. Petersburg and Yekaterinburg. Visa costs range from £50 for six months' validity up to £85 for one to five years. There is no reduction for students. Russia has an embassy in London and a consulate in Edinburgh. A private visa to Russia costs approximately £32 and takes 24 hours, a business visa takes up to 28 working days. Costs range between £60 (three months) and £160 (12 months). The UK and Russia are set to negotiate a separate agreement on visa facilitation as the UK (and Denmark) has an opt-out from EU policy in this area.

ECONOMICS AND TRADE

UK-Russia trade relations are promoted by an intergovernmental steering committee on trade and investment with working groups on high-tech, energy, construction and aviation/aerospace. Over the past few years, trade between Russia and the UK has increased significantly, and is expected to continue for the foreseeable future. Overall, however, the UK plays only a minor role in Russian external trade. The British share of exports to Russia grew from €1,066 million in 2000 to €2,998 million in 2006.⁷ Imports from Russia came to €8,041 million in 2006.⁸ The UK's trade balance with Russia showed a deficit of €5 billion in 2006.⁹

British net flow FDI into Russia diminished significantly from €2,698 million in 2004 to €447 million in 2005, notwithstanding the large number of joint ventures¹⁰ - 974 were registered in 2004¹¹ in areas such as transport and roads, metallurgy, oil refining, tourism, investment projects, agriculture, food, sports and the production of medical instruments.

In the financial year 2005/06, the Foreign Office provided approximately £2.2 million worth of development assistance through its Global Opportunities Fund. These programmes funded projects on education, rule of law, sustainable development, human rights, democracy, economic governance, climate change and energy.¹²

A series of yearly Russia-related conferences, such as the Russian Economic Forum, explore the growing impact of Russian business on the world economy. They bring to London more than 2000 participants, including leading captains of industry, investors, journalists, politicians and other key opinion formers from Russia, the UK, continental Europe and the Americas.¹³ In April 2007, many Russians pulled out

⁶ <http://www.dfid.gov.uk/countries/europe/russia.asp> last visit 2 April 2007

⁷ Eurostat, News release, 15 May 2007

⁸ Eurostat, News release, 15 May 2007

⁹ Eurostat, News release, 15 May 2007

¹⁰ Eurostat, Internet Query of 23 March 2007

¹¹ Rosstat 2005

¹² <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1115138323307> last visit 2 April 2007

¹³ <http://www.eventica.co.uk/> last visit 2 April 2007





of the conference at the last minute in a sign of the deteriorating bilateral relationship.

Energy

The UK is currently a net exporter of oil and gas. Nevertheless, 10% of its crude oil is sourced from Russia.¹⁴ In 2005, the UK imported 56.896.000 tonnes of crude, 8.7% less than in 2004.¹⁵ Gazprom has supplied electricity to the UK since 2005, (in the spring of 2006 Gazprom's UK subsidiary, Gazprom Marketing & Trading, obtained a licence to sell electric energy in UK, (The volume of transactions has not been significant to date). In April 2006, Gazprom began shipping liquefied natural gas (LNG) to the UK-based Isle of Grain terminal. The LNG was purchased from Gaz de France and then sold to British Petroleum. The LNG supply volume averaged 140 thousand m³ (some 85 million m³ of natural gas).¹⁶

The largest energy sector joint venture is that between TNK-BP. It was created in 2003 by merging BP's Russian oil and gas assets with those belonging to the Russian Alfa group and Access/Renova. It operates five refineries (four in Russia and one in Ukraine) and has a retail network of approximately 1,600 sites across Central Russia and Ukraine. Its major producing assets are located in West Siberia, the Volga-Urals and East Siberia.¹⁷ In June 2007 Gazprom, TNK-BP and BP announced their intention to co-operate in a move where Gazprom would buy 62% in Russia Petroleum, (operator of Kovykta deposit), from TNK-BP. The parties would then create a venture or several joint ventures worth roughly \$3billion. If they succeed TNK-BP will be entitled to buy back 25% plus 1 share in Russia Petroleum from Gazprom.

UK-Dutch Royal Dutch Shell holds a 50% share in Russian Salym Petroleum Development, part of the Salym group (Sibir Energy controlled by Shalvy Chigirinsky is a partner in the project). It also has a stake in the Sakhalin-2 project (this was considerably reduced when Gazprom joined the project in April 2007). In July 2007 the company agreed a strategic partnership with Rosneft. The companies will jointly implement upstream and downstream oil and gas projects in Russia and abroad. Shell currently accounts for 20% of Russian imports of engine oil.

UK Imperial Energy, through Nord Imperia, Allianceneftegaz and Sibinterneft, holds licences for geologic exploration in four sites and for development and production in another three in Tomskaya oblast, total area over 16,000 km². In Spring 2007, the Russian Natural Resources Watchdog accused the company of overstating reserves and threatened to revoke their production licence.

Gazprom, operating through subsidiary Gazprom Marketing & Trading (GM&T), has repeatedly shown interest in the UK's highly lucrative end-consumer market. However, the company's attempt to acquire gas supplier, Centrica was regarded as hostile. Gazprom already owns a small sales company, Natural Gas Limited, through its UK subsidiary.

¹⁴ Eurostat, Statistics in focus, Environment and energy, 17/2006

¹⁵ Eurostat, Statistics in focus, Environment and energy, 17/2006

¹⁶ <http://www.gazprom.com/eng/articles/article21387.shtml> last visit 12 April 2007

¹⁷ <http://www.tnk-bp.com/> last visit 2 April 2007





CIVIL SOCIETY

There are relatively few permanent British residents in Russia. Rosstat cites only 529 for the year 2002.¹⁸ Immigration into Russia was only 27 in 2003 and 37 in 2004, while 152 Russians emigrated to the UK in 2003 and 165 in 2004.¹⁹ There are no official figures on Russians living in Britain, but unofficial estimates suggest around 400,000 with just under 200,000 visiting as tourists in 2006.

English is the first foreign language in Russia with more than seven million Russians having some knowledge of it. German is in second place with three million.²⁰ Russian can be studied at 33 specialised language schools, but there are fewer and fewer students. It can also be chosen as an optional subject at school. The Russian Foreign Office estimates that about 50,000 people in the UK know some Russian.²¹

There are five governmental TV-channels available - ORT, RTR, NTV, Russia Today and the British-Russian International TV Portal Russian Hour - two news agencies and about ten Russian newspapers in English and/or Russian. Among them are Britain's first Russian newspaper and magazine, the Russian *London Herald* and *Moscow News*. The internet portal, Russian London, provides mainly business information²², while Britain4you cover a wider range of themes.²³ There are even a Russian hotline and yellow pages. Almost all English newspapers have an online-version and are therefore easily available in digital form. The same is true for English TV and radio in Russia. It is much more difficult, though, to find an English newspaper especially targeted at the British in Russia. Given the fact that the British community is very small, this is perhaps not so surprising.

The Russian Orthodox church maintains 17 parishes throughout the UK providing services in English.²⁴

Many British NGOs deal with Russia focusing mainly on education, cultural exchanges and medical and humanitarian assistance.²⁵ Among the most prominent are the Britain-Russia Centre, the British East-West Centre and the GB-Russia Society, which promotes knowledge of Russian history and culture through lectures in Pushkin House in London. There is a School of Russian language and literature in London²⁶ as well as a Russian association organising conferences on business themes and cultural events.²⁷

¹⁸ Rosstat 2005

¹⁹ Russtat 2005

²⁰ Rosstat 2005: 6.955.315

²¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec3256e060029c6da?OpenDocument>

²² <http://www.russianlondon.com/>

²³ <http://www.britain4you.com/>

²⁴ http://orthodoxengland.org.uk/directory_2007.pdf last visit 4 April 2007

²⁵ <http://news.bbc.co.uk/1/hi/world/europe/4640632.stm>

²⁶ <http://www.russianschool.fsnet.co.uk/>

²⁷ <http://www.obshina.org/>





The actual number of twinning links with Russia is small: only 16 out of over 2,000 British links concern communities in Russia and the overwhelming majority of twinning programmes are with France (50%) and Germany (25%).²⁸

The UK and Russia are connected by 14 airline routes which, in 2005, transported 800,551 passengers (7,252 for commercial purposes). Compared to 2004, this was a 21% increase.²⁹

Culture

The British Council has eleven centres across Russia.³⁰ It supports and funds all sorts of exchanges and exhibitions of British art throughout the country. Another institution is the Pushkin Club, an independent organisation devoted to the promotion of Russian culture, particularly through the arts. Cultural events (concerts, exhibition, and festivals) take place regularly.

Education and Science

There are seven Russian departments³¹ and 11 Slavic/Slavonic Studies departments in the UK. An estimated 400 students are studying Russian.³² In Scotland, the larger universities maintain departments of Slavic Studies.

The British Council seeks to develop a wider knowledge of the English language, encourage cultural, scientific, technological and other educational cooperation between the UK and Russia. While it does not teach English directly since courses were stopped last year, the British Council has an ambitious long-term strategy to support English language learning in Russia. Through its website it is already possible to attend English courses online for free.

UK-Russia collaboration in science and technology is discussed annually at meetings of the UK-Russia intergovernmental committee for scientific cooperation. The committee is a high profile group of senior Russian and British policy makers, representing the UK Office of Science and Technology and the Ministry of Education and Science of the Russian Federation. It discusses the most important science and technology issues in both countries, suggests areas of collaboration in science policy and stimulates the development of joint activities in these areas.³³

A series of exchange programmes focus mainly on university cooperation, education management, improved teaching methods and contributions to educational reform in Russia. For example, the Bridge Project aims to help UK-Russian university partnerships develop joint programmes leading to mutually recognised qualifications and to agree on mutual agendas along the lines of the Bologna

²⁸ LGiB Database of twinning towns

http://international.lga.gov.uk/international/Establishing_a_partnership/twinning_db.html

²⁹ 672.505 travellers, 6.268 of them for business reasons

³⁰ Moscow, St Petersburg, Yekaterinburg, Irkutsk, Krasnoyarsk, Nizhny Novgorod, Omsk, Rostov-on-Don, Samara, Sochi, and Volgograd <http://www.britishcouncil.org/russia.htm>

³¹ Durham, Oxford, Birmingham, Sheffield, Edinburgh, London, York)

http://www2.arts.gla.ac.uk/Slavonic/Russian_res.html last visit 4 April 2007

³² <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/ed7a5cd142234bcf43256c280037cec9?OpenDocument>

³³ UK Office of Science and Technology <http://www.dti.gov.uk/science/>, Ministry of Education and Science of the Russian Federation <http://www.ed.gov.ru/>





process. Other projects are the North Caucasus education initiative, launched in 2005; the ZeroCarbonCity, a global campaign looking at the role of cities in the climate change debate (2005-2007); and creation of a scientist-to-scientist-link which organises a series of workshops for around eight post-doctoral researchers from each country.³⁴

Useful websites

British embassy in Moscow

<http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089123734028>

Russian embassy in London

http://www.rusemblon.org/logon_en.htm

³⁴ <http://www.britishcouncil.org/russia-partnerships.htm> last visit 4 April 2007



POLITICAL RELATIONS

Italian attitudes towards Russia were long coloured by the Italian communist party which enjoyed considerable influence until the late 1980s. Russia used this large communist presence for its own purposes. While prime minister Sylvio Berlusconi, cultivated a close personal relationship with Mr. Putin. His successor, Romano Prodi, has continued this approach, meeting the Russian leader frequently, but in a more pragmatic manner. He has underlined several times how cooperation and friendship with Russia is of great importance to Italy. Russia is Italy's first energy supplier.

Bilateral agreements and political contacts

Italy and Russia have signed several bilateral agreements, from the Friendship and Cooperation Treaty in 1994, to the Italian/Russian Joint Declaration signed during Berlusconi's visit to Moscow in April 2002. The latter called for a system of 'Enlarged Summits' (Heads of Government alongside ministers) to be held once a year, rotating between Italy and Russia (Dialogo Italo-Russo).

There are also many bilateral economic agreements (such as the project to 'clone' Italian industrial districts in Russia) and regional, cultural and parliamentary agreements. Between 1989 and 2005, 27 agreements were signed that regulated cooperation in the fields of economics, industry, defence, culture, science, customs and security. In 2006, the use of decommissioned nuclear submarines was regulated.¹ Five further agreements are pending on security, cultural and academic cooperation.

There has been a direct communications link between the Kremlin and Palazzo Chigi (Residence of the President of the Council of Ministers) since 2002, while the Large Russian-Italian Interparliamentary Commission has been in place since 2000. The State Duma has established a special interest group dedicated to the Italian Parliament; this is headed by deputy speaker Lyubov Sliska ('Edinaya Rossiya' party).

Diplomatic representation

Italy maintains its embassy in Moscow as well as a consulate in St. Petersburg. Russia has one embassy in Rome and consulates in Milan and Palermo. A Russian private visa for Italians costs €35, and takes about four to six weeks. Italy is part of the EU-Russia visa facilitation scheme.

ECONOMICS AND TRADE

Italy is Russia's second largest European trading partner (after Germany). The Italian Institute for Foreign Trade has three offices and two sub branches in Russia. In addition, there is an Italian-Russian chamber of commerce in Moscow and a Russian commercial representation in Rome. Several hundred Italian/Russian companies in Russia and over 200 Italian companies, including six banks, are evidence of close economic ties.

¹ WGO Monatshefte für osteuropäisches Recht 1998-2006



Imports from Russia to Italy amounted in 2006 to €13.6 billion (10% of all EU imports from Russia) and Italian exports were worth €7.6 billion (11% of all European exports to Russia).² This was a significant increase from 2000 when imports had been only €8.3 billion and exports €2.5 billion. Exports to Russia are set to rise further in 2007.³ The trade balance is negative but has only increased very slightly: from €5.8 billion in 2000 to €5.9 billion in 2006. Italy imports predominantly energy sources (74.3%) and metals (12.2%). Russia buys mostly machines and technical products (27.6%), textiles (17.9%), leather products (9.9%) and furniture (8.8%).⁴

Italian FDI into Russia reached €57 million in 2004, but fell back to €35 million in 2005. Russian investment in Italy was much lower, only €1 million in 2004 and double that amount in 2005.

The largest increase in investments in recent years has been in appliances, steel and ceramics. The Italian government promotes the development of Italian SMEs in Russia. The Ministry of Foreign Affairs has identified a number of regions where industrial parks can be built: Lipetsk, St. Petersburg, Moscow and Yekaterinburg. A 'white' industry district (appliances and their components) will be created in the region of Lipetsk, where the Italian firm Merloni has the Stinol refrigerator factory. An iron district (metallurgy, iron and steel, mechanics and defence) will be established in the region of Yekaterinburg where the Duferco and Stoppani companies operate. Finally, a shoe and furnishings district, and later electronic and appliance districts, are being planned in the region of Moscow. Cooperation takes place on aerospace, defence and telecommunications.

As for the banks, some groups, notably the Gruppo Banca Intesa (ZAO Banca Intesa e KMB Bank) and the Unicredito Group (International Moscow Bank-IMB) have subsidiaries, and others such as the Banca Intesa, Unicredito, BNL or the Banca di Roma have representations in Russia.⁵

Energy

Italy is the second EU member state (behind Germany) in importing gas from Russia. In 2005, this amounted to 23.33 billion m³, covering a third of national needs. As for oil, it is in 13th place, importing just 21% of its requirements from Russia.⁶ In 2005, imports totalled 18,440,000 tonnes - 2.5% more than in 2004.

Italy is seen by Russia as a partner and mediator in seeking access to the European energy market. Italy even hopes to conclude an agreement with Russia on the exchange of assets which would secure the Italian Group ENI access to the exploitation and development of new fields. Russia would in return enjoy access to the European distribution market.

The close relationship between Gazprom and ENI dates from 1969 when the two enterprises concluded their first agreement, making Italy Russia's third international partner (after the Czech Republic in 1967 and Austria in 1968). In

² Eurostat News release 24 may 2006

³ Rapporti Paese congiunti Ambasciate/Uffici Ice estero, 1. sem. 2006, p. 6

⁴ Rapporti Paese congiunti Ambasciate/Uffici Ice estero, 1. sem. 2006, p. 6

⁵ Rapporti Paese congiunti Ambasciate/Uffici Ice estero, 1. sem. 2006, p. 6f.

⁶ Eurostat, Environment and energy, 17/2006, p. 11





2006, they continued their cooperation with an agreement until 2035. As a result, Gazprom obtained direct access to consumers in Italy from 2007 for up to 3 mia m³ a year.⁷ The new gas pipeline, Blue Stream, is being constructed by Italy's SAIPEM-Group. It connects Russia with Turkey, crossing the Black Sea and runs for approximately 1,250 kilometres. The gas line is designed to link the gas distribution network in the Krasnodar region in southern Russia to the central Turkish grid in the capital city of Ankara. Another SAIPEM project of is an offshore platform in Sakhalin II. Italian interests also include coal with the enterprise Coeclerici active in the Kemerovo-region. Enel signed a contract with the thermo-electricity station northwest of St. Petersburg. In addition, it bought 45% of RusEnergobyt, company trading electricity.⁸

In terms of credit and financial cooperation, Italy is Russia's second largest creditor in the Paris Club with a debt of about €5 billion. Much of this is being converted into Italian investment projects in Russia. There is a €1.5 billion credit line with Mediobanca/Simest-Vnešekonombank for large industrial projects. In addition, inter-bank credit lines exist with IntesaBCI/Vneštorgbank, BNL/Vneštorgbank and Banca San Paolo IMI/Vneštorgbank.

CIVIL SOCIETY

The Italian community in Russia is very small. Rosstat counted only 862 people in 2002, while just over 5,000 spoke Italian.⁹ There are Italian language departments in 13 Russian universities and at the State Conservatories of Moscow and St. Petersburg. Italy is institutionally well represented with its two Institutes of Culture (Istituto Italiano di Cultura) in Moscow and St. Petersburg.

Russian immigration into Italy took place in three waves: in the 1920s and 1930s, in the 1960s and 1970s and from the beginning of the 1990s to the present day. In the 1960s, it was mainly members of the intelligentsia who emigrated and now work mostly in universities and schools. When the Italian guest workers returned from their employment in numerous Russian factories they were accompanied by their Russian wives who represented a sizable share of Russian immigrants at that time.¹⁰ According to the Russian Foreign Office, the last wave consists of immigrants for economic and trade reasons.¹¹ More recently, available data from January 2002 list 12,173 Russian citizens legally residing in Italy. This is small compared to Poles (60,000) and Ukrainians (107,000). The centre of the Russian diaspora is in Milan.

Russian is taught in universities and in private courses, but not in schools. Eight universities teach Russian annually to about 200 students. In addition, numerous Institutes of Russian language and culture have emerged from the former Italian-Russian friendship associations and provide private Russian language courses. About 900 people attended these in 2005. More and more Russian Sunday schools are

⁷ http://www.rost.fr/?u_s=8&u_a=1238&sid=, last visit 28 March 2007

⁸ Rapporti Paese congiunti Ambasciate/Uffici Ice estero, 1. sem. 2006, p. 8

⁹ Rosstat 2005

¹⁰ <http://eursa.org/node/91>

¹¹ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256b72003695e3?OpenDocument>





opening in northern Italy. In 2005, there were five.¹² There are two Russian internet portals, Italy in Russian¹³ and Russian Italy.¹⁴

Although the Russian community is not very large, there are several associations. The EU-Russian speaking alliance has an Italian branch. There are also regional associations of Italian-Russian cultural cooperation providing language courses and organising cultural events.¹⁵ Mention should also be made of the association, Italy-Russia, housing the foundation, Centre for Development of Italian-Russian Relations, and the Russian-Italian trade union in Milan.¹⁶

Given the small size of the Russian community, it is surprising that Russian orthodoxy is represented in Italy in 17 towns with up to 3 churches each, and their numerous relics attract thousands of Orthodox pilgrims.

Regional cooperation and town twinning is gaining momentum, pushed by the recently renewed exchange programme between Italy and Russia. In recent years, 14 regional cooperation agreements have been signed, and eight Russian regions maintain very active programmes with Italian cities.¹⁷

A total of 27 airline routes link not only Milan (almost half of the routes start from here) or Rome with Moscow, but also Rimini with Cheljabinsk in Siberia. They are served by three Italian and five Russian air companies. Italy is in fifth place after Sweden which has just one more route. In 2005, 720,035 passengers were transported to Russia.¹⁸ This was slightly lower than in 2004.

Culture

Scientific and cultural cooperation plays a prominent role in Italian-Russian relations. The legal basis is contained in the 1998 agreement on cultural and educational cooperation, while the institutional base is provided by the joint intergovernmental commission on cultural cooperation.¹⁹ At the heart of Italian-Russian cultural relations stands the Programma di Scambi 2007-2009. In addition to town twinning, theatre, dance, music, cinema and arts, there are exchange and cooperation agreements, preservation of cultural values, archives and libraries, authors' rights, translations and subtitles for films and TV series and Russian and Italian literature. It also includes collaboration on radio technology, youth, sports and tourism and support for cultural events that promote human rights.

In 2005, the Union of Russian Compatriots organised several cultural events and readings on the occasion of the Day of the Cosmonaut or the Day of Slavic culture and literature as well as meetings to foster corporate feeling in the Russian

¹² <http://eursa.org/node/91>

¹³ <http://www.italia-ru.it/>

¹⁴ <http://www.russianitaly.com>

¹⁵ <http://eursa.org/node/91>

¹⁶ <http://www.fondazione-italiarussia.it/>

¹⁷ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/8759991fa63d2553c3256fd20027bb70?OpenDocument>

¹⁸ Eurostat, Internet-Inquiry in March 2007

¹⁹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/a9613ddba7958bdfc3256fd2002814e8?OpenDocument>





community.²⁰ A large exhibition on bilateral relations between Italy and Russia throughout the centuries took place the same year. The strong cultural bonds between the two countries were also evident during the celebrations for the 300th anniversary of the founding of St. Petersburg in 2003. Furthermore, a week of Russian language takes place once a year throughout Italy.

Education and Science

The University of St. Petersburg houses an Italian faculty of political science. The Ministry of Foreign Affairs permanently subsidises 13 Italian lecturers in Russia. In March 2001, a Centre for Italian Language and Culture was established at the city's State Philological University. And in 2002, funding was allocated for training and refresher courses for Italian language teachers at the Universities of Lomonosov and Gorky, the MGLU State Lomonosov University Moscow.

The existence of 53 agreements on inter-university cooperation demonstrate a lively interest in Russia. Some of the most important are those financed by the Italian Ministry of Education, Universities and Scientific Research. In addition, there are six partnerships between Italian and Russian universities and six common scientific projects. There are also two Italian archaeological missions in Russia.

A joint Italian-Russian commission for scientific and technological collaboration hosts more than 130 projects in the field of fundamental research, new technologies, medicine and health, aerospace research, ecology and environment, agriculture and energy.

The Programma di Scambi finances educational tasks like student exchanges, exchange programmes for scientists and professors, language programmes, teaching material, mutual recognition of university diplomas and bi-lingual sections in schools.

Useful websites

Italian embassy in Moscow

http://www.ambmosca.esteri.it/Ambasciata_Mosca/Menu/Ambasciata/

Russian embassy in Rome

<http://rome.rusembassy.org/en/rome/INDEX.html>

²⁰ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/0ea7089ba6f8124cc3256fd20027f0dc?OpenDocument>



POLITICAL RELATIONS

Attitudes in Spain towards Russia were long coloured by Soviet assistance to the Republican (anti-Franco) forces during the Spanish civil war in the 1930s. Relations between both countries have never been particularly warm and neither Mr Aznar nor Mr Zapatero have sought to cultivate close ties to Mr Putin. Given that relations with Russia are not a high priority, Spain has tended to adopt a low-key and prudent approach towards Moscow. Spain supports the idea of a new agreement based on common values and is keen to reinforce cultural, social and educational ties between the EU and Russia. At the same time, it has sought to ensure that any increased resources towards the East are balanced by similar attention and resources towards the South. Overall, there is little coverage of Russia in the Spanish media. A similar position exists in Russia towards Spain.¹

Bilateral agreements and political contacts

Although diplomatic relations between Russia and Spain began as early as the 16th century, they suffered multiple interruptions, the last of which was overcome only in 1977.² Since 1998, 11 bilateral agreements³ have been signed covering military, energy, industrial, scientific and technical cooperation. There are also several cultural and education (1994) exchange programmes and cooperation programmes in the fight against terrorism and organised crime (2003-04).⁴ Annual meetings take place between the Spanish and Russian foreign ministries alongside other political consultations.

Regular intergovernmental contact takes place within the context of the Joint Intergovernmental Russian-Spanish commission on economic and industrial cooperation (MPK); whose Russian chair is the head of the Russian industry and energy ministry, Viktor Khristenko. Interparliamentary connections have been in place since 1984, as well as a number of exchange visits by the speakers of the Federation Council and The Cortes Generales supported by contacts at Senate committee level. The Russian State Duma has established a special interest group dedicated to the Spanish Parliament ('Edinaya Rossia' party member, Mikhail Bugera, is the group's coordinator).

Diplomatic representation

Spain has an embassy in Moscow. Russia maintains an embassy in Madrid and a general consulate in Barcelona. Spain is part of the new EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Economic relations have been developing rapidly, aided by a joint business committee (established in 2003) and region to region contacts.⁵ Russia is interested in further investment and joint ventures with Spanish companies. Spanish exports to Russia were €1,452 million in 2006 - a figure almost triple that of 2000 (€578

¹ EU-25/27 Watch No. 4, 2007

² <http://www.spain.mid.ru/otn4.html>

³ WGO Monatshefte für osteuropäisches Recht, 1998-2006

⁴ <http://www.spain.mid.ru/otn2.html>

⁵ <http://www.spain.mid.ru/otn1.html>





million). Imports from Russia also grew significantly: from €2,412 million in 2000 up to €7,157 million in 2006.⁶ The trade balance has remained negative and grown: from €1,834 million in 2000 to €5,705 million in 2006. Spanish FDI in Russia has risen hugely from €2 million in 2004 to €311 million in 2005.⁷ The main fields of interest are energy, food, tourism and transport.⁸

Energy

Spain imports only 14% of its oil requirements from Russia, thereby occupying only the 14th place within the EU.⁹ It does not import any gas from Russia, taking it from Algeria instead.¹⁰ Repsol YPF (Spain) and Tambeyneftegas (Russia) plan to establish a joint venture for gas recovery and construction of a plant to produce liquid natural gas (SPG) on Yamal. The liquid gas will be transported to Canada, where in 2008 a special re-gasification terminal is going to be built.

CIVIL SOCIETY

More than 32,000 Russians were registered in Spain in 2005, the second biggest community in Europe after Germany.¹¹ The majority arrived in the beginning of the 1990s. Contrary to the rest of Europe, the Spanish Russian community lacks some sort of corporate feeling and consists of many disparate sub-groups.¹² There is one Russian school at the Russian embassy in Madrid. The Pushkin-Centre for Russian language provides Russian language courses for children.¹³

Russian infrastructure is rather extensive: 66 Russian shops can be found in Spain, eight Russian restaurants, seven associations specialising in the needs of immigrants. There is even a driving school with a Russian branch in Alicante and a Russian drama school in Tarragona.¹⁴ There are a number of social associations, but these are small and not well organised. This is why the Russian House, an association founded by the organisations ACER, Russian Compatriots and Friends of Russia¹⁵, aims to unite the Russian diaspora in Spain.¹⁶

The Russian Orthodox Church has seven parishes, one of them on Tenerife and another on Mallorca - two favourite holiday places for Russians. Its role in providing national identity is steadily growing as witnessed by the increasing numbers of believers attending church services.¹⁷

⁶ Eurostat Press release, 15 May 2007

⁷ Eurostat Query 23 March 2007

⁸ <http://www.spain.mid.ru/otn1.html>

⁹ Eurostat, Environment and energy, Statistics in focus 17/2006, p. 11

¹⁰ Cedigaz 2005

¹¹ Eurostat 2005

¹² <http://eursa.org/node/94>

¹³ <http://eursa.org/node/525>

¹⁴ <http://www.rusmad.com/> Yellow pages

¹⁵ <http://www.casarusa.es/>

¹⁶ <http://eursa.org/node/525>

¹⁷ <http://eursa.org/node/525>





There were only 1,547 Spaniards registered in Russia in 2002.¹⁸ Nonetheless, Spanish is a popular language in Russia. In 2002, some 112,000 people spoke it, placing it fourth after English, German and French.

Six Russian newspapers are available in Spain, among them the biggest KPI, *Vesti Ispanii* (Spanish News) and *MK Ispanija*. The news agency EFE has a representation in Russia as do the state TV channel TVE, four radio channels, and five newspapers. There are also internet portals for Russians in Spain, as for example Russian Spain¹⁹ or Spain Web.²⁰

Thirteen airline routes connect Russia and Spain, transporting 596,569 passengers in 2005 - slightly more than in the previous year (501,885).²¹

Culture

Cultural contacts between Spain and Russia have a long history, especially in the fields of painting, literature, architecture and fashion. There is also a certain feeling of solidarity stemming from fighting a common enemy in the shape of Napoleon's France and Franco.²² Both countries have their cultural representations: the Russian-Spanish Alexander Pushkin-fond opened its Madrid bureau in the early 1990s and there is also the Institute of Russian Language and Culture in Barcelona. In Russia, the Cervantes-Institute opened its Moscow representation in 2002.²³ They all aim to help cultural dialogue and exchange through language courses, exhibitions, public readings of Russian and Spanish authors, cinema festivals and theatrical events.

Education and Science

There are some 20 departments of Spanish Studies in Russia. In March 2000, an inter-governmental protocol started an experimental project in bilingual education, teaching some subjects in selected Russian universities entirely in Spanish. There are already four centres in Moscow and one in St. Petersburg.²⁴ The Spanish embassy in Moscow assigns grants for Spanish teachers in Russia and holds courses for teachers of Spanish. A Language-Olympiad for Spanish language takes place each year in Russian schools as do competitions on Spanish literature.

Useful websites

Spanish embassy in Moscow

<http://www.ispania.aha.ru/>

Russian embassy in Madrid

<http://www.spain.mid.ru/spa.html>

¹⁸ Rosstat 2005

¹⁹ <http://www.russianspain.com/>

²⁰ <http://www.spain.org.ru/>

²¹ Eurostat 2005

²² <http://www.spain.mid.ru/otn5.html>

²³ <http://www.spain.mid.ru/otn5.html>

²⁴ <http://www.sgci.mec.es/ru/framerus.htm> last visit 4 April 2007





POLITICAL RELATIONS

Polish attitudes towards Russia are complicated as a result of history, with many Poles harbouring deep resentment of Moscow for its role in partition (Molotov-Ribbentrop Pact), the Katyn massacre, the Warsaw uprising and over 40 years of forced communism. In the late 1980s the rise of Solidarnosc led to the collapse of communism in Poland and elsewhere in central Europe. When Poland joined the EU in 2004, it was one of the new member states arguing for a tougher policy towards Russia. Its difficulties with Russia over meat exports delayed the start of new partnership negotiations, while the prospect of US missile defences on Polish territory attracted Russian criticism.

In spite of the bitter historical experiences, there is no animosity between the two peoples. Hundreds of thousands of Russians have visited Poland since 1989 (working illegally, trading, and lately holidaying) and there have been no instances of hostility towards them. On the other hand, there is growing concern over the policies of the Russian state which, according to the Poles, shows its traditional hostility towards Poland and its independent role in the region.

Everything that concerns EU relations with Russia is seen as of the utmost interest to Poland. The country is especially focused on a number of key issues, including the solidarity of EU states with those being pressurised by Russia; a long-term transit agreement for Kaliningrad; human rights in Russia; free access to the sea route from the Pilava Pass to the Polish port of Elblag, which is blocked by Russia and the Estonian (Petseri and Jaannilinn) and Latvian (Abrene) border disputes with Moscow; illegal immigration; a robust approach to democracy in eastern Europe; and a solution to the Transnistria problem.

Bilateral agreements and political contacts

Diplomatic relations were established in 1921. More than 40 bilateral official documents have been signed and, since 1998, there have been eight bilateral agreements, including those on gas transit (1993 and 2003), the destruction of chemical weapons (2003) and military-technical cooperation.²⁵ In recent years there have been few high-level contacts between the two countries, especially since the Kaczynski twins assumed office in Poland.

Diplomatic representation

Russia maintains one embassy in Warsaw and consulates in Gdansk, Poznan, and Krakow. Poland has one embassy in Moscow and consulates in St. Petersburg, Kaliningrad and Irkutsk.

There is a wide range of Polish visas: airport visas (€12), residence visas (€50), visas for cultural and sporting events, and for business or education. Visas fees are waived for citizens of the Russian Federation, living in the Kaliningrad District, for persons under 16 and over 70, invalids and accompanying persons, persons visiting the graves of close relatives, railway workers carrying out their professional duties, participants in official educational, cultural, scientific-technological and sports events, academic teachers, interns and university students participating in official exchanges and Russian language and literature teachers on official exchange programmes. Poland is part of the EU-Russia visa facilitation agreement.

²⁵ WGO Monatshefte für Osteuropäisches Recht, 1998-2005



ECONOMICS AND TRADE

Notwithstanding political disagreements, trade between Poland and Russia gained momentum between 2000 and 2006. Exports to Russia grew from €943 million in 2000 to €3,768 million in 2006. Imports from Russia almost tripled in the same period: from €5,019 million in 2000 to €9,656 million in 2005. The trade balance, however, has remained negative: €4,077 million in 2000 and €5,888 million in 2006.²⁶ Polish FDI net flows to Russia grew from €26 million in 2004 to €101 million in 2005. Russian FDI net flow developed from a disinvestment of €522 million in 2004 to an investment of €28 million the following year.

According to the Polish Main Office of Statistics (GUS) Poland will reach its highest trade levels in 2007, including exports to Russia. In the first half of the year Polish exports to Russia amounted to €2,107.2 million and imports reached €4,692.1 million, 8.6% share of overall Polish imports. Russia continues to rank second among Poland's trade partners for imports. Germany ranks first (imports were €13,219.1 million - 24.2% of all Polish imports).²⁷

Energy

Starting in the mid 1940s, Poland was Russia's first gas export trading partner. From 1967 onwards, the gas supply ran through the newly built pipeline from the USSR to Czechoslovakia.²⁸ At the beginning of the 1990s, Russia, Poland and Germany agreed the Yamal gas pipeline project that was designed to have two branches. The first was completed in 1993 and delivers gas to Poland and Germany. The second, codenamed the 'Amber project', envisages a new route from Russia via Latvia, Lithuania and the Kaliningrad Oblast to Poland and Germany. There is a would-be rival Trans-Baltic pipeline project that bypasses the Baltic States and Poland, connecting Russia and Germany directly. Estimated costs (€6 billion) are about six times higher for this pipeline compared to the second branch of the Yamal, but Russia and Germany seem to be determined to realise this more expensive project. Poland is not at all keen on the Baltic pipeline and would much prefer to build the second branch of the Yamal pipeline.²⁹

Polish dependence on Russian oil and gas is high. In 2005, 97% of Polish crude oil came from Russia - the fourth highest dependency in Europe (behind Slovakia, Hungary and Lithuania). In 2005, 17,466,000 million tons of crude oil were imported - 2.0% more than in the previous year. In 2005, Poland imported 6.40 billion m³ gas from Russia or 47% of its national requirements.³⁰ Gas is responsible for 12-15% of the energy mix in Poland.

The main Polish partner with Russia's Gazprom is PGNiG (Polskie Górnictwo Naftowe i Gazownictwo), the largest national oil and gas exploration and

²⁶ Eurostat, News release 15 May 2007

²⁷ The Main Office of Statistics, Foreign Trade Department, 14th August 2007

²⁸ <http://www.gazprom.com/eng/articles/article20160.shtml> last visit 12 April 2007

²⁹ Loskot, Agata, Security of Russian Gas Supplies to the EU - the question of infrastructural connections <http://www.osw.waw.pl/en/epub/epunkt/2005/02/gas.htm> last visit 12 April 2007

³⁰ Eurostat, Environment and energy, Statistics in focus 17/2006





production company as well as the largest importer of natural gas in Poland. Contracts between the pipeline operator, EuRoPolGaz, and PGNiG ensure energy supplies as does the 25-year agreement made in 1997. EuRoPol Gaz is a Polish-Russian joint venture. PGNiG holds a 48% stake in EuRoPol plus 4% via its controlling share in another company, Gas-Trading. Gazprom owns the remaining 48%, but is seeking to increase its shareholding rights. Gazprom and PGNiG have been sparring for more than a year over control of EuRoPol, as Gazprom seeks lower prices to ship natural gas West through almost 700 kilometres of the Yamal pipeline in Poland.³¹

CIVIL SOCIETY

More than 73,000 Poles were registered in Russia in 2002. Polish was spoken by over 94,000 people, making it the fifth largest language community in the country (behind English, German, French, and Spanish).³² There are no figures for Russians in Poland. According to the Russian Foreign Ministry, about one million children learned Russian in school as a compulsory subject. The trend is however declining (22% of all those learning a foreign language attended Russian courses in 1996, but only 16% in 1999 and 9% in 2005). There is an active Russian community in Warsaw (Russkaja Obščina v Varšave) that organises events and excursions.³³

There are two papers - the monthly *Russian Messenger* in Warsaw (Russkij kur'er Varschavy) and the *New Poland* (Novaja Pol'sha) which aims to improve mutual understanding and overcome old stereotypes and clichés. Both were launched in 1991. There is an internet-forum called Polska-Rosja that serves as a communication platform for Russians and Poles interested in each other's country.³⁴ Another internet portal is called Warsaw in Russian.³⁵

The Polish Orthodox Church (Polski Autokefaliczny Kościół Prawosławny) is the second largest official religious organisation with some 600,000 members and 320 churches. Most of the Orthodox Christians in Poland are members of the Byelorussian minority in the eastern part of the country.³⁶ This sovereign branch of the Russian Orthodox Church has had quite a confusing history due to the various divisions of the country. The Polish Autocephaly founded in 1922 was finally acknowledged by the Moscow Patriarchate in 1948.³⁷

Among the one thousand plus Polish NGOs focusing on international cooperation, approximately half have at least Russian-related programmes, even if they are not fully devoted to Russia. The main fields of activity are sport, social care, health protection, culture, education and community development. In addition, various organisations specialise in bilateral NGO contacts between Russia and Poland as,

³¹ Herald Tribune, 16.01.2007

<http://www.iht.com/articles/2007/01/16/business/gazprom.php>

³² Rosstat 2005

³³ <http://www.rkw.3w.pl/obsina2.htm> last visit 13 April 2007

³⁴ <http://forum.gazeta.pl/forum/71,1.html?f=16589> last visit 13 April 2007

³⁵ <http://www.warsaw.ru/>

³⁶ <http://www.poland.gov.pl/Churches,and,Religious,Life,in,Poland,397.html> last visit 13 April 2007

³⁷ http://de.wikipedia.org/wiki/Polnisch-Orthodoxe_Kirche last visit 12 April 2007, wikipedia





for example, Elblaskie Towarzystwo Wspierania Inicjatyw Pozarządowych or Fundacja Rozwoju Demokracji Lokalnej.³⁸

The 24 airline routes transported 174,031 passengers to Russia in 2005 - 4.6% more than in 2004. This puts Poland in sixth place behind Germany, Austria, France, Sweden and Italy.³⁹

Culture

The Polish cultural centre in Moscow was established in 1988. It promotes Polish culture (literature, films, music and art) and organises regular events in these fields as well as lectures on Polish history. It manages and funds language summer schools and translation seminars in Poland and other countries.⁴⁰ There is a Polish Institute in St. Petersburg housed in the Polish consulate.

The celebration of the 300th anniversary of St. Petersburg" (2003-04) featured several dozen artistic events in Russia and Poland. The Polish Season in Russia / Russian Season in Poland (2004-2005) provided a showcase of modern cultural achievements in Poland and Russia - one highlight was the exhibition Warszawa-Moskwa / Москва-Варшава 1900-2000.⁴¹

In 2003, the first conference of the Dialogue-forum Russia-Poland took place in Warsaw, bringing together important representatives from the media and key players in cultural and social life in both countries. One year later, the second meeting took place in St. Petersburg. In 2004, Russia was an honoured guest at the Polish book fair as was Poland in Russia the following year.⁴²

Education and Science

Scientific cooperation is based on the October 2005 agreement on educational cooperation.⁴³ Poland is a major centre for Russian and Slavic studies. Under the patronage of the presidents of both countries, the Days of Polish Science were conducted in Russia in 2001. In 2004, Days of Russian Science took place in Poland.⁴⁴ In addition to the 18 Polish universities with courses in eastern studies including Russian language and culture, there are two research centres: the Centre for International Relations (CIR) and the Centre for Eastern Studies (CES). Both undertake research on Polish external relations, including those with Russia.⁴⁵ About 5,000 students were registered in Russian studies, with twice as many

³⁸ <http://english.ngo.pl> last visit 13 April 2007

³⁹ Eurostat Query 23 March 2007

⁴⁰ <http://www.ipol.ru/> last visit 13 April 2007

⁴¹ <http://www.iam.pl/en/site/> last visit 13 April 2007

⁴² <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256bcf0053079e?OpenDocument>

⁴³ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256bcf0053079e?OpenDocument>

⁴⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/ce3876645ab18df643256c28004a9f12?OpenDocument>

⁴⁵ Centrum Stosunków Międzynarodowych (CSM) <http://www.csm.org.pl/en/indexen.htm>; Ośrodek Studiów Wschodnich (OSW) <http://www.osw.waw.pl/en/eindex.htm>





learning Russian as a subsidiary subject.⁴⁶ The Russian Centre of Culture and Science in Warsaw provides, alongside five other institutions, certified language tests for everyday and business Russian.

Useful websites

Polish embassy in Moscow
No website

Russian embassy in Warsaw
<http://www.poland.mid.ru/>

⁴⁶ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/ce3876645ab18df643256c28004a9f12?OpenDocument>



POLITICAL RELATIONS

Romanian-Russian diplomatic relations were established in 1878 and since then have been characterised by a very complex agenda marked by both moments of tension and successful cooperation. Although a communist country, Romania was a critic of Moscow during the Cold War. While relations with Russia have not experienced a single significant crisis since then, the perception of a Russian threat, albeit defuse and mainly related to the energy sector, is still present. Gazprom's gas pricing policy is often viewed as an indication of an alleged Russian hidden agenda. President Basescu has recently admitted that Romania may not be considered by Russia as a friend, 'as long as we do not have an explanation for the large price differences practiced by Gazprom¹, and this may substantiate the assertion that Gazprom uses price as a political lever'.²

Objectively, however, the two sides have very few bilateral problems and Romania is in the mainstream of EU views on Russia. Trade relations are still thin (with the exception of energy imports by Romania), yet during recent years Romanian exports have recorded a significant increase. They doubled in 2004 and 2005 and increased by 62% in 2006.

Bilateral agreements and political contacts

After the signing of the bilateral political treaty in 2003, Romanian-Russian relations have intensified with an increase in ministerial contacts to discuss cooperation on bilateral, regional and international topics, such as Black Sea Economic Cooperation.

Several other bilateral agreements cover, inter alia, taxation, security of investments, mutual acceptance of university diplomas, customs and consular issues.

After the collapse of the Soviet Union, the first parliamentary contacts were established in 1994, when the chairman of the Lower Chamber of the Romanian Parliament paid a visit to Moscow. There are also contacts between the constitutional and supreme courts of both countries, and between other ministers, such as the ministers of economy and finances or internal affairs. In April 2007, the foreign affairs ministers, Lavrov and Cioroianu, met and agreed to revitalise cooperation in the Black Sea region.

Romania wants a more active EU policy on the 'frozen conflicts' of Moldova and Georgia. It would also like to see the EU push for security of energy supplies in any new treaty with Russia. Romania favours a free trade agreement with Russia to help regain the market share it lost after the collapse of the Soviet Union.

Diplomatic representation

Russia has an embassy in Bucharest and a consulate in Constanta. Romania has an embassy in Moscow and consulates in St. Petersburg and Rostov-on-Don. In accordance with the new EU-Russia agreement which entered into force on 1 June 2007, Romanian visas cost Romania is €35. Holders of diplomatic passports are

¹ 160-240 EUR/'000 cm for various European countries, 310 EUR/'000 cm for Romania and Poland.

² Interview, *Evenimentul zilei*, 27 November 2006





exempt from the visa obligation. Romania is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Trade relations between Russia and Romania have gone through difficult phases. After two harsh breaks at the beginning and the end of the 1990s, trade volumes slowly recovered until 2001. Thanks to the increase in Russian exports (mainly oil, gas and coal), trade grew by more than 1.5 times in 2003: up to €2,233 billion compared to €1,53 billion in 2002. In 2006, it reached more than €4 billion, largely due to imports of Russian oil and gas.³ Romanian exports to Russia (black metal, textiles, furniture, machines and medicine) still remain modest.

In 1991, the intergovernmental committee on economic and scientific technological cooperation was created. In June 2006, it held its eighth meeting, but further bilateral efforts are needed for more substantial progress to be made within this institutionalised framework.

In Romania, there are over 250 Russian-Romanian joint ventures. The most important of them are in the fields of energy and industry. Various large Russian companies, such as Lukoil, Russian Aluminium, the steel group Mechel, TMK or OMZ are active on the Romanian market, while Dacia Logan has recently entered the Russian market. The major Russian investments in Romania are in energy and industry (metallurgy and industrial equipment).

Town twinning and regional cooperation programmes have been developing since 2003 and thus only at an early stage. Various agreements exist between Russian and Romanian regions, mainly involving economic cooperation.

Energy

Gazprom plays a significant role in the Romanian energy market. In 2003, the third line of the transit gas pipeline was built. Russia and Romania have agreed to cooperate on the construction and modernisation of an underground gas storage centre in Romania. The latest project in this field dates from May 2006, when the Romanian ministries of economy and commerce and the vice-president of Gazprom discussed the possibility of the Russian company creating a natural gas storage centre in Neamţ County, Romania. Talks are also taking place on the creation of a joint venture for the direct provision to end consumers without using an intermediary.⁴

Another priority for Romania is the Nabucco pipeline.⁵ This focuses on the creation of a transit corridor for natural gas from the Caspian Sea region (Azerbaijan, Iran and Turkmenistan) to Europe, through Turkey, Bulgaria, Romania, Hungary and

³ Conversion into € by the site <http://www.bdb.de/html/reisekasse/waehrungsrechner.asp> and for the 31st December of each year.

⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/5e0f7ab11bf76cd9432569fc00363c10?OpenDocument> last visit 26 April 2007

⁵ http://en.wikipedia.org/wiki/Viktor_Khristenko#_note-ROMANIA last visit 26 April 2007



Austria, without transiting Russia.⁶ The construction of the 3,300-kilometre pipeline is expected to begin in 2008 and to be finished in 2011. Shareholders in the Nabucco Gas Pipeline International GmbH are OMV (Austria), MOL (Hungary), Transgaz (Romania), Bulgargaz (Bulgaria) and BOTAŞ (Turkey). They all have 20% of the shares.⁷

In 2005, Romania imported 5 billion m³ gas from Russia, meeting 39% of its national needs.⁸

Romania imported 4,931,741 tonnes of oil from Russia in 2005 and 4,324,823 tonnes in 2006 (56% of its imports). It also exported some processed oil to Russia: 1,393 tonnes in 2005 and 1,059 tonnes in 2006 (equal to 0.2% of its total exports).⁹

CIVIL SOCIETY

Apart from the Lipovans (see below), only 183 Russians were registered in Romania in 2005.¹⁰ No statistics exist on the numbers learning Russian, but an estimated 100,000 people (out of a population of 22.5 million) know Russian. Among the Russian-Lipovan community, Russian is still spoken. Officially there are 40,000 Lipovans living in Romania, but according to the community itself, it is 100,000.¹¹ As for Romanians in Russia, there are no figures. But over 22,000 people were said to know Romanian in 2002.¹²

Romania does not have Russian as a compulsory subject in schools. After 1989, the Russian language was studied as a mother tongue in more than 20 schools (in accordance with the bilateral agreement signed in 1993), due to former traditions in Romania related to Russian teaching and the number of highly specialised professors.

The Orthodox Church is the biggest religious group in Romania. It is independent from the Russian Orthodox Church. Another orthodox group in Romania is the Russian-Lipovans who believe in the old orthodox rite. The religious schism which took place in Russia in the 17th century and the persecution that was unleashed against those who opposed the reform drove hundreds of thousands of Russian old believers to leave their homeland. Many of them settled at the beginning of the 18th century on Romanian territory and were known as Lipovans.¹³ They do not restrict themselves to only religious subjects. Since 1990, the community has published the bilingual newspaper *The Dawn*. Since September 1998, the community has published in Iasi the monthly cultural magazine *Kitej-Grad* which is also a bilingual publication. The community organises annual Russian language

⁶ <http://www.nineoclock.ro/index.php?page=detalii&categorie=business&id=20060929-508198> last visit 26 April 2007

⁷ http://en.wikipedia.org/wiki/Nabucco_Pipeline last visit 26 April 2007

⁸ Cedigaz 2005

⁹ Eurostat 2007

¹⁰ Eurostat, Internet query 23 March 2007

¹¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/a1c5538a4108c3b643256c28004baed2?OpenDocument>

¹² Rosstat 2005

¹³ http://www.crlr.ro/index_en.php last visit 26 April 2007





competitions, national Russian song and dance festivals and religious-themed seminars.¹⁴

Education, Culture and Science

Basing on their cultural exchange agreement, Russian theatres regularly have concert tours to Romania and Romanian artists regularly visit Russia and take part in various international competitions. Some Romanian literature is published in Russia (23 books between 1993 and 2001), while Russian writers are very popular among Romanian readers. Romanian publishing houses took part in the Moscow book fair in 2003.

The science academies of both countries made an agreement in 1993 to exchange scientific staff in 1993 and have done so ever since. For the school years 2002-2004, there was an agreement on education cooperation and exchange, but the number of Russian students in Romania (18) is on the small side. Summer schools for Russian language in Russia, however, attract more students - up to 130 Romanians travel there each year.¹⁵

The main centre for teaching Russian language and literature and Slav studies is Bucharest University with some 170 students. At Bucharest Academy of Economic Sciences 30 students take Russian as a second language and there are additional Russian language study groups in the biggest state universities and institutes. Once a year, the Moscow Pushkin Institute hosts a number of Romanian students, offering the possibility of learning the language in Russia and acquiring new teaching materials.¹⁶

Useful websites

Romanian embassy in Moscow

<http://moscova.mae.ro/>

Russian embassy in Bucharest

<http://www.romania.mid.ru/>

¹⁴ <http://www.proetnica.ro/en/rusiilipoveni.html> last visit 26 April 2007

¹⁵ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/9d6590cb6d8fdbca432569fc0034b73a?OpenDocument> last visit 26 April 2007

¹⁶ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/a1c5538a4108c3b643256c28004baed2?OpenDocument> last visit 26 April 2007





POLITICAL RELATIONS

Russian-Dutch relations have deep historical roots. Dutch merchants started exploring Russia in the mid 16th century and by the beginning of 18th century they had become the leading nation trading with Russia, overtaking English merchants.

The Dutch had a great influence on the young tsar-reformer Peter the First; in 1697 he visited Holland with a large Russian delegation, (Grand Embassy) where he studied shipbuilding in the Dutch East India Company shipyard. Dutch ships were modelled on the Russian fleet and most Russian naval terminology has Dutch origins.

In 1813, Russian troops participated in the liberation of the Netherlands from the Napoleon invasion. However, after the Revolution diplomatic relations were broken off, to be restored in 1942. During the post war period the relationship remained tense due to Moscow's position on Indonesia; but since the mid '60s trade, political and cultural relations have been improving.

As regards a new strategic agreement, the Dutch would like to see an emphasis on energy (including ratification of the Energy Charter) transport networks and agreed rules for investments.¹ They attach importance to a united stance on democratic values and have been to the fore in criticising the murder of Anna Politkovskaya.

The state visit by Queen Beatrix to Russia in 2001 was the first by a Dutch monarch since the end of the 19th century.

Bilateral agreements and political contacts

Several bilateral agreements cover security, naval and fiscal matters, diplomatic representation, and economic, cultural and scientific exchanges and cooperation. During the Queen's visit in 2001, both sides signed an agreement to boost bilateral relations. There are regular bilateral consultations (the latest on April 5 2007) and the fourth common action programme for 2008-2010 has been signed.²

The Russian State Duma has set up a special interest group assigned to the Benelux headed by Andrey Klimov ('Edinaya Rossia' party).

Diplomatic representation

The Netherlands maintains an embassy in Moscow and a consulate in St. Petersburg. Russia has its embassy in The Hague. The Netherlands is part of the EU-Russia visa facilitation agreement.

¹ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 39-40.

² <http://www.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec32572b4005bb4f6?OpenDocument>



ECONOMICS AND TRADE

Economic relations are organised and regulated through the mixed commission on economic cooperation, which meets irregularly. Dutch exports to Russia have enjoyed considerable growth in the last years: from €1,796 million in 2000 to €5,576 million in 2006. Imports from Russia grew even faster due to the rise in prices for fuel and energy: from €3,901 million in 2000 to €17,018 million in 2006. The Netherlands has the largest trade deficit of all European states. In 2006, this amounted to €11,441 million. However, Dutch imports, and therefore the trade deficit, are overestimated because of the 'Rotterdam effect', whereby goods destined for the rest of the EU arrive and are recorded in Dutch ports.³

In 2006, the Netherlands was the fourth biggest EU exporter to Russia (behind Germany, Italy and Finland) and the second biggest importer (behind Germany). The Netherlands is one of the top foreign investors in Russia, increasing its total investment almost 15 times from 2000 to 2006 (from €600 million in 2000 to over €10 billion in 2006).⁴ More than three-quarters of Russian exports to the Netherlands are fuel and energy products and 16% metals. Russian imports consist of agricultural products (37%), machinery (28%), and chemical products (24%).

Russian FDI into the Netherlands was €22 million in 2005 and more than doubled from €10 million in 2004.

Dutch trade is promoted mainly from the consulate in St. Petersburg. It issues the bi-weekly Russia economic newsletter. The consulate's economic department is also actively involved in the implementation of the Dutch technical assistance programme that focuses on general management skills.⁵

The Russian Trade Representation was founded in 1945 in Amsterdam.

In 2006, more than 450 Russian-Dutch joint ventures were registered in Russia⁶, among them not only the oil and gas companies Shell, Gasunie and Urals-Ara, but also Philips, Van Leer, Stork, Unilever and Campina Melkunie attracting numerous small companies to the Russian market. The Dutch Bank ABN AMRO has operated in Russia since 1978. In 1993, it received a fully fledged commercial banking licence and since then has offered a full range of investment and commercial banking services.⁷

Energy

The 1999 agreement between Gazprom and Gasunie assures gas supplies over 20 years. In 2005, both sides signed a memorandum stipulating the completion of the gas supplying system for the European market and the development of environmentally friendly gas transportation technologies. Since Gazprom was not allowed to join the Sakhalin Energy consortium, the Russian government withdrew permission for Shell, alleging ecological risks. Shell, the main shareholder in the Sakhalin Energy consortium, had to agree to transfer a stake in the Sakhalin-2

³ Eurostat News release, 15 May 2007

⁴ <http://www.rustrade.nl/Files/500103EN.pdf>

⁵ <https://www.pum.nl/>

⁶ Rosstat 2005 - figure for end 2004.

⁷ <http://www.corporates.abnamro.com/corporates/docs/country/russia.jsp>





project to Gazprom in December 2006, after coming under massive pressure from the Russian state for several months. Established in 1994, the consortium includes Royal Dutch Shell (operator, 55% of shares) and Japan's Mitsui (25%) and Mitsubishi (20%). Since 2004, Sakhalin Energy has been carrying out the second phase of the project, which is to be completed with the launch of commercial exploitation of deposits and the export of resources in 2008. The most important part of this phase consists in building the first large gas liquefaction plant in Russia, with a capacity of 9.6 million tonnes a year and an oil and gas terminal for liquefied gas.⁸

The Netherlands covers 27% of national needs of crude oil through imports from Russia: 61,731,000 tonnes in 2005 - 2.2% more than in 2004.⁹

As for gas, the Netherlands imported 2.97 billion m³ from Russia in 2005 - about 7% of its national needs.¹⁰ In this respect, is one of the lesser dependent European countries.

CIVIL SOCIETY

Official Russian figures state that there were 4,856 Russians living in the Netherlands in 2002¹¹, but unofficial estimates suggest more than 40,000. No figures are available for the numbers of Dutch living in Russia, but Dutch is spoken by nearly 3,000 people.¹² The language situation seems to be much better in Russia than in the Netherlands. The Netherlands Institute in St. Petersburg¹³ provides language lessons as do the Russian centre of Dutch language and culture at the Moscow linguistic university and an additional 11 universities such as Moscow, St. Petersburg, Pskov, Arkhangelsk, Kursk and Kemerovo. The Dutch language union is highly active in promoting Dutch language and culture in Russia. In contrast, the situation of Russian in the Netherlands is precarious. The Centre of Russian Language and Culture at the Higher School of Interpreters existed only between 1995 and 2002 and now only 10 pupils are learning Russian at school. University chairs are closing down for lack of students.

The Russian media is well developed in the Netherlands. In addition to the printed Russian journals *RUS* and *Benelux News* (Novosti Beneluxa), there are numerous websites and internet portals for Russians in the Netherlands, among them Russian-speaking BeNeLux, Door into the Netherlands, Russia Net and Orange smile providing useful information for Russians in the Netherlands.¹⁴ There are also a Russian TV channel and several radio channels - all available on internet.¹⁵

⁸ <http://www.osw.waw.pl/en/epub/EW/061214/01.htm>, <http://www.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/ce1aae52fc522e55c3256fd2002d5196?OpenDocument>

⁹ Eurostat 2005

¹⁰ Cedigaz 2005

¹¹ Rosstat 1005

¹² Rosstat 1005

¹³ <http://www.nispb.ru/>

¹⁴ <http://www.rus.nl/>; <http://www.nederland.ru/>; <http://www.runed.nl/>

¹⁵ <http://www.rustv.net/>





Another newspaper is the Dutch online newspaper *Onze Taal*¹⁶, the organ of the Dutch Language Union and one of eight Dutch newspapers on the internet. Radio Netherlands and the private TV channel RTL4 provide a service for Dutch nationals in Russia.

Town twinning is gaining momentum. At present there are eight active programmes.¹⁷

The two countries are connected by 14 flight routes transporting 225,923 persons in 2005. As with almost all European countries, the number was slightly lower compared to 2004.

Culture

A number of cultural institutes in both countries foster dialogue and understanding. The Russian community in the Netherlands is organised in about 20 associations like the Council of Compatriots (Soviet Sootechestvennikov) based in Amersfoort or the Russian Cultural Centre in Amsterdam. It is on its initiative that a yearly festival of Russian art with Russian performing artists is organised. There are also some Russian Sunday schools, a School of Russian art and several Houses of Russian Culture (notably in Deventer, Rotterdam and Utrecht).

The six parishes of the Russian Orthodox Church are under the jurisdiction of the Moscow patriarchate. The construction of a new orthodox church in 2004 is proof of an active religious orthodox life in the Netherlands.¹⁸

In Russia, the St. Petersburg International Centre for Preservation and the Nicolaas Witse provides a service to cultural heritage institutions, mainly in the field of conservation. Expats offer Russian language training for Dutch businessmen already based in Russia and the embassy's cultural section finances and organises many cultural events in Russia with Dutch participation. The Thea Linschoten Foundation promotes cultural exchanges.¹⁹ Once a year, the Window to the Netherlands opens in St Petersburg – a festival of Dutch cinema, literature, theatre, music and art.

Education and Science

The Committee on scientific cooperation organises this branch of intercultural dialogue. The Netherlands Institute is a representative of the Dutch universities in North-West Russia. Its task is to provide information on higher educational opportunities in the Netherlands to Russian students and to increase the number of people interested in research and cultural cooperation between Russia and the Netherlands, Dutch language and literature and Russian language and literature studies in Russia and the Netherlands respectively. It also presents the Netherlands historic and cultural background by participating in joint Russian and Dutch projects and international events. In addition to information support and

¹⁶ <http://www.onzetaal.nl/ot/index.php>

¹⁷ http://www.stedenbanden.nl/list_dir.phtml?modus=ftsearch&ftsearch=&text23=@NEU@

¹⁸ <http://www.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/9ace6398f6ad8fd3c3256fd2002d845a?OpenDocument>

¹⁹ http://www.mfa.nl/pet/economy_and_trade#4DutchcompaniesinStPetersburgandNW-region





administrative assistance, the Netherland Institute supports free visas to Russian students and postgraduates.²⁰

Various exchange programmes exist between Russia and the Netherlands. The Dutch Russian cooperation programme, for instance, was established in 1992 to give a strong impulse to scientific collaboration. During the past decade, the programme financed over 350 collaborative projects in various scientific fields. The memorandum of scientific cooperation from April 2004 focuses on cooperation in molecular biology, agro-industrial technologies, physical chemistry and human and social sciences.²¹ In 2005, the Russian foundation of fundamental research and the Dutch organisation for scientific research signed a new cooperation protocol.

The Huygens Programme provides 28 one-month scholarships for students from central and eastern Europe for summer courses in international public and private law at the Academy of International Law in the Peace Palace in The Hague.

Useful websites

Dutch embassy in Moscow

<http://www.netherlands-embassy.ru/index.html>

Dutch consulate in St. Petersburg

http://www.mfa.nl/pet/about_the_consulate

Russian embassy in The Hague

<http://www.netherlands.mid.ru/>

Regional Representation of the Chamber of Commerce of the Russian Federation in the Netherlands

<http://www.rcci.be/>

Trade representation of the Russian Federation to the Netherlands

<http://www.rustrade.nl/>

²⁰ <http://www.nispb.ru/>

²¹ <http://www.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/2f66a0b528d02d21c3256fd2002dab4c?OpenDocument>

POLITICAL RELATIONS

Greek-Russian relations date back to the 10th century. The two countries share a strong bond of friendship, on account *inter alia* of their common Orthodox faith, shared spiritual and cultural values, and historical contacts¹ (among others, the first secret national patriotic Greek organisation Filiki Eteria was based in Odessa², Russian-Turkish rivalry was advantageous for Greece's struggle for independence and the first governor of the independent Greek state was a former foreign affairs minister of the Czar of Greek origin).

Bilateral relations are marked by a spirit of close cooperation, especially in the political, economic and cultural fields.³ Greece appreciates Russian support on the Cyprus issue and on the Aegean dispute with Turkey. But this cannot be taken for granted. Russia's trade with Turkey (including arms sales) is three times that with Greece and growing rapidly. President Putin has also called for an end to the economic isolation of the Turkish-Cypriot community. Furthermore, the worsening of Turkish-American relations because of US policy towards the Kurds in Iraq has led Ankara to reassess its Russian policy.⁴ Greek and Russian positions also coincide on other international issues, such as the view that the future status of Kosovo should be decided with the agreement of both sides involved.

Greece attaches considerable importance to Russia as a trading partner, including energy supplies and arms sales. There are regular visits at political and official levels. In recent years, there have been intensified meetings involving the prime minister and ministers for foreign affairs, defence, economy, trade and industry.

Greece strongly supports a new EU strategic partnership with Russia.⁵

Bilateral agreements and political contacts

Diplomatic relations between Greece and Russia were officially established in 1830. Since then, a framework of treaties has been created that encompass every area of cooperation between the two countries (political, economic, defence, energy and cultural). More than 40 agreements are still in force. Key agreements include Friendship and Cooperation (1993), military cooperation, avoidance of double taxation, shipping, air transport, and cooperation in the fuel and energy sector.

Parliamentary contacts are active. There are interparliamentary friendship committees in both legislatures. The high-level Joint Task Force, implemented by the Greece-Russia action plan for the years 2005-2006, met in Athens in April 2005.⁶ The plan focuses on political, economic and energy cooperation, as well as the promotion of tourism.

¹ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

² <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/d7950943f2bf9a88c325700c00411960?OpenDocument>

³ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

⁴ ELIAMEP, Developments in the European Union and Greece's role by Dr Ruby Gropas

⁵ EU 25-27 Watch Nr. 4

⁶ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

The May 2007 visit by the President of Greece and members of the Greek government to Moscow was hailed as a great success by both sides, underlining the close ties between the two countries and launched renewed cooperation mechanisms including a new action plan for the years 2007-2008

Diplomatic representation

Greece is represented in Russia with an embassy in Moscow and consulates in St. Petersburg and Novorossiysk. Russia maintains an embassy in Athens and a consulate in Thessaloniki. Greece is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Bilateral economic cooperation is coordinated by a joint inter-ministerial Committee for Economic, Industrial and Technological Cooperation.⁷ The Greek-Russian Business Council was inaugurated in May 2007 by the Greek and Russian Presidents.

Greek-Russian trade has substantially developed since 2000. Although exports to Russia rose from €269 million in 2000 to €441 million in 2006, imports from Russia increased from €1,185 million in 2000 to €3,536 million in 2006. This was mainly due to higher energy prices. The trade balance has grown considerably in Russia's favour: from €916 million in 2000 to €3,094 in 2006.⁸ Imports from Russia mainly consist of raw materials, more specifically oil, natural gas, iron, steel, aluminium, copper, and timber. Greek exports to Russia include furs, fruits and vegetables, olive oil, olives, aluminium, wine, bauxite, and marble.⁹

As regards investments, 41 Greek enterprises are currently operating in Russia with €75 million of invested capital. There are 130 registered Greek-Russian joint ventures, active mainly in trade, agriculture, industry, services, tourism, construction, energy, transport, and technology. Eurostat has no figures for FDI to and from Russia.

Energy

In the energy field, Russia has provided gas to Greece since 1987. It now imports almost all its gas from Russia (2.40 billion m³ in 2005). In 1997, a Russian-built gas pipeline was opened in Greece transporting some 1.8 billion m³ per year 6,036,000 tonnes which is 6.5% less than in 2004. It is the tenth most dependent EU country on Russian oil. Construction started in 2007 on the Bourgas-Alexandroupolis oil pipeline with Russian participation. It will also serve the Greek market and has been described as 'strategic' by both sides.¹⁰ The agreement between Russia, Bulgaria and Greece for the construction was signed in Athens in March 2007.¹¹ A parallel gas pipeline is also under discussion.

⁷ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

⁸ Eurostat News Release, 15 May 2007

⁹ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

¹⁰ http://news.kathimerini.gr/4dcgi/_w_articles_politics_1_03/06/2007_229298

¹¹ <http://www.yplex.gov.gr/www.mfa.gr/el-GR/Policy/Geographic+Regions/Russia-Eastern+Europe-Central+Asia/Bilateral+relations/Russia/>



CIVIL SOCIETY

There are about 128,000 people of Greek descent living in Russia.¹² The majority (100,000) live in the European part of southern Russia, while the remainder are in Moscow and its environs (25,000) or the area that falls under the jurisdiction of the St. Petersburg consulate (3,000). 70% are Greek-speaking people from the Black Sea coast, 29% are Turkish-speaking Greeks from Tsalka in Georgia and 1% are Greek-speaking people from Marioupoli in Ukraine.¹³ That makes about 91,000 Greek-speakers in Russia - official sources stated only 56,473 in 2002.¹⁴

A number of Greek cultural and business organisations are in Russia, such as the Hellenic Cultural Centre founded 2005 in Moscow¹⁵, or AGOOR, the Association of Greek organisations in Russia with 37 member organisations from all over the country. They are all active in preserving Greek culture, language teaching and facilitating dialogue with Russian culture.¹⁶ There is a school in Moscow with a Greek department.

The Russian community in Greece is large with about 300,000 people. Most of them are Pontic Greeks from republics of the former USSR. In 1992, the Pushkin Institute was opened in Athens and plays an important role in the promoting the Russian language. It has offices in Nafplion on the Peloponnese and in Iraklion on Crete. Since 1995, the non-profit foundation Greek-Russian Cooperation has covered all expenses. In 2002, a Russian private school was opened in Athens, the Smolnyj College, based on the 12-year-educational concept of Russian schools.

The Russian Alliance, very active in other countries very active, counts only one member in Greece - the editor in chief of the weekly Russian journal *Omonia*, launched in 1993 and also edited in Cyprus.¹⁷ Other newspapers are the *Russian Courier* (Rossijskij kur'er) and *Akropolis*. There are some internet-portals such as the sites Russian Greece¹⁸, Russian Athens¹⁹ or the information portals in Russian language Greek.ru²⁰ and Greece info.²¹ On Sundays, the Greek state TV ET-1 issues a short programme in Russian.

The Greek Orthodox Church is, according to Greece's constitution, the state religion. The majority of Greek citizens (98%) are baptised into the Orthodox Church and most of them celebrate at least the main religious feasts, especially Pascha (Greek Orthodox Easter).²² The Russian and Greek Orthodox churches are independent of each other, but keep close and friendly contacts.

¹² According to other sources, the Greek diaspora in Russia is much bigger: 250,000
<http://www.agoor.ru/agoor/>

¹³ <http://www.yplex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>

¹⁴ Rosstat 2005

¹⁵ <http://hecucenter.ru/>

¹⁶ <http://www.agoor.ru/>

¹⁷ <http://eursa.org/greece>

¹⁸ <http://www.russiangreece.gr/>

¹⁹ <http://russianathens.gr/>

²⁰ <http://www.greek.ru/>

²¹ <http://greeceinfo.ru/>

²² <http://en.wikipedia.org/wiki/Greece#Religion>





Regional cooperation is fairly strong, especially between Greece and the southern regions of Russia (Krasnodar). Fifteen other regions (among them Kemerovo, Rjazan and Rostov as well as the republic of Tatarstan) have cooperation programmes with Greek partners. In 2001, Moscow and Athens agreed a town-twinning arrangement and in 2002 St. Petersburg and Thessaloniki signed a similar accord.

There are 13 airline routes between Greece and Russia. These were used by 376,834 passengers in 2005, while in 2004 292,888 travelled to and from Russia.

Education, Culture and Science

The Greek embassy in Moscow is very active in promoting culture and science. More specifically, there has been a series of very successful events on the history, culture and traditions of Mount Athos. This included a major exhibition of relics from Russian museums, a concert given by the Byzantine choir of L. Angelopoulos, and an international scientific colloquium. A concert also marked the centenary of the birth of Greek composer Nikos Skalkotas.

There are two major centres (the Aristotle University of Thessaloniki and the University of Macedonia) for the pursuit of Russian studies. Between 500 and 600 students learn Russian each year. Hellenic studies may be pursued at Moscow, St. Petersburg, and Krasnodar.²³

Useful websites

Greek embassy in Moscow

<http://www.hellas.ru/>

Russian embassy in Athens

<http://www.greece.mid.ru>

²³ <http://www.ypex.gov.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/Russia+-+Eastern+Europe+-+Central+Asia/Bilateral+Relations/Russia/>



POLITICAL RELATIONS

Diplomatic relations began officially in 1791, but there were earlier trade contacts as Russia supplied Portugal with wood and pitch for its fleet. Apart from some modest trade, the two countries had no common interests either in Europe or overseas. During the last decade of the 19th century, diplomatic contacts became closer and in 1895, their first convention on trade and seafaring was signed. The relationship cooled considerably when Portugal relinquished its initial neutrality in the Russian-Japan war in favour of the United Kingdom and when the Portuguese kingdom was overthrown and the republic was proclaimed in 1910. Diplomatic relations were totally cut off by the Bolsheviks in 1917 and only restored in 1974.

Bilateral agreements and political contacts

In 1994, Portugal and Russia signed a treaty on friendship and understanding to serve as a basis for all bilateral contacts.¹ Since 2000, there have been six agreements on double taxation, diplomatic representation, military cooperation, international terrorism, crime and drugs. In 2004, the Russian navy visited Portugal and further visits are planned. Direct political contacts between the presidents and ministers are likely to intensify during Portugal's presidency of the EU in the second half of 2007.

Portuguese views on Russia tend to reflect mainstream EU positions.² Portugal, unlike other EU member states, faces no strategic dilemmas arising from energy dependency towards Russia, and trade is quite modest.

Diplomatic representation

There is a Russian embassy in Lisbon and a Portuguese embassy in Moscow. Portugal is part of the new EU-Russia facilitation agreement.

ECONOMICS AND TRADE

Economic relations are coordinated and fostered by the joint commission on economic, industrial and technical cooperation. There are 14 Russian-Portuguese joint ventures in Russia and seven in Portugal. There are also other business contacts, such as the cooperation between the scientific aeronautic complex in Taganrog and Portugal's national fire brigade which uses the Russian amphibian airplane, Be-200.³

There is no Russian FDI into Portugal and Portuguese FDI into Russia remained stable at €1 million in 2004 and 2005. Portuguese exports to Russia rose from €17 million in 2000 to €108 million in 2006, while imports from Russia increased from €248 million in 2000 to €649 million in 2006.⁴ Russian exports consist mainly of oil

¹ http://www.portugal.mid.ru/rus/otn_01.html

² Former Foreign Minister Diogo Freitas do Amaral, speech delivered at the Moscow State University of International Relations in October 2005.

http://www.portugal.gov.pt/Portal/PT/Governos/Governos_Constitucionais/GC17/Ministerios/MNE/Comunicacao/Inter_vencoes/20051018_MENE_Int_Portugal_Russia.htm

³ <http://www.in.mid.ru/ns-reuro.nsf/strana?OpenView&Start=1&Count=50&Expand=28.4#28.4>

⁴ Eurostat News Release, 15 May 2007





and oil products, black metal, leather, fish and sunflower seeds. Portugal exports to Russia cosmetics and perfumes, medicaments, natural cork, fruits, wine and clothes. The trade balance is negative for Portugal: €231 million in 2000 and €541 million in 2006.

Energy

Portugal covers almost none of its national needs in crude oil from Russia. In the same respect, its national gas needs are completely covered by imports from Algeria.

CIVIL SOCIETY

No figures exist on the Russian diaspora in Portugal, nor the number of Portuguese living in Russia. In both cases, the communities are very small. Russian is not taught in Portuguese schools, but six universities offer courses in Russian language and literature. There is a Portuguese version of Pravda. As for Portuguese in Russia, in 2002, Rosstat counted around 9,500 people speaking the language.⁵ Cultural contacts are few and on a very regional level. The cultural centre, Russian House, in Lisbon regularly organises cultural events and language courses. Its director is the only member of the Russian Alliance in Portugal. In addition, there is an association of immigrants from Eastern Europe in Portugal called 'Edinstvo'. The Russian Orthodox Church maintains three parishes.

Cultural events in Russia mainly extend to all Latin-American culture as seen in 2001 with the Ibero-American festival.

Five airline routes transported 20,000 passengers to and from Russia in 2004. In 2005, the figure was 18,322.

Useful websites

Russian embassy in Lisbon

<http://www.portugal.mid.ru/port/index2.html>

⁵ Rosstat 2005



POLITICAL RELATIONS

There are no particularly strong historical relations between Belgium and Russia. In the past decade, the two have established closer ties signing a number of bilateral agreements on economic cooperation, taxation, air traffic and the peaceful use of outer space. King Albert II visited Russia in 1998 and there are regular meetings at prime ministerial level.¹ Russia has a large diplomatic presence in Belgium due to the EU and NATO. President Putin and Prime Minister Verhofstadt signed a new gas deal in the spring of 2007.

Bilateral agreements and political contacts

Bilateral relations are regulated by triennial programmes. The current one runs until the end of 2007. Political dialogue involves high-ranking visits, consultations between ministers of defence, foreign affairs and the interior. Ministers of foreign affairs met six times in 2006 to discuss the fight against terrorism and the non-proliferation of weapons of mass destruction.²

The intergovernmental commission for cooperation between Russia and the Belgo-Luxemburg Union was created to foster exchange through mutual visits of economic delegations, revive regional cooperation and assure inter-ministerial contacts.

The triennial action programme also includes cultural and educational cooperation and exchanges.³ Putin came to Belgium in 2002 and 2005 and Verhofstadt made an official visit to Russia in the spring of 2007, when he again raised the issue of restitution for Belgian property and goods confiscated by the Bolsheviks. After Britain and France were compensated in 1986 and 1991 respectively, Belgium now hopes to overcome Russian refusal to deal with this matter.⁴

An agreement exists for young Russian diplomats to do internships in the Belgian foreign ministry and, since 2006, Belgian soldiers receive some training at the Russian army academy.⁵

Inter-parliamentary contacts between Russia and Belgium/Benelux have grown. Since 2004, there have been annual inter-parliamentary conferences (alternately in Russia and Belgium) to discuss the fight against terrorism. The next will take place in St. Petersburg in the autumn of 2007. The Belgian parliamentary group, Russia-Belgium, created in 2004, regularly invites its Russian counterpart.

Diplomatic representation

Belgium maintains one embassy in Moscow. Russia has one embassy in Brussels and a consulate in Antwerp. Belgium is part of the EU-Russia visa facilitation agreement.

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http://www.diplomatie.be/moscowru/media/moscowru/webversion_en_ru_150_belgorus.pdf last visit 1.5.2007

² <http://www.belgium.mid.ru/otn.html#0>

³ <http://www.belgium.mid.ru/otn.html#0>

⁴ Le Soir, 29.03.2007

⁵ <http://www.belgium.mid.ru/otn.html#0>





ECONOMICS AND TRADE

Economic relations are based on the 1971 agreement between Russia and the three Benelux countries. A mixed intergovernmental commission for economic cooperation between Russia and the Benelux meets regularly to discuss such issues as energy, machinery and building construction, certification of goods, cooperation in financial markets, investments and innovation. The seventh session of the commission will take place in the second half of 2007.

From time to time, Prince Philippe of Belgium undertakes economic missions to Russia, accompanied by a high-ranking delegation from the economic ministry and representatives of Belgian business. The most recent - the fourth since 1992 - took place in July 2006. Important issues for discussion have included cooperation in the energy and diamond markets and the production of plastics. It is expected that these visits will lead to significant projects in the future.

The Belgian-Luxembourg Chamber of Commerce for Russia and Belarus is an important factor in the relationship. It promotes Belgian exports and investment in Russia; furnishes Belgian business with knowledge of the country, markets and language; and remains in constant touch with the commercial services of Wallonia (AWEX, Agence Wallonne à l'Exportation) and Flanders (Export Vlaanderen). These regional agencies are particularly active, not only in Moscow but also in the Russian provinces. Export Vlaanderen has information services in Saint Petersburg and Nizhny Novgorod, whilst AWEX has an office in Almaty, Kazakhstan.⁶ Russian business is represented in Belgium by the Russian Chamber of Commerce and Industry in Brussels.

Belgian exports to Russia have risen from €944 million in 2000 to €2,752 million in 2006. Imports of Russian goods quadrupled from €1,614 million in 2000 to €4,670 million in 2006.⁷ Main exports to Russia are chemical products (20%), machinery (19%), transport-related goods (13%) and plastic and rubber products (11%). Imports from Russia consist mainly of fuel and oil (more than 50%) and precious and semi-precious stones (23%). Russian FDI (net flow) into Belgium grew considerably from €10 million in 2004 to €25 million in 2005. Belgian net flow FDI grew almost eight times: from €67 million in 2004 to €515 million in 2005.

There are numerous Belgian-Russian joint ventures in pharmaceuticals, food and construction. These include Résilux, which supplies plastic bottles specially made for mineral water in Russia,⁸ and Glaverbel which has taken over and modernised the glass factory in Bor, near Nizhny Novgorod. Other Belgian companies with a strong presence in Russia are Interbrew and Alcatel. In April 2007, the KBC bank and the shareholders of Absolut Bank reached an agreement for the KBC to acquire at least 92.5% of the latter, one of the leading independent mortgage lenders in Russia.⁹

⁶ <http://www.ccbllr.org/main.php?lang=en>

⁷ Eurostat News release, 15 May 2007

⁸

http://www.diplomatie.be/moscowru/media/moscowru/webversion_en_ru_150_belgorus.pdf

⁹ https://kbc-pdf.kbc.be/ng/published/KBCCOM/PDF/com_TBO_Absolut_18042007_0900dfde802a97b6.pdf





Energy

Belgium covers 24% of its national needs with crude oil from Russia (putting it in seventh place on the European list for Russian oil dependency). In 2005, it imported 13,433,000 tonnes - 6.9% less than the previous year. Belgium only imports a very small amount of gas: 0.30 billion m³ in 2005 (1.5% of the country's needs).

Russia is highly interested in benefiting from the liberalisation of Belgium's gas market and Belgium seems ready to establish the necessary legal conditions to satisfy this interest. Gaseksport, the export-arm of Gazprom, and the Belgian company Fluxis have signed an agreement to create an underground gas storage centre in Flanders to supply the UK with Russian gas. Russia is also looking to cooperate on nuclear energy.

CIVIL SOCIETY

The Belgian branch of the European Russian Union, an association of the Russian diaspora, has some 100,000 Russian members.¹⁰ The Belgian community in Russia appears to be very small and no figures are available for its size.

Several Russia-oriented NGOs are active in Belgium, such as the Russian House (Russkij dom),¹¹ mainly in the cultural and religious fields.¹² The Belgian branch of the NGO, Médecins sans Frontières has been very active in Russia since 1992.

The Russian Orthodox Church maintains 13 parishes in Belgium. Town twinning is not common, but with government backing improvements are expected.

In 2005, 13 air routes took 101,046 passengers from Belgium to Russia - an increase from 2004 (81,357).

Russian media in Belgium are mainly available on the internet. The only print newspaper is in Dutch, *Benelux News* (Novosti Beniluxa). Various internet portals such as Russians in Belgium or the Forum about Belgium offer discussion platforms,¹³ but are more geared to private exchanges than providing systematic information for newcomers.

Culture

Cultural exchanges are regulated by a 1956 cultural cooperation agreement whose day-to-day work is carried out by a bilateral cultural commission operating under three-year programmes. Agreements are concluded separately with the Flemish and Walloon communities. With its traditions and famous music contests, Belgium plays an important role in Russian musical life. (The famous Russian musicians, David Oistrach and Emil Gilels, made their world debuts in Belgium in the 1930s.) Russian musicians regularly perform in Belgium.

¹⁰ <http://eursa.org/node/82>

¹¹ http://kbo-bce-ps.mineco.fgov.be/ps/kbo_ps/kbo_search.jsp?Action=PS&i=20

¹² http://kbo-bce-ps.mineco.fgov.be/ps/kbo_ps/kbo_search.jsp?Action=PS&i=20

¹³ <http://www.belgiumtalk.com/forum/>





Cooperation and exchanges also exist in the arts and between museums. In 2001, the Brussels military museum opened a separate hall devoted to the Russian army. The Belgian artist, Olive Strelbel, was commissioned to create a sculpture for the 2002 inauguration of Europe Square in Moscow. Mechelen provided a new carillon for the Peter and Paul fortress, one of St. Petersburg's symbols on the occasion of the city's 300th birthday. For a year from February 2005, Europalia-Russia offered presentations of Russian theatre, cinema, art and music in Belgium.

Russian culture can be found in everyday life. Four Russian leisure groups take care of children and teach them about the theatre and the arts. Since 2006, the artistic agency, Carroussel, has organised cultural events in Belgium and the Netherlands with artists from Russia. The Centre Culturel et Scientifique de Russie¹⁴ organises theatre evenings, exhibitions, and film festivals. It provides Russian language courses and maintains a Russian library. Nine associations, involving, inter alia, Russian aristocrats, diplomats and the International Pushkin Foundation represent Russian culture in Belgium. Others, like the Flemish Association of Russian Speakers, the Belgo-Russian Culture Club or the Belgo-Russian Friendship Society focus on dialogue between Belgians and Russians living in Belgium by organising cultural and - as is also true for the Belgo-Russian Friendship Society - gastronomic events.¹⁵

Education and Science

Scientific cooperation between Russia and Belgium includes projects on biology, earth sciences, the environment, climate change, space, medical research, applied chemistry and physics, and general research. Lake Baikal plays a major role in scientific cooperation. The Brussels innovation and science fair, Heureka, is an annual event and the participation of Russian institutes is now a tradition.¹⁶

A number of centres of Russian studies, including seven Sunday schools for around 300 young children, teach Russian language and culture. With one exception, they have only been in operation since 2005.

The Free University Brussels opened an international department of Russian language in November 2006. Guest professors from Russia teach Russian literature and history in Russian and the students' written work is also in Russian. A Russian language prize, sponsored by the Russian ambassador to encourage and reward interest in the language, will be awarded for the first time at the end of 2007.¹⁷

Five Belgian universities (Frije Universiteit Brussels, the catholic university of Louvain and the universities in Mons, Ghent and Liège) participate in an exchange programme for students and staff between Russia and the Flemish and Walloon communities. On the Russian side, there are nine universities, mainly located in Moscow, including the Russian Academy of Science.

Scientific cooperation and expert exchanges is not limited to universities. Increasingly, private companies are joining in. The research department of the

¹⁴ <http://www.centreculturerusse.be/>

¹⁵ <http://www.belgium.mid.ru/roscentr.html#org>;
http://www.diplomatie.be/moscowru/media/moscowru/webversion_en_ru_150_belgorus.pdf

¹⁶ <http://www.belgium.mid.ru/otn.html#0>

¹⁷ <http://www.belgium.mid.ru/otn.html#0>





Belgian chemical company, Solvay, has initiated a cooperation programme with the faculty of chemistry at Moscow State University MGU.

Useful websites

Belgian embassy in Moscow

http://www.diplomatie.be/moscowru/media/moscowru/webversion_en_ru_150_b_elgorus.pdf

Russian embassy in Brussels

<http://www.belgium.mid.ru/>



POLITICAL RELATIONS

The 40-year Soviet occupation of the then Czechoslovakia has laid the cornerstone of the critical attitude Czechs hold towards Russia. Painful memories are still vivid since Soviet hegemony prevented the country from being a part of developed Europe as it always had been in its history. Few Czechs have forgiven Moscow for the invasion of their country in 1968 to suppress 'the Prague Spring'. Czechs are highly sensitive on human rights and civil liberties and react on behalf of any violation, especially in the CIS region. Czech representatives and NGOs are very active in supporting regime change in Belarus and urge a stronger EU effort in Transnistria. Coupled with the recent Czech decision to allow US radars on its territory, this has provoked criticism from Moscow.¹ With the exception of the left-wing governments of Prime Ministers Zeman, Gross and Paroubek, the Czech executive has always been one of the strongest critics of Russia's human rights record.²

Bilateral agreements and political contacts

The Czech Republic took over 46 agreements from the former Czechoslovakia and has added 37 new ones since 1993. They range from general cooperation through to employment, science and technology to encouraging investment.³ Ten, signed between 1993 and 1997, deal with economic issues.⁴ The May 2005 agreement on the economy, industry, science and technology provided the basis for the renewal of the intergovernmental commission on economic, industrial and scientific technological cooperation. Its first meeting took place in October 2005 in Prague.⁵ The latest agreements on preventing double taxation and on mutual protection of intellectual property rights were signed during President Vaclav Klaus's visit to Moscow in April 2007.⁶

After a 13-year break, President Putin made a state visit to Prague in March 2006, following an invitation from former Prime Minister, Paroubek. In April 2007, President Klaus visited Moscow and tried to reassure Russia about the planned deployment of US radar on Czech territory.

Diplomatic representation

Russia has one embassy in Prague and consulates in Karlovy Vary and Brno. The Czech Republic maintains one embassy in Moscow, consulates in St. Petersburg and Yekaterinburg and one honorary consulate in Khanty-Mansijsk. Visa costs range between €62 (simple visa for up to 30 days) and € 140 (multiple visas for up to 30 days). A long-term visa for business costs between €80 and €150. Students,

¹ Postoj ČR k prioritám finského předsednictví v Radě EU a další důležité otázky pro ČR

² This is especially true for the current Czech government with two former members of the dissident movement at the top of Czech foreign policy: Karel Schwarzenberg as Minister of Foreign Affairs and Alexandr Vondra as Deputy Prime Minister for European Affairs.

³ <http://www.mzv.cz/wwwo/mzv/mezsmlouvny.asp>

⁴ <http://www.mzv.cz/wwwo/default.asp?ParentIDO=1138&ido=1144&amb=54&idj=41> last visit 12 June 2007

⁵ <http://www.mzv.cz/wwwo/default.asp?ParentIDO=1138&ido=1144&amb=54&idj=41> last visit 19 April 2007

⁶ http://www.novinky.cz/zahranicni/evropa/klaus-u-putina-mirni-obavy-ruska-ze-zakladny-usa_114053_2om57.html





however, pay only €25. The Czech Republic is part of the EU-Russia visa facilitation agreement.

ECONOMY AND TRADE

Trade has developed considerably in recent years. Exports have more than quadrupled: from €420 million in 2000 to €1,504 million in 2006. The same is true for Russian imports into the Czech Republic: from €2,260 million in 2000 they reached €4,224 million in 2006. During Putin's last visit, he and President Klaus agreed to develop economic cooperation. Several joint ventures, mostly involving machine building, were agreed.⁷ Russia mainly exports energy products, while the Czech Republic supplies finished goods. Another rapidly expanding area is Russian property agency services. These are mainly concentrated in Karlovy Vary, a favourite area for Russians. The trade balance remained negative. In 2000, it was €1,840 million and six years later, €2,721 million.⁸

Net Czech FDI to Russia has been up and down. From €35 million in 2004 and almost nothing in 2005, it returned to €38 million in 2006.⁹ The biggest Czech investment is Škoda Holding with a joint-venture with Sibelektroprivod (SIBEL) It has produced machinery goods since 2004. Škoda Mladá Boleslav has invested in a new manufacturing plant in Kaluga and production starts in the second half of 2007. Its annual capacity will be 50,000 Skoda Octavia cars. Most Czech investments are in machinery, mining and financial services. Russian companies tend to invest in energy and play an important role in energy supplies to maximise profits from higher end-customer prices.

Energy

The Czech Republic covers 72% of its national needs for crude oil with imports from Russia (placing it sixth among European importers). In 2005, it imported 5,501,000 tonnes - 20.2% more than in 2004.¹⁰ It is the fourth biggest importer of gas (behind Germany, Italy, and France) buying 7.13 billion m³ in 2005. It covers 75% of its national needs with imports from Russia.¹¹ Thanks to its oil and gas pipeline to Germany, the Czech Republic is able to cover part of its consumption by alternative sources from Norway (gas) and the Gulf States (crude oil from Terst). This places it in a better position through stronger diversification compared to other Visegrad states which are almost 100% dependent on Russian energy supplies.

CIVIL SOCIETY

In 2005, some 16,000 Russians were registered in the Czech Republic. But they represent only 16% of the Russian speaking community which consists mainly of Ukrainians.¹² The Czech community in Russia is small - fewer than 3,000 people

⁷ http://www.vor.ru/Exclusive/excl_next7269_eng.html last visit 19 April 2007

⁸ Eurostat News release, 15 May 2007

⁹ Goskomstat statistics data, also <http://www.businessinfo.cz/cz/sti/rusko-investicni-klima/9/1000580/>

¹⁰ Eurostat

¹¹ Cedigaz 2005

¹² <http://eurssa.org/node/84> last visit 19 April 2007, Eurostat gives a smaller number: 14.747 in 2005





were registered in 2002.¹³ With over 13,000 speakers, Czech is the 12th main European language in Russia. After the Velvet Revolution, interest in learning Russian declined. Since 1998, however, the Russian language, culture and economic ties have grown in popularity. The number of pupils learning Russian in school is growing steadily and it is by now the most popular foreign language after German and English.¹⁴

Regional cooperation is developing. Omsk, Belgorod, Samara, the regions of Sverdlov, Leningrad and Kamchatka, Udmurtia and Bashkiria as well as Moscow and St. Petersburg have cooperation agreements with regions and towns in the Czech Republic and want to develop these contacts.

In 2005, 20 airline routes connected the Czech Republic with Russia and transported 408,821 passengers -13% more than in 2004 when Russian tourism to the Czech Republic reached a peak.

Culture

Czech radio operates a special channel for news broadcasts in six foreign languages including Russian. Radio Prague¹⁵ covers in 30 minute blocs in different languages news and special themes such as culture, history and the economy. There are also Russian newspapers in the Czech Republic, like the weekly *Inform Praga*, which is also published in Russia¹⁶, *Delovaja Praga* or *Chekhija segodnja* (Czechia Today), a monthly Russian journal published in Prague, concentrates on economic analyses of the Czech market and on tourist information on the Czech Republic. The internet version is available in Czech.¹⁷

The Orthodox Church in the Czech Republic is independent from the Russian Orthodox Church. It maintains 82 parishes and has about 20,000 members.¹⁸

Several cultural organisations foster exchanges. Among them are the centres of national Czech culture in Novorossijsk and Chita, the friendship club in Moscow and the association Friends of Chapek at the consul in St. Petersburg. The most active cultural ambassador is the Czech Centre at the Czech Embassy in Moscow.¹⁹ In 2001, it co-organised the first Visegrad states (Hungary, Poland, Slovakia, and Czech Republic) film festival in Moscow. In 2002, it organised several events to promote Czech and Slovak literature and culture. In 2005, it held a series of large scale cultural events with Russian involvement to mark the 60th anniversary of victory over Nazi Germany in World War II.

Education and Science

In Moscow, three universities and the Institute of Foreign Languages offer courses in Czech as does the University of St. Petersburg. Exchange and cooperation programmes exist between eight Russian and Czech universities. Russian-Czech scientific cooperation focuses on fundamental research, biotechnology, energy,

¹³ <http://www.mzv.cz/wwwo/mzv/default.asp?id=20515>

¹⁴ http://www.interfax.ru/e/B/politics/29.html?id_issue=11471700 last visit 19 April 2007

¹⁵ <http://www.radio.cz/ru>

¹⁶ <http://www.gazeta.cz/>

¹⁷ <http://www.czechtoday.cz/>, <http://www.czech.dux.ru/>

¹⁸ <http://www.ekumenickarada.cz/erceng/pravosl.html>

¹⁹ <http://www.czechcentres.cz/moscow/novinky.asp> last visit 23 April 2007





ecology, and space.²⁰ Since 1997, there have been exchange programmes between the Czech and Russian academies of science involving common projects, personnel and scientific material.

The Eastern Nations Friends Society in the Czech Republic promotes cultural and scientific dialogue, the Czech and Russian languages in both countries (and elsewhere like the Ukraine and Slovakia) and humanitarian aid.²¹ There is an internet portal, Rossika, for Slavic and Russian studies.²² The electronic library, Literary Prague, (Literaturnaja Praga) offers Czech literature in Russian.²³

Useful websites

Czech embassy in Moscow

<http://www.mzv.cz/wwwo/default.asp?ParentIDO=1138&ido=1144&amb=54&idj=41>

Russian embassy in Prague

<http://www.czech.mid.ru/>

²⁰ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051f310?OpenDocument> last visit 23 April 2007

²¹ <http://www.spnv.cz/obecne-gbr.htm> last visit 23 April 2007

²² <http://web.quick.cz/rossica/> last visit 23 April 2007

²³ <http://literatura.prag.ru/> last visit 23 April 2007





POLITICAL RELATIONS

Historically, Hungary and Russia have had little contact. Russia became involved in the 1849 war of independence, but otherwise had little interaction. Hungary was an ally of Nazi Germany during the Second World War and following German capitulation was occupied by the Soviet Union until 1991. Apart from the brutal suppression of the 1956 uprising, the Soviet presence was relatively mild compared to elsewhere. Moscow allowed 'Goulash Communism' considerable room for manoeuvre.

Bilateral agreements and political contacts

President Boris Yeltsin's visit to Budapest in November 1992 helped resolve most of the bilateral disputes between Hungary and Russia. During the visit, the parties signed nine agreements. Since 1998, there have been 16 more on tourism, visas, travel and customs issues, environmental protection, nuclear energy and the status of war graves.

Hungary is divided along political lines in its attitude towards Russia. It shares some of the concerns of other new member states, but there is also a strong feeling of sympathy, partly due to the 'Trianon effect' (loss of empire and nationals living outside current state borders). There is little public discussion about Russia except on energy matters since Hungary is extremely heavily dependent on Russian oil and gas. The question of pipelines (Nabucco v Blue Stream) remains a highly sensitive issue.

Relations went through a frosty period during the Orban government (1998-2002). Budapest refused the transit of Russian 'humanitarian aid' to Serbia in 1999 and opposed Gazprom attempts to take over a key chemical manufacturer. The Socialist-led successor government ushered in a period of warmer relations culminating in Putin's visit to Budapest in 2006 when several energy deals were signed. Prime Minister Gyurcsany is seen as being very pro-Russian. .

Hungary would like a new strategic partnership agreement to be based on the four common spaces with increased attention paid to energy, environmental protection and human rights. However, on this last issue Budapest is primarily focused on the situation of Hungarian minorities living outside its borders. It has reserved its position on the question of missile defences being developed in its neighbours.

Diplomatic representation

Hungary maintains an embassy in Moscow and a consulate in St. Petersburg. Russia has an embassy in Budapest and a consulate in Drebecen.

Visa costs for Russians range from €17.50 (with reductions for children under seven years and underage pupils travelling in organised groups) to €35 (standard cost) and €45 for urgent requests. Hungary is part of the EU-Russia visa facilitation agreement.



ECONOMICS AND TRADE

Russia is one of Hungary's leading economic and trading partners. Between 2000 and 2006, exports to Russia rose from €496 million to €1,617 million. Imports more than doubled over the same period from €2,809 million to €5,118 million.¹

While the increase in imports was caused by rising energy prices, the surge in Hungarian exports came from machine tools, mobile phones, medical equipment, electronic tubes, light bulbs, motor cars, agricultural equipment and products and the processing industry (pharmaceuticals, packaging materials, plastic, paper, and vehicle components). In 2006, trade increased 36.4 compared to 2005. Exports to Russia rose 55% and imports 32%.² The trade deficit grew from €1,203 million in 1999 to €3,042 million in 2005.³

FDI net flow from Russia to Hungary was €14 million in 2004 and €7 million in 2005. In the other direction, it fell from €5 million to €2 million over the same period.⁴

The development of Hungarian-Russian economic relations had been promoted by the economic cooperation agreement in 2005. A further memorandum in 2006 on cooperation in nanotechnology led to the establishment of a joint venture nanotechnology company in early 2007 by Russia's NT-MTD and Hungary's Miskolc Holding Zrt. Hungary has been an active participant in Russian trade fairs, such as Prodexpo, Konzumexpo, and has opened several trade offices in Russian regions, including St. Petersburg Ufa, Kazan', Rostov-na-Donu, Yekaterinburg and Kemerovo.

Russian business is represented in the Budapest branch of the Russian chamber of commerce.⁵ Energy giant Gazprom bought into Hungary's strategic gas storage and transport business and Russian business has a stake in Malev. There are concerns that Russia may seek to widen its control of Hungarian energy assets by possibly taking over Hungary's main oil company (MOL) and buying the OTR Bank, a €13 billion market capitalisation company and one of the last independent banks in central Europe.

Energy

Hungary is second among EU countries in energy dependence on Russia which supplies almost 80% of its natural gas and 99% of its crude oil. In 2005, Russia sold 8.32 billion m³ gas and 6,453,000 tonnes of oil to Hungary⁶ - 17.4% more than in 2004.⁷

As for pipelines, Hungary is considering Blue Stream a €6 billion project supported by Russian energy giant Gazprom. The alternative is Nabucco, an EU-backed scheme to diversify away from Russia. There are plans to integrate the Adria

¹ Eurostat News release, 15 May 2007

² <http://www.mfa.gov.hu/NR/exeres/7B40C8D6-CEE2-48E1-A3EF-D5643AC122E6.htm> last visit 16 April 2007

³ Eurostat News release 68/2006, 24 May 2006

⁴ Eurostat Query 23 March 2007

⁵ <http://www.rustrade.axelero.net/>

⁶ Cedigaz 2005

⁷ Eurostat Environment and energy, Statistics in focus 17/2006





pipeline into the Druzhba system. The former which extends from the Croatian port of Omisalj on the Adriatic to Hungary, was completed in 1974. It was originally designed to load Middle Eastern oil at Omisalj to be piped northwards to Yugoslavia and on to Hungary. It would now be necessary, however, to reverse the pipeline's flow, and give Russia a new export outlet on the Adriatic. The companies involved are Transneft (Russia), Gomeltransneft-Druzhba (Belarus), MOL (Hungary), Transpetrol (Slovakia), Ukrtransnafta (Ukraine), and JANAF (Croatia). In 2002 it was reported that Yukos and Tyumen (now TNK-BP) (Russia) had both agreed to supply 2.5 mt/y through the pipeline.⁸ Croatian civil society groups fear there could be pollution of the country's coast, the most important card in country's economy, and have organised resistance to the scheme. In October 2005, the plans were rejected for the third time and seem to have been on the back burner ever since.⁹

CIVIL SOCIETY

The Russian diaspora in Hungary is small: just 2,663 in 2005¹⁰ compared to 3,768 Hungarians registered in Russia. A little over 9,000 Russians speak Hungarian.¹¹ Estimates suggest there are up to 50,000 non-registered Russians living in Hungary.¹² Russian teaching is losing ground in favour of English. The embassy has a Russian school and a grammar school offers intensive Russian language classes.¹³ There are five Russian clubs or communities in Hungary: in Budapest, Pécs, Paks, Szeged, and Győr.¹⁴ They organise various events and provide help for newcomers. One bookshop in Budapest specialises in Russian literature. The Russian Orthodox Church in Hungary has only two parishes. Both are in Budapest. But its influence is growing steadily and new parishes are about to be opened.¹⁵

Budapest has one Russian newspaper (*Rossijskij kur'er*) and two journals (*Vengerskij kur'er*, *Vengrija*), Russian TV is available by satellite or internet, and there are 16 radio channels on the internet.¹⁶ In addition, there are various Russian-Hungarian internet portals and forums. They include Russian Hungary (Russkaja Vengrija) which provides useful information, and not only for newcomers; the IC Club organises Russian events (parties, disco and cinema) and offers practical help for Russian companies.¹⁷

⁸ Rupprecht Berger, OMV Gas GmbH: Presentation of Nabucco Pipeline, 3-4.10.2005
<http://www.seerecon.org/infrastructure/sectors/energy/documents/031005gas/Nabucco%20Presentation%20Belgrad%20Oct%202005.pdf>

⁹ http://www.bankwatch.org/balkan_energy/# Information on Druzhba-Adria integration, last visit 17 April 2007

¹⁰ Eurostat

¹¹ Rosstat 2005

¹² <http://eursa.org/node/90> last visit 17 April 2007

¹³ <http://eursa.org/node/90> last visit 17 April 2007

¹⁴ <http://eursa.org/node/90>

¹⁵ <http://eursa.org/node/90> last visit 17 April 2007

¹⁶ <http://www.russian.hu/tv/tv.php> last visit 17 April 2007

¹⁷ Others: Vengrija, Vzgljad iz nutri <http://www.hungary-ru.com/index.php?mode=forum>; Forum Vengrija <http://www.forum.vengria.com/viewtopic.php?t=240>; Russians in Hungary http://community.livejournal.com/hungary_russia; Vengria Portal <http://www.vengria.com/index.php?page=news&set=month&id=1619>





Regional cooperation programmes link 19 Hungarian and 50 Russian regions and towns, including Moscow. Hungarian interests also focus on relations with the Finno-Ugric peoples in Povolozhe and Priural. The Russian and Hungarian governments participate in the Finno-Ugric peoples world congress which takes place every four years. The most recent was in Tallinn in 2004.¹⁸

The nine airline routes between the two countries carried 116,116 passengers in 2005 - 7.9% more than in 2004.¹⁹

Culture

Russian culture is widely admired in Hungary and there are several bilateral cultural agreements. More are due to be signed in 2007.²⁰ The Hungarian Cultural, Scientific and Information Centre in Moscow plays an important role in presenting Hungarian culture to the Russian public. In 2006, on the 50th anniversary of the Hungarian Revolution, it organised a major cultural programme in collaboration with the Hungarian embassy in Moscow and the Hungarian scientific and information centre in Moscow. The special programmes of cultural seasons (Hungary in 2005 and Russia in 2006) included exhibitions, presentations of theatres and films and public lectures on different aspects of the respective countries.²¹ In 2007, the Russian cultural centre in Budapest is promoting the worldwide 'Year of Russian language'.

Education and Science

Based on the 1993 agreement on scientific and technical cooperation, the two governments have implemented several joint projects. The 2006 protocol on education regulates exchanges between schools and universities, internships, scholarships, language courses, and the common development of teaching materials for both languages. Co-operation programmes exist between six Hungarian and seven Russian universities including the Pushkin Institute of Russian language. The overwhelming majority focus on technical, agricultural, financial and administrative programmes. To give an idea of the number of students learning Russian, the Pedagogic Institute in Szeged enrolled the largest group in Hungary with 56 new students. Another institute registered 35. All in all, interest is declining.²² There is a Centre of Slavic Studies at the University of Budapest. Teachers of Russian have also formed an association based in Budapest. Given the linguistic relationship, Hungary pays special attention to maintaining relations with the Finno-Ugric peoples in Russia.

¹⁸ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256b5f00547ce8?OpenDocument>

¹⁹ Eurostat

²⁰ <http://www.in.mid.ru/ns-dksu.nsf/6786f16f9aa1fc72432569ea0036120e/432569f10031dce6c3256ff6003dc8fc?OpenDocument>

²¹ Homepage Hungarian Government

http://www.mfa.gov.hu/kum/en/bal/foreign_policy/bilateral_affairs/bilateral_affairs.aspx?d=Diplomatic+relations&c=106&z=Europe last visit 16 April 2007

²² <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec3256e060029cbaf?OpenDocument>





Useful websites

Hungarian embassy in Moscow

<http://www.mfa.gov.hu/kulkepviselet/RU/ru/>

Russian embassy in Budapest

<http://www.hungary.mid.ru/>





POLITICAL RELATIONS

Sweden and Russia have a longstanding relationship as neighbours in the Baltic Sea. The Swedish government is keen to promote a new and balanced EU-Russia strategic agreement.¹ Stockholm places considerable emphasis on European values.²

A number of incidents (the Raoul Wallenberg affair and disappearance of Swedish ships' crews) during and after the Second World War had a negative impact on Swedish-Russian relations. Most of these are now closed or near to resolution.³

Bilateral agreements and political contacts

In 1991, Sweden was among the first to acknowledge Russia as heir to the USSR. More than 60 bilateral agreements are in force including exclusive economic zones and emergency cooperation in the Baltic Sea, mutual protection of investments, cooperation in the fight against organised crime and illegal migration, protection of the environment and nuclear safety.

Political contacts are active with regular ministerial meetings. There is a parliamentary group for relations with the Duma.

Diplomatic representation

Sweden has an embassy in Moscow; and consulates in St. Petersburg and Kaliningrad. Russia has its embassy in Stockholm and a consulate in Gothenburg. Sweden is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Bilateral trade and economic relations are discussed in the biannual meeting of the intergovernmental committee established in 1993. There are special working groups on energy, investment and banking. The Swedish trade council has offices in Moscow and St. Petersburg. Another organisation housing about 170 Swedish and Russian companies is the Swedish Russian Business Club.⁴ The Swedish embassy in Moscow organised a business forum in May 2007 to coincide with the world ice hockey championship that took place in Moscow.⁵

Swedish imports from Russia amounted to €3,789 million in 2005 and more than tripled since 2000 (€958 million). So too, did exports to Russia: from €601 million in 2000 to €1,929 million in 2006. This increase is mainly due to rising costs for crude oil and explains why the trade balance is negative. In 2006, it was €1,860 million

¹ See for instance Prime Minister Fredrik Reinfeldt's government declaration to the Parliament, 2006-10-06, p. 5, www.regeringen.se; "EU:s beroende av Ryssland ökar" 2006-10-20 and "EU enades om energisamarbete" 2006-10-21, both in Svenska Dagbladet, www.svd.se.

² "Reinfeldt vill få fart på EU", Svenska Dagbladet, 2006-11-25, www.svd.se.

³ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e4325699c003b6193?OpenDocument>

⁴ http://www.swedenabroad.com/News_28796.aspx?slaveid=37639

⁵ https://www.allready.net/fsb2525/Invitation_-_Sweden_Russia_Business_Forum_-_2007.pdf





compared to €357 million in 2000.⁶ Important exports are equipment for the telecommunications industry, automobiles and chemicals. Imports from Russia consist mainly of raw materials, in particular crude oil (84%).

Swedish investments in Russia are on the rise with a net flow of €715 million in 2005 and have increased by 16% since 2004 (€595 million). Russian FDI net flow into Sweden rose from €1 million in 2004 to €55 million in 2005. The main interests of Swedish investors are furniture, telecommunications, construction and the manufacture of trucks. Approximately 300 Swedish companies are currently present in the Russian market with IKEA being the biggest investor.⁷

Regional cooperation and town twinning are thriving. St. Petersburg, the republics of Karelija and Komi, the regions of Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod and Pskov have close contacts with Sweden. There are 13 agreements on regional cooperation and more than 40 town twinning programmes between the two countries.⁸

Energy

Sweden imports 35% of its national crude oil needs from Russia - 7,139,000 tonnes in 2005. This is 2.2% less than in 2004. Swedish gas comes from Denmark and Germany. There are some concerns in Sweden about the possible environmental impact of the proposed Nord Stream pipeline.

CIVIL SOCIETY

About 38,000 Russians were living in Sweden in 2004. There are numerous Russian institutions and clubs, and 44 of them are organised in the Union of Russian Associations in Sweden. They focus on preserving Russian language and culture, offering national evenings, readings of Russian literature and exhibitions of Russian art. The Russian Orthodox Church has five parishes in Sweden. The first was built in 1641.⁹

There are no Russian-language printed newspapers in Sweden and only very few Russian language programmes on TV or radio. For instance, Radio Svecija broadcasts only 30 minutes daily in Russian. There are many websites in Russian aimed at Russians in Sweden, such as the site of the Russian Swedish Cultural Association¹⁰ or the Us in Sweden (Nashi v Shvecii) site.¹¹ In 2005, Stockholm housed the seventh world congress of Russian print media which aimed to provide a common information space for all Russian speaking people, inside or outside Russia.

There are over 5,000 Swedes in Russia and Swedish is spoken by at least 7,000 people.¹² There is a Swedish school in Moscow

⁶ Eurostat News release, 15 May 2007

⁷ http://www.swedenabroad.com/Page____47757.aspx

⁸ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e4325699c003b6193?OpenDocument>

⁹ <http://www.sweden.orthodoxy.ru/Engelska/index.htm>

¹⁰ <http://www.ryskwebb.tk/>

¹¹ <http://www.averkiev.com/nyheter/index.php/rus>

¹² Rosstat 2005





The Swedish Agency for International Development Cooperation (SIDA) seeks to assist the development of Russian civil society. It also supports development and human rights in the Northern Caucasus.¹³

Science

There is no Swedish cultural institute in Russia, but other bodies such as the Swedish Russian Business Club sponsor events. Some 20 universities all over Russia offer courses on Swedish language and literature.

In Sweden, 11 educational institutions provide courses on Russian language and literature, but interest is declining.

The Foundation for the Furtherance of Swedish-Russian Relations has been created to deepen bilateral contacts by awarding fellowships to young Russian citizens.¹⁴

Useful websites

Swedish embassy in Moscow

http://www.swedenabroad.com/Start_28406.aspx

Russian embassy in Stockholm

http://www.ryssland.se/emb_e.htm

Trade representation of the Russian Federation to Sweden

<http://www.rysslandshandel.se/>

¹³ http://www.swedenabroad.com/Page_40009.aspx

¹⁴ http://www.swedenabroad.com/Page_43815.aspx



POLITICAL RELATIONS

Relations between Austria and Russia are coloured by a shared imperial history, the Soviet occupation from 1945-55 and close trade ties. Regular diplomatic contacts between Russia and Austria were established by Peter the Great at the end of the 17th century. Apart from the two World Wars, relations by and large have been friendly and close.

Bilateral agreements and political contacts

During the past decade, there have been numerous working sessions between the ministers of foreign affairs and heads of government and some official meetings at head of state level. Since 1927, there have been 36 agreements with Russia on cooperation and exchange in all spheres of public, administrative and governmental life.¹ In November 2006, Russia agreed to return to Austria parts of the archives which were removed to Moscow in 1945. Other Austrian claims going back to events in 1945 still remain to be settled.

Austria is keen for the EU to move ahead with a new partnership and cooperation agreement bearing in mind the importance of energy security, business relations and common values. The EU's policy towards Russia basically defines Austria's approach in her relations with Moscow. Austria and Russia cooperate in many fields from political and security issues to justice and home affairs. Business circles hope that Russian membership of the WTO would soon lead to a free trade agreement and thus reduce the burden of transaction costs.

Diplomatic representation

Austria maintains an embassy and a cultural forum in Moscow and honorary consulates in St. Petersburg and Yekaterinburg. Russia has an embassy in Vienna and a consulate in Salzburg. Austria is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Economic and trade relations are based on a bilateral agreement signed in 1991. All matters arising are discussed in the Joint Austrian-Russian Commission for Trade and Economic Cooperation. Launched in 1994, it meets alternately in Russia and Austria. The commission has different working groups: industry and research, environmental technology and energy, social issues, agriculture and forestry, tourism and regional cooperation.

Exports to Russia have more than tripled since 2000: from €711 million to €2,467 million in 2006. Imports doubled in the same period: from €1,132 million in 2000 to €2,076 million in 2006. The main exports are machines and equipment (39%), chemicals (26%) and manufactured goods (15%). Crude oil and gas account for 85% of imports from Russia. Contrary to the European trend, Austria managed to

1

http://www.bmeia.gv.at/view.php3?r_id=257&LNG=de&version=&mode=country&submit=1&vb_vp_id=143&dv_sta_at=141



reverse its trade balance turning a deficit of €421 million in 2000 into a surplus of €391 million in 2006.²

FDI from Russia into Austria fell slightly from €85 million in 2004 to €72 million in 2005. Austrian investment in Russia has been running at about €100 annually in recent years. More than 1,200 Austrian companies have business contacts with Russia, of which about 150 have their own representation there. Apart from some Austrian-Russian factories (paper and construction materials), Austrian business interests are predominantly in the fields of IT, consultancy, and financial services. In 2006, the Russian Impeksbank was bought by the Austrian Raiffeisen Group.

Energy

Gas exports to Western Europe were launched in 1968. The first client was Austria's OMV. In 2005, Austria imported 6,8 billion m³ from Russia; accounting for 35% of its total gas-imports in that year.

Austria is 11th position in importing crude oil from Russia which covers 28% of its national needs. In 2005, it imported 2,204,000 tonnes - 5% more than in 2004.

CIVIL SOCIETY

Soviet emigration into Austria only began in the 1970s and 1980s when several thousands transited Austria to Israel, the USA and Canada. But many, mainly Georgians and Bukhara Jews from Uzbekistan, Tajikistan, Kyrgyzstan, also stayed in the country. Notwithstanding the large number of Russian speaking inhabitants (300,000) there is no concrete information about 'real' ethnic Russians in Austria since the Russian speaking community consists mostly of Georgians, Uzbeks and about 10,000 refugees from Chechnya. Only a small percentage is registered at the Russian embassy.³ A significant number are professional artists and musicians.

German was spoken by nearly 3 million people in Russia in 2002 - the second biggest foreign language community behind English. This figure does not distinguish nationalities and thus, of course, includes Germans.

Annual official workshops on social issues alternate between Russia and Austria and provide a forum for experience exchanges.

There are five very active twinning relations: Graz-St. Petersburg, Vienna-Moscow, Linz-Nizhnij Novgorod, and the regions of Steiermark-Altai, and Voralberg-Yekaterinburg.

As for transport connections, Austria is second best connected EU country to Russia behind Germany. Its 70 airline routes transported 330,810 passengers to Russia in 2005 - 11,390 more than in the previous year.

Culture

The 1998 agreement on cultural cooperation has led to a steady increase in activities. In Moscow, the Austrian Culture Forum provides the main platform for

² Eurostat News release, 15 May 2007

³ <http://eursa.org/node/81>





cultural dialogue and exchange in Russia. There are three Austrian libraries (Moscow, St. Petersburg and Nishnij Novgorod); and Austria gives considerable support to language and cultural programmes. Nearly 40 major cultural events have been held since 1998.

Its counterpart in Vienna, the Russian Centre for Science and Culture, focuses on building a bridge between Austrians and Russians, mainly through language courses but also through lectures on contemporary issues. In order to keep Russian popular culture alive, there is a Russian folklore group, an orchestra of wind instruments and a group of Russian dance music. The Russian Orthodox St. Nicolas Church in Vienna is not only the centre for Russian believers, but also a cultural meeting point.

Education and Science

Russian language and literature are taught in about 85 schools and five universities.

The embassy has a Russian school with about 1,500 pupils and an orthodox Sunday school. The Russian diaspora has some clubs and associations: the older Rodina (Homeland) and MIR (My iz Rossii - Us from Russia) as well as the recently created Austrian-Russian Culture Forum or the Club of Compatriots.⁴

Scientific cooperation between Austria and Russia focuses on the education of managers. Since 1990, about 6,000 Russian businessmen have attended specialised courses. There are similar educational programmes for Russian officials.

Useful websites

Austrian embassy in Moscow

<http://www.aussenministerium.at/moskau>

Russian embassy in Vienna

<http://www.rusemb.at/>

⁴ <http://eursa.org/node/80>



POLITICAL RELATIONS

Bulgaria and Russia established diplomatic relations in 1879, but broke them soon after. Since then, the two countries have established and broken diplomatic relations at least three times, re-establishing them most recently in October 1991.¹ There are strong cultural ties between the two Slav nations, but most Bulgarians recall the 40 or so years of Soviet occupation which only ended in 1990.

Bilateral agreements and political contacts

More than 80 bilateral agreements between the two governments cover all spheres of activity. Several new ones are the result of Bulgaria's accession to the EU in January 2007.² Contacts at the highest political levels are frequent. The most recent took place in May 2007 when Prime Minister Sergej Stanishev met President Putin in Moscow. In 1995, a Russian-Bulgarian friendship group was established in the Bulgarian parliament.

Bulgaria has not been an active participant in the debate on EU-Russia relations. But this changed in 2006 with the realisation of the possible implications of such a high level of energy dependence on Russia. There is some concern over the security aspects of energy supplies³ and the potential of oil and gas to be used as a 'powerful geopolitical weapon'⁴. In addition, an outspoken Bulgarian commentator recently described Russia's President as 'the gas dictator'⁵.

Diplomatic representation

Russia maintains one embassy in Sofia and consulates in Rousse and Varna. Bulgaria has one embassy in Moscow and consulates in St. Petersburg, Yekaterinburg and Novosibirsk. Hungary is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Russia is Bulgaria's third most important trade partner after Germany and Italy.⁶ The two countries have reciprocally granted each other most-favoured-nation

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<http://www.bulgaria.bg/Europe/Moscow/en/relationships/diplomaticrelations/default.htm>

2 <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/24c04650f491998ec325717e002dfb4e?OpenDocument>

3 "Moskva ne ostapi pred iskaniata na ES v Lahti" ("Moscow didn't give in to EU demands in Lahti");

"Dnevnik" newspaper; 22.10.2006; available at: <http://evropa.dnevnik.bg/>; accessed on 12.11.2006.

4 "Sreshtata ES-Rusia v Lahti. Predizvesteno razocharovanie" ("The Lahti Summit EU-Russia. A Notified

Disappointment"); "Dnevnik" newspaper; 19.10.2006; available at:

<http://evropa.dnevnik.bg/>; accessed on 12.11.2006.

5 Radev, Milen; "Gazoviat dictator" ("The Gas Dictator"); Mediapool electronic journal; 27.10.2006; available at: www.mediapool.bg; accessed on 28.10.2006.

6 <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/24c04650f491998ec325717e002dfb4e?OpenDocument>





status.⁷ Trade relations are based on the work of the 1992 Bulgarian-Russian Intergovernmental Commission for Economic, Scientific and Technological Cooperation aiming to establish joint enterprises and to develop transport networks. At the moment, there is no direct surface transport connection between Russia and Bulgaria, but a rail/ship link between Russian and Bulgarian Black Sea ports is planned. Other obstacles to the sound development of trade are the incompatibility of financial and insurance structures and the still unresolved problem of certification of Bulgarian machines and equipment exported to Russia.⁸

Bulgaria has a large trade mission in Moscow with departments for tourism and industry and an office in St. Petersburg.⁹ This was founded in 1984 and aims to develop regional economic relations. Some 80 Bulgarian enterprises have their offices in the trade mission. Business delegations regularly travel between Bulgaria and Russia.

There are about 360 Bulgarian firms operating in Russia, mainly in the food industry, cigarette production, and cosmetics. Participation by Bulgarian organisations in joint production activities is usually in the form of supplying equipment, technology and materials.¹⁰ There are nearly 400 joint venture companies and some 330 Russian enterprises are registered in Bulgaria.¹¹

The total volume of direct Russian investment in Bulgaria is over €250 million, making Russia the 12th biggest investor in Bulgaria. Most investments were made in 1999 when Lukoil purchased the majority of shares in Neftochim and Bourgas. Other Russian investments are mainly in finance, trade and tourism. In 2003, a Russian company bought the Rouse Winery.¹²

Another important area of cooperation is defence production. Bulgaria had produced, under licence, components for arms from the 1940s to the beginning of the 1990s. After a downturn in the mid 1990s, cooperation was reactivated in 2002 with a deal to modernise 20 Bulgarian MIG-29s. In 2003, a memorandum on the maintenance of MIG-21s and MIG-23s was signed, leading to a joint venture based on the Bulgarian company Terem EAD.¹³

Bulgarian exports to Russia reached €164 million in 2006. Imports were higher: €400 million, resulting in a negative trade balance for Bulgaria of €235 million that year.¹⁴ Bulgaria exports mainly machines (21%), grape wines (29%), pharmaceuticals

⁷ <http://www.bulgaria.bg/Europe/Moscow/en/relationships/trade/default.htm>

⁸ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/be1255069d5f2f8c43256cfb002d92ba?OpenDocument>

⁹ <http://www.cprb.ru/index.php?lg=ru>

¹⁰ <http://www.bulgaria.bg/Europe/Moscow/en/relationships/trade/default.htm>

¹¹ <http://www.bulgaria.bg/Europe/Moscow/en/relationships/trade/default.htm>

¹² <http://www.bulgaria.bg/Europe/Moscow/en/relationships/trade/default.htm>

¹³ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/4b40a5f245e09eaf43256da9004a2125?OpenDocument>

¹⁴ Eurostat News release, 15 May 2007





(27%) and cosmetics (7%).¹⁵ About 90% of imports from Russia are mineral products and fuels - raw oil, natural gas, nuclear fuel and coal.¹⁶

FDI net flow from Russia into Bulgaria sharply diminished from €47 million in 2004 to a net outflow of €32 million in 2005. Bulgarian FDI net flow into Russia more than doubled in the same period from €4 million to €10 million.

Energy

Energy ties between Bulgaria and Russia are increasing with the Bourgas-Alexandroupolis oil pipeline, Russian assistance in the construction of a new nuclear power plant in Belene, Bulgaria and a long-term agreement with Gazprom.¹⁷ The biggest Russian investor in Bulgaria is Lukoil owning 93% of the Bulgarian oil-processing company Lukoil-Neftochim-Burgas.

Crude oil imports from Russia in 2005 were 5,406 tonnes.¹⁸ Exports of oil to Russia were 3,230 tonnes in 2005 and 6,026 tonnes the following year. As for gas, Bulgaria covers nearly all its national needs from Russia, importing 2,85 billion m³ in 2005.

CIVIL SOCIETY

There are nearly 32,000 Bulgarians in Russia.¹⁹ The Bulgarian community has a school at the Bulgarian embassy and a Bulgarian church in Moscow. The *Bulgarian Herald* is a weekly Russian-Bulgarian newspaper with a print version as well as an internet portal.

Some 25,000 Russians are registered at the Russian embassy in Sofia, but the actual figure for those living in Bulgaria would appear to be much higher.²⁰ Bulgaria does not mention nationality in passports or statistics, making it difficult to count national or ethnic minorities.²¹ Some 85% of the population are East Orthodox Christians. The Bulgarian Orthodox Church is part of the Russian Orthodox Church.²²

The EU Russian-Speakers Alliance, active in almost every European country, has no branch in Bulgaria. But there are others like the Slavic Foundation or the Union of Landsmen federation (Sojuz Sootechestvennikov) founded in 2000 by 20 local Russian clubs active in all major cities. They focus on cultural and educational issues, language teaching, help for veterans and elderly people and restoration and maintenance of Russian war memorials. Other organisations are the Union of Russian Invalids, the Union of White Guardians and their offspring and the Russian

¹⁵ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/24c04650f491998ec325717e002dfb4e?OpenDocument>

¹⁶ <http://www.bulgaria.bg/Europe/Moscow/en/relationships/trade/default.htm>

¹⁷ <http://www.government.bg/cgi-bin/e-cms/vis/vis.pl?s=001&p=0137&n=000420&q=>

¹⁸ Eurostat, Internet Query 2 May 2007

¹⁹ Rosstat 2005

²⁰ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/c4c9862a24b105d543256da9004bf651?OpenDocument>

²¹ <http://de.wikipedia.org/wiki/Bulgarien>

²² http://www.europa.eu/abc/european_countries/eu_members/bulgaria/index_en.htm





Aristocratic Assembly. All of them are very small organisations without much impact on the social life of Russians in Bulgaria.²³

The Russian language was for a long time a compulsory subject in all schools. When it became optional in 1991, the number of pupils dramatically diminished (from one million to 100,000). Only in 2001 was the downward trend reversed and there are now 120,000 students of Russian. Four specialised schools offer Russian language (Sofia, Varna, Tyrnovo, and Stara Zagora).

With help from Moscow, the Russian newspaper *Sootchestvennik* (landsman) is available in Sofia. Others, like the *Russkaja Gazeta* (Russian newspaper) can be read on the internet where it offers an information portal.²⁴ *About Bulgaria* is also an information portal on Bulgaria in Russian.²⁵

Regional cooperation has regained momentum after suffering some stagnation during the 1990s. In 2003, a cooperation agreement between the regions of Sofia, St. Petersburg, Starozagorsk and Samara was signed. It is one of about 50 regional cooperation programmes in force. In addition, there are several town twinnings.²⁶

There are 16 airline routes to and from Russia, but unfortunately no figures on passengers.²⁷

Culture

Bulgarian-Russian cultural cooperation is regulated by an Agreement on Cooperation in Culture, Education and Science signed in April 1993.²⁸ The Bulgarian-Russian social forum is about to be established.²⁹ Already in 2002, the Moscow House opened a centre for information and Russian culture in Sofia.³⁰ In addition, the Russian Cultural and Information Centre (RCIC) operates in Sofia. Its counterpart, the Bulgarian Cultural Institute (BCI),³¹ is active in Moscow alongside nine other Bulgarian associations in Russia and the House of Bulgarian-Russian friendship. All the associations were created during the 1990s.

After a seven-year absence, the Culture Days were relaunched in both countries. In 2001, Days of Bulgaria were held in Moscow and three other regions. Two years later, Days of Russia were organised in Bulgaria. 2008 will be the year of Russia in

²³ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/c4c9862a24b105d543256da9004bf651?OpenDocument>

²⁴ <http://www.russkayagazeta.com/>

²⁵ <http://obolgarii.narod.ru/>

²⁶ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/4de92fb1954a936b43256c86004ead7b?OpenDocument>

²⁷ <http://flug.idealo.de/flugroute/f-111179/fd-110/>

²⁸ <http://www.bulgaria.bg/Europe/Moscow/en/relationships/culture/default.htm>

²⁹ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/24c04650f491998ec325717e002dfb4e?OpenDocument>

³⁰ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/4de92fb1954a936b43256c86004ead7b?OpenDocument>

³¹ http://www.bolgaria.ru/cultinfo/prog_bki/index.php





Bulgaria and 2009 the year of Bulgaria in Russia.³² Bulgaria is a frequent participant in the Moscow and St Petersburg book fairs. The two countries regularly hold national film days or weeks on a reciprocal basis. Russia is an active participant in the Varna Drama Festival and the Varnensko Lyato International Art Festival. In 2001, Bulgarian representatives took part in the Golden Mask Festival in Moscow and in the Balkan theatre-festival in May 2007.

Education and Science

The Bulgarian language and Bulgarian Studies are taught by Bulgarian lecturers at the Moscow State University and St Petersburg University to an average of 50 students. In Bulgaria, two universities (Sofia and Plovdiv) have departments for Russian language and/or Balkan Studies which are attended by an average of 560 students.

Useful websites

Bulgarian embassy in Moscow

<http://www.bulgaria.bg/Europe/Moscow/en/relationships/diplomaticrelations/default.htm>

Russian embassy in Sofia

<http://www.russia.bg/>

³² <http://www.government.bg/cgi-bin/e-cms/vis/vis.pl?s=001&p=0137&n=000420&g=>





POLITICAL RELATIONS

The very long history of bilateral relations dates back to the Middle Ages with the first official agreement signed in 1493 on 'love and brotherhood' between the Novgorod Republic and the Danish Kingdom. During World War II, diplomatic relations were interrupted, but were re-established in 1956 and in that year the Danish Prime Minister Hans Christian Hansen was the first to visit the USSR after 1945. Queen Margarete II was the first Western monarch to visit Russia in 1975.

Bilateral agreements and political contacts

Bilateral relations are based on the Agreement on the Development of Economic, Industrial and Technical Cooperation signed in 1993. This establishes an intergovernmental Danish-Russian Council for economic cooperation. Other agreements have been signed between the two countries. The most important concern tax and customs, cooperation in the fields of culture and agriculture, and the mutual protection of investments. Parliamentary contacts have developed since 1997 through mutual visits of parliamentary delegations and ministers of foreign affairs.

Denmark is in the EU mainstream in consideration of a new agreement with Russia¹ and wishes to see a balanced approach covering trade, energy and values.²

In 2002, the Danes allowed the Chechen World Congress to be held in Copenhagen, much to Russia's irritation. Granting political asylum to some Chechen fighters in 2006 further annoyed Russia.

Diplomatic representation

Russia's embassy is in Copenhagen, the Danish one in Moscow. Denmark also has a consulate in St. Petersburg. Visa matters are regulated by the Schengen agreement. Denmark has an opt-out from the EU-Russia visa agreement and intends to negotiate a bilateral accord.

ECONOMICS AND TRADE

The commercial department of the Danish embassy in Moscow and the consulate in St. Petersburg actively promote Danish business interests.³ There is also a Danish business club in Moscow⁴ where Danish business people with activities in Russia (primarily Moscow) regularly meet.

Exports to Russia almost tripled from €542 million in 2000 to €1,275 million in 2006, while imports from Russia doubled from €419 million in 2000 to €829 million in 2006. Denmark is one of the few EU countries to have a positive trade balance with Russia. This rose from €123 million in 2000 to €446 million in 2006.⁵ The main exports to Russia are food, machines, equipment, fish and seafood, shoes and medicaments. The main imports are crude oil and oil products, fish and seafood,

¹ Press statement quoted by *Vejle Amts Folkeblad* on 21 October 2006.

² Article in *Erhvervsbladet* by the Minister for Foreign Affairs Per Stig Møller: 'Ny aftale mellem EU og Rusland', 9 November 2006.

³ <http://www.tcdrussia.um.dk/en/menu/Activities/> last visit 14 May 2007

⁴ <http://www.dbc-moscow.ru/>

⁵ Eurostat News release, 15 May 2007





wood, black metal and cereals. Russian FDI in Denmark was €6 million in 2005, while Danish FDI in Russia was €33 million.

In its CIS support programme, Danish assistance is mainly focused on the Russian Baltic Sea regions: Kaliningrad, St. Petersburg and Pskov. The efforts primarily include advice on adapting and developing regional administrations, taxation and agricultural reform.

The Danish Neighbourhood Programme, established in 2004, focuses on the same areas supporting public sector capacity building and economic development.⁶ In addition, there is a regional Caucasus programme.

Energy

Denmark is a net exporter of energy resources. Nevertheless, it has to import crude oil. It covers 98% of its national needs through Norwegian imports and the rest from others. In 2005, Denmark imported 2,782,000 tonnes - 26% less than in 2004. Russian-Danish energy relations focus on energy saving, protection of the environment, and reform of Russian energy and fuel plants with the help of Danish know-how, experience and technology.⁷

CIVIL SOCIETY

Some 3,000 Russians live in Denmark and are organised in numerous associations and clubs all over the country. The biggest ones, like the Russian Association, the Russian House and the Russian Centre for culture and science, are in Copenhagen. Russian media can only be found on the internet, through portals such as rusforum.dk, souz.dk and rusmedia.dk.

The Russian Orthodox Church maintains 2 parishes (Copenhagen, Aarhus) and one female monastery.

Since 1998, there has been regional cooperation between St. Petersburg, Pskov, Moscow and Kaliningrad and the Danish regions.

In 2004, 166,667 passengers travelled on seven airline routes to and from Russia, slightly rising to 170,641 in 2005.

Education, Culture and Science

Regular cultural events such as joint film and theatre festivals take place in Russia and are co-organised by the Danish embassy. Russian culture is also promoted in Denmark. In 2002, a major exhibition displayed Russian treasures in Copenhagen. In 2003, the Russian minister for Chechen affairs opened a photo-exhibition in Copenhagen on Chechnya: Terrorism and the difficult path to peace.⁸

⁶ <http://www.ambmoskva.um.dk/en/menu/InfoDenmark/TheNeighbourhoodProgramme/>

⁷ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256c3900375a38?OpenDocument>

⁸ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256a0e004a91ba?OpenDocument>





In Denmark, Russian is offered in 30 schools. There are yearly summer schools in Russia for teachers of Russian and for students.⁹ The Danish Embassy in Moscow assists in exchange programs for students and researchers between Denmark and Russia. A limited number of scholarships are available for both shorter and longer stays.

Useful websites

Danish embassy in Moscow

<http://www.ambmoskva.um.dk/en/>

Russian embassy in Copenhagen

<http://www.denmark.mid.ru/1e.html>

⁹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/0f54f9bad626b7e443256c28003b2925?OpenDocument>





POLITICAL RELATIONS

Since gaining its independence in 1993, the attitudes of the Slovak elite to Russia have varied. During Vladimír Mečiar's third government the relationship between Slovakia and Russia was considered 'exceptionally good'. In 1998, a significant change occurred when Mikuláš Dzurinda came to power and established a new Euro-Atlantic foreign policy orientation. Cooperation with Russia did not decline as such, but attracted less attention as Slovakia was aiming to join the EU and NATO. In 2006, the new coalition government led by Robert Fico declared that it would 'activate relations with the Russian Federation - an important factor of stability and security in Europe'.¹ Politicians on the left of the political spectrum in Slovakia have shown greater sympathy towards Russia than others. This was criticised by former Foreign Minister Eduard Kukan. He suggested that the government should be more critical of what was happening in non-democratic countries such as Belarus.² Among the elite there has been quite a substantive debate on relations with Russia. This has ranged from declarations of a more intensive engagement with Moscow to official visits to Russia by Slovakia's President Ivan Gašparovič in November 2006 and Prime Minister Fico in May 2007. Since Fico's government has come to power, there has been a shift towards a closer relationship with Russia, mainly due to economic interests.

Bilateral agreements and political contacts

Slovakia and Russia have cemented their strong bilateral relations by signing several agreements since 1997. They cover friendly relations, economic and scientific cooperation, medical aid, cultural exchanges, long term oil supplies and military mutual aid in exceptional circumstances.³ Other agreements deal with support and protection of mutual investments, cooperation on nuclear energy and radiation safety, technologies, oil and gas supplies, security issues, confidential data protection and tourism. Russia is Slovakia's sole supplier of oil, natural gas and nuclear fuel. Thus, the relationship between the two is largely asymmetric. Slovakia is entirely dependent on Russian supplies of these commodities not only as a consumer, but also as a transit country transporting oil and gas further West through the Druzhba pipeline.

Diplomatic representation

Slovakia is a successor state to Czechoslovakia and has had both diplomatic and consular relations with Russia since January 1993. There is a Slovak Republic embassy in Moscow, a consulate in Saint Petersburg, and honorary consulates in Khanty-Mansiysk and Rostov-on-Don. In Slovakia, Russia has its embassy and consulate in Bratislava. Visas cost between €30 and €80, and take up to 30 days. Children under the age of 15, diplomats and politicians do not need to pay. Slovakia is part of the EU-Russia visa facilitation agreement.

¹ Author's translation from *Programové vyhlásenie vlády Slovenskej republiky*, August 2006.

² „Vláda podľa Kukana nevyužila dobrú východiskovú pozíciu“, *SITA*, 3 August 2006.

³ <http://www.mfa.sk/zu/index/podstranka.php?id=1269>



ECONOMY AND TRADE

Russia is Slovakia's third biggest trading partner (after Germany and the Czech Republic). During the last five years, trade volumes have almost doubled.⁴ Slovak exports to Russia rose from €115 million in 2000 to €547 million in 2006. At the same time, imports more than doubled: from €2,346 million to €4,027 million. Due to high energy prices, the trade balance remains negative: €3,479 million in 2006 (€2,231 million in 2000).⁵ Russian exports consist of oil, natural gas and nuclear fuel. In addition, Russia supplies Slovakia with machinery, equipment, and metal products. Slovakia's exports are mainly machinery, industrial goods and food.⁶ The 2005 Agreement on Economic and Scientific Cooperation revived the intergovernmental commission and its latest meeting took place in Moscow in February 2007.⁷ The commission's task is to evaluate scientific and economic cooperation, prepare new projects, and find solutions to problems.

Russian business is represented in the Slovak branch of the Russian trade union (*Sojuz promyshlennikov i predprinimatelej*). One big joint venture is the cyclotron centre in Bratislava which is co-financed by Russian enterprises and the international laser centre. In military cooperation, Russia is modernising Slovakia's MiG-29 jets. Slovak business is represented in the Slovak Institute in Moscow and in a number of smaller business clubs. Tourism being an important economic activity in Slovakia, there is also a representation of the Slovak tourism office in Moscow. Russian FDI into Slovakia fell from zero in 2004 to a disinvestment of about €12 million in 2005. In contrast, Slovak investments in Russia rose from €1 million in 2004 to €9 million in 2005.

Energy

Slovakia is entirely dependent on Russian oil, gas, and nuclear fuel. It imported 5,537,000 tonnes of oil in 2005 - 6.8% less than in 2004⁸ - and 6.4 billion m³ of gas.⁹ Russian companies play a central role in Slovakia's nuclear energy. Russia recently announced an interest in rebuilding the Jaslovské Bohunice power plant in the near future.

The only counterbalance to this total energy dependency is the fact, that the Southern Druzhba oil pipeline and the Trans-gas gas pipeline that provide the Czech Republic and Germany with these commodities passes through Slovakia giving it the status of a transit country.¹⁰ In 2002, Slovakia sold 49% of the stock of its gas transport company, SPP, to an international consortium consisting of Gazprom,

⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>

⁵ Eurostat News release, 15 May 2007

⁶ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>

⁷ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>

⁸ Rosstat 2005

⁹ Cedigaz 2005

¹⁰ <http://www.eia.doe.gov/cabs/Russia/images/772861%20%5bConverted%5d.pdf>





E.ON Ruhrgas and Gaz de France.¹¹ Gazprom was, however, unable to execute its option and is no longer a member of the consortium.

The Druzhba oil pipeline in Slovakia is operated by Transpetrol. The state owns 51% of Transpetrol's stock. The rest was sold to Yukos in 2001.

CIVIL SOCIETY

The Russian community is rather small. Eurostat counted 1,222 Russians living in Slovakia in 2005. The Slovak community in Russia is not even half as large: 568 in 2002. Nevertheless, Slovak was spoken by 2,169 people in Russia in 2002.¹² Other estimates, however, quote about 3,000 Russians in Slovakia. They are partly grouped in the Association of Russians in Slovakia, an organisation that concentrates on cultural exchange and understanding.¹³ The *Russian Newspaper* (Rossijskaja gazeta) keeps them up to date.

More than 30 cooperation programmes between regions in Slovakia and Russia and 27 agreements on regional relations strengthen economic and cultural ties between the two countries.¹⁴

Despite the tiny size of the Russian community, the Russian Orthodox Church maintains 171 parishes in Slovakia and 4% of the population consider themselves Orthodox. Slovakia is one of the most popular holiday destinations for Russians.

Education, Culture and Science

In line with the cooperation programme signed in 2005 between the Slovak and Russian ministries of culture, a whole spectrum of Russian-Slovak activities are scheduled up till 2008.¹⁵ One of the main coordinators is the Slovak Institute at the Slovak Embassy in Moscow. It was founded in 1998 and organises cultural events ranging from theatrical evenings and workshops, to readings of Slovak literature, exhibitions, concerts, films and discussions on philosophical and political issues. It also provides useful information for tourists travelling to Slovakia and businessmen interested in the Slovak market.

Another particularly active organisation is the Association Friendship with Slovakia (Obshchestvo druzhby so Slovakiej), which aims to promote mutual understanding and cultural exchange. It has founded various clubs with different tasks ranging from the organisation of common cultural events (e.g. the Russian-Slovak Club of

¹¹ Gazprom <http://www.gazprom.ru/articles/article15167.shtml> last visit 24 April 2007

¹² RosstT

¹³ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>

¹⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>

¹⁵ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec3256ea00032e0d4?OpenDocument> last visit 25 April 2007





Friends of Literature and Culture) to help in pursuing economic activities and creating joint ventures (Club of Business Cooperation).¹⁶

The Slovak Institute is active in the education field through cooperation programmes with various Russian schools in Moscow and offering language courses itself.¹⁷ The association of Slavists in Slovakia meets once a year to discuss any problems and consider new trends in the teaching of Russian. Contacts between Russian and Slovak universities has intensified thanks to the bilateral agreements on educational cooperation (signed in November 2006 in Moscow) and on copyright issues.¹⁸

On the Slovak side, the Russian Centre for Science and Culture organises events language courses, concerts, exhibitions and literature readings. Learning Russian was compulsory until 1989 and many people over the age of 35 in Slovakia are still familiar with the language and literature. Cultural ties are also strengthened by the common Slavic origins of these two nations.

Useful websites

Russian embassy in Bratislava

<http://www.slovakia.mid.ru/>

¹⁶ <http://www.m-m.sotcom.ru/14-16/cherkas.htm> last visit 24 April 2007

¹⁷ <http://www.cultureclub.ru/profile/23254.html>
<http://www.mfa.sk/zu/index/podstranka.php?id=1036>

¹⁸ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e432569e60051b186?OpenDocument>





POLITICAL RELATIONS

Finland only became independent of Russia in 1917. It fought the Russians in the Second World War and lost territory but retained independence. In the 1950s and 1960s the government in Helsinki pursued a policy of neutrality. Finnish membership of the EU in 1995 gave Finnish leaders a new context in their dealings with Russia, a country they know very well as direct neighbours.

Bilateral agreements and political contacts

In 1992, the agreement on basic relations between Russia and Finland was signed. It expired in 2001, but was automatically extended. More than 80 agreements have been signed since then concerning all aspects of bilateral relations. The presidents of both countries meet regularly and since 2000 the heads of government meet twice or even three times a year. There are mutual friendship groups in the Russian Duma and the Finnish parliament fostering bilateral understanding.

Diplomatic representation

Finland maintains an embassy in Moscow and a consulate in St. Petersburg with branch offices in Murmansk and Petrozavodsk. The Russian embassy is in Helsinki with a consulate in Turku. Finland is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Economic relations are boosted by the intergovernmental commission on economic cooperation which meets once a year. The legal basis for this cooperation is the 1992 agreement on economic cooperation. Finnish trade is represented in the Finnish-Russian Chamber of Commerce with offices in Moscow, St. Petersburg, Yekaterinburg and Ufa.¹ In addition, the trade centre Finpro maintains offices in Moscow and St. Petersburg.

Finland has four neighbourhood programmes, three of which focus on the Russian border. The Euregio Karelia is one of them. The programmes aim to promote sustainable economic and social development and good neighbourly relations on the EU's external borders. Euregio Karelia contains the Russian north-western areas of Leningrad, Murmansk, Archangelsk and St. Petersburg and the Finnish regions of Kainuu, North Karelia and Oulu, the Karelian Republic, Lapland and North Savo.²

In 2004, 626 Finnish- Russian joint ventures were active in Russia.³ Examples are the insurance and banking group Sampo which bought the Profi-Bank St. Petersburg and the Russia-Finnish Joint Venture Sarabella manufacturing footwear. In 2005, the South-Western purification plant JuZOS, a joint Finnish-Russian project near St. Petersburg, was inaugurated. Other joint projects in the field of transport are the organisation of an express train connection and introduction of a shipping route between Helsinki and St. Petersburg in order to increase shipping safety in the Gulf of Finland.

¹ www.finruscc.ru

² <http://www.euregiokarelia.fi/EN/>

³ Rosstat 2005





Finland is the third biggest exporter to Russia (behind Germany and Italy), representing 9% of overall EU exports to the country. Between 2000 and 2006, exports to Russia rose significantly from €2,174 million to €6,200 million. Imports also more than doubled from €3,471 million to €7,663 million. More than 80% of Russian exports to Finland consist of crude oil, gas, electricity, wood and other raw materials. Finnish exports to Russia are largely paper-pulp industry products, food, furniture, consumer goods and transport.⁴

FDI net flows from Russia into Finland fell from €48 million in 2004 to €39 million in 2005. Finnish FDI net flows into Russia were much higher, but also slipped in 2005 compared to the previous year: from €151 million to €94 million.

Energy

Finland is the fifth most dependent European country as far as Russian crude oil is concerned. It imports 81% of its needs from Russia. In 2005, this came to 8,548,000 tonnes - 13.4% less than the year before. In 2005, it imported 4.20 billion m³ of gas from Russia, covering 100% of its national needs.

CIVIL SOCIETY

In 2005, there were some 30,000 Russians in Finland. Emigration began only after 1990 when ethnic Finns or their children returned to their historical homeland. Although the Russian minority is the second biggest ethnic minority in Finland, the Russian language is not accorded any special status and interest in it is declining. There is a shortage of workers who speak Russian and only 6% of the population have a working knowledge of the language.⁵

There are two Russian schools in Helsinki, one of them at the embassy. Russian as a second foreign language is taught in many schools. An estimated 15,000 Finns know Russian, and about 10,000 students annually learn some Russian at school or university.

There are number of Russian speaking newspapers like the monthly and free sheet *Spektr*, - with a print run of 20,000 it is the most important one - *Severnnyj trgovyj put* (Northern Trade Way), the journal *Novye Rubezhi* (New Shores) or the bilingual glossy *Focus*. As for the internet, there are several Russian sites on Finland or for Russians in Finland like Finland in Russian⁶, Neighbours⁷ or the internet portal Everything⁸. There is also a site in Finnish on Russia - the rusgate⁹. In 1999, the first Russian radio station Sputnik began transmissions. Golos Suomi (Suomi voice) and Radio Finlandia provide everyday news in Russian. Various

⁴ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/fc1b3c070e2b571c43256db1005187a2?OpenDocument>

⁵ <http://www.faror.com/>: Questions of the Russian speaking minority in Finland 2002. Report of the temporary working group at the ethnic commission, done by the Finnish Institute for Russia and East Europe, Helsinki in 2003. All quotations from this site originate from this report.

⁶ finljandija po-russki, <http://www.suomi.ru/>

⁷ a link collection in Russian where to find what <http://sosedni.by.ru/>

⁸ www.vse.fi

⁹ <http://www.rusgate.com/rusgate/ui/public/index.jsp>





regional radio programmes and broadcasts in Russian are also available. The Russian governmental programme ORT can be received by cable and people near the border can also tune in to other channels.

Some 34,000 Finns live in Russia, making them the sixth largest European national minority in Russia. About 50,000 Russians know some Finnish.¹⁰

The Finnish Orthodox Church is an autonomous Orthodox church that belongs to the Ecumenical Patriarchate of Constantinople. It has about 60,000 members and is led by Archbishop Leo of Karelia and All Finland. There are 25 parishes, the Helsinki one being the biggest with 18,000 believers. In addition, there are two Russian speaking parishes belonging to the Patriarchate of Moscow.¹¹

More than 40 Russian speaking organisations and NGOs are active, mainly in the cultural sphere. One of the biggest, the Russian Cultural Democratic Union, holds a yearly Russian meeting gathering about 1,000 people. They also organise holiday camps and provide an advisory service for newcomers.¹² Mission possible helps street children in eastern Europe - Russia. FARO RY is a kind of umbrella organisation for them. Several NGOs focusing on the Caucasus as, for example, the Finland Chechnya Society¹³, the Finish Support Committee for Chechnya, or the Finnish-Caucasian Association.

About 170 town twinnings foster exchange and dialogue and there is a regular town twinning conference.¹⁴

There are eight airline routes and daily train and bus connections to Russia. In 2005, there were 212,990 air passengers, slightly less than in 2004 (213,287).

Culture

Cultural life is mainly organised and maintained by the numerous Russian clubs and associations such as the Russian Cultural Democratic Union of the Russian Community (ruskij kul'turno-demokraticeskij sojuz rossijskogo obshchestva, RKDS), the Russian language association Phoenix in Juvjaskulja, the Russian youth organisation Alliance and numerous friendship organisations. Since 2000, the Russian-Finnish Culture Forum takes place in Finland once a year.

Finland helps the many Finno-Ugric peoples living in Russia to preserve their cultural identity and has launched return programmes to help ethnic Finns return home.

Education and Science

Slavic Studies are quite well represented in Finland. They can be followed in five universities (Helsinki, Tampere, Joensuu, Turku and Vasa) and in 15 other educational institutions. The department of Slavic Languages in the Helsinki University is the biggest outside East Europe. Setka provides Russian online

¹⁰ Rosstat 2005

¹¹ <http://www.faror.com/>

¹² <http://www.faror.com/>

¹³ <http://www.kolumbus.fi/suomi-tshetshenia-seura/>

¹⁴ <http://www.ln.mid.ru/ns-dksu.nsf/6786f16f9aa1fc72432569ea0036120e/432569f10031dce643256d83002b8ea5?OpenDocument>





studies.¹⁵ The most important centre for Russian and East European Studies, though, is the Aleksanteri Instituutti in Helsinki. It offers with 'Alex' a big database on researchers and projects in this field. Other institutes focusing on Russia, or at least some Russian issues, are the FIREES (Finnish Institute for Russian and East European Studies), the NORDI (Northern Dimension Research Centre), the Renvall Institute at the Helsinki University and the Centre for Developing Economies at the Bank of Finland. The Russian teachers' association in Finland has 500 members, but only 19 of them are employed in university Slavic departments.

Useful websites

Finnish embassy in Moscow

<http://www.finland.org.ru/ru/>

Russian embassy in Helsinki

<http://www.rusembassy.fi/>

¹⁵ <http://setka.tkukoulu.fi/english.htm>





POLITICAL RELATIONS

The first diplomatic contacts between Ireland and Russia were made in 1920-21, following Irish independence. Relations were interrupted during the Second World War and only re-established in 1973. This was followed by a gradual intensification of contacts culminating in the first visit by the Irish premier to Russia in 1999.

Since then, there has been a further increase in the number of meetings between ministers from Ireland and Russia. Over the past couple of years, for example, there have been visits to Russia by the Taoiseach (May 2005, in connection with the 60th anniversary of World War II), the minister for foreign affairs (July 2005, in connection with the minister's role as a UN envoy) and the Ceann Comhairle (Speaker of the Irish Parliament in March/April 2005). More recently, the two deputy ministers of foreign affairs met in Moscow in February 2006.¹

Irish government ministers also lead business delegations on missions to Russia and make visits in connection with the annual St Patrick's Day celebrations. Although President Putin has accepted a formal invitation to visit Ireland, a visit is not expected before the President's term ends.

There have been regular visits to Ireland by delegations from the Duma and it is hoped that the Chairman of the Duma Foreign Affairs Committee, Mr Kosachev, will visit Ireland in 2007. A delegation from the Oireachtas (Irish Parliament) visited St Petersburg in November 2006 to meet members of the City Government and City Parliament.

Bilateral agreements and political contacts

Since 1993, there have been several agreements: the Air Transport Agreement (1993), Double Taxation Agreement (1994), the Road Transport Agreement (1995), and bilateral agreements on Fighting Crime and Illegal Drugs (1999). A Russia-Irish commission on economic and technological cooperation was established in 2000 and meets on an ad hoc basis.

Meetings of both intergovernmental mechanisms for bilateral consultation and cooperation at official level took place in the first quarter of 2006. The political director of Ireland's Foreign Ministry had consultations with Deputy Foreign Minister Titov in Moscow on 14 February. The sixth session of the Intergovernmental Joint Commission for Business Cooperation took place in Moscow on 29 March.

Diplomatic representation

Embassies are in Moscow and Dublin. Visas are similar to UK provisions, although Ireland is a member of the EU-Russia visa facilitation agreement.

¹ <http://www.in.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/5df3390a02c800f843256db1004b1061?OpenDocument>



ECONOMICS AND TRADE

Irish exports in 2006 were valued at €284 million, increasing from €179 million in 2000. Imports from Russia increased from €11 million in 2000 to €69 million in 2006.²

Ireland imports from Russia fertilisers, cork and wood, petroleum and petroleum products, crude rubber and inorganic chemicals. It exports to Russia office and data processing machines, meat and meat preparations, essential oils, perfume material, toilet and cleansing preparations, telecommunications and sound equipment, electrical machinery and appliances.

Russia is Ireland's largest market for beef exports outside the EU and Ireland's second biggest market in the world. Russia is also a small but significant market for certain pork products. There is a growing market for Irish food in Russia due to the expansion of Russian and foreign supermarket and hypermarket chains. Irish fish exports show significant potential.

Many Irish firms and organisations have won consultancy contracts under TACIS (Technical Assistance to the Commonwealth of Independent States, CIS), EBRD (European Bank for Reconstruction and Development) and World Bank programmes in sectors such as power generation, training, agricultural development, transport, aviation, software systems and financial services. Irish companies involved in such projects include ESBI, CIE Consult, CERT and TMS International.

Aer Rianta International, through its Aerofirst duty-free operation at Moscow (since 1988) and Lenrianta at St. Petersburg (1989) airports, remains the single biggest Irish investor in Russia. Both are joint ventures - in Moscow between Aer Rianta International, Aeroflot and Sheremetyevo International Airports and in St. Petersburg between Aer Rianta International and Pulkovo Aviation Enterprises.

Irish FDI into Russia grew from zero in 2004 to €4 million in 2005, while Russian FDI net flow into Ireland was negative in both 2004 and 2005. In recent years, Russian disinvestment has grown sharply: €2 million in 2004 and €14 million in 2005.

Over 200 Irish companies export to Russia and 24 have a permanent presence there. Leading Irish firms such as Glen Dimplex, Trinity Biotech, Waterford Crystal and Kentech International are all active on the Russian market, selling either directly or through one or more distributors. Both Quinn Group and Treasury Holdings have made substantial property investments in Russia.

Several Irish-registered oil and mineral exploration companies have interests in Russia including Aminex, Celtic Resources Holdings plc and Dana Exploration. Cement Roadstone Holdings' (CRH) purchase of Scancem's operations in Eastern Europe has given them ownership of two ready-mix cement operations in St. Petersburg.

² Eurostat News release, 15 May 2007





Energy

Ireland covers 100% of its national needs in gas from the UK. As for oil, it covers 76% of its national needs through imports from Norway, with a small percentage coming from Russia.

CIVIL SOCIETY

There are about 4,000 Russians in Ireland. The only place to study Russian language and literature is Trinity College in Dublin where the Department for Russian Studies was opened in 1974. In 2003, about 200 students were registered. It maintains small exchange programmes with the university in St. Petersburg and with the Diplomatic Academy in Moscow. Russian is also taught in two technical institutes. One, the Dublin Institute of Technology, has signed a cooperation agreement with the Moscow State Institute of Radiotechnics, Electronics and Automation, which came into effect in 2006 and will result in the development of a student exchange system and the creation of joint degree programmes between the two institutions.

In Dublin, the monthly Russian newspaper *Nasha Gazeta* is issued as well as a weekly 30-minute news programme on radio. In addition, there are more and more shops all over the country selling Russian DVDs, books and periodicals. In 2001, the Russian Orthodox Church created a parish in Dublin. A library, a book shop and a Sunday school are associated. Recently, the book *Perceptions of Ireland* came out in Russian. The publishing house claims to have thereby issued the first information source about Ireland in the Russian language.³

There are two airline routes transporting 8,073 passengers to and from Russia in 2004. No figures are available for 2005..

Culture, Education and Science

Russian is not taught in school, but, due to rising numbers of Russian immigrants, is included as a subject for the school leaving examinations. In 2003, just 18 pupils chose Russian for their examination.

Cultural exchange between Russia and Ireland is governed by a cultural agreement signed in 1991. A group of Russian photographers visited Ireland in September 2005 and their photographs have been exhibited in Moscow, St. Petersburg, Ulyanovsk, Samara, and Saratov. Irish film festivals took place in Moscow and St. Petersburg in June 2006.

A delegation from Cork participated in the 'Days of Irish Culture' in St. Petersburg in June 2006 and in June 2007. A Beckett Centenary Exhibition opened in Moscow in June 2006, in St Petersburg in October 2006, in Samara in December 2006 and in Saratov in February 2007. The Irish Literature Exchange is working with a Russian publishing house on an Irish edition of their literary journal, which will appear in June 2007. A statue of James Joyce will be unveiled in the courtyard of the Russia State Library of Foreign Literature in 2007.

Useful websites

Russian embassy in Dublin

<http://www.ireland.mid.ru/>

³ <http://www.ireland.ru/book/>





POLITICAL RELATIONS

Lithuania's relations with Russia are less difficult than those between Moscow and the two other Baltic States. Lithuania is the only one of the three to have secured a statement from Russia recognising the fact of Soviet occupation (the 1991 agreement). However, a few contentious matters remain. Russia has been pressing, unsuccessfully, to have the Chechen information centre in Lithuania closed.¹ Another important issue concerns the Russian oblast of Kaliningrad, sandwiched between Poland and Lithuania.

Russia is a major theme in Lithuanian foreign policy as the government pushes for a stronger common EU line towards Moscow. Lithuania follows EU-Russia developments closely and the Foreign Affairs Minister, Petras Vaitiekūnas,² and the deputy chairman of the Lithuanian Parliament's committee on European affairs, Petras Auštrevičius, have spoken of the importance of this relationship for Lithuania.³ Lithuania has urged the EU to strengthen cooperation with Russia, while not ignoring the importance of democratic reforms and the creation of a market economy⁴. It has been concerned to put people first and has proposed lowering the cost of visas so as to win the hearts of ordinary Russians.⁵

Energy is a major factor in the bilateral relationship.⁶ Lithuanian President, Valdas Adamkus, has claimed that energy relations are a test of the partnership between Russia and the EU.⁷ Lithuania is looking for measures to secure its energy security interests in the new cooperation agreement.⁸ In a meeting with the deputy

¹ <http://eng.kavkaz.memo.ru/newstext/engnews/id/560298.html>

² Lietuvos užsienio reikalų ministras: Europos balsas bus geriau girdimas, jei sudėtingesni klausimai bus keliami bendradarbiaujant su Amerika - Lithuanian Foreign Affairs

³ Discussion organised by European Club of Lithuanian Parliament and European Information Centre of the committee on European affairs of Lithuanian Parliament 'European Union and Russia relations', 5 October 2006

⁴ P. Vaitiekūnas ES užsienio reikalų ministrus paragino gerai pasirengti deryboms dėl naujos sutarties su Rusija [P. Vaitiekūnas has urged EU foreign affairs ministers to prepare well for the negotiations on the new agreement with Russia], News agency Elta, 3 September 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuItemID=180&ItemID=5051&LangID=1>

⁵ Vaitiekūnas: ES turi pasirengti naujai bendradarbiavimo sutarčiai su Rusija [Vaitiekūnas: EU has to prepare for a new cooperation agreement with Russia], News agency Baltic News Service, 4 September 2006

<http://www.delfi.lt/archive/article.php?id=10598041&categoryID=2045412&ndate=1157317200>

⁶ Būtinai konstruktyvus Europos Sąjungos ir Rusijos bendradarbiavimas energetikos klausimais [Constructive cooperation between the European Union and Russia on energy issues is necessary], Lithuanian Foreign Affairs Ministry press release, 20 September 2006, <http://www.urm.lt/index.php?-464765576>

⁷ „Energetika yra ES ir Rusijos partnerystės testas“, - teigia Prezidentas [“Energy is a test of EU and Russia partnership” - claims the President], Lithuanian President press release, 20 October 2006, <http://www.president.lt/lt/news.full/7189>

⁸ Lietuvos diplomatinės vadovas pareiškė solidarumą su Lenkija [The head of Lithuanian diplomacy has expressed solidarity with Poland], Lithuanian Foreign Affairs Ministry press release, 16 November 2006, <http://www.urm.lt/index.php?-1252399653>





chairwoman of the German Bundestag, Susanne Kastner, the Lithuanian Prime Minister, Gediminas Kirkilas, said that in new agreements with Russia the EU had to insist on transparency and opening up markets.⁹

The Lithuanian media frequently raise the question of alleged Russian interference in internal politics. During the impeachment process of Lithuanian President Rolandas Paksas, the media provided evidence that Mr. Paksas and the political circles associated with him were closely linked to Mr Borisov, a Russian businessman.¹⁰

Bilateral agreements and political contacts

After Lithuania regained independence in 1991 and Russian troops left in the summer of 1993, a number of bilateral agreements were signed. In November 1993, an intergovernmental agreement on trade and economic relations established most favoured nation status in trade between both countries. In October 1997, the treaties on the border and limits of the exclusive economic zone and continental shelf in the Baltic Sea were agreed and ratified in 1999 (Lithuania) and 2003 (Russia).

Since 1991, there have been 36 bilateral agreements and protocols concerning, *inter alia*, work permits, pensions, economic cooperation, travel and transit to Kaliningrad, taxation, visas, cooperation in the field of ecology, and repatriation of illegal immigrants.¹¹

The President of the Republic of Lithuania has made two official visits to Russia since 1991. Over the same period, there have been prime ministerial visits and further parliamentary contacts.¹² In 2001, 60 Lithuanian parliamentarians joined the Group of Friendship involving Lithuanian and Russian parliamentarians.

Diplomatic representation

Lithuania maintains an embassy in Moscow and consulates in St. Petersburg, Kaliningrad and Sovetsk. Russia has an embassy in Vilnius and a consulate in Klaipeda. There are four different types of visa (airport transit, transit, short-term and long-term). The first three cost €35 each; the fourth €60. For Russian citizens travelling between Russia and Kaliningrad, a facilitated transit document allows for multiple use on different types of land transport. The fee is €5. It is issued for a single entry and return by rail is free.¹³ Lithuania is part of the EU-Russia visa facilitation agreement.

⁹ Ministras Pirmininkas su vizitu vieši Berlyne [Prime Minister is visiting Berlin], Lithuanian Government press release, 22 September 2006 http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3859

¹⁰ (<http://www.cirp.ru/publikation/The%20Regional%20Dimension%20of%20the%20Russian-Baltic%20Relations.pdf>

¹¹ <http://www.urm.lt/index.php?1295304552>

¹² <http://www.urm.lt/index.php?1151050168>

¹³ <http://www.urm.lt/index.php?1829822201>



ECONOMICS AND TRADE

Russia is one of Lithuania's main trading and economic partners, along with Germany and Poland. Lithuanian exports to Russia expanded more than six-fold from €238 million in 2000 to €1,435 million in 2006. Imports almost quadrupled in the same period from €1,544 million to €3,758 million.¹⁴ In 2005, the growth rate of Lithuanian-Russian trade was a highly impressive 49% compared to 2004: imports from Russia increased by 43% and exports by 51%. Lithuania imports mainly gas and oil from Russia (84% in 2005) while exports consist of cars and spare parts (22%), fridges (11%) and food, mainly cheese and fruit (15%). Bilateral trade with Russia has benefited from Lithuania's entry into the EU.

Russian net flow FDI into Lithuania saw solid growth, increasing from €24 million in 2004 to €68 million in 2005. Lithuanian FDI (net flow) on the contrary fell sharply from €24 million to a disinvestment of €35 million. Russia rose from seventh among the main investors in Lithuania in July 2004 to fourth a year later.

Annual meetings of the Intergovernmental Commission (established in 1996) prepare concrete projects for economic, scientific and cultural cooperation and provide a forum to handle any problems. Seven working groups focus on trade and economy, energy; transport, social affairs, science, culture and other issues. Transport agreements (for people and goods by train, plane and boat) and the '2K' project (cooperation between the ports of Kaliningrad and Klaipėde) are of major interest.

Every year, there is a Window to Lithuania when Lithuanian businessmen meet the local administration of a Russian Region (Kaluzhskaja oblast' in 2006) and local business representatives to establish contacts or open trade representations.

The Jurgis Baltrushajtis House in the Lithuanian embassy in Moscow organises regular seminars on economic and trade themes. It also houses meetings of the Lithuanian Business Club which was founded in 2005. The club has another office in Kaliningrad.¹⁵ In 2001, Lithuania opened a tourist information centre in Moscow.

Energy

In terms of energy, Lithuania is the third most dependent EU country on Russia, covering 99% of its national needs by Russian oil. In 2005, it imported nine million tonnes - 3% more than in 2004.

It imports all its gas from Russia - 2.93 billion m³ in 2005. In 2002, the right of use to the Lithuanian oil complex, Mazeikiu Nafta, changed from the American company, Williams International, to Russia's Yukos which held 53% of the shares. After Yukos sold part of its holding to Polish oil company PKN Orlen, Russia stopped supplying Mazeikiu Nafta with crude oil through the Druzhba pipeline.¹⁶

¹⁴ Eurostat News release, 15 May 2007

¹⁵

<http://amb.urm.lt/rusija/showmenuitems.php?MenuItemID=669&TopMenuID=819&LangID=3&SiteID=71>

¹⁶

http://jamestown.org/publications_details.php?volume_id=414&issue_id=3822&article_id=2371343) <http://www.themoscowtimes.com/stories/2006/08/04/042.html>





CIVIL SOCIETY

The Lithuanian community in Russia numbered 45,569 in 2002 - the fifth largest foreign community behind Germans, French, Greeks and Poles and the language was spoken by 49,000 people.

The Russian diaspora in Lithuania is sizeable: about 245.000 (7% of the total population).¹⁷ As far back as November 1989, the Law on Citizenship was adopted in Lithuania to provide the right for all Lithuanian residents, regardless of their ethnic origin, to obtain Lithuanian citizenship.¹⁸ Russian residents are well organised with two political parties: the Union of Lithuanian Russians established in 1995, and the Russians Alliance, established in 2002.¹⁹ From 2000 to 2004, eight Russians were members of the Seimas (Parliament). In 2002, 11 deputies from the Union of Lithuanian Russians and three from the Russians Alliance were elected onto local municipalities.

The town of Visaginas is one of the Russian community's centres - over 50% of its inhabitants are Russian.²⁰ According to some sources, 60% of all inhabitants in Lithuania (Russians, Ukrainians, Byelorussians and Lithuanians) speak Russian.²¹ Due to legislation in 1995 making Lithuanian the sole state language, Russian has almost disappeared from official use and the numbers of those speaking it is steadily diminishing to the great concern of the Russian community. Yet there are signs that interest in Russian is reviving and it is the second foreign language, behind English, in school education.²²

In October 2006, Russian emigrants created the organisation, Equality of Rights, (Lygios teisės visiems). It campaigns for free visas to Russia and Belorussia, free Lithuanian language courses, equal treatment before the law and in everyday life (Russian schools, free Russian magazines, use of Russian with the authorities - at least in Visaginas). Its internet portal enables Russians in Lithuania to participate in several discussion forums.²³ Judging by these, the question of discrimination seems to be highly ideologically loaded and controversial - even among the Russian community in Lithuania. However, the Russian Ministry of Foreign Affairs considers the situation of the Russian minority to be rather positive, on the whole better than in the other Baltic States and causing no negative impact on bilateral relations.²⁴

¹⁷ http://www.europa.eu/abc/european_countries/eu_members/lithuania/index_de.htm

¹⁸ <http://www.cirp.ru/publikation/The%20Regional%20Dimension%20of%20the%20Russian-Baltic%20Relations.pdf> page 173

¹⁹ <http://www.sojuzru.lt/>

²⁰ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/b5639782ff43d3ebc3256e52002deb28?OpenDocument>

²¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/1d4db0262342276443256c28003e1afb?OpenDocument>

²² <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/1d4db0262342276443256c28003e1afb?OpenDocument>

²³ <http://www.ravnopravie.lt/>

²⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027e43256b750047e7e2?OpenDocument>





There are six newspapers in Russian, among them the daily *Respublika* (print run 15,000) and the weekly *Lithuanian Courier*, the biggest print medium with a print run of 30,000. There are also translated versions of Lithuanian newspapers. Russian newspapers are available throughout the country. The Moscow Russkoe Radio broadcasts 24 hours a day, but can be received only in some cities. The first and second Lithuanian Radio channels and first and second Lithuanian TV channels provide 15 minute news broadcasts daily in Russian. In addition, the Russian TV channels ORT, NTV, TNT and Ren-TV can be received.²⁵

The Russian Orthodox Church is the second biggest religious community in Lithuania, behind Roman Catholics with 2,752,447 members. In third place are 27,073 Old Believers. There are 62 parishes in Lithuania.²⁶

At the beginning of 2005, 67 Russian NGOs and cultural centres in Lithuania were registered in Lithuania, 46 of them in Vilnius.²⁷ Regional cooperation is now starting up and seven Russian regions (Kaliningrad, Moscow and Moscow Region, St Petersburg, Tartarstan, Tver' and Jaroslavl) are especially active in cooperation and exchange projects with Lithuania.

Four airline routes transported 41,840 passengers to and from Russia in 2005 - 16.7% more than in 2004 (34,823).

Culture

The Baltrushaitis House in the Lithuanian embassy in Moscow is a very active venue for scientific conferences, numerous exhibitions of Lithuanian artists, concerts, films and readings. Several events take place each year, such as the Windows on Lithuania, readings of Russian literature and Lithuanian authors and the festival of Lithuanian theatre. Cultural events also organised elsewhere in Moscow and Russia.²⁸

As for Russian culture in Lithuania, the Russian national community is an active organiser of events and festivals. Each spring, the international Festival of Sacred Music invites choirs from Russia, Belorussia and Latvia. Music by famous Russian composers is performed in concert halls and Russian Orthodox churches in and around Vilnius. Another tradition is the annual Days of Russian culture. In 2001, Vilnius and Moscow founded the Russian Cultural and Educational Centre in Vilnius.

Education and Science

In the academic year 2004-2005, there were 54 Russian schools with 22,880 pupils, 17 Russian-Polish schools with 6,466 pupils (2,122 of them were Russian) and six Lithuanian-Polish-Russian schools with 2,919 pupils (163 of them Russian). In addition, there is one private Russian school.²⁹

The department of Russian Philology is the only place to continue Russian language education in Vilnius after school. Two other universities in Lithuania offer Russian

²⁵ http://www.tmid.lt/index.php?page_id=364 ; <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/1d4db0262342276443256c28003e1afb?OpenDocument>

²⁶ <http://icon-painter.dkd.lt/hram/>

²⁷ http://www.tmid.lt/index.php?page_id=363

²⁸ <http://amb.urm.lt/rusija/ambtopmenuitems.php?TopMenuID=821&SiteID=71&LangID=3>

²⁹ http://www.tmid.lt/index.php?page_id=360





Studies and Vilnius offers a doctorate in Russian studies.³⁰ There are no Lithuanian schools in the Kaliningrad district despite the Lithuanian authorities' efforts to reach agreement with Kaliningrad authorities on the issue.

Useful websites

Lithuanian embassy in Moscow

<http://ru.mfa.lt/index.php?-983136421>

Russian embassy in Vilnius

<http://www.rusemb.lt/>

³⁰ <http://www.sojuzru.lt/index.php?name=News&op=article&sid=28>





POLITICAL RELATIONS

Latvia's relations with Russia are strongly coloured by recent history, notably the Soviet occupation of the country from 1944 to 1991. Russia does not recognize the Soviet occupation, believing that Latvia entered the USSR voluntarily. Latvia strongly supports a common EU policy towards Russia that takes common values as much as economic interests into account.

Bilateral agreements and political contacts

Bilateral relations suffer from disagreement over the treatment of the large ethnic Russian minority with problems over the status of many Russians (non-citizens). These issues have rarely spilled over into violence. An exception was the use of force to dispel a demonstration of Russian pensioners in 1998.¹ This incident, however, was used by the Russian government to portray alleged ethnic tensions and discrimination. Bilateral relations took some time to recover and were further clouded by a dispute over the border. In the past few years, there has been an increase in high-level meetings, from seven in 2004 to 12 in 2006.

Since 1990, there have been 19 bilateral agreements and four protocols.² These have covered trade, shipping, tourism and transport, border controls, the removal of the Soviet Army, legal assistance, the resettlement processes and economic cooperation. Another important agreement was signed in 2006 establishing an intergovernmental commission on economic, scientific, technical, humanitarian and cultural cooperation. In March 2007, the border agreement was finally signed, nine years after it was negotiated.³

Diplomatic representation

Russia has an embassy in Riga and consulates in Liepaja and Daugavpils. Latvia has one embassy in Moscow, consulates in St Petersburg and Pskov and an office of the consular department in Kaliningrad. There are different kinds of visa: transit, short term, long term, border regions, and for groups and diplomats. A single entry visa costs LVL20 (ca. €42), and a multiple entry visa LVL35 (ca. €70).⁴ Latvia is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

After the collapse of the Soviet Union there was a dramatic reduction in trade between the two countries. In more recent years, ties were re-established because

¹Bleiere D., Stranga A. The Latvian-Russian Crisis of 1998 // Crisis Management in a Transitional Society: The Latvian Experience / E. Stern, D. Hansen (eds.). Stockholm: Swedish National Defense College, 2000. P. 216-259.

² <http://www.am.gov.lv/en/moscow/Latvia-Russia/bilateral/?mode=out&state=RUS&title=&branch=0&day1=dd%2Fmm%2Fyyyy&day2=dd%2Fmm%2Fyyyy&status=0&day3=dd%2Fmm%2Fyyyy&signer=>

³There are two versions as to the reasons for the non-signing: one emphasises disagreement after the March incident in Riga, another points out, that Latvia had added - unilaterally and after the treaty had been initialed in 1997 - a declaration alluding to the Peace Treaty of 1920 and leaving Latvia the option to claim territory, e.g. the region Pytalowo near Pskov which belonged to Latvia before 1944. <http://www.am.gov.lv/en/policy/bilateral-relations/4542/Russia/#3> and <http://de.rian.ru/postsowjetischen/20070312/61886325.html>

⁴ 1 Latvian Lat (LVL) is about \$1,8.





the EU market was unwilling to take Latvian agricultural exports.⁵ The main field of Russian-Latvian cooperation, however, is the transit infrastructure for oil and gas. Latvia is the most important transit country among the Baltic States and has allowed several Russian energy companies to operate in this sector. Unlike Estonia, Russia granted Latvia most favoured nation status in trade.⁶

As of March 2007, there were 2,167 Latvian-Russian joint ventures operating in Latvia. The largest Russian investors in Latvia, outside the energy sector, are Jurijs Šeflers (hotels), Igor Krupnik (Liepāja special economic zone company - fishing), and Mikhail Elfimov (construction, engineering, and commercial and management consulting).⁷

Cooperation is also booming in the banking sector. The Moskovskij Delovoj Mir Share Commercial Bank bought the Latvijas Tirdzniecības banka, Moscow Municipal Bank. The Bank of Moscow acquired 99.72% of the Latvijas Biznesa Banka and the Russian Konversbank holds 75% of the local Krajbanka and opened a number of agencies in 2006. The Latvian SEB Unibanka and Rietumu Banka are engaged in acquisition plans for banks in Moscow and St. Petersburg.⁸

Imports increased from €402 million in 2000 to €733 in 2006 and exports from €85 million in 2000 to €561 million over the same period. The trade balance stayed negative: €317 million in 2000 and €172 million in 2006.⁹

The FDI net flow from Russia to Latvia rose sharply in 2005 (from €24 million in 2004 to €68 million). In the other direction, figures are much lower and the trend is downwards. Latvian FDI net flow into Russia fell from €9 million in 2004 to €1 million in 2005.

Energy

Latvia is 100% dependent on Russian gas. In 2005, it imported 1.75 billion m³ of gas and 10,614,000 tonnes of crude oil, thereby covering almost all its national needs by imports from Russia. Only 446 tonnes were imported from Lithuania.¹⁰

Russian companies are heavily involved in Latvian transit infrastructure.¹¹ Gazprom is the biggest investor in Latvia holding 34% of Latvijas Gāze (according to Russian sources, it even holds 50%).¹² By 1998, Russian oil companies were dissatisfied with high transit tariffs and the unwillingness of the Latvian government to pass control of the biggest oil transit company, Ventspils Nafta, to Russian enterprises.¹³ The partial reorientation of oil transit to other ports, in particular, to the newly built

⁵ Andris Spruds: A business factor in Russian-Latvian relations: cooperation and competition. In: Regional dimensions of Russian-Baltic relations. St. Petersburg 2004, p. 199-204, here p. 199. Further on referred to as Spruds.

<http://www.cirp.ru/publikation/The%20Regional%20Dimension%20of%20the%20Russian-Baltic%20Relations.pdf>

⁶ Spruds, p. 200

⁷ <http://www.am.gov.lv/en/policy/bilateral-relations/4542/Russia/>

⁸ http://www.latvia.mid.ru/ruslat_03.html

⁹ Eurostat News release, 15 May 2007

¹⁰ Eurostat Query 30.05.2007

¹¹ Spruds, p. 200

¹² The Russian government speaks of 50% share. http://www.latvia.mid.ru/ruslat_01.html

¹³ Spruds, p. 201





oil terminal in Butinge (Lithuania) was another consequence of the political-economic crisis in 1998. In 2003, Russia exercised heavy pressure on the Ventspils port, an important point of departure for Russian oil exports to Europe, even cutting off oil transport through the main pipeline.¹⁴ The desire to create alternatives to Latvia was one of the reasons for constructing the Primorsk transit terminals in the Finnish Gulf.

CIVIL SOCIETY

One of the biggest internal problems in Latvia is the status of the large Russian community. Most Russians have found it difficult to reconcile their changed situation after the collapse of the Soviet Union. The areas of dispute cover citizenship, language and education policy.¹⁵ The 650,000 strong communities of ethnic Russians comprise 29% of the population, of whom 54% of them have Latvian citizenship. The others are non-citizens and as such do not have the right to vote. However, they possess almost all the same social benefits and economic rights as citizens. Naturalisation follows regulations, which are often criticised by the Russian community. The Russian population is concentrated in the cities, especially in Daugavpils (54% of the inhabitants are Russians), Rezekne (50%) and Riga (43%).¹⁶ According to the 2000 census, 81% of the population knew Russian as a first or second language, while only 79% know Latvian.

In 2000, the new national language law entered into force making Latvian the only official language. The Latvian government had, though, as early as 1995 begun to prepare for the legislation by creating a language programme that later became the national agency for Latvian language training.¹⁷ It provides courses free of charge for specific professions such as the police, medical personnel and other groups. There are also programmes for pupils' parents providing information on school reform along with language lessons. In addition, the agency's homepage offers an online learning programme. Thus, knowledge of Latvian among young non-Latvian mother tongue speakers (15-34 years) rose from 40% in 1995 to 65% in 2004.¹⁸

The Russian community is well organised in several bodies of different political colours: the Association of Russians in Latvia¹⁹, the Association Homeland (Rodina)²⁰ and a Russian party - the Union for Human Rights in a United Latvia.²¹ They all campaign for equal rights and the use of Russian in dealings with officialdom, although disagree on aims and methods.

¹⁴ Spruds, p. 203

¹⁵ <http://www.am.gov.lv/en/policy/4641/4642/Muznieks/>

¹⁶ <http://www.am.gov.lv/en/policy/4641/4642/Muznieks/>

¹⁷

http://www.lvavp.lv/frameset.php?PHPSESSID=c0fe261ee9a49530a83bb1c18fa6cde4&lang_code=_eng

¹⁸ Latvian population register, 1.1.2007. <http://www.am.gov.lv/ru/information/societal-integration/Integration-Policy/>

¹⁹ <http://www.ruskie.org.lv/>

²⁰ <http://rodina.lv/> Not only the name of the organisation hints at a rather national-jingoistic direction, the link on the homepage to Lukashenko - the Russian leader - destroys remaining illusions or doubts.

²¹ http://www.zapchel.lv/?lang=en&mode=main&submode=&page_id=263





In Russia, the Latvian community numbered 28,520 in 2002 with 35,000 people said to know the Latvian language.²² It is the sixth biggest national community in Russia behind Germans, French, Greeks, Poles and Lithuanians.

Several Russian language newspapers are available in Latvia and there are at least three Russian-Latvian internet portals²³ and six online TV channels. The decision by the Latvian government to reduce broadcast time in Russian to 25% caused further protests among the Russian community.

The Russian Orthodox Church maintains 20 parishes and two monasteries in Latvia. The visit to Latvia by Patriarch Alexius II of Moscow and All Russia in May 2006 was a highlight in religious life.

Regional cooperation has gained considerable momentum since 2001, when the cooperation agreement between Moscow and Riga was signed. The Pskov-Region is particularly active having had long-term relations with Latvia. Cultural and economic events are jointly organised and relations between Pskov, Moscow, St. Petersburg and Latvia became even stronger during 2006. In addition, three town twinning projects with Russia are financed by European programmes.

Four airline routes and much cheaper regular bus and train routes from Riga to Moscow, St. Petersburg and Kaliningrad connect the two countries. In 2005, 664,122 passengers flew between Russia and Latvia - almost a third more than in 2004 (44,078).

Culture

Cultural exchanges are based on the 2002 intergovernmental agreement on cultural exchange and on the common programme on exchanges in the areas of culture and art for the years 2007-2009. The most important project is the organisation of joint annual festivals, Days of Culture. Russian and Latvian theatre companies and musical bands perform regularly. A new theatre festival, The Golden Mask, was established in Riga in 2006. It invites the best Russian theatres to Riga and will take place every two years. In addition, there are several festivals of Russian culture in Latvia. One of the main representations is the Moscow culture and trade centre, Dom Moskvyy, in Riga, which fosters cultural and economic exchanges by regular presentations of new cooperation projects in the fields of economy, industry, construction and culture.²⁴

Education and Science

There are 166 Russian schools and 124 bilingual schools. However, only 40% of the subjects in higher classes are taught in Russian, according to the new language law from 2004.²⁵ The association for protection of Russian schools is very active in fighting against governmental plans to further reduce the possibilities of using Russian as a language of education.²⁶

²² Rosstat 2005

²³ Portal Delfi <http://rus.delfi.lv/>, Portal TVNet <http://rus.tvnet.lv/>, Portal Dialog <http://www.dialogi.lv/>

²⁴ http://www.latvia.mid.ru/ruslat_04.html

²⁵ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/b5639782ff43d3ebc3256e52002deb28?OpenDocument>

²⁶ <http://www.shtab.lv/main.php>





As for exchange programmes, these, from Russian's side, are mainly designed to improve the professional level of Russian teachers, inviting them regularly to seminars to Moscow.²⁷

Useful websites

Latvian embassy in Moscow

<http://www.am.gov.lv/en/moscow/Latvia-Russia/>

Russian embassy in Riga

<http://www.latvia.mid.ru>

²⁷ http://www.latvia.mid.ru/ruslat_05.html





POLITICAL RELATIONS

Bilateral agreements and political contacts

As part of the former Yugoslavia, Slovenia had no diplomatic relations with Russia until after independence in 1992. It took a further decade before the Slovenian Prime Minister, Janez Drnovšek, paid the first official visit to Russia when he signed the agreement on bilateral friendship. Since then, there have been several high-level meetings, most recently in June 2006, when President Drnovšek participated in the 10th International Economic Forum in St. Petersburg. There are also regular meetings at ministerial level (foreign affairs, justice, and economy). In May 2006, the intergovernmental commission on trade and economy and culture and science restarted work after a long break.

About 15 agreements have been signed since 1992 concerning cooperation taxes, security of investments, gas supplies, cooperation against organised crime, tourism, peaceful use of nuclear energy, and natural disaster management. In 2004, a protocol was signed on the inventory of all existing agreements between the USSR and the Republic of Yugoslavia.

There is also a parliamentary friendship group with Russia. A Slovenian delegation went to Moscow in October 2005 and a Russian parliamentary delegation visited Slovenia in July 2006.

Diplomatic representation

Slovenia has an embassy in Moscow and consulates in St. Petersburg and Samara. Russia has its embassy in Ljubljana. Visa procedures are marked by Slovenia's preparation to join the Schengen agreement. Since 1999, Russians need a visa to enter Slovenia. Russian citizens with a Schengen visa or a permanent residence in the EU benefit from a reduced fee. Slovenia is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Slovenian exports to Russia have tripled since 2000, rising from €210 million to €779 million in 2006. Imports from Russia also grew, but not as fast: from €251 million in 2000 to €367 million in 2006. The trade balance improved considerably, although Slovenia is not a big player in EU-Russia commerce, developing from a deficit of €41 million in 2000 to a surplus of €412 million in 2006.¹ Russian exports consist mainly of energy supplies and raw materials. Slovenia exports mainly medicaments and pharmaceutical raw materials (30%), varnish and electronic devices for telephones (18%).

FDI net flow from Russia into Slovenia was €1 million in 2005 (in 2004 it was zero). Slovenian FDI net flow into Russia was €5 million in 2004 and €13 million in 2005. In September 2003, the biggest Slovenian investment (€35 million) was started: the construction of the Russian-Slovenian pharmaceutical enterprise Krka-Rus in Istra. Odikhel is another large joint venture in the chemicals field.

¹ Eurostat News release, 15 May 2007





Energy

Slovenia covers 50% of its gas requirement through imports from Russia, buying 0.56 billion m³ in 2005. Supplies of oil from Russia ended in 1999 due to the bad condition of the Slovenian oil refinery in Lendava. In 1997, imports were 300,000 tonnes, declining sharply in 1998 to 75,000 tonnes.

There are plans to construct a Russian transit gas pipeline through Slovenia to Italy and to construct an oil pipeline from Romania through Slovenia to Trieste and Italy.

CIVIL SOCIETY

The Russian community in Slovenia is very small and numbered fewer than 350 in 2005. Thus, it is not surprising there is no Russian Association in Slovenia and no newspapers in Russian apart the media that can be received by internet.

There are four airline routes transporting 34,253 passengers to and from Russia in 2005 - about 5,500 more than in the previous year.

Regional relations are steadily improving. In 2000, the two capitals, Moscow and Ljubljana, signed an agreement on regional cooperation, and in 2001 on economic and cultural cooperation. Another regional cooperation project connects St. Petersburg and Maribor. In 2006, economic cooperation was launched between the region of Vladimir and Slovenia.

Culture, Education and Science

Russian is taught in several schools and some 5,000 persons speak the language. There are two departments for Russian Studies at the University of Ljubljana, teaching about 200 students each year. In addition, there are intensive courses, mostly for businessmen.

The agreement on cultural cooperation dates from 1995. In the same year, both sides agreed to cooperate on sports competitions and education. In the framework of the 2005-2008 programme, a number of concerts and exhibitions are being organised. The Russian-Slovenian Forum of Slavic Cultures, founded in 2004 in Ljubljana, plays an important role in organising cultural events and dialogue. In 2006, it initiated the Week of Mosfilm (Russian cinema) in Ljubljana. In 2005, Yekaterinburg organised the Days of Slovenia in the Urals. In 2006, there were Days to celebrate Russian culture in Nova-Gorica.

Useful websites

Slovenian embassy in Moscow

<http://moscow.embassy.si/index.php?id=36&L=1>





POLITICAL RELATIONS

Relations between Estonia and Russia are coloured by very different interpretations of history. The two sides do not agree on the nature of the Soviet occupation post 1944, or the impact of the 1939 Molotov-Ribbentrop pact. The alleged mistreatment of the large ethnic Russian minority (26%) is also a source of dispute between the two countries. Relations were further clouded in April 2007 by the decision of the Estonian government to relocate a Soviet war memorial from the centre of Tallinn.

Given the poor state of relations between Estonia and Russia, the EU framework is increasingly seen as a more promising channel for dealing with Russia than bilateral talks. Estonia's newly elected president, Toomas Hendrik Ilves, has explicitly stated that from now on, Estonia's Russia policy should be made 'via Europe'. Foreign Minister Urmas Paet has argued that there is no need to rush into a new EU-Russia agreement: 'The content is important, and the new agreement must be stronger than the existing one.'¹ Paet further emphasises that the new agreement should be 'a solid, legally binding, comprehensive document' and that the current PCA should remain in force while the new agreement is prepared.² In terms of substance, Estonia continues to emphasise the common values that should underpin any such agreement and insists on a 'uniform implementation of all the aims agreed upon according to the roadmaps'.³

Bilateral agreements and political contacts

Following the restoration of Estonian independence, diplomatic relations between the two countries were established in October 1991. In 1998, the Estonian-Russian intergovernmental commission was established to guide work on bilateral relations. The commission has held only three meetings (1998, 2000, and 2002).

There are about 30 bilateral agreements and treaties with Russia, concerning customs, international road transport, aviation, double taxation, the transfer of criminal offenders and social insurance and pensions. The bilateral border treaty was finally signed in May 2005, but Russia withdrew its signature because it objected to the preamble of the Estonian parliament's ratification law which made reference to texts mentioning the Soviet occupation of Estonia.⁴

Ministerial contacts are developing slowly with eight in 2006 - double that for 2005. Since 1992, there has also been cooperation in the framework of the Council of the Baltic Sea States. There are friendship groups in both parliaments. In 2006, they visited each other once.

Diplomatic representation

In addition to the Embassy in Moscow, there are consulates in St. Petersburg and a Chancellery of the consulate in Pskov. Russia has, apart from its embassy in

¹ Ministry of Foreign Affairs Press Release, „Paet: European Union Neighbourhood Policy's eastern dimension needs work.“ 31 October 2006. www.vm.ee

² Speech by Minister for Foreign Affairs of Estonia Urmas Paet "Europe, thinking forward" in the Institute of European Affairs in Dublin, 31 October 2006. www.vm.ee

³ *ibid.*

⁴ Konenko, Vadim: Normal neighbours or troublemakers? The Baltic states in the context of Russia-EU Relations. In: Kasenkamp, Andres (ed.): The Estonian foreign policy. Yearbook 2006. Tallinn 2006, pp. 69-84, here p. 79





Tallinn, a consulate in Narva and a consular section for visas in Tartu. Visa costs into Estonia range from €20 (airport transit) to €50 (long-term visa). The normal tourist visa (single entry, up to 30 days) is €20. Estonian-Russian visa issues are also regulated by the Russia-EU visa facilitation agreement.

ECONOMICS AND TRADE

Russian-Estonian economic relations are coloured by the poor bilateral political relationship. The double customs tariffs imposed on Estonia by the Russian Federation in 1995 hindered the development of bilateral economic relations until they were removed on 1 May 2004. Trade also suffered from a number of Russian-inspired non-tariff barriers such as health and safety certificates and by politically motivated 'repairs' or 'limits' on railways and border bridges.

Despite these problems, there is an Estonian-Russian business round table, but it last met in Moscow in 2003. Cross border cooperation is functioning. In July 1998, the Peipsi Center for Transboundary Cooperation was established as an umbrella organisation to promote projects that involve specific cross-border activities. Estonia has close contacts with the neighbouring regions of Pskov, Novgorod and St. Petersburg. Regional agencies are interested in promoting business and tourist opportunities, but the lack of a legal political base (border treaty) and the deeply rooted mutual suspicion on both sides of the border make cooperation a tedious business.⁵

Russian FDI into Estonia was €147 million in 2004 and rose to €162 million in 2005. Estonian FDI into Russia rose from €43 million in 2004 to €246 million in 2005.

Exports to Russia grew six fold between 2000 (€82 million) and 2006 (€605 million). During the same period, imports from Russia increased from €391 million to €1,387 million. The trade balance remained negative, but rose slower than the trade volume: from €310 million in 2000 to €782 million in 2006.⁶ Main exports to Russia consisted of machinery and equipment (22%), transport vehicles (14%) and textiles (10%). Imports from Russia were mineral products (47%), timber and wood products (21%) and metals and metal products (13%). Russian tourism to Estonia is also growing steadily. In 2005, according to the number of foreign tourists arriving in Estonia, Russia placed sixth (after Finland, Germany, Sweden, Britain and Latvia).

Energy

Estonia does not import any crude oil from Russia due to the lack of refineries. But it covers 100% of its gas needs by Russian imports. Russian oil is transported by train through Estonia although supplies were reduced in May 2007.

⁵ Mikenberg, Eero: Euroregion: A new level in Estonian-Russian relations? In: Kasenkamp, Andres (ed.): The Estonian foreign policy. Yearbook 2006. Tallinn 2006, pp. 85-94, here p. 86.

⁶ Eurostat News release, 15 May 2007





CIVIL SOCIETY

The Republic of Estonia, established in 1918, lost its independence when it was occupied by the Soviet Union in June 1940. After independence, it was restored in 1991. On the basis of the legal continuity of statehood, Estonia was able to reinstate the right of its legitimate citizens. In February 1992, the Citizenship Law of 1938, based on the principle of *ius sanguinis* (blood relationship), was reintroduced. In the course of the Soviet occupation, the demographic situation in Estonia was dramatically altered as a result of the Soviet Union's sovietisation policies.

According to censuses, Estonian citizens accounted for 98.8% of the population in 1934. After independence, persons who had held Estonian citizenship before 16 June 1940 and their descendants were automatically considered to be Estonian citizens. Thus, roughly two-thirds of the 1.5 million Estonian inhabitants had restored Estonian citizenship in 1992. All other residents could obtain Estonian citizenship through the naturalisation process. At the same time, all residents who had been Soviet citizens had the right to register themselves as citizens of Russia, the USSR's successor state, or to choose any other citizenship. As of April 2007, 83.6% of Estonia's population held Estonian citizenship, 7.8% were citizens of other countries and 8.6% were of undetermined citizenship. The Estonian Government actively promotes Estonian citizenship through naturalisation, thus reducing the number of persons with undetermined citizenship.

The Russian-speaking minority in Estonia is high. Around 300,000 strong, it is about a quarter of the population. The Russian population lives mainly in Narva, Tallinn and Kohtla-Järve. In June 1998, the *Riigikogu* (Parliament) adopted the integration policy document, The Bases of the Estonian State Integration Policy. The aim of the integration policy was to 'ensure rapid modernisation of society in the context of accession to the European Union, while preserving both stability and a commitment to the protection and continued development of Estonian culture'. Currently, a process has been started to draw up the next State Integration Programme for the years 2008-2013. The draft of the document is open for public discussion.

The government is constantly dealing with this matter and has made acquiring Estonian citizenship easier in many ways, especially for children. Consequently, since autumn 2005 the number of naturalised citizens exceeds the number of residents of undetermined citizenship.

There are two Russian parties in Estonia, the Russian Party in Estonia (RPE, founded in 1994) and the Constitutional Party (KoE, founded in 2006). Neither of them, however, is represented in today's parliament due to the low number of votes they received (election results for RPE were 0.2% and for KoE 1.0% of total votes cast). Their policies are aimed at securing greater rights for ethnic Russians in Estonia.⁷

There are 33 Russian-language newspapers and 28 Russian language magazines in Estonia.⁸ The public service radio broadcaster provides one of its four nationwide channels for Russian language programmes and there are six Russian language radio stations with regional or local coverage among Estonia's 26 private radio

⁷ Nikiforov, p. 194

⁸ The National Library of Estonia, www.nlib.ee





broadcasters. Two of the three TV stations in Estonia, including the public broadcast service, have several weekly Russian language programmes produced in Estonia and also provide daily Russian language news broadcasts. In addition, some programmes have Russian subtitles. Recently a new internet news site in Russian was opened by the public service TV station, Estonian Television (<http://www.etv24.ee/index.php?2>).

Rosstat counted 28,113 Estonian citizens in Russia in 2002. However, the Estonian language was spoken by only 26,645.⁹ According to the Estonian embassy in Russia, some 40,000 Estonians live in Russia, constituting the largest Estonian community abroad. Estonians reside primarily in Moscow, St. Petersburg, Siberia (with the largest Estonian community in the Krasnoyarsk region - 5,000), in the Caucasus and in the Far East.

The Moscow Patriarchate Orthodox Church maintains 32 parishes in Estonia. There is also a group of Old believers.

There are three airline routes between Estonia and Russia and daily bus services between Tallinn and St. Petersburg and Tallinn and Pskov. The number of airline passengers to and from Russia remained almost stable, only slightly declining from 20,167 in 2004 to 20,139 in 2005.

Culture

Cultural contacts between Estonia and Russia are active and can be seen by the many bilateral visits of art and literary figures that take place every year. In 2003, St. Petersburg organised the Estonian Cultural Days. In 2006, Tallinn held St. Petersburg Days and Tartu, which had already organized a big exhibition of the works of 47 Estonian textile artists in 2004, Pskov Days. Since September 2001, the Estonian National Symphony Orchestra has been conducted by the top Russian conductor, Nikolai Alexeyev. The new head conductor and musical director of Novaya Opera for the 2006/2007 season is the Estonian Eri Klas. There has been little progress in resolving the sensitive issue of the return of Estonian cultural treasures taken to Russia during the Soviet period.¹⁰

Education and Science

Russian language and literature can be studied in three universities: Tallinn, Narva, and the department of Russian Literature at Tartu University. In 2007, there were 102 schools with Russian as language of instruction. Several organisations work to improve the quality of Russian language teaching. They include the Union of Teachers of the Russian Language, the Association of the Russian language and the Russian Academic Association.¹¹

There is just one Estonian school in Russia, at Pskov. Few people study Estonian.

⁹ Rosstat 2005

¹⁰ http://www.estemb.ru/eng/estonia_and_russia

¹¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/25f744b2d937356943256c280050ef97?OpenDocument>





Useful websites

Estonian embassy in Moscow

<http://www.estemb.ru/>

Russian embassy in Tallinn

<http://www.rusemb.ee/>





POLITICAL RELATIONS

Bilateral agreements and political contacts

Historical and cultural bonds have linked Cyprus and Russia for centuries. With the establishment of the Republic of Cyprus in 1960, there immediately followed the conclusion of diplomatic relations with the then USSR (August 1960). Cyprus and Russia have concluded a large number of bilateral agreements which cover different areas (political, economic, commercial, cultural and legal).¹² Since 1994 there have been two agreements on travel procedures and an inventory of existing agreements and treaties. Bilateral political contacts take place at irregular intervals, most recently in April 2007 when the two foreign ministers met in Moscow.

Cyprus has had traditionally close relations with Russia, given that the latter has kept consistently to a principled position on the Cyprus Question based on the UN Security Council Resolutions. Russia is appreciated as a supporter in the legal dispute with Turkey. This was firmly stated by Mr S. Lavrov in 2005. However, this cannot be taken for granted. President Putin recently called for an end to the economic isolation of the Turkish-Cypriot community.

Cyprus supports a new EU strategic agreement with Russia without any new additions on human rights. There is a broad feeling in Cyprus that the EU is too concerned with human rights in Russia (and elsewhere) but not in Turkey. There are some politicians, such as ruling party AKEL's spokesperson, Andros Kyprianou, who consider that a new agreement with Russia would constitute a counterweight to the US.¹³

Diplomatic representation

There is a Russian embassy in Nicosia and a Cypriot embassy in Moscow. Cyprus is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

The trade and economic ties between Cyprus and Russia are higher than one might expect. A great deal of Russian money has flowed to banks in Cyprus in the past two decades and a large number of Russian entrepreneurs use Cyprus as a base for their business and investment activities. Russian FDI has decreased significantly from €295 million in 2004 to €93 million in 2005, reflecting a return of 'flight capital' to Russia. Cypriot FDI into Russia increased from €4 million 2004 to €7 million in 2005.¹⁴

Cypriot imports from Russia have fallen since 2000, from €160 million to €43 million in 2006, notwithstanding the fact that it imports mainly oil, as well as raw materials (iron and other metals and timber). Exports, however, grew moderately from €7 million in 2000 to €17 million in 2006.¹⁵ Cypriot exports to Russia include

¹²

http://www.mfa.gov.cy/mfa/embassies/moscowembassy.nsf/DMLpoliticalsect_en/DMLpoliticalsect_en?Opendocument

¹³ EU 25-27 Watch Nr. 4

¹⁴ http://www.swedenabroad.com/Page_47757.aspx

¹⁵ Eurostat News release, 15 May 2007





mainly agricultural products, foodstuffs and pharmaceuticals. Another field of trade cooperation is tourism and a significant number of Russian tourists visit Cyprus every year. The Office of Cyprus Tourism Organisation operates tourist offices in Moscow and St. Petersburg.¹⁶

The Cyprus Embassy Trade Centre in Moscow is one of the 11 centres opened by the Ministry of Commerce, Industry and Tourism abroad. It represents Cypriot economic and trade interests in Russia and CIS countries and its mission is to assist and support the development of bilateral trade and economic relations.¹⁷

The Bank of Cyprus was recently (June 2007) granted a licence to provide banking services to companies in Russia. The Moscow commercial bank, Promsvjazbank, maintains an office in Limassol.

Energy

Cyprus imported only small amounts of oil from Russia in 2003 and 2004.

CIVIL SOCIETY

About 40,000 Russians live in Cyprus, 60% of them with a Russian passport, residing mainly in Nicosia, Limassol, Paphos and Larnaka.

There are two Russian schools issuing a Russian and Cypriot diploma. The Russian Centres of International Scientific and Cultural Cooperation (Roszarubezhcentr) were founded in 1925 - the one on Cyprus in Nicosia began work about 30 years ago. It organises exhibitions, readings, concerts, film festivals and concert tours of Russian artists all over Cyprus. In addition, it offers language courses in Russian and houses a large library.¹⁸ Other Russian organisations are the Association of Russian Businessmen on Cyprus, the friendship association, Cyprus-Russia, the organisation of Russian landsmen, Horizon, and the Russian Club in Limassol. Several shops in Limassol and Nicosia sell Russian books, DVDs, food and office supplies/computers.¹⁹

The Cypriot branch of the Orthodox Church is one of the oldest. Legend has it that it was founded by Apostle Paul himself during his first mission. The union of the Cypriot and the Russian Orthodox churches dates back to the 12th century.²⁰ The Russian Orthodox Church maintains one parish in Nicosia and one in Limassol.

The Russian publishing house in Cyprus offers on its website several guidebooks for Russians in Cyprus as well as nine journals and two newspapers²¹, the more important of which is the weekly *Vestnik Kipra* (Cyprus Messenger) created in 1995

¹⁶

http://www.mfa.gov.cy/mfa/Embassies/MoscowEmbassy.nsf/DMLtourism_en/DMLtourism_en?OpenDocument

¹⁷

http://www.mfa.gov.cy/mfa/Embassies/MoscowEmbassy.nsf/DMLcomsect_en/DMLcomsect_en?OpenDocument

¹⁸ <http://www.russiancyprus.net/static.asp?pageid=118>

¹⁹ <http://www.russiancyprus.net/>

²⁰ <http://www.russiancyprus.net/static.asp?pageid=119>

²¹ <http://www.cyprusadvertiser.com/>





with a print run of 4,000. It is sold on Cyprus and in Greece. In addition, the Russian magazine, *Omonia* published in Greece is issued in Cyprus. The radio station in Paphos transmits daily two hours in Russian. There is a Russian TV channel called *Russian Extrem* and exclusively dedicated to all kinds of extreme sports. One internet portal specialises in the needs of Russians on Cyprus, the Russian Cyprus Net.²² There is even a Russian urgency telephone hotline.

Eight airline routes connect the two countries. In 2005, 251,718 passengers used them to travel to and from Russia - about 10% less than in the previous year.

Culture, Education and Science

During the visit of Cypriot President Tassos Papadopoulos to Moscow in 2006, the programme on cooperation in the fields of science, education and culture for 2006-2008 was signed.²³ Two prominent events include the exhibition on 900 years of spiritual relationship between Cyprus and the Kiev Rus organised by the Russian Centre of Science and Culture and the Russian film festival in Limassol in June 2007.

There is scientific cooperation between Tomsk and Cyprus. The Russian LITC Language Institute and Translation Centre provides courses in several European languages.

Useful websites

Cypriot embassy in Moscow

http://www.mfa.gov.cy/mfa/embassies/moscowembassy.nsf/DMLpoliticalsect_en/DMLpoliticalsect_en?Opendocument

Russian embassy in Nicosia

<http://www.cyprus.mid.ru/>

²² <http://www.russiancyprus.net/>

²³ <http://www.russiancyprus.net/static.asp?pageid=118>





POLITICAL RELATIONS

There are no special historical ties between Russia and Luxembourg. Given its small size and population, there are also few close relations except in the financial sector. President Putin visited Luxembourg in May 2007.

Bilateral agreements and political contacts

Since 1990, there have been five bilateral agreements covering air traffic control, taxes, financial monitoring, the fight against money laundering, culture, education, science, and health care cooperation.

In addition to frequent ministerial visits (Luxembourg benefits as one of the seats of the EU institutions) parliamentary contacts have increased to once a year visits to both countries. Leaders of Russian regions also travel more frequently to Luxembourg to establish closer contacts.¹

Russia and Luxembourg have a deal on proliferation rights in relation to the Kyoto agreement. Bilateral relations could have suffered a serious blow after the Severstal bid for Arcelor steel was turned down by the company's shareholders, who preferred the offer of the Indian steel magnate, Lakshmi Mittal. The sympathy of the Arcelor management and the Luxembourg government for the Severstal bid were in vain.

As far as the legal and political framework for the new PCA with Russia, Luxembourg's attitude coincides with the mainstream EU position.

Diplomatic representation

Each country has an embassy in the other's capital. Visa costs are regulated according to the EC-Russia visa facilitation agreement.

ECONOMICS AND TRADE

Luxembourg is one of the smallest trading partners for Russia in the EU, but trade has increased in recent years. In 2000, Luxembourg exports to Russia were worth €21 million, increasing to €118 million in 2006. Imports from Russia rose over the same period from €18 million to €123 million. Exports to Russia are mainly machinery, chemical products and paper. Imports are predominantly metals, machinery and textiles. While the trend for Luxembourg exports to Russia is upwards, imports appear to be slowing down.² Luxembourg FDI in Russia jumped from €320 million in 2004 to €901 million in 2005.

In 2006, a high-ranking Luxembourg economic delegation consisting of 40 companies from the industrial, financial and service sectors visited Russia to

¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/48d98fef25a95717c3256fd2002aefbf?OpenDocument>

² <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/c8c5f0b71ee43522c3256fd2002ba7ef?OpenDocument>





strengthen contacts between Russian and Luxembourg companies and to foster mutual investments. A follow up meeting is planned for 2007.³

Due to assistance from Luxembourg, the Russian aerospace centre (FGUP GKNC) and the European space agency were able to cooperate on a telecommunications project. The Russian satellite launching rocket, Proton sent into orbit a number of European telecommunication satellites.⁴

Energy

Luxembourg is not dependent on Russian energy. It does not import any oil (due to a lack of refineries) and its gas comes from Germany and Belgium. Nevertheless, there are energy sector contacts. With Severstal, Arcelor created the joint venture Sevelgal. The Luxembourg company, Soteg has signed a memorandum of understanding with Gazprom.⁵

CIVIL SOCIETY

No figures are available for Russians in Luxembourg, or Luxembourgers in Russia. Given the nature of the language situation in Luxembourg,⁶ it is not surprising that there are no specific figures available on use of its language in Russia. The Luxembourg Institute and the Moscow linguistic university recently started teaching the Luxembourg language (Letzeburgisch) and Luxembourg history in Moscow.⁷

Some 2,000 Luxembourgers have knowledge of Russia. In 2001, there were 100 students of Russian in Luxembourg. Russian teaching only began in the mid 1970s with courses organised by the association, Luxembourg-USSR at the Pushkin Centre for culture. Interest in learning Russian among the banking and private sectors declined in the 1990s, but it is now on the increase.⁸

Luxembourg has one Russian Orthodox Church.

In 2005, ten different airline flight routes transported 1,265 passengers to Russia (2004 - 4,042 passengers).

³ http://www.gouvernement.lu/publications/download/BID_2_2006.pdf

⁴ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/48d98fef25a95717c3256fd2002aefbf?OpenDocument>

⁵ http://www.gouvernement.lu/salle_presse/actualite/2007/04/24lavrov/index.html

⁶ There are 2 official languages: French (for administration, the law and in restaurants and shops) and Luxemburgish (originally a German dialect with strong French influence was promoted to national language status only in 1984) and an additional one which everybody understands and speaks: German for the media, and legal protocols, and in schools. (<http://de.wikipedia.org/wiki/Luxembourg>)

⁷ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/48d98fef25a95717c3256fd2002aefbf?OpenDocument>

⁸ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/1f37d211ca84b5de43256c28003e7c8f?OpenDocument>





Culture, Education and Science

Cultural and scientific cooperation is based on triennial intergovernmental programmes.

In 2003, Luxembourg helped to restore the atrium of the Commandant's House inside the Peter and Paul Fortress and the façade of the Russian International Bank.⁹ The Pushkin Centre of Russian Culture is the main ambassador for Russian language, history and modern culture in Luxembourg. Apart from language courses, it regularly organises exhibitions of Russian painting and handicraft.¹⁰

Scientific cooperation focuses mainly on the education of teaching staff and the exchange of students and specialists in languages, archives and information technology. The work programme for 2003-2005 included for the first time projects on medical research, seismology, environment, conservation of historic and cultural monuments and economic law. An agreement between the Central Bank of the Russian Federation and the Luxembourg Ministry of Finance helps Russia train bank officials. Lectures on the newest technologies for the banking sector took place in Moscow and Luxembourg in 2004. Professors and teachers at the International School for banking and finance in Moscow (created with financial help from Luxembourg), benefit from scholarships and internships in Luxembourg.¹¹

Useful websites

Russian embassy in Luxembourg

<http://www.russianconcept.com/shared/ambassade-russie/ambassade-russie-luxembourg.shtml>

⁹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/48d98fef25a95717c3256fd2002aefbf?OpenDocument>

¹⁰ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/f86aa6c1093fe752c3256fd2002b4958?OpenDocument>

¹¹ <http://www.ln.mid.ru/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/2c43fb80b41cc242c3256fd2002b8198?OpenDocument>





POLITICAL RELATIONS

Bilateral agreements and political contacts

Diplomatic relations were established in 1967 and since then, 14 agreements have been signed concerning *inter alia* respect of Malta's neutral status, tourism, cultural exchange and air traffic. There are occasional meetings of ministers and their deputies. At the most recent one in April 2007 in Luxembourg, both countries expressed their mutual interest to further develop their relationship especially in investments, the economy and trade.⁴⁴⁷ Mediterranean affairs are the most discussed political issue between the two countries. In 1992, Boris Yeltsin established diplomatic relations with the Order of Malta, the Sovereign Military Hospital Order of St. John of Jerusalem of Rhodes and of Malta. Since then it is active in Moscow, St. Petersburg, Kaliningrad, Smolensk and Dubna. In September 1996, the Russian branch of its charitable organisation, Relief agency of the Sovereign Order of Malta for humanitarian aid, was founded.

Malta maintains an embassy in Moscow and Russia has an embassy in San Gwann. Malta is part of the EU-Russia visa facilitation agreement.

ECONOMICS AND TRADE

In 1981, Malta and the Soviet Union signed an agreement on trade and economic cooperation which forms the basis for all economic relations. Exports to Russia rose from zero in 2000 to €2 million in 2006. Imports from Russia, on the other hand, have fallen, accounting for €12 million in 2000 and only €2 million in 2006. Thus, the trade deficit has fallen from €12 million to zero. Malta imports from Russia barges and container ships (80%), crude oil and oil products (17%), and cereals (4%). It exports mainly consumers' goods. Another important economic factor is tourism. Malta maintains an office of the National Tourist Organisation in Moscow.

CIVIL SOCIETY

About 1,000 Russians live on Malta (about 0.4% of the population). Given the fact, that Maltese citizenship can be obtained after five years of marriage, Russians in mixed marriages are not included in this figure.

There is a Russian school at the embassy and a Russian Centre of culture and science was created in 1987. The department of Russian Studies at Malta University opened in 1985. In 2001, the Russian community founded a Russian Orthodox presence. The priest of Tunis provides regular services in the Greek Catholic church in Valetta.

Four airline routes transported 35,966 passengers in 2005 - about 3,800 less than in the previous year.

⁴⁴⁷ <http://www.ln.mid.ru/ns-reuro.nsf/strana?OpenView&Start=1&Count=50&Expand=23.2#23.2>





Culture, Education and Science

Teaching of Russian began only at the end of the 1970s when the first students returned from the Soviet Union and the first economic contacts sparked an interest among Maltese in improving possibilities for contacts. The first courses were offered by the friendship association, Malta-USSR, which had been reorganized in the School of Russian Language at the Russian Centre of Culture and Science in 1992. Each year 50 to 70 students learn Russian for practical purposes. In addition, Russian was incorporated into the matriculation system and was recommended by the Maltese Ministry of Education as a subject for middle schools.

In 2005, Russian was taught in four schools (eight pupils). There are also two private Russian residential schools with respectively 30 and 20 pupils. To foster its popularity, a week of Russian language and higher education was held in 2004. Maltese students go regularly to Russian universities. In 2003, the rector of the University of Malta signed a cooperation agreement with universities in Moscow and St. Petersburg and the Russian Academy of Science.

The Russian Cultural and Scientific Centre on Malta is the main venue for Russian cultural events providing a concert hall, a venue for exhibitions and a library with Russian books and films. Once a year, there is a festival, Russian Christmas on Malta.

Useful websites

Russian embassy in Valetta

<http://www.malta.mid.ru/>



ANNEX 1 - EU 27 Member State populations

2007 Figures

EU27	Population
Germany	82,500,000
France	60,900,000
United Kingdom	60,400,000
Italy	58,800,000
Spain	43,800,000
Poland	38,100,000
Romania	21,600,000
Netherlands	16,300,000
Greece	11,100,000
Portugal	10,600,000
Belgium	10,500,000
Czech Republic	10,300,000
Hungary	10,100,000
Sweden	9,000,000
Austria	8,300,000
Bulgaria	7,700,000
Denmark	5,400,000
Slovakia	5,400,000
Finland	5,300,000
Ireland	4,200,000
Lithuania	3,400,000
Latvia	2,300,000
Slovenia	2,000,000
Estonia	1,300,000
Cyprus	800,000
Luxembourg	500,000
Malta	400,000
Russia	143,000,000

Source:

http://www.europa.eu/abc/european_countries/eu_members/index_en.htm



ANNEX 2 - EU 27 and member state trade with Russia

In million Euro

	Exports		Imports		Balance	
	2000	2006	2000	2006	2000	2006
EU27	22,738	72,360	63,777	140,586	-41,039	-68,226
Austria	711	2,467	1,132	2,076	-421	391
Belgium	944	2,752	1,614	4,670	-670	-1,918
Bulgaria	129	164	1,641	400	-1,512	-235
Cyprus	7	17	160	43	-153	-26
Czech Republic	420	1,504	2,260	4,224	-1,840	-2,721
Denmark	542	1,275	419	829	123	446
Estonia	82	605	391	1,387	-310	-782
Finland	2,174	6,200	3,471	7,663	-1,296	-1,463
France	1,838	4,701	4,501	9,423	-2,662	-4,722
Germany	6,660	23,132	14,263	29,023	-7,603	-5,890
Greece	269	441	1,185	3,536	-916	-3,094
Hungary	496	1,617	2,809	5,118	-2,313	-3,501
Ireland	179	284	11	69	168	215
Italy	2,521	7,639	8,336	13,592	-5,815	-5,953
Latvia	85	561	402	733	-317	-172
Lithuania	238	1,435	1,544	3,758	-1,306	-2,322
Luxembourg	21	118	18	123	3	-5
Malta	0	2	12	2	-12	0
Netherlands ²	1,796	5,576	3,901	17,018	-2,105	-11,441
Poland	943	3,768	5,019	9,656	-4,077	-5,888
Portugal	17	108	248	649	-231	-541
Romania	97	299	1,218	3,213	-1,121	-2,914
Slovenia	210	779	251	367	-41	412
Slovakia	115	547	2,346	4,027	-2,231	-3,479
Spain	578	1,452	2,412	7,157	-1,834	-5,705
Sweden	601	1,929	958	3,789	-357	-1,860
United Kingdom	1,066	2,988	3,256	8,041	-2,190	-5,054
Total Extra-EU27	859,416	1,168,422	1,009,723	1,409,208	-150,307	-240,786
Russia / Total	2.6%	6.2%	6.3%	10.0%		

1. Dutch imports, and therefore the trade deficit, are overestimated because of the 'Rotterdam effect', where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports.
2. This then has a positive effect on the external trade balances with Russia of those member states to which the goods are re-exported, since these shipments would be recorded as intra-EU trade with the Netherlands, rather than extra-EU trade with Russia.

Source: Eurostat



ANNEX 3 - EU 27 and member states FDI flows to and from Russia (2005)

In million Euro

	FDI to Russian Federation	FDI from Russian Federation*
Austria	-51	72
Belgium	515	5
Bulgaria	10	47
Cyprus	7	295
Czech Republic	0	-5
Denmark	33	6
Estonia	106	60
Finland	94	39
France	374	27
Germany	-204	102
Greece	:	:
Hungary	2	-7
Ireland	4	-14
Italy	35	2
Latvia	1	68
Lithuania	-35	309
Luxembourg	901	-1062
Malta	c	c
Netherlands	2946	22
Poland	101	28
Portugal	1	0
Romania	0	1
Slovakia	9	-12
Slovenia	5	1
Spain	311	89
Sweden	715	55
United Kingdom	447	:

All figures show provisional value, (c) = confidential, (:) = no data available

Source: Data extracted from Eurostat, September 2007

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996_45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/bop/bop_fdi&language=en&product=EU_MASTER_balance_of_payments&root=EU_MASTER_balance_of_payments&scrollto=0



ANNEX 4 - EU 27 member states gas imports from Russia (2005)

In billion cubic metres (bcm)

	Import of gas from Russia	Share of gas from Russia, % of all gas consumption
Austria	6.80	35
Belgium	0.30	1.5
Bulgaria	2.85	90
Cyprus	-	0
Czech Republic	7.13	76
Denmark	-	0
Estonia	0.97	100
Finland	4.20	100
France	11.50	26
Germany	36.54	42.5
Greece	2.40	83.5
Hungary	9.00	77
Ireland	-	0
Italy	23.33	29.5
Latvia	1.75	100
Lithuania	2.93	100
Luxembourg	-	0
Malta	-	0
Netherlands	2.97	7.5
Poland	6.40	47
Portugal	-	0
Romania	5.00	39
Slovakia	6.40	98.5
Slovenia	0.56	51
Spain	-	0
Sweden	-	0
United Kingdom	3.80	4

Source: Nordregio

ANNEX 5 - EU 27 member states crude oil imports from Russia (2005)

In thousands of tonnes

	All countries of the world	Russian Federation	Share of oil from Russia, % of all crude oil imports
European Union (27 countries)	628,819	188,000	
Austria	7,833	2,204	28.00
Belgium	31,965	13,433	24.00
Bulgaria	6,043	5,406	89.00
Cyprus	0	0	0.00
Czech Republic	7,736	5,501	71.00
Denmark	2,720	0	0.00
Estonia	-	1,832	-
Finland	10,604	8,548	81.00
France	84,161	9,594	11.00
Germany	112,314	38,170	34.00
Greece	18,699	6,036	32.00
Hungary	6,544	6,453	99.00
Ireland	3,268	-	0.00
Italy	89,315	18,440	21.00
Latvia	4	-	0.00
Lithuania	8,913	8,871	99.00
Luxembourg	-	-	0.00
Malta	-	-	0.00
Netherlands	61,730	16,933	27.00
Poland	17,912	17,466	97.00
Portugal	13,164	0	0.00
Romania	8,689	4,854	56.00
Slovakia	5,353	5,353	100.00
Slovenia	0	0	0.00
Spain	59,544	8,548	14.00
Sweden	20,098	7,139	35.00
United Kingdom	52,210	5,051	10.00

Source: Data extracted from Eurostat, July 2007



ANNEX 6 -Visits by Russian citizens to EU countries

(thousands of people)

Country	2006	First half of 2007
Austria	109,1	81,6
Belgium	37,2	19,9
Bulgaria	208,9	64,7
Cyprus	142,8	61,2
Czech	200,3	120,9
Denmark	49,5	23,2
Estonia	1.254,2	660,3
Finland	2.341,1	1.314,7
France	279,1	145,6
Germany	753,5	363,7
Greece	256,8	95,2
Hungary	53,184	19,9
Ireland	1,8	0,7
Italy	364,5	211,2
Latvia	188,3	84,3
Lithuania	837,7	402,6
Luxembourg	1,3	1,4
Malta	19,3	7,2
Poland	848,6	382,2
Portugal	10,9	3,5
Romania	26	6,7
Slovakia	9,4	4,1
Slovenia	15,8	5,5
Spain	309	139
Sweden	48	21,3
The Netherlands	77,8	44,8
UK	216,3	108,7

Source: www.Russiatourism.ru



ANNEX 7 - Direct contacts between Vladimir Putin and leading political figures from EU member states, and the European Commission

March 2004 - July 2007

Austria: 2

2.12.2005, Kremlin, with Federal Chancellor of Austria, Wolfgang Schuessel

23.05.2007, Vienna, with President Heinz Fischer of Austria and Chancellor Wolfgang Schuessel

Belgium: 2

3.10.2005, Brussels, with the Prime minister of Belgium, Guy Verhofstadt

2.03.2007, Novo-Ogarevo, with the Prime minister of Belgium, Guy Verhofstadt

Bulgaria: 3

15.03.2007, Athens, with the Prime Minister of Bulgaria Sergey Stanishev

8.05.2007, Kremlin, with the Prime Minister of Bulgaria Sergey Stanishev

24.06.2007, Zegreb, Croatia, with the President of Bulgaria Georgi Parvanov

Czech Republic: 2

1.03.2006, Prague, with Czech President Vaclav Klaus

27.04.2007, Kremlin, with Czech President Vaclav Klaus

Denmark: 0

No meeting

Estonia: 0

No meetings

Finland: 5

28.06.2004, Kremlin, with Prime Minister of Finland Paavo Lipponen

2.08.2005, Finland, with President of Finland Tarja Halonen

22.09.2005, Saint-Petersburg, with President of Finland Tarja Halonen

13.06.2006, Saint-Petersburg, with President of Finland Tarja Halonen

23.11.2006, Helsinki, with President of Finland Tarja Halonen

France: 6

3.07.2005, Svetlogorsk, Kaliningrad' district, with President of France Jacques Chirac

14.02.2006, Kremlin, with France's Prime Minister Dominique de Villepin



16.07.2006, Saint-Petersburg, with President of France Jacques Chirac

22.09.2006, Paris, with President of France Jacques Chirac

23.09.2006, Compiègne, with Chancellor of Germany Angela Merkel and President of France Jacques Chirac

7.06.2007, Heiligendamm, Germany, with President of France Nicolas Sarkozy

Germany: 16

2.04.2004, Novo-Ogarevo, with Chancellor of Germany Gerhard Schröder

11.06.2004, Sea Island, USA, with Chancellor of Germany Gerhard Schröder

8.07.2004, Kremlin, with Chancellor of Germany Gerhard Schröder

14.01.2005, Saint-Petersburg, with President of Germany Horst Köhler

11.04.2005, Hanover, with Chancellor of Germany Gerhard Schröder

9.05.2005, Moscow, with Chancellor of Germany Gerhard Schröder

3.07.2005, Svetlogorsk, Kaliningrad' district, with Chancellor of Germany Gerhard Schröder

8.09.2005, Berlin, with Chancellor of Germany Gerhard Schröder

7.10.2005 Saint-Petersburg, with Chancellor of Germany Gerhard Schröder

16.01.2006, Kremlin, with Chancellor of Germany Angela Merkel

26.04.2006, Tomsk, with Chancellor of Germany Angela Merkel

23.09.2006, Compiègne, with Chancellor of Germany Angela Merkel and President of France Jacques Chirac

10.10.2006, Dresden, with Chancellor of Germany Angela Merkel

21.01.2007, Sochi, with Chancellor of Germany Angela Merkel

6.06.2007, Heiligendamm, Germany, with Chancellor of Germany Angela Merkel

Greece: 6

9.12.2004, Kremlin, with Greek Prime Minister Costas Karamanlis

09.2005, Greece, with Greek Prime Minister Costas Karamanlis

4.09.2006, Athens, with Greek Prime Minister Costas Karamanlis

15.03.2007, Athens, with Greek Prime Minister Costas Karamanlis

31.05.2007, Kremlin, with President of Greece Karolos Papoulias



25.06.2007, Istanbul, with Greek Prime Minister Costas Karamanlis

Hungary: 4

17.02.2005, Kremlin, with the Prime Minister Ferenc Gyurcsany

28.02.2006, Budapest, President László Sólyom and Prime Minister Ferenc Gyurcsany

18.09.2006, Sochi, with the Prime Minister Ferenc Gyurcsany

22.03.2007, Novo-Ogarevo, with the Prime Minister Ferenc Gyurcsany

Ireland: 0

No meeting

Italy: 7

20.04.2004, Kremlin, with Prime Minister of Italy Silvio Berlusconi

10.06.2004, Sea Island, USA, with Prime Minister of Italy Silvio Berlusconi

3.11.2004, Kremlin, with Prime Minister of Italy Silvio Berlusconi

29.08.2005, Sochi, with Prime Minister of Italy Silvio Berlusconi

20.06.2006, Kremlin, with Prime Minister of Italy Romano Prodi

23.01.2007, Sochi, with Prime Minister of Italy Romano Prodi

14.03.2007, Bari, with President of Italy President Giorgio Napolitano and Prime Minister of Italy Romano Prodi

Latvia: 2

13.06.2006, Saint-Petersburg, with Prime Minister of the Republic of Latvia Aigars Kalvītis

28.03.2007, Novo-Ogarevo, with Prime Minister of the Republic of Latvia Aigars Kalvītis

Luxemburg: 2

14.12.2004, Kremlin, with Luxembourg's Prime Minister Jean-Claude Juncker

24.05.2007, Luxemburg, with Luxembourg's Prime Minister Jean-Claude Juncker

Lithuania: 0

No meetings

Malta: 0

No meetings

Netherlands: 1

2.11.2005, The Hague, with Netherlands' Prime Minister Jan Peter Balkenende



Poland: 2

6.06.2004, France, with the President of Poland Aleksander Kwaśniewski

28.09.2004, Kremlin, with the President of Poland Aleksander Kwaśniewski

Portugal: 1

29.05.2007, Kremlin, with Prime Minister of Portugal José Sócrates

Slovakia: 3

25.02.2005, Bratislava, with Prime Minister of Slovakia Mikulas Dzurinda and Slovak President Ivan Gašparovič

7.11.2006, Kremlin, with Slovak President Ivan Gašparovič

4.05.2007, Novo-Ogarevo, with Prime Minister of Slovakia Robert Fico

Slovenia: 1

31.05.2006, Kremlin, with Prime Minister Janez Janša

Spain: 2

10.12.2004, Kremlin, with Spain's Prime Minister Jose Luis Rodriguez Zapatero

9.02.2006, Madrid, with Spain's Prime Minister Jose Luis Rodriguez Zapatero

Sweden: 0

United Kingdom: 4

10.06.2004, Sea Island, USA, with the Prime Minister of Great Britain, Tony Blair

13.06.2005, Novo-Ogarevo, with the Prime Minister of Great Britain, Tony Blair

16.07.2006, Saint-Petersburg, with the Prime Minister of Great Britain, Tony Blair

8.06.2007, Heiligendamm, Germany, with the Prime Minister of Great Britain, Tony Blair

European Commission: 5

22.04.2004, Novo-Ogarevo, with President of the European Commission Romano Prodi

5.04.2005, Sochi, with EU's High Representative for Common Foreign and Security Policy Javier Solana

21.04.2005, Kremlin, with President of the European Commission José Manuel Barroso

17.03.2006, Novo-Ogarevo, with President of the European Commission José Manuel Barroso

Source: www.president.kremlin.ru



ANNEX 8 - EU and Russia visa policy

A visa facilitation agreement has been signed between the European Union and Russia and entered into force on 1 June 2007.

It covers the issuance of visas for an intended stay of a maximum of 90 days or transit and is based on reciprocity. It applies to Russian and EU citizens (except for those from the United Kingdom and Denmark). National legislation applies to issues not included in the agreement.

The agreement covers the travel of a variety of categories of persons wishing to travel to the EU or to Russia (business, diplomatic, drivers of international cargo, exchange students/scientists/academics/officials, athletes participating in international events, journalists, relatives etc). It does not refer to travel for tourism purposes.

A standard fee of €35 is set for issuing a visa, but this is waived for most of the above mentioned categories of travellers. The time for processing an application may vary from three to 30 working days.

ANNEX 9 - Primary Russian Gas and Oil pipelines to Europe



Source: <http://www.eia.doe.gov/emeu/cabs/Russia/Maps.html>

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