



**URGENT: Russia, Ukraine to sign deal on Russian Black Sea Fleet rearmament.**

85 words

27 February 2011

RIA Novosti

RVESEN

English

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VLADIVOSTOK, February 27 (RIA Novosti) - **Russia** and Ukraine plan to sign a new agreement on the rearmament of the Russian **Black Sea** Fleet based in Ukraine's Crimea, Russian Defense Minister Anatoly Serdyukov said on Sunday.

"We are, indeed, discussing this issue and are trying to formulate new provisions for this agreement," he said.

Under the existing accords, **Russia** may rearm its **Black Sea** fleet in the Crimea only with Ukraine's consent.

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## Russia offers joint military exercises, anti-piracy cooperation with Ukraine

328 words

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BBC Monitoring Former Soviet Union

BBCSUP

English

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**Russia** has offered its warships for Ukraine to base its special forces on for anti-piracy missions in the Gulf of Aden, according to the Russian defence minister, Anatoly Serdyukov, as reported by the Russian state news agency RIA Novosti.

"The proposal from the Russian side is there. If necessary, Ukraine's special forces could be used on our ships," Serdyukov told the media in Vladivostok on 27 February. "According to him, the ball is now in Kiev's court," the report remarked.

Ukraine's Armed Forces Chief of the General Staff Hryhoriy Pedchenko stated in October 2010 that the Ukrainian military would take part in the EU's mission to combat piracy in the Gulf of Aden, Operation Atalanta, the report also noted. It recalled the hijacking there of the ship Faina, with 17 Ukrainian crew and a cargo of arms, in the summer of 2008, which was not freed until February 2009.

Offer of joint military exercises

Anatoliy Serdyukov also extended an offer of joint military exercises with Ukraine, RIA Novosti reported separately.

"The Russian side is ready to conduct exercises with Ukraine not only at **sea** but also in the air and on land, be it integrated, separate or joint ones, with other nations involved. We are ready for any format," Serdyukov said.

His Ukrainian counterpart Mykhaylo Yezhel, also there, told the media that the scale of the Peace Fairway exercise could be larger than any other between **Russia** and Ukraine. "There could be joint search operations, joint actions with the use of armament, harbour defence, organization of

antisubmarine and air defence," Yezhel said.

"Asked if there were any plans for joint training cruises by Russian Federation **Black Sea** Fleet and Ukrainian Navy ships, Serdyukov said that this issue had not been raised yet," the report noted in conclusion.

Sources: RIA Novosti news agency, Moscow, in Russian 1040 and 1120 gmt 27 Feb 11

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Document BBCSUP0020110227e72r001e1

Energy News

**Ambassador: Georgia managed to strengthen its energy security thanks to Azerbaijan**

876 words

26 February 2011

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Trend News Agency (Azerbaijan)

TRENDE

English

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Azerbaijan, Baku, Feb. 26 / Trend E.Tariverdiyeva /

Georgia has managed to strengthen its energy security and reduce the energy dependence on **Russia** to almost zero with the help of Azerbaijan, newly appointed Georgian Ambassador to Azerbaijan Teymuraz Sharashenidze said in an interview with Trend.

“Azerbaijan’s support is important in the implementation of the projects that are considered in the framework of the EU Eastern Partnership Program,” he said.

Sharashenidze said the development of the initiatives of the Southern Corridor and the practical implementation of other global energy projects - Nabucco, Trans Caspian, White Stream and Euro-Asian Oil Transportation Corridor, will contribute to a significant increase of the energy security of the participating countries.

The Georgian side, he said, welcomes the Baku Declaration on the Azerbaijan-Georgia-Romania Interconnector (AGRI) pipeline project signed by the presidents of the three countries and the Hungarian prime minister.

Based on this, the work is underway on financing and realization of the project on the construction of a liquefied natural gas terminal, Sharashenidze said.

"The realization of these projects will provide diversification of energy supplies to Europe and strengthen the energy security of European countries," Sharashenidze said. "This is especially important now, when the North Africa providing a large part of energy to Europe is shaken by social revolts." The Southern Corridor will be given more attention due to this, he said.

"In early October 2010, the Azerbaijani and Georgian sides signed a memorandum on cooperation

between the two countries' power grids, which provides for the restoration of the Azerbaijani-Georgian high-voltage trunk line," he said.

He said it will be possible to export power to Turkey and further to Europe with Azerbaijan's accession to the Georgian-Turkish high-voltage trunk line.

Sherashenidze noted that Georgia greatly appreciates the involvement of Azerbaijani investments in the construction of high voltage power lines, as well as the implementation of works on designing commissioning of power plants of small and medium-sized capacities.

## SOCAR

Sherashenidze believes the State Oil Company of the Azerbaijan Republic (SOCAR) occupies a special place in the development of the economic relations. "SOCAR is the leading foreign company on the transfer of taxes to the Georgian state budget," he said.

At the annual awards ceremony of the leading companies in 2010, Sharashenidze said, SOCAR took the first place in four categories: as the largest taxpayer company, the largest investor, the company having the best infrastructure at oil and oil-products terminals - a **Black Sea** terminal of Kulevi and the company with the best infrastructure of filling stations.

He said SOCAR as the company, which won the tender for the gasification of the Georgian regions of Georgia, except Tbilisi, undertakes gradual construction of the gas system in the country.

"We hope that soon the company will meet its obligations and in time finish updating and renovation of the entire gas system, thus making an immeasurable contribution in the improving of Georgian peoples' life and Georgian entrepreneurs' activities," he said.

## Trade and economic relations between Georgia and Azerbaijan

The development of the Azerbaijan- Georgia trade and economic relations is an example not only for the South Caucasus region, Sharashenidze said.

"We have a strong and exemplary cooperation in this field. The trade turnover between our countries totaled \$708 million over the past year. This figure rose by \$162 million compared to 2009. Our goal is to use existing capacity and increase trade between our countries," he said.

"The energy sphere is given a particularly important role in our economic and trade relations," he said.

"The Georgian side is pleased to note the participation of the Azerbaijani capital in economic projects

implemented in Georgia. Ongoing reforms in Georgia, such as combating corruption, simplification of procedures to start business activities, reformation of legislation on protection of foreign investments and liberation of capital from tax at the initial stage of the activities provide an opportunity for foreign investors to deploy their activities in Georgia without any risk," Sharashenidze said.

The countries give a special significance to the transport sector in the realization of strategic objectives, he said citing the "historic Baku-Tbilisi-Kars railway project" as an example.

"We are also pleased to note the increase in freight traffic along the TRACECA route with the use of land lines "Georgia-Azerbaijan ", with the subsequent delivery to the Central Asia countries," he added.

The Azerbaijani-Georgian dynamic relations in the field of tourism also should be noted. In 2010, the number of tourists increased by 17 percent and amounted to about half a million people compared to 2009, he said.

Georgia, Sharashenidze said, welcomes the participation of the Azerbaijani business in the tourist areas, as well as a free industrial zone - the city of Poti. On Feb.8, Baku hosted the presentation of the Poti free industrial zone, which caused great interest among the Azerbaijani entrepreneurs and businessmen, he said.

"In addition, it is reasonable to build collaborative efforts at the state and private sectors to deepen economic and trade ties: it is an intergovernmental commission, as well as business forums, individual business meetings and individual relations between firms. The process is underway, but we should improve it," Sharashenidze said.

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## Ukraine, Azerbaijan in Talks for Potential Construction of New Refinery on Black Sea Coast

Andrew Neff

409 words

25 February 2011

IHS Global Insight Daily Analysis

WDAN

English

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Ukrainian prime minister Mykola Azarov has said that his government is interested in facilitating the construction of a new refinery on its **Black Sea** coast that could process crude oil imported from Azerbaijan. Ukrinform reports that Azarov held talks to this effect yesterday (24 February) with visiting Azerbaijani foreign affairs minister Elmar Mammadyarov. Ukraine currently has six operating refineries with a hefty surplus processing capacity relative to the country's oil product demand, but the Ukrainian government is unhappy with the structure of the refining sector, with several refineries controlled by Russian companies dominating the domestic oil product market. According to Ukraine's Anti-Monopoly Committee, Ukraine's three largest refineries—at Odessa (owned by LUKoil), Lisichansk (TNK-BP), and Kremenchug (UkrTatNafta)—control 66% of the domestic gasoline (petrol) market and 51% of the diesel fuel market.

Azerbaijan's state-owned SOCAR in recent years has made inroads in the refining and downstream retail fuel sectors in Ukraine, reaching a long-term supply deal in 2009 with the Kremenchug refinery and opening up the company's first branded petrol stations in Ukraine last year (see CIS - Ukraine: 20 January 2011: . SOCAR also recently began supplying crude oil to Ukraine for onward transit to Belarus via a swap deal involving Venezuela (see Belarus: 1 February 2011: ).Significance: Energy co-operation between Azerbaijan and Ukraine is continuing to increase, as Azerbaijan looks to capitalise on its growing regional clout as an oil and gas exporter and Ukraine aims to reduce its reliance on imported Russian oil and gas by turning to alternative suppliers. The possible construction of a new refinery on Ukraine's **Black Sea** coast would fit with SOCAR's desire to expand its influence and integrate its downstream operations in Ukraine, although questions over equity ownership and financing of the plant have yet to be decided. Despite SOCAR's enthusiasm to expand and Ukraine's eagerness to have greater access to Azerbaijani oil (and financing for such projects), Azerbaijani officials may be a bit wary of delving further into Ukraine in the midst of uncertainty over the government's plans to introduce an oil products import tariff. Domestic refiners are facing increased competition from cheaper oil product imports from Belarus and **Russia**, while at the same time retail fuel operators are complaining about the monopolistic pricing practices of the dominant refineries in Ukraine.

Document WDAN000020110225e72p00037



## Projects to build bridge between Crimean and Russia drawn up, says Yanukovych

173 words

25 February 2011

17:44

Interfax: Ukrainian General Newswire

IXUKRN

English

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Kyiv, February 25 (Interfax-Ukraine) - Experts are considering various projects for the construction a bridge between the **Black Sea** coasts of **Russia** and Crimea, Ukrainian President Viktor Yanukovych has said.

"There are various projects for the construction of the bridge, moreover, of various levels - road, railway, over the **sea**, and under the **sea** in the form of a tunnel. There are very interesting projects. They are not fully complete - their technical and economic basis has not been calculated. As soon as we complete and consider them with our Russian partners, you will definitely hear about it," he said during the Conversation with the Country television project on Friday, when asked a question from residents of Kerch about the construction of a bridge.

The head of state added that he personally wants this bridge to be built, as its construction will improve the economy of both Crimea and Ukraine.

[UA EUROPE EEU EMRG POL CON RU]

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15:42:33 EET-2

Document IXUKRN0020110226e72p000xm





## Russia, Turkey to discuss energy cooperation March 2

289 words

25 February 2011

17:31

Interfax: Russia & CIS Energy Newswire

DAIPER

English

(c) 2011 Interfax Information Services, B.V.

MOSCOW. Feb 25 (Interfax) - A Russian-Turkish inter-government commission plans to discuss energy cooperation at a meeting on March 2, a source familiar with the agenda for the meeting, which will take place in Kazan, told Interfax.

The specific subjects will include gas supplies and the construction of the Samsun-Ceyhan oil pipeline, nuclear power and electricity imports by Turkey.

Russian Energy Minister Sergei Shmatko co-chairs the commission.

**Russia** hopes to agree the parameters with Turkey for involvement in the Samsun-Ceyhan oil pipeline project by the middle of March, Russian Deputy Prime Minister Igor Sechin said in December following talks with Turkish Energy and Natural Resources Minister Taner Yyldyz.

Sechin said "the supreme council" on Russian-Turkish energy cooperation, involving the leadership of the two countries, would meet in Moscow in the middle of March.

Sechin said Rosneft (RTS: ROSN) and Transneft (RTS: TRN) may each receive a 25% interest in the planned Samsun-Ceyhan oil pipeline. They might join current project participants Turkish Calik and Italian Eni. "The companies are currently negotiating their participation in capital at roughly 25% each," Sechin said.

Turkey estimates that the pipeline will cost about \$4 billion to build, but the other participants think the actual total will be higher.

The Samsun-Ceyhan pipeline project responds to Turkish demands for a route bypassing the crowded Dardanelles and Bosphorus. The 555-km pipeline will be used to deliver oil from the **Black Sea** basin to Europe. Eni, Calik, Rosneft and Transneft signed a memorandum of understanding concerning possible creation of a joint venture to build Samsun-Ceyhan in October 2009.

Pr

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## Russian PM's Brussels visit: Expert sees Gazprom benefiting from Arab unrest

606 words

25 February 2011

19:08

BBC Monitoring Former Soviet Union

BBCSUP

English

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Text of report by the website of heavyweight Russian newspaper Nezavisimaya Gazeta on 25 February

[Article by Igor Naumov: "EU Prepares To Join 'South Stream.' Instability in Arab Countries Played in Gazprom's Favour"]

A presentation of the South Stream gas pipeline project will take place in Brussels in mid-April. Guenther Oettinger, member of the European Commission responsible for energy, shared this news yesterday [24 February]. Yesterday's visit by Prime Minister Vladimir Putin to the Belgian capital revealed the new vector of energy cooperation between the EU and **Russia**. Because of the instability in Arab countries, the Europeans are now more motivated towards contracts with Gazprom.

"We intend to hold a presentation of the South Stream project in Brussels in mid to late April with the participation of the partner states, at which the plans, technologies, and parameters of the project will be presented," Guenther Oettinger stated. At the same time he did not specify to what extent the change in the Europeans' attitude towards the construction of a gas pipeline on the bottom of the **Black Sea** is connected with recent events in a number of Arab states.

The Russian delegation that flew in to build bridges with the EU was headed by Prime Minister Vladimir Putin, who, in turn, had to discuss issues with European Commission President Jose Manuel Barroso. Putin and Barroso have had a difficult relationship since the time of the Russian-Ukrainian gas wars, during which some very blunt opinions were expressed. Yesterday, however, the participants in the talks behaved perfectly diplomatically. The main declared items on the agenda - **Russia's** admission to the WTO and cooperation in the energy sphere - presupposed gravity. The sides confirmed a common interest in close coordination. "In the context of the complex processes

taking place in North Africa today, we should coordinate our efforts both in the foreign policy sphere and in the economic sphere," Putin said at the concluding press conference. He noted that "the meeting that took place was aimed specifically at this, and it was successful."

[Russian Energy Minister] Shmatko and Oettinger signed four documents on the development of the energy dialogue. They include common approaches to drawing up a "road map" for **Russia**-EU cooperation in the energy sphere through the year 2050, as well as a joint statement "On the Creation of a **Russia**-EU Mechanism on the Future Status of Gas Markets."

These documents are largely technical in nature. However, their appearance is dictated by political realities. The revolutionary upheavals currently gripping Libya and a number of other Arab countries that export crude hydrocarbons to the EU were bound to make the Europeans review their own approaches. Putin is convinced that the differences can be overcome. "It is nice that our colleagues are really concerned about problems with the implementation of decisions within the framework of the 'third energy package.' I am convinced that a solution to these issues can be found," the prime minister stressed. "We want **Russia** to remain the most important partner, in particular with regard to gas," Barroso returned the compliment.

Experts confirm that the crisis in the Arab countries has played into the hands of **Russia's** gas men. "Gazprom has acquired weighty arguments in favour of **Russia's** reliability as a supplier of gas," Troika Dialogue analyst Valeriy Nesterov says. He reminded us that the Nabucco project, the alternative to South Stream, is oriented towards deliveries from Muslim countries in which the domestic political situation might prove unstable.

Source: Nezavisimaya Gazeta website, Moscow, in Russian 25 Feb 11

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Document BBCSUP0020110225e72p002s1

**Conference on "Prospects for Nagorno-Karabakh conflict settlement: possibilities and obstacles" held in Moscow**

235 words

25 February 2011

ARMINFO News (Armenia)

ARMNFE

English

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Yerevan, February 25. ArmlInfo. A conference on the topic "Prospects for Nagorno-Karabakh conflict settlement: possibilities and obstacles" was held in Moscow on Thursday. Russian political experts and representatives of various Russian political parties participated in the conference. The press service of the Armenian Embassy in **Russia** reports that when analyzing the current situation and realities of geopolitical developments, the participants pointed out the main obstacles in the peace process.

Director of the Institute for Political and Sociological Studies of **Black Sea** and Caspian Region, Vladimir Zakharov, said that he is on the side of the truth, and the truth is that the Azerbaijani administration conducts misinformation propaganda, distorts the history, including the Khojalu events, and denies the massacre in Sumgait in 1988.

He stressed that the West has recently been playing a more active role in the South Caucasus conflicts. "**Russia** should play an active role in the Karabakh peace process and clearly formulate its position", he said.

"Azerbaijan is bluffing, but one should take this seriously", said Russian parliamentarian Viktor Sheynis. "Even if this is a bluff, nobody would like to live at gunpoint", he said. In this context, Sheynis pointed out the bravery of Karabakh people who are building their state under a constant threat.

Russian expert Mikhail Alexandrov, PhD in History Rouben Zargaryan made similar statements. -n-

Document ARMNFE0020110225e72p000b8



## Ukraine, Russia "have made progress" on sea borders - minister

100 words

18 February 2011

17:30

Interfax: Russia & CIS General Newswire

DANWS

English

(c) 2011 Interfax Information Services, B.V.

KYIV. Feb 18 (Interfax) - Ukraine and **Russia** "have made progress" in talks on dividing **sea** areas between them, Ukrainian Foreign Minister Kostyantyn Hryshchenko told Ukraine's parliament on Friday, adding that talks were continuing.

Hryshchenko said agreeing definitive **sea** borders between the two countries is one of the Foreign Ministry's priorities.

Earlier, Ukrainian media said Ukraine had made concessions to **Russia** in drawing borders through the **Sea** of Azov, the **Black Sea** and the Kerch Strait.

as mj

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## Ukraine, Russia to conduct joint military exercises in Crimea

107 words

18 February 2011

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Ukrainian National News Agency

UKRANO

English

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KYIV, February 18 /UKRIFORM/. Ukraine and **Russia** are planning to hold the active phase of the Fairway of Peace exercises of the Ukrainian Navy and the Russian **Black Sea** Fleet in Crimea in the second half of May.

The Ukrainian Defense Ministry reported that the main conference on the planning of these exercises had started in Sevastopol on February 17 and its objective was the development and coordination by the sailors of the two countries of the mechanism for conducting the exercises, as well as determining the staff of the leadership and troops involved in these drills.

AP

Document UKRANO0020110218e72i0040h