

Central European Update

Poland

On 10 December, Prime Minister **Kazimierz Marcinkiewicz** announced the start of an investigation into allegations that Poland hosted CIA prisons for the interrogation of suspected terrorists. Polish officials have denied these allegations, but Marcinkiewicz insists that an investigation would finally clear the issue and prevent any negative consequences for Warsaw.

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Defense Minister **Radoslaw Sikorski** asked U.S. Defense Secretary **Donald Rumsfeld** for additional military assistance to help upgrade the Polish military. The request comes at the same time as Warsaw is considering extending its mission in Iraq throughout next year. Sikorski pointed out that Poland has spent \$600 million in Iraq or 10 percent of the country's defense budget, which would delay the modernization of the army.

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A recent UN trade and development report entitled "World Investment Report 2005: Transnational Corporations and the Internationalization of R&D" names Poland as one of the eight most attractive places for business. Wojciech Pobog-Pagowski, director of the foreign investment department at the Polish ministry of economy, commented that strong economic growth, low costs, and skilled labor were the main reasons behind Poland's success.

Czech Republic

The Czech interior ministry announced plans to open employment offices abroad in order to battle the problem of illegal workers. Ukraine would be one of the first locations for an employment office, which would recruit workers for Czech companies and guarantee their transportation and accommodation. Currently, there are some 100,000 Ukrainian illegal workers in the Czech Republic.

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Czech troops to be deployed to the Balkans in the summer of 2006 are training at the U.S. military base in Hohenfels, Bavaria. The base is modeled after Kosovo and Bosnian villages to prepare the contingent for conditions in the Balkans.

Hungary

On 12-13 December Montenegrin President **Filip Vujanovic** paid an official visit to Budapest, where Prime Minister **Ferenc Gyurcsany** said that Hungary "implicitly" backs Montenegro's plan to hold a referendum on its independence from Serbia next year. Hungarian President **Laszlo Solyom** also expressed his support for the ballot and added that a stable and economically strong Balkan region is in Budapest's best interest. Vujanovic emphasized the possibility of enhanced economic cooperation through

investments in certain Montenegrin projects.

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Following the first meeting of the Hungarian Vietnamese Cooperation Committee, **Gyorgy Gilyan**, undersecretary at the ministry for economic affairs, announced plans to establish a Hungarian-Vietnamese business council in early 2006. Vietnamese Deputy Industry Minister **Bui Xuan Khu** highlighted that food, machine, automotive and healthcare industries offer good opportunities for technology transfer from Hungary.

Slovakia

Defense State Secretary **Martin Feder** announced that two MiG 29 fighters upgraded in Russia have arrived in Slovakia. The fighters were equipped with modern communication devices and their maintenance systems were modernized. Ten other MiG 29 fighters are to be upgraded by 2006, financed from Russia's debt to Slovakia. Additional funds will be necessary for pilot training.

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On 13 December the Slovak parliament approved the 2006 budget despite the fact that the governing coalition does not possess a parliamentary majority. The 2006 budget calculates a budget deficit of 2.9 percent of GDP, which is one of the criteria to introduce the euro in 2009. The budget, which only required a simple majority to

pass, received support from 79 out of 142 deputies. Besides the 68 coalition MPs, ten independents and one MP from the main opposition party voted in favor of the budget.

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On 14 December the Slovak parliament passed an amendment to raise the number of Slovak soldiers operating in peacekeeping missions by 75 for the coming year. Some 40 troops will be deployed in Bosnia-Herzegovina to participate in the EU directed Althea operation. In addition, 30 troops will provide logistical support to 100 Slovak KFOR soldiers stationed in Kosova. Parliament also approved the transfer of 400 soldiers from the Enduring Freedom operation in Afghanistan into the NATO commanded ISAF.



Featured Photo: Valka, Latvia

Baltic States Update

Latvia

On 12 December, a secretariat to coordinate and provide technical support for joint projects between the Latvian and Estonian border cities of Valga and Valka began its work. According to **Meelis Linnamagi**, the project manager with the Valga municipal government, members of the secretariat were drawn from both countries. The Valga-Valka joint project, aimed at improving transborder cooperation, is supported by the EU's Interreg III B program.

Lithuania

On 13 December Lithuanian Foreign Minister **Antanas Valionis** arrived in Hong Kong for the 6th Ministerial Conference of the World Trade Organization. Ministers from 148 countries are expected to review the progress achieved in the Doha negotiations round and create guidelines for further talks. Lithuania's main interest is in opening goods and service markets to Lithuanian exporters and the creation of appropriate trade regulations. Lithuania will especially

benefit from WTO membership after the WTO admits the rest of the CIS countries, which remain important commercial partners for Vilnius.

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James Warlick, director of the Office of European Security at the U.S. Department of State, visited Vilnius on 14 December. He expressed appreciation for Lithuania's commitment to stabilizing Iraq and expressed hope

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Baltic States Update Contd.

Lithuania Contd.

that the country will continue to participate in the coalition. The Lithuanian parliament recently passed a resolution that extended the peacekeeping missions in the Persian Gulf, South and Central Asia, and the Balkan region until the end of 2007.

Estonia

At a meeting on 12 December, a representative from the Russian gas company Gazprom stated that the planned gas pipeline between Germany and Russia will not pass through

Estonian territorial waters. Estonian Foreign Minister **Urmis Paet** said that the pipeline will pass through waters belonging to Russia, Finland, Sweden, Denmark, and Germany. Finland and Estonia forged an agreement over a "center line" in the Gulf of Finland. The territory between the center line and Estonia's territorial waters is Estonia's economic zone and the territory to the north of it is Finland's economic zone. According to international agreements, third countries have full rights to sail, fly their aircraft, and lay underwater ca-

bles and pipelines in another country's economic zone.



Featured Photo: Zagreb, Croatia

Southeast European Update

Bulgaria

In a speech to parliament on 9 December, Bulgaria's Prime Minister **Sergey Stanishev** rejected allegations that the country has hosted secret CIA-run detention facilities. Also on 14 December Stanishev met in Sofia with NATO Military Committee Chairman **Raymond Henault** to discuss Bulgaria's participation in Alliance missions. Stanishev stressed that his country sees itself as a reliable partner in the pact and will do everything possible to maintain military spend-

ing equal to 2.6 percent of its budget.

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According to the Belgian press, Belgian Foreign Minister **Karel De Gucht** hopes that Bulgaria and Romania's EU accession will be postponed until 2008. He fears that allowing membership to states that have not fully implemented all the requirements will provide a disincentive for reform in the rest of the Balkan region.

Croatia

On 11 December around 70,000 people gathered in the Croatian

city of Split to demonstrate their support for arrested war crimes indictee General **Ante Gotovina**. The rally was organized by the Croatian Disabled Homeland Defense War Veterans (HVIDRA). The leader of the HVIDRA branch in Split, **Zeljko Strize**, asserted that the veterans are "ashamed" of the current government policy.

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Serbia-Montenegro President **Svetozar Marovic** visited his Croatian counterpart **Stjepan Mesic** on 13 December. They discussed bilateral relations, regional issues, transfer of prisoners from Croatia to Serbia, and improvements in economic relations. Marovic noted that Serbia and Montenegro's priority is to conclude negotiations on the EU's Stabilization and Association Agreement.

Romania

On 12 December Romanian Prime Minister **Calin Popescu Tariceanu** visited his Bosnian counterpart **Adnan Terzic**. Tariceanu offered Romania's help on Bosnia's road to EU accession. The Romanian prime minister also visited Romanian EUFOR peacekeeping military units deployed in the country.

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On 13 December Moldovan President **Vladimir Voronin** paid an official visit to Bucha-

rest. During a meeting with his Romanian counterpart **Traian Basescu**, he focused on the Transnistria issue and expressed dissatisfaction with the latest OSCE meeting in Ljubljana on 5-6 December where no common position on Transnistria was reached. Voronin also thanked Basescu for Romania's consistent support.

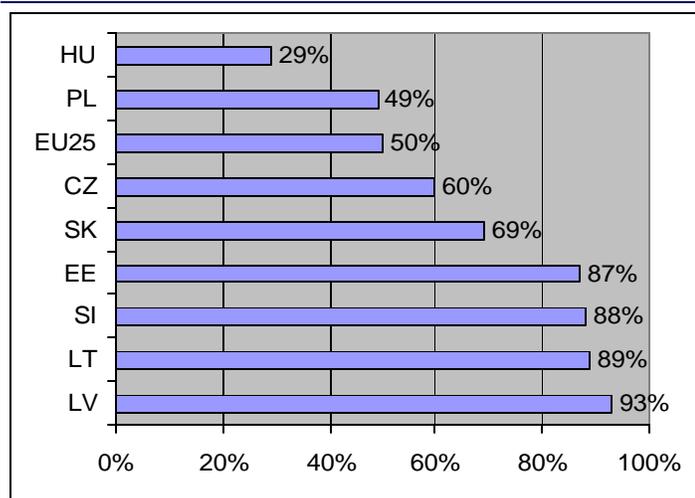
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The Romanian Ministry of Transport announced that it would spend up to EUR 10 billion for transport infrastructure in 2007-2013. EUR 7.291 billion will be aimed to modernize and develop the trans-European transport infrastructure and connection networks, EUR 2.9 billion will be allocated for networks of high national interest, and the rest will be spent on assuring the sustainable development of the transport sector.

Slovenia

On 14 December, the Slovenian state-owned motorway company DARS announced the signing of a USD 25 million deal for new road construction. The deal includes building two viaducts on the Peracica-Podtabor stretch, which is part of EU Transport Corridor 10 linking Austria with Greece via the former Yugoslavia. The project is expected to be completed in 22 months.

Eurobarometer Survey



Percentage of the population in the new EU member states who assert they are conversant in at least one foreign language. The survey was conducted by Eurobarometer in September 2005.

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