

# Russian Domestic Policy: A Chronology

## October-December 2004

### *October*

**1 October 2004** New security measures come into effect at Russian airports.

**1 October 2004** Vladimir Putin appoints two new members of the Security Council of the Russian Federation: the chief of the General Staff and deputy defence minister, Yuriy Baluyevskiy, and plenipotentiary representative of the president in the Southern Federal District Dmitriy Kozak.

**1 October 2004** Sergey Ivanov says the storage sites of nuclear armaments are being guarded very seriously and no additional measures will be taken. Antiterrorism exercises focusing on the protection of Defence Ministry ammunition and explosives have been carried out in Orel Region.

**2 October 2004** The head of the government administration, Sergey Naryshkin, outlines the function of the new Ministry of Regional Development. It will take on some of the functions currently carried out by other ministries, including the Ministry of Economic Development and Trade and the Ministry of Health and Social Reform.

**4 October 2004** The Industry and Energy Ministry reports that oil output in Russia rose 9.6% on the year to 341,149,000 tonnes in January-September. In September, oil output in Russia increased 7.8% on the year to 38,534,000 tonnes.

**4 October 2004** Agriculture Minister Aleksey Gordeyev says Russia is expected to export about 8m tonnes of grain in the 2004-05 marketing year (July-June). In 2003-2004, Russia exported around 5.85m tonnes of grain.

**4 October 2004** Ziyad Sabsabi, the Chechen government envoy to the president of Russia, says parliamentary elections in the Chechen Republic have been scheduled for April-May 2005.

**4 October 2004** The head of the Economic Development Ministry, German Gref, says that an additional R5bn will be allocated by the end of the year for the MOD to purchase weapons and military hardware.

**5 October 2004** Human rights activists from a number of organizations sign a statement against the concentration of power in the hands of the president. The statement is signed by Yelena Bonner, Andrey Babushkin, Lev Ponomarev and others.

**5 October 2004** Chairman of the Central Electoral Commission Aleksandr Veshnyakov suggests a legislative limit of 10 years, during which time governors will be elected by regional parliaments after nomination by the president of the country.

**5 October 2004** Vladimir Putin sends a letter of greeting to an international conference entitled "Counteracting the funding of terrorism in the Eurasian region: International cooperation and development of strategies for discovering and cutting off sources of funding for terrorism".

Federal Security Service (FSB) Director Nikolay Patrushev is interviewed on TV about terrorism. Patrushev claims that about 10 Al-Qaeda men are operating in the North Caucasus.

**5 October 2004** New Chechen President Alu Alkhanov is sworn in.

**6 October 2004** Vladimir Putin says he has signed a law envisaging some amendments to Russian land legislation. A legal basis has now been created for settling issues of passing land to religious organizations for free use or ownership.

**6 October 2004** Federation Council speaker Sergey Mironov says he supports the new procedures for electing regional governors.

**6 October 2004** The deputy head of the FSB for the Chechen Republic, Aleksandr Potapov, says the Al-Qaeda representatives in Chechnya are fairly high-level functionaries. At present Al-Qaeda's main protégé in Chechnya is the Arab mercenary Abu Khavs, who took over from Abu al-Walid when the latter was eliminated by federal forces in April 2004. Another Arab mercenary, Abu Zeyt, is responsible for coordinating acts of sabotage in Ingushetia and the adjacent Urus-Martanovskiy and Achkhoy-Martanovskiy districts in Chechnya.

Potapov says that: "overall, analysis of operational information attests that there could be more than 150 mercenaries in Chechnya who are citizens of some 40 countries and most of whom are Arabs, Turks, citizens of Western countries or the CIS states".

**6 October 2004** Prime Minister Mikhail Fradkov signs a resolution approving the Kyoto Protocol and sending it to the Duma for ratification.

**7 October 2004** Vladimir Putin sends a package of documents on the Kyoto Protocol to the Duma for ratification.

**7 October 2004** Vladimir Putin issues a decree releasing Aleksey Kulakovskiy from the post of the president's special representative for settlement of the Osetian-Ingush conflict. Putin also signs a decree on measures to improve the work of state bodies responsible for the development of relations between North Osetia and Ingushetia.

**9 October 2004** The Agrarian Party of Russia says it will cooperate with the Kremlin.

**11 October 2004** It is reported that about 79m tonnes of grain have been harvested in Russia, which is almost 10m tonnes more than this time in 2003. Russia has already exported about 3m tonnes of grain from the new harvest.

**11 October 2004** Pro-Moscow Chechen president Alu Alkhanov says he is ready to hold talks only with those who are committed to peace in Chechnya. He rejects talks with Aslan Maskhadov and Shamil Basayev.

**12 October 2004** Vladimir Putin instructs the government to finalize within two months the list of members of the interdepartmental commission on protecting state secrets. The director of the Federal Service for Technical and Export Control, Sergey Grigorov, was appointed chairman of the commission at the end of August.

**12 October 2004** Ingushetian MPs send an appeal to North Osetian colleagues saying conflict must be prevented.

**12 October 2004** Temporary Acting Finance Minister Tatyana Golikova says there is to be a R6bn increase in funding for the 2004 federal budget for law-enforcement activities and ensuring state security. National defence spending is to go up R14.7bn or 3.4% of the relevant budget spending in 2004.

**13 October 2004** The Duma authorizes members of the government to hold leading posts in political parties and other public structures. The Duma approves amendments to Article 11 of the federal constitutional law "On the government of the Russian Federation", lifting the existing ban.

**13 October 2004** Vladimir Borodin is appointed the editor-in-chief of *Izvestiya*.

**13 October 2004** Rosneft says it will carry out offshore exploration in Kamchatka and Magadan Region. On the Kamchatka shelf, Russia's state oil company will work together with Korean National Oil Company of South Korea.

**14 October 2004** An article on the Strana.ru website discusses the planned reduction of armed forces personnel.

**14 October 2004** The Interior Ministry (MVD) signs a cooperation agreement with human rights ombudsman Vladimir Lukin.

**15 October 2004** Russia's foreign trade turnover between January and August 2004 amounts to 168.3 billion dollars, which is 26.4% up against that for the same period in 2003. During the period under review, Russia increased its exports by 27.3% to 109.7bn dollars. Imports grew by 24.8% and totalled 58.5bn dollars. Russia had a positive foreign trade balance in the first eight months of 2004 (51.2bn dollars). The figure for January-August 2003 was 39.3bn dollars. Russia's foreign trade turnover with its principal foreign partners grew by 26% during the eight months of 2004 and reached 151.878bn dollars, and trade with the EU member countries by 23.7%, reaching 64.044bn dollars.

**15 October 2004** Aslan Maskhadov's envoy, Umar Khanbiyev, expresses his support for the idea put forward by the Parliamentary Assembly of the Council of Europe (PACE) for a round table to discuss the conflict in Chechnya. He is interviewed on *The Chechen Times* website.

**16 October 2004** Ingushetia's Security Council Secretary Bashir Aushev is interviewed. He accuses the North Osetian leadership of inciting ethnic hatred by spreading rumours implicating the Ingush in the Beslan hostage crisis.

**18 October 2004** The Minister of Health and Social Reform, Mikhail Zurabov, says the population of Russia is currently 144.2m people, which falls far short of the country's requirements. Since 1992 the population has declined by 9 million.

**18 October 2004** Ansar Tebuyev, the deputy prime minister of the Karachay-Cherkess Republic, is shot dead in the centre of Cherkessk.

**18 October 2004** The president's advisor for the south Russia, Aslanbek Aslakhanov, is interviewed in *Chechenskoye Obshchestvo*. He says negotiations should be held with rebel leader Aslan Maskhadov.

**19 October 2004** Finance Minister Aleksey Kudrin is interviewed in *Argumenty i Fakty* on government spending plans.

**19 October 2004** State Secretary of the Union of the Russian Federation and Belarus Pavel Borodin says a referendum in Russia on the possibility of Vladimir Putin being elected for a third term is very likely.

**19 October 2004** The chairman of the Duma committee on information policy, Valeriy Komissarov, say that the fight against terrorism cannot be a reason for restricting the freedom of the media.

**19 October 2004** Vladimir Putin relieves the Republic of Mordovia's Interior Minister Police Maj-Gen Petr Dolgachev of his duties.

**20 October 2004** The Duma approves the budget for 2005 in the second reading. It was supported by 346 deputies.

**20 October 2004** The president of the Chechen Republic of Ichkeria, Aslan Maskhadov, welcomes a peace initiative of the Union of Russian Soldiers' Mothers Committees. Maskhadov's envoy Akhmed Zakayev says "We are ready to meet representatives of the Union of Russian Soldiers' Mothers Committee to discuss the possibility of a cease-fire and to start talks".

Viktor Zavarzin, chairman of the Duma defence committee, says he is "categorically against any meetings with Chechen rebel leader Aslan Maskhadov".

Duma Deputy for Chechnya Akhmar Zavgayev says there can be no talks of any kind with the Chechen rebels especially after the act of terrorism in Beslan.

**20 October 2004** The Moscow Region government, the United Institute of Nuclear Research and several NGOs and commercial organizations sign an agreement to establish a software centre in Dubna. The total investment in the centre is expected to amount to 470m dollars by 2012, including 88.5m from budget allocations and 381.5m from non-budget funds. In 2005, exports of software produced by the centre are expected to total 20m dollars in monetary terms, while in 2012 the figure is expected to reach 400m. The centre is expected to accommodate several dozen IT companies employing a total of 10,000 programmers.

**21 October 2004** Federation Council chairman Sergey Mironov says that the parliamentary commission of inquiry into the events in Beslan will be available to the public.

**21 October 2004** The Federal Border Guard Service of the FSB has worked out a draft federal target programme. The upgrading of the state borders is envisaged until 2010. Deputy Director of the Federal Border Guard Service Maj-Gen Nikolay Rybalkin says: "It is planned to allocate more than R60bn from the state budget for these purposes. The programme envisages the construction of 1,340 facilities primarily in the areas representing the greatest national security threats for Russia. These include 74 vehicle, 21 rail, 17 maritime and inland water checkpoints along the state border. In the North Caucasian area, 39 border outposts will be built. By 2007, 72 outposts will be handed over for use there."

**21 October 2004** Defence Minister Sergey Ivanov says expenses for the state defence order will amount to R188bn (6.46bn dollars) in 2005.

**22 October 2004** Commander of the main directorate of the temporary group of units of the Interior Ministry Maj-Gen Oleg Khotin says in the first nine months of

the year, law-enforcement officers and Interior Ministry forces killed 129 militants in Chechnya. During the same period, 342 militants were detained, over 1,600 small arms were confiscated and 250 land mines were neutralized.

**23 October 2004** The CPRF holds a plenum. Leader Gennady Zyuganov admits that the CPRF has lost support. Zyuganov says the CPRF should be ready for tactical alliances with liberal parties.

**23 October 2004** An article in *Kommersant* notes the trend of senior Kremlin officials being appointed to senior positions in energy companies. Sergey Prikhodko is now chairman of TVEL (uranium). Dmitry Medvedev is chairman of Gazprom. Igor Sechin is chairman of Rosneft, Vladislav Surkov is head of the board of directors at Transnefteprodukt.

**25 October 2004** Chechen president Alu Alkhanov gives a press conference in Moscow. He rules out talks with separatists. He says a draft treaty on delimitation of powers between the federal centre and Chechnya will be prepared in the next few days.

Akhmed Zakayev denies reports stating that Aslan Maskhadov is planning to surrender.

**25 October 2004** Strana.ru website reports that on 1 December 2004, the Russian army will have its first professional peacekeeping brigade. It will be based in the village of Chernorechye in Samara Region. The brigade is to be created out of two regiments of the 27th Motor-Rifle Division of the 2nd Combined Arms Army.

**26 October 2004** Andrey Klepach, director of the Economic Development and Trade Ministry's macroeconomic forecasts department, says industrial output growth could slow down to 6.5-6.7% in 2004. The government's official forecast for growth of industrial output is 7.1%.

The Industry and Energy Ministry is to revise up its forecast of oil and gas output in Russia that was made as part of its strategy for oil and gas sector development.

**26 October 2004** The president of Tatarstan, Mintimer Shaymiyev, criticises Vladimir Putin's plan for regional governors to be appointed by the president.

**27 October 2004** Deputy Prime Minister Aleksandr Zhukov says at an international conference on investment that the government forecasts that the growth of investment into the country's economy will be at least 10% in 2005.

**27 October 2004** Sergey Lavrov says Russia is waging a fight against terrorism strictly within the framework of the constitution. He is speaking at a meeting of the European Business Club.

**27 October 2004** Duma chairman Boris Gрызlov is interviewed in *Argumenty i Fakty* on the plans to reform the choosing of regional governors.

**28 October 2004** Presidential adviser on economic issues Andrey Illarionov has said that "the Russian economy has stagnated over the past few months".

**28 October 2004** The Chairman of the Central Electoral Commission Aleksandr Veshnyakov says "ideal conditions for direct democracy in the formation of the regional bodies of executive power" do not exist in Russia at present because of the threat of terrorism.

**28 October 2004** Tatarstan President Mintimer Shaymiyev opposes the idea of dissolving regional legislative assemblies if they twice reject the candidates for the post of governor submitted by the Russian president. Shaymiyev later visits Kazakhstan.

**28 October 2004** The first deputy director of the FSB and head of the Border Guard Service, Vladimir Pronichev, says a sum of R14.8bn has been allocated for the development of the North Caucasus section of the state border of the Russian Federation. By December 2006 there will be 72 actual border settlements, nine border post command centres, and a training centre in Stavropol.

**28 October 2004** The MVD says it insists on increasing its monitoring of the trade in industrial explosive materials and weapons. This is announced by First Deputy Interior Minister Aleksandr Chekalin, speaking at a round table discussion on "the role of law-enforcement and other bodies in the system of anti-crisis measures" at the Duma.

**29 October 2004** Interior Minister Rashid Nurgaliyev, Prosecutor-General Vladimir Ustinov and FSB head Nikolay Patrushev address the Duma on Beslan. Patrushev says Shamil Basayev was the organiser of the Beslan siege. Nurgaliyev says Egyptians and Saudis were among the hostage takers. Ustinov says in future that relatives of terrorists could be taken hostage by the security forces. Patrushev says more than 200 high-profile terrorist attacks have been prevented through joint efforts in 2004. A total of more than 500 terrorist acts have been prevented.

Nikolay Patrushev says that approximately 10 members of the Al Qaeda international terrorist network are operating in the North Caucasus. He also says that more than 80 suicide-bombers have been trained abroad for the purpose of being sent to Russia to carry out terrorist acts. Patrushev says a single anti-terrorist centre should be set up.

**29 October 2004** The Duma adopts, in the first reading, a draft law submitted by the president which envisages that direct elections of the heads of the constituent parts of the Russian Federation will be replaced by their election by regional legislative assemblies following a recommendation by the head of state. 365

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deputies voted for the draft law, with the necessary minimum being 226 votes. 44 deputies voted against and 4 deputies abstained.

Vladimir Ryzhkov, a member of the Duma committee for federal and regional policy, says that the proposed reforms of choosing regional governors are unconstitutional.

**30 October 2004** Irina Khakamada founds a new liberal party.

A new coalition called Patriots of Russia is formed. It brings together 10 left-wing parties and movements, including the Eurasian Party - Union of Russian Patriots, the All-Russia Communist Party of the Future (VKPB), the People's Patriotic Party of Russia, National Patriotic Forces of the Russian Federation, the Party for the Rebirth of Russia, the Russian Party of Pensioners, the Russian Party of Working People's Self-Government (PPSG), the Russian Labour Party and the Union of People for Education and Science (SLON).

**30 October 2004** The Prosecutor-General's Office states that over 600,000 people have been rehabilitated in Russia in the past 12 years under the Rehabilitation of Victims of Political Repression Law.

**30 October 2004** Vladimir Putin appoints Aleksandr Tatyako as the new head of the FSB directorate in North Osetia.

**30 October 2004** Chechen President Alu Alkhanov briefs Vladimir Putin on the results of his first month's work in the presidency.

**30 October 2004** Foreign Ministry spokesman Aleksandr Yakovenko says Russia "will fulfil its obligations to destroy 20% of chemical weapons stockpiles by 29 April 2007".

**31 October 2004** Ingushetiya.ru newspaper calls on North Osetia to hand over Prigorodny district.

**31 October 2004** Deputy commander of Russia's strategic aviation Maj-Gen Konstantin Dement'yev is murdered in Smolensk Region.

## ***November***

**1 November 2004** The MOD administration is reshuffled. Army Gen Nikolay Pankov has been appointed head of the human resources and personnel support service, Col-Gen Anatoliy Grebenyuk head of the housing and accommodation service and Lyubov Kudelina head of the economy and finance service. Pankov, Grebenyuk and Kudelina had earlier been deputy defence ministers for personnel, armed forces development and finance respectively. Andrey Chobotov, who had

earlier occupied the post of aide to the defence minister, has been appointed head of the defence minister's administration.

Defence Minister Sergey Ivanov earlier said that the MOD's central staff will be made up of 10,350 servicemen and civilians. This is less than 0.5% of the MOD's total personnel.

**1 November 2004** Five members of the extremist organization Hezb-e Tahrir al-Islami are charged under the article on "inducement of a person to participation in the activities of a terrorist organization" by the Nizhniy Novgorod district court. Eleven members of Hezb-e Tahrir al-Islami, including citizens of foreign states, were detained in Nizhniy Novgorod on 1 October 2004 in an antiterrorist operation.

**2 November 2004** The commander-in-chief of the MVD Internal Troops, Col-Gen Nikolay Rogozhkin, says the manning of these troops in Chechnya will be mixed, both by contract and by conscription.

**2 November 2004** Vladimir Putin is handed a request to reconstitute Krasnoyarsk Territory as a new member of the Russian Federation at a meeting with the heads of the executive authorities and legislatures of the existing territory and the Taymir (Dolgano-Nenets) and Evenki autonomous areas. A referendum on a merger of these three entities could be held on 17 April 2005.

**2 November 2004** *Severnyy Kavkaz* reports that the population of Chechnya is 1,130,000 people. Up to 300,000 people returned to the republic over the past year.

*Severnyy Kavkaz* reports Chechen President Alu Alkhanov as saying: "We have no overlapping interests with Aslan Maskhadov and Shamil Basayev. But we are ready to negotiate with whoever is interested in returning to a peaceful life. I am ready to speak to anyone who is interested in restoring peace and whose hands are not stained with blood."

**3 November 2004** The FSB says it has completed its restructuring in accordance with the presidential decree of 11 July 2004.

**3 November 2004** Vladimir Putin signs amendments to Article 11 of the constitutional law "On the government of the Russian Federation", which allow members of the cabinet of ministers to occupy leading posts in political parties and other public structures.

**3 November 2004** Minister of Natural Resources Yuriy Trutnev says Russia's commercially viable oil reserves may run out by 2015 and the reserves of gas condensate by 2025 if no fresh prospecting is done. Trutnev says that only the deposits prospected during the Soviet era are being worked: oil is being extracted from 92% of deposits prospected in the Soviet era and 83% of gas deposits prospected at that time were being worked. Trutnev says that a draft programme to

redress the imbalance between extraction and prospecting estimated that the development of the most promising areas and geological prospecting work would cost approximately R 1,784bn over a 15-year period. The programme is shortly to be submitted to the government.

**3 November 2004** An article in *Voyenno-Promyshlennyy Kuryer* criticises the state of the Russian missile building industry. Moscow Institute of Thermal Technology Director Yuriy Solomonov stated that if emergency measures are not taken within the next 2 or 3 months, the result will be an inability to fulfil the 2005 state defence order for the serial production of Topol-M strategic missiles and for experimental developments on the Bulava system.

**5 November 2004** Assistant head of Saratov Region's Emergencies Ministry Viktor Bychkov says power generating unit No 2 at Balakovo nuclear power station, which was shut down on 4 November, has been brought back on line. Saratov's chief medical officer, Tatyana Golovkova, says the background radiation level in the city of Saratov is within the norm.

**5 November 2004** Physicist Valentin Danilov is found guilty of spying for China by a jury in the Krasnoyarsk Territory court.

**5 November 2004** The Emergencies Ministry states it has finished an internal structural reform based on a presidential decree of 11 July 2004.

**5 November 2004** Minister of Industry and Energy Viktor Khristenko says a total of 381m tonnes of oil was extracted in Russia in the first 10 months of 2004, and by the end of the year extraction will reach 460m tonnes of oil.

**5 November 2004** Vladimir Putin signs the federal law "On the ratification of the Kyoto Protocol to the United Nations Framework Convention on Climate Change". The law was passed by the Russian State Duma on 22 October and approved by the Federation Council on 27 October.

**5 November 2004** Vladimir Putin appoints Col-Gen Aleksey Maslov commander-in-chief of the Ground Troops and relieves from the post Army Gen Nikolay Kormiltsev.

Putin says that by the end of 2007 only contract servicemen should be serving in the North Caucasus.

Army General Aleksey Moskovskiy, Russian deputy defence minister and chief of armaments, says that since the disintegration of the Soviet Union, Russia has maintained its nuclear missile potential. Moskovskiy dismisses the claim of Yuriy Solomonov, chief designer of the Moscow Institute of Thermal Technology that over 200 technologies related to the production of intercontinental ballistic missiles have been lost in the past few years.

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An article in *Nezavisimoye Voyennoye Obozreniye* suggests that senior generals are unhappy about the ongoing reforms in the armed forces.

**6 November 2004** An article in *Kommersant* discusses the appointment of a new Ground Forces commander-in-chief. He is North Caucasus Military District Chief of Staff Col-Gen Aleksey Maslov. Former Commander-in-chief Army Gen Nikolay Kormiltsev resigned at the end of September after he lost his deputy defence minister's status.

Chief of the General Staff, Deputy Defence Minister Yuriy Baluyevskiy, is interviewed in *Krasnaya Zvezda*.

**7 November 2004** Ingush Moslem leaders appeal to Vladimir Putin to investigate crimes by the security forces.

**7 November 2004** The United Peoples' Party of Soldiers' Mothers holds its founding congress. It elects Valentina Melnikova as its leader.

**8 November 2004** Presidential adviser on economic issues Andrey Illarionov says he believes that over the last two years Russian economic policy has been heading in the wrong direction.

**9 November 2004** Vladimir Putin issues a decree to reorganize the commission on human rights under the president into a council for assisting the development of civil society institutions and human rights. Ella Pamfilova is still the head of the body.

**9 November 2004** The construction of an oil pipeline starts in Sakhalin. The pipeline is expected to pass from the north of the island to the village of De-Kastri in Khabarovsk Territory. The length of the pipeline is 221km. Hydrocarbon fuel produced at the Chayvo field is to be transported to De-Kastri. The pipeline is being built under the Sakhalin-1 project.

**9 November 2004** Aleksandr Piskunov, an auditor from the Audit Chamber, says at a meeting with the Federation Council's Audit Chamber committee that the MOD's wage and supply arrears mounted to R28.2bn (983.7m dollars at the current exchange rate) as of 1 September.

**9 November 2004** An article in *Izvestiya* discusses Russian demographic trends.

**9 November 2004** Vladimir Putin's special representative on issues of international cooperation in the fight against terrorism, Anatoliy Safonov, is interviewed on fighting terrorism.

**10 November 2004** Andrey Illarionov, an economic adviser to Vladimir Putin, says that after ratification of the Kyoto Protocol the goal of doubling Russia's gross domestic product (GDP) within 10 years "has been virtually withdrawn from the agenda". The maximum annual GDP growth rate that Russia can afford after the protocol's ratification is 5%, which is "significantly lower than the 7.2% needed to double GDP within 10 years, let alone eight years".

**10 November 2004** Protests take place in Karachay-Cherkessia against the rule of President Mustafa Batdyev.

**10 November 2004** The commander of the 20th Army, Lt-Gen Aleksandr Postnikov, is transferred to the post of chief of staff and first deputy commander of the North Caucasus Military District.

An article in *Rossiyskaya Gazeta* criticises the MOD's ability to plan its spending.

**11 November 2004** The government endorses a long-term state programme for the study of subsurface resources and the recovery of mineral resources. Natural Resources Minister Yuriy Trutnev says extraction of mineral resources must be demonopolized. The following are located on Russian territory: 50% of the world's reserves of diamonds, 30% of the world's natural gas reserves, 25% of the world's nickel reserves, 17% of the world's tin reserves, and almost 10% of its oil. 70% of Russia's exports comprise raw minerals sold abroad, of which 77% are hydrocarbons. 56% of federal budget income in 2003 - R1,400bn - came from this sector. Trutnev notes that without a replenishment programme, profitable reserves of Russian gold will have run out by 2011, while oil, copper, uranium and vein-gold will have run out by 2015.

**11 November 2004** The government approves a plan for the merger of Gazprom and Rosneft.

**11 November 2004** Presidential adviser on economic issues Andrey Illarionov criticises official actions against the Yukos oil company as detrimental to Russian economy and says the task of doubling the GDP by 2010 can not be achieved as industrial production is stagnating.

**12 November 2004** Defence Minister Sergey Ivanov visits the North Caucasus Military District. He says has announced plans to reduce the MOD in Chechnya by 1,000 by the end of 2004.

Sergey Ivanov says at a military council meeting in Rostov that the MOD has completed its tasks and functions in Chechnya. He says that the 42nd Motor-Rifle Division will stay there for good.

It is announced that from 1 January 2005 the Defence Ministry of the Russian Federation will have a new structure - the main directorate of combat training and military service of the armed forces of the Russian Federation. It will be directly subordinated to First Deputy Defence Minister Aleksandr Belousov.

**12 November 2004** The head of the press service of the North Caucasus regional border department of the FSB, Lt-Col Sergey Livantsov, says that there are plans to build 72 military compounds in the North Caucasus, nine directorates of border detachments and a teaching centre in the town of Stavropol. The construction of 45 frontier outposts is in progress now. At the end of 2004, 51 outposts will be put into operation including at the Chechen section on the Russian-Georgian border.

**15 November 2004** *Kommersant* has an article on FSB reorganization.

**15 November 2004** Three more pieces of Global Navigation Satellite System (GLONASS) apparatus will be put into near-earth orbit at the end of December from the Baykonur cosmodrome using a Proton-K booster. By 2005 the GLONASS orbital group will grow to 16 military satellites. At present the system comprises 12 working and one reserve apparatus.

**16 November 2004** Vladimir Putin speaks at the congress of the Russian Union of Industrialists and Entrepreneurs in Moscow.

**16 November 2004** The Constitutional Court rules that republics forming part of the Russian Federation are not entitled to independently determine the written form of their languages. Tatarstan is therefore not permitted to introduce the Latin script for the Tatar language. The Constitutional Court also endorses the obligation of those living in ethnic republics within the Russian Federation to study the national languages of those republics at the level set by federal standards.

**16 November 2004** Head of the Beslan parliamentary commission Aleksandr Torshin says the commission believes that behind Shamil Basayev and Aslan Maskhadov, who have been named as the instigators of the attack, there are more prominent figures. Torshin refers to unnamed persons in London.

**16 November 2004** A Russian Federation Council member, Vladimir Slutsker, is elected president of the Russian Jewish Congress. Slutsker replaces Yevgeniy Satanovskiy.

**16 November 2004** LUKoil states it intends to carry out joint projects outside of Russia with natural gas monopoly Gazprom and to sign a strategic agreement with Gazprom in the near future.

**16 November 2004** Defence Minister Sergey Ivanov says the administrative reform in the Russian armed forces has been completed. He says that the aim of the reform was to make the system of running the armed forces "more mobile, compact, fast and effective". In line with presidential decrees and the statute on the Defence Ministry, the number of deputy heads of the military department has been cut from 10 to four. Also, the size of the central apparatus, which has been created at the ministry for the first time, totals 10,350. Ivanov stressed that this "makes up less

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than 0.5% of the total staff of the ministry, including military and civilian specialists". He says conscription will remain.

**16 November 2004** The Yukos oil company is told it must repay tax arrears for 2002 totalling nearly R194bn.

**17 November 2004** The law-enforcement bodies are carrying out searches and seizures at the head office of the Yukos oil company in Moscow and at the Yuganskneftegaz office in Nefteyugansk.

**17 November 2004** Defence Minister Sergey Ivanov says that there are up to 200 foreign mercenaries in Chechnya.

Vladimir Putin and Sergey Ivanov address a conference of Russian military commanders. Putin says Russia is developing state-of-the-art nuclear missile systems. Ivanov says that by 1 January 2005, Russia's armed forces will total 1,207,000 servicemen, including the Railway Troops, and 876,000 civilian staff.

**18 November 2004** Vladimir Putin gives a major TV interview on political reform. Putin says that "the proportional election system (for the Duma) is called on to enhance the importance of large and prestigious political parties".

**18 November 2004** The Central Bank of Russia's foreign exchange and gold reserves rose to 113.1bn dollars as of 12 November, from 112.8bn dollars as of 5 November. Foreign exchange and gold reserves stood at 76.9bn dollars as of 1 January 2004, up from 47.8bn dollars on 1 January 2003.

The Federal Service of State Statistics states that the the flow of foreign investments into Russia in January-September 2004 has grown by 39.4% against the same period in 2003, reaching 29.1bn dollars. In the nine months of 2004 direct investments into the country stood at 5.6bn dollars which is 19.8% up on January-September 2003. Portfolio investments stand at 227m dollars, which by 2.8% exceeds the figures of the same period for 2003. Other investments comprise 23.3bn dollars, which is 44.4% more against the same period for 2003.

The major foreign investors into Russia are the Netherlands, Luxembourg and Cyprus with respective 14.5%, 14.4% and 13% of the total accumulated investments into the country. The top 10 major investors comprise Germany (12.8%), Great Britain (10.1%), the USA (9.1%), France (5.7%), the Virgin Islands and Switzerland (2.2% each) and Austria (1.6%).

**18 November 2004** Aleksey Kurtsin, the acting manager of the Yukos-Moscow limited liability company, is arrested. He is a suspect in the embezzlement of R22m from Yukos-Moscow.

**18 November 2004** The minister of industry and energy, Viktor Khristenko, says that Rosenergoatom guarantees the physical security of all nuclear power facilities in 2005.

**18 November 2004** Prime Minister Mikhail Fradkov says the government intends to allocate R1.1bn in 2004-2005 for immediate measures to support Beslan.

**18 November 2004** Rosoboroneksport Director General Sergey Chemezov says the current stock of orders placed with the state-owned arms trading company amounts to 12.7bn dollars. He says the export volume in 2004 should be about 5bn dollars. Rosoboroneksport's arms exports amounted to 3.2bn dollars in 2001, to 4.2bn in 2002, and to 5.1bn in 2003.

Defence Minister Sergey Ivanov says sixty billion roubles will be allocated from the federal budget in 2005 in the field of R&D for the development of new types of weapons and military equipment.

**19 November 2004** Tax officials are confiscating documents at Yuganskneftegaz's office. The government announces that Yuganskneftegaz is to be sold off by auction. The Yukos oil company issues a harsh statement by the chairman of the company's board, Steven Michael Theede, in connection with the publication of an announcement of the forthcoming sale of the company's main production unit, the Yuganskneftegaz open joint-stock company. "Today's announcement is both stunning and expected. Stunning because it is such a bold demonstration of the contempt the government has for the rule of law. Expected because given the way this case has developed the outcome was determined long ago."

**19 November 2004** It is announced that 500 Interior Troops are being sent to Karachay-Cherkessia in order to counter a threat of terrorism. Chechen President Alu Alkhanov visits Karachay-Cherkessia.

**19 November 2004** Four members of Hezb-e Tahrir are detained in Tatarstan. A search of their flats revealed explosives and explosive devices. The Tatarstan FSB says that more than 20 militants and one of the ringleaders of the terrorist organization, which operated in Kazan, Naberezhnyye Chelny, Almetyevsk and Yelabuga, have been detained in recent days.

**19 November 2004** MOD sources state that all airborne units are expected to leave Chechnya by mid-December. The Airborne Troops contingent in the republic currently comprises 2,000 soldiers.

**19 November 2004** The Duma instruct the Committee on Security and Defence Issues and the Committee on Public Associations and Religious Organizations to request information from the FSB and Justice Ministry "on the activities of the Committee of Soldiers' Mothers of Russia relating to their contacts with wanted terrorists".

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**20 November 2004** Minister of Education and Science Andrey Fursenko denies that he is in favour of state regulation of the Internet.

**20 November 2004** The Menatep group, the chief shareholder in the Yukos oil company, starts court proceedings against the Russian Federation under the Energy Charter. The group's managing director, Tim Osborne, states: "We started proceedings under the Energy Charter after the Yuganskneftegaz sale was announced. What we are talking about here is the expropriation of our property, and we intend to defend it with all legal methods at our disposal."

**22 November 2004** The Federal State Statistics Service states that the permanent population of Russia fell by 552,700 to 143.6 million over the period January-September 2004.

**22 November 2004** The head of the Airborne Troops press office, Col Nikolay Bragin, says the withdrawal of Airborne Troops group from Chechnya will be complete by 2 December: a total of 1,500 Airborne Troops will be pulled out. So far, units of the 104th and 234th airborne regiments of the 76th Pskov division, numbering approximately 750 service personnel, have already left Chechnya.

**22 November 2004** The Naberezhnyye Chelny branch of the Tatar Public Centre protests at the decision by the Russian Constitutional Court to not permit use of the Latin alphabet for the official use of the Tatar language.

**22 November 2004** Col Sergey Kudryashov is appointed to head the Caspian Border Guard Directorate.

**23 November 2004** Chairman of the Chechen State Council Taus Dzhabrailov says the creation of a North Caucasus territory would help resolve current territorial disputes in southern Russia. He says the Chechen Interior Ministry is prepared to assume responsibility for the fight against terrorism in the republic.

**23 November 2004** Gen Aleksey Moskovskiy, deputy defence minister and head of armaments for the armed forces, says the way the defence industry complex is managed is outdated and needs a radical overhaul. He says he would like to see the military-industrial commission restored at prime ministerial level, given standing executive powers and a permanent staff, and tasked with running the defence sector, coordinating state-sector defence customers, drawing up and placing defence procurement orders, and given pricing and tariff-setting powers as well.

**24 November 2004** The Krasnoyarsk Territory Court sentences Valentin Danilov to 14 years in a high-security penal colony for espionage.

**24 November 2004** The Duma passes the 2005 budget draft in the third, penultimate, reading by 339 votes in favour, 85 against and five abstentions, with 226 votes required to pass. The fourth and final reading of the 2005 federal budget is expected to be held on 10 December.

**24 November 2004** The head of the parliamentary commission investigating Beslan, Federation Council deputy speaker Aleksandr Torshin, says that the total number killed in the Beslan tragedy was 330.

**25 November 2004** Duma speaker Boris Gрызлов speaks on the formation of political parties: "We understand that it is necessary to improve the party system in our country. Unfortunately, over the last 14 years parties from grass-roots level have not formed in the proper way. Therefore, the essence of the future law is a proposal to form the party system in our country from the top. That is, we would like society to make choices regarding parties, while parties should be comprehensible to society. They should be strong and represent defined sections of the population."

**25 November 2004** The Karachay-Cherkess Interior Minister Aleksandr Obukhov is dismissed from his post.

**25 November 2004** A second trainload of airborne troops (400 in total) leaves Chechnya. The troops are heading for their permanent base in Pskov.

**26 November 2004** The Internal Troops C-in-C Gen Nikolay Rogozhkin says the Internal Troops of the Ministry of Internal Affairs are not to be reformed.

**26 November 2004** The president of Ingushetia, Murat Zyazikov, expresses opposition to the idea of uniting all the North Caucasus regions of the federation into one entity.

**27 November 2004** Yedinaya Rossiya holds its 5<sup>th</sup> congress. Duma speaker Boris Gрызлов is unanimously re-elected party chairman.

**27 November 2004** The parliamentary commission investigating the Beslan terrorist incident says that a foreign special service was involved in the seizure of the school.

**27 November 2004** Chechen President Alu Alkhanov calls on members of illegal armed formations to lay down arms and return to peaceful life.

**29 November 2004** Alu Alkhanov says he is categorically opposed to holding any negotiations with separatist leaders.

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**29 November 2004** Kamchatka Region governor Mikhail Mashkovtsev is arrested.

**30 November 2004** Heads of CIS interior ministry antiterrorism and trade departments meet in Moscow. Interior Minister Rashid Nurgaliyev addresses them.

## ***December***

**1 December 2004** The FSB board discusses border security. Vladimir Putin addresses the meeting.

**1 December 2004** The Duma votes in favour of the law on choosing heads of constituent parts of the Russian Federation in its second reading.

**1 December 2004** Moscow City Court turns down an appeal by the defence of former Yukos chief Mikhail Khodorkovskiy to release him. He will remain in custody until 14 February 2005.

**1 December 2004** The Prosecutor-General's Office arrests the deputy director of the Finance Ministry department for international financial relations, state debt and state financial assets, Denis Mikhaylov, on suspicion of taking a major bribe.

**1 December 2004** The Border Guard Service outlines its reform plans.

**2 December 2004** Vladimir Putin discusses centre-regional relations with Chairman of the Federation Council Sergey Mironov and Minister of Regional Development Vladimir Yakovlev.

**2 December 2004** The FSB arrests Magomed Salikhov, an organizer of major acts of terrorism, the blowing-up of residential blocks in Buynaksk and Volgodonsk in 1999.

An international antiterrorist media forum is set up in Moscow.

**3 December 2004** The Duma passes the law on new procedures for electing regional governors. The Duma also expresses support for the new law on political parties.

**3 December 2004** Police in the town of Nefteyugansk (in the Khanty-Mansi Autonomous Area) are searching all the administrative buildings of the Yuganskneftegaz open joint-stock company.

**3 December 2004** Air Force Commander-in-Chief Army Gen Vladimir Mikhaylov says that strategic aviation can be used to carry out preventive strikes on terrorist bases outside Russia. He also says that Russia is to broaden the brief of its strategic aviation units from 2005. He says flights will take place over the Atlantic, Pacific and Indian Oceans.

**5 December 2004** The withdrawal of the grouping of Russian Federation airborne troops from Chechnya ends. A total of 1,500 airborne troops have been dispatched to their places of permanent deployment.

**6 December 2004** The government decides to abolish the State Grain Inspectorate. The agriculture ministry and trade and development ministry have been given one month to draft legislation on abolishing the inspectorate and on ensuring future monitoring of the quality of the country's grain reserves.

**6 December 2004** The commander-in-chief of the Interior Ministry's Internal Troops, Col-Gen Nikolay Rogozhkin, says a provision has been included in the draft law "On law-enforcement activity" which is devoted to the National Guard in Russia. It says that this structure in the Interior Ministry system will form the legal successor to the Internal Troops, with the same remit and with a command structure and management bodies.

**6 December 2004** Vladimir Putin says Russia's total arms exports in 2004 are expected to remain unchanged on the year or will slightly exceed the level of 2003. In 2003, weapons and military equipment exports increased 21.4% on the year in monetary terms to 5.1bn dollars.

**7 December 2004** Air force Commander-in-Chief Vladimir Mikhaylov says the funding of the Russian air force in 2006 is likely to be increased twice with its total share in state defence spending to amount to 30%.

**7 December 2004** The tax agencies present Yuganskneftegaz, the main production subsidiary of the Yukos oil company, with tax claims for 2003 totalling approximately R34bn.

**7 December 2004** Economic Development and Trade Minister German Gref signs an order to declassify information on the extraction, export and import of natural diamonds.

**8 December 2004** The Federation Council approves the law on changing the gubernatorial election system which had been approved by the Duma. In line with the document, candidates will be nominated by the president and then endorsed by local dumas.

**8 December 2004** The Federation Council approves the law establishing the minimum requirement for numbers of members of political parties at no less than 50,000 members (previously 10,000), and in their regional branches no less than 250 members.

**8 December 2004** The Duma approves the draft federal budget for 2005 in the final fourth reading by a majority of votes.

**9 December 2004** Col-Gen Nikolay Rogozhkin, the Interior Ministry's Interior Troops commander-in-chief, says the establishment of a national guard based on the Interior Ministry's Internal Troops is not being discussed at the present time. "Establishment of a national guard based on the Russian Interior Ministry's Internal Troops is one of the options for transforming the Interior Ministry under the administrative reform. At the moment this issue is not included on the agenda."

**10 December 2004** The Federation Council approves the 2005 state budget. The revenues envisaged in the budget amount to R3,326bn while expenditures amount to R3,047.9bn. It is planned that the budget surplus will constitute R278,1bn. The budget goes to the Russian president for the signing after approval by the Federation Council.

**10 December 2004** Defence Minister Sergey Ivanov says that "there is now no need for a large-scale military presence in the republic [Chechnya]."

**10 December 2004** Colonel General Nikolay Solovtsov, the Strategic Missile Troops commander, says the Strategic Missile Troops will reduce their strength by several units in 2005. "The Strategic Missile Troops will be reduced by a number of regiments - two divisions, namely the Kartaly division in the Chelyabinsk region and the Kostroma division of railway-based missile systems, to be disbanded entirely". About 14 units and detachments of the Strategic Missile Troops were disbanded in 2004, including five missile regiments. He says the missile systems of the Strategic Missile Forces and the navy will be unified.

**10 December 2004** An article in *Rossiyskaya Gazeta* reviews the counterterrorism bill to be submitted to the Duma.

**11 December 2004** Gennadiy Gudkov, the People's Party leader, says the party is ready to split away from the Yedinaya Rossiya faction in the Duma.

**11 December 2004** The commander-in-chief of the air force, Gen Vladimir Mikhaylov, outlines his plans for the development of the air force.

**12 December 2004** Vladimir Putin says he plans to make no changes to the constitution.

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Putin signs the law changing the system for the election of heads of the constituent parts of the Russian Federation.

**14 December 2004** The Economic Development and Trade Ministry issues a draft programme of Russia's social and economic development for 2005-08. Russia's GDP growth is forecast in the range of 4.5-6.2% in 2005.

**14 December 2004** Vladimir Putin signs a decree on deputy directors of the Federal Service for Military and Technical Cooperation, appointing Aleksandr Denisov its first deputy director and Vyacheslav Dzirkaln, Mikhail Novikov and Aleksandr Fomin deputy directors.

**14 December 2004** Several activists of the National Bolshevik party force their way into a presidential office in Moscow.

**15 December 2004** FSB Director Nikolay Patrushev says in 2004 the FSB prevented over 200 terrorist acts.

**16 December 2004** The Supreme Court upholds the legality of the results of the December 2003 Duma election. The CPRF, Yabloko and the 2008 Committee had demanded the poll results be annulled.

**16 December 2004** Economic Development and Trade Minister German Gref says Russia needs a world TV channel.

**16 December 2004** Head of the FSB directorate for Kabarda-Balkaria Sergey Ushakov says intelligence and sabotage activities by the special services and organizations from the USA, Turkey and the Middle East countries have been increasing in Kabarda-Balkaria.

**17 December 2004** Yukos welcomes the ruling of a Texas court prohibiting all transactions with the company's assets, including the auction to sell its main subsidiary Yuganskneftegaz scheduled for 19 December. The Foreign Ministry says this ruling has no legal force in the Russian Federation.

The Office of the Prosecutor-General confirms that Anton Zakharov, the head of the personnel department of Yukos, has been arrested.

**17 December 2004** The Duma passes the first reading of a draft law on countering terrorism. It is designed to replace the law "On fighting terrorism" that has been in force since 1998. The draft envisages the creation of a permanent state system to counter terrorism which, for the first time, is classed as a political phenomenon.

**17 December 2004** Defence Minister Sergey Ivanov says work on creating fundamentally new systems of weapons is under way in Russia. "You know that we are working on developing fundamentally new and unique systems of weapons, which other states do not have. We will, of course, press on with this work."

Ivanov says that the current state of the Russian economy "allows us only to maintain the country's navy at a sufficient level". He says that drawing up a programme for naval and civilian shipbuilding for 2006-2012 would be inexpedient.

**17 December 2004** Head of the Federal Agency for Industry Boris Aleshin says Prime Minister Mikhail Fradkov has approved the idea of creating a single national aircraft manufacturing company in Russia. The joint company will include the Sukhoy, Mikoyan, Ilyushin, Irkut, Yakovlev and Tupolev companies.

**19 December 2004** Vladimir Putin tells the special services to intensify the fight against corruption.

**19 December 2004** Yabloko party leader Grigoriy Yavlinskiy rejects an alliance with the URF led by Anatoliy Chubays.

**19 December 2004** The Tver-based limited-liability company Baykalfinansgrup wins the auction for a 76.79% stake in Yuganskneftegaz.

**20 December 2004** Economic Development and Trade Minister German Gref tells Vladimir Putin that the Ministry of Economic Development and Trade is leaving its GDP growth forecast for 2004 at 6.8-6.9%.

**20 December 2004** The incumbent president of the Republic of Mari El, Leonid Markelov, has been re-elected for a second term following elections on 19 December.

**20 December 2004** Defence Minister Sergey Ivanov discusses defence spending with Vladimir Putin. In 2005, the Defence Ministry's spending on the 'national defence' item alone will be R427bn. He says that "in line with a state programme for armament, spending will increase by R44.1bn" in 2005.

**22 December 2004** *Rossiskaya Gazeta* reports that the Ministry of Economic Development and Trade has been told to rework its medium-term national development strategy because it does not cater to the government's publicly stated aim of doubling GDP.

The Minister of Economic Development German Gref says the existing economic structure in Russia does not allow for ensuring an economic growth of more than 5-6% annually. He says by 2012 the GDP could grow by 87%. Prime Minister Mikhail Fradkov says that no-one has cancelled the task of doubling GDP by 2012.

**22 December 2004** Vladimir Putin signs amendments to the federal law "On Political Parties" which raises the minimum membership requirement.

**22 December 2004** Aleksandr Veshnyakov says that reports about a possible early dissolution of the State Duma are no more than rumours.

**22 December 2004** The Federal State Statistics Service says the population of Russia in January-October decreased by 615,700, or 0.43%, and amounted to 143.6m on 1 November.

**22 December 2004** Mikhail Dmitriyev, chief of the federal service for military and technical cooperation with foreign countries, says Russian arms exports for 2004 will come to no less than for 2003 and amount to 5.6bn-5.7bn dollars.

**22 December 2004** Regional Development Minister Vladimir Yakovlev outlines the aims of the new Regional Development Ministry in an interview with *Kommersant*.

**23 December 2004** Prime Minister Mikhail Fradkov says the volume of the state defence order for 2005 will grow by 26.7% compared with 2004.

An article in *Kommersant* discusses Russian arms sales in 2004. Arms exports are set to reach 5.6bn-5.7bn dollars, which is 200m-300m dollars higher than the figures for 2003.

**23 December 2004** The Economic Development and Trade Ministry says oil output in Russia increased by 9.2% on the year to 419m tonnes in January-November. As of 1 November, there were 151,000 operational oil wells in Russia, 1.1% up on the year. Oil was not produced at 23.9% of these wells as of 1 November, down from 24.1% as of 1 November 2003, according to the ministry. Oil exports from Russia increased 13.5% on the year in January-November, including oil exports to non-CIS countries, which increased 114.3% on the year. In 2003 Russia's oil output totalled 421m tonnes.

**23 December 2004** Col-Gen Aleksandr Skorodumov, responsible for training in the armed forces, has retired. He is interviewed in *Moskovskiy Komsomolets*. He complains about declining professionalism in the army and cronyism regarding promotions. He is replaced by Aleksandr Vasilevich Belousov.

**24 December 2004** Vladimir Putin states that the government should take the necessary measures to ensure that big political parties are operating in the country.

**24 December 2004** Prime Minister Mikhail Fradkov says that the government instructs all interested departments to work more actively on the concept of creating a single register of the population so that this issue can be discussed at a sitting in January. It is proposed at the initial stage that the register will contain

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information about a citizen's surname, first name and patronymic, the date and place of birth, and gender. In addition, fingerprints and photos of the cornea will be collected.

**24 December 2004** Vladimir Putin says at the State Council that the system of regional funding should be changed. Governors should have greater control over federal funds.

**24 December 2004** Vladimir Putin signs the federal law "On the 2005 federal budget". The bill was adopted by the State Duma on 8 December and approved by the Federation Council on 10 December.

**24 December 2004** Industry and Energy Minister Viktor Khristenko says the process of merging Gazprom and Rosneft should be completed in January 2005.

**24 December 2004** The Duma passes the law on future elections to the Duma. They will be held according to a proportional representation system and exclusively on the basis of party lists. The law further states that seats in the Duma will be awarded to party lists receiving more than 7% of the vote, that there must be at least two such winning lists, and that, in this case, these lists must have received at least 60% of the votes cast. The law envisages some situations in which parties failing to gain 7% of the vote could be eligible for Duma seats.

**24 December 2004** The head of the parliamentary commission into the Beslan hostage crisis, Aleksandr Torshin, is interviewed in *Nezavisimaya Gazeta*.

**24 December 2004** The commander of MVD troops, Col-Gen Nikolay Rogozhkin, is interviewed in *Nezavisimoye Voyennoye Obozreniye*.

**25 December 2004** The Russian Federation Federal Antimonopoly Service approves the acquisition by the Rosneft state oil company of Baykalfinansgrup, which won the auction for the sale of the controlling package of shares in the Yuganskneftegaz company.

**25 December 2004** The chief of staff of the Russian Strategic Missile Forces, Lt-Gen Sergey Khutortsev, is interviewed in *Gudok* on the development of Russian strategic forces.

**27 December 2004** Vladimir Putin formally approves the new system for choosing regional leaders in Russia.

**27 December 2004** Vladimir Putin endorses the setting up of a central arms procurement body.

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**27 December 2004** Vladimir Putin says that as of 1 January 2006 "there will be no conscripts" in the Internal Troops.

**28 December 2004** Former Yukos boss Mikhail Khodorkovskiy publishes an article in *Vedomosti* on Yukos.

**28 December 2004** The presidential adviser on economic issues, Andrey Illarionov says the substantial worsening of the economic dynamic was the main surprise of 2004 for Russia. He says Russia will not be able to double its gross domestic product (GDP) in the next 10 years and he criticizes the government for the failure.

**28 December 2004** Maj-Gen Sergey Yurchenko is appointed deputy commander-in-chief of the Interior Ministry Internal Troops for armament.

Vice-Adm Oleg Burtsev is appointed first deputy chief of staff of the Russian navy.

**28 December 2004** Deputy Commander of Space Troops Lt-Gen Anatoliy Shishkin writes an article in *Krasnaya Zvezda* assessing the Space Forces.

**29 December 2004** The governor of Krasnodar Territory, Aleksandr Tkachev, says he favours merging Krasnodar Territory and the Republic of Adygeya.

**29 December 2004** Central Electoral Commission Chairman Aleksandr Veshnyakov says "it would be fundamentally wrong to deprive the citizens of Russia of their right to elect the president directly". He says he is opposed to any possible third term for Vladimir Putin.

**29 December 2004** Economic Development and Trade Minister German Gref says Russia's GDP is expected to grow about 6% in 2005. He says in 2004 the Russian economy grew about 7%.

**30 December 2004** An article in *Vremya Novostey* analyses the 2005 state defence order.

**30 December 2004** Presidential Adviser on Economic Issues Andrey Illarionov warns of the possibility of revolution in Russia.

"Because, even though I have to say that I am, of course, an economic adviser and primarily work on economic issues, nevertheless certain tendencies in our current political and public life cannot leave anyone indifferent, not even economists. These tendencies are linked with the ongoing destruction, I would say amputation of the whole series of civic institutions that are responsible for providing feedback. I have already named them, these are the mass media, democratic institutions responsible for sending out messages, including messages of distress,

crisis, and catastrophes to the public and to the authorities. The amputation of such institutions leads to catastrophic consequences for the country and for the entire public. The consequences, compared to what they could be under an open system, occur on a much greater scale because in this situation, problems do not get solved. They accumulate, they become concentrated and sooner or later they are directed to the centre of the political system. A way out of such crises happens not through elections but through revolutions. If there are no normal, traditional, legal methods of solving the crises then nothing else short of revolution is left."

**30 December 2004** The deputy prosecutor-general of the Russian Federation (responsible for the Southern Federal District), Nikolay Shepel, says a total of 330 people, including 186 children, lost their lives as a result of the act of terrorism in Beslan.

**30 December 2004** The Ministry of Industry and Energy says that the assets of Yuganskneftegaz will be transferred to a separate company that belongs 100% to the state.

**30 December 2004** The government approves the state defence order for 2005 totalling R187bn. The state defence order totalled R148bn in 2004, R113bn in 2003 and R80bn in 2002. R62.8 will go to research and development, R112bn to series purchases and R11.8 to repairs of military hardware. Some 300 research and development projects are scheduled to be completed in 2005 and the armed forces will "receive the end products" of these. About 40% of the funds allocated for the purchase of hardware will be spent in the interests of the Ground Troops. The air force and the navy will receive about 20% apiece, while the rest of the funds, some R20bn, will be spent on interservice tasks of the armed forces, including the needs of intelligence, electronic warfare and logistic support.

**30 December 2004** The government approves a ruling stipulating the construction of an oil pipeline to of Nakhodka. The pipeline is expected to have an annual throughput capacity of 80m tonnes. The pipeline is to connect the town of Tayshet in Eastern Siberia with the town of Skovorodino on the Chinese border in the Russian Far East and from there continue to Nakhodka.

**30 December 2004** An article in *Kommersant* by Sergey Minayev discusses Russia's foreign debt. According to the Finance Ministry's data, the Russian external debt at 1 October 2004 has declined to 112.9bn dollars, down from 119.7bn dollars at 1 January 2004. In euro equivalent, the year started from a debt of 95.7bn euros, which declined by October to 91.7bn euros.

**31 December 2004** Rosneft claims that it is the owner of Yuganskneftegaz.

**31 December 2004** Defence Minister Sergey Ivanov outlines the main tasks for the MOD in 2005.

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- organizing closer coordination between all components of national defence
- maintaining the nuclear forces at a level that ensures guaranteed deterrence of aggression against the Russian Federation and its allies
- increasing the combat potential and improving the state of general-purpose troops, first of all, formations and units of permanent readiness.

Ivanov also says that in 2005 the MOD is expected to complete the drafting of a number of conceptual documents of long-term planning, which will determine future development of the military organization of the state. These include:

- Blueprint for developing the armed forces of the Russian Federation for the period up to the year 2021,
- Plans for the building and development of the armed forces of the Russian Federation for the period up to the year 2016,
- State programme of armaments for the period up to the year 2015, and
- Federal state programme for operationally equipping the territory of the Russian Federation for defence of the country for the period up to the year 2025.

The MOD states that as of 1 January 2005, the total armed forces, including the Railway Troops, will reach 1,207,000 servicemen and 876,000 civilian personnel.

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