Grybauskaitė’s Prague snub shows changing relations between US and Central Europe

-The Economist

London, Apr 9 (ELTA) - British weekly news magazine The Economist is surprised by the decision of Lithuanian President Dalia Grybauskaitė not to come to Prague, where President of the United States Barack Obama and President of Russia Dmitry Medvedev signed a strategic arms reduction treaty, and think that such a position of the head of Lithuania clearly showed the changing relations between the United States and Central Europe.

Obama administration’s closest European allies are oddly tricky to please. An invitation to the leaders of the 11 ex-communist members of NATO to dine with the president in Prague on April 8th was meant to repair a relationship both cherished and mouned about. Instead, indigestion was looming even before the meal was cooked. It should have gone smoothly. The president is in Prague to sign a new nuclear disarmament agreement with Russia. Even the twitchiest ex-communist countries don’t mind that. The choice of Prague, the capital of a key American ally in the region, over a neutral location such as Geneva, was meant to signal America’s continued commitment to the region’s security. Mr Obama could have simply headed home after the ceremony or travelled on to a meeting with one big ally. Instead, he chose to invite, admittedly at short notice, all of his ex-communist allies to talk.

The first sign of trouble was that the guest list looked odd. From the three Baltic states, the administration invited the presidents (Toomas Hendrik Ilves of Estonia, Valdis Zatlers of Latvia and Dalia Grybauskaitė of Lithuania). But from most of the other eight countries, it was the prime ministers. Admittedly, lines of responsibility between heads of state and government can be blurred. But the rationale for including the mainly ceremonial Baltic presidents but snubbing the Polish president, Lech Kaczyński, who has rather more clout, was mystifying.

While heads were being scratched, Ms Grybauskaitė dropped a small bomb. She would not be going to Prague, she said. Her prime minister, Andrius Kubilius, would stand in for her. Explaining her decision, Ms Grybauskaitė complained that the dinner would involve “no decision-making”, that it was organised by junior officials, that its outcome was unclear and that she would have only two minutes to talk one-on-one with Mr Obama. Coming from a country roughly one-hundredth America’s size, that showed a startling self-confidence, even by Lithuanian standards.

Next came a remark by a “senior US official” in the New York Times, that the president “will seek to impress upon regional leaders a new attitude toward Russia in which the outmoded fears of Russians hiding under the bed are a thing of the past”. That appeared to confirm the past”. That appeared to confirm the east Europeans’ darkest fears about America’s new coziness with Russia. Senior officials dealing with the region in the White House and the State Department categorically denied that any such thinking lay behind the dinner.

Clumsiness in American presentation of policy in the region is nothing new. Some Poles are still fuming about the botched announcement of a change in American missile defence plans in September 17th last year. That date, the anniversary of the 1939 Soviet invasion of Poland, matters there roughly as much as Pearl Harbour day does in America. The blunder followed a fruitful public protest from leading figures in the region, such as Vaclav Havel, about weakening transatlantic ties.

But since then the administration has worked hard to improve things. It has pushed through NATO contingency plans for the Baltic states, the alliance’s most vulnerable members, bringing a spectacular German flip-flop on this previously taboo issue. The new missile defence scheme is bigger and better than the one it ditched. And now the president, on yet another visit to Europe, has invited everyone to dinner.

The lingering difficulties reflect the real problem in the US relationship with central Europe, which is in the ingredients, not the cooking. The days of instinctive Atlanticism in the region are over, as Ms Grybauskaitė’s haughty stance, which would once have been inconceivable, demonstrates. The ex-communist allies’ contribution to solving most of America’s problems is marginal, at best. Europe itself is divided and lacks credibility in the eyes of busy Americans. Sorting out needs hard thinking and a long slog, not just a nice dinner.
Vilnius, Apr 7 (ELTA) - Lithuania must cut its public deficit down to 3% of GDP in 2012 to be able to adopt the euro at the beginning of 2014, the Prime Minister says.

According to Kubilis, effective, transparent and orderly management of public finances is an important task for the Government.

“The seek that the Lithuanian public debt would not be so big that we would not be ashamed at looking into the eyes of our children and grandchildren, because the debt increases very rapidly when public finance is managed improperly, especially if the deficit is not reduced, and here we have very clear goals - to reach the 3% limit established by the Maastricht criteria within the two coming years,” the Prime Minister said after the sitting of the Commission for the Coordination of the Adoption of the Euro on Wednesday.

Kubilis stated that in such a way the growth of public debt would be stabilised, borrowing conditions would not become worse and there would be the possibility of euro adoption after achieving proper management of public finance.

“We plan what we have reported today in the presentation of our approved Convergence Programme so that we could have properly managed public finances as soon as possible. This means that we could strive for euro adoption as of the beginning of 2014,” he said.

Kedys sighting in Spain

Vilnius, Apr 8 (ELTA) - The Spanish police are also searching for Darius Kedys, suspected of double murder.

His surname was mentioned in the Spanish media who reported that police, in cooperation with officials from Lithuania were liaising with potential associates who might be staying in Costa del Sol, in the southern part of the country.

70% of Lithuanians would not approve of gay parade

Vilnius, Apr 6 (ELTA) - According to the poll conducted by the public opinion and market research company Spinter Tyrimai, 70.3% of Lithuanian residents claimed they would not approve of a gay parade which is planned to be held in Vilnius in May; 69.8% of respondents said they did not know any homosexuals in person, although 20.6% suspected that there might be homosexuals in their environment.

According to psychologist Jolanta Reingardt, Lithuanians would like homosexuals to be invisible and not to make their problems public.

16.4% of the respondents would approve of the gay parade in May.

while 70.3% of those polled said they would not approve of the parade and 13.3% had no opinion.

69.8% of the respondents indicated that they did not know any homosexuals in person, whereas 20.6% suspected that there might be homosexuals in their environment.

Upon learning that a relative, friend or colleague is homosexual, 6.5% of the respondents said they would try to support and understand them, 42.6% would pay no attention to the fact, 12.5% of the respondents said they would stop communicating with the person, for 28.1% it was hard to even imagine a situation like that, while 7.6% said they knew a homosexual person.

Head of Lithuanian Post dismissed

Vilnius, Mar 31 (ELTA) - At its sitting on Wednesday, the board of AB Lithuob PociPas (Lithuanian Post) dismissed the company’s Director General Andrius Urbonas. Alynas Petrauskas, Head of company PociPas Tinklino Tamybos, was appointed Interim Director General as of this Thursday.

The events related to the head of Lithuanian Post unpleasantly surprised all of us. Today we have to ensure that all the processes that are carried out in the institution and aimed at stabilization of the financial situation, increasing of revenue and streamlining the company’s performance, would be further implemented successfully. This is the task for the interim head,” said Deputy Minister of Transport, Chairman of the Board of Lithuanian Post Rmvydas Vaikščiolas.

Lithuanian Post is the biggest and oldest postal service company with the biggest postal network. 735 post offices - in our country, 100% of shares of Lithuanian Post are owned by the state; its head is appointed and dismissed by its board.

19.6% of workers paid minimum or lower wages

Vilnius, Apr 8 (ELTA) - In October last year, compared with October 2008, the number of workers who received minimum wages or even lower pays increased by 6.4 percent and totalled 19.6 percent of all working people, an increase influenced by the worsened economic situation and fewer job offers.

The statistics almost reached the level of 2004, when there were 20 percent of low-paid workers.

Over half (58 percent) of the said workers who were paid minimum monthly wages had part-time jobs.

According to the Department of Statistics, the number of workers who had full-time jobs and were paid minimum wages, compared with the total number of workers employed for full-time jobs, accounted for 9.7 percent in the economic sector, 6 percent in the public sector and 12.2 percent in the private sector.

Nord Stream should not think of economic logic - Kubilis

Vilnius, Apr 7 (ELTA) - At the start of building the North-European gas pipeline Nord Stream, Prime Minister Andrius Kubilis calls for reflection on economic logic of the project after new shale gas fields have been discovered.

“The builders of Nord Stream should think what they are building the pipeline for and what economic logic lies behind that. Prime Minister Putin and I spoke about the radical change in the global gas situation changes due to the appearance of shale gas in the U.S. and elsewhere.” Kubilis said after the Government’s sitting on Wednesday.

The prime minister said he read about doubts on economic feasibility of Nord Stream in the influential British weekly The Economist.

As reported, the Gazprom project Nord Stream was already launched. The pipeline is intended to supply Russian gas directly to Europe, bypassing transit countries.

Prosecutors to demand additional documents on IAE closure

Vilnius, Apr 2 (ELTA) - The Prosecutor General’s Office will demand additional documents on the decommissioning of the Ignalina nuclear power plant (IAE) from the Energy Ministry.

According to Raimondas Petrauskas, Acting Prosecutor General, at a meeting on Friday prosecutors discussed all intelligence investigations and the material of the National Audit Office which contained specific facts related to offences.

“Attention was paid to the functions of the Energy Ministry on monitor supervision of the plant’s closure work,” Petrauskas said.

According to the current head of the Prosecutor’s Office, the meeting decided to formulate a request to the energy minister on the issue of the material and to hold the next coordination meeting at the IAE on Wednesday.

The Prosecutor General’s Office in conjunction with the Special Investigation Service, the State Customs Department and the Financial Crime Investigation Service are investigating the possible misappropriation of funds when closing the IAE and cooperate with the new IAE leadership to prevent any embezzlement of funds.
President expresses deep condolences to Polish people

President Dalia Grybauskaitė expressed deep condolences to the people of Poland over the plane crash near Smolensk that resulted in tragic loss of life.

A plane carrying the Polish state delegation, headed by President Lech Kaczyński, crashed near the Smolensk airport. President Kaczyński, his wife Maria and a group of high-ranking Polish officials were flying to commemorate the 70th anniversary of the Katyn massacre.

“I am deeply shocked because President Kaczyński and I met in Vilnius only the day before yesterday. Lithuania has lost a good and true friend,” President Kaczyński’s leadership represent a most important place in our bilateral cooperation.

“On behalf of the people of Lithuania, I offer my deepest condolences to the Polish people, to President Kaczyński’s family and to all those who are mourning their loss.”

“I hope that the relationship between Lithuania and Poland will continue developing and that we will be able to translate the meaningful initiatives launched by President Kaczyński into reality,” President Grybauskaitė said.

Kaczyński built links between brotherly Lithuanian and Polish nations - Degutienė

Vilnius, Apr 10 (ELTA) - Seimas Speaker Irena Degutienė has offered her condolences to Poland on the tragic plane crash in Russia. Degutienė noted that Poland’s President Lech Kaczyński, killed in the crash, was a person who had built and strengthened links between the brotherly nations of Lithuania and Poland by his work and human qualities.

“He was a most true politician. Together with the entire nation of Poles, we are full of overwhelming sadness over his death as well as the deaths of other prominent Polish nationals,” Degutienė said and wished strength and God’s comfort to the close ones of the victims.

According to preliminary data, the plane TU-154 which carried the Polish delegation to Smolensk crashed due to mistakes of the plane’s crew.

Polish and Russian officials said no-one had survived after the plane apparently hit trees as it approached Smolensk’s airport in thick fog, BBC reports.

Poland’s army chief, central bank governor, MPs and leading historians were among more than 80 passengers. They were flying in from Warsaw to mark 70 years since the Katyn massacre of thousands of Poles by Soviet forces.

Seimas to decide on PSD contributions - Sukys

Vilnius, Apr 12 (ELTA) - The decision on contributions of some residents who have not paid their compulsory health insurance (PSD) fees will have to be made by the Seimas in the form of law amendments, Health Minister Raimondas Šukys said.

After the meeting of the ruling coalition partners on Monday, the minister stated that the present situation demanded both political and legislative solutions.

“One of the possible variants that have been discussed seems to be the simplest one, but I think that it would be unfair to the major part of taxpayers to write off the outstanding payments to the ones who have not performed certain duties under law. This variant has been rejected after discussion,” Šukys said.

According to the health minister, the working group will be proposed to consider the possibility of taking certain political decision.

“We plan to propose the postponement of payment of the outstanding health insurance fees until 2011, to set clear obligations in law that the persons who have departed from Lithuania would declare their departure by a specific date and would indicate when they have left the country and whether they have been insured in other countries, whether these are the countries of the European Union or not. I think that the residents who have no income and are not registered with the Labour Exchange should be informed about the date by which they must register with the Labour Exchange so that all the people of Lithuania would be included in the PSD system,” Šukys stated.

Budget gathers LTL75.6 million more than expected

Vilnius, Apr 13 (ELTA) - Over March this year the state budget collected 1,193 billion litas (€333.8 million), an increase of 75.6 million litas (€21.88 million) from the projected revenues, the Finance Ministry reports.

The state budget collected most revenues from value added tax (VAT). Over March, revenues from VAT amounted to 513.4 million litas (€148.63 million) compared with the expected 411 million litas (€118.98 million).

Over the said month, revenues from 139 million litas (€40.24 million) were received from income tax as compared to the projected 168 million litas (€47.89 million). In March 267.4 million litas (€77.41 million) were received from excise duties as compared with the planned revenues of 307.3 million litas (€88.96 million).

In March, the state budget collected 1,443 billion litas (€417.76 million) together with the funds of the European Union and other countries.

The approved draft budget for 2010 is expected to collect revenues of 21.27 billion litas (€6.157 billion).

20 Years to Boredom

Aistis Daukštas

‘BORING LITHUANIA’ was Edward Lucas’ generous remark concerning Lithuania’s 20 years of independence.

To achieve such a state from where the country was when he first arrived as Lithuania Visa holder 0001 in back 1990 was a ‘significant achievement’. When even making an international call would take hours or even days to arrange.

Edward Lucas, journalist at The Economist addressed a packed half of over 250 at the British Chamber of Commerce AGM recently. The event was attended by Prime Minister Kubilius, ex-president Adamkus, ministers of parliament and many other distinguished guests.

Briefly referring to his new book The New Cold War Edward Lucas called on Lithuania and her neighbours to do more to defend themselves. Not just from a physical threat but from online attacks and in the sphere of energy as well.

Being a member of NATO, he said, was not just a responsibility in Afghanistan and elsewhere but a duty to defend oneself closer to home and not expect America or NATO to do it for you. He went on to recommend a five country Baltic alliance including Finland to Poland.

He further suggested that the three Baltic states of Estonia Latvia and Lithuania should do more so that they do not fall for the old divide and rule strategy where one country is promoted by Russia while the others are either degraded or physically sanctioned for one reason or another, with the pattern randomly repeated on an ad hoc basis.

The day after his presentation, Vilnius International Airport hosted a ceremony during which Edward Lucas handed over his passport - stamped with the first Lithuanian visa, to Sarunas Adamcavicius, Lithuania’s foreign affairs vice-minister. For the next year, it will be on exhibit in a glass case in the Vilnius airport.

Lithuania proclaimed independence on 11 March 1990, and on 28 March 1990 Edward Lucas took the only international flight to Lithuania which originated from Berlin.

“It was especially important that Lithuania started controlling its state borders and implementing foreign policy,” Edward Lucas went on to say, his Lithuanian visa was “in a certain sense one of the founding documents of Lithuania’s diplomacy” and one of the symbols of Lithuania’s statehood from that period.

National, Personal and Political Tragedy

While most of the focus has been on the death of the Polish President Lech Kaczyński, there were also many other tragedies aboard the plane who will also be dearly missed.

Kaczyński’s wife, Maria, along with the national bank president, deputy foreign minister, army chaplain, head of the National Security Office, deputy parliament speaker, Olympic Committee head, civil rights commissioner and at least two presidential aides and three lawmakers were also aboard the flight, the Polish foreign ministry said.
Lithuanian women now more trendy, less stylish

Milda Bublys

I was raised in the suburbs of Michigan, and, like my heritage, owe a lot of my fashion influence to my immediate family. My father is a fiercely methodical and closet history buff. He knows a little about everything, and although lovingly curmudgeonly, I'm only beginning to understand and appreciating the fact that he forced so much (non-fashion) reading on me when I was a young age. All the more reason for me to ponder the origins of the Lithuanian language to Sanskrit as I sew on a button to a new creation.

My mother, never without a wink and a gimmicky idea, had always been a Jane-of-All-Trades and taught me to be tremendously resourceful. She's also contributed her wardrobe (willingly and sometimes not) to my growing fashion archive.

My sister, Lina, really the sweetest and funniest girl ever, has a heart made of solid platinum and has supported me since I was making clothing for her instead of my choice today - I'm wearing an H&M top from NYC, amber necklaces from Lithuania, jeans from Italy, and a scarf I picked up in Bali!

It was quite a long time between this and your last trip to Lithuania - do you see any changes in the Lithuanian look?

Yes, but sadly, I think it's due to mass consumerism. Though Lithuanian women are more trendy and fashion-forward than I remember previously, what I find most of all is disposable fashion. I feel like there used to be more of a market for carefully crafted clothes. Girls couldn't afford much, but the one piece they bought sustained them for a long time and they invested in it, just accessorizing it differently everyday. Now I feel like places like Zara have invaded individual tastes and made them look more like everyone else.

Maybe you got some inspiration from your visit here?

I'm a huge fan of the Baroque churches in the Old Town. Particularly Sv. Onos, which looks like a big pink Barbie cake with white icing to me. The other thing I found amazing was the graffiti everywhere - so colourful and decorating the bleak winter landscape like little coloured gems tossed into the snow.

What are your impressions of the Lithuanian fashion industry?

Some years ago, I attended some fashion shows and it seemed that there was a small, burgeoning industry. The designers are most certainly trying to prevail here as it's geographically tough for the better part of the year, I believe the inclination to create great outerwear that keeps you warm, but can still look amazing, is key. On my recent trip to Vilnius I kept chasing down women on the street to take pictures of their fur - from herringbone designs to coloured collars, it's been the most interesting I've seen.

As a country that is shrouded in ice for the better part of the year, I believe the inclination to create great outerwear that keeps you warm, but can still look amazing, is key. On my recent trip to Vilnius I kept chasing down women on the street to take pictures of their fur - from herringbone designs to coloured collars, it's been the most interesting I've seen.

Who are some Lithuanian fashion designers who in your opinion could compete in the world's fashion market?

I've heard quite a bit about Juozas Statkevičius, and it seems he quite the favourite. My sister told me that he is a neighbour of ours in Vilnius! I'm a fan of his clothing and a big, big fan of his fragrance. I also love Ramunė Piekautaitė - she really understands the drape of cloth and creating beautifully constructed clothing.

New York is one of world's fashion capitals. I guess that means that there are plenty of opportunities for fashion designers, but on the other hand does this also mean that there is a lot of competition?

New York, by definition, is extremely competitive. Even when you ride the subway you are competing with people for a seat, in the café to be served first, at the grocery to get the freshest produce. You're always fighting for something. The fashion industry here is quite the same way - which gets tiring over the years. I think it's important to find your voice as a designer and keep at it. What I've been trying to do is carve out my own niche and make specialty items that please me, and hopefully appeal to a small group of women as well.

You were born in the USA, but grew up in a Lithuanian family. Are there any links to Lithuania in your creations?

As much as I have tried, my culture is always a part of me. There's a beautiful storytelling in Lithuanian, particularly its pagan fairy tale past and the legends of Archduke warriors that dot history. Also the crafts like the egg-painting (margaičiai) and things made of straw and pottery have always intrigued me. Things that I am working on now involve the beautiful patterns of my grandmother's margaičiai on clothing and jewellery.

Spring is already here. What would you recommend for those who want to follow the latest fashion trends?

I'm not a trend person at all! But what I do recommend is that you wear colourful clothing, something that brings out your inner sparkle and makes you confident and happy. If you want to follow what the magazines are telling you, take those ideas and make them your own. There's much more pride in being able to love and be yourself!

Am I right in thinking that for personal style is more important than fashion?

Certainly personal style! Fashion is ever-changing and is wonderful as you can put a new ‘hat’ on everyday. There's so much visceral beauty in these items that we wear, but you have to be careful not to take anything too seriously or we end up looking like a cookie-cutter stamp with an expiration date.

This can be expensive and exhausting - what is a better devotion of energy is to pick things that look flattering on you, with colours and details that speak of your personality. Sometimes it's even better when you get it all wrong - accidents make the best inspiration to try again and get it right the next time.

Deimante Dokšaitė

American Lithuanian Milda Bublys is currently working as a teacher at the Fashion Institute of Technology in New York, which is also where she studied for four years.

Milda says she loves working with students as this is where it all begins - the excitement, the energy and fresh ideas - not jaded by the negativity of the fashion world. It can be very energizing for her. “The remainder of my time is split,” - adds Milda. One half of her time is spent crafting one of a kind pieces for discerning clients with her clothing line at www.mildabelubys.com and also working on a new collection of wearable art/jewellery with the painter and her partner, Sarah Schrift. www.sarahandmilda.com

“Everything I do is very special, handmade and using resources that are repurposed, vintage or donated. Not only do I feel better about what I am doing for the earth, but it removes a lot of clutter from my studio and my life when scraps of fabric become embellished appliqués on a new necklace,” explains Milda.

Recently she went a couple weeks in Lithuania. LTnews asked her to share her impressions about Lithuanian clothes, to compare them with New Yorkers' style and to give us some tips about original style and what to wear during the spring season. We also wanted to know how her Lithuanian background influences Milda’s work.

You visited Lithuania recently. What would you say about Lithuanian clothes?

Can you compare Vilnius and New York?

I grew up in Michigan, going to Lithuanian school and hearing all about my heritage via history books and drawings of the old Lithuanian farm life. So I had a very different picture in my head - I seriously thought that every girl in Lithuania dressed like the olden days - in long skirts with aprons, heavy linen blouses and vests, all from rough-woven cloth. Not so as it turned out!

I've visited over a dozen times over the years, what I've noticed is that Lithuanian women have a wonderful look for bringing something new and craft into their everyday wardrobe. Whether it's a special hand-sewn stitch, some embroidery, or a pin and scarf that changes up their everyday look, it looks like it has a handmade touch.

New Yorkers are a special lot - as our city is really and truly a melting pot, the average fashionista here dresses like a UN representative - with little influence of two cultures or more in her everyday look. Take
Eastern European Funk

Inculto will be representing Lithuania's honour at this year's Eurovision. Eastern European Funk is the song that will carry the nation's pride to the Eurovision finals which will be held between 25 – 29 May in Oslo, Norway.

Jurgis Didžiulis, the Columbian-born lead singer of Inculto takes his particular mix of talent and energy to Eurovision for the first time, after being overshadowed by LT United a few years back with their equally deserving entry. Welcome to Lithuania!

Didžiulis and Inculto made quite an impression in the finals of Lithuanian qualifying for Eurovision this year by ending their entry; Welcome to Lithuania.

- Songs

Inculto have also managed to bring a bit of politics into Eurovision, with their song lyrics being scrutinised by various authorities to ensure their 'suitability' for the contest.

In part, the lyrics include: "Yes Sir we are legal we are, though we are not as legal as you/No Sir we’re not equal no, though we are both from the EU/We build your homes and wash your dishes/ Keep you your hands all soft and clean/But one of these days you’ll realise Eastern Europe is in your genes".

Further they promise to bring their instruments, play live and get the audience dancing, instead of relying solely on the pre-recorded fluff that is so necessary in the heavily choreographed bits of theatre most countries bring to the stage.

Here’s hoping that he’ll go a few better than LT United's sixth place a few years ago, or for bragging rights at home, better the 13th place that Didžiulis' wife Erica Jennings took with Skamp back in 2001.

Vykinas Každailis and team win two BAFTA awards

The Butterflies team, made up of five programmers and artists, picked up the "Ones to Watch" prize at the BAFTA Videogames Awards Ceremony in London recently.

The team also took the Best Game prize at the BAFTA Scotland New Talent Awards in Glasgow for their game ‘Shrunk’ – an imaginative and unusual fantasy in which players are reduced to the size of a salt shaker to battle against Dr Shockalot and to rescue the Kleinoscope – a device which miniaturizes the world around you at will.

“We’re overwhelmed, but so happy. The competition was so tough and the other teams were just brilliant. To win one BAFTA is very special, but to win two in one night is just fantastic,” said Vykinas Každailis, Butterflies’ team leader and son of the well-known Lithuanian artist Arvydas Každailis.

Vykinas was in London with team-mates Andrew Macdonald, Jacek Wermowski, Stuart Kemp, and Michael Cummings to receive the “Ones to Watch” BAFTA, while close friend Iain Smith attended the BAFTA Scotland event in Glasgow to receive the Best Game trophy on The Butterflies’ behalf.

There was a surprising twist to the London ceremony, because winning team member Andrew Macdonald had in fact designed the “Ones to Watch” trophy three years ago when the award was first established.
Number of Vilnius Airport passengers up 24%

Vilnius, Apr 2 (ELTA) - In March, Vilnius International Airport (TVOU) served 112,700 passengers, an increase of 24% year-on-year.

In the first quarter of this year, the volume of passengers at the airport grew by 10% compared with the same period last year.

Over Q1 of 2010, compared with Q1 of 2009, the number of flights operating to and from Vilnius Airport rocketed by 25%.

The freight volumes at the airport went up 29% annually.

The market is recovering, and this makes an impact on the airport’s results. At the beginning of 2010, new flights to Milan, Berlin, Munich, Paris, Amsterdam, and Rome were launched. The number of flights to Copenhagen has increased.

With the summer flight schedule now in place, airlines from Edinburgh, Hamburg, Heraklion, Ibiza, Palermo, TVOU CEO Tomas Vaisvila said.

According to Vaisvila, another wave of new flights is expected in May. There will be more flights to Kiev, Copenhagen, Oslo, Dublin. Rights to Grona will be resumed, and new flights to Heraklion, Ibiza and Palermo in the summer.

In the first three months this year, the most popular destinations were Copenhagen, Riga, Prague, London, Dublin, Frankfurt, Helsinki, Warsaw, Moscow and Vienna.

Vilnius Airport plans to serve 2 million passengers this year.

New summer season – new destinations from Vilnius

Lithuanian airline company Start Airlines has launched a new destination from Vilnius to Amsterdam (Netherlands). In May the company will start direct flights to Dublin and will launch summer-season flights to Gerona (Spain).

The airBaltic company is starting this season with a new flight from Vilnius to Hamburg (Germany), also the company has added flights from Vilnius to Dublin, London (Gatwick) and Tallinn, and since May – to Oslo.

The summer season will have more frequent flights from Vilnius. Starting with May, Scandinavian Airlines will fly to Copenhagen three times per week. The company Aerosvit will operate flights to Kiev every day. LOT Polish Airlines will fly to Warsaw twice a day on a daily basis.

The company airBaltic has increased the frequency of flights to Paris and Berlin from 3 to 4 times per week. Lufthansa has traditionally increased summer flights to Frankfurt – twice per week. Norwegian Air Shuttle adds Oslo 3 times a week, and Start Airlines from April will operate flights to London six times per week.

At present 15 airline companies are operating flights to and from Vilnius to 24 directions.

Moody’s improves rating outlook for Lithuania and Latvia

The governor of the Bank of Lithuania Reinoldijus Sarkinas said in Seimas on Friday that there were only a few cases when homes were taken away from bank clients.

One bank explained: “two people were evicted from their homes due to their bad loans. One case is when the client was imprinted, another – when a divorcing couple didn’t share their commitments. Another 578 clients were allowed to restructure their loans, to postpone the payments.” Sarkinas said, refusing to name the bank that provided the information.

“Reorganizing the loan, the bank postpones the term of it, allows the client to suspend payments for a while – it depends on banks,” said Chirkinas, aiming to prove that banks are not depriving their clients of their last shelter.

Chirkinas said in parliament in March that banks have not taken a single home from a client and that they have promised not to, if the client is not avoiding his or her commitments malignantly.

Later, the banks corrected this data. The Lithuania’s Commercial Banks Association announced that its members have repossessed three homes until the beginning of the year. But it revealed that no new homes are deprived by secondary bank ventures, which are established in all large banks.

The economy contracted 16.9% in the fourth quarter.

Lithuanian Prime Minister Andrius Kubilius cut budget spending and increased taxes to save about 9% of GDP last year.

The government’s plans to reduce the deficit below 3% of GDP by 2012 “may be overly ambitious,” Moody’s said.

Optimism about an economic recovery in Lithuania is growing after GDP grew for two consecutive quarters from the previous three-month period. The improving economic situation in western European markets is boosting confidence about an export-led recovery.

The economy grew a seasonally adjusted 0.5% in the fourth quarter after rising 1% in the previous three months, the statistics office said. In the year, output shrank 12.8%, it said.

Swedbank to issue three times more housing loans than last year

Vilnius, Apr 8 (ELTA) - In the light of the improving situation in global financial markets and Lithuanian economy starting to recover slowly after the deep recession of 2009, the credit market in the country starts growing again, note Swedbank’s specialists.

According to the bank’s press release, the number of housing loans in February 2011 increased by almost three times as compared to the same period last year.

“In absolute terms this growth is not that high, since in the beginning the real estate market was almost stagnant, however, the trend is already visible,” says Head of Swedbank Financing Department Jūratė Gumuliauskienė.

According to the bank’s press release, in March, Swedbank targeted to issue more than doubleable terms’ loans. From now on, the customer who is buying or building housing will have to invest only 25% of the loan, while the bank will finance up to 80 percent of the housing’s value.

In 2009, the share financed by the bank went from 30% to 60%.

“We note that the customers act much more responsibly when taking a loan – they borrow only when the house is something more than the bank; will finance up to 80 percent of the housing’s value.”

The average size of the loan stands around 155,000 litas. Most often, standard flats in new construction homes are bought, and the average loan terms stands at 25 years.

Tax policies will be in focus again during the coalition changes

Vilnius, Apr 7 (ELTA) - The ruling coalition of change will decide on possible tax law amendments, Seimas Speaker Irena Degutienė said.

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Statistics Lithuania informs that the average gross monthly earnings in the whole economy (less individual enterprises) in IV quarter 2009 was LTL2118.3 and compared to III quarter 2009 remains almost unchanged from LTL 2051.6.

The most notable decrease in average gross monthly earnings in the whole economy (less individual enterprises) in IV quarter 2009, against III quarter 2009, was seen in education (4.3%) and public administration and defence; compulsory social insurance activity (4.1%), of which legislative and executive activities of central administrative institutions was 5.2% (LTL 106.3 million).

Over a year, average gross monthly earnings (IV quarter 2009, against IV quarter 2008) decreased: in the whole economy by 8.7%, in the public sector by 6.4% and in the private sector by 8%. The largest decrease was in construction (15%) and public administration and defence; compulsory social insurance activity (18.1%), of which compulsory (state) social insurance activity by 26.6%, real estate operations by 11.8%.

IV quarter 2009, the average number of employees was further decreasing (part of employ- ees was on unpaid leave, worked for shorter working time periods), which decreased the average number of employees, against III quarter 2009, decreased in the whole economy by 3.2%, against IV quarter 2008 – by 12.4%, while the number of employees in full-time units decreased by 4.6 and 15% respectively.

Average net monthly earnings in the whole economy (less individual enterprises) in IV quarter 2009 was LTL1647.5, in the public sector LTL1599.3. In IV quarter 2009, against III quarter 2009, average net monthly earnings decreased; in the whole economy by 1.1%, in the public sector by 3.7% while in the private sector they remained unchanged. Against IV quarter 2008, they decreased: in the whole economy by 7.1%, in the public sector by 8.8%, in the private sector by 6.4%.

Balance of Payments narrows in February

In February 2010, the Current Account Balance on the Balance of Payments of Lithuania recorded a deficit of LTL 36 million.

Compared to January (when the deficit on the current account balance was LTL 133.2 million), the deficit decreased by LTL 97.2 million. In February, the deficit decrease was driven largely by a decline in the foreign trade balance deficit.

The deficit on the current account balance for January-February this year totalled LTL 169.3 million.

In February 2009, the current account balance was in surplus of LTL 82.4 million, while in January-February it posted a deficit of LTL 187.8 million.

Foreign direct investment up 5% in Lithuania in 2009

Statistics Lithuania informs that, based on provisional data, foreign direct investment (FDI) in Lithuania as of 1 January 2010 amounted to LTL 33.28 billion, which is 5.3% more than as of 1 January 2009 (LTL 31.59 billion).

FDI per capita amounted to LTL 9997 (as of 1 January 2009, LTL 9431).

The largest investment was from the Swedes – LTL3.93 billion (11.8% of total FDI), Polish – LTL3.49 billion (10.5%), Danes – LTL3.47 billion (10.4%), German – LTL3.45 billion (10.4%), Dutch – LTL2.27 billion (6.8%), Estonians – LTL2.16 billion (6.5%), Russians – LTL2.15 billion (6.5%), and Finnish – LTL1.58 billion (4.7%) investors.

Direct investment from EU-27 countries amounted to LTL26.2 billion (78.7% of total FDI), from CIS countries – LTL2.33 billion (7%).

As of 1 January 2010, direct investment of Lithuanian enterprises abroad to LTL5.56 billion, which is by 13.9% more than as of 1 January 2009 (LTL 4.8 billion), The largest direct investment of Lithuanian enter- prises – LTL 1.16 billion (20.9% of total direct investment abroad) – was made in the Netherlands, while direct investment in Latvia amounted to LTL 1.06 billion (19%), Russia – LTL 0.53 billion (9.5 per cent), Poland – LTL 0.43 billion (7.7%), Ukraine – LTL 0.38 billion (6.9%). Direct invest- ment of Lithuanian enterprises in EU-27 countries amounted to LTL 4.2 billion (75.5 per cent of total direct investment abroad), in CIS countries – LTL 1.1 billion (19.8%).

The largest direct investment of Lithuanian enterprises abroad was made in real estate, renting and business activities – LTL 2.3 billion (41.4% of total direct invest- ment abroad), while direct investment in wholesale and retail trade amounted to LTL 0.94 billion (19.6%) of total FDI, financial intermediation – LTL 0.79 billion (14.3%), manufacturing – LTL 0.71 billion (12.7%), transport, storage and communication – LTL 0.47 billion (8.5%). In manufacturing, the largest investment was made in the manufacture of chemical products (45.8% of total direct investment in manufacturing abroad) and food products, beverages and tobacco (21.3%).

Main investing countries (beginning of the year)

<table>
<thead>
<tr>
<th>Country</th>
<th>1 Jan 2009</th>
<th>% Change</th>
<th>LTL billion</th>
<th>1 Jan 2010</th>
<th>% Change</th>
<th>LTL billion</th>
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<tr>
<td>Total</td>
<td>31.59</td>
<td></td>
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<td>100</td>
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<td>8.7</td>
<td>3.47</td>
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<tr>
<td>Germany</td>
<td>3.18</td>
<td></td>
<td>10.1</td>
<td>3.45</td>
<td>10.4</td>
<td>8.5</td>
</tr>
<tr>
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<td>8.7</td>
<td>2.27</td>
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<td>7.6</td>
<td>2.16</td>
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<td></td>
<td>5.3</td>
<td>2.15</td>
<td>6.5</td>
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<td>Finland</td>
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<td>5.5</td>
<td>1.56</td>
<td>4.7</td>
<td>-27.7</td>
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<td></td>
<td>6.3</td>
<td>1.43</td>
<td>4.3</td>
<td>-27.7</td>
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<tr>
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<td></td>
<td>4.0</td>
<td>1.24</td>
<td>3.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>Other countries</td>
<td>7.33</td>
<td></td>
<td>23.1</td>
<td>8.11</td>
<td>24.4</td>
<td>10.7</td>
</tr>
</tbody>
</table>

PKN Orlen to decide on Lithuanian unit in April

Warsaw, Apr 6 (Bloomberg-ELTA) – PKN Orlen SA, the state-controlled company that is Poland’s largest oil refiner, will decide in April whether to sell it to a Lithuanian company, Gazeta Prawna reported, without saying where it got the information.

The decision by Orlen, which in 2006 bought the refinery now called Orlen Lietuva, depends on talks with Lithuania’s government to help it improve fuel transport after pipeline delivery cuts that year increased the cost of sup- plies, the newspaper said.

PKN wants Lithuania’s rail- roads to reduce transportation rates, which are higher than the European average, according to Chief Executive Officer Jacek Krawiec. The company also asked the government to rebuild a 19 kilo- metre track section dismantled in 2008 that would cut the distance to neighbouring Latvia by 80 kilo- metres, the newspaper said.

The company isn’t seeking “special treatment” in Lithuania, Deputy Treasury Minister Mikolaj Budzanowski told the newspaper, adding that Orlen is “discriminat- ed against” in many areas, hurting results.

Vilnius - Edinburgh, London, Munich, Milan, Girona (Barcelona)
It’s Crunch Time

The LKL final series has begun, with the top eight of the local league all vying for the title. The first round is a best of three fixture with 1 v 8, 2 v 7 and so on. It’s almost inevitable that Lietuvos Rytas will meet Žalgiris in the final, but we have to go through the motions first.

Lietuvos Rytas v Žalgiris

Finishing top was Lietuvos Rytas who defeated Žalgiris in their final regular season encounter to finish with one more win than their arch rivals and secure the home court advantage for the final series.

With Rytas missing three of its top players a Žalgiris victory seemed more than possible, and after having their fair share of the lead for most of the game, the visitors from Kaunas seemed head ed for a win, with their three pointers especially potent early in the encounter.

The final quarter however proved the difference between the teams with Ryt as hitting the important shots and going on a 10 - 0 run to get ahead for the last time and finishing with a 90 - 81 win.

Coach Maskoliunas was dumb-founded after the game as to how Žalgiris had played so badly, and had no excuses, guessing that his players had taken the game too easily with Rytas’ injuries.

Kurtinaitis on the other hand was thankful for the win and praised his own boys for their total commitment. He said he still believed there was a chance of all three of his injured players returning, with Biblica abroad getting further opinion on his injuries, Jamantas hopefully a week or two away, and Baynes about the same.

Igor Milosevic had probably his best game with Rytas scoring 20 points and dishing out nine assists, while Gecevičius hit the clutch shots as usual on his way to 17 and Zavackas and Ba jamovas adding another 13 each.

For the visitors Žalgiris ended up with 20, Watson 11 and 7 rebounds and Brown 11.

Žalgiris v Rudūpis

Starting the final series Žalgiris met Rūdupis, and coach Maskoliunas re sponded to the defeat by Rytas by jug ging his starting five. This proved of little value as the first quarter was a direct continuation of their poor form in Vilnius, with scores a paltry 14 - 13 after the first 10 minutes.

The team in green hit their stride in the second half restricting the visitors to just five points while adding 23 of their own to have the tie well in their grasp by half time, including an amazing 20 -2 run.

Počius was the standout with 23 points, and 5 from 5 from beyond the arc. Žalgiris was able to play their bench for much of the second half and went on to finish the game well on top at 89 - 54.

Lietuvos Rytas v Perlas

Finishing top meant that Rytas met their little brothers Perlas in the first round, but any thought of an easy night soon forgotten as Perlas showed that they meant business.

Perlas hit the shots by half time, including an amazing 20 - 2 run.

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