Valinskas’ behaviour should be assessed by ruling majority - President

Vilnius, Apr 29 (ELTA) - President Dalia Grybauskaitė says that the ruling majority should assess the behaviour of the Leader of the Nation’s Resurrection party (TPP) Arūnas Valinskas, who has called the president a ‘boba’ (a hag or a resentful old woman).

“I mean that there should be no personal evaluations. I am confident that the ruling majority should assess that politically,” Grybauskaitė told reporters at the exhibition AgroBalt 2010 on Thursday.

The head of state refused to evaluate the TPP’s candidate for Deividas Staponkus for the culture minister. According to Grybauskaitė, questions about the new culture minister should be addressed to Prime Minister Andrius Kubilius.

“I cannot evaluate any candidates before their official presentation. I do not want to speculate on that. This is a political decision of the ruling majority,” the president noted.

Grybauskaitė also denied the talks that she had proposed inviting the Order and Justice Party to the ruling coalition.

Earlier this week, Valinskas said that the head of state would like to see the Order and Justice Party in the ruling coalition.

Seimas agrees to increase pensions next year

Vilnius, Apr 27 (ELTA) - The Seimas has approved the draft law amendments on raising the reduced pensions to the pre-reduction level as of the beginning of next year.

On Thursday, the amendments to the Interim Law of the Republic of Lithuania on Re-calculation and Payment of Social Benefits were favoured by 62 MPs, 37 MPs were against, and 43 MPs abstained from voting. The Seimas approved the opposition’s proposal to deliberate the document under urgent procedure.

Author of the amendment MP Vidmantas Žiemelis, elder of the Seimas group of the Christian Party, stated that bigger pensions would increase residents’ purchasing power and contribute to the national budget.

“More taxes would be collected; pensioners would feel stability which would allow them to get rid of their debts. It would ease social tension. By the way, pensions paid in Lithuania are lower than pensions in other Baltic States,” Žiemelis said.

According to the MP, the adopted amendments would prevent legal disputes over reduced pensions as organizations of pensioners are preparing for the coming marathon of trials. Žiemelis recalled that salaries of state politicians and civil servants were reduced only until 31 December 2010. As reported, on April 22, the Seimas did not agree to shorten the period of paying reduced pensions and other social benefits. Such draft law amendments were presented by the parliamentary group of the Christian Party. After its presentation, the law amendment was favoured by 57 MPs, 20 MPs were against it and 39 MPs abstained from voting.

The existing law stipulates that the reduced pensions and other social benefits are lower than pensions in other Baltic States,” Žiemelis said.

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One of the major recurring themes of this year in Lithuanian politics is the roundabout of ministers coming and going behind closed doors, at the will of the President. Some have fallen to allegations of corruption, some to budgetary charges of shoddy auditing, and yet others have claimed to have left their posts on their own volition.

Why the greater turnover in mini- terial posts? Is it really the case of corruption, greater transparency, higher standards, or is it their lower quality of work?

There is a changing political cli- mate. The changing of ministers is not so much a case of less corruption and more transparency. We know Lithu- arians have a low trust of politicians and now people are more accountable than before. It is whether that can be perceived as greater accountability or I’m not sure.

It has not come and gone be- fore. What I think has happened is that the profile of anti-corruption has risen with this president, and espe- cially with the STT (Special Inves- tigation Service) which has become more active, presenting the public with cases daily, that gives a clear signal to the public that enforcement has become stronger.

And that a bit more cautious. It is one thing to see these cases, but we have not seen the results yet. I would like to see the statistics on cases which have concluded with resolutions that are understandable and acceptable to the public.

You see the same people accused of corruption walking the streets and smiling, their cases later with appa- rently no damage to their reputation.

The STT needs to make clear that corruption is a punishable offence. We have seen over the years there is a gap, that people think that they are com- mitting crimes to avoid prosecution and not being punished.

Just 10 or 15 years ago a company could come to Lithuania and bribe their way through business, saying that they would buy that, but not me.

In this issue we speak to Transparency International, Lithuanian Chapter.

This means that foreign companies may have no experience with the corruption through film this week, 3-7 May, “Transparency International” Lithuanian Chapter (TILS) is organizing the corruption themed film festival ‘Brave Word’. It will be held at Pasaka.

The Films of the Festival:

Directed by Martin Scorsese, 2004
4 May, 17.00
Directed by Tony Gilroy, 2007
5 May, 17.00
Directed by Martin Scorsese, 2006
6 May, 17.00
Directed by Steven Soderbergh, 2009
7 May, 17.00

The Brave Word program will include movies directed by famous directors Martin Scorsese, Steven Soderbergh, José Padilha and Tony Gilroy, and will try to highlight their hidden meanings, as well as their potential to give a new, different and exciting view to the audience.

Directed by Martin Scorsese, 2004
Directed by Tony Gilroy, 2007
Directed by Steven Soderbergh, 2009

AtPasaka, www.kinopasaka.lt
Tel: (85) 261 15 16
**Former Vilniaus Vandenys CEO Norkus arrested for a month**

Vilnius, Apr 28 (ELTA) - Vilniaus Vandenys CEO Darius Norkus has been arrested in custody for a three-month detention.


The pre-trial investigation was launched after the officers found evidence that the heads of Vilniaus Vandenys were involved in alleged bribery and abuse of their positions to organize and carry out public and service contracts. It was reported that serious breaches had been detected in 26 public contracts out of the 31 examined.

Presently, adviser to Vilnius mayor Darius Indrānas acts as the director general of Vilniaus Vandenys.

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**Optimism suppressed because of high unemployment**

Vilnius, Apr 30 (ELTA) - In April, compared with March, Lithuanian residents were more optimistic about the economic outlook and prospects of their household financial situation, but predicted a high increase in the unemployment rate. Last month, consumer sentiment reached -37 and remained unchanged compared with March.

According to the Department of Statistics, 3% of the respondents said that their financial situation improved over the past year. 68% stated that the situation worsened, while 29% of those polled said that the situation remained the same (2, 69 and 28% in March respectively).

In their evaluation of possible changes in their household budget, 10% of the respondents expected an improvement, 38% of the respondents feared that it would worsen, while 48% of the respondents thought that their financial situation would remain unchanged over the coming 12 months.

When evaluating the economic situation in the country, 78% of the respondents said that it deteriorated over the past year, 3% indicated that the situation improved, and 19% of the respondents said that the economy had been stable over the past twelve months (in March -89, 2, and 9% respectively).

In April, 16% of the respondents, compared with 15% in March, expected the economic situation in the country to improve slightly over the nearest 12 months. Among those polled, 45% predicted that things would get worse, while 37% were confident that the general economic situation in the country would remain stable.

A decrease in the unemployment rate was expected by 4% of the respondents, while as many as 83% of respondents predicted a further growth in unemployment in the coming 12 months.

Consumer sentiment in urban and rural areas differed slightly: it stood at -37 in urban areas and at -39 in rural areas.

In April this year, compared with April 2009, consumer sentiment went up 13%. This increase was determined by more optimistic prospects for the economy and household financial situation.

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**Impeached president Pakasas expects justice**

Vilnius-Strasbourg, Apr 28 (ELTA) - On Wednesday, the Grand Jury of the European Court for Human Rights (ECHR) heard arguments from the representative of the impeached president, Rolandas Pakasas, on restoration of violated civil and political rights.

The public hearing also involved representatives of the Lithuanian government and private attorneys for the case, for which the legal acts adopted in 2004 in Lithuania did not infringe the Convention for the Protection of Human Rights and Fundamental Freedoms.

“During one-and-a-half-hour public hearings, my representative stated arguments on the admissibility of the appeal, the alleged violations of the right to a fair trial and the right to be elected to the parliament from other political posts,” Pakasas said.

The politician said that he expected the court to adopt a ruling in two or three months and to restore justice.

“I will be honest, the court ruling is very important to me as a person and as a politician. It is important to my family, relatives, and friends. On the other hand, it is also important as it will determine whether similar political undercuts under the guise of legal matters will be possible in other countries as well,” Pakasas said.

The politician emphasised that he did not litigate against Lithuania, but against the then government, which organised and carried out the overture to remove the head of state who had been elected by people in a legitimate way. The state of Lithuania and the Lithuanian government are two different things, no matter how good the latter believes it is.”


“The court hearing in Strasbourg has proved my belief once again that a person should not be afraid of defending his own rights. Let us be persistent and pursue our goals always,” MEP Pakasas, leader of the Order and Justice party, said.

President Pakasas was impeached in April 2004 because of gross violations of the Constitution. Later on, the Supreme Court of Lithuania acquitted Pakasas of divulging a state secret.

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**Government decides on reformation of energy sector**

Vilnius, March 31 (ELTA) - Lithuanian energy sector will be divided into several blocks, that will be managed by the state through designated boards and supervisory councils. Energy minister Arvydas Sekmokas informed on Monday.

It is planned to separate electricity generation, transmission and distribution activities from each other. Companies providing services for energy sector will make up a separate group.

According to Energy Minister Arvydas Sekmokas, the company “Lithuanian Distribution Networks”, that will be formed by joining “Eastern Distribution Networks” and “VST”.

Transmission system operator “Litgrid”, that will be separated from “Lietuvos Energija”, and electricity market “BaltPool” will run the electricity transmission activities.

“Lietuvos Energija” will deal with the production of electricity.

The company “Visaginas Nuclear Power Plant” will continue taking care of the construction of a new nuclear plant in Lithuania.

According to Sekmokas, all the required reforms are expected to be completed until the end of this year.

**Estonia leads Lithuania because of religion**

(Estoniatribune.com) The Lithuanian weekly Veedis published an article indicating that the wealth gap between Estonia and the Baltic States of Lithuania and Latvia is widening.

Estonians are less keen to emigrate than Lithuanians and Latvians, that have higher monthly wages and the old age pensions (more than 20% higher than in Lithuania). Estonia’s GDP is higher than Lithuania’s, by 12%.

The sociologist Mindaugas Degutis saw religion as the major factor influencing this trend. He was quoted in Veidas as saying: “Estonians are Protestants and sociologist Max Weber already a 100 years ago noticed the link between Protestantism and economic development because the followers of this religion believe that they are redeemed if they are good at work. This could have contributed to the factors that have led to the leadership of the Estonians – a faster and more successful implementation of reforms, the discipline which is characteristic the Nordic countries, a political system more focused on pragmatic functioning instead of populist attitudes.”

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A Truly Thai Massage
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Ray Vyšniauskas

Last week, from 19 - 22 April, the Lithuanian Seimas hosted a joint sitting with the World Lithuanian Community. This is a twice yearly meeting of the Lithuanian Seimas with representatives from the World Lithuanian Community, so we can find out what they were up to locked up in the Constitu- tional Hall for all that time.

We managed to catch up with Vytautas Makščianis (pictured here with Speaker of the Parliament Atanas Degutienė), President of the Lithuanian American Community and Chairman of Lithuania's Parliament and World Lithuanian Community Commission, and he filled us in on the purpose and some of the results of their sittings.

"It was originally a meeting with Lithuanian Americans, and only in 2007 was it changed to include all the world communities, but still half are from the US and the other half is made up of representatives from the rest of the world. There is one from Russia, one from Canada, and three from Europe. We are looking to include Australia and South America in the future," Vytautas said.

These meetings are separate to the three yearly PLB Seimas sittings. There they elect representatives and decide on broad objectives, while these meetings are smaller and more oriented towards working on the details.

"These sittings were originally designed to help get a Western mindset into Seimas. We told them how to get into NATO, by allocating 5% of GDP into the defence budget, and armed with this information Brazauskas was able to make promises appropriate for the country.

"We’re able to give guidance on those sort of issues because our members have had many years experience working with the US Congress on behalf of Lithuania. It was good for Lithuanians to tap in and have the support of the US community, that was when the commission was most meaningful.

"And sometimes to be the best support you have to be critical," Vytautas added with a smile.

The first task of these sittings is to review resolutions that were agreed upon in previous commissions and evaluate responses from government groups which were established to work on those resolutions.

"The single overriding issue for the World Lithuanian Community at the moment is dual citizenship. Now we are looking at it from a different point of view – not as an issue of having two citizenships, but of losing your right to Lithuanian citizenship.

"We asked for a review by the Seimas Teisės Komisijos, and Statys Chūberas reported on progress. He is the Committee Chairman that will finalise the statute that will be voted upon in the Seimas, and suggesting how to proceed further. This was followed by a question and answer session from both sides.

"We were also addressed by Rimantas Žilius, vice-minister of Commerce. He presented the Lithuania government’s vision of economic development which was probably the best we’ve seen in 15 years. Not only pointing to dual citizenship, he was novel focussing on the strengths of the country the size of Lithuania and understanding their niche.

"He explained that they have to do three things. First to stabilise the current situation and not lose market share. And secondly, it seems like the commissioners tend to be service oriented, so we need to look to become an innovative service provider and develop, especially in IT and logistics as examples.

"If you bring in one strong group that acts as a magnet to attract others.

"Then we looked at what Lithuania can do in its current situation to stabilise it and do more in that area right now. The point was made that Lithuania, from a tax point of view, is not competitive. Taxes aren’t the problem, bureaucracy and contract rates are low by international rankings. And property registration is easy here.

"The investment friendliness of a country is what needs attention. It is an index that has been ranked in various different categories over the years, and you can compare what has improved and regressed, and there is an acceptance of those markers matter, and if you improve them, you improve the total situation.

"And so one is one area where Lithuania scores badly - changing zoning is almost impossible, or running power lines require so many agreements that make it so hard for business here. Lower taxes, but under the current economic restraint the government feels it can’t do much in that area right now.

"They have sent out tenders for building a nuclear plant, are looking at a liquefied gas terminal in Klaipėda, a gas pipeline through Poland and electrical bridges through Poland and Sweden.

"They want to expand and consolidate over the next five years, then link up with Nordic countries to make one common market.

"There is a very strategic kind of thinking now, looking to put policies and strategies in place.

This years sittings were disrupted by the Icelandic volcano and flight restrictions and seven of the delegates and speakers were unable to make the trip to Vilnius, but thanks to technol-ogy, this was not as big a problem as it might seem.

Vytautas said that in the business meeting Jonas Prunskis in particular was able to hook up from Chicago and provide valuable assistance to the committee. Even a number of US newspapers wrote about his involvement.

"We also had simultaneous translation which was always good and provided good communication for all. And it was all broadcast on the internet. This allowed the participation of very specific interest groups to various discussions.

"Occupation and reparation from the Soviet Union was also on the agenda. We had a speaker from the Foreign Ministry who told us what they are up to. There is still the problem of putting a value on the damages of Soviet occupation, some go as high as US$20 billion. Then you have to consider harm to individual citizens. Everyone is always scared of raising this issue, but it has been the same problem for the last 15 years.

"In the last 3 – 4 months they learnt that a number of East European country citizens and firms have filed claims in countries where they are Russian assets. Gazprom in the US is being taken to court for example.

An individual Lithuanian might have a good case because Russian occupation was never recognised by the US. International law doesn’t allow occupying powers to conscript citizens into their armies.

"The Lithuanian government is looking at a fund where citizens will be able to request support to follow these types of claims that they would not have resources to do so themselves.

"We talked about the licensing of professionals from the US, so doctors and others can work over here. We are trying to establish a procedure for this. We found that here the law is written, and then the bureaucracy decides – so there is no direct implementing procedure on how it needs to be done.

"We advised that the mechanism of going from law to implementation needs to be better. And this has become an issue in many areas, including the current issue.

"Basically a border guard could take away your passport and never give it back to you. You still need to have the court involved in these types of cases, there is too much responsibility on the individual. The court needs to be ultimately accountable and these issues need to be adjudicated under a court system," Vytautas said.

"One of the programs the World Lithuanian Community has been heavily involved in is an internship program which needed some clarification. With internships it is something done on a free basis? They feel there should be the possibility of the interns earning a wage, however small it might be.

And working in Lithuania raises other issues. A person of Lithuanian descent who has retained their right to Lithuanian citizenship can live and work in Lithuania for up to five years.

But again this is not so easy – how do you prove it? Blood test? So you still need to provide proof, a piece of paper of some sort as American pass- ports don’t list heritage. So you need a birth certificate, which comes back to similar citizenship problems.

Vytautas pointed out that the committee deals with other, more abstract issues, like how does being a member of the EU affect the development of the Lithuanian language and vitality?

"With so many different cultures and languages in the EU, laws are coming in and only one person is doing the translation and needing to have an understanding of terms used in business, technology and art for example. Linguistically these translations lose their full meaning and become watered down, and even dumm- ed-down, tending to use international terms rather than Lithuanian ones that evolve from use.

"The head of the Lithuanian language commission said that Lithuania is not unique in having a committee for the correct use of language and why it is so necessary for them to continue their work.

"We also touched on public information - what restrictions should be placed on TV and media? Censorship versus anonymity, where does free speech end and slander start?

"We suggested registering comments and that all portals need to be liable for what is in their space. Ac- countability is the direction to go. Adding a personal touch greatly increases accountability.

"The LPV World Channel was going to be discontinued. This is Lithuanian programming which reaches from the Urals to the Pacific Ocean, but the LPV board decided to cut it because of government budget cuts.

"For many Lithuanians living abroad this is the only link they have to goodwill cultural content, and the serv- ice is appreciated worldwide. We hope to at least have an internet serv- ice, but hope we can work on retain- ing the full TV transmission," Vytautas concluded.

In all Vytautas said it was a successful sitting, notwithstanding the problems caused by the Icelandic volcano, and both sides look forward to continuing this tradition of cooperation.
Culture

Lithuania and Latvia top US robot championships

Riga, April 26 (NOZARE.LV/ELTA) - The representatives of Latvia and Lithuania dominated the world’s biggest open robot championships in the US city of San Francisco, the business portal “Nozare.lv” was informed by Vitolds Birins, creative director of the firm “Terra Virtuala”.

The event, known as the Robot Olympics, features the largest autonomous (not remote controlled) sumo robots, and includes participants from 37 countries.

The two Baltic countries took the first four places, with first and third places both going to reigning European champion Vitalij Rodnov, of Lithuania. Latvia’s robot engineers won their first silver medal.

Between April 23 and 25, more than 300 robots competed in 53 different disciplines, including bowling, football, and hockey, as tests of dexterity, speed, power and orientation, as well as in kung-fu, sumo and paintball battles.

More romantically inclined robots also painted and played musical instruments. The most useful discipline for the audience was perhaps the robotic harp competition, but the most exciting event was the robot wars “almost without rules”, which took place in a special ring behind a reinforced glass screen said Birins.

Lithuanian pavilion at EXPO 2010 expects 3-4 million visitors

Lithuania is to open its pavilion to visitors at EXPO 2010 in Shanghai on 1 May. Lithuania is taking part in the global exhibition for the tenth time.

“The Lonely Planet, one of the world’s most influential travel guides, ranks the Curonian Spit in Lithuania as the second best beach in the world.”

In its report “Best Beaches to Swing a Hammock” The Lonely Planet writes: “This 98km lick of sand is a wondrous mixture of dunes (some as high as 200m) and forest – the smell of pine will impart an otherworldly quality to your hammock time. Wilhelm von Humboldt believed that a trip to the Curonian Spit was essential nourishment for the soul, and Thomas Mann was also a fan. It’s said that an off in 53 villages are buried under the endless, shifting dunes, making the Spit a kind of Baltic Sahara.”

Dahab, Egypt was voted the best beach, and the Curonian Spit held off challenges from strips of sand in Malaysia, Australia, Thailand and the US.

Metallica Rocks ‘em

Metallica won them in Lithuania recently with two concerts in Vilnius. Scheduled in the middle of the volcanic mayhem, the band had to travel to Lithuania by ferry and bus from Oslo.

The bus trip was the hardest of the 28 hour journey to Riga, not physically, but more of an emotional stress because 20 years ago their bassist Cliff Burton died when the Metallica tour bus at the time skidded and flipped in Sweden.

Ever the hardened professionals, Kirk Hammett led a heavy metal assault on the senses of Vilnius faithful with the aid of another eight busloads of sound and stage equipment that was much appreciated by both the young and old in the audience for the aging rockers.

Giedra Radvilavičiūtė at European Literature Night II

On 12 May, 2010, for one night, capital cities across Europe are presenting simultaneous celebrations of writing and reading on European Literature Night (ELN), and the British Library will once again host an electrifying evening of readings and conversation from some superlative writers, both emerging and established.

Come and meet this year’s authors Jacek Dehnel (Poland), Otto de Kret (Netherlands), Paolo Giordano (Italy), Georgi Gospodinov (Bulgaria), Julya Rob-Inovich (Austria), Giedra Radvilavičiūtė (Lithuania) and Milos Urban (Czech Rep.).

The event will be chaired by writer and presenter Rosie Goldsmith.

Giedra Radvilavičiūtė (b. 1960) is a prose writer and essayist. The Al-

In literature of the Text (in Best European Fiction 2010, ed. by Aleksandar Hemon, Dalkey Archive Press 2010) presents us with metafiction, which contains stories within stories highlighting the interplay between text and reality as well as offering flesh-and-blood characters caught up in a layered narra-
Lithuanian economy returns to decline on power plant closure

Vilnius, April 28 (Bloomberg-ELTA) - Lithuania's economy, which exited the European Union's second-worst recession last year, contracted in the first quarter from the previous three months after the closure of the country's only nuclear power plant.

The yield on Lithuania's 10-year dollar bond rose 0.18 percentage points to 6.49% on Wednesday.

The annual contraction was deeper than the projected 2% drop for the first quarter because of an "abnormally cold and snowy winter," the finance ministry said in an emailed statement. The ministry said it was sticking to its 2010 growth forecast of 1.6% and that output may expand an annual 4% in the second quarter. Producer prices surged 7.3% in the first quarter, driven by an increase in electricity costs after Lithuania ceased production at its Soviet-built nuclear plant.

"We are still more pessimistic in our forecasts on GDP than the Ministry of Finance and the central bank," Violeta Klyvienė, an economist with Danske Bank A/S in Vilnius, said in a note to investors. "However, on the key issues of economic outlook this year, there are no major differences. The general opinion is that this year's Lithua- nian GDP should be significantly better than 2009, but whether we will have a positive growth rate is still not clear."

Fuel prices, growing unemployment and government austerity measures are hampering consumer demand in the Baltic region. Lithuanian retail sales fell an annual 16% in February. Domestic demand is expected to remain weak in 2010 across the Baltic region as rising unemployment and wage cuts hamper consumption, Swedbank AB, the largest lender in the region, said on 22 April.

Lithuanian Prime Minister Andrius Kubilius's measures helped cap the public deficit at 8.9% of GDP, without having to resort to a bailout. VAT rates will rise 7% in June, and other spending cuts, the deficit might have swelled to 17.5%, he said on 15 April.

Exports are growing faster than the government's earlier expecta- tion and they may reach "pre-crisis" levels this year, Finance Minister Ingridа Šimonytė said in an inter- view of fuels from AB Orlen Lietuva, plastics and wood.

Industries output, representing about 20% of the economy, shrank an annual 4% in the first quarter, improving 1.6% in the fourth. Industries posted their first annual increase in 17 months in March.

The unemployment index fell in the first three months to 11.3% in March from minus 32% in December. An expected increase in export opportunities, the statistics office said on 31 March.

Lithuania creates Innovative Green Investment Scheme

Tuesday, April 6th Lithua- nian minister of Environment has signed legislation establishing the green investment scheme (GIS).

Lithuanian GIS is rather in- novative in the market as it is based on the revolving fund framework, where money from any carbon trade that is under the government's control is spent in the form of sub- sidies, soft loans and capital investments on projects like energy efficiency projects, thus ensuring the sus- tainability of the program.

Lithuania has a surplus of 50 million assigned amount units (AAUs) which it is willing to sell. In order to be eligible for international trade, Lithuania started to build its GIS when the new government came into power at the end of 2008. It is estimated that there is a 9 bil- lion assigned amount units surplus in the market and the demand for those AAUs vary from being around 2 billion. The competi- tion from buyers, mainly Japa- nese, South Koreans and the country was trying to create what the minister of Environment, Gediminas Kazlauskas calls a sustainable and self- re- gulating GIS.

Lithuania rejected the straight forward idea of short term fi- nancial instrument which relies solely on the revenues from surplus AAUs as trade, as seen in majority GIS in the market. "It took us longer as we have done a lot of research and considered many options for the scheme. We were aiming to create a sus- tainable framework that would serve in disbursing money gen- erated from any Kyoto units trade now and in the future as well as fitting within the framework of the 2013 – 2017 period of the EU's trading system from buyers, mainly Japa- nese, South Koreans and the country was trying to create what the minister of Environment, Gediminas Kazlauskas calls a sustainable and self- re- gulating GIS.

Lithuania created its GIS in order to reduce the direct cost of the rev- enue from carbon trade must go to energy efficiency, 40% to credit because of its failure to other climate change projects. The money is distrib- uted through subsidies, soft loans and capital investment ensuring fiscal returns to the program and self-sustainability. The system also puts a requirement for guaranteed CO2 reductions for every euro spent on financed projects.

Lithuania is advocating in- ternational carbon trade regula- tion to ensure the transparency of the carbon dealing. "We built our GIS as a carbon trad- ing tool to finance Lithuania’s long term climate change strat- egy that would underpin the way to green and sustainable economy,” Lithuanian Minister of Environment, Gediminas Kazlauskas said.

"Carbon trade is a very im- portant source of finance for the environmental projects especially in the face of economic downturn and we do not wish to see the market being disequilibrium or opaque dealings of other market players,” said Mr Kazlauskas.

Reduced VAT proposed for press

Vilnius, April 26 (ELTA) - It is pro- posed to apply the reduced value-added tax (VAT) rate on periodic press starting from July 1 this year.

Members of the Seimas Vaidotas Baranauskas, Pranas Žeimys, Petras Audrius Kubilius and Audrius Endzinas registered this amendment to the Law on Value-Added Tax at the Secretariat of the Parliament.

According to them, having reduced VAT rate from 21 to 9%, the costs of periodic press would decrease, the prices of newspapers and magazines would go down.

Member of the Homeland Union - Lithuanian Christian Democrats po- litical party Baranauskas noted that due to the higher VAT rate periodic press became more expensive and thus less available in those regions, where the press has a very important educa- tional and cognitive function.

It is proposed to apply the reduced VAT rate starting from 1 July this year.
Real Estate

Smallest monthly decrease in apartment prices in past 1.5 years

The Ober-Haus Lithuanian apartment price index (OHBI) for March of this year shows that in the five major Lithuanian cities (Vilnius, Kaunas, Klaipėda, Siauliai, and Panevėžys) apartment prices decreased 0.6% (in February 2010, a monthly decrease of 1.4% was recorded). This is the smallest monthly change in prices since August 2008.

The annual change in apartment prices continued its rapid decline. Over the past 12 months, apartment prices dropped 19.9% (in February 2010, the annual decrease in prices was 23.2%).

From the highest summarised apartment price level, which was reached in December 2007, until March of this year, apartment prices in the five major Lithuanian cities dropped 39.7%.

Office vacancy rate drops for second consecutive quarter

In 2009, the commercial sector suffered the greatest shake-up in the entire history of the existence of modern commercial premises in Lithuania, i.e. since 1999.

Even though the situation in the commercial property market remains tense, the results for Q1 2010 look promising and allow us to assert that the largest problems in this sector are already in the past.

It is too early to speak about a rapid recovery in the market, but the first signs of price stability in the commercial property market are present. In addition, the amount of vacancies in this market is slowly decreasing.

The sector of modern office premises, which saw a sharp drop in 2009, finally reached its bottom for a price point. In Q1 2010, office rent went down slightly only in Klaipėda (around 5%) and in Vilnius and Kaunas remained the same as those at the end of 2009.

It should be noted, however, that some owners of successfully operating business centres are already trying to raise prices. Such attempts are usually observed in the buildings with few vacancies.

In Vilnius today A class offices are being offered for 9.3–13.0 €/m2 and Class B are being offered for 5.8–8.1 €/m2. In Kaunas and Klaipėda, the price level of modern offices is nearly the same: the asking price is 5.2–10.4 €/m2 for rent of A class offices and 2.9–5.2 €/m2 for rent of B Class offices.

Because during the past quarter new business centres have been opened in Lithuania and successful companies or companies newly established in Lithuania (e.g., the IT centre of Barclays Bank in Vilnius) are taking an opportunity to rent modern premises for attractive prices, the vacancy rate of office premises in the major cities of Lithuania continues to decrease. For instance, in Vilnius and Kaunas this indicator went down the second consecutive quarter.

The total vacancy rate of modern offices (A and B class) in Vilnius in Q1 2010 dropped from 17.7% to 15.1%, and the total area of vacant premises decreased from 75,500 m2 to 64,300 m2.

The highest vacancy rate of 16.6% is in B class office buildings, which account for nearly 2/3 of the entire modern office market in Vilnius. This indicator in A class office buildings is lower—13.0%.

The total vacancy rate of modern offices in Q1 2010 went down from 14.9% to 13.4% in Kaunas and from 16.8% to 14.1% in Klaipėda. The total area of vacant premises in these cities was 10,000 m2 and 8,600 m2 respectively.

April 23 (Bloomberg-ELTA) - Greece must deploy budget cuts on the order of €4.6 billion to the Baltics to survive its debt crisis and sacrifice economic growth to restore fiscal health, Latvia’s central bank governor and Lithuania’s finance minister said.

The Baltic nations, whose fixed exchange rates last year forced them to execute the European Union’s toughest austerity packages to protect their finances, suffered the 27-member bloc’s deepest recessions. Latvia’s economic output slumped an annual 19% in the third quarter, Lithuania’s contracted 19.5% the previous quarter, while Estonian output dropped 16.1% in the same period. All three had their ratings outlooks raised last month at Moody’s Investors Service.

Greece this week began talks with International Monetary Fund and euro-region officials on activating a 45 billion-euro ($60 billion) emergency loan as the government struggles to meet swinging debt costs. The yield on Greek two-year bond yields jumped above 10%, more than double the rate on Latvia’s 2014 note. Latvia cut public spending by 10% of gross domestic product last year after receiving a 7.5 billion-euro EU and IMF-led loan in 2008.

“The Greek situation is similar to Latvia’s in that there is no other choice but to downsize expenditures,” Latvian central bank Governor Ilmars Rimsevics said in an interview last week. “We are very pleased that Latvia is more and more mentioned as a template because a year ago people were thinking we are going to fail. Today things are more or less out of the woods.”

Greece is more likely to default than all the EU’s emerging members, credit default swaps show. The cost of insuring against Greek default jumped to an all-time high yesterday and Greek 10-year yields rose to the highest since at least 1998.

Credit-default swaps tied to Greece’s government bonds climbed 158 basis points to a record 644 yesterday, according to CMA DataVision prices, after the European Union’s Luxembourg-decades statistics office said its budget deficit may have exceeded 14% of GDP last year.

Latvia’s 5-year credit default swaps were at 328 basis points yesterday, compared with a high of about 1,200 basis points in March 2009. Five-year Lithuanian CDS were at 219 basis points.

Even after spending cuts, Latvia’s deficit widened to 9% of GDP last year, the EU said yesterday, as the economy shrank 18%.

The Riga-based government has pledged more spending cuts in the next two years to comply with the euro-adoption limit of 3%. Prime Minister Valdis Dombrovskis’s government targets the currency switch for 2014.

Lithuanian Prime Minister Andrius Kubilius’s measures helped cap the public deficit at 8.9% of GDP, without having to resort to a bailout. Without wage cuts, tax increases and other spending cuts, the deficit might have swelled to 17.5%, he said on April 15.

“If a country can’t raise money at favorable terms to finance the deficit, the country must reduce the deficit; this is something we know a lot about,” said Finance Minister Ingrida Šimonytė in an interview last week. “Baltic countries had to clean up their houses very quickly in order to get back on track.” While “Greece was able to raise money in international markets last year at rates I would envy.”

Even so, Prime Minister George Papandreou’s government, faced with street protests and strikes against budget cuts, has failed to convince investors Greece can shore up its debt.

Even if Greece triggers the EU-IMF loan, the government can’t afford to delay austerity measures, Rimsevics said.

Euro No Solution

Swedish central bank Governor Stefan Ingves, who said last week that Greece’s bailout may follow the path set out by Latvia, added that while the EU and IMF would be involved in the financing, “in the end the country itself will have to deal with its fiscal problems.”

“It should be a Greek program, the Greeks should be designing, constructing and communicating it,” said Rimsevics. “The key question is the speed and the clarity of the measures and that the market believes in these measures. The more dragged out in time, the less effective they are.”

The Greek example also shows that the euro isn’t the safe haven it was once perceived to be by the EU’s emerging members.

“The countries can learn that euro is not a solution, it’s always the fiscal policy, the home policies that are the solution,” Šimonytė said. “You can’t spend a lot of money and hope there will be somebody who will clean up your unsustainable deficit.”
Macijauskas goes back to School

Arydas Macijauskas has enrolled in the Masters in European Basketball Coaching Science course provided by the University of Worcester in cooperation with the Lithuanian Academy of Physical Education.

Macijauskas, who is still hoping to contribute to the Lithuanian effort at the basketball world championships later this year, is looking beyond his playing career and taking the opportunity to brush up on his theory.

While not categorically stating he has a coaching future ahead of him, he told Mūsų Krepšinis it was certainly an option for a person like him who so loves basketball so much.

We hope there they will have big desks because among his classmates will be Linas Kleiza and Robertas Javtokas.

Lithuanian World Rugby Record

The Lithuanian Rugby team recently defeated Serbia 77 – 5, and in the process wrote their name into the record books, but not for the margin as you may think.

The win over Serbia was the 18th in a row for the Lithuanians, breaking the previous record joint held by the South African Springboks and the New Zealand All Blacks.

While some pundits play down the achievement because these victories were over countries such as Hungary, Norway, Austria and higher ranked nations such as Israel and the Netherlands, it is still the result of the dedication and hard work the team has put towards their ultimate goal.

“It’s great to achieve 18 successive wins and be the record holders, but we haven’t yet achieved our goal,” Mindaugas Misevičius, captain of the team told AFP. “We want to qualify for the World Cup in New Zealand.”

The Lithuanian Rugby Team has a World Cup Qualifier on 8 May against the Ukraine, and the winner of that game will meet Romania in a cross-continental play-off for the 20th and final spot in the Rugby World Cup in 2011.

Navardauskas Cycles to Victory in France

Ramūnas Navardauskas won the 14th running of the Tour du Perigord held in France. The 22-year-old Lithuanian who rides for the La Pomme Marseille team, covered the 148 km distance in 3 hours, 27 min and 20 seconds, reports Lietuvos Rytas.

It was Ramūnas’ fifth win for the season.

NBA Scouts Eye Motiejunas

Donatas Motiejunas has caught the interest of the Sacramento Kings and Los Angeles Lakers scouts who saw him play with Benetton Treviso recently. Motiejunas has nominated for the NBA draft and has been averaging 9.8 points and 4.7 rebounds per game in the Italian league.

Sport Shorts

Žalgiris took the BBL trophy back to Kaunas - their first major victory in two years.

The Final Four weekend of the BBL season was a real thriller with every game offering intrigue and surprise.

First off in the qualifiers Lietuvos Rytas was in fact lucky to make the final after Šiauliai proved a stubborn opponent, and the visitors had a more than a reasonable chance of winning in the final seconds before a relieved Rytas triumphed 78 - 77.

Žalgiris had less trouble getting ahead of Ventspils, setting the scenario for the finals that everyone expected.

On the day of the finals, the drama began in the bronze medal game. It was a tight encounter between two teams playing well, with Ventspils holding Šiauliai at bay for most of the game.

Well all of the game really, because a late rally got Šiauliai back to within a point and a scramble in the dying seconds saw a tap-in two-pointer allowed as the referees signed off on a 84 - 83 Šiauliai win.

Video replays showed that the tap was indeed after the siren, but because the statutes did not allow for the consideration of video replays, instead of reversing the decision, it was later decided to replay the bronze medal game the next day.

Ventspils did not turn up for that game and Šiauliai were declared winners by default.

In the gold medal encounter it looked a procession up until half time, with Rytas taking a 14 point lead into the locker room, and appearing to be totally in control ahead 46 - 32. But unfortunately for them, no-one told Žalgiris.

After the break the surety, accuracy and defence of Rytas fell away as Žalgiris found form and were able to make it show on the scoreboard.

The team of green got ahead in the third quarter on the back of three pointers from Klimavičius, Brown and Capin, before Rytas steadied enough to take a single point lead to the last break.

The scrap continued in the final stanza as both camps wrestled for control, until an inspired Klimavičius added five points in a row to finally hand Žalgiris the initiative along with the win.

It was a fitting final for what well may be the swan song of the BBL as we know it.

VTB United League

With both Žalgiris and Lietuvos Rytas feeling there is a lack of real competition in the local leagues, both teams are expected to opt for the VTB United League next season where they will come up against the likes of Moscow CSKA, Unics Kazan and Khimki.

One option is for the two Lithuanian powerhouse teams to enter the VTB competition at the semi-final stage, but it would still be a totally different scenario to what we have now.

LKL

With the BBL decided, it was time to continue the race to LKL glory, and now with some added spice.

Rytas are expecting the return of Jomingas, Mielovecij and Bjelica for the best of seven series, and with home court advantage on their side again, they hope it will be enough to get the sour taste of the BBL loss out of their mouth.

On the other hand Žalgiris has managed to come up smelling of roses every time they seemed to be heading for the manure works this season.

Even in their elimination series against Šiauliai where they were taken to the wire both times, they still managed to stay composed and victorious over a determined and very efficiently Sireika-coached unit.

Rytas had an easier time with Juventus, though the comfortable margins didn’t fully reflect the quality and endeavour of the upstart team from Utena.

Still, the second 84 - 63 win gave Kurtinaitis the opportunity to give Jomingas and Bjelica a bit of court time flagging their imminent return for the best of seven series.

Already players and coaches from both teams have been using the media to express their thoughts on the upcoming encounter with talk of revenge, destiny and a hard fought series coming from both sides.

We say: Bring it on!

The LKL Finals begin on Tuesday 4 May, the very day this issue hits the streets, so keep an eye on our website at: www.litnews.lt for the latest news and photos.

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