



Lithuania to reform state-owned enterprises that are often a mess in eastern Europe - *The Economist*

London, July 16 (ELTA) - Dig into the political undergrowth anywhere between the Baltic and the Black Seas and you soon find curious connections between state-owned enterprises, officials and politicians. They mostly escape public scrutiny-not least because politicians of all stripes tend to benefit from the state firms' largesse, the influential British weekly *The Economist* writes.

Lithuania's government, faced with suicidally unpopular tax rises and spending cuts as it tries to reduce its deficit of nearly 9% of GDP, has just launched a rare attempt to run these firms properly. A new analysis shows that state-owned assets in en-

ergy, transport and land at the end of 2009 were worth some LTL18 billion (US\$6.6 billion) but provided only LTL45m in dividends. The return on equity was negative, at -6%.

A glaring example of mismanagement comes from the forestry industry. Lithuania has 830,000 hectares of state-owned forests, run by 42 companies. The average yield in 2008 was only 4 litas per cubic metre of wood (a quarter of the Swedish figure), and even that trickles away into company costs: the state receives no dividend. The government now proposes to set up a single forestry company, charged with managing the industry on a commercial basis.

It has similar plans for state-owned land: in future, ministries and other public bodies, many of which have notably spacious buildings and compounds, will have to pay market rents.

When that was tried in Estonia it led to sharp downsizing. If Lithuania ran its public-sector businesses as efficiently as Sweden or Finland, the revenues would be 1.5-2.5% of GDP, says Prime Minister Andrius Kubilius. That would keep the country out of the arms of the IMF, and also end the reputation of Mr Kubilius's coalition government for dithering.

Merely highlighting the scale of the problem should provoke similar inquiries elsewhere. But sorting out the mess will mean overcoming some of the most powerful lobbies in the country. For nearly 20 years they have stymied all attempts to introduce public scrutiny and competitive pressure on their cosy business arrangements. For a government with a slender majority in parliament, that is tricky.

But Lithuanian President Dalia

Grybauskaitė, a former European Union budget commissioner, has thrown her weight behind the plan.

She said the new report revealed "powerlessness and lack of responsibility". The black economy - smuggling and corruption - represented a "mass of reserves", she said, which would be a better source of revenues for the state than raising taxes.

That may be optimistic: though some of the money siphoned off from state enterprises goes into foreign bank accounts, much is spent at home. Higher revenues for the state will come at the cost of lower rents for its cronies, and less spending.

Despite the element of double-counting, the scheme has attracted interest from outsiders such as the European Bank for Reconstruction and Development. Bankers close to the scheme think a similar approach could also work in southern European countries like Greece.

Better-run state industries would also be more attractive candidates for privatisation, which, after vigorous efforts in the 1990s, has largely stalled in the ex-communist world.

Estonia has renationalised its railways and is buying back its poorly run national airline; Latvia had to nationalise one of its biggest banks in 2008.

Across the region industries like energy are still regarded as too vulnerable to Russian influence to privatise further.

Lithuanian officials say they plan partial sell-offs of at least some firms once they are properly managed. But even the most rigorous politicians may find it hard to sacrifice the state-owned firms' adhesive attractions.

Pre-trial investigation into Kusaitė case ends

Vilnius, July 20 (ELTA) - A pretrial investigation into the case of Egle Kusaitė who allegedly planned a suicide-bombing act in Russia has been completed.

On Tuesday afternoon, court will decide on the extension of Kusaitė's custodial measure, ELTA learnt from spokeswoman of the Prosecutor General's Office, Jurgita Barzdziuvienė.

Kusaitė from Klaipėda allegedly contacted Islamic terrorist organisations in Russia on June-October 2009

on the internet at first and by phone later. She received 500 U.S. dollars from the members of the extremist organisations for her trip to Russia, obtained her Lithuanian passport and was preparing for going to Russia on October 29.

Kusaitė was detained on her departure to Russia six months ago. She headed for the neighbouring country with the intention to blow herself up in these Russian military facilities which hosted more people.

0.1% monthly inflation predicted for July

Vilnius, July 16 (ELTA) - The Department of Statistics forecasts that the inflation measured by the harmonized index of consumer prices (HICP) will reach 0.1% in July, compared with June.

The monthly inflation is expected to stand at 1.8%, and the average annual inflation rate is predicted to

amount to 0.8%.

The inflation rate predicted for July will be most likely influenced by the rising prices for housing, water, electricity, gas and other kinds of fuel because of an increase in gas prices. The overall price growth will slow down because of a decrease in the prices of ready-made apparel and footwear due to summer sales.

Lithuanian Sailor Released

Dmitrijus Baškirovas, skipper of the "Argo" owned by Limarko Shipping Company, was released from kidnappers who had taken him as a hostage during a raid at the Port of Douala in Cameroon on 17 May. The skipper is alive and well.

Following a medical exam and the testimony to Nigerian officials, D.Baškirovas will return home at the earliest date.

The family of the skipper has been informed of his release.

An agent of Limarko Shipping Company is taking care of D. Baškirovas at the Port of Lagos in Nigeria.

Lithuania's Minister of Foreign Affairs Audronius Ažubalis thanked partner countries and the inter-institutional working group for their support.

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Your financial guide

I admire fiscal discipline demonstrated by Lithuania - Clinton

Vilnius, July 13 (ELTA) - US Ambassador to Lithuania Anne Elizabeth Derse presented a letter of the US State Secretary Hillary Clinton to Prime Minister Andrius Kubilius, in which she thanks him for their productive meeting in Washington in May that gave "the opportunity to discuss a broad agenda of bilateral issues".

According to Clinton, the US appreciated Lithuania's efforts in implementing the NATO mission in Afghanistan, and she personally admired the work of the Lithuanian

Government in difficult times.

"I personally admire the fiscal discipline that Lithuania demonstrates in the light of the crisis. The US is fortunate to have such a close ally and a reliable friend as Lithuania.

"I very much appreciate Lithuania's leading role in the activities of the Community of Democracies and congratulate Lithuania, that will preside over the Organization for Security and Cooperation in Europe (OSCE).

"I will seriously consider your invitation to visit Lithuania," the US State Secretary wrote in her letter.

Prosecutor suspected of taking a bribe released

Vilnius, (ELTA) - The prosecutors will not request to extend the supervision measure - arrest - to Prosecutor of the Pre-trial Investigation Control Division of the Prosecutor's General Office Erikas Vaitiekunas, who is alleged of having taken a bribe.

Erikas Vaitiekunas, who was arrested recently, was released on Wednesday when his 48-hour detention period was over.

As reported, Erikas Vaitiekunas was detained for replacing the supervisory measure - arrest - by a softer

supervisory measure - bail, when the declarant gave him LTL30,000.

The new prosecutor general launched a pre-trial investigation on the potential criminal offence.

Prosecutor Erikas Vaitiekunas investigated the cases of human trafficking and cyberspace crimes.

Deputy Speaker of the Seimas Virginija Baltraitiene stated that the actions of new Prosecutor General Darius Valys regarding the future career of Erikas Vaitiekunas will show his readiness to fight corruption.

Belarus refuses to extradite Valdimiras Uschopchik - suspect in January 13 case

Minsk, June 23 (ELTA) - Belarus sees no reason to extradite General Vladimir Uschopchik, a suspect in the January 13 case to Lithuania, reports Grigory Vasilevich, Prosecutor General of Belarus.

"Uschopchik answered the questions of Lithuania Prosecutor's Office. There is no new information. According to our Constitution, we cannot extradite our citizen to another country," Grigory Vasilevich said at a press conference held in Minsk.

Prosecutor's General Office of Belarus informed that in response to

repeated applications of legal aid of the Republic of Lithuania, it interrogated Vladimir Uschopchik, who is residing in Belarus. The Prosecutor's General Office of Belarus reported that according to the existing bilateral Lithuanian-Belarusian agreement, there was no legal grounds to extradite the suspects of the January 13 case.

As reported, Lithuania seeks prosecution of General Vladimir Uschopchik and Stanislava Juodiene, who presently reside in Belarus, but the neighbouring country so far has refused to grant legal aid to Lithuania in this case.

Degutiene proposes to declare 2013 the year of the 1863 January Uprising

Vilnius, June 30 (ELTA) - It is proposed to declare 2013 the year of the 1863 January Uprising.

Seimas Speaker Irena Degutiene has registered a draft resolution at the Seimas' Secretariat of Sitings after taking into account the fact that 2013 would see the 150th anniversary of the 1863 January Uprising.

In this way it is expected to mark the historical and cultural significance of this uprising to the nations of Lithuania, Belarus and Poland.

The draft resolution proposes that the Government should develop and approve the programme for the commemoration of the anniversary of the 1863 Uprising and provide for its funding.

Only two out of 1,009 view Government favourably

Vilnius, July 13 (ELTA) - Only two people (0.2%) out of over a thousand respondents have evaluated the work of the Government headed by Prime Minister Andrius Kubilius favourably.

Among those polled, 8.6% said that they viewed the work of Kubilius and ministers more favourably than unfavourably, while 41.6% of the respondents noted that they saw it more unfavourably than favourably; 41.8% of respondents expressed their dissatisfaction with the Cabinet's work. Another 7.8% did not answer the question or stated that they had no opinion.

According to a survey conducted by the market research company Spinter Tyrimai for Delfi a month ago, only 0.8% of respondents assessed the Government's work positively, 9.9% of those polled saw it more favourably than unfavourably, 33% of respondents were more dissatisfied with the ministers' work than satisfied and 52.1% said that they viewed the Cabinet's work negatively.

In May, there were less people who gave no answer to the question or had no opinion - 3.9% as compared with 7.8% in the later survey.

Political analyst Lauras Bielinis, Associate Professor of the Institute of International Relations and Political Sciences of Vilnius University, said that the Government absorbed bad emotions constantly and only an economic upturn could rescue it from this pit of no-confidence.

According to the survey's results, only 3.9% of the respondents expressed their will to see Prime Minister Kubilius continue holding his office in June.

The respondents tended to prefer Seimas Speaker Irena Degutiene (20.2% of respondents) and leader of the Social Democrats Algirdas Butkevicius (11.5% of the respondents) to Kubilius in the Prime Minister's office.

34,700 Lithuanians emigrated in 2009

The Department of Statistics, on the basis of data and surveys, estimates that in 2009 34,700 emigrants left Lithuania to live in other countries. This was 50% more than in 2008

Over the last five years 160,800 people have moved from their homeland, including 48,100 in 2005, the first full year of EU membership. Between 2006 - 2008 emigration slowed down to between 23,700 and 27,800 per year before climbing again last year.

The main reason for Lithuanian citizens leaving for another country is work, where 86% reported employment as their major reason for leaving. In 2008 it was 70%.

In 2009 33% went to the UK, 14% to Ireland, 9% to Belarus, 8% to the US, 6% each to Germany and Spain, and 5% to the Russian Federation. Over the past five years two thirds of emigrants have headed to the United Kingdom, Ireland, the USA or Germany.

The percentage of males emigrating is growing. In 2009 - 60% were male and 40% female (2008 - 49% and 51%). More than two thirds of women (65%) were 18 years or older were single, divorced or widowed (2008 - 55%). Almost half of the men emigrating (48%) were married.

Over the last five years two of every three emigrants were between 20 - 49 years of age. In 2009 one fifth were 25 - 29, 14% were 30 - 34, 13% 20 - 24 or 35 - 39, 8% 40 - 44 and 7% 45 - 49. People over 60 made up just 3 - 4% of emigrants.

Meanwhile, immigration which had been growing in previous years fell in 2009. In total 6,500 people came to live in Lithuania in 2009 which was 2,800 less than 2008. Immigration numbers had grown each year since 2003 (4,700) up to 9,300 in 2008.

The largest percentage of immigrants were Lithuanians returning from abroad (4,800 or 74%). Over the last five years 38,900 people immigrated, and of them 27,500 (71%) were Lithuanians returning home and 11,400 were foreigners moving to Lithuania. More than half of those returning (58%) were 20 - 39 years of age.

Last year most immigrants had returned from the UK (1,600), Ireland (800), Belarus and the Russian Federation (600 each) and the USA (500).

In the first five months of this year around 330 people per month people arrived in Lithuania to live, making 1,700 for the year, 766 less than in 2008.

Lithuanian Purchasing Power 53% of EU average

Based on first preliminary estimates for 20091, Gross Domestic Product (GDP) per inhabitant expressed in Purchasing Power Standards (PPS) varied from 41% to 268% of the EU27 average across the Member States.

In Finland, France, Spain, Italy, Cyprus and Greece, GDP per inhabitant was within 10% of the EU27 average. Ireland, the Netherlands, Austria, Sweden, Denmark, the United Kingdom, Germany and Belgium were between 15% and 35% above the average, while the highest level

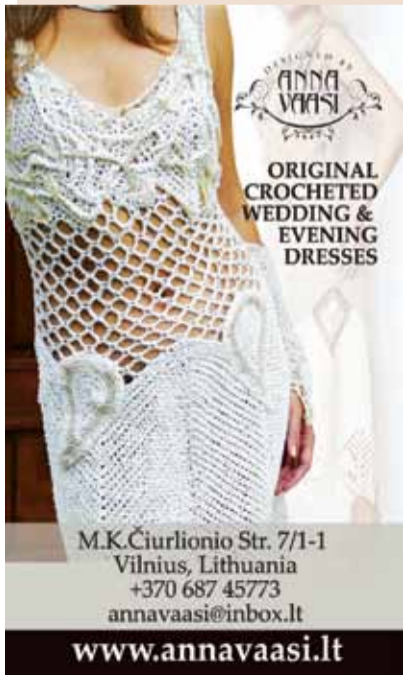
of GDP per inhabitant in the EU27 was recorded in Luxembourg.

Slovenia, the Czech Republic, Malta, Portugal and Slovakia were between 10% and 30% lower than the EU27 average. Hungary, Estonia, Poland and Lithuania were between 30% and 50% lower, while Latvia, Romania and Bulgaria were between 50% and 60% below the EU27 average.

The figures for GDP per inhabitant, expressed in PPS, are published by Eurostat.

GDP per inhabitant in PPS, 2009, EU27 = 100

Luxembourg	268	Portugal	78
Ireland	131	Slovakia	72
Netherlands	130	Hungary	63
Austria	124	Estonia	62
Sweden	120	Poland	61
Denmark	117	Lithuania	53
United Kingdom	117	Latvia	49
Germany	116	Romania	45
Belgium	115	Bulgaria	41
Finland	110	Croatia	64
France	107	Turkey	46
Spain	103	former Yugoslav Republic of Macedonia	35
Italy	102	Norway	177
EU27	100	Switzerland	144
Cyprus	98	Iceland	120
Greece	95	Montenegro	43
Slovenia	86	Serbia	37
Czech Republic	80	Bosnia and Herzegovina	30
Malta	78	Albania	27



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Road toll down by 28.3%

Vilnius, July 9 (ELTA) - This year, Lithuania's roads became much safer for children and cyclists. In January-June 2010, compared with the six months of last year, the number of children killed in traffic accidents plunged by 68.4 percent, the number of cyclists' deaths fell by 40 percent. In total, the death toll dropped by 28.3 percent year-on-year.

In January-June 2010, compared with the same period of 2009, the police recorded an 8.4-percent decrease in traffic accidents (1,721 accidents in 2009; 1,577 accidents in 2010). The number of the dead on the roads slumped by 28.3 percent (166 persons killed in 2009; 119 in 2010), the number of persons injured in traffic accidents fell by almost 4 percent (2,002 in 2009; 1,923 in 2010).

The Department of Statistics concludes that drivers act more responsibly and carefully this year. During the first half of this year, compared with the same period of last year, the number of traffic accidents caused by drivers fell by almost 20 percent. A similar decrease was observed in traffic accidents caused by drunk drivers and the people who drove having no driver's license.

Opposition succeeds in preventing law on raising retirement age

Vilnius, June 30 (ELTA) - On Wednesday, the Seimas' opposition managed to turn two votes on raising the retirement age into a failure. The decision was not adopted due to the lack of votes as the opposition members did not take part in the voting.

During the first vote, 60 MPs supported the proposal to extend the retirement age, two MPs voted against it and one MP abstained from voting. The second vote ended with similar results as 58 MPs voted for the proposal, two MPs objected it while other two parliamentarians abstained from voting.

The Government proposes amendments to the Law on State Social Insurance Pensions which provide for the equal retirement age of 65 years old to both men and women. At present, Lithuanian women reach retirement at 60, whereas men start receiving retirement benefits at 62.5 years old.

The retirement age would be increased gradually starting from 2012.

Confidence in Catholic Church wanes - survey

Vilnius, July 19 (ELTA) - Most Lithuanians were not indifferent to the event when it was not permitted to take the coffin of Algirdas Brazauskas, the first president of Lithuania since its restored independence, to Vilnius Cathedral, a public opinion survey shows.

In early June, the confidence in the Church was expressed by 61.3% of the respondents while only 12.7% of the residents voiced their no-confidence in it.

The representative poll conducted by the public opinion and market research centre Vilnorus on July 2-11 showed quite different results. The daily Lietuvos Rytas on Saturday published the poll's results, according to which, the Church enjoyed the confidence of 47% of the respondents. Among those polled, 25.8% said that they had no confidence in the Church.

The ratings of Cardinal Audrys

Juožas Backis faced even more dramatic changes. Although on the sidelines of the authorities there have been talks that the hierarchy's decision not to take Brazauskas' coffin to the Cathedral was influenced by the right wing politicians, most of the respondents blamed precisely Backis for the decision making.

Among those polled, as much as 33.8% of the respondents viewed Backis unfavourably while 24.2% of them voiced their support to him.

The majority of those polled had a clearly different opinion about Backis a month ago. Then, only 5.6% of the respondents said that they distrusted the cardinal, while 46.5% viewed him favourably. In the ratings, the head of the Lithuanian Catholic Church fell from the long-standing third place to the ninth.

Prosecutors ask cause of Kedys' death to be clarified

Vilnius, July 16 (ELTA) - Prosecutors have additional questions to forensic experts about post-mortem injuries of Drasius Kedys.

The Prosecutor General's Office reported that it would address State Forensic Service to clarify the conclusions on the cause of Kedys' death that were announced on July 14.

"The Prosecutor General's Office emphasises that prosecutors have no doubts as to the reliability and validity of the conclusions presented by Lithuanian forensic experts. Additional information is requested only to clarify the nature of the injuries that were received after the death and to inform the public about that," the Prosecutor General's Office said in its statement.

As reported, forensic experts found out that Kedys died because of foreign bodies - a leaf of

grass and his stomach contents - stuck in his airways. Before the death, Kedys drank a large amount of alcohol which might have obstructed his airways. Traces of prescription sedatives and inhibitory substances were also found in the organism, the Prosecutor General's Office said.

There were minor bruises on Kedys' right wrist, face, forehead and slight bruising was detected under his right eye.

The experts' findings were based not only on the examinations carried out in Lithuania, but also on the analysis of the Institute of Forensic Medicine of the University of Munich. Moreover, the State Forensic Service addressed their colleagues in Denmark and Switzerland for their opinion which did not contradict the conclusions of Lithuanian experts.



• Photo: Lars Bryne

Foreign Heads of State attended funeral of President Algirdas Mykolas Brazauskas

Foreign heads of state bid farewell to the late President of the Republic of Lithuania, Algirdas Mykolas Brazauskas.

Estonian President Toomas Hendrik Ilves, Latvian President Valdis Zatlers, Georgian President Mikheil Saakashvili, Chief of the Russian Presidential Administration Sergey Naryshkin, Belarusian Deputy Prime Minister Viktor Buria, Azerbaijani Deputy Prime Minister Elchin Efendiyev, Azerbaijani Minister of Taxes and Chairman of the Lithuanian-Azerbaijani Intergovernmental Cooperation Commission Fazil Mamedov, European Commissioner Algirdas Šemeta, Austrian special representative Michael

Schwartzinger, and a governmental delegation from Kazakhstan came to Lithuania to attend the funeral.

Also, former heads of neighboring states who had maintained close friendly relations and had multiple contacts with the late President came to say their last good-bye to the deceased: former President of Estonia Arnold Rüütel, former President of Latvia Guntis Ulmanis and former Prime Minister of Latvia Andris Bērziņš, former Presidents of Poland Aleksander Kwaśniewski and Lech Wałęsa, former President of Finland Martti Ahtisaari, and former President of Ukraine Vladimir Kuchma.

Brazauskas will remain an outstanding figure in Lithuanian political history - Landsbergis

Vilnius, June 27 (ELTA) - Although Algirdas Brazauskas had been away from politics for some time, he remains and will remain an outstanding figure in the political life of Lithuania.

He was linked with the national revival and the road towards independence, Chairman of the Supreme Council - Reconstituent Seimas, Member of the Eu-

ropean Parliament Professor Vytautas Landsbergis told ELTA.

According to Landsbergis, the work of Brazauskas as President and Prime Minister was important.

Vytautas Landsbergis extended deep condolences to the family of President Algirdas Mykolas Brazauskas and all to whom he was dear.



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President appoints Gelunas Culture Minister

Vilnius, June 28 (ELTA) - President Dalia Grybauskaitė has signed a decree on the appointment of Arūnas Gelūnas as Lithuania's culture minister.

The president met with the candidate for the culture minister, pro-rector of Vilnius Academy of Arts Gelūnas to discuss the vision of the country's culture, the necessity of educating a creative society and improving the accessibility of culture to all the residents of Lithuania.

According to Gelūnas, he will continue the work that was started by his predecessor, Culture Minister Remigijus Vilkaitis, especially the work related to the culture of regions and the preservation of heritage.

According to presidential spokesman Linas Balsys, the president assessed Gelūnas' proposal to reduce the cultural divide among the major cities and regions of the country favourably.

Grybauskaitė believes that it is necessary to ensure the dissemination of a good quality culture across the country and create equal conditions for the artistic self-expression of the people, awareness of culture and promotion of the culture of their region.

The new culture minister plans to set up a new cultural policy model, according to which, the Culture Min-

istry would form the cultural policy, but it would be conducted by the Culture Council which would be composed of Lithuanian experts. If necessary, foreign experts would be invited for consultations.

Gelūnas graduated from Vytautas Magnus University, earned a Ph.D. degree. In 1995-1997, he studied arts at the Tokyo University of the Arts, before that he was awarded a diploma of a graphic artist at Vilnius Academy of Arts.

Since 2004, Gelūnas has worked as a vice rector for studying at Vilnius Academy of Arts. He is also a member of the Lithuanian Artists' Association, and board chairman of the National Association of Creative and Cultural Industries. The candidate for the culture minister speaks five foreign languages: Russian, English, French, Polish and Japanese.

Gelūnas was proposed for the post in the wake of the resignation of Culture Minister Remigijus Vilkaitis. The Nation's Resurrection Party (TPP) decided to recall Vilkaitis from the post in April.

The TPP stated that they were dissatisfied with Vilkaitis because of the poor quality of his work and poor results of the ministry as well as the overall situation in the area of culture.



Grunwald knights worth 30 Ferraris

Krakow, July 15 (ELTA) - Instead of paying his knights for fighting at the Battle of Grunwald, Polish King Jagiello could have bought thirty Ferrari 599 GTOs, Onet Biznes writes.

The Polish King Jagiello (Jogaila) who commanded the joint Polish and Lithuanian army against the Teutonic Knights at the Battle of Grunwald in the year 1410 spent 30,000 grzywna to pay the knights, which amounts to approximately 37.5 million zloty (9.3 million euro) or an equivalent of thirty Ferrari 599 GTOs.

"About 15,000-16,000 Teutonic Knights and 30,000 Polish and Lithuanian knights fought in the Battle of Grunwald," says historian Marek Janicki from Warsaw University. Although the Polish King had to spend a fortune to pay the knights, they themselves also had to bear high costs of the battle.

A complete set of knight's armour cost up to 100 grzywny, which can be compared to the cost of 50 cows. A visor, for example, cost 4 grzywna, chainmail cost 2-7 grzywna, armour protecting one's torso 9 grzywna and

armour protecting one's legs cost 4 grzywna. A shield was cheaper, costing 0.1-0.9 grzywna, an axe 0.75 grzywna and a bow 1.5-3.2 grzywna. The most expensive was a horse, which cost about 150 grzywna and a knight usually needed at least two horses - one for battle and another for carrying luggage. A knight also had to pay for food: during the four-month campaign which ended with the Battle of Grunwald, a knight probably spent about 3.5 grzywna on alimentation.

A monthly pay of a medieval Polish knight amounted to 100 grzywna, the equivalent of about 1,980 zloty (500 euro). On average, a knight had to work for two years in order to afford a horse. In spite of rather moderate pay and high battle costs, knights usually managed to turn a profit from war spoils.

"As many as 8,000 Teutonic Knights died in the Battle of Grunwald and they were well-armoured so Polish and Lithuanian knights had great loot," says historian Marek Janicki from the University of Warsaw. The Polish Royal Treasury was also replenished as a result of the bat-

tle. Under the Peace of Thorn in 1411, which ended the Polish-Lithuanian-Teutonic War, the Teutonic Order paid "sixty times the number of 100,000 Prague groschen or 20,000 kilograms of silver" in exchange for captives.

"The sum was so high that the Teutonic Knights barely were able to raise the money," says Janicki.

The Battle of Grunwald took place on 15 July 1410. It was one of the most important battles in Medieval Europe and the largest battle involving armoured knights. The forces of the Kingdom of Poland and the Grand Duchy of Lithuania were led by King Wladyslaw Jagiello (Jogaila), aided by Lithuanian Grand Duke Vytautas, and the Knights of the Teutonic Order by the Grand Master Ulrich von Jungingen. The battle was a complete defeat for the Teutonic Knights, who lost the area known as Dobryń Land and had to pay high war reparations. After the Battle of Grunwald, the Teutonic Knights were unable to recover their former might.



Colonel Petkevičius Awarded Legion of Merit

Colonel Romualdas Petkevičius, the Lithuanian National Military Representative at Supreme Headquarters - Allied Powers Europe (SHAPE), was recently awarded the US Legion of Merit by Ambassador Anne E. Derse.

The award was in recognition of his service as Defense Attaché at the Lithuanian Embassy in

Washington, DC from 2004 to 2008.

The Legion of Merit, one of the United States' highest military honors, is awarded for exceptionally meritorious conduct in the performance of outstanding services and achievements. Commenting on the importance of the award, Ambassador Derse said that: "Colonel Petkevičius

was instrumental in the full integration of Lithuanian forces in NATO during his time as Defense Attaché.

"His dedication to the alliance and hard work in building lines of communication between Washington and Vilnius helped to make Lithuania integral to 21st century security."

Organic Products - Requirements of the EU



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It is designed to provide you with complete confidence that the goods you buy are produced entirely in-line with the EU organic farming Regulation, or in the case of imported goods, an equivalent or identical strict set of rules.

Certification

The production and placement of organic products with labels and logos on the EU market follows a strict certification process that must be complied with.

Conventional farmers must first undergo a conversion period of a minimum of two years before they can begin producing agricultural goods that can be marketed as organic. If they wish to produce both conventional and organic produce, they must clearly separate these two operations throughout every stage of production.

Both farmers and processors must at all times respect the relevant rules contained in the EU Regulation. They are subject to inspections by EU inspection bodies or authorities to ensure their compliance with organic legislation.

After the two year period successful operators are granted organic certification and their goods can be labelled as organic.

Clarity

The Regulation contains clear and strict rules about labelling and logo use, to minimise any confusion among consumers, or potential misuse:

"Any terms such as organic, bio, eco, etc., including terms used in trademarks, or practices used in labelling or advertising liable to mislead the consumer or user by suggesting that a product or its ingredients satisfy the requirements set out under this Regulation shall not be used for non-organic products."

In addition, the organic label can not be used for a product that contains Genetically Modified Organism (GMO).

Indications

To provide you with further confidence, by law all products labelled as organic must bear the name of the last operator who has handled the product, e.g. the producer, the processor or the distributor and the name or code number of their inspection body.

Logo

The EU organic logo and those of EU Member States are used to supplement the labelling and increase the visibility of organic food and drink for consumers.

So, consumers buying products bearing the EU logo can be confident that:

- at least 95% of the product's ingredients of agricultural origin have been organically produced;
- the product complies with the rules of the official inspection scheme;
- the product has come directly from the producer or preparer in a sealed package;
- the product bears the name of the producer, the preparer or vendor and the name or code of the inspection body

The placement of the EU logo is mandatory from 1 July 2010 for pre-packaged food. It remains voluntary for imported products after this date. From 1 July 2010, where the Community logo is used, an indication of the place where the agricultural raw materials were farmed should accompany it. It should be indicated that the raw materials originate from 'EU Agriculture', 'non-EU Agriculture' or 'EU/non-EU Agriculture'. If all raw materials have been farmed in only one country, the name of this specific country, in or outside the EU, can be indicated instead.

If operators wish to sell their products in another EU Member State than their own, they may place an additional national or private logo that will be recognised by the consumers of this particular country. However, the EU organic logo should in time be recognised by all European consumers.

For more information: http://ec.europa.eu/agriculture/organic/splash_en

Inspections

Once the conversion process has been completed, operators continue to be subject to comprehensive annual inspections comprising:

- Inspection of documentation over purchases and sales, livestock and medication log books etc.
- Possible taking of samples
- Inspection of in- and outdoor livestock conditions
- Inspection of warehouses, fields, orchards, greenhouses and pastures.

Additional inspections and "on the spot" visits may also be carried out by inspectors for operators presenting more risks.

Each EU Member State has established an inspection system and designated a number of public authorities and/or approved private inspection bodies to carry out the inspection and certification of organic production.

Non-compliance

In the case of operators not complying with all the requirements, their organic certification can be withdrawn and their right to market their products as organic be removed.

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• Photo: Džoja Gunda Barysaitė.

Honorary Consuls urged to Help Promote Lithuanian Export and Attract Foreign Investment

Lithuania's honorary consuls are expected to contribute consolidated efforts to achieving today's key tasks of Lithuania's economic diplomacy – the promotion of Lithuanian exports and attraction of foreign direct investments.

During the opening of the 4th Convention of Lithuania's Honorary Consuls on 14 July in Vilnius, Lithuania's Minister of Foreign Affairs Audronius Ažubalis invited the participants of the convention to share information about foreign markets with Lithuanian exporters and to acquaint potential investors with the business environment in Lithuania.

"We would appreciate if you could share the information on market access and trade barriers of your respective country with diplomatic representations or the Ministry, as well as use your influence and intermediation to help Lithuanian exporters to make the necessary contacts in local official and business circles and to solve arising problems on the spot," the Minister said.

According to him, an active cooperation of honorary consuls and the authorities of Lithuania will help to achieve two strategic goals set by

the national Government: to become the Northern Europe Service Hub by 2015 and Northern Europe Innovation Centre by 2020.

According to Minister A. Ažubalis, the importance of honorary consuls' support to Lithuania's embassies abroad has increased, as the spending for the embassies has been reduced due to cost saving.

"Your assistance in embassy's political and economical activities, organization of visits of Lithuanian officials and business delegations is needed very much," the Minister said.

The Minister also emphasized the importance of honorary consuls when providing consular assistance to Lithuanian citizens, particularly in crisis situations abroad.

Over a hundred consuls from about 60 countries are taking part in the convention on 14-16 July.

During the convention, the consuls are being acquainted with the priorities of Lithuania's foreign policy, tourism and investment opportunities in Lithuania. The country's export developments, issues of Lithuanians living abroad, provision

of consular assistance to Lithuanian citizens abroad, presentation of the Lithuanian culture and the country's promotion around the world, the development of scientific exchanges, and closer cooperation between universities are being discussed.

Participants of the convention will meet with representatives from the Lithuanian Business Confederation ICC Lithuania, Lithuanian Confederation of Industrialists, Lithuanian Business Employers' Confederation, and other associated business organizations. They will visit Šiauliai, Alytus, Prienai and Tauragė regions, where they will meet local entrepreneurs and learn about the most progressive companies, export and investment possibilities of those regions.

Currently, Lithuania has 166 honorary consuls in 74 countries. The largest number – sixteen Lithuanian honorary consuls – work in the U.S.A., nine in Italy, and six in each of those countries: Germany, Sweden, Denmark and Poland.

Conventions of Lithuanian Honorary Consuls are held in Vilnius every three years, and the first was in the autumn of 2001.



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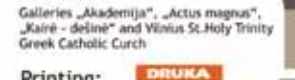
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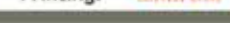
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Western Union Wants Lithuania's Brightest for Global Center of Excellence

Western Union, a Fortune 500 company listed on the New York Stock Exchange, is establishing a global Center of Excellence in Vilnius and looking for the best and brightest in Lithuania.

The company, a worldwide leader in the money transfer business, plans to employ more than 200 professionals in the fields of accounting, customer service, data analysis, business management and IT to staff this regional operating center.

The Western Union regional operating centre, to be known as EUROCC, in Lithuania will provide back office support to Western Union agents in Europe, USA, Middle East and Africa.

Three recruiting companies are searching for employees for Western Union in Lithuania: Strategic Staffing Solutions International for all jobs in IT and accounting, Delta Management Solutions specializing in senior investigation, senior helpdesk data analyst and operations support careers and Grafton Recruitment will be hiring multi-lingual staff for help desk, investigation and data analyst careers

"The Lithuanian market has around 30,000 IT specialists of different levels, more than 1,000 IT field graduates are finishing universities every year. In addition to this, over 200 university and college programmes related to finance and accounting have prepared thousands of professionals who are eager to join

multinational businesses, hence, we are in an optimistic mood," said Andrius Francas, Country Director Lithuania, Strategic Staffing Solutions International.

Western Union is planning to invest in young professionals who want to work in an international environment and benefit from innovative personal development and employee appreciation programs.

"Western Union is a truly global company, with 6,900 employees from every corner of the world representing many nationalities and ethnicities. It is a company where no employee works 'locally' - every job is global.

This center will provide critical back office support to Western Union agents and collaborate with colleagues across the globe because Western Union is present in over 200 countries and territories," said David Larkworthy, Senior Vice President and head of operating strategy, Western Union.

This regional operating center in Vilnius will complete the network of three Centers of Excellence based on the 'follow the sun' principle, ensuring that there is geographical coverage 24/7 for customer service efficiency and quality.

Other Western Union Centers of Excellence are in the Philippines and Costa Rica.

Less youth registered with labour exchanges past week

Vilnius, July 16 (ELTA) - Over the past five-day working week (July 10-15), Lithuanian territorial labour exchanges registered 6,000 jobseekers, a decrease of 27.1% than the four-day working week before.

Over a day, 1,204 unemployed people registered with labour exchanges on the average (compared to 2,065 people the week before). Among the registered jobseekers, a significant drop in the number of young people was observed. Young jobseekers accounted for 45.3% of all the jobseekers (compared to 51.3% the week before). A total of 2,700

jobseekers under 25 years old addressed labour exchanges the past week.

On July 10-15, territorial labour exchanges helped 3,500 people get employment. Employers registered almost 3,032 vacancies over the said period.

Over the past week, labour exchanges sent 800 jobseekers to active labour market policy measures.

On July 10, there were 324,700 unemployed people in Lithuania. The unemployment rate stood at 15.1% of the total population of working age.



International Monetary Fund - Report on the Republic of Lithuania

Staff Report for the 2010 Article IV Consultation

Prepared by the Staff Representatives for the 2010 Consultation with the Republic of Lithuania

Context:

Lithuania is benefiting from the global recovery, with higher exports playing a crucial role in stabilizing the economy.

However, domestic demand will remain subdued amid high unemployment, falling incomes, and weak credit prospects.

Confidence in the banking system was maintained while sizeable fiscal adjustment was rewarded with continued market access, providing crucial support to Lithuania's long-standing currency board arrangement.

Challenges:

While much has been achieved, the crisis has left three key policy challenges. The fiscal deficit remains high and public debt is growing rapidly, leaving Lithuania reliant on external financing.

Meanwhile, deteriorating asset quality is a challenge for the financial sector.

Growth needs to rebalance towards exports to sustain the recovery. The consultation focused on the policies to address these challenges which would also enhance prospects for euro adoption.

Authorities' response:

The authorities agreed that further fiscal adjustment is needed to ensure sustainable public finances, and that the adjustment

to meet the 3% of GDP Maastricht deficit criterion by 2012 should be broad-based.

While acknowledging staff's assessment of remaining vulnerabilities in the banking sector from less well provisioned banks and lower prospective profits, they emphasized the system is sound and better equipped to deal with new challenges due to higher capital and liquidity ratios.

Various structural reforms are underway and increased EU funds absorption is being targeted at programs that create jobs and promote growth.

Previous IMF advice:

Policy formulation and implementation is characterized by a high degree of ownership, and has generally been consistent with Executive Board recommendations.

The fiscal adjustment implemented in 2009 and 2010, was consistent with that envisaged in the last Article IV consultation, but financial sector recommendations on purchase and assumption frameworks, semi-annual audits, and preemptive increases in capital based on enhanced stress tests exercises, were viewed as operationally difficult to implement.

The authorities also benefited from Fund technical cooperation on bank resolution, tax policy, social benefits reform, corporate and household bankruptcy frameworks.

Dailydka to continue heading Lietuvos Gelezinkeliai

Vilnius, July 8 (ELTA) - Stasys Dailydka will continue heading Lietuvos Gelezinkeliai (the Lithuanian Railways) until the expiry of the powers of the board, the board of directors decided on Thursday.

For the recent six months, the CEO has worked under a fixed-term employment contract.

Dailydka has headed Lietuvos Gelezinkeliai since 2006.

The new board of the company was appointed at the beginning of this year.

Lithuania's economy may expand 2.1% this year - IMF

Washington, July 8 (Bloomberg-ELTA) - The Lithuanian economy, which suffered the European Union's second-deepest contraction last year, will return to growth in 2010 as exports rebound, the International Monetary Fund said.

The Baltic country's economy, which probably shrank by a fifth from peak to trough during the global crisis, may expand 2.1 percent this year, the Washington-based fund said in a report today.

"Lithuania is now benefiting from the global recovery," the IMF said. "Recent data are encouraging with signs that an economic recovery is starting to take hold."

The government, which pushed through austerity measures equivalent to about 10 percent of gross domestic product, was able to use lower borrowing costs to avoid turning to the IMF for a loan. Real gross domestic product may return to pre-crisis levels only in 2014 to 2015, the IMF said.

"The Lithuanian economy faces important challenges of high fiscal deficits and rapidly growing public debt as well as a high stock of non-performing bank loans," the IMF said in the report.

Some Lithuanian banks "are not as well provisioned and capitalized, and also face pressure on interest rate margins," the IMF said. "Directors considered it important that banks be subjected to forward-looking stress tests to ensure viability."

Official international reserves down by 4.3% in June

Vilnius, July 8 (ELTA) - In the end of June this year, official international reserves stood at LTL15.9 billion litas (€4.6 billion).

According to Department of Statistics of the Lithuanian Bank, the official international reserves decreased by LTL717.3 million, or 4.3%, in June.

SUDOKU

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Solutions for Issue 9

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• Photo: Normunds Mezins, Courtesy European Commission.

Lithuania eyes sale of state-owned assets

London, July 8 (ELTA) - Lithuania is considering initial public offerings of its state-owned energy and real estate companies as part of a sweeping overhaul of the country's troubled public sector, informs British international financial newspaper the *Financial Times*.

The Baltic government is hoping to raise hundreds of millions of euros to help finance the construction of a nuclear reactor to replace the Soviet-era Ignalina power plant, which closed last year.

"We're pushing our state-owned enterprises to create the possibility of attracting private capital through IPOs and the capital markets," Andrius Kubilius, Prime Minister, told the *Financial Times*. "Energy will be the first priority because we have big investment projects, such as the new nuclear reactor, which need capital."

Mr Kubilius said the plans showed that Lithuania, which joined the European Union in 2004, was starting to refocus on long-term structural reforms after spending the past year battling one of the deepest recessions in the European Union.

Bankers said that the potential IPOs, which Mr Kubilius said could take place next year, would transform Lithuania's underdeveloped equity market and help improve corporate governance among state-owned assets, which account for about a quarter of the economy.

"These companies have a good chance of becoming national champions," said Zygintas Macenas, head of corporate finance for SEB Enskilda in Lithuania.

Officials stressed that the government would stop short of full privatization, keeping control of the assets in public hands.

Ingrida Simonytė, Finance Minister, said the government's top priority was to increase dividends through improved performance rather than raising money from asset sales.

"I don't think you can get a good price by selling companies at this time, but there is a possibility we could increase the flow of money into the state treasury by improving management," she told the *Financial Times*.

Lithuania's plans are part of a broader trend towards improved corporate governance among state-owned companies in central and eastern Europe, with neighbouring

Poland and Latvia planning similar measures, while Estonia has already done so.

Ms Simonytė said the proposals marked a break from the "fire sale" disposals that often characterized the first round of privatizations in the region after the fall of communism.

She estimated that annual dividends could be increased by the equivalent of 1% of gross domestic product, helping Lithuania reduce its hefty budget deficit as part of efforts to join the euro in 2014.

The government is planning to launch its restructuring drive after issuing a report on Thursday that will highlight the poor return on equity delivered by state-controlled companies in Lithuania compared with European peers.

Proposed reforms include the creation of a holding company structure to separate the companies from direct political control and the strengthening of financial disclosure rules. This would break the grip of individual ministries over the companies and help to tackle widespread corruption and waste.

"The state, being a very large owner of important companies, can have a very positive impact on the general business and market climate by setting a new benchmark in transparency," said Arminta Saladžiene, president of Nasdaq OMX, the exchange operator in Lithuania, and chair of the Baltic Group on Corporate Governance.

Lithuania's nearly 300 state-owned enterprises have combined assets that are worth about LTL18 billion (US\$6.6bn) and generated revenues of LTL8.46 billion last year - nearly half of it in energy.

Other assets include forest land, railways and other transport infrastructure.

The energy sector has been plagued by controversy since the creation of Lithuanian Electricity Organization in 2007 to finance the construction of a nuclear reactor and other energy infrastructure projects.

Critics accused the government of striking an unfavorable deal with NDX Energija, controlled by VP Market, one of Lithuania's most powerful business groups, which received a big stake in LEO.

The government bought out NDX last year and created a holding company for its energy assets, called Visagino Atomine Elektrine.

Earnings in 2009 down 7.2%

Statistics Lithuania informs that real earnings in the whole economy (individual enterprises included) in 2009 dropped overall by 7.2% in comparison to 2008, in the public sector by 5.1%, in the private sector 9.4%.

The decrease in average monthly earnings in 2009 was conditioned by a decrease in the volume of work and a deteriorated economic situation.

Average gross monthly earnings in the whole economy in 2009 amounted to LTL2056 and, compared to the previous year, decreased by 4.4%; in the public sector to LTL2285.6 and, compared to 2008, decreased by 2.1%; in the private sector to LTL1915.5 and decreased by 6.9% per year.

The decrease of earnings in the public sector in 2009 was conditioned by a reduced basic rate applied to monthly wages of politicians, judges, public officials and civil servants, reduced coefficients of basic salaries, bonuses for qualification, basic monthly wage, bonuses and premiums paid to the employees of budgetary institutions and organizations and decreased irregular payments.

Most noticeably, average gross monthly earnings in the whole economy in 2009, compared to the previous year, decreased in construction (23.4%), mining and quarrying (11.9%), public administration and defence, compulsory social security (9.5%), of which

legislative and executive activities of central administration institutions (10.6% or LTL460) and in enterprises of real estate activities (8.6%).

The most noticeable decrease was observed in the counties of Telšiai (6.8%), Alytus (6.3%), Marijampolė and Šiauliai (5%) and in the municipalities of Jonava region (14.6%) and Plungė region (10.7%).

Average net monthly earnings in the whole economy in 2009 was LTL1602, in the public sector LTL1769.6 and in the private sector LTL1499.4.

Average net monthly earnings in 2009, compared to 2008, decreased by 3% in the whole economy, 0.8% in the public sector, 5.3% in the private sector. A slower decrease in net earnings has been affected by a reduced tax on individual income (from 24 to 15%) from 1 January 2009.

The average number of employees in the whole economy in 2009 amounted to 1,154,500, in private sector 737,000, in the public sector 417,500 and, compared to 2008, decreased in the whole economy by 11.3%, in private sector by 15.6%, in public sector by 2.6%.

The number of employees decreased mostly in relation to unfavourable economic conditions, bankruptcy of enterprises and reorganization.

Last year was worse - survey

Vilnius, July 15 (ELTA) - In June, two thirds (64%) of Lithuanian residents thought that the economic situation worsened over the past several months.

Among those polled, only 5% of respondents said that the economic situation improved, while 28% of the respondents noted that the situation remained unchanged over the past two months.

According to a survey conducted by Baltijos Tyrimai on June 15-22 for ELTA, over the month, the evaluation of the economic situation remained the same. In June a year ago, more residents were more pessimistic about economic development.

Over the year, the number of the respondents who said that the economic situation was worsening dropped by 21%. There was

a 17% increase in the number of residents who believed that the economic situation has remained stable for the two past months.

In June this year 10% of respondents stated that the economic situation improved, while almost nine (88%) of ten said that the situation deteriorated, 2% had no opinion.

In June, only 3% of the Lithuanian residents said that their financial situations in the family had improved over the past two months. Over half (58%) stated that their household financial situation worsened, while 38% said that their financial situation remained unchanged.

A year ago, in June 2009, 73% of respondents stated that their financial situation deteriorated over the past two months.

Over 2,500 flats sold in Vilnius in H1

Vilnius, July 15 (ELTA) - According to preliminary data of the Centre of Registers, in the first six months of, over 2,500 flats were sold in Vilnius.

Real estate developers directly sold or reserved about 670 new flats, an increase of 47% year-on-year.

In the completed construction projects, the supply of new flats dropped by 33% in Vilnius.

According to Eika market analyst Tomas Ziaugra, the supply of flats in the most attractive projects was declining rapidly, therefore, clients would have limited choice in the nearest future.

Gapsys calls Government to increase VAT tax threshold

Vilnius, July 14 (ELTA) - Leader of the Seimas opposition, Elder of the Labour Party political group Vytautas Gapsys calls the Government to appeal to the European Commission for increase of the value added tax (VAT) threshold, from which the persons involved in economic activities would have to pay this tax. The parliamentarian proposes to learn from Latvia, which was given a permission of the European Commission to increase this threshold to 172,000 litas (50,000 euros). The Commission pointed out that such measures would promote the development of small and medium businesses in Lithuania.

In April, the Labour Party political group registered a similar amendment to the Law on Value Added Tax, however, according to the group, the ruling majority has been delaying its adoption.

Upon the adoption of such amendment, more money will be collected to the state budget through other taxes, because the newly established small and medium companies, that will not pay VAT, will have to pay other taxes, which would increase the state budget.

"Having facilitated the development conditions for small and medium business, the budget revenue would increase. With so many small businesses going bankrupt, we have to take measures - the said amendment would be one of them. Latvians understood that small and medium business are the economy's drive - why the Lithuanian Government does not want to realize that?" Vytautas Gapsys asks rhetorically.

Inflation 0.9% in June

Annual inflation calculated based on the harmonised index of consumer prices in June stood at 0.9%.

Statistics Lithuania calculates the harmonised index of consumer prices (HICP), which is methodologically harmonised with those of other EU member states, on a monthly basis. The conformity with the price stability criterion, set in the Maastricht Treaty, is assessed taking into consideration the inflation rate calculated based on the said index.

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Sport Shorts

Lithuania to play Scotland in first Euro 2012 qualifier

Lithuania is to play Scotland in the first round of the Euro 2012 football qualifier.

Drawn in Group I along with Spain, Czech Republic, Liechtenstein and Scotland, the Lithuanians will host the first game against the Celts at the S. Darius and S. Girėnas stadium in

Kaunas.

Lithuania will then hit the road to the Czech Republic on 7 September 2010, and then over to Spain to play the world champions in their draw on 8 October 2010 which will be their last game in the series for the year.

Lithuania win Davis Cup Tie against Ireland

Lithuania took victory in the Davis Cup tie against Ireland after winning the doubles 6-3, 6-3, 6-4, and taking an unassailable 3 - 0 lead.

Ričardas Bernankis and Laurynas Grigelis were late replacements in the doubles after the team captain decided to try to win the tie in three games after Bernankis and Grigelis both won their singles the previous day, giving Lithuania a commanding 2 - 0 lead.

The gamble paid off as they overcame J. Cluskey and B. King in straight sets.

In the dead rubbers the next day Ireland won both matches as Niland defeated Lukas Mugevicius and McGee overcame Dovydas Sakinis.

Lithuania will next meet Slovenia in a home draw on 17 September for the chance to move up to Group I in the Europe/Africa Zone.

Surprise Rytas Signing

The surprise story of the off-season in Vilnius is that Stepas Brauskas remains at the club.

Vainauskas said that he would do all he could to retain his services, and that seems to have eventuated with the announcement that he will be wearing red and black next season.

There is some concern that this might mean that another player the likes of Gecevičius or Valančiūnas might be traded, but the club has always spoken of having a 14 man roster for the heavy workload next season which will see them playing for six different trophies.



National Team News

It's been a busy summer so far with just about every national team age-group competing in some competition or other.

The Men's team has just finished its first training camp in Druskininkai and management are taking stock of their best line-up for the World Championships which start in August, before the next training camp begins in Palanga this week.

The Men's second team has also been busy with two games and two wins against the UK team in Britain, and then making the journey to China where they have just completed a series against the national team where they won the last of the three game series after going down in the first two, as well as winning some games against local league teams.

With many of the usual faces absent this year, this is seen as a rebuilding exercise for the national team in their hope of winning the European Championships when they host the tournament next year.

The under 17 Men's team played in the World Championships in Hamburg where they took fourth place after a last minute loss to Canada, going down 81 - 83 in the bronze medal play-off.

The under 20 Men's team were disappointed with their ninth place finish in the European Championships in Croatia.

With hopes of finishing in the medals, the Lithuanian woes could be put down to an unexpected loss to neighbouring

Latvia which left three teams in the qualifying round equal on two wins, but Lithuania's lesser percentage precluded them from a place in the final eight and took the consolation of defeating Italy by a single point to take ninth place.

This week the under 18 Men will start their European Championship campaign as hosts and hot favourites. The hometown advantage, along with a well prepared unit that includes Jonas Valančiūnas are expected to figure in the final standings, with perhaps Turkey their greatest threat.

We will be covering the Under 18 Championship, so keep an eye on www.litnews.lt/gallery.htm

The U18 European Championship starts on 22 July and runs to 1 August in Vilnius Siemens Arena.

The U20 Women's European Championships are underway in Latvia and Lithuania is 2 and 2 with one game to play in the group stages and needing to defeat Italy to ensure a place in the quarter final round.

Lithuania is currently third in Group F, with a chance of moving to second if Spain defeat Turkey in the final qualifying round.

The Women's Under 18 European Championships begin 29 July in the Slovak Republic, and the Under 16 Girls go to Greece for their European Championships which run from 12 - 22 August.



Kleiza Officially a Raptor

The Denver Nuggets failed to match the Raptor's offer to Linas Kleiza, and the free-agent is now officially a part of the Toronto Raptor roster.

Bill Duffy, Kleiza's agent, said that Denver had earlier indicated that they would not be matching the Raptor's offer which would have obliged Kleiza to return to Denver if he wanted to continue his NBA career.

Kleiza's is now waiting to join the Lithuanian national team in preparation for the World Championship in Turkey which start next month.

Contractual uncertainties and NBA restrictions have prevented him from joining the boys in Druskininkai, where the Lithuanian men's team began their first training camp under new coach Kestutis

Kemzūra.

Kleiza had been an ardent supporter and participant in the Lithuanian Men's National basketball team, and at the tender age of 25 the 203 cm forward is now one of the veterans of the squad and a team leader.

Kleiza hopes that this year's World Championships will be the first step on the way to winning the European Basketball Championships which will be held in Lithuania next year.

Meanwhile Žydrunas Ilgauskas has followed LeBron James to Miami in the hope of getting himself an NBA ring and signed on to join James, Dwyane Wade and Chris Bosh in the league's highest profile line-up.

Žalgiris takes shape

Aco Petrovic has been appointed the new coach in Kaunas. The Serbian coach has been at the helm of FMP Belgrade, Hemofarm Vrsac, Lokomotiv Rostov and Unics Kazan and is looking forward to his move to Lithuania after inspecting the Žalgiris facilities recently and meeting with owner Vladimir Romanov and management.

"My basketball ideology is super-defence and decent offense. These are the keys to victory. I believe in the young players and value their enthusiasm and ambitions. Any foreigner has to be a better player than a local," Aco told lithuaniabasketball.com

The team is also coming together after Tadas Klimavičius was officially inked for next season, and big man Omar Samhan signed a two plus one contract recently.

Omar averaged 21,3 points, 10,9 rebounds and 2,9 blocks in 34 games last season with St Mary's College of California (NCAA), helping his team to make it to the NCAA Tournament eighthfinals.

Omar is regarded as much for his basketball prowess as his post-match performances where he is a favourite with the media for his personality and quotability, including: "I hate these guys (who) run around, shooting threes. You're 6-11. Go get your butt in there. I take pride in being a big man (who plays with) his back to the basket. It's a lost art."

Still, he retains a strong work ethic, and after playing in the NBA summer league it was felt he needed a few years in Europe where he can develop his big-man skills, and at 22 years and 211 cm most are predicting an NBA future after his two year contract with Žalgiris.

As expected, Travis Watson will be wearing green again next year, as will Mirza Begic and Mario Delas who are waiting to see if Čukinas signs a new one year contract to complete the Žalgiris front line.

Žalgiris has most of its players from last season still under contract, but they are still expected to sign a point guard for the upcoming season to assist Kalnietis.

Kurtinaitis to coach VEF Riga

Rimas Kurtinaitis has made his decision for next year, and will take the helm at VEF Riga.

Kurtinaitis was hoping to head a Euroleague campaign, but the offers were not forthcoming, and after even considering the post at Žalgiris, he is headed north to Riga and will probably sign a contract in a couple of days.

lithuaniabasketball.com reports that VEF Riga started negotiations as soon as it appeared he would no longer return to Vilnius and VEF Riga Vice-President Valdis Valters said the team was very lucky to have Kurtinaitis guiding them through the Eurocup qualifiers, the VTB United League, BBL and the local competition.

SKYBAR

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VII - IV 17.00 - 01.00
V - VI 17.00 - 02.30