



**WORLD**



**AN IRAQI** soldier carrying his food walks along a fence at the Iraqi Nuclear Energy Organization facility of Tuwaitha on Monday, during a visit by U.N. weapons inspectors.

## Iraq: Weapons report

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including possible instructions on bomb-making.

Angered by the decision, Syria planned to protest the arrangement during Security Council consultations Monday.

Meanwhile, U.N. Secretary-General Kofi Annan said it would take some time to review the declaration and called on Washington and others to be patient.

"The inspectors will have to review them, analyze them and report to the council, and I think that's going to take a while."

In Washington, White House press secretary Ari Fleischer withheld judgment on the massive documentation and said the United States wants to study the material "thoroughly, completely and fully and thoughtfully."

The U.N. nuclear agency said Monday that at first glance, the nuclear section of the dossier

repeats Saddam's claim that his country has no atomic weapons, materials or associated programs.

Of the 2,400-page nuclear portion of the document, 300 pages still must be translated from Arabic. Only an exhaustive analysis, backed up by ongoing arms inspections in Iraq, can determine if the document is truthful, said Melissa Fleming, a spokeswoman for the Vienna, Austria-based International Atomic Energy Agency.

"The cross-checking is extremely important, including cross-checking on the ground," Fleming told The Associated Press. "Should there be elements we feel have to be checked out, we have the advantage of having a team on the ground that can go the next day."

On Sunday, an adviser to Saddam suggested that Iraq may have been close to building an atomic bomb in the years before the 1991 Gulf War.

# NATO: Agreement on terror

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the U.S.-led international campaign against terror.

"Russia and NATO are very close in their assessment of military needs ... in the new security environment," Putin said during a separate meeting with Robertson in the Kremlin.

"In many ways, Osama bin Laden was the midwife of an incredible new rapprochement," Robertson said at a news conference. "But I don't think that in his wildest dreams this fanatical criminal would have thought that he would have ended forever the Cold War and brought NATO and Russia so closely together."

While hailing the new partnership between Russia and NATO, Robertson made a careful reference to the sensitive issue of Chechnya, warning that "the use of disproportionate or inappropriate force" by troops lacking proper training to "respect the rights and secure the trust of civilian populations ... can prove ineffective or even counterproductive."

Robertson did not specifically mention Chechnya in his conference speech, but told reporters later that he was referring to "Chechnya and other terrorist conflicts."

International human rights groups accuse Russia of heavy-handed use of force in Chechnya resulting in a high number of civilian casualties. Moscow has shrugged off the criticism and tried to present its latest war against



**NATO Secretary-General George Robertson** leaves Moscow's Vnukovo airport after flying in for a summit focusing on terrorism.

rebels in the southern region, now in its fourth year, as part of the international campaign against terror.

Like the United States, NATO has acknowledged that some rebels in Chechnya have links with international terrorism, but have also reaffirmed the need for a political

solution to the conflict. The Kremlin, however, rejects peace talks with the rebels, calling them international terrorists.

"There must be a political strategy to accompany any military counter-terrorist offensive if there is to be a lasting victory against extremists," Robertson said.

The closer Russian-NATO ties have helped muffle Moscow's protests about NATO's decision last month to invite seven new members, including the former Soviet republics of Estonia, Latvia and Lithuania, to join the alliance. Russian officials said that NATO's eastward expansion was unnecessary, but refrained from stronger criticism.

Defense Minister Sergei Ivanov said Monday that Moscow now expects the alliance's new members, particularly the Baltic states, to join existing arms control agreements. "We don't want some kind of legal black hole to appear north-west of our country," Ivanov told reporters at the conference.

Russian officials have insisted that new NATO members join the Conventional Forces in Europe Treaty and other arms control agreements to prevent any military buildup near Russia's borders.

Robertson said Russia should not be concerned. "You will find no one in NATO who would advocate putting nuclear weapons or massive conventional forces into the new NATO members to defend against some imaginary Russian threat," he said in a speech to Russian business people. ■

## Oil: Sitting on profits

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"Russia could get production to 9 [million barrels a day] or perhaps higher by 2010," said Ian Woollen, an analyst from Wood Mackenzie, who puts Russia's proven reserves at 120 billion barrels.

According to information made public by Russia's five largest oil companies, they control more than a combined 70 billion barrels of proven crude oil reserves.

LUKoil and Yukos, the two largest companies by market capitalization, claim to control 14.576 and 12.581 billion barrels of crude respectively.

"If you simply summarize proven oil reserves of Russia's 10 largest oil firms, audited by international auditors, you get a much higher figure than BP's modest estimates," said Mikhail Khodorkovsky, CEO of Yukos, Russia's fastest growing oil firm.

He put Russian reserves at 150 billion barrels and said Russian production levels could be maintained for decades.

The Russian government relies on oil for 40 percent of its budget revenue, and the economy has boomed during the recent period of high global oil prices.

Most estimates include only Western Siberian reserves, exploited since the 1970s and supplying two-thirds of Russian oil, and not potentially huge reserves elsewhere.

"The acreage Russia can offer in Eastern Siberia, the Caspian Sea or Arctic shelf is simply massive," said Paul Collison from Brunswick UBS Warburg.

"Compared to what is still available in terms of oil reserves on developed and even emerging markets, Russia's position is simply unique," he added.

Eugene Khartukov, Russia's leading independent energy analyst, put proven reserves at 110 billion barrels, and said Russian companies' reserves to production ratio was much lower than their western counterparts.

"Russia has reserves to keep up its production at current levels for 40 years, while with western majors [large oil companies] the figure does not usually exceed 10 years," he said.

To maintain its industry, the International Energy Agency estimates that Russia will need \$550-\$700 billion of investment in energy infrastructure by 2020.

Jonathan Stern, energy specialist from Britain's Royal Institute of International Affairs, said the important question would be whether Russia could still attract that investment if the oil price fell below \$20 a barrel.

"The fascinating question about Russian oil is not how much of it there is but whether the anticipated price is enough to get the fields and transportation routes developed," he said. ■

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certain financial targets.

"I want to get out of bankruptcy as soon as possible," UAL Chief Executive Officer Glenn F. Tilton said during a press conference at O'Hare International Airport in Chicago. "A reasonable time, we're thinking, is 18 months."

"It is our goal to complete this process within 18 months," UAL's chief executive officer said in a statement. "We will go further and deeper in our efforts to reduce our costs" and are developing a Chapter 11 recovery plan that will make UAL "a stronger company."

United is the second major U.S. air carrier to seek bankruptcy protection since the Sept. 11 terrorist attacks, following U.S. Airways Group Inc.'s filing in August. UAL listed \$24.2 billion in assets in an October regulatory filing, making its Chapter 11 case the seventh largest ever.

"It's hardly surprising," said Chris Tarry, an independent airline analyst, of the bankruptcy filing. "Attention will now focus on whether there's going to be a domino effect in the U.S. We'll watch and wait to see in what form United may emerge, but we won't know that for a long time."

The carrier was pushed toward bankruptcy when the federal Air Transportation Stabilization Board rejected UAL's loan guarantee request as "not financially sound." UAL can submit a new plan to the loan-guarantee board or seek a guarantee as part of a Chapter 11 restructuring.

UAL said Dec. 2 it would delay repayment of \$920 million in debt while awaiting a decision on its loan-guarantee request.

U.S. bankruptcy law automatically blocks debt-collection efforts, lawsuits and other actions against UAL. The legal protections and court-supervised recovery process would give the airline a chance to change strategies. In a Chapter 11

reorganization, UAL can cut costs by abandoning expensive aircraft leases, renegotiating labor contracts and paying debts with new equity.

"We're going to examine every element of the business," Tilton said. "That includes every component of the margin, from labor costs, to non-labor costs, to revenue realization to profit-improvement initiatives." ■

# United: Record bankruptcy

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