

Observing from afar, oil mogul faults Putin

■ From his exile in Israel, he hopes Russia will drop case against him

By JOSEF FEDERMAN
ASSOCIATED PRESS

HERZLIYA, ISRAEL — Fugitive Russian oil baron Leonid Nevzlin, one of the world's richest men just a year ago, is now living a quiet life in this exclusive seaside community, trying to salvage what remains of a shattered business empire.

In a rare interview Monday at his home, Nevzlin branded Russian President Vladimir Putin a "corrupt dictator," yet held out hope the Kremlin will drop criminal charges against him and other executives of the Yukos oil giant, even if it means heavy losses in his wealth.

Whatever happens, Nevzlin made it clear that his future is in Israel.

"If the Putin regime remains in Russia, I don't want to be a Russian citizen," he said through a translator. "I want to live in a free country."

Not long ago, Nevzlin was at the pinnacle of the Russian business world, one of the so-called oligarchs who snapped up state-owned assets at cheap prices during the late 1990s.

As the second-largest share-

holder in Group Menatep, the holding company that controlled Yukos, Nevzlin was ranked No. 277 on Forbes magazine's 2004 list of billionaires, with a personal fortune valued at \$2 billion.

Now he is living in a comfortable exile in a walled compound in Herzliya Pituach, an exclusive seaside neighborhood north of Tel Aviv that is home to ambassadors and business magnates.

The three-level villa features marble floors, a wrought-iron spiral staircase and a downstairs sitting area decorated with "Free Khodorkovsky" posters.

Those refer to Mikhail Khodorkovsky, the billionaire former CEO of Yukos jailed in 2003 in what Kremlin critics at home and abroad say is politically motivated case.

Nevzlin's luck turned after Putin came to power in 2000. Putin started tightening state scrutiny over the oligarchs and the disputed sales of the 1990s and started clamping down on most major media outlets, sending another Russian oligarch — Vladimir Gusinsky — into exile

in Israel. In 2003, authorities began scrutinizing Khodorkovsky, Yukos' politically ambitious founder.

Khodorkovsky was arrested in October 2003 and charged with tax evasion and fraud — charges that many believe were punishment for his support of opposition parties.

Nevzlin, who was in Israel when Khodorkovsky was nabbed, has remained here ever since. As a Jew, Nevzlin was eligible for automatic Israeli citizenship. In early 2004, Nevzlin was charged in Russia with tax evasion and has since been accused of ordering a double murder.

Nevzlin, 45, rejected the entire case against him, Khodorkovsky and other Yukos officials as politically motivated.

"We need to call what is going on in Russia by a different name.

"They have built a corrupt dictatorship. They call it managed democracy," Nevzlin said.

Russia sold Yukos' key production unit last year in a disputed auction to a state-run oil company, essentially re-nationalizing it.

Nevzlin said he would be willing to sell his remaining Russian holdings at a steep discount if it would protect small investors in the company and lead Russia to drop the cases against him and his partners.



LEONID NEVZLIN says, "I want to live in a free country."



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President to meet six Latin leaders on CAFTA hopes

■ Bush attempts to sway Congress on trade treaty

ASSOCIATED PRESS

WASHINGTON — With his proposed Central American Free Trade Agreement facing trouble in Congress, President Bush is meeting next week with leaders from six Latin American countries.

White House officials said Monday that the president will meet on May 12 with President Abel Pacheco of Costa Rica, President Leonel Fernandez of the Dominican Republic, President Tony Saca of El Salvador, President Oscar Berger of Guatemala, President Ricardo Maduro of Honduras and President Enrique Balanos of Nicaragua.

Various tallies show that the pact is in trouble in Congress, especially in the House where Democratic opponents have been joined by Republican lawmakers from sugar- and textile-producing districts.

A number of Democrats have expressed reservations about supporting CAFTA, saying the administration needs to show

greater efforts to enforce current trade agreements before Congress will approve new ones, especially in the light of soaring trade deficits.

CAFTA has been linked to the issue of Chinese trade by administration officials who say the agreement would benefit the U.S. textile industry because Central American apparel makers rely on U.S. yarn and fabric. Chinese apparel makers, the winners if the agreement is defeated, use almost no American content.

Commerce Secretary Carlos Gutierrez has said he thinks the administration will be able to win the CAFTA vote in Congress.

He said American textile companies would be able to sell yarn and fabric more cheaply with tariffs eliminated with the CAFTA countries and those countries would have an edge over China in selling finished clothes back into the United States.

As for worries among sugar producers about increased competition from the CAFTA nations, Gutierrez said there would be only a small increase in sugar imports under the pact.



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AROUND THE WORLD

MEXICO

Economic growth slips to 3 percent

MEXICO CITY — Mexico's economy grew at an annual rate of about 3 percent in the first quarter, the Finance Ministry said Monday, as growth slowed due to weaker manufacturing, especially in the auto sector, and weaker demand from the United States.

Gross domestic product had expanded at a 4.9 percent pace in the final quarter of 2004. Mexico's government and most Wall Street analysts expect growth of 4 percent for 2005.

On Monday, the bolsa index closed up 101.96 points to 12,424.95. The peso rose to 9.0596 cents from 9.0539. The dollar fell to 11.0380 pesos from 11.0450.

WTO

Brazilian official slams rich nations

PARIS — Brazil's foreign minister blamed rich countries Monday for a new setback in the latest round of World Trade Organization talks as ministers gathered in Paris for

negotiations on the much-delayed global trade deal.

Celso Amorim said talks on the sensitive issue of agricultural import tariffs were stalled because developed states were seeking to "paralyze" the negotiations.

The ministerial meetings follow weeks of deadlock over the technical issue of how flat-rate tariffs — typically a set duty for a given weight of goods — should be translated into more common percentage tariffs, which are based on the fluctuating value of agricultural goods.

NIGERIA

Vice president rejects a default

The vice president of Nigeria, Africa's biggest debtor nation, said Monday that a default on his country's \$35 billion in foreign debt isn't an option, softening threats made by Nigerian lawmakers.

"It is not on the table, not by a democratically elected government," Atiku Abubakar told a Washington audience at the Woodrow Wilson International Center. "That's not the most civilized way."

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