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### **1. NATO FMs support Ukraine's Euro-Atlantic aspirationsaa Xinhua, 8 December 2007**

BRUSSELS -- NATO foreign ministers voiced hereon Friday their support for Ukraine's Euro-Atlantic aspirations aimed at joining the European Union and NATO.

"We will continue to support Ukraine as and when it pursues its Euro-Atlantic aspirations, without prejudice to any eventual Alliance decision," said a communique released after a NATO foreign ministers meeting in Brussels.

NATO recognized the importance of the NATO-Ukraine partnership and "our determination to make full use of our Intensified Dialogue and NATO-Ukraine Commission to enhance practical assistance" to the former Soviet country.

The communique spoke highly of Ukraine's contribution to NATO's common security.

It pledged to continue to assist Ukraine in the implementation of reform efforts, especially in the field of defense and security sector, the document said.

A NATO-Ukraine Council meeting was held following the NATO foreign ministers meeting to discuss bilateral cooperation and Ukraine's bid to join the 26-nation military alliance.

Text available on World Wide Web, URL:

[http://news.xinhuanet.com/english/2007-12/08/content\\_7217158.htm](http://news.xinhuanet.com/english/2007-12/08/content_7217158.htm)

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## **2. NATO-Ukraine Commission to meet in Bucharest next Lear IRNA-Itar-Tass, 10 December 2007**

NATO Secretary-General Jaap de Hoop Scheffer confirmed on Friday that the next meeting of the NATO- Ukraine commission at the level of heads of state would be held in the spring of 2008 in Bucharest in parallel to the NATO summit.

He stressed that cooperation with Ukraine was outstanding and Ukraine was the only NATO partner country that is involved in all of the Alliance's operations without exception and makes an important contribution to common security.

The Secretary-General also noted Ukraine's progress in reforming its Armed Forces and bringing them closer to Euro-Atlantic standards.

Earlier in the day, the foreign ministers of the 26 NATO member countries supported the determination of Ukraine and Georgia to join NATO, but the timing of their accession is not on the agenda.

At their summit in Bucharest, the heads of state and government from the 26 NATO member states will discuss the admission of Croatia, Albania, and Macedonia.

Text available on World Wide Web, URL:

<http://www2.irna.ir/en/news/view/menu-239/0712084037190902.htm>

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## **3. Ukraine Stopped a Step Away From WTO Kommersant, 10 December 2007**

*The WTO negotiations of Ukraine have been endangered at the very last stage. This week, Ukraine may lodge to the WTO an official complaint against the EU. First time in the world practice, the EU demands from a country to abolish export duties even before the actual acceptance to the WTO. The incident that is likely to shelve Ukraine's membership in that organization will probably repeat at negotiations with Russia.*

Ukraine's government will decide today on its further actions en route to the WTO. More likely than not, it will seek the WTO's protection against new demands of the European Union.

Ukraine will address the working group for WTO joining, urging it to evaluate reasonableness of the EU requirements, said Alexander Shlapak, the first deputy chief of Ukraine's president's secretariat. In the working group's report, Ukraine has no other contradictions but for the export duties' abolishment, the official pointed out.

The EU demanded from Kiev to abolish all export duties on the eve of the working group's final meeting dedicated to Ukraine's acceptance to WTO. From November 30 to December 2, that group was to approve the report about Ukraine's readiness for the WTO membership.

Should Ukraine yield to the EU demands, it would create a precedent in the world practice, as it is for the first time that Europe has conditioned the WTO membership to the obligation to abolish all export duties. Anyway, the demarche of the EU may shelve consideration of Ukraine's application till the next sitting of the WTO General Council that is slated for early 2008.

Eager to compromise, Ukraine suggested calling off duties after creating a free trade area with the EU. "Our response is as follows: we will endure all commitments that we assumed when passing the laws for reducing export duties on four product groups – metal, leather, live cattle and sunflower seeds," Shlapak said. "But assuming obligations of no precedent now? And another thing. Let's solve this issue bilaterally without adding it to the working group's report. We will undertake, after signing with the EU an agreement on free trade area, not to apply against them any export duties even if Ukraine applies them against any other states."

Text available on World Wide Web, URL:  
[http://www.kommersant.com/p834509/Ukraine\\_duties\\_WTO/](http://www.kommersant.com/p834509/Ukraine_duties_WTO/)

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#### **4. Ukraine stabilises gas supplies to Europe after pipeline blast Itar-Tass, 10 December 2007**

Ukraine has stabilised gas supplies to Europe by taking more gas from its underground storage facilities to maintain the required volumes of transit during repairs on the Urengoi-Pomary-Uzhgorod pipeline that was destroyed by an explosion on December 6.

According to Naftogaz Ukrainy, a section of the Urengoi-Pomary-Uzhgorod trunk pipeline was depressurised as a result of an explosion near the Illinty (Vinnitsa region) compressor station at 20:12 Moscow time (1712 GMT) on December 6.

Gas supply was immediately stopped. The explosion left a crater 30 metres in diameter and five metres deep. It also destroyed about 30 metres of the 1,420 mm pipe. The fire on the pipeline has been extinguished. There is no risk of new explosions in this section of the pipeline.

Specialists are investigating the causes of the explosion and assessing the damage.

Authorities said the incident would not affect the volumes of Europe-bound transit.

A Ukrainian government source told Itar-Tass, "The Ukrainian gas transportation system is very ramified and this makes it possible to reroute the flows of gas so as to bypass damaged section."

However gas supplies have been temporarily suspended to three gas distribution stations that deliver gas to 22 settlements in the Vinnitsa region. Authorities promised to resume them within 48 hours.

This is the second such incident on the Urengoi-Pomary-Uzhgorod pipeline this year. In May, soil subsidence caused an explosion in the Kiev region, and its repairs took more than ten days.

Text available on World Wide Web, URL:  
<http://www.itar-tass.com/eng/level2.html?NewsID=12159812&PageNum=0>

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#### **5. EU says no impact from Ukraine gas pipe blast Reuters, 7 December 2007**

An explosion that damaged a gas pipeline running through Ukraine will not affect gas flows to Europe, the European Commission said on Friday.

"We have been informed about this by the Ukrainian mission, it's a minor explosion that will not affect the transit of gas to the EU," a Commission spokesman told a regular briefing.

The pipeline's operator said earlier on Friday that supplies to Europe were continuing to run smoothly. (Reporting by William Schomberg; editing by Dale Hudson)

Text available on World Wide Web, URL:  
<http://www.reuters.com/article/rbssEnergyNews/idUSBRU00618220071207?sp=true>

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## **6. Ukraine, Poland agree to reverse flow of key oil pipeline AP, 7 December 2007**

The leaders of Ukraine and Poland agreed Friday to reverse the flow of a key oil pipeline in western Ukraine in mid-2008, a move to improve regional energy security and reduce dependence on Russian crude.

The 670-kilometer, or 410-mile Odessa-Brody pipeline is currently used to transport Russian oil southward for export via the Black Sea from the port of Odessa.

But President Viktor Yushchenko and his Polish counterpart Lech Kaczynski pledged to return to the pipeline's original design and begin shipping oil from Caspian Sea nations such as Azerbaijan northward from Odessa to Brody, near the Polish border, according to a statement on Yushchenko's Web site.

"Only such a straightforward option of using Odessa-Brody has a future. Any other options simply don't exist," Yushchenko said, according to the statement.

"I am convinced that this project will be implemented," Kaczynski was quoted as saying. "Naturally, it is in our Polish interests."

Yushchenko said that by mid-2008, oil will start moving northward in the pipeline to Brody, from where it will be transported further north by rail.

Under an agreement struck earlier this year by Ukraine, Poland, Lithuania, Azerbaijan and Georgia, the pipeline is to be extended 490 kilometers to the Polish port of Gdansk on the Baltic Sea.

Yushchenko predicted the extension could be built over the next two years, while Kaczynski predicted it could be finished in 2011-2012, according to the statement.

However, Alexander Dikusarov, spokesman for the state pipeline company Ukrtransnafta, said that while construction of the extension will begin in mid-2008, the flow of the oil will be reversed later.

The pipeline, built in 2001, has long been the subject of geopolitical jostling amid competition over control of export routes from the former Soviet Union. It remained largely idle amid political bickering over its use until 2004, when then-President Leonid Kuchma opened it for transport of Russian oil southward to Odessa for export.

The following year, Yushchenko, the new pro-Western president, decided to revert to the original plan for moving shipments from Kazakhstan and Azerbaijan north and west from the Black Sea port.

Text available on World Wide Web, URL:

<http://www.iht.com/articles/ap/2007/12/07/business/EU-FIN-Ukraine-Poland-Pipeline.php>

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## **7. Ukraine, Poland to launch "Odessa-Brody" in 2008 UNIAN, 7 December 2007**

Ukraine and Poland plan to launch Odessa-Brody pipeline in the middle of 2008.

President Victor Yushchenko and President Lech Kaczyński announced that after visiting "Pivdenny" maritime terminal, according to the President's press-office.

V.Yushchenko explained that at first stage of the pipeline operation oil will be transported to Brody junction and further transportation shall be performed by rail. President of Ukraine also added that among all possibilities including past ideas of reverse mode operation "only forward operation mode of the Odessa-Brody pipeline is of perspective. Other possibilities simply don't exist."

President Lech Kaczyński from his part reaffirmed Poland's interest in soonest implementation of that project. He also added that executive branch changes in his country would not affect its plans of active participation in the project. "I hope that by the time of Kyiv Energy Summit we shall see the first stage of Odessa-Brody pipeline operation", - he said. To Mr. Kaczyński's opinion extending the pipeline to Gdansk may be possible by 2011-2012.

President of Ukraine Victor Yushchenko and the President of the republic of Poland Lech Kaczyński visited "Pivdenny" maritime terminal and were acknowledged with its functioning. They were also shown presentations of "Odessa-Brody" pipeline operation perspectives. After the visit President Victor Yushchenko signed a decree on conducting International Energy Summit in Kiev in May 2008. V. Yushchenko believes that this Summit will become a conclusion of the logistics relevant to the Odessa – Brody – Płock – Gdańsk project.

Constant URL of article:

<http://www.unian.net/eng/news/news-225497.html>

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## **8. President Lech Kaczynski visits Ukraine** **By Danuta Isler** **Polish Radio, December 2007**

*Poland's President Lech Kaczyński has paid a two-day visit to Ukraine. During bilateral talks Presidents of Ukraine and Poland have discussed political relations and border issues. The organization of the Euro 2012 Championships and European and Euro Atlantic aspirations of Ukraine and energy issues have also been on the agenda.*

On the first day of the visit presidents Viktor Yushchenko and Lech Kaczynski signed joint Declaration "Modern Challenges - New Dimensions of Strategic Partnership". During the official signing ceremony held in Kyiv the Polish President reiterated that Poland strongly supports Ukraine's wishes to be part of NATO and the EU. He also said that the Polish authorities will do everything to make Poland's entering the Schengen zone not burdensome for Ukrainian citizens.

*'We have expressed our support for the future government which will hopefully be created soon. We have also expressed our hope that the new government and its policies will be completely unequivocal, i.e. pro-western.'*

On his part president Victor Yushchenko said that his country was and is Poland's strategic partner. The Ukrainian president also stressed that the Polish elections and formation of a new Government will not change bilateral relations with Ukraine.

*'It is very important for us to have good relations with Poland. And we can definitely talk about progress looking at the recent years. It is very good that such a dynamic is supported even at the highest state level.'*

Pawel Wolowski of the Center for Eastern Studies in Warsaw welcomed Poland's confirmed support of Ukraine on the way of integration to NATO and the EU. He expressed concern, though, about the implementation of the Ukrainian aspirations.

*'Ukrainian political elites are quite unanimous in aspiring to membership of the European Union and this idea also has a wide support of the Ukrainian society. However, Ukraine is not ready for the integration while the EU is not ready to enlarge. As for the perspective of NATO membership the situation is complicated. There is no social support while the political elites are also divided on this issue.'*

On the agenda of talks was also the issue of the Odessa-Brody-Plock oil pipeline which will be discussed at the energy summit in Kyiv next March. Halyna Pastushuk, our correspondent in Kyiv.

*'According to the vice head of the president's secretary office, Oleksandr Chalyy during his stay in Odessa Mr. Kaczynski had significant conversations connected with the long-lasting project of the pipeline Odessa-Brody-Plock. He said that during the last year and a half Ukraine has been working in the format Poland-Ukraine-Lithuania-Georgia-Azerbaijan to move forward the project Odessa-Brody-Plock and to promote the Black Sea, Caspian and Baltic energy transition space. All such questions were discussed.'*

While in Odessa today the Polish Head of State also met Julia Tymoshenko, the official candidate to the post of Ukraine's Prime Minister. President Kaczyński said that Poland was interested in seeing the Ukrainian government formed as soon as possible.

Text available on World Wide Web, URL:

[http://www.polskieradio.pl/zagranica/news/artykul71227\\_President\\_Lech\\_Kaczynski\\_visits\\_Ukraine.html](http://www.polskieradio.pl/zagranica/news/artykul71227_President_Lech_Kaczynski_visits_Ukraine.html)

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**9. Ukraine is and always has been true to strategic nature of bilateral relations with Poland, President Viktor Yushchenko states  
NRCU, 7 December 2007**

*This was emphasized by the President in his statement concluding Ukrainian-Polish talks. During the talks the sides discussed topical political and economic questions of the bilateral relations between Ukraine and Poland.*

President informed that Poland and Ukraine are scheduled to sign the agreement on simplification of visa regime in December of 2007. As for EURO-2012 championship sides agreed that in the first quarter of 2008 a separate agreement shall be signed on governmental level aimed at coordination of preparation work. Talks participants also rose up a subject of Kyiv Energy Summit, which shall take place in 2008 as well as discussed a situation around Odesa - Brody - Plock - Gdansk pipeline. Sensitive issues of common history were also discussed. Viktor Yushchenko informed that workgroup is about to be established in Lviv which shall incorporate Polish and Ukrainian scientists. The workgroup shall concentrate on local Polish cemeteries issues.

Text available on World Wide Web, URL:

<http://www.nrcu.gov.ua/index.php?id=148&listid=56658>

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**10. Gazprom says Ukraine pledges smooth gas transit  
Reuters, 7 December 2007**

Russia's gas export monopoly Gazprom (GAZP.MM: Quote, Profile, Research) said on Friday Ukraine had pledged to guarantee smooth gas transit to Europe despite a blast on a major pipeline on Thursday on its territory.

"Ukraine is so far confirming Gazprom's transit volumes," said Gazprom's spokesman Sergei Kupriyanov. Gazprom covers one quarter of Europe's gas needs and 80 percent of these volumes are sent via Ukraine. (Reporting by Dmitry Zhdannikov; editing by Christian Lowe)

Text available on World Wide Web, URL:

<http://www.reuters.com/article/rbssEnergyNews/idUSL0739296420071207?sp=true>

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**11. Ukraine agrees to raise 2008 gas transit volume  
Reuters, 10 December 2007**

Ukraine has agreed to increase the volume of westward gas transit to 113.7 billion cubic metres next year from 110 billion cubic metres in 2007, state-controlled oil and gas company Naftogaz said on

Monday. Europe receives a quarter of its gas from Russia's gas export monopoly Gazprom (GAZP.MM: Quote, Profile, Research), 80 percent of which goes through Ukraine.

Ukraine last week agreed to pay a higher price for gas for its own consumption, at \$179.5 per 1,000 cubic metres from \$130 now. It raised its transit charge to \$1.7 per 1,000 cubic metres for 100 km from the \$1.6 fee now.

"After talks between Naftogaz, Gazprom and (intermediary) RosUkrEnergo on the conditions of gas supply and transit through Ukraine in 2008, the Ukrainian side was able to fix the agreed rise of westward gas transit," the company said in a statement. (Editing by Anthony Barker)

Text available on World Wide Web, URL:

<http://www.reuters.com/article/rbssEnergyNews/idUSL1068620620071210>

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## **12. Ukraine assembly sets Tuesday vote on PM Reuters, 7 December 2007**

Ukraine's parliament is to vote next Tuesday on returning Yulia Tymoshenko to her old job of prime minister and appointing a cabinet, the assembly's speaker said on Friday.

"Whatever the circumstances, a vote will take place on Tuesday on the candidature for prime minister of Ukraine and on the make-up of the government," speaker Arseniy Yatsenyuk told the chamber. He then declared parliament closed until Tuesday.

Tymoshenko was President Viktor Yushchenko's ally during the 2004 pro-Western "Orange Revolution" mass protests that swept him to power. But after a turbulent eight-month mandate as prime minister, she was sacked by the president.

The two were reconciled before September's parliamentary election in which two parties associated with the "orange" protests won a tiny majority.

The president submitted her nomination to parliament on Thursday despite their history of uneasy relations.

The "orange" coalition, made of her bloc and the president's Our Ukraine party, holds 227 seats, only one more than needed to secure election in the 450-member legislature.

But the election this week to the speaker's chair of Yatsenyuk, an ally of the president, gave heart to "orange" parties that their majority, however slender, was viable.

And the opposition, led by outgoing Prime Minister Viktor Yanukovich's Regions Party, has indicated that it was prepared to accept Tymoshenko as prime minister if she won approval.

"I don't care what color the coalition is. What matters is what this coalition will do," Rinat Akhmetov, a senior Regions Party official and Ukraine's wealthiest business magnate, told reporters late on Thursday.

"If it is aimed at reforms and economic growth, may God grant them good health."

Tymoshenko, with her peasant braid and designer outfits, issued calls to action at Yushchenko's side during the 2004 protests.

In office, Tymoshenko sniped constantly at the president and her government was split into two camps. Relations worsened with Russia and she spooked investors with calls for a sweeping review of "dubious" privatizations.

But her popularity has proved enduring as her bloc scored well in the September election to entrench itself as the country's largest "orange" group.

(Writing by Sabina Zawadzki and Ron Popeski; Editing by Stephen Weeks

Text available on World Wide Web, URL:

<http://www.reuters.com/article/topNews/idUSL0756920920071207?sp=true>

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### **13. Yatseniuk: Tymoshenko to be OKed as PM Ukrainian Journal, 9 December 2007**

Yulia Tymoshenko will probably be approved as Ukraine's next prime minister on Tuesday, Parliamentary Speaker Arseniy Yatseniuk said Sunday. If the vote fails, he said, this would mean the collapse of the pro-Western coalition.

President Viktor Yushchenko submitted Tymoshenko's nomination to Parliament on Thursday and her candidacy must be debated and voted in Parliament within five days, according to legislative regulations.

Tymoshenko needs to collect at least 226 votes to become the prime minister, but the vote may prove to be a challenge since the pro-Western coalition commands only 227 votes in the 450-seat Parliament.

Speculations were there over the weekend that the vote may fail to get enough support amid reports that at least one coalition lawmaker, Vladyslav Kaskiv, had recently undergone a surgery and perhaps could not be available to vote.

But Yatseniuk rejected the speculations.

"It's practically not realistic," Yatseniuk said in an interview with Inter television aired Sunday night. "If this happens, this would be the end to the democratic coalition."

Yatseniuk, a choice of Yushchenko, was approved as the speaker of Parliament on Dec. 4 days after the pro-Western coalition had been created. The vote commanded 227 lawmakers in support as Tymoshenko group's all 156 lawmakers and Our Ukraine-People's Self-defense's 71 out of 72 lawmakers had voted to back the nomination.

"The fact that Yatseniuk secured 227 seats to secure the speaker's chair is encouraging as it suggests that Our Ukraine-People's Self-defense deputies can support the party whip," Timothy Ash, an analyst with Bear Stearns International in London, said.

But Tymoshenko vote may prove to be different.

"Yatseniuk had very strong backing in Our Ukraine, whilst Tymoshenko has a solid core of opponents within Our Ukraine," Ash said. "It is still touch and go in our minds."

Ivan Pliushch, Yushchenko's former security advisor and a strong critic of Tymoshenko, was the only Our Ukraine lawmaker who had failed to vote for Yatseniuk. He is expected to skip the vote on Tymoshenko.

But at least one Tymoshenko's Our Ukraine opponents, former Prime Minister Yuriy Yekhanurov, said Sunday that Tymoshenko he will vote for her nomination despite disputes over economic program. He also said he was confident that Tymoshenko will secure 227 votes on Tuesday.

Meanwhile, talks were underway with the group led by former Parliament Speaker Volodymyr Lytvyn.

"The Lytvyn block signaled that it might just back Tymoshenko for the vote, albeit presumably they would want something in return," Ash said. "This could give Tymoshenko a clear majority, given the block has 20 deputies in Parliament."

"In the event that Tymoshenko fails to win majority backing, she is secure in leading the opposition in the run up to the 2009 presidential elections (arguably the big prize)," Ash said. *(tl/ez)*

Text available on World Wide Web, URL:  
<http://www.ukrainianjournal.com/index.php?w=article&id=5699>

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**14. Vital Political Bills Get Priority In Ukraine Parliament Over Tymoshenko's Nomination As Prime Minister**  
**By Vittorio Hernandez**  
**AHN, 9 December 2007**

Kiev, Ukraine (AHN) - While the Ukrainian Parliament has calendared on Tuesday voting on Yulia Tymoshenko's nomination as prime minister, vital political bills get higher priority. President Viktor Yushchenko, who nominated the popular female politician, asked the Parliament to tackle first pending bills that will stabilize the relations between the presidency and the state.

The bills include a revised bill on cabinet and the revision of a law that shifted some presidential powers to the prime minister and the coalition. The shift caused a power struggle between President Yushchenko and resigned Prime Minister Viktor Yanukovich.

Oleksandr Turchynov, the future prime minister's ally in Parliament, promised to pass the vital legislation first before voting on Ms. Tymoshenko. He said, "If lawmakers feel like it, why not work on Saturday and Sunday?...The speaker of Parliament must do everything for the prime minister to be approved within five days."

Newly elected Speaker Arseniy Yatsenyuk confirmed, "Voting on the prime minister's candidacy will take place regardless on Tuesday. He said if all nominations for cabinet posts are in on the same day, the new cabinet will also be confirmed on Tuesday.

Jockeying for cabinet posts is expected among members of the coalition.

Text available on World Wide Web, URL:  
<http://www.allheadlinenews.com/articles/7009392890>

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**15. Ukraine parliament to vote on Tymoshenko as PM Dec. 11****The FINANCIAL, 7 December 2007**

According to RIA Novosti, the Ukrainian parliament will vote on Yulia Tymoshenko's nomination as prime minister on December 11, the Supreme Rada speaker said on December 7.

"Voting on the prime minister's candidacy will take place regardless on December 11," Arseniy Yatsenyuk said.

He also said parliament could vote on a new Cabinet on the same day if all nominations were submitted by then.

Ukraine's president approved on December 6 Tymoshenko, the leader of the pro-Western majority coalition, as candidate for prime minister.

Viktor Yushchenko backed the parliamentary majority's choice of premier soon after it was submitted by the speaker.

Tymoshenko will need the support of at least 226 lawmakers to become premier. The coalition of her eponymous bloc with pro-presidential Our Ukraine has 227 members in the 450-seat legislature. However, observers have suggested that some Our Ukraine members could reject her candidacy.

Tymoshenko, the president's ally in the 2004 "orange" revolution, served as head of government in 2005 but was fired by Yushchenko after less than eight months in office. The two reconciled this year during a standoff with outgoing Prime Minister Viktor Yanukovich, who has pursued more Moscow-friendly policies.

Yanukovich's Party of Regions won the largest number of seats in the legislature in snap elections in September, but failed to forge a majority coalition. Yanukovich, Yushchenko's presidential rival in 2004, became prime minister several months after winning the March 2006 polls.

Yushchenko called snap elections amid a protracted power struggle with Yanukovich after several members of his bloc defected to the Party of Regions.

Text available on World Wide Web, URL:

[http://finchannel.com/index.php?option=com\\_content&task=view&id=2261&Itemid=51](http://finchannel.com/index.php?option=com_content&task=view&id=2261&Itemid=51)

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#### **16. Ukraine's president nominates Yulia Tymoshenko to be prime minister Kyiv Post, 6 December 2007**

KYIV, Ukraine (AP) - President Viktor Yushchenko on Thursday nominated his Orange Revolution ally Yulia Tymoshenko to be Ukraine's prime minister, his office said.

Acting on a proposal from the newly formed government coalition, Yushchenko asked the parliament to approve Tymoshenko, the presidential office said in a statement. A vote was expected later Thursday.

The nomination follows a deal struck last week by Yushchenko's and Tymoshenko's parties to forge a fragile majority coalition, raising hopes for an end to months of political turmoil.

Tymoshenko is one of the most polarizing figures in Ukraine - adored by her supporters, but regarded with suspicion even by other Western-oriented politicians and despised by backers of Viktor Yanukovich, the outgoing, Moscow-oriented prime minister.

She was the most energetic and visible figure of the 2004 Orange Revolution protests that helped propel Yushchenko to the presidency in a tense battle with Yanukovich. Yushchenko named Tymoshenko prime minister in early 2005, but sacked her just seven months later amid a fracas in the Orange camp.

Yanukovich became prime minister last year after his Party of Regions won the largest share of votes in a parliamentary election. Earlier this year, Yushchenko accused Yanukovich of attempting an illegal power grab and ordered new elections, which were held in September.

Yanukovich's party again got the largest number of votes in September, but not enough to overcome the combined seats won by Yushchenko's and Tymoshenko's parties.

Yushchenko has publicly thrown his support behind Tymoshenko as premier, but may be reluctant to see her gain too much power as she is a potential rival for the presidency in 2009.

Text available on World Wide Web, URL:

<http://www.kyivpost.com/top/27939/>

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**17. Tymoshenko merges Yushchenko's party?  
ForUm, 10 December 2007**

People's deputy from "Our Ukraine-People's self-Defense" bloc Yuriy Yekhanurov considers that BYuT merges "Our Ukraine" party. He said that in an interview with radio "Svoboda".

According to Yekhanurov, there is a process of takeover of "Our Ukraine" by BYuT. The strategic decision was made to destroy rival on the election field. Both in local organization and leading party bodies some part of OU is oriented at BYuT leader Yulia Tymoshenko.

"I tell you about real things. So today many people from OU are oriented at Tymoshenko. It is a matter of time when new breakdown happens," he said.

He also expressed doubt that there would be single democratic-oriented party on the basis of OU-PSD".

"Unfortunately promises, concerning creation of single party after elections, of our party leaders, all these so-called hetmans, and leaders, led to failure to do it," he said. Leaders of parties of OU-PSD bloc have different opinions and approaches of formation of single party.

Text available on World Wide Web, URL:  
<http://en.for-ua.com/news/2007/12/10/124133.html>

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**18. Serbia arrests Russian tycoon on Ukraine warrant  
Earthtimes.org, 9 December 2007**

Belgrade - A Russian tycoon, Igor Churkin, has been arrested in Belgrade on an Interpol warrant issued by Ukraine, the daily Blic reported Saturday. Accused of privatization scams worth more than 40 million euros (58.5 million dollars), Churkin was arrested Wednesday at Belgrade airport and was placed in detention pending extradition to Kiev, the report said, quoting sources.

Churkin fled Ukraine at the start of the year, when he was indicted in the wake of the Black Sea Shipyards privatization. Blic said that he was also implicated in international drug smuggling.

Text available on World Wide Web, URL:  
<http://www.earthtimes.org/articles/show/155281.html>

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**19. Struggle surrounds Ukraine extradition request  
By DAN IZENBERG  
JPost, 8 December 2007**

The extradition of an immigrant from the Ukraine who is wanted for murder in his home country is raising the issue of whether Israel can be sure he will be provided with a fair trial in his former country.

On Sunday, Jerusalem District Court Judge Zvi Segal is due to hand down his decision on the state's request to extradite Alexander Pertzov, former coach of the Ukrainian all-star Taekwondo team, who immigrated to Israel in 1999 and performed his military service in an IDF combat unit.

"This is the most problematic extradition case we have seen in the past few years," Pertzov's lawyers, David Halevi and Vadim Shub, of the Jerusalem branch of the Public Defender's Office, told *The Jerusalem Post* last week.

But representatives of the International Department of the Justice Ministry, who filed the extradition request, say there is nothing unusual about this case. "We examined it in a very detailed manner," said department head Gal Levertov.

Going by statistics, the chances that Pertzov will not be extradited are slim. Over the past 10 years, ever since the High Court of Justice rejected an American request to extradite Samuel Sheinbein and helped trigger a diplomatic crisis between the two countries, the court has not rejected a single extradition request filed by the state.

But there are three main reasons, according to Halevi and Shub, why the court should decide otherwise this time.

The first involves the allegedly highly problematic evidence that the Ukrainian government has supplied to the Justice Ministry.

The second is Ukraine's troubling record on human rights and government corruption. Also at issue is the government's general policy of not questioning the evidence provided by states requesting extradition, even when questions are begging to be asked, as they allegedly are in the Pertzov case.

In 2001, the Ukrainian authorities informed Israel that Pertzov was wanted for the murder of a policeman which had taken place four years earlier. The authorities said the allegation arose from testimony by two men who had been with Pertzov on the night he allegedly shot the policeman.

According to Halevi and Shub, the Ukrainian authorities did not "provide any explanation of the breakthrough in the investigation or the way they found the witnesses four years after the incident. We know the witnesses were originally interrogated as suspects but we don't know how long they were kept in detention, and whether pressure was applied to make them accuse Pertzov."

The authorities also did not explain why they released the witnesses conditionally, even though they claimed they were with Pertzov when he allegedly killed the policeman.

During the investigation, Pertzov's lawyers received taped testimony from the two witnesses, Maksim Apter and Igor Viskrevitz, as well as Oleg Shtenko, a friend who provided an alibi for the suspect.

Apter said in a taped and filmed statement to the Justice Ministry that police had arrested him in October 2001 after planting a pistol and explosives among his possessions. He said he was held in jail for seven months during which the police tried to pin the policeman's murder first on him, then on Viskrevitz and finally on Pertzov.

Viskrevitz charged that he had been a fugitive from justice when he was picked up four years after the killing, and the police used his predicament to blackmail him into fingering Pertzov. Both maintained that Pertzov was innocent in their taped testimony.

Halevi and Shub said there was no doubt the testimonies were authentic because the pictures of Apter and Viskrevitz in the tape tallied with still photos the Justice Ministry had of the two witnesses.

Meanwhile, Shtenko testified that he had told Ukrainian police that Pertzov had been with him at a Taekwondo practice at the time of the murder.

When the Israeli prosecutors asked the Ukrainian authorities about these testimonies, the authorities claimed all three witnesses had disappeared in the meantime. Shtenko then sent a second tape, telling Israeli officials he had not disappeared but that since sending his first testimony, he had been summoned to the Ukrainian prosecution and questioned about his account. The officials had hinted they would link him to the murder if he persisted in providing an alibi for Pertzov, he charged.

Halevi and Shub pointed out that according to the Extradition Law, Israel may only extradite a suspect if it believes there is sufficient evidence to try him for the alleged crime in an Israeli court.

However, if the only witnesses who claimed Pertzov had killed the policeman had ostensibly disappeared, and there was no other evidence linking Pertzov to the murder, he could not have been tried in Israel.

Not only that, but the one witness who had not disappeared would have testified for the defense.

In its second argument, Pertzov's attorneys maintained their client would not get a fair trial in Ukraine and faced the prospect of torture and anti-Semitic treatment. Many state and private international organizations have written highly damning reports about the state of human rights in Ukraine, including one by the Council of Europe's European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment.

"The alleged forms of ill-treatment mainly consisted of punches, kicks and baton blows," the Committee wrote in a report published on June 20. "Allegations were also made about slaps on the ears with open hands, painfully handcuffing (behind the back with one arm over the shoulder,) belt or baseball bat blows. Further, mention was made of a metal weight placed on a part of the body, of asphyxiation using a gas mask and of being beaten while handcuffed, with hands and feet tied or maintained in a hyperextended position, or of a stick being inserted into the anus. In some cases, the severity of the ill-treatment alleged was such that it could be construed as torture." Halevi and Shub also pointed out that Ukraine does not extradite its citizens to Israel and that therefore there was no genuine reciprocity between the two countries. Finally, if Pertzov is extradited, he will have to serve his sentence in Ukraine because he was not an Israeli citizen when he allegedly committed the murder.

Levertov explained that Ukraine does not extradite suspects to Israel just as all countries using Continental Law do not, including most European countries. Common Law countries, including Israel, do extradite suspects because otherwise they would have to subpoena all the witnesses in the case, with all the prohibitive cost to the state that this would entail.

Secondly, Israel does not have to determine whether the evidence against the suspect is sufficient to warrant putting him on trial here. It is "only" obliged to determine whether there is enough prima facie evidence to justify conducting a legal procedure, a lower requirement threshold.

Levertov added that the fact that the witnesses had reversed their testimony was not an unusual occurrence in criminal procedures. The contradictions in testimony should be addressed by the Ukrainian court that tried Pertzov.

As for the critical report by the Council of Europe, Levertov said the fact is that Ukraine was still a member of the Council. Had its human rights record been unacceptable, it would either not have been accepted to the Council in the first place or ejected afterwards.

Regarding this last argument, Halevi and Shub replied that membership in the Council of Europe was strongly influenced by political considerations. The West wants to keep Ukraine out of the Russian orbit and is therefore willing to bend over backwards regarding the red lines it sets for it.

Text available on World Wide Web, URL:

<http://www.jpost.com/servlet/Satellite?cid=1196847287547&pagename=JPost%2FJPArticle%2FShowFull>

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## **20. Strabag, BasEI, DCH form Strabag Ukraine New Euope - Issue : 759, 8 December 2007**

Austria's Strabag SE, Basic Element (BasEI) and Ukrainian financial and industrial group Development Construction Holding (DCH) are teaming up to form Strabag Ukraine, a multi-profile construction holding company, news reports said.

Strabag SE CEO Hans Peter Halzensteiner was cited by the press as saying at the signing of the agreement that Strabag Ukraine plans in three years to achieve turnover of one billion Euro.

DCH President Alexander Yaroslavsky said Strabag Ukraine plans to focus on construction of transport infrastructure and residential and commercial real estate. He said the company would reconstruct the Kharkov Airport, and plans several projects to develop roads in Odessa and Kharkov regions. The company will also build new cement plants and invest in production of gravel, sand and crushed rock, according to a press release distributed at the signing ceremony.

Basic Element Chairman of the Board Oleg Deripaska said the companies have almost equal shares in the company. He said that the holding company will be a leader on the construction market in Ukraine through the joint efforts and experience of the three founding companies. He said of DCH business in production of granite gravel that Ukraine produces 40 million - 45 million tonnes a year. DCH produces about six million tonnes, but by working with the Russian and Austrian partners it plans to become a leader on this market.

Strabag is one of the biggest European engineering and construction companies specialising in construction of buildings, roads, tunnels, power plants, hydro technical structures, dams, railroad structures and design. Deripaska owns 30 percent of Strabag. DCH is an integrated holding company of enterprises from various sectors founded in March, 2007 from assets previously known as Group UkrSibbank, after the two partners (Yaroslavsky and Ernest Galiyev) decided to divide their assets.

Text available on World Wide Web, URL:  
<http://www.neurope.eu/articles/80691.php>

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## **21. Your Money Matters: Ukraine's emerging market** **By AARON LEITNER** **JPost, 9 December 2007**

Ukraine has come a long way since its independence in 1991. During the Soviet period, the country was the Soviet Union's largest economy after Russia. Ukraine's rich soil lands provided 25% of the former Soviet Union's agricultural production. Ukraine was a major heavy industrial manufacturer for the Soviet empire. After receiving independence from the former Soviet Union, Ukraine's economy entered into an inflationary environment accompanied by a sharp decline in industrial production. The loss of its traditional buyer (the former Soviet Union republics) caused a severe disruption in traditional markets for the Ukraine's heavy industry, resulting in a dramatic decline in its manufacturing sector. From 1991 to 1999, manufacturing output declined 40%. This economic period was accompanied by political unrest.

Despite these problems, the country was able to implement economic structural reforms, including privatization, and encourage foreign investor activity. From 2000, the economic situation began to improve due to a rise in steel and coal prices and Russia's strong economic growth, which translated to increased demand for Ukraine's natural resources from its largest customer. This led to a path of recovery and economic growth. The political relationship with the west would remain distant until the 2004 elections which ousted the existing pro-Russia president with Viktor Yushchenko whose platform included stronger ties with the west and less economic dependence on Russia.

Since 2000, Ukraine's economy has averaged 7.4% annual growth. Projections are for 7.5% 2007 GDP growth in 2007 - up from 7.1% in 2006. Foreign investors have understood the potential of the country's economy based primarily on a developed industrial base, an inexpensive and educated labor force (relative to the West) and one of the fastest growing domestic consumer markets increasing in tandem with an ever-improving standard of living. Ukraine's GDP is \$134 billion, which translates into \$2,869 per capita. Ukraine is rich in natural resources including coal, metals and chemicals as well as significant land areas rich with soil conducive for agriculture.

When one considers Ukraine's geographically strategic position and both economic and political potential, it is clearly a country to be considered by an equity investor seeking emerging markets exposure. Let's look at the facts.

Ukraine is a country steeped in both Russian and European history. The country is second in size, only to Russia, in Europe. The country is in Eastern Europe, bordering Russia, Belarus, Hungary, Slovakia, Poland, Moldavia and Romania with a population of 46.6 million.

Risks in investing in Ukraine are not insignificant. Ukraine imports 75% of its energy sources. Natural gas composes 50% of its energy requirements. Ukraine historically imported all its natural gas from Russia at low market prices. Since the 2004 election, Russia has doubled the cost of gas. Also as a result of ongoing political friction, there have been periodic deliberate disruptions of Russia's gas supply to Ukraine and implied threats of more serious consequences. Ukraine's high inflation rate is another area of concern. Inflation was 11.6% in 2006 and projected to reach 11.8% for 2007. This high inflation rate threatens to choke Ukraine's growing economy. Ukraine's central bank's (NBU) interest rate is currently 8%.

Ukraine has several regional exchanges, but most securities activities occur on two exchanges - the PFTS (Ukraine Stock Exchange) and the USE (Ukrainian Stock Exchange.) The PFTS index is recognized as the country's representative equity index representing 18 companies from six sectors. The PFTS represents 95% of all equity trading among the exchanges. Ukraine's capital market is relatively small: \$77b. (as of June this year).

But foreign investors are becoming more active in light of the attractive returns provided by its stock market. One of the advantages of investing in Ukrainian companies is that they are relatively large cap compared to other emerging European markets. Ukraine's stock market offers sector diversification including steel and iron manufacturing (22%), banking (17%), public services (14%), gas & oil (11%), and communications (9%).

Ukraine's equity market, which commenced with the country's independence and privatization program, languished through the 90s and almost collapsed with the 1998 Russian crisis. The market surprisingly started to take off in 2004 and by July 2007 provided the best returns of any equity market globally. From its inception in 1997 to Nov. 20, 2007, the PFTS index has yielded a 131% return. In the last three years, the index has yielded 514% and over 2,000% for the last five years.

Investing in Ukraine's equity market remains difficult due to limited investment. There are no mutual funds registered on Western exchanges with significant experience in the Ukrainian stock market. There are a few index notes (e.g. via ABN Amro) which merit consideration. Investors should consult with their financial adviser regarding their risk tolerance level and investment choices.

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<http://www.jpost.com/servlet/Satellite?cid=1196847290389&pagename=JPost%2FJPArticle%2FShowFull>

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## **22. Bank NRB Ukraine upgraded to 'Ba2' from 'B2' - Moody's AFX News Limited, 10 December 2007**

LONDON (Thomson Financial) - **Moody's** Investors Service said it has upgraded the long-term global scale local currency deposit and senior unsecured debt ratings of Bank NRB Ukraine to Ba2 from B2.

The rating agency also upgraded the bank's long-term national scale rating to Aa1.ua from A1.ua.

The rating actions follow completion of acquisition by Sberbank announced in 2006, Moody's (nyse: MCO - news - people ) said.

Moody's also expects the integration of Bank NRB into Sberbank to result in positive developments in the areas of franchise development, capitalisation and profitability, thus exerting upward pressure on its baseline credit assessment.

Text available on World Wide Web, URL:

<http://www.forbes.com/markets/feeds/afx/2007/12/10/afx4420997.html>

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### **23. Ukraine, UN Reach Agreement On Cooperation In Protection Of Human Rights Ukrainian News Agency, 10 December 2007**

Ukrainian Ombudsperson Nina Karpachova and Francis M. O'Donnell, Resident Coordinator of the United Nations system in Ukraine, on December 10 signed a memo on bilateral cooperation in the protection of human rights.

According to Karpachova, the sides agreed to consolidate the understanding of the historical importance of the [Universal Declaration of Human Rights] and the role of its principles for the further development of the Ukrainian society.

Ukraine and the UN intend to focus in their joint activities on the ratification of the UN convention on the right of invalids, the informing on the number of homeless children and orphans, and the level of spread of the HIV/AIDS.

The sides also agreed to monitor the observation of human rights in Ukraine.

Moreover, the sides agreed to exchange experience in the activities on human rights.

As Ukrainian News earlier reported, the United Nations Organization has marked the efforts of Ukrainian authorities to consolidate tolerance in the country.

Text available on World Wide Web, URL:

<http://www.ukranews.com/eng/article/86841.html>

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### **24. Time to go down to the cellar By Oksana Zabuzhko Signandsight.com, 10 December 2007**

*Europe cannot continue to ignore Ukraine's buried history.*

In the fall of 2006, Ukrainian television carried an extremely popular series on **corruption**, in which there was one particularly illuminating segment. It dealt with the construction of a protective mantle, a so-called "sarcophagus," for the notorious Reactor 4 at the Chernobyl nuclear power station, which exploded back in 1986. With the aid of the international community, the new mantle was supposed to be finished by 2007, but it is still unclear when it will be actually be completed – if ever. The TV screen showed a discussion among three outwardly West European-seeming businessmen (rather than any variety of mafioso) in the office of the director of the Chernobyl station. Each of the three spoke Russian with a different accent – hardly unusual, since in the Ukraine everyone speaks Russian with an accent, including Ukrainian-born members of the country's Russian minority.

The one foreigner in the trio was easy to identify; he was the representative of a German service company for the nuclear industry. This gentleman instructed his Ukrainian colleagues on how to set up a costing plan for the construction of a radioactive waste disposal plant and how to submit an application to the European Bank for Reconstruction and Development for 20 million euros for the project – from which he promised to transfer 500,000 euros directly to the bank accounts of the other two men. The German rustled his papers, explained the procedure, cited figures, while the startled Ukrainians groaned "Oh God!"

The scene felt **almost biblical**, the ancient theme of temptation by lesser demons. The TV segment unfortunately broke off abruptly, and the proposed criminal activity was never carried out because something went wrong at the German end of things. Later in the same broadcast the director of the Chernobyl plant (he was the one who had groaned the loudest) confirmed nervously that "Yes, such a conversation had taken place." But in another segment of the programme, the head of the European Commission's office in Ukraine refused to be interviewed on EU involvement in the corruption affair. He cut an impressive figure, quick, lean, with an intelligent face, scrunched up eyes, ironic tone, a hint of condescension – one couldn't help thinking of Church cardinals in El Greco paintings – and, speaking more or less out of the corner of his mouth, said: "**No comment.**" "No comment?" asked the journalist irritably. "No comment," confirmed the European Commission official smilingly in a demonstration of power.

It was a **triumph of indifference**. Who were we, after all, that he should feel he owed us a reply, much less a justification (how presumptuous!). To be honest about it, I rather enjoyed the scene, because it struck me as a replay of a scene in my latest novel, in which the heroine, a journalist, experiences what all not-yet-fully-hardened journalists experience in a world dominated by irresponsible men of power.

There is, however, a "but." From a psychological perspective, the irresponsibility of the governing forces in the Ukraine is seen primarily as a **purely national problem**, as the burdensome legacy of the Soviet past and the growing pains of a still-young democracy. That is why Ukrainian viewers were so disturbed by the revelation that, even within the borders of the European Union, the representatives of "mature" European democracies sometimes behave like our own Ukrainian mafiosi. Which prompted the moderator of the TV programme to comment, in a voice laden with a childlike sense of insult: "The corruption in the Ukraine is really a nasty business, but the corruption in the EU – well, of course that's a horse of a different colour. Right?"

The depth of the disappointment can only be understood if one comprehends the magnitude of the "**myth of Europe**" in the Ukrainian consciousness. Nowhere else in Europe has that myth played such a vital role in the crystallization of a national identity – except perhaps for the Balkans, in this respect a parallel by no means accidental. In the history of the Ukraine like that of the Balkan states, there was always a latent threat from the Ottoman Empire. In the mid-17th century, hostilities on two fronts – with Turkey and with Poland – forced Ukraine to forge a military alliance with the Grand Principality of Moscow, as a result of which the Ukraine at least secured much-prized access to the sea. But the price for this was high, too high as it turned out: The beginnings of Ukraine's constitutional development were nipped in the bud, and at the end of the 18th century Ukraine also lost its political autonomy.

In the subsequent two centuries, with the exception of its western territories, the Ukraine was part of the Russian Empire, with Ukrainians playing a significant role in the Empire's structural formation. Indeed, the concept of Kiev's "formative mission" in the Russian Empire was promulgated by Ukrainian scholars in the 17th century (and a weak echo of that idea may still be found in the works of the Ukrainian author who writes in Russian, **Nikolai Gogol**). But the "mission" ended and Ukraine became a colonial province of Russia, a **reservoir of human and natural resources**.

The concept of "a **return to Europe** and a return to itself" ran like a red thread through the Ukrainian national rebirth in the 19th and 20th centuries. That is to say, a return to its formerly unrealised constitution, to the "rights and freedoms of the Third Estate" denied it by the Russian Empire, to an elected government, to all those things that survived only as "myths" in the Industrial Age. And most particularly a return to the sense that "we were once free Cossacks" (the **Zaporog Cossacks** of the Dnieper Basin were organized in the 16th century as the eastern outpost of the Maltese Order against the Ottoman Empire, and probably continue to play a more important role in Ukrainians' cultural self-image than does medieval knighthood in that of West Europeans).

Thus in the minds of modern Ukrainians (regardless of whether they have ever personally visited Central or Western Europe) the "myth of Europe" continues to constitute a kind of "**paradise lost**" – a place where justice and prosperity reign and where human rights are honored, with *liberté, égalité, fraternité* waving in the breeze like an invisible banner. We Ukrainians were once banished from that paradise, but now, like our neighbours the Poles and the Balts, we want to return home. This, or

something very similar, is what a Kiev businessman, a student from the Don Basin, a taxi driver from Lemberg or a dock worker from Odessa would say.

That is why Western comments in which our "Orange Revolution" is seen as the result of our "newly awakened, pro-Western orientation" always make me smile a bit. I am 120% certain that the "orientation" of the millions of people who went out into the streets in November 2004 to demand fair elections was, in fact, **purely Ukrainian**. During that autumn we thought about the West no more than the West thought about us. Yet it turned out that the values for which those people were ready, without exaggeration, to put their lives on the line – namely, freedom, equality for all before the law, and the right to determine our own country's future – that those values "just happened" to coincide with the fundamental values of the established European democracies. In other words, our intellectual traditions of the 19th and 20th centuries, which despite prison and the gulag had remained firmly fixed in Ukraine's character as part of the European cultural landscape, are still very much alive today.

I am not naive enough to believe that this is sufficient grounds for rapid Ukrainian accession to the European Union. And anyway, I am concerned with a very different question: To what extent is today's EU not only limited to the borders of the Schengen Agreements, but also guarantees for that cultural landscape a **reliable political climate**, which also represents my spiritual sphere? Perhaps, in the final analysis, it is a good thing if the Ukraine must first "mature" in order to fulfill all the standards and conditions of EU membership. Perhaps it will turn out in the course of that intervening time that the European myth exists only in the **romantic imagination of European provincials** and that neither in Rome (the law), Canossa (morality) nor Paris (liberte, egalite, fraternite – yessir!) do people seriously believe in Rome, Canossa or Paris. Perhaps it will turn out that European cultural identity has long since been trampled into the ground by an army of cynical politicians and business people who clearly and comfortably divide Europe into a **drawing room**, where etiquette demands that everyone keep their buttons firmly buttoned, and the **hallway outside**, where people can let themselves go and everything is permitted that is forbidden in the drawing room. Quickly forgetting one's principles for example and suggesting to the natives: "Look, we'll steal a few million from our taxpayers, and of course you'll get a piece of the pie too, but don't forget one that it's okay for you to be corrupt out in the hallway, but for us in the drawing room it's considered indecent even to mention the word."

In other words: Is Europe's culture still in a position to exert a positive influence on political realities? I have a strong suspicion that the future of democracy in the 21st century is more or less dependent on the answer to that question, and this applies to "mature" and "young" democracies alike. You can no longer establish closed societies in today's world.

In Ukraine, European mishaps are felt with uncommon intensity, like a garish streak of oil paint on a pale pastel sketch. It is worth noting that a good two years after the "Orange Revolution" (which, I gladly repeat, was primarily a cultural phenomenon, a movement of moral protest, a struggle over values), Ukraine's political elite is allowing all "Orange" values to disappear right before the eyes of an astounded public, like some conjurer at a country fair. This **Gogolian grotesquerie** naturally leaps out at you, like that streak of oil paint, whereas the pastel is more subdued, more subtle, and easier to overlook if one so chooses.

To take just one example: Let us look at the EU-Russia summit which was held in Finland in October 2006. Russia at the time was **casually deporting Georgians** just because they were Georgians. On the streets, the militia were stopping people who were "suspicious" just because they were dark-skinned, and those "suspects" were, with the connivance of the authorities, subjected to beatings in dark corners by Russian ultra-nationalists.

At that same time, the president of Finland – the country which gave Europe its first declaration of human and civil rights more than 200 years ago (and I trust that document is still part of the European cultural canon) – declared to that nation's legislature that one "**should not mix**" questions of human rights and issues of economic cooperation. Translated from the pastel tones of diplomatic language, that was an admonition not to link the question of Russian natural gas deliveries with the issue of Russian right-wing radicalism. The Russians could keep their right-wing radicalism, the Europeans would take the gas. All right, I'll stop labouring the point about liberte, egalite, fraternite – but didn't the period between the two world wars, still remembered first-hand by a good many, teach European politicians that there is no such thing as "foreign" fascism? That the fascism tolerated today as another country's "internal affair" will tomorrow come marching towards our own front door in bover boots?

Or, to rephrase the question in terms of 21st century technology, that one of these days someone will be sitting beside you in an airliner with **radioactive polonium** in his luggage?

Historical memory constitutes the nucleus of culture; if it is lost, then the capacity to evaluate perspectives for the future is also lost, along with the ability to judge the long-term consequences of ones own undertakings.

At this point it would be appropriate to recall a highly interesting bit of history which was painted not in oils but in steaming blood. 1933 was the year of genocide against the Ukrainian people (the **Holodomor**), when some of Europe's most fertile soil was sown with the bodies of millions of farmers and the grain extorted from those farmers at gunpoint was dumped onto the world market at rock-bottom prices. Among the buyers of that "oddly" inexpensive wheat (its price estimated by historians at two human lives per tonne) was Hitler's Germany. Frenchmen and Britons sat at the Kremlin dinner table as Stalin's guests and reported back to their home newspapers that there could be no question of a famine in Ukraine. In the meantime, in France and Britain's immediate vicinity, there arose and flourished a regime which was about to attempt to turn all Europe into one vast concentration camp, even more terrible than those which already existed in the Soviet Union. That little tale is a possibly superfluous indication of how dangerous it can be "not to mix" the short-term advantages of economic cooperation and questions of human rights.

The experience of the 20th century should have taught us that, regardless of where the Berlin Wall once stood and where the borders of the Schengen Zone run today, there is just **one single European history**, bound together deep in its heart by a funeral cortege of which we are often quite unaware (and which takes us by surprise when parts of it suddenly surface). Just as the criminal code stipulates that ignorance is no excuse before the law, so history teaches that ignorance is no excuse for irresponsibility. Whenever friends from the West, often writers and journalists, make reference to corpses buried in the cellars of their own countries and to the consequences of recently revealed, black-and-white half-truths and hidden lies dating from World War II and the Cold War era, I reply: "Welcome to Ukraine!"

Indeed, after two centuries of Europe's ignoring the fact of our nation's existence (and its subsequent surprise when we suddenly reappeared on the maps), we as the "hallway" of Europe – or perhaps more aptly, its two-century old cellar – have a whole arsenal of buried corpses. Probably nowhere else can one find more convincing proof that hushed-up history has a long life and leads an underground existence, like those rivers that flow beneath the earth but rise up to the surface sooner or later. Ukraine is a mighty river flowing out of Europe's cellar, and it has yet to surface in its entirety. It would be too simple to view the Ukraine purely through the prism of today's political situation, that is, as a country which cannot properly handle all its riches because of a fatally flawed government and a weak political elite. Where is a strong elite supposed to come from? None has been able to evolve, because from 1930 right up until the 1980s there were **regular and thorough purges** of Ukraine's educated classes.

This country has always been a crossroads and symbiosis of Greek-Byzantine and Latin traditions, a **very special borscht**, as it were (national dishes can also serve as metaphors for national characteristics). It derives its unique flavor from a mix of diverse ingredients, so that in this era of globalisation it should at least arouse interest as a centuries-old laboratory for multiculturalism. Here you can find almost everything that makes up the legacy of Old Europe, from the ruins of Ancient Greek colonies, through medieval fortresses and castles, to Baroque Greek Orthodox churches which were converted into mosques and then into Jesuit churches, which later still became Orthodox churches once again, but this time exclusively of the Russian Orthodox variety, and which in turn soon were turned into Soviet factories and warehouses.

The mix also includes at least 600 years of Jewish culture, with Hasidism as the legacy of Ukrainian Jewry. In addition there is the spice of an oriental note, with marked Turkish influences as a direct result of two centuries of hostilities between Cossacks and Turks.

Despite all the Soviet Empire's disastrous efforts to turn this borscht into a **pallid gulag broth** (a whole series of "ingredients" were liquidated; dozens of national minorities which still flourished in the 1930s no longer existed in Ukraine by the time the Soviet Union imploded), its flavour has remained.

This is true not only in everyday life, but also at a deeper level, in a fundamental Ukrainian cultural polyphony – in tolerance toward "others," toward the "alien" (for example, in Ukraine you can walk into any church to pray, regardless of which denomination or patriarchate it belongs to, and you can see ordinary street scenes in which acquaintances and friends chat with one another in a variety of languages).

The Ukraine's wealth of experience, however, also contains terrible and yet instructive elements. The Ukrainian war of independence waged against Russia and Poland between 1918 and 1920, after the collapse of the Czarist and Hapsburg empires, ended in defeat. The various European catastrophes of the 20th century were inevitably carried to the Ukraine with particular brutality, and so calamitously that for decades there was only a narrow "**spectrum of catastrophe**" open for discussion or portrayal, its range confined to that which was shared either with Central and Western Europe (the horrors of the Second World War) or with the rest of the Communist world (the gulags, the persecution and murder of dissenters).

But the fact that Stalin's genocide in Ukraine cost more human lives than World War II (it is estimated that some six million Ukrainians were murdered); the fact that the Holocaust was in reality the second act of the catastrophe suffered by Ukrainian Jewry, the first having taken place in the 1930s, when Yiddish-speaking communities were transferred en masse to gulags, robbing Ukraine of an elemental part of its cultural richness; the fact that Ukraine's resistance movement, its partisan army, fought against the Nazi occupation from 1942 onward and then against the Soviet occupation on into the mid-1950s (the country's last partisan gave up the fight on August 25, 1991, one day after Ukraine's declaration of independence); the fact that Chernobyl was the psychological turning point for Ukrainians, as well as marking the total bankruptcy of the Soviet Union (which then, in accordance with the law of inertia, collapsed) – all these vast **layers of historical memory**, which have been passed down from generation to generation in purely oral form and about which official Ukrainian circles have spoken openly only relatively recently (in November 2006 the Ukrainian Parliament approved a declaration characterizing the tragic famine of 1933 as genocide) are naturally terra incognita outside of Ukraine.

But this situation cannot continue, if no other reason than because the European retrospective of the 20th century would be distorted without the inclusion of the buried history of Ukraine. Moreover, without that history, without those tales, historians, philosophers and writers would be deprived of basic material with which to reflect on the **moral value of defeat** in the fate of nations.

"You Ukrainians have it good," a Russian journalist said to me recently with an envious smile. "You argue among yourselves, you discuss, blow up, fight for something, believe in something ... But we who had a Greater Russia, what's left for us except nostalgia for Stalin?" (When I wrote the novel "**Field Studies on Ukrainian Sex**" - English excerpt here) I tortured myself over the Ukrainian "**loser's complex**," and because I didn't know how to get over it, I maintained an injured silence on the subject. It never occurred to me to even think about the great cost to nations of their "victor's complex.")

It is not just a question of re-evaluating the experience of defeat. What is more important is that Europe is still living mentally in the post-war era, in a world molded by the Cold War. It will hardly be possible to change that mold without digging up the "skeletons in the cellar." The Ukrainian "cellar" must be exposed, opened to the daylight, of that I am firmly convinced. The experiences of a country which managed to maintain its identity, however damaged, at a time when the logic of history dictated that it had hardly any chance of maintaining even its name, a country which **began from square one** just 15 years ago to resuscitate its traditions, revive its Third Estate, its middle class, to such an extent that it was able to demand its rights and freedoms through civic movements and mass demonstrations – that wealth of experience should not be absent from Europe's collective consciousness.

This should also be part of the joint process of casting light into the dark corners of Europe's cellar. It would be extremely dangerous to carry them along into the 21st century. Shady dealings are best carried out in dark corners, and as long as the businessmen of various nations continue to carry out their transactions behind closed doors, such things as the still incomplete mantle of Chernobyl's Reactor 4 can fall apart once and for all and, with no consideration for diplomatic protocol, could unite the EU and the Ukraine into a single zone – one which would be uninhabitable for humans.

And then there would really be good reason for "No comment."

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