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**1. The road map to success is still an outline drawing**  
**By Yulia MOSTOVAYA, Serhii RAKHMANIN**  
**Zerkalo Nedeli # 50 (679) 29 December — 11 January 2008**

With the advent of every New Year we all believe we can change our lives for the better. We all hope that on January 1, we will quit smoking, resume jogging in the morning and start losing weight, work harder to improve our English and spend more time with our children. We also look back at the road covered over the 365 days of the previous year and scrutinize our recent mistakes in order not to repeat them in the future and avoid making new ones. The ancient philosophers advised accepting victories dispassionately and learning from defeats. In our lives, successes and failures are so intricately intertwined that it is impossible to evaluate the former without the latter.

The past year was abundant in remarkable and memorable events. Numerous media ratings and hit-parades encourage readers, listeners and viewers to recollect and assess most of those developments. Unlike our colleagues, we offer you a list of might-have-been events and frustrated expectations. Of course, the list is not exhaustive: we will not speculate on why voters refused to support the Socialist Party headed by Olexander Moroz at the latest parliamentary elections, why Viktor Yushchenko did not, yet again, keep his promise to Petro Poroshenko regarding his appointment as NBU Governor, why babushka Paraska did not get on the OUPS election list and why Mohylevska and Yama did not win in the third season of Dances with Stars. We will focus only on those unaccomplished acts that had the most significant effect, both negative and positive, for the country.

We hope this experiment will allow us to pay due to the past achievements, soberly analyze the present situation and make realistic forecasts for the future, which, we believe, will be more optimistic. Don't we all expect the state and its leaders to start giving up bad habits on January 1?

**Power was not usurped**

Viktor Yanukovich's attempt to form a constitutional majority in the Rada by means of Andriy Kliuyev's buying-off raids on the opposition ranks was foiled by an effective, albeit not entirely legitimate,

presidential decree on the Parliament dissolution. An endeavour to replace the unbalanced system of power with dictatorship (leaving, by definition, no room for checks and balances) failed. People's lives have not improved but the country has survived and stayed free, which proves that none of the political forces or, more accurately, none of the political leaders can jackboot Ukraine.

### **No blood was spilt**

The fear of violence permeated the entire country in April and May, irrespective of political sides. Very few people really know how justified that fear was, how close we came to crossing the line. One day, some of those few could write memoirs about a radical plan approved by leaders of a political force and submitted to the President. At that moment, however, the President and uniformed ministers managed to keep calm and stand their ground, whereas the former Minister of Interior Tsushko's nerves snapped. Yet the historic events around the Prosecutor General's Office (taken by assault during the conflict) were never duly analyzed and assessed in legal terms. They were historic, as it was the first time in Ukraine's recent history that law enforcement bodies found themselves divided by the political battle line. The clash between the "Berkut" riot police and the State Protection Service units was caused, inter alia, by unlawful involvement of law enforcement in political intrigues. Tsushko could be held criminally responsible and even convicted, but that would not solve the problem: the personnel policy pursued by most law enforcement authorities – that of stripping uniformed agencies of professionals and manning them with incompetent but loyal vassals – does not provide effective leverage against relapses in conflict.

### **No new people came into politics**

The snap parliamentary elections, along with preventing the concentration of power in Yanukovich's hands, could have also, as the President put it, "transfused new blood" into the political elite. Alas, it never happened. All parties, compiling their election lists, opted for tested and reliable members. New people, needed so badly in every political force, have no chance of coming to the forefront under the current election system: having no established ratings, they cannot appear in the media; afraid of potential competitors, party leaders do not let them become known to the public. The first-line players are totally happy with the system keeping second and third-line team members in their shadow. New and promising leaders can emerge from city councils and mayor offices but there is always a threat that those institutions will reproduce Chernovetsky or Dobkin, rather than Baranov, Sadovy, Groysman or Kozyrev.

### **No repressions were used against the opposition**

Undoubtedly, Ukrainian political life has benefited from the frequent change of settings and roles. The past year testified that power is ephemeral: everyone can lose or regain it. Relations between the opposing political forces grew less hysterical and more pragmatic. The local fray over the Prosecutor General's Office was an exception that proves the general rule. Some are more afraid of bandits, others – of prisons. Fortunately, groundless political repressions are no longer an element of public policy. Unfortunately, deserved punishments are not, either.

The time of passionate revolutionary-politicians has passed; committed fighters with "authoritarian regimes" have almost vanished; unpaid protesters are as rare as hen's teeth. Barricades have been turned into a commodity.

Belonging to the opposition, which used to be perceived as a gloomy political exile, is treated today as a sabbatical: one can rally their wits, build up muscle, gain knowledge and experience, and cultivate new, useful relationships. In 2006, while in the opposition, Yanukovich made dramatic progress as a politician. In 2007, Tymoshenko made similarly remarkable headway. Viktor Yushchenko seems to be the only top public figure having trouble with professional and personal development. Does he need a break, perhaps?

### **No “broad coalition” was formed**

Rinat Akhmetov, who gave the green light to the Party of Regions’ participation in the snap parliamentary elections, has since noticeably improved his relations with the President, and his closest associate Borys Kolesnikov is now on friendly terms with Viktor Baloha. However, their expectations of a “broad coalition” have not materialized. On the one hand, it could be put down to the Party of Region leaders’ failure to carry out a talented election campaign and the Yanukovych Cabinet’s inability to impress voters with its performance. On the other hand, OUPS kept its promise to the electorate not to ally with the Party of Regions. The reason for the latter is obvious: OUPS has too many ambitious and promising politicians unwilling to be mummified, like ancient Scythian wives, horses and slaves, in the outgoing monarch’s sepulchre. As a result, a fragile but logical coalition was formed, which, nevertheless, leaves room for an alternative situational majority that can be formed on certain occasions from MPs of the Party of Regions, Communist Party, Lytvyn Bloc and OUPS.

At the same time, it cannot be ruled out that the Party of Regions will return to power fairly soon. It will be most problematic for Yuliya Tymoshenko to stay in office till the presidential elections. Experts think the coalition is likely to be reshaped by next autumn. And since the coalition can be made up of parliamentary factions, rather than individual MPs, the question is whether most OUPS members will follow the young “orange” leaders or the Presidential Secretariat, and which part of the faction will become its legal successor if the faction splits.

### **No split occurred in the Party of Regions**

It does not mean, however, that the rift between Yanukovych and Akhmetov that first appeared in 2004 stopped growing and deepening. It did not. A personal conflict was aggravated by an objective discrepancy: large capital cannot represent the interests of lower-income groups of the population whose mentality remained, for the most part, post-Soviet. The former need effective IPO, while the latter – Kievskaya railway station in Moscow. If the Party of Regions had remained in power, the process of political mitosis would have dragged on for years. The current situation will accelerate it: business loves peace and quiet, while struggle for political power is loud. The two men’s interests are now diverging even more. Raisa Bohatyrivna’s appointment as NDSC Secretary confirms this tendency. Yanukovych has got a substantial electorate and controls sufficient funds for a political campaign. Akhmetov has got personal legal wealth but lacks an alternative leader comparable to Yanukovych in popularity. It is a marriage long devoid of love, where convenience is also almost non-existent.

### **No political party consolidation took place**

As a popular saying goes, the only time when National Democrats can unite is before death by firing squad. The last year created another truism: the only time the National Democrats promise to unite is before elections. The latest parliamentary campaign has proven it. The election victory was supposed to facilitate the amalgamation of small parties into two powerful mega-forces – OUPS and BYT. However, neither has initiated the unification process.

When viewed from the angle of disparate ideologies of the different parties constituting the two blocs, their potential consolidation could seem unnatural. On the other hand, there is nothing unnatural about it, given that, for most of these parties, ideology is nothing but a declaration on paper. Members of small parties in both blocs promised to form a unified mega-party in order to get on respective election lists, while in fact they are reluctant to do so for fear of losing their “identity” and the illusion of being independent players.

Lust for control seems to be an innate trait of most Ukrainian politicians, both past and present. For instance, according to historians, at the end of the Civil War in Ukraine in 1921, there were 168 atamans leading their troops in fierce battles with the Red Army and one another. So, all admonitions that we often hear today about the impending “threat” of a bipartite system are premature, to say the least.

## **No lessons were learnt from the staff cleansing**

The massive staff cleansing of 2005 hit the efficiency of public administration hard, and it is still reeling from the blow. The natural evolution of the Ukrainian administrative elite was interrupted. The fertile layer of well-trained and experienced bureaucracy was washed away, replaced with soil nourishing only shoots of loyalty to the idea of suzerainty. The Yanukovich government made a similar mistake, albeit on a smaller scale; Tymoshenko's Cabinet, it appears, has started taking the first steps along the same path. The root of the matter is that the public administration system still lacks an objective merit-based assessment of civil servants' performance. Very seldom have the dismissed civil servants been replaced with more competent, skilled and honest ones; almost always the newcomers have been more dependent and submissive. Political leaders of all colours have difficulty realizing that ridding the administrative machinery of corruption and de-professionalizing it are different things.

## **No systemic reforms were launched**

Some sporadic reform efforts were made, for example, in the sphere of remuneration of labour (introduction of a uniform rate schedule), education, defence and public health, but they lacked consistency and continuity. The year 2007, like many before it, failed to signify a turning point in comprehensive Ukrainian reforms. The year 2008 will follow suit because, in the run-up to the presidential elections and in the absence of a constructive consensus amongst the key political forces, any drastic and unpopular reforms are out of the question.

Ukrainian politicians are too irresponsible and too concerned with their popularity rates to sacrifice them for the common good. No influential lobbyist has risked advocating reforms in the energy sector, significantly modifying relations between the central and regional governments, pension reform, health insurance, tax reform, etc. No political force has proposed a convincing plan for reforming major sectors of the national economy and society. Instead they have campaigned in keeping with the key theme of consumerism. If their populism eventually eats up the necessary reforms, there will be nothing for us to eat. However, very few Ukrainians seem to worry about it.

The reform strategy developed by McKinsey & Company on commission from Rinat Akhmetov did not see the light in 2007. Its first presentation, scheduled for 5 April 2007, was postponed because of the presidential decree on the Rada dissolution. Another presentation was planned for 6 December 2007, but had to be cancelled again, this time due to the forming of the democratic coalition. The document must contain a different list (from ours) of unfulfilled tasks for 2007.

## **Permanent political crisis had no impact on the national economy**

Western tourists and journalists coming to the Soviet-era Moscow for the first time were astounded: "How come bears do not stroll about Red Square?" Our Western colleagues visiting Kyiv in April and May seemed equally astonished: "there is no feeling of crisis in the streets – cafes, restaurants, cinema halls, theatres, boutiques and supermarkets are operating at full capacity..." Political turmoil did not affect the national currency rate, stock market performance, budget indicators or influx of investments. Of course, if the state had been a helper, rather than an impediment for the people who treasure the "fishing-rod" more than the "fish", Ukraine's economic parameters could have been much more attractive, new jobs – much more numerous and investment flows – much more intensive. However, the society has learnt to live and work separately from the state. Businesses have found their own ways of coping with difficulties and no longer rely on the state for effective development.

## **No territorial-administrative reform was implemented**

From time to time, certain political forces show concern over the status of regions and territorial communities. Yet instead of reform, we have observed a reflective form of response to the public's permanent grievances.

In fact, the territorial-administrative reform could have a very positive impact on the political situation in the country at large. Once territories become truly and sufficiently independent, the value of official posts in the bodies of central power will inevitably decrease, which is likely to reduce the number and

intensity of rows on Pechersk Hill. In the meantime, regions learn how to distance themselves from the centre in order to suffer less from political strife and instability.

### **No snap elections for Kyiv mayor were announced**

There were several reasons for that. First, a capable contender to Chernovetsky should be as good a specialist in network marketing as the incumbent mayor. So far, no such “skillful professional” has been found. Second, activists of the Popular Front for Saving Kyiv Land trust their leaders too much, while Viktor Yushchenko and Yuliya Tymoshenko have got their motives to bear with Chernovetsky. We will not comment on them here as this ZN issue dedicates a separate article to the problem.

We will just state an obvious fact: unless the current style of managing the capital city changes, Kyiv will soon become a place unfit for human life. Pessimists suggest a new capital should be founded somewhere in an open field. However, it has not been decided yet whether all citizens should flee there or whether they should expel the serving city authorities to new-Kyiv.

### **No promised referenda were held**

No political leader, political force or parliamentary group lifted a finger to draft, let alone adopt, a meaningful law on referendum. As matters stand now, all discussions about a free expression of people’s will are mere lip service. We have had enough of that. Political leaders and state officials have promised to consult with the public about:

- Russian as a second official language;
- accession to NATO;
- constitutional amendments;
- early mayoral elections in Kyiv; and many other things.

In 2007, all players of Ukrainian politics used the idea of referendum as a bugaboo to scare one another.

### **Parliamentary immunity was not lifted**

Advertising is amazingly impelling. It helped to persuade half of the world that chewing gum can combat tooth decay. In this country, an aggressive advertising campaign made half of the population believe that one can combat political corruption by lifting parliamentary immunity. Unfortunately, corrupt politicians do not belong to that credible half.

In fact, the right granted to MPs under Article 80 of the Constitution can hardly be regarded as a privilege. Yet, our parliamentarians are prepared to relinquish even this small benefit of theirs. In formal terms, they have almost fulfilled their promise: a relevant draft law was registered with the Rada. However, since it suggests deleting a whole article from the Constitution, the Constitutional Court justices will, most likely, disapprove of it. Even if they rule in favour, it will be difficult to muster 300 votes in Parliament to adopt the amendment.

One could ask: what about fulfilling their election promises? What about public opinion? It is not a problem – our elected representatives have always been immune to it.

### **Military draft was not abolished**

The impression is that Yuliya Tymoshenko wanted to outshine Viktor Yushchenko who once, suddenly “liquidated” traffic police with a decree in a naïve hope that afterwards all problems would disappear on their own. It soon turned out they did not: both the problems and the traffic police proved tenacious.

Universal conscription may be an outdated phenomenon that does not meet contemporary challenges. Therefore the wish to introduce a contract-based military service is laudable. However, it will not be miraculously realized with the New Year chimes. The military draft abolition on 31 December 2007 will not automatically turn the army into a professional force on 1 January 2008. It may not reach the necessary level of professionalism even by 1 January 2018, unless professionals are placed in charge of the military reform and sufficient funds – the committed amount of 2% of GDP – are allocated to the cause.

A tendency to disregard obstacles is commendable; a tendency to ignore problems is dangerous. Pretending not to see a problem is not conducive to its resolution. Remember a dialogue of two sentinels in a Russian movie “Demobilization”? “Can you see a gopher? – No, I can’t. – Me neither, but it is out there somewhere...”

### **No clarity was introduced into gas negotiations**

Ukraine’s national interests were not better expedited in the latest gas agreements, either. The gas transit rates are too low. The price of 7 billion cubic meters of the so-called “technological” gas burnt in the process of pumping Russian gas down the pipeline to Europe is far too high. Investigation regarding the use of credit funds by the NLSC NAFTOGAS UKRAINY was not completed, although SBU and the Prosecutor General’s Office gathered all the necessary evidence. Now the government will have to pay \$12 billion US to the creditors keen to declare NAFTOGAS bankrupt and claim ownership of the transit system as debt compensation. As the money will be paid out of the state budget, every Ukrainian household will have to contribute UAH 1000 to the debt repayment...

### **Courts did not become independent**

At the same time, most of them became unusually “democratic”. Today anyone can win any case in court, provided they have more money than the other litigating party. If the “purchasing capacity” of the parties is equal, the decision will not be pronounced at all. You will remember that when the state needed a fair and independent arbitration in a politically sensitive case, the Constitutional Court preferred to fall into a coma. As a result, the nation is still in the dark as to whether the incumbent Parliament and government are fully legitimate. It looks like all key political players were satisfied with this inactivity, so one should not expect rapid and radical reforms in this sphere, either.

Every person of consequence has acquired a “personal” judge and a “pocket” court. Verdicts of the “opponent’s” judges and decisions of “alien” courts are censured as corrupt and prejudiced. An uninvolved observer cannot but exclaim: “Who is to judge about the quality of justice?!”

### **No serious crimes were disclosed**

And it is doubtful that any of them will be disclosed in future. It seems that our power is not interested in disclosure of the most sensational crimes. Otherwise, why did our authorities reward participants of those numerous cases with orders, diplomas and nominations?

### **No ammunition depots exploded last year**

Ammunition depots have stopped blowing up, and foot-bindings no longer exist now. Tarpaulin boots and foot-bindings were the main symbols of our invincibility, as it was really impossible to defeat a soldier who was able to wear them. However, tarpaulin boots and foot-bindings showed our backwardness. Thus, leaving them in the past is another step toward the creation of a professional army, because this step is made in footwear more suitable for war operations.

### **No order was established in the system of public procurement**

There is one unique organization among thousands of public organizations in Ukraine: a Tender Chamber of Ukraine. It is funded not by membership fees or national and international grants – it exists at the expense of non-asphalted roads, under-purchased medications, under-purchased textbooks and unfinished hospitals. The Tender Chamber of Ukraine and the European Consulting

Agency are the two organizations that scare our state officials. The fees for intermediaries' services are growing and the authorities of the Tender Chamber of Ukraine do not have any precedents anywhere in the world. Notwithstanding all these, nothing threatens the existence of this "business within the law".

### **Plan of action concerning membership in NATO was not signed**

The plan of action concerning membership in NATO is a key to the door to NATO, which, according to the secretary general of alliance, is "always open for Ukraine". But Ukraine did not use this opportunity in 2007. At one of the press-conferences with the President, Yushchenko announced that Ukraine intends to sign this plan in April 2008. However, the Prime Minister is stating that she is not going to speed up the question separating the country. She is offering to hold a referendum.

### **No more freedom of speech**

Most of our mass media is not able to distinguish important issues, feel national problems and "filter" the flows of lies. During the election campaign, some central TV channels broadcasted only paid-for topics. As a result, Ukrainians were siding not with politicians but rather with their political technological projects. Today, the problem of separating journalism from PR is as critical as the problem of separating power from business.

### **Society did not become a part of politics**

Paid students under the orange banners near the Ministry of Transport and the Ministry of Emergency Situations, paid girls playing the roles of soldiers' mothers near the Ministry of Defense, paid "capital's guests" under the white-and-blue banners at Kyiv Maidan... Is it a civil society? How many of us are ready to take an active part in politics, control the elected people's representatives and defend our rights?

**Finally, let's go back to the article's title. The country's road map to success has a lot of white spots. If not you, then someone else will paint over them. With black.**

Text available on World Wide Web, URL:  
<http://www.mw.ua/1000/1550/61617/>

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## **2. Anti-crisis Managers of Yulia Tymoshenko By Serhiy Leshchenko, Ukrayinska Pravda, 1 Januarz 2008**

The very fact that Yulia Tymoshenko has appointed heads of Naftogaz, State Tax Administration of Ukraine and the State Custom Service of Ukraine speaks volumes for itself.

It is all quite clear: Mrs. Tymoshenko is forming a pool of powerful businessmen, who sooner or later will stake on her and lead her to the presidency.

These three heavyweights will bear responsibility for the key Ukrainian financial streams, which will fill the budget with a view to implement Yulia Tymoshenko's election promises.

New Naftogaz head Oleh Dubyna stems from the Industrial Union of Donbass (IUD). Before his advent to Naftogaz, Mr. Dubyna used to work for the Dzerzhynsky Dnipro Metal Complex, which belongs to the IUD.

The head of the State Custom Service of Ukraine Valery Horoshkovsky is the shareholder of Inter TV channel and an old partner of Russian businessman Aleksandr Abramov.

Head of the State Tax Administration Serhiy Buryak represents his own business group, which, apart from a younger brother, also includes an owner of Zaporizhia Automobile Building Plant Tarel Vasadze.

## **Oleh Dubyna**

Mr. Dubyna became Yulia Tymoshenko's successor in 2001, right after she had been forced to resign from her post as a Vice Prime Minister in Viktor Yushchenko's government.

The newcomer was personally introduced into big Ukrainian politics by Leonid Kuchma, who was impressed with Mr. Dubyna's results achieved at KGMK (Mining and Metallurgy Kombinat) Kryvorizhstal JSC: back in that time the enterprise produced its first major revenue. Mr. Kuchma once stated in his interview with "Vyluchne Telebachennya" ("Street Television") that he would place Mr. Dubyna "under his personal protection" and referred to him as an example to others.

In the mid 90's Mr. Dubyna used to work at the Dzerzhynsky metallurgical complex. This is where he first became acquainted with Viktor Pinchuk and could not come to an understanding with Ihor Kolomoysky and his partner Vadym Shulman. And there, at the complex, according to some sources, Mr. Dubyna was once attacked with a knife, but was lucky not to receive any serious injuries.

The President's future son-in-law took Mr. Dubyna to Alchevsk metallurgical complex, where the situation was indeed grave. Mr. Dubyna was literally accompanied by armed security personnel.

He was later transferred to the management of Kryvorizhstal JSC, the leader of Ukrainian metallurgy, and managed to succeed in overcoming the crisis owing to, as they say, a "strict financial discipline". As a matter of fact, Kryvorizhstal JSC simply avoided paying off many creditors' debts.

Mr. Dubyna enjoyed the support of Leonid Kuchma and from time to time, still being a director of the metallurgical complex, was called to breakfast with him. Perhaps, back then the ex-President saw his younger self 20 years ago in the red-haired manager.

In 2000 there was an incident with the participation of Mr. Dubyna and Slovyansky bank, which later fell first victim of the abolishment of the future coalition financial backing.

Slovyansky bank had been financing Kryvorizhstal JSC long before Mr. Dubyna's appearance, and the bank had managed to return the loans before the new director was appointed. Having settled at the enterprise, Mr. Dubyna demanded that all the agreements be cancelled. On being refused, he gave a warning: "Then I will let the Father know".

Yes, "Father" must have probably thought for the first time that Ukraine did not need such a bank as Slovyansky.

In winter 2001 Mr. Kuchma visited Kryvorizhstal JSC, where Oleh Dubyna managed to strengthen the ex-President's confidence in the efficiency of the enterprise management. Mr. Kuchma, who was already involved in Gongadze case back in that time, was also to face a public demonstration, initiated by the enterprise workers.

Being deeply moved by such an order at the enterprise, Mr. Kuchma stated that he personally removed Kryvorizhstal JSC from the privatization list. A couple of years later Leonid Danylovych understood that Kryvorizhstal JSC was destined to collapse and eventually fall into oblivion without the financial backing of such investors as Viktor Pinchuk and Rinat Akhmetov.

When Mr. Dubyna was appointed Vice Prime Minister, Viktor Yushchenko confessed that after the personal meeting with the new deputy, he took quite a 'shine' to him. After Viktor Yushchenko's resignation Mr. Dubyna was promoted to the first Vice Prime Minister in Anatoliy Kinakh's government.

By a twist of fate, that very time Mr. Dubyna had an assistant Ihor Voronin, the present head of UkrGazEnergo Company, the subsidiary of RosUkrEnergo at the Ukrainian market.

And, by another twist of fate, it was Mr. Dubyna, who took measures in order to transfer Yuriy Boyko, the future godfather of all the further gas schemes in Ukraine, to the position of Naftogaz's head.

Today Mr. Dubyna is at the head of Naftogaz with a mission to prevent the implementation of this company destruction scenario.

In the middle 2007, Mr. Dubyna, being head of the Dzerzhynsky metallurgical complex, was indignant over the actions of UkrGazEnergo, which consisted in increasing the gas prices without prior notification and "being practically backdated".

The current appointment of Oleh Dubyna to Naftogaz was not supposed to meet with the resistance of Mr. Yushchenko, who is on very intimate terms with Serhiy Taruta, another shareholder of the Industrial Union of Donbass. The latter, together with Mr. Dubyna, welcomed President Yushchenko during his official visit to the Alchevsky metallurgical complex one month ago.

In the meantime, both Yulia Tymoshenko and Vitaliy Haiduk, who lobbied his present position of Naftogaz head, do not conceal Mr. Dubyna's role in the modern history of Ukraine: being a 'cudgel' (Ukrainian 'dubyna') for RosUkrEnergo.

### **Serhiy Buryak**

A once popular thesis that if the rich are admitted to the authorities, they will never steal has been completely refuted right after Leonid Chernovetskyi became the mayor of Kyiv.

But this is how the only explanation to Mrs. Tymoshenko's decision sounds: in compliance with this decision the legal millionaires Serhiy Buryak and Valeriy Khoroshkovsky have been appointed to the management of the State Tax Administration of Ukraine and the State Custom Service of Ukraine.

Though, apart from this one, there is yet another factor: it was of great importance to Mrs. Tymoshenko to show that people, who had voted for her, now have a return in the form of certain appointments to the 'golden' offices in the government.

So, Serhiy Buryak is the son of the last State Bank of the Ukrainian SSR head Vasyl Buryak, who is deeply respected in financial circles and considered to be a figure of Vadym Hetman's level.

And again, by a twist of fate, it was Buryak's father, who, as a principal banker of the Ukrainian SSR, signed protocols, in compliance with which it is now impossible to file claims to Russia on the devalued deposits to the Oshchadbank (Savings Bank) of the USSR.

Serhiy and his younger brother Oleksandr, in accordance with the BrokBusinessBank last year's report, are the chief shareholders of the afore-mentioned financial establishment.

The elder brother possesses 44.7% of the statutory capital, whereas the younger possesses 43.3%. They both are the richest deputies according to the declared income scale. Serhiy declared UAH 521 million, Oleksandr – UAH 525 million.

In his 25 years the elder Buryak used to run BrokBusinessBank, which has a very simple explanation: this financial establishment was founded in place of Orendcoopbank in 1991, to which the father of the young bankers put his hand.

Today the Buryak bank is developing strategic partnership with the Ukavto Corporation, owned by Taniel Vasadze. According to some sources, the bank owns a minority shareholding in this corporation. Among the bank shareholders in 2005 there was also a chemical giant Styrol, situated in Horlivka.

In 2001-2002 Buryak brothers made closer acquaintance with Viktor Yushchenko. Mr. Yushchenko's brother, Petro Andriyovych, also interceded for the brothers.

Moreover, Serhiy Buryak is Viktor Yushchenko's godfather. It turns out that the future President together with another famous person, well-known in the Kyiv circles – Oksana Hunt, the owner of Sanahunt luxury fashion brand store, was a godparent to the banker's child.

Finally, before the parliamentary election of 2002, the younger Buryak brother appeared in the Our Ukraine party list and by a strange coincidence the bloc's fund increased by USD 1.5 million.

The elder Serhiy, who back in that time stood for the election in Khmelnytskyi Oblast, interceded for his brother. Our Ukraine considered this to be Buryak brothers' intention to join Viktor Yushchenko's faction in the future parliament.

However, these illusions faded after the first voting results had been announced. Oleksandr Buryak was excluded from the Our Ukraine faction since he went against the party line and supported the Volodymyr Lytvyn's candidacy for the Speakership. Serhiy Buryak was not on Viktor Yushchenko faction list at all, but also voted for Mr. Lytvyn.

In the rebellious year of 2004 the Buryak brothers did not excel in anything special: for instance, both brothers supported Viktor Medvedchuk's political reform.

After the Orange Revolution the brothers joined the Yulia Tymoshenko bloc, in which they both were directly responsible for the Khmelnytskyi oblast headquarters.

If there is truth to a certain rumor, the BYuT's fund received USD 5 million for each brother.

After Yulia Tymoshenko failed to become Prime Minister in 2006, the brothers resisted the temptation to join the anti-crisis coalition, which made Mrs. Tymoshenko to hold them in high esteem. She even paid a special visit to the National Bank council meeting in order to defend the elder Buryak's positions.

However, the recent appointment of the head of the State Tax Administration of Ukraine looks somewhat unfair towards Taniel Vasadze, who failed to become a Minister of Transport, most likely because of being unprepared to "completely give up the business to the country's benefit".

One would need to be absolutely naïve to believe that Mr. Buryak is ready for this and will actually strike his favorite financial establishment, founded by common effort of the whole family from generation to generation, out of his life.

However, it is customary among banking circles to believe that Mr. Buryak's true purpose is to step into his father's shoes and become the head of the National Bank of Ukraine. And the State Tax Administration is just another step on his way to the cherished ambition.

### **Valeriy Khoroshkovsky**

If the employment of Oleh Dubyna and Serhiy Buryak provides more or less adequate explanations, then Valeriy Khoroshkovsky is a real surprise for Yulia Tymoshenko.

Mr. Khoroshkovsky is the outstanding personality of today.

His habit of taking good care of his appearance has already become an object of derision aroused by business rivals. He pays due attention to the displays of his status. For instance, during working days Mr. Khoroshkovsky drives the enhanced 6.25 m Maybach. During the weekend he drives cherry-colored Bentley sports car. Both cars have the same snazzy numbers, which only differ in one letter.

Maybe it is right now that Mr. Khoroshkovsky has got the chance to break stereotypes, assigned to him in the course of the last years.

And, at first glance, taking all the absurdity into account, there is still some logic in the appointment of Mr. Khoroshkovsky to the State Custom Service of Ukraine.

Being an ambitious person, Mr. Khoroshkovsky stakes on Yulia Tymoshenko as a possible head of state in either 2010 or 2015.

Maybe, this will make him one of her closest team-mates in the future. It is known that during the last election Mr. Khoroshkovsky had regular meetings with Yulia Tymoshenko with a view, as he says, "to be well informed of all the political processes taking place in the country".

Taking Yulia Tymoshenko's intention to renew the 'Stop the Smuggling' program into account, Mr. Khoroshkovsky's appointment to the State Custom Service will pave the way for a) being constantly informed of the latest events; b) being in everyday touch with Mrs. Tymoshenko and c) regular being on TV in person.

It is quite obvious that such a partnership is mutually profitable.

First, Mrs. Tymoshenko will obtain the loyalty of the Inter TV channel despite the mixed-up story with the purchase of its assets. But Mr. Khoroshkovsky is its shareholder, though his rivals keep on asserting that he is not a sole proprietor.

Second, Mrs. Tymoshenko may hope that if the corruption at customs does not disappear once and for all, it will at least generate a structure, and the bribetakers' rates will appear to be beyond the strength of the minor smugglers.

Third, the fact that Mr. Khoroshkovsky is in the money, lets us hope that the minor abuse of power (USD 1,000-2,000) will finally be eradicated.

The information that Mr. Khoroshkovsky is a member of Viktor Pinchuk's team is some five years out of date.

The reasons, as always, lie in the money. Mr. Khoroshkovsky was forced to sell Ukrsofsbank at a lower price. He sold the bank that is now worth USD 3 billion, to Leonid Kuchma's son-in-law for USD 80-100 million.

Today Mr. Khoroshkovsky is actually the third figure in a triangle with Vitaliy Hayduk and Yulia Tymoshenko.

It was Mr. Hayduk one year ago who brought Mr. Khoroshkovsky to Viktor Yushchenko to take the office of the first deputy secretary of the National Security and Defense Council of Ukraine. And when Mr. Hayduk refused to be a tool in Viktor Baloha's hands, they left together.

That is why, Mr. Khoroshkovsky can be considered as another proof of closer relationships established between Yulia Tymoshenko and the owners of the Industrial Union of Donbass.

However, besides Mr. Hayduk, Mr. Khoroshkovsky can be useful for Mrs. Tymoshenko as a guarantor in the relationships with another influential figure, a Russian metallurgical billionaire of 'Eurasia Group' Aleksandr Abramov, who once staked on Viktor Yushchenko back in 2004, but only got a headache and no benefit at all.

It seems that Mr. Khoroshkovsky himself does not consider the position of a chief customs official to be the top of his career. Once in 2002, having become a frontman in the Team of Winter Generation (Komanda Ozimogo Pokolinnja), he said that in 2004 he would reach the age which allowed him to run for the Presidency.

It is obvious that this card will be played by some other people during the next decade. But still, everybody is always free to dream of becoming a real oligarch.

Text available on World Wide Web, URL:  
<http://www.pravda.com.ua/en/news/2008/1/1/9680.htm>

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### **3. Yushchenko wants interior troops transformed into national guard Kyiv Weekly, 11 January 2008**

President Viktor Yushchenko has proposed that the parliament transform the Interior Troops, that are presently a part of the Interior Ministry, into a National Guard and separate it from the Interior Ministry.

«The [Interior] minister is a political face... It is necessary to regulate the activities of the Interior Troops. The President is the commander-in-chief of all forces,» deputy head of the presidential Secretariat Ihor Pukshyn told reporters Friday.

He said the need to transform the Interior Troops into National Guard is connected with the specific nature of the tasks performed by this force. The bill, one 11 urgent bills that of President Yushchenko has sent to the parliament for consideration, does not provide for changing the tasks of the troops.

The bill gives main tasks of the National Guard and regulates the issues of the social protection of the National Guard, the order of use of force, special equipment, and fire arms.

The National Guard is to guard special cargos and special objects, take part in maintaining public order and security in the event of emergency situations or ecological disaster.

The National Guard is also to take part in the measures on legal regime of the military and/or emergency situation and disarm illegal armed units, participate in measures to end riots and terrorist activities.

The bill regulates the legal status of the National Guard as a military formation with required staff structure.

Text available on World Wide Web, URL:  
[http://www.kyivweekly.com/?rub=news&from=0&page=0&ncode=1200055096#open\\_news](http://www.kyivweekly.com/?rub=news&from=0&page=0&ncode=1200055096#open_news)

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### **4. Law enforcement agencies should work out common strategy – Yushchenko UNIAN, 11 January 2008**

President Victor Yushchenko held a meeting today with Minister of Internal Affairs Yuriy Lutsenko and Prosecutor General Oleksandr Medvedko, according to the President's press-office.

Opening the meeting President urged Ministry of Internal Affairs, Office of the Prosecutor General, Security Service of Ukraine and National Council of Security and Defense to work out a common action strategy for 2008 and to make sure that this strategy regards concrete practical tasks.

V. Yushchenko suggested that Prosecutor General's Office conducts a complex analysis of 2007 most problematic areas.

President also informed that he shall bring before parliament a draft law on road traffic safety. This draft law proposes to increase administrative fees for violating road regulations and brings the right to fine violators from courts back to road inspection department. It also includes some corruption fighting methods in that field.

From his part Y. Lutsenko assured President that one of top priority issues for Ministry of Internal Affairs during 2008 he sees increasing road safety.

Text available on World Wide Web, URL:  
<http://unian.net/eng/news/news-230287.html>

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#### **5. Yuschenko Wants Rada To Ratify GUAM Statutes Ukrainian News Agency, 12 January 2008**

President Viktor Yuschenko has proposed that the Verkhovna Rada ratify the statutes of the GUAM Organization for Democracy and Economic Development.

The move is set out in bill No.0034, registered in Rada on January 10.

The statutes define the goals and principles of the organization, its key priorities and structure.

There is a provision to create a Council of the organization at four levels, namely the level of the Heads of State, the ministers of foreign affairs, national coordinators, and the level of permanent representatives.

The statutory document gives a procedure for making decisions within GUAM, cooperation with other international organizations and states, and a procedure for obtaining membership in the organization.

A commentary to the bill says that these statutes have been developed in accordance with the decision of the Chisinau Summit of the Heads of GUAM Member-States, which took place on April 22, 2005.

The statutes were initialed by the ministers of foreign affairs on May 22, 2006 and signed by the presidents of Azerbaijan, Georgia, Moldova and Ukraine on May 23, 2006, and have been partially in use since then.

To date, the Secretariat of the organization has been created and located in Kyiv in accordance with the statutes, which in its turn will significantly strengthen the role of the Ukrainian capital city as an important international political center.

The statutes also provide for ratification of this document by the parliaments of the GUAM member-states.

As Ukrainian News earlier reported, President Viktor Yuschenko requested the Verkhovna Rada in December 2006 to immediately consider the ratification of the GUAM statutes, but he did not submit a bill at that time.

Yuschenko said that economic cooperation is a priority of GUAM.

Ukraine wants GUAM to declare the 1932-1933 Famine as genocide against the Ukrainian people.

Text available on World Wide Web, URL:  
<http://www.ukranews.com/eng/article/94164.html>

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#### **6. Ohryzko Wants Text Of New Ukraine-EU Agreement Be Ready Before September Ukrainian News Agency, 12 January 2008**

Minister of Foreign Affairs Volodymyr Ohryzko would like the text of the new enhanced agreement between Ukraine and the European Union to be ready before September.

He said this in his interview with the Dzerkalo Tyzhnia newspaper.

«This year, before September, we are planning to do all we can to make the political part of this document ready,» the minister commented.

He noted that Ukraine will try to include in the new agreement its position suggesting a formula of political association and economic integration with the EU.

The minister further commented on his ministry's performance in 2007.

He said that a rather serious and concert result has been achieved, talks with the EU about the new enhanced agreement have started, and a few effective rounds have been conducted.

As Ukrainian News earlier reported, Ohryzko thinks the main priority in his ministry's work should be given to preparation of the new enhanced agreement between Ukraine and the European Union.

For one more time the European Parliament voiced the idea of giving Ukraine a prospect of membership in the European Union in the new agreement between Ukraine and the EU.

Ukraine and the European Union agreed to extend their existing Partnership and Cooperation Agreement if the signing of a new, enhanced agreement is delayed.

Ian Boag, the head of the European Commission's delegation to Ukraine, believes that the negotiations between Ukraine and the European Union on the new agreement would take more than one year.

Text available on World Wide Web, URL:  
<http://www.ukranews.com/eng/article/94132.html>

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#### **7. Issue On Georgia's And Ukraine's Joining NATO Still Opened Prime-News, 11 January 2008**

The issue on Georgia's and Ukraine's joining the NATO is still opened.

Jaap de Hoop Scheffer, NATO Secretary General, stated that he does not know what decision will make members of the Alliance concerning Georgia and Ukraine.

Scheffer stated that the decision would depend on the will of NATO members.

"We have an intensified dialogue with Ukraine and Georgia and we should make use of them," Scheffer stated.

Text available on World Wide Web, URL:  
<http://eng.primenewsonline.com/news/121/ARTICLE/18102/2008-01-11.html>

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#### **8. A bit faded but still bright enough The Economist , 10 January 2008**

*In places where vibrant hues brought down bad rulers, the future still looks good.*

FOR Georgia's exuberant opposition, this month's election has shown up their president, Mikheil Saakashvili, as an arrogant despot—hardly better, they say with hyperbole, than Russia's Vladimir Putin. Having clipped their president's wings, Mr Saakashvili's foes hope to take control of parliament in another ballot later this year. They may succeed.

In Ukraine, meanwhile, another flamboyant friend of the West, Yulia Tymoshenko, has just convinced a finely balanced legislature to make her prime minister again. Her ousted rival, the pro-Russian Viktor Yanukovich, made a bitter forecast of “trials...crisis and scandal”. He might well make a comeback.

The news, in other words, is pretty good. Democracy, hard argument and open contest are alive, kicking and reasonably well in at least two countries where street protest prevailed against post-Soviet misrule in a spectacular way.

In both countries “colour revolutions” (Georgia's, in November 2003, was rose-tinted, and Ukraine's, a year later, was of an orange hue) have had confusing consequences. This confusion has exasperated both the Utopians who saw the street dramas as a contest between Western light and Soviet dark, and also cynics who insisted that wherever abuse of power is an ingrained habit, nothing can ever change. But Georgia and Ukraine are still, on balance, better places than they would have been if their revolutions had not happened.

Admirers of the brave people who crammed the freezing streets of Kiev were baffled by what happened a few months later: the heads of the pro-Western camp (Ms Tymoshenko and President Viktor Yushchenko) had a public quarrel, allowing Mr Yanukovich—who had been cast as villain-in-chief during the revolution's headiest moments—to march temporarily back into government. A setback, it turned out, but no tragedy.

Georgia's let-down was slower to come, but the disappointment even sharper. Last November Mr Saakashvili's well-wishers were horrified when he used tear-gas and truncheons against a long-running street protest. But in recent days he has gone quite a long way towards redeeming his good name by holding an election which, though clearly not perfect, was certainly keenly contested.

### **Only compare**

For anyone who still asks whether the rose and orange uprisings brought any lasting gain, it is worth comparing the atmosphere in Ukraine and Georgia with that of other ex-Soviet places where the old guard has dug in or clawed its way back. (One recent piece of bad news is that Kyrgyzstan, whose “tulip revolution” in 2005 was really a coup, will now have a one-party parliament, after a poorly run election.)

At very first glance, there are similarities between Moscow and Kiev, where Soviet monuments share the skyline with the signs of rapid, if uneven, economic growth. But spend a day or two in each place, and the contrast becomes palpable. An undercurrent of fear in Moscow reflects the unpleasant things that can befall anyone who really challenges Mr Putin; there is no such climate in Kiev. The streets of Tbilisi, it is true, have seen fearful moments since November when Mr Saakashvili made his over-hasty crackdown. But Georgia remains a paradise for dissident politicians and journalists when compared with neighbouring Azerbaijan.

As Russia grows defiant in the face of world opinion, there is a tendency in Western circles to write off democracy and human rights—not only in Russia but also in other parts of its former dominions—as a lost cause. But for all its confusion, the aftermath of the rose and orange revolutions still offers plenty of evidence to counter such defeatism.

Text available on World Wide Web, URL:

[http://www.economist.com/opinion/PrinterFriendly.cfm?story\\_id=10498474](http://www.economist.com/opinion/PrinterFriendly.cfm?story_id=10498474)

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### **9. New Ukraine anti-corruption Premier targets Euro 2012 preparations Ethtimes.org, 11 January 2008**

Yulia Tymoshenko, Ukraine's new anti-corruption Prime Minister, on Friday ordered her government to overhaul its preparation plan as co-host for the Euro 2012 football tournament. Ukraine and Poland won joint rights to hold the event in March, but since then the Ukrainian government has struggled

even to begin an estimated 42 billion dollars in preparations needed if the former Soviet republic is to manage its side of the event.

A Tymoshenko-led coalition took over Ukraine's government in December on promises to reduce graft and inefficiency in state institutions.

The new pro-democracy government will complete a review of steps taken so far to ready the country for Euro 2012, and the parliamentary majority she leads will make a new plan national law, Tymoshenko promised.

"We already running a year and a half in our preparation efforts," she Tymoshenko. "We will reverse these trends."

A football-mad country whose national team made the final eight in the 2006 World Cup, Ukraine lacks substantial infrastructure needed to host any major international sporting event.

Ukrainian roads and service quality are far below international standards. Stadiums - all but one dating back to the Soviet era - are dilapidated, and the country needs to build dozens of hotels to handle an expected one million visitors.

Overhaul of the country's largest stadium - Olympeysky Stadium in the capital Kiev - has been stalled for months because of a shopping centre under construction next door which, if completed, would make the stadium impossible to evacuate safely.

Tymoshenko at a cabinet meeting instructed Ukraine's top law enforcer Interior Minister Yury Lutsenko to intervene in the legal wrangle, pitting two Kiev business clans in a dispute over land ownership around the stadium.

Kiev developers alone will build 33 hotels to prepare for the tournament, with the first coming on line in 2008, and the last in 2011, Tymoshenko told reporters.

It is a construction challenge of the first order in Kiev's overheated real estate market where some half-dozen firms monopolize major construction, and the few hotels lucky enough to operate charge as much as 200 dollars a night for an unpretentious single room.

The new hotels will cost some 500 million dollars, to be raised among private and international investors, Tymoshenko said.

Text available on World Wide Web, URL:  
<http://www.earthtimes.org/articles/show/172332.html>

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#### **10. Ukraine means to adjust agreement on gearing up to Euro 2012 with Poland NRCU, 11 January 2008**

This was voiced by Foreign Minister Volodymyr Ohryzko at council of the Cabinet of ministers. Ukraine will discuss visa issue with Poland for football fans to move unimpededly.

Ukraine has launched free visas for the UEFA representatives, media men, delegates ad others for five years. Ukraine and Poland won a tender to host Euro-2012 in April. The matches will run in Kyiv, Lviv, Donetsk, Dnepropetrovsk, Odesa and Kharkiv.

Text available on World Wide Web, URL:  
<http://www.nrcu.gov.ua/index.php?id=148&listid=58468>

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### **11. Ukraine wants talks on Russian naval base withdrawal – FM RIA Novosti, 12 January 2008**

Ukraine's foreign minister said on Saturday that the government wants to start talks to prepare the withdrawal of a Russia naval base from Ukraine.

Russia and Ukraine signed an agreement in 1997 stipulating that the Black Sea Fleet's main base in Sevastopol, on the Crimean Peninsula, be leased to Russia for 20 years, with the possibility of extending the term. But Kiev has been pushing for the withdrawal of the base by 2017, in compliance with a previous bilateral agreement.

In his interview with Ukrainian weekly Zerkalo Nedeli, Volodymyr Ohryzko said all proposals by Ukraine to start discussions on the withdrawal had been rejected by Russia as premature.

"But I believe we will be able to take some practical steps to boost the process after the next round," he said referring to a regular session of a joint subcommittee on the Black Sea base, which is to be held in Moscow on January 24.

The minister said talks were needed to outline a proper withdrawal procedure which would prevent Russia from "leaving barracks and buildings unfit for further use."

Ohryzko has repeatedly pressed for inventory procedures to be conducted at the base saying some rented facilities are used illegally as they were not included in bilateral agreements.

Russian officials said the country would make no concessions over rent or the withdrawal of the fleet from Ukraine.

The annual rent of about \$100 million is deducted from Ukraine's debt for Russian energy supplies, but Ukraine wants to increase the rent. In addition to the main base, the Black Sea Fleet maintains two airfields and a ship re-supply facility on the Crimean Peninsula.

Text available on World Wide Web, URL:  
<http://en.rian.ru/world/20080112/96354676.html>

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### **12. Culture of Human Beings in Ukraine and South Caucasus to be Discussed in Strasburg Trend, 11 January 2008**

France, Strasburg / The meeting of the Steering Committee to implement joint programs of the European Commission and Council of Europe "Encouragement of Culture of Human Beings in Ukraine and South Caucasus", will be held in Strasburg on 5 February," the Strategic Planning Department of Secretariat of the Council of Europe reported to Trend.

The aim of the meeting is to monitor the results within the framework of the implementation of the program, as well as to discuss the prospects of cooperation within the framework to implement different joint programs of the European Commission and Council of Europe in Ukraine, Moldova, South Caucasus countries from 2008 to 2009.

It is expected that the representatives of different Azerbaijani state departments and structures will participate at the meeting.

Text available on World Wide Web, URL:  
<http://news.trend.az/index.shtml?show=news&newsid=1109549&lang=EN>

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### **13. Naftogaz: Heavy taxes force investment cuts Ukrainian Journal , 11 January 2008**

Naftogaz Ukrainy, the shipper of Russian natural gas to the European Union, warned on Thursday that excessive taxes will probably force the company to reduce investments upgrading its gas pipeline network.

The warning comes as Naftogaz faces mounting financial challenges as its three major lines of gas business, including gas transit, gas extraction and gas distribution, face losses.

In the meantime, Prime Minister Yulia Tymoshenko has been taking steps to improve Naftogaz's finances by removing UkrGaz-Energo, a dominant gas supplier in Ukraine.

However, Tymoshenko has so far refused to let Naftogaz increase gas prices the company charges households for gas supplies, leaving the prices well below the market level.

Tymoshenko was also steadily seeking to increase tax burden on Naftogaz using the state company's revenue as a cash cow to cover the government's growing social expenses.

Naftogaz, Ukraine's biggest taxpayer, is currently responsible for 12.7% of the government's overall budget revenue, up from 8% three years ago, suggesting the tax burden has been increasing.

Naftogaz paid 13.3 billion hryvnias in taxes and fees to the government in 2007, but the tax burden was likely to increase this year, according to Yuriy Boyko, a former energy and fuel minister and Tymoshenko's long time foe.

"There is a further increase in the tax burden on the company in the 2008 budget," Boyko said in a statement.

Boyko said UkrTransGaz, a Naftogaz subsidiary responsible for European gas transit, will face an increase in taxes by almost 1 billion hryvnias in 2008, offsetting a gain of UAH640 million that the company had expected to get from charging Russia a higher gas transit fee.

"This, coupled with the increase of price of technological gas [used to ensure the transit] will make UkrTransGaz unprofitable for the first time in history," Boyko said.

Naftogaz moves about 110 billion cubic meters of Russian gas to markets in the European Union, up to 80% of Russia's overall Europe-bound gas supplies. Russia supplies a quarter of Europe's gas needs.

Boyko said that Naftogaz's gas distribution business alone faces UAH5.7 billion in losses in 2008 due to a difference in prices of imported gas and domestic prices.

But the government plans to reimburse Naftogaz only UAH2 billion in this business, while an additional UAH2.34 billion it envisages from privatization revenue that are not guaranteed.

"By its unprofessional actions, the Tymoshenko government has created conditions for Naftogaz default in 2008 and will lead to destruction of Ukraine's energy complex," Boyko said. (sb/ez)

Text available on World Wide Web, URL:  
<http://www.ukrainianjournal.com/index.php?w=article&id=5835>

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**14. A HAND FULL OF GAS**  
**By John Marone**  
**Eurasian Home, 11 January 2008**

It's a new year, and Ukraine has a new government headed by a fiery reformer with a penchant for making high-stake gambles. Prime Minister Yulia Tymoshenko is known as the gas queen – more for how she earned her money back in the 1990's than for how she has tried to clean up her country's gas

sector in more recent years. But clean it up she has tried, against highly formidable of opponents at home and abroad.

Ukraine has the most energy intensive economy in the world. Its choice of fuel is natural gas, three fourths of which it gets via Russia. Ukraine is also responsible for transiting the lion's share of gas that Europe buys from Russia and Central Asia. Thus, gas for Ukraine, as well as its neighbors, is a serious geopolitical and economic issue.

On the one end of the pipeline is Russian gas giant Gazprom, which holds a firm grip on the Eurasian gas tap. Gazprom represents the new power of Vladimir Putin's Russia, which is trying to reassert its international influence following the humiliation of the Soviet Union's collapse. In between Russia and the West is Ukraine, a former Russian colony still trying to consolidate its independence.

Ukraine produces only about a quarter of its gas needs, but it controls most of the gas pipelines that connect Russia to the EU. If Ukrainian authorities were united in their efforts to improve the standing of their country and its citizens, rather than enrich themselves through various corrupt schemes, the country could use the cards it's been dealt.

First, Ukrainian industry has to continue its recent efforts at energy efficiency. Ever since the days of the Soviet Union, the country's gas guzzling steel mills and chemical plants have turned a profit due to energy subsidies determined in Moscow.

The wake-up call came when Gazprom unexpectedly doubled the price of gas bought at the Ukrainian border in January 2006 to \$95 per thousand cubic meters. The Europeans, who had their supplies temporarily disrupted over the 2006 Christmas holidays, began to openly accuse Moscow of using its energy supplies to bully its neighbors.

As the price was raised further to \$130 then \$180 per thousand cubic meters, Ukrainian industrialists started introducing new energy-saving technology, financed by Western investors eager to offer their services. A side benefit of this has been greater transparency in Ukrainian industry overall, as oligarchs began to open their books to public scrutiny.

Another card that Ukraine has at its disposal is further development of its own resources. It's only a matter of time before Moscow raises the prices of its energy exports again. Yet, the government in Kyiv has been less than welcoming to Western investors offering to find new sources of gas and oil in Ukraine. American Vanco finally clinched a production sharing agreement to explore the Black Sea shelf, and international heavyweights like Shell have made inroads towards development of the Ukrainian mainland, but the country's path to energy independence is a mine field of opaque and discriminatory regulations and laws favoring insiders.

London-based Independent Cardinal Resources was forced off the market last year due to a rule that forced it to sell its gas at below-market prices. In the mean time, Gazprom has extended its control over distribution and sales in Ukraine through a chain of curious middleman companies.

Starting in January 2006, RosUkrEnerg, which is half owned by Gazprom and half-owned by two otherwise unknown Ukrainian businessmen, became the monopoly importer of largely Central Asian gas to Ukraine.

RosUkrEnerg neither produces nor transports the gas it sells. Yet Gazprom reported that RosUkrEnerg made profits of \$70 million in the first quarter of last year alone.

In addition, another company called UkrGazEnerg was set up to sell gas to Ukrainian consumers. It is half owned by RosUkrEnerg and half by Ukraine's state oil and gas company Naftogaz. UkrGazEnerg not only represented another unnecessary link in the chain of gas sales between Ukraine and its eastern suppliers, but the company was soon given the control over sales of gas to commercial Ukrainian customers, leaving Naftogaz to collect money from deadbeat state enterprises and households.

The net result of all this has been that Naftogaz is now on the verge of bankruptcy. Prime Minister Tymoshenko pledged to keep Naftogaz afloat.

After replacing RosUkrEnergo-connected Yury Boyko as energy minister, the fiery reformer promised Western lenders to Naftogaz that their investments were safe.

At the same time Tymoshenko assured Europeans that their gas supplies wouldn't be compromised.

"We won't allow any wavering. We will do everything for stability to be felt in Europe and Ukraine," she said last week in Kyiv.

Facing an increasingly imperialistic Kremlin and an opposition at home that has shown itself capable of every dirty trick in the book, Tymoshenko needs all the support from the West that she can get.

With presidential elections just around the corner, she is determined to consolidate her position as the champion of the people and enemy of corruption.

This gives Tymoshenko yet another possible enemy – President Viktor Yushchenko, who together with Tymoshenko promised Ukrainians honest government European democracy during the country's 2004 Orange Revolution.

Unlike Yushchenko, however, Tymoshenko has backed up her words with action, promising to investigate corruption in the gas industry as soon as she took office.

Her right hand man in this endeavor, Deputy Prime Minister Oleksander Turchynov, once accused Yushchenko of ordering him to stop an investigation into RosUkrEnergo, which Tymoshenko has openly accused of corruption.

Tymoshenko has been accused by her opponents of populism and may have a few gas-related skeletons in her own closet, but she is also the only Ukrainian politician willing to challenge the present system of corruption and kickbacks which threatens Ukraine's energy security and, indeed, its sovereignty.

Despite all denials from Moscow, there can be no doubts about its use of energy exports to control former Soviet republics and more greatly influence Europe. The Kremlin's own rhetoric is the most damning evidence of all.

Not only does the price Gazprom charges for its gas vary from country to country with little economic justification, the energy giant has made every effort to make its customers dependent on it. In order to keep Ukraine from buying gas directly from Central Asia, Gazprom has succeeded in buying up it all up in advance. Of the 55 billion cubic meters that Ukraine gets through Russia, seven billion comes from Uzbekistan, six from Kazakhstan and 42 from Turkmenistan.

Russia only supplies the pipes.

This brings up the third card that Ukraine has its disposal – its gas pipelines. If Russia can keep raising the price that Ukraine pays for Central Asian gas, Ukraine can raise the price it charges for the use of its pipelines.

Instead, Ukrainian negotiators have given Gazprom favorable transit terms, even as Moscow tightens the grip around Ukraine's energy lifeline. In addition, some Ukrainian officials such as outgoing energy minister Mr. Boyko have suggested giving Russia more control over Ukraine's gas lines – the strongest card in Ukraine's deck.

Thankfully, Tymoshenko's initiative to legislatively prevent such an outcome was supported largely by Ukraine's parliament, including the lawmakers from factions opposed to Tymoshenko.

But the card game is still in progress, and the stakes are higher than ever. Instead of keeping her hand close, Tymoshenko has taken on the role of dealer, with all other players out to break her bank. Since that bank represents Ukraine's energy security and its viability as an independent nation, the main thing for now is that the gas queen stays in the game.

Text available on World Wide Web, URL:

<http://www.eurasianhome.org/xml/t/opinion.xml?lang=en&nic=opinion&pid=961>

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### **15. Ukraine gas firm warns on European supply Reuters, 11 January 2008**

Ukraine's gas import monopoly Ukgazenergo warned on Friday that supplies to Europe and at home are at risk after the energy regulator restricted the amounts it can sell directly to consumers in the country. The regulator said out of the 55 billion cubic metres of gas from Russia meant just for Ukrainian consumption, Ukgazenergo can sell directly only 5 billion cubic metres, in an attempt to increase competition in the energy retail sector.

New prime minister Yulia Tymoshenko has long criticised opaque monopolies in the energy sector.

"The unjustified action could lead to a failure to secure enough supplies and distribute gas in Ukraine in 2008 and meet Ukraine's transit obligations," Ukgazenergo said in a statement. Europe gets a quarter of its gas from Russia and some 80 percent of it travels through Ukraine. The company did not make clear how transit could be disturbed, given that the restriction applies to gas for Ukrainian consumption. Ukgazenergo has appealed against the regulators decision.

Text available on World Wide Web, URL:

<http://www.guardian.co.uk/feedarticle?id=7217114>

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### **16. Ukraine popular among investors Safestore.co.uk, 11 January 2008**

Ukraine is an up and coming housing market, it has emerged.

Not only does the Ukraine country offer stunning coastlines, but it also has a low cost of living, which is enticing people to buy off-plan properties at a significant profit, according to David Stanley Redfern.

Liam Bailey, spokesperson for the property investment specialist, commented that many people buy the properties in order to rent them out as holiday homes.

"It's a very good holiday destination so especially in peak season the places on the coast will be great holiday spots," he said.

"The skiing's really good in Ukraine as well so people do tend to buy them as holiday homes and then rent them out. There are some really good deals in places where there's skiing."

Ukraine is the largest country that has borders that do not come out of European territory; its total area includes 603,628 sq km, representing 5.7 per cent of Europe.

People considering moving overseas or building holiday homes abroad should ensure they have sufficient self-storage to handle their goods.

Text available on World Wide Web, URL:

[http://www.safestore.co.uk/industry\\_news/18424076/ukraine\\_popular\\_among\\_investors.aspx](http://www.safestore.co.uk/industry_news/18424076/ukraine_popular_among_investors.aspx)

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### **17. Ukraine property growing in popularity Choices, 11 January 2008**

The property market in the Ukraine is becoming more popular with UK investors due to its cheap cost, experts have revealed.

According to real estate firm David Stanley Redfern, a low cost of living and an attractive array of natural views has driven demand for property in the country from overseas.

Liam Bailey, a spokesperson for the company, suggested that the rise in property growth experienced in the Ukraine was also being experienced across eastern Europe.

He said: "Ukraine is the same as the rest of these Eastern European states; they are all becoming big at the moment.

"They have some beautiful coastlines and they're really good holiday destinations with a very low cost of living."

He added: "A lot of the emerging markets have a very low cost of living and people are buying off-plan properties which tend to make a big profit before they're even built."

Meanwhile, David Stanley Redfern claim that the average cost of a studio apartment in the coastal region of the Ukraine could cost 45,000 euros (£33,900).

Text available on World Wide Web, URL:

[http://www.choices.co.uk/propertynews/Ukraine\\_property\\_growing\\_in\\_popularity\\_18422314.html](http://www.choices.co.uk/propertynews/Ukraine_property_growing_in_popularity_18422314.html)

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### **18. Ukraine begins repaying Soviet Sberbank debts Itar-Tass, 11 January 2008**

Ukraine is beginning on Friday to fulfill election promises of Prime Minister Yulia Timoshenko and repay multi-billion debts of the Soviet Sberbank to the people.

Sberbank of Ukraine anticipates a major rush and assault on its boffices, while President Viktor Yushchenko, who estimated state debts to the population at 134 billion hrivnas (over 26.5 billion US dollars) or a half of the national budget, urged not to destabilize the economic situation.

Sberbank asked the depositors "to refrain from rush in bank's offices, to be reserved and polite" and promised compensations will be paid indefinitely.

Timoshenko said compensations for devalued deposits will be paid in two years. In 2008 the government will allocate 20 billion hrivnas (some four billion dollars), which will comprise 60 percent of the debts.

Cash payments will be limited to one thousand hrivnas, however compensations can remitted non-cash to repay debts for communal services, to pay for education of children, and buy durables. They may also be kept in Sberbank at a 13.5-percent interest rate.

"Anyone is guaranteed to get what is envisaged by the budget," Timoshenko said and promised the payments will not boost inflation. "They will be done in such a way so that the money does not devaluate on the way to a shop," she said.

Finance Minister Viktor Pinzenik specified each depositor will get not more than one thousand hrivnas (200 dollars) in cash in 2008 regardless of the number of deposits in the Soviet Sberbank.

Text available on World Wide Web, URL:  
<http://www.itar-tass.com/eng/level2.html?NewsID=12244634&PageNum=0>

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### **19. Ukraine begins compensation payments for savings lost during Soviet breakup AP, 11 January 2008**

Thousands of Ukrainians streamed to state bank offices Friday to get compensation for savings lost in the 1991 Soviet breakup \_ a promise of new Prime Minister Yulia Tymoshenko that some analysts caution could hurt the economy. The payments by the state Oshchad bank, however, were slow to come. People across the country stood in long and impatient lines.

An administrator at a Kiev branch of the bank suffered a head injury when an angry crowd pushed her to the floor. A retiree in the central Zaporizhia region died of a heart attack as he waited in line to receive the money, local authorities said.

Tymoshenko pledged to pay out 6 billion hryvna (US\$1.2 billion; ₾800 million) of the estimated 130 billion hryvna (US\$26 billion; ₾17.5 billion) debt to citizens this year. The remainder will be paid out over the next several years, the government said. The exact amount of the debt will be calculated once citizens claim the money.

The collapse of the Soviet Union plunged its 15 republics into deep economic crises and deprived millions of citizens across the former Soviet Union of their savings. Ukraine follows in the footsteps of Lithuania and Kazakhstan, which returned some \_ or almost all \_ of Soviet-era savings to their citizens. Other ex-Soviet nations have yet to follow suit. Tymoshenko made compensating for the lost savings a theme of her campaign for parliamentary elections last year, which swept her to the premiership.

Ukrainians will get up to 1,000 hryvna (US\$200; ₾135) in cash for their Soviet-era savings. One Soviet ruble will be equivalent to 1.05 hryvna. Those who held over 1,000 hryvna in their accounts will be able to receive the rest of their money later in non-cash payments, such as vouchers that would offset utility bills or be used to pay for some consumer goods, the government says. Some experts applauded the decision, saying it would restore peoples' trust in the government and benefit the needy, especially pensioners and low-paid government workers.

Oleksandr Klymchuk, an analyst with Concorde Capital Investment bank, said the payments were positive. «I think that 6 billion in compensation is not a burden for Ukraine's economy; it could bear even more,» he said. But Anton Struchenevsky, an economic analyst at Troika Dialogue investment bank, dismissed the measure as a populist move that would strain the state budget. «Such methods can destabilize the economy and lead to hyperinflation,» he said. The 2008 budget forecasts annual inflation of 9.6 percent, but experts say it could spike to over 15 percent.

Sophia Panchenko, an 80-year-old retired school teacher who counted her 1,000 hryvna at a bank office in downtown Kiev said she was glad to receive at least a fraction of the money the state owed her. «In our old age they are giving crumbs \_ but at least we get something.

Text available on World Wide Web, URL:  
<http://www.pr-inside.com/ukraine-begins-compensation-payments-for-r382529.htm>

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## **20. Scuffles as Ukrainians queue for Soviet-era bank payouts** **RIA Novosti, 11 January 2008**

Scuffles have been reported across Ukraine as Sberbank customers, who lost their savings after the collapse of the Soviet Union, queued Friday to receive compensation, Russian television Vesti channel said.

Ukrainian Prime Minister Yulia Tymoshenko promised on appointment last year that from January 11, 2008 all former customers of Sberbank U.S.S.R., over 200,000 people, who lost their savings would receive \$200 compensation.

The television channel reported work at hundreds of branches of Ukraine's Sberbank had been paralyzed due to the huge volume of people.

Sberbank of Ukraine appealed on Friday in a statement to all those seeking payouts to show restraint and be polite to the elderly.

On Thursday the bank's press service said it had already received the first tranche of \$39.2 million out of the total sum of \$1.2 billion from the country's budget which would be used to compensate savers' losses.

The bank also said that the time frame for receiving compensation is not restricted and those, who did not get the money on January 11, can do so at a later date.

Tymoshenko promised to recompense each depositor \$200 regardless of the amount they lost. If the losses were higher than \$200, she said, the remaining sum would be repaid at a later date or could be used to pay public utility bills, education or other services.

Text available on World Wide Web, URL:  
<http://en.rian.ru/world/20080111/96203144.html>

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## **21. Same old holiday, same new hopes** **By Ludmila SHANGINA (Razumkov Center)** **Zerkalo Nedeli # 50 (679) 29 December — 11 January 2008**

*Again this man's New Year! Again – in late December of 2007 like in January of 2005 – we see the same self-confident president, the same prime minister pledging allegiance to his self-confidence, and the same enthusiastic ministers. This definitely looks like a déjà vu, but this time many things are different. In 2005, the winter was snowy, hearts were full of triumph, and the happy future seemed so near... This year there is no snow, the feeling of triumph has long since melted away, and the bitter pangs of disillusionment have killed so many hopes.*

*For the seventh time, winding up another year, the Razumkov Center conducted a countrywide sociological survey. The poll involved 2,018 respondents aged over 18. The general conclusion is: the Ukrainians still love holidays and still hate authority.*

### **Who Will Celebrate?**

93 percent of respondents said they were going to celebrate New Year's Day and Orthodox Christmas [January 7]. 12 percent said they celebrated Christmas on December 25 (interestingly, this number has not changed in the last five years).

69 percent of Ukrainians are going to celebrate the so-called "Old New Year" [on January 14, by the Julian calendar], so it looks like the country is going to be on holiday until mid-January.

At the same time, four people in a hundred are not going to celebrate New Year's Day, even though it is a holiday to them. Two in a hundred do not consider it a holiday.

The general attitude to this holiday has not changed much. As before, 52 percent of Ukrainians call it a family holiday; 22 percent call it a national holiday; five percent say it is a holiday for children and grandchildren. As before, three percent of respondents are liable to think philosophically: New Year's Day reminds them that "time goes by" and that "everything is transient in this world". As before, two in a hundred take this holiday just as an ordinary day off and have no special plans for it.

There are two changes. On the eve of 2004, 18 percent of Ukrainians thought that New Year's Day was a holiday of hope for a better future. Now, on the eve of 2007, 13 percent think so. Two in a hundred said they would watch the clock hands meet at 12 alone and feel lonely. Now only one in a hundred says so (hopefully not because half the lonely people in Ukraine have passed away).

### **Where to Celebrate**

Most Ukrainians, as before, are going to celebrate New Year's Day at home. Notably, the number has increased from 68 percent several years ago to 77 percent. The reasons are quite indicative: more than two-thirds (68 percent) of these say they will celebrate it at home because it is a family holiday; eight percent simply cannot afford to celebrate elsewhere; 16 percent are planning to celebrate at their friends' or relatives' homes.

Three in a hundred are going to spend the New Year's night at restaurants, night clubs, or other places of mass entertainment (just a couple of years ago the number barely reached one percent). On the eve of 2007, 0.1 percent of respondents said they were planning to celebrate New Year's Day abroad. Now the figure is 0.2 percent. Six in a thousand are going to Ukrainian ski resorts and nine in a thousand will be working.

### **Chime Time**

Interestingly, quite a few Ukrainians uncork their champagne twice – first by Moscow time and then one hour later, by Kyiv time (26 percent in 2004, 34 percent this year). One Ukrainian in a hundred uncorks champagne only once and earlier than at midnight, and 63 percent uncork it once and after the chimes.

78 percent of Ukrainians (versus 73 percent last year) are definitely going to listen to President Yushchenko's congratulatory address on TV; 16 percent are not; six percent are undecided. The figures were about the same on the eve of 2004.

43 percent of Ukrainians are going to listen to Russian President Putin's congratulatory address to his nation (versus 36 percent last year – probably, they believe it will be his last presidential New Year's address); 46 percent are not; 11 percent are undecided.

### **Presents**

There is no holiday without presents. Ukrainians, especially children, like presents. 70 percent of respondents (versus 65 percent last year) are going to act as Santa. Nine out of a hundred have prepared New Year presents for their relative's children and five – for their friends', neighbours', or colleagues' children. This looks like a good trend, but there is another side: only 39 percent (versus 43 percent last year) are going to give presents to their parents.

Like last year, 48 percent of Ukrainians are going to give presents to their spouses; 24 percent – to friends; 18 percent – to other relatives.

For the fifth year running, three percent of Ukrainians give New Year presents to their pets. Three percent give presents to the lonely and needy. If only their presents reached that one percent of respondents who are going to celebrate alone...

All-in-all, each Ukrainian, who intends to give New Year presents, is expected to receive 2.3 presents. At the same time, people would like to spend less on such presents. Before 2002, an average Ukrainian was ready to spend nearly \$900 on New Year presents. Last year the planned sum was \$350, and this year it is \$170. What should this tendency mean?

On the other hand, intentions to buy and actual purchases are different things. Last year Ukrainians spent an equivalent of \$500 million on New Year presents – nearly \$14 per capita of the adult population.

### **New Year's Wishes**

Ukrainians have 132 wishes for 2008 – nearly as many as for this year (136). 19 percent are uncertain about their wishes and three percent have no wish at all.

The rest have definite and quite material wishes: eight percent want to be healthy; eight percent want money; seven percent want a car, and three percent want an apartment. Some have a bolder wish – a house, but their number is insignificant – just 0.004 percent.

### **Digression 1: President's Promises**

"I am the President of all Ukraine. I bear the whole responsibility...I will do everything possible so that no one feels deprived. The fruits of economic growth will belong to all."

### **V. Yushchenko, January 23, 1995**

At his summary press conference on December 27, Yushchenko had to answer a tricky question. One journalist asked, "I am twenty and my monthly salary is UAH 1,400 [\$277] for a family of three. How can I buy a flat?"

Yushchenko's answer consisted of two parts. The first part sounded like this: "This is an issue of local self-government and personal responsibility". He needn't have continued but he did. "A few weeks ago we held a press conference in the Poltava region on affordable housing. We addressed legislative mechanisms of allocations for housing that would help us resolve this problem in several years.

"Yesterday the Cabinet of Ministers discussed this issue. I don't support the government's plan to allocate UAH 3 billion [\$594 Million] for the national housing program. This money will dissipate among a score of agencies because officials know how to find shorter ways for using this money.

"The program should begin with the allocation of an additional UAH 3 billion. The government should cover one-third of costs, and a person with an average monthly income of UAH 1,600 [\$317] should pay off the rest in 20 years. Local authorities should allot land plots for the construction of new houses and residential blocks. If we want to optimize these expenditures, we need to have land plots allocated free of charge. We need to offer favorable crediting terms to teachers, medics, military officers, culture workers, and scientists. So if we accumulate UAH 4.5 billion on a single account, the land mortgage institutions cover two-thirds of expenses, and local authorities allocate land plots free of charge, we will build affordable flats for 75,000 families annually. This mechanism alone could solve one-third of the housing problem. It's irrational to dissipate funds among ministries and agencies. We have agreed to settle all land property disputes by the end of February, muster UAH 4 billion, and provide the first 75,000 families with new flats. We have one million families waiting in the line. If we manage to launch this program and enhance it in three or four years, we will be able to solve the problem of affordable housing within three or five years. We have complete agreement with all political forces, the government, and the parliament. In two months you will get a final answer to this question."

They say the journalist who asked this question is still sitting in the conference hall – mute and stupefied...

## **Digression 2: New Year Presents**

Unlike before, nobody wants to be given a pair of slippers. Now Ukrainians want to be given clothes, accessories, or knickknacks. Two percent of respondents (760,000) said they would like a cell phone (teenagers would like to have two).

One in a hundred wants a quiet night, a rich table, or a trip abroad.

Some want snow. Others want tableware, a tractor, a new razor, a horse collar, a book, or a pair of boots. Internationally aware people want peace on earth. The politically concerned want stability in the country, a sustainable government, and Yanukovych as President. Ordinary citizens want decent salaries, good news, and a better future.

Ukrainians still need happiness, a baby, a grandchild, and care. Two in a thousand need a dog or a cat, and one in a thousand would be happy to get any present.

## **Politician of the Year**

The names of the most popular politicians are the same and their number remains unchanged – six men and a woman. Yulia Tymoshenko, who was named Politician of the Year in 2005, tops the list with 31 percent of the votes. Last year the top position was given to Viktor Yanukovych (26 percent). This year he is second with 15 percent. Viktor Yushchenko, who led the popularity ratings from 2000 to 2004, got seven percent of the votes (versus nine percent last year and 39 percent in 2004). Yet, Yushchenko doesn't seem to be too disappointed, which means that he doesn't care much about public opinion.

Yushchenko is followed by Verkhovna Rada Speaker Arseniy Yatsenyuk (4 percent) and Volodymyr Lytvyn (4 percent), Communist leader Petro Symonenko (3 percent), and Interior Minister Yuri Lutsenko (2 percent).

12 percent of respondents believe that no one deserves to be called "Politician of the Year" and 17 percent are undecided. And only one in a thousand remembered Yushchenko's predecessor Leonid Kuchma.

The political leaders should not delude themselves, because each has a negative balance between complete popular support and complete dislike: Tymoshenko's balance is - 8.9 percent. Yatsenyuk has - 3.4 percent; Yushchenko has - 23.4 percent; Yanukovych has - 24.7 percent; Lytvyn has - 20.9 percent; Lutsenko has - 28.6 percent; Symonenko has - 44.9 percent.

When Tymoshenko first headed the government, 51 percent of Ukrainians believed that the country was heading in the right direction and 24 percent were of the opposite mind. Now, after her comeback, we see mirrored asymmetry: even though the overwhelming majority of Ukrainians are extremely negative about the previous government's legacy, only 23 percent of respondents are positive about developments in the country while 53 percent are negative. Tymoshenko should take this as a very serious sign.

## **Political Event of the Year**

Only four respondents in a thousand did not remark any significant event this year, 18 percent of respondents could not single out the most important one while 55 percent said it was the September 30 parliamentary election. 10 percent of respondents said it was Tymoshenko's appointment to the post of Prime Minister. Four percent said it was the previous parliament's dissolution. The election of the parliamentary speaker, the fatal coalmine accidents, and the commemoration of Holodomor victims earned one percent each.

As before, Ukrainians are unable or unwilling to name the most important world event of the year. 62 percent of respondents were undecided and six percent could not remember any significant event. Nine percent said it was the parliamentary election in Russia and four percent said it was the

enlargement of the Schengen zone. The European Union's extension and events in Iraq and Georgia received two percent each, and only one Ukrainian in a hundred called the Ukrainian parliamentary election an event of global scale. Strangely enough, some respondents mentioned the divorces of Nicolas Sarkozy and the Danish princess.

Six Ukrainians in a thousand are concerned about the economic crisis in the United States and one in a thousand – about China's economic growth.

The recognition of the Holodomor in Ukraine as an act of genocide was named "political event of the year" by 0.2 percent of respondents.

### **Nice Little Presents from the Government**

"The privileges and bonuses enjoyed by MPs cost taxpayers almost half a billion hryvnias... This money would suffice to clear all wage debts or build 250 new schools... or raise pensions by 20 percent. These are striking figures."

### **V. Yushchenko, August 9, 2007**

Indeed, these figures are striking. The new government promises to reimburse all devalued deposits with the USSR Savings Bank, but the reimbursement rate can make anyone gasp: UAH 1.05 per ruble! 1,000 rubles equaled 14 minimal wages or 28 subsistence allowances. In return the people are supposed to get less than two minimal wages.

The same is about pensions: UAH 10 billion per 15 million pensioners means that monthly pensions will be raised by a mere UAH 56 [\$11].

In 2008, the government plans to spend UAH 35 million [\$6.93 Million] on combating TB and AIDS. At the same time, "medical service of people's representatives and public servants" will cost taxpayers a total of UAH 248.1 million [\$49.1 Million].

At present, there are 515,000 TB cases and 85,000 HIV/AIDS cases registered in Ukraine. UAH 35 million allocated for combating these diseases in 2008 means UAH 58 per person. And there is the well-known health and recreation center Feofania [in the picturesque suburbs of Kyiv] which caters to people's representatives and public servants (active and former) and members of their families as well as numerous sanatoria in Crimea and other resorts. These are going to be financed in the amount of UAH 553.6 million [\$109.62 Million]. Is this not an epidemic of cynical greed? How about the "personal responsibility" emphasized by the President?

By all accounts, this country is in for another hard year. Having wobbled somehow through the Year of the Pig, people are looking forward to gifts from the Rat...

Text available on World Wide Web, URL:  
<http://www.mw.ua/1000/1550/61618/>

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