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**1. Mykola Azarov going to Kyrgyzstan to solve problem of Ukraine's accedence to WTO NRCU, 9 November 2007**

*First Vice Prime Minister, Finance Minister Mykola Azarov will head for Bishkek, Kyrgyzstan, to solve a problem of Ukraine's accedence to the WTO.*

Notably, Ukraine has completed negotiations with members of the WTO working group, having reached 49 agreements on reciprocal access to the markets of commodities and services. In case we solve the problem with Kyrgyzstan Ukraine will join the WTO by 2007's close.

Text available on World Wide Web, URL:  
<http://www.nrcu.gov.ua/index.php?id=148&listid=54979>

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**2. Ukraine hopes GUAM cooperation deepening with the Black Sea Economic Cooperation Organization  
By M. Alkhazashvili  
Messenger, 9 November 2007**

Cooperation between GUAM and the Black Sea Economic Cooperation (BSEC) organization will deepen at the 2008 BSEC summit in Kiev, according to Vladimir Khandog, first deputy Minister of Foreign Affairs of Ukraine.

"The Black Sea region plays an important role in European and international processes, mainly in the energy cooperation sphere," Khandog commented according to the news agency Regnum.

He added that Ukraine's entrance in to the World Trade Organization (WTO) will broaden its business opportunities.

"Currently approximately 80 percent of Ukraine's economic sector functions according to WTO principles," he said, according to Regnum.

Ukraine assumed chairmanship of BSEC on November 1.

BSEC membership states are Azerbaijan, Albania, Armenia, Bulgaria, Greece, Georgia, Moldova, Russia, Romania, Turkey, Serbia and Ukraine.

Text available on World Wide Web, URL:

[http://www.messenger.com.ge/issues/1482\\_november\\_9\\_2007/1482\\_econ\\_guam.html](http://www.messenger.com.ge/issues/1482_november_9_2007/1482_econ_guam.html)

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### **3. Revolution Now By Volodymyr Chemerys Ukrayinska Prawda, 11 November 2007**

Democrat Saakashvili did what dictator Shevardnadze had never done. He used tear gas and rubber bullets against peaceful marchers in Tbilisi. Democrat Yushchenko did what dictator Kuchma had never done. He dissolved parliament in spite of the Constitution.

Events in Georgia in 2003 and in 2004 in Ukraine were not revolutions. Both countries have simply changed presidents without changing the system of power. In spite of the people's expectations, both Yushchenko and Saakashvili renewed authoritarian rule set by their predecessors.

Moreover, both presidents went even further than their 'political fathers' – Shevardnadze and Kuchma. They began to compete with Putin and Lukashenka in the nomination of "Dictator."

Both of them, like Shevardnadze and Kuchma, will be overthrown by the people.

### **1. THE SYSTEM AND THE REVOLUTION**

Ukraine, Georgia, Russia and other post soviet countries come from the same state – USSR. In the early 1990s the system of oligarchic capitalism was established in these countries.

A small group of people received a great part of the state property due to their connections in the authority, privatization frauds and 'shock therapy'.

This social group of capitalists, called oligarchs by mass media, together with the high ranked state official and top management became the favorites of the new social system.

To survive and develop this system requires a special political structure and governance style. This is authoritarian regime, something like a presidential republic. This regime was established in all post-soviet countries.

But 'outsiders' of the system (i.e. all other social groups) did not like such state of things. Hired workers and pensioners did not like their place in the outskirts of life while small and middle sized business refused to accept monopolization of all business spheres and lack of competition.

In the late 1990s post soviet countries lived through social explosions. It does not mean that only poor people came out to the streets demanding a piece of bread (although this factor must not be underestimated). The thing is that 'outsiders' feels the courage and strength to change the system.

Ukraine was the first country to protest against the regime. In 2000, a protest action "Ukraine without Kuchma" began. In autumn 2001, Georgia witnessed protest action "Georgia without Shevardnadze"

(they followed Ukraine's example), and in spring 2002 thousands of people came to the streets in Kishenyov, Moldova.

Despite the fact that every country had its own reasons to protest (murder of journalist Gongadze in Ukraine, search in Rustavi-2 TV company in Georgia and change of school curriculum in Moldova), all these rallies has social backgrounds.

Thousands of Ukrainians even those who did not know Georgiy Gongadze came to Kyiv's streets because they were tired of social injustice. Thousands of Georgians, even those who had nothing to do with the television and had been never bothered with the freedom of speech came to Rustaveli square. Discharge of President Kuchma was a number one demand of the people. But still, change of the social, economic and political system was their main demand. In spring 2001, sociologists first registered popularity of the prevailing ideas of the parliamentary republic in Ukraine.

Having gained a number of tactical victories (for example discharge of heads of Security Service and Interior Ministry) protesters both in Ukraine and in Georgia failed to win strategically. Both Kuchma and Shevardnadze preserved their offices and the system of power remained unchanged.

But Ukraine without Kuchma and Georgia without Shevardnadze became the first stage of democratic revolutions in these countries. In 2001, a democratic revolution failed to become a social reality but it became a part of people's thoughts and soles.

After that even journalists who obeyed owners of media holdings started protesting against one-sided media policy. We knew that the revolution was going on even without protest rallies. We knew that the second stage of the democratic revolution was inevitable. We did not know when it would happen.

There is another important factor. Ukraine without Kuchma and Georgia without Shevardnadze were civil movements and no political party or its leader could run these rallies.

The fact that we had no answer to the question "Ukraine without Kuchma, so with whom is Ukraine?" was our advantage. This helped us unite around the idea of changing the system, which Mr. Kuchma feared most of all. Without any exaggeration, one can say that it was then in the early 2000s during the first stage of democratic revolutions in Ukraine and Georgia that the civil society was born. These were the people who refused to accept injustice.

## **2. CHANGES WITHOUT CHANGES**

The second stage came so fast that no one really expected it. In November 2003 Georgians overthrew Shevardnadze's regime, in December 2004 Ukraine witnessed the last days of Mr. Kuchma's reign. In 2005, Kyrgyzstan waved good-bye to Akaev.

In all countries mass protests were caused by elections. But people in Kyiv, Tbilisi and Bishkek wanted more. They wanted not only to change authoritarian regimes but change their lives.

But people standing on the stage set on Maidan in Kyiv reduced all demands of the people to one – "Yushchenko is the President." They never wanted to change the system. They wanted to chair it. Events in Kyiv and Tbilisi in 2004 and 2003 became a political but not a civil action.

Unfortunately, a group of politicians and oligarchs who used to serve regimes of Shevardnadze and Kuchma managed to take advantage of people's aspirations. Ukrainians changed the president but the constitutional reform that has slightly reduced the president's authority became the only systemic change. In Georgia Mr. Saakashvili chose to keep the authoritarian system unchanged.

The thing is that state bourgeois is divided into clans that compete with each other. State power is the battlefield in this fight. At the same time, state power is the administrative and financial resource for such oligarchic clans.

In 2004, having taken advantage of mass protests, people close to Yushchenko (so-called 'dear friends') and Tymoshenko (Hubsy, Abdulin, Zhevago), who had earned their fortunes in Kuchma's era, defeated the Donetsk clan, thus becoming the new favorites of the system.

Both Orange governments (Tymoshenko's and Yekhanurov's) never intended to change anything in the social and economic life of the people. From revolutionists they turned into counter-revolutionists.

Their goal was adjusting existing schemes of capital accumulation to the new authority. The Orange Counter-revolution personified by authoritarian parties like NU-NS and the BYuT is going to abolish the only achievement of the year 2004 – the Constitutional Reform.

In fact, that was the reason why Viktor Yushchenko called an early parliamentary election. Cancellation of this reform as well as share of capital and state power are the main negotiations subjects between Yushchenko's dear friends and Akhmetov's oligarchs.

One journalist said that DFPR party will run Ukraine. DFPR reads as follows: Dear Friends and the Party of Regions. However, whatever coalition is formed in parliament one of the clans will lose. The winner will take everything. Only the citizens of Ukraine will see no changes.

In 2006, disappointment of the people in the Orange leaders resulted in the high election results of the Party of Regions. In 2007, success of the BYuT and Lytvyn Bloc, as well as failure of the Socialist Party is not the main result of the election. The most important thing is the highest number in Ukraine's history of those who voted 'against all'.

One third of Ukrainians refused to choose between the orange and the blue-and-white oligarchs. Voting 'none of the above' is now not a passive but the most active civil position. It proves that the society is discouraged by the current state of things which will end in the third stage of a democratic revolution. This will be a true revolution which will destroy everyone, both orange and blue-and-white. This revolution will lay foundation of social changes.

Neither Ukraine without Kuchma nor the events of 2004 were a true revolution because they never changed the system. Thus, social reasons which forced people to come into streets in 2000 and 2004 are still acute. This deep social discouragement must have its outlet. That is why Ukrainians will rise once again. Revolution is not over.

### **3. GEORGIA AS A MIRROR OF UKRAINIAN REVOLUTION**

These words would be a theoretical assumption if it were not for the riot in Georgia. Georgian referred to Ukraine's experience during the protest action Georgia without Shevardnadze. Now, they are ahead of us. If the revolution broke out in Georgia it will soon come to Ukraine.

On November 2nd, the third stage of a democratic revolution started in Tbilisi. This is a civil stage, without any political interference. Rallies in Tbilisi, Kutaisi and Poti are organized by the political parties sometimes with a different ideology. But they all have a very clear program: "Georgia without the president", which also means "Georgia for the parliamentary republic."

Cruelly beaten by the police thousands of Georgians are defending democracy in their country. Even if Saakashvili manages to temporarily preserve power by resorting to a forceful scenario, introducing the state of emergency and shutting up opposition mass media, changes in Georgia after these events are inevitable.

This "baptism of blood" changed Georgians. Most importantly, they must not repeat their own mistake by substituting Saakashvili with the new dictators like Defense Minister Okruashvili or Speaker Burdzhanadze who have suddenly turned into oppositionists and peacemakers.

Hopefully, Georgian revolution can do without the help of oligarchs Berezovsky and Patarkatsishvili who have brought Saakashvili to power in exchange of considerable business preferences in this country.

As to accusations that the riot in Georgia has been initiated from outside the country, this is not the problems of the protesting people. This is the problem of dictators who seek traces of Moscow and Washington in mass protests instead of analyzing own policy that resulted in this riot.

Of course, parliamentary republic is not the best system of power. However, there is no better system now. Parliamentary republic will not resolve all problems but it will unbalance administrative resource (rule of the President's Secretariat and appointment of governors by the President). It will also enlarge representation in authority of all social groups.

Parliamentary model will promote freedom of speech and conscience in the country. Small and middle-sized business will profit from this model of power which will introduce competition in the market instead of monopolizing the national economy.

Other social groups will not profit from such a change that much. But switch to the parliamentary republic is the first step in the right direction.

Georgians set us an example. Events in Georgia are a warning signal to Yushchenko and his administration. However, Ukraine President and his entourage have not learned a single lesson from mass protests in Georgia.

Like a Georgian dictator Saakashvili, Viktor Yushchenko wants to establish control over all security agencies, including the Interior Ministry, which is the coalition's quota, as provided by the Constitution. Does he want to bring interior forces to the capital like he intended to do it in May of this year?

Like a Georgian dictator Saakashvili, Viktor Yushchenko is trying to control public opinion through discharges of journalists (Novy Kanal and 5 Kanal) and closing TV projects (for instance, Double Proof on 1+1 TV Channel).

Like a Georgian dictator Saakashvili, Viktor Yushchenko was breaking up opposition rallies with the help of the Orange ministers in 2005-2006. Like a Pakistani dictator Musharraf, Viktor Yushchenko dissolves parliament and discharges unsuitable judges.

Unfortunately, all these attacks at the civil rights meet no resistance of the public in Ukraine and in the world community that has been keeping a watchful eye on observance of human rights in our country. I think that the public will react. But that is not the point.

The point is that Georgia has showed us: any authoritarian regime will be overthrown, no matter who personifies it: Saakashvili, Yushchenko, or Putin.

**DEMOCRATIC REVOLUTION IS NOT OVER!**

*Volodymyr Chemerys, coordinator of the protest action Ukraine without Kuchma, board member of Respublika (Republic) Institute.*

*\* Editorial remark. Editorial staff of Ukrayinska Pravda may not always share the author's opinion. However, it will keep giving people the opportunity to express their opinion even if it differs from the general public position*

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/11/9395.htm>

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#### **4. Ukraine registers sufficient number of deputies for Rada meeting – official Interfax-Ukraine, 9 November 2007**

The number of registered members of the new Verkhovna Rada is sufficient to convene a session, Central Election Commission Deputy Chairman Andriy Mahera has said.

"The 2002 ruling of the Constitutional Court definitely says that the majority of the constitutional number [226] is sufficient to hold a session," Mahera told the press in Kyiv on Friday.

"There are no obstacles for the registered deputies to take an oath," he said.

At the same time Mahera said the beginning of the work of Verkhovna Rada requires a decision of a preparatory group that will set the time of the session.

Mahera also said that the Party of Regions still has time to submit registration documents as the deadline is November 16.

By now the Central Elections Commission has registered 279 out of 450 deputies.

As a result of the September 30 elections the Regions Party is getting 175 seats, the Bloc of Yulia Tymoshenko 156, Our Ukraine - People's Self-Defense Bloc 72, the Communist Party 27 and the Bloc of Lytvyn 20. They are to delegate one representative from every 15 deputies to the working group preparing the first session of the Rada.

Text available on World Wide Web, URL:  
<http://www.interfax.com.ua/en/news/main-news/81708/>

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## **5. NU-NS Unfolds PRU Political Games Ukrayinska Prawda, 12 November 2007**

Our Ukraine – People's Self-Defense (NU-NS) member Mykola Katerynychuk is sure that the Party of Regions (PRU) is engendering destabilization of the interior situation in Ukraine by deliberately delaying the opening of new parliament and hampering new government formation.

"PRU can not see itself in opposition. Therefore it will do everything possible to put off formation of the Cabinet," he stated explaining procrastinations at the opening stage of new parliament work, the NU-NS press service reports.

"If PRU gets down to more destructive methods, society as a whole, including the PRU electorate, will clearly see that the political force has been aiming to worsen the political state," Mr. Katerynychuk underlines, though hoping for a positive outcome of negotiations over the opening session.

In turn, another NU-NS member Yuriy Kluchkovsky maintains that 'the arguments referred to by PRU' do not constitute the genuine reason for PRU's non-participation in the working group on the opening session.

"Since the official poll results, these persons are qualified as newly-elected MPs. The status acquired, they have not yet taken over their authorities. Participation in the working group does not have anything to do with authorities, only status matters," he was cited as saying by the bloc's press service.

"Registration [with the Central Election Commission (CEC)] does not mean anything in this case as the parliamentary authorities are acquired after the pledging procedure. The working group, however, starts its work before it is completed. Therefore these arguments are ridiculous," mentions Mr. Kluchkovsky.

According to Mr. Kluchkovsky, present PRU activities are in a way duplicating the 2006 post-election processes when PRU impeded parliament's effective work by blocking parliamentary sessions.

"They need time to save time for some actions."

Answering the question if PRU was likely not to complete formalities required for their MP registration by November, 16, Mr. Kluchkovsky pointed out that the party representatives promised to submit the documents on Friday.

"If after such public statements they still fail to submit the documents, it may be regarded as demonstration of their political games. Then, it will seem likely that they will never register their MP mandate with the CEC," he adds.

According to Mr. Kluchkovsky, 'such developments are extremely unfavorable for Ukraine as this will undermine the core of statehood and the constitutional system'.

"The state will again be on brim of crisis. On one hand, the Verkhovna Rada will be incompetent due to less than 300 MPs registered, on the other, it may not be dissolved. The only body able to resolve the emerging collision will be the Constitutional Court. But its proceedings are rather slow and, unfortunately, subjected to political influence," underscored Mr. Kluchkovsky.

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/12/9400.htm>

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## **6. Do Our Democrats Need Independent Mass Media?**

**By Serhiy Hrabovsky**

**Ukrayinska Prawda, 8 November 2007**

Yesterday I learned that one of electronic medias (let's call it periodical X) close to Our Ukraine – People's Self-Defense would not be financed from the middle of this month.

The election is over, readers and advertisers take no interest in it, so why waste money? Of course, they may offer journalists to maintain the website for free. They are pro-Orange journalists, aren't they?

Today I have learned that pro-BYuT periodical experiences serious financial problems balancing on the verge of bankruptcy. What is the reason?

The periodical appeared in the debt pit during the election campaign when it published articles severely criticizing the government. There was an agreement that the BYuT will cover all related expenses for printing (and nothing else!). But now the journalists are told: it is your position which you voluntarily chose. Why should anyone pay you?

This periodical is not a major one. It belongs to the second league with its own niche, readers, authors, traditions and journalistic style.

What was their contribution to this election? Of course, this periodical did not play a decisive role. But most certainly they added thousands of votes to the parties and blocs they supported.

It was not pre-election sensations but the persistent work in the media space.

Were they maybe fair to periodicals X and Y? Are maybe those thousands of votes not worthy of investments? Is it maybe cheaper and easier to hold several election rallies?

Is it more logical to rely on several major printed and electronic mass media than numerous second leagues periodicals, although rather influential in certain social circles?

Hardy had I written this article when a famous professor called me to inform that he was forced to take a job in one of the periodicals belonging to Chernovetsky's media holding despite his skeptical attitude to Kyiv's mayor.

What are the reasons? He needs to communicate with Kyiv's inhabitants about current problems. Other 'democratic' periodicals have no need in this professor with his encyclopedic knowledge and brilliant style.

State TV, where he used to have his show and then left as a sign of protest against censorship during the Orange Revolution, does not need him either. He left and never came back. The new authority did not need intelligent people...

Do they maybe have no need in such people? Is the 'political elite' satisfied with the current ways of affecting mass consciousness in order to achieve their corporate goals?

As to the smartest intellectuals, they may scare off the people who will eventually decide the election outcome.

Are our democrats short-sighted morons?

These problems are real and cannot be solved by theoretical statement of the fact that intelligentsia leads the society and that progressive civil society needs a wide range of mass media with their readers.

That is why I would better give an example from Stalin's times.

As known, Joseph Stalin loved art and especially cinema. Stalin personally watched all movies produced in the USSR and issued permissions to release these movies. If necessary, he censored them, giving movie directors 'precious' advice. Sometimes he protected movies from severe soviet censorship.

One day it occurred to Stalin that there was no need in producing so many movies if only 10-30% of them were good. He offered to decrease the number of movies produced in order to decrease the number of bad movies.

The Soviet government did so, but the ratio of good and bad movies remained the same. The number of movies was even more cut but the number of good movies decreased as well. Finally, four or even three movies were produced during the last year of Stalin's life. But those were bad movies...

The conclusion is very simple: when the competitive environment is narrowed and creativity is restricted, when there are no ways of communicating with certain social groups, both art and mass media stagnate and eventually decline.

Stalin wanted to manage art in the same way he managed production of tanks. But he failed.

Such methods do not work now as well. If there are less mass media which editors and journalists really promote democracy but not just get paid, professionalism of these mass media as well as their influence on public, their wages and Internet rating will considerably decrease.

Russia is the perfect example: democratic mass media are being pressured now, but more importantly readers do not take these mass media seriously.

In other words, influence of the democratic political forces in society depends on many factors.

Mass media are one of these factors.

Thus, political parties with the strategic vision must take care of such factors and media environment. It concerns not only political parties but also business, including big business.

Politics and business must create favorable conditions for mass media, hiring the best specialists and paying decent wages. After that, they must step aside and watch the process because professional journalists will do everything just perfect.

Both the society and democratic political forces will benefit from it. These democratic mass media will contribute much to popularity of democrats but not their rivals.

There is such a notion as "human factor" based on the value system of a person. It is this value system and the fear for responsibility that do not let a person turn into a creature ready to sell anything if not for a piece of bread than for a brand new Mercedes.

Meanwhile, Ukrainian democrats do everything possible to lay foundations of their future failure.

It was their luck that their opponents made Yanukovych, Bohoslovka, Shufrych, Chornovil, Rudkovsky and Co. spokesmen of the Party of Regions. As compared to these characters, Tomenko or Kyrylenko, and even Lytvyn and Zhvania would look like top intellectuals or Nobel Prize laureates.

But these people are not immortal, are they? And why should we always choose the lesser from two or three evils?

...in summer 2004, when the best Ukrainian periodical PiK founded by Zinoviy Kulyk was dying, none of the democrats chose to support its journalists.

In summer 2005, Radio NART was closed without any prior warning. This radio played an important role in the Orange Revolution. Journalists appeared out of job.

In summer 2007, rather influential periodical Bez Tsenzury (*Without Censorship*) ceased to exist as a result of financial problems.

Recent trends prove that Ukrainian democrats have no need in independent mass media.

*Serhiy Hrabovsky, Doctor of Philosophy, member of Ukrainian Authors' Association*

Permanent Link: <http://www.pravda.com.ua/en/news/2007/10/8/9137.htm>

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**7. Viktor Yushchenko: Current Gas Import Arrangement May Be Unethical. Interview.  
By Ihor Lutsenko  
Ukrayinska Prawda, 9 November 2007**

*Despite the fact that the reunion of the parliamentary forces is in full swing these days, Viktor Yushchenko has managed to find some time and voice his opinion on the energy issues. The most important issue of all is definitely the gas supply to Ukraine, which has been a strain for the Ukrainian people with the approach of a new year.*

*Still, the President of Ukraine showed no sign of anxiety or fear about the gas problems Ukraine might face next year. Moreover, he took pleasure in speaking about the plans as to the drastic and prompt reform scheme for the gas supply to Ukraine in the near future.*

*It seems that as a result of the changes, suggested by Viktor Yushchenko, the legendary Swiss intermediary corporation RosUkrEnergo may well appear to be unwanted. It may also be that Ukgaz-Energo, the chief trader at the domestic market, will also take a turn for the worse. It looks like Ukrainian President is toying with the idea that gas market should be privatized.*

**- Viktor Andriyovych, when we are speaking about negotiating over the direct contracts with Russia as for the gas supply, what initiatives should Ukraine undertake? How is Ukraine to make up an optimum gas import arrangement?**

- I would put forward 3-4 key positions for Ukraine, which include the transparency of calculations and payments, market relations, the safety of gas transit and reorganization of the domestic market.

The first of these is switching to a simple, clear and therefore transparent supply and calculation method.

When we are speaking about direct gas supply, we mean not only the price optimization in this sector, but also a credible, transparent public process, that anyone can understand.

I believe that nowadays there are both Russian and Ukrainian experts, who are able to give a clear-cut interpretation of today's calculation (for the gas that is being imported and marketed in Ukraine – EP). That is why the public has concerns about the efficiency – even from an ethical point of view – of this scheme.

**- What is the key principle that will determine the gas supply agreement price?**

- In my opinion, we should aim at establishing market relations between a buyer and a seller. We proceed from the fact that the gas price issues should be easy to predict. Therefore, these issues are to be at a high level and should belong to the whole state, not only the companies involved.

We are now, as I see it, in the so-called mutual politics of a transition period. And we understand that the political correctness here should be followed in a very efficient manner. We come out in favor of formulating a transparent price model for gas, its transit, gas preservation by every gas supplier and owner.

Today Ukraine possesses the largest gas transit in Europe. USD 135 per cubic meter is definitely not optimal at all, and the price is most likely to go up in future.

The price for servicing natural gas deposits in Ukrainian underground storage facilities should be given both special consideration and all the other legal and economic grounds.

Therefore, one of the most important principles in these relations is to secure our mutual striving for close market relations at a high political level.

**- What ideology of new gas relations as for the transit politics should be followed?**

- I am convinced that the transit itself is the third important principle for Ukraine (among the key aspects as for Ukraine's switching to direct contracts – EP). We base upon the fact that the efficient political cooperation in gas production and supply also calls for certain guarantees. In particular, if we take Ukraine, the discharge of its transit duties.

All the speculations, which, as you might have noticed, appear, to one extent or another, at this or that time, throw doubt upon Ukraine's fulfilling this function.

It is not fair with regard to those efforts that Ukraine is making, and this causes immeasurable harm to Ukraine's business reputation.

That is why, we say that in this context this position should, as I see it, be "perfectly fixed".

**- What changes in regulation of the domestic gas market are to be made?**

- I believe that it should be the matter of special attention for Ukraine in order to avoid improper monopolization: both national gas supplies throughout the territory of Ukraine and improper

monopolistic possession of certain structures at the domestic market, which are at the same time engaged in national gas supplies and supplies through domestic operators for Ukrainian consumers.

This matter is somewhat intense for us, therefore the transition to direct relations, I believe, will certainly make things clear.

And in future this will prompt us to undergo serious reorganization in tariff policy, domestic market functioning and work of our key participants at the domestic gas market.

This brings up many questions as for the efficiency of the changes the government has made. Ukrainian government is supposed to take on a responsibility for such an organization, but at the same time we should not be keeping aloof with regard to the domestic market optimization, first and foremost.

***- Is it possible now to set a term, within the bounds of which the changes in gas relations between Ukraine and Russia will be made?***

- I am convinced that in the very near future we will get through the negotiations with Russia as for Ukraine's transition to direct gas supplies. I believe that one of these days we will finally put an end to such problematic issues as the gas price policy for 2008 and transit tariff policy.

What is indeed a very difficult "home task" for us is the reorganization of Ukrainian domestic gas market. As a matter of fact, this is exactly what I meant when I was signing a corresponding agreement on Ukrainian gas market optimization September 7, 2007.

In terms of the budget of 2008 we should lay down a series of prerequisites, including financial ones, to help us cope with the negative activities in JSC Naftogaz's budget and transit structures of Ukraine. For we have a problem of budget relations, which has unfortunately been neglected by the present government and, in my opinion, it is a serious mistake.

There are many issues which have not yet been implemented within the framework of activity of several gas operators, including RosUkrEnergo and UkrGaz-Energo. For example, the financial results allocation, which, according to the last year's return, has not been made (I mean UkrGazEnergo).

This, I would say, to a great extent hinders the financial development of the leading oil company of Ukraine (Naftogaz of Ukraine – EP).

The issues like debt, loan maintenance and credit clearance are all multibillion positions, which are to make up one budget, Naftogaz's budget, and on the other hand – to conform them with the national budget of 2008, so that we could optimize this matter.

***- And what about privatization of Naftogaz? What do you generally think about, say, partial privatization of 25% of its corporate shares?***

- I would put it this way: in order to speak about some other pattern of ownership of this enterprise, we should put the market itself, as well as the balance of this enterprise, in order. This question can be raised as soon as the order is kept there.

And only then will there be an optimal solution. If we start talking about Naftogaz's privatization at this stage, it will mean weakening the country's positions in terms of this structure's role at the domestic gas market.

*Ihor Lutsenko, Economichna Pravda*

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/9/9389.htm>

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**8. Russia, Ukraine Face Catastrophe From Sea Oil Spill, Group Says**  
**By Alex Nicholson and Michael Heath**  
**Bloomberg, 12 November 2007**

An oil spill from a tanker that sank in a storm in waters between Russia and Ukraine threatens an "environmental catastrophe," said Vladimir Sliviyak, head of the Moscow-based Ecodefense group.

The Volgoneft-139 leaked 1,300 tons of fuel oil into the Kerch Strait linking the Black Sea and Sea of Azov, a Russian Transport Ministry spokeswoman, who declined to be identified, said in Moscow. Four other ships sank in yesterday's storm that produced six-meter (20-foot) waves, state broadcaster Russia Today reported. Two sailors are dead and 23 are missing, it said.

"The effect will be very serious for the whole marine ecosystem, including fish, because of the high toxicity of oil products," Sliviyak said by telephone in Moscow yesterday. It will take several months to remove the oil on the surface, while the oil that sank will be "very hard" to clear, he added.

The Kerch Strait is a key waterway for transporting oil from the Caspian Sea to tankers in the Black Sea. River tankers in the region transport at least 600,000 barrels a month of oil used for power generation and as ship fuel, Nasrollah Sardashti, chartering manager at Tehran-based National Iranian Tanker Co., said in an interview yesterday.

The 13-member crew of the Volgoneft was saved, Ukraine's Emergency Ministry said. It is unclear whether oil is still leaking from the ship that was carrying 4,000 tons of fuel oil, the Transport Ministry in Moscow said.

Two transporters, the Volnogorsk and the Nakhichevan, each carrying about 2,000 tons of sulfur, were among the vessels that sank, she said.

#### Sulfur Transport

A third sulfur-transporting vessel, the Kovel, went down later after striking the Volnogorsk, the Ria Novosti news agency said, citing Alexander Sarapkin, deputy transport prosecutor in the port of Novorossiisk.

In the Black Sea, the storm caused the Khach-Izmail, carrying scrap metal from Ukraine to Syria, to capsize near Sevastopol, according to Ukraine's Emergency Ministry. Fifteen members of the crew are missing, while two were saved, it said in a statement.

The oil spill may lead to long-term contamination, said Oleg Mitvol, deputy head of the Russian Natural Resources Ministry's environmental inspectorate, Russia Today reported.

"My forecast is that the coastline of the Kerch Strait and the strait itself will need regeneration," he told the broadcaster. "The oil that's been spilt could create long-term problems lasting 10 to 15 years."

The Volgoneft-123 tanker suffered a cracked hull in the storm, Maxim Stepanenko, the Novorossiisk transport prosecutor, told state television. The ship isn't leaking, he said.

The worst spill in U.S. history was from the Exxon Valdez, which leaked 37,000 tons of crude oil into Alaska's Prince William Sound in 1989.

Text available on World Wide Web, URL:

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aFpvOWmhfCjI&refer=home>

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**9. Ukraine refinery buys 165,000 T crude via Odessa  
Reuters, 9 November 2007**

Ukraine's largest refinery, left short of oil supplies due to a management dispute, bought 165,000 tonnes of crude for delivery to the port of Odessa, newspapers cited the refinery's manager as saying on Friday.

Russia's Tatneft cut supplies to the Kremenchug refinery last month after its former manager, Pavel Ovcharenko, said a court had reinstated him and used police to expel the incumbent head.

The dispute has led to the refinery working at reduced capacity. "We bought 176,000 tonnes of Ukrainian oil, and 165,000 tonnes of crude will be supplied by tankers to Odessa," Ukrainian Kommersant daily cited Ovcharenko as saying. His mention of Ukrainian oil appeared to refer to crude bought last month.

Ovcharenko did not specify the origins, but Russian traders said the oil was bought in Novorossisk for delivery to Odessa.

They said Kremenchug may face complications with oil deliveries direct from Odessa and is likely to use substitution -- exchanging the Odessa delivery for oil supplied through pipelines, probably of Kazakh origin.

On Thursday, a Tatneft company executive told Reuters that Kremenchug had yet to pay for 600,000 tonnes of crude that had been supplied to the plant and that the company was ready to launch international law suits to resolve the dispute. (Reporting by Pavel Polityuk; writing by Sabina Zawadzki, editing by Anthony Barker)

Text available on World Wide Web, URL:  
<http://uk.reuters.com/article/oilRpt/idUKL0962642520071109>

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**10. Gazprom says Ukraine will accept \$160 gas price  
RIA Novosti, 9 November 2007**

Ukraine has signaled it will be content with a Russian natural gas price of \$160 per 1,000 cubic meters, a top manager of Russian energy giant Gazprom said on Friday.

Alexander Medvedev, a deputy chairman of Gazprom's management committee, told state English-language TV channel Russia Today that a preliminary agreement was reached with Kiev at talks on Russian natural gas supplies in 2008.

"The debt issue has been solved, and we have achieved considerable progress at talks on pricing mechanisms for Ukraine," Medvedev said.

Asked whether Gazprom was satisfied with a price of \$160 per 1,000 cu m, he replied: "the most important thing is that this price suits Ukraine."

He said a gas deal will be signed well before the end of this year. "Not December 31. Much earlier," he said.

Gazprom set an official price for Russian natural gas supplies to Ukraine at \$230 per 1,000 cu m from the start of 2006. However, Ukraine paid an average of \$95 per 1,000 cu m for the mixture of Central Asian and Russian gas supplied at the border.

After Turkmenistan hiked its gas price, the rate for Ukraine was raised to \$130 per 1,000 cu m from January 1, 2007.

Text available on World Wide Web, URL:  
<http://en.rian.ru/world/20071109/87394176.html>

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### **11. Ukraine Said to Agree 23% Gas Price Increase Ukrainian Observer, 9 November 2007**

Ukraine has signaled it will be content with a Russian natural gas price of \$160 per 1,000 cubic meters (tcm), a top manager of Russian energy giant Gazprom told the Russian government news service on Friday.

Alexander Medvedev, Russia's first deputy prime minister and deputy chairman of Gazprom's management committee, told state English-language TV channel Russia Today that a preliminary agreement was reached with Ukraine at talks on Russian natural gas supplies in 2008.

"The debt issue has been solved, and we have achieved considerable progress at talks on pricing mechanisms for Ukraine," Medvedev said.

Asked whether Gazprom was satisfied with a price of \$160 per tcm, he replied: "the most important thing is that this price suits Ukraine."

Medvedev said a gas deal would be signed well before the end of this year. "Not December 31. Much earlier," he said.

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After Turkmenistan hiked its gas price, the rate for Ukraine was raised to \$130 tcm from January 1, 2007.

The Russian claim that the \$160 tcm price for gas would be acceptable to Ukraine appears to track with previous public announcements in Ukraine. President Viktor Yushchenko had publicly mentioned an acceptable range for a 2008 gas deal with \$160 tcm being the top of that range.

Earlier in the week, Gazprom CEO Alexei Miller announced that Ukraine would have to pay the full market price for natural gas, currently \$230 tcm, beginning in 2011.

If the increased natural gas price comes into effect as expected, it seems certain to have a substantial effect on Ukraine's already serious inflation problems. Although Ukraine's inflation rate was shown as quite low in August (+.6 percent), thought to reflect an highly questionable result that was shown for political purposes prior to the parliamentary elections, September's inflation rate jumped to +2.2 percent and October to +2.9 percent. Ukraine's inflation October 2006 compared to October 2007, showed a 14.8 percent increase.

A number of economists interviewed by the *Observer* said they believe that a combination of fiscal, economic and monetary factors point toward a significant adjustment in the valuation of the Ukrainian hryvnia within the next year.

Text available on World Wide Web, URL:  
<http://ukraine-observer.com/index.php?c=362>

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**12. Analysis: Russia, Ukraine in gas spat**  
**By JOHN C.K. DALY**  
**UPI, 9 November 2007**

WASHINGTON -- By now it has a familiar ring to it -- Moscow and Kiev are once again at loggerheads over imported natural gas prices. The issue has made political allies out of Ukrainian Prime Minister Viktor Yanukovich and President Viktor Yushchenko, normally at odds with each other.

The crisis comes only a month after Kiev agreed to settle an outstanding natural gas bill with Gazprom for \$1.3 billion. On Nov. 7 Gazprom said in a statement, "Today the RosUkrEnergocompany in full and timely fashion fulfilled the conditions of an agreement on paying the debts incurred before the Gazprom group for the gas supplied in 2007 as well as dividends on RosUkrEnergocompany's activities in 2006."

Ukrainian Fuel and Energy Ministry Yuri Boyko and Belarusian First Deputy Prime Minister Vladimir Semashko are in Moscow meeting with Gazprom Chief Executive Officer Alexei Miller, but the Ukrainians and Belarusians have no real cards to play and they know it. What Minsk and Kiev do have in their favor is increasing European nervousness over what it perceives as Russian hardball tactics on energy supplies, leading many European politicians and commentators to wonder if Europe is not becoming too dependent on Russian energy imports. Last year Russia briefly cut gas supplies to Ukraine over an earlier pricing dispute, giving Ukraine's Western European Union neighbors a fight as gas supplies slumped. Many analysts saw the January 2006 cutoff and subsequent supply disruptions to the EU as punishment for the Ukrainian government's pro-European inclinations.

Yanukovich told a government session, "I fully support the position of President Yushchenko on the issue. A price of more than \$150-\$160 (per 1,000 cubic meters), which is being discussed now, is unacceptable to Ukraine."

Yushchenko staked out Ukraine's optimal gas price for 2008 imports at \$150-\$160 per 1,000 cubic meters on Oct. 28. Adopting a tough tone, Yushchenko said, "I would like to respond to this as in 2005, when we were offered the price of \$235 -- there will be no higher price."

Ukraine buys its natural gas from Gazprom intermediary RosUkrEnergocompany at \$130 per 1,000 cubic meters, while Belarus pays \$100 per 1,000 cubic meters. Both prices are a bargain, as Gazprom charges its more affluent European customers \$260 per 1,000 cubic meters.

While Ukraine might win a temporary reprieve on dramatic price increases for the moment, the handwriting is on the wall, as Gazprom issued a statement coinciding with Boyko's visit that, "The topics of discussion included ... the gradual transition towards market prices for gas supplies to Ukraine and transit across its territory by 2011."

Further adding to Kiev's uncertainty, Gazprom on Nov. 7 postponed for a week its decision on natural gas prices it plans to charge Ukraine next year, pressuring Yushchenko's administration, which had been expecting the new tariffs, to redraft its 2008 budget in accordance with the new price.

Ukraine will not be the only nation to feel Russia's growing energy clout and its determination to revise its transit arrangements; Moscow is informing the Commonwealth of Independent States of its intention to suspend its participation in the April 12, 1996, agreement on conducting coordinated policy in oil product through the Soviet-era pipeline network traversing neighboring countries, which has serious implications for Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan and Uzbekistan, along with Ukraine. The upshot of Moscow's action is that market forces will determine transit questions, with each transit country becoming individually responsible to supplier and customer.

Due to record high energy prices, Gazprom is awash in cash, with its capitalization at roughly \$300 billion.

Behind the scenes is a covert struggle that has been ongoing for years in which Russia has been

seeking to acquire outright ownership of the Ukrainian and Belarusian pipeline networks in lieu of delinquent payments for natural gas, a move that both Kiev and Minsk have resisted. In Russia the state-owned Transneft pipeline monopoly controls the country's entire pipeline network and sought to extend its leverage up to the borders of its Eastern European clients. While not offering a controlling share in the Beltrans pipeline network, Semashko reportedly offered Gazprom the opportunity to buy into Belarusian power generation and fertilizer conglomerates.

Gazprom has also indicated that it intends to raise domestic prices as well but has thus far released few details.

Seeking to blunt domestic and foreign consumer nervousness over Gazprom's growing assertiveness, Dmitry Medvedev, Russian first deputy prime minister and chairman of the board at Gazprom, during an interview with Interfax said, "There are clear directives, the government has decided on how to handle the gas and energy price policy for the next few years. There will be no surprises and all parameters we have been agreed upon."

Russia is in the EU's driver's seat as regards energy imports, as it supplies about 25 percent of the EU's petroleum needs, while Gazprom is the sole provider to Estonia, Latvia, Lithuania, and Slovakia and a major supplier to Hungary, Poland and the Czech Republic. Accordingly, many EU capitals are focused on the energy talks in Moscow, anxious to learn if outstanding issues will be resolved or whether the continent is in for a long, cold winter.

Text available on World Wide Web, URL:

[http://www.upi.com/International\\_Security/Energy/Analysis/2007/11/09/analysis\\_russia\\_ukraine\\_in\\_gas\\_spat/9624/](http://www.upi.com/International_Security/Energy/Analysis/2007/11/09/analysis_russia_ukraine_in_gas_spat/9624/)

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### **13. Kiev, Gazprom Reach Gas Price Accord The Moscow Times, 12 November 2005**

Gazprom has reached a preliminary deal on raising the price of gas supplies to Ukraine by \$30 per 1,000 cubic meters, deputy chairman Alexander Medvedev said Friday in a television interview.

Medvedev said the gas monopoly and Ukrainian officials had reached a preliminary agreement on a price of \$160 per 1,000 cubic meters for supplies next year -- nearly one-quarter higher than the current price of \$130 per 1,000 cubic meters.

"The most important thing is that this price is acceptable for Ukraine," Medvedev told Russia Today state television. "So we believe that it's a reasonable price for the next year and we could work in this framework."

But Gazprom spokesman Sergei Kupriyanov said the agreement was not final. "There is no agreement on price yet; the talks are continuing," he said.

Last month, Russia urged Ukraine to make good on what it said was a \$1.3 billion debt for gas shipments, a demand some Ukrainian officials described as an attempt to exert influence on Ukrainian politics following September's parliamentary elections.

Medvedev said Friday that the dispute over debt was over. "The debt issue is settled, and we are at an advanced stage of negotiations on the future price mechanism for Ukraine," he said.

Medvedev said Gazprom was negotiating a gradual rise in gas prices for Ukraine to a world level.

"It won't be just a one-year agreement but a medium-term solution," Medvedev said. "It coincides with the trend in Russia. In 2011, we'll have the market price for the local market also."

In separate comments Friday, Medvedev said Gazprom had slashed its cost estimate for developing the huge Shtokman field by \$3 billion.

Medvedev said in July, after Gazprom signed a deal with France's Total to jointly develop the Arctic offshore gas field, that the project would require up to \$15 billion.

But speaking with students at Moscow State Institute of International Relations two weeks after Norway's StatoilHydro entered the project, he put the cost at \$12 billion.

The latest cost estimate appeared as Gazprom prepared to launch an early planning stage for the project, Medvedev said in the speech.

A Gazprom spokeswoman declined to elaborate Friday on how the company had managed to cut costs.

Medvedev also expressed confidence Thursday that Baltic countries would allow the construction of the Nord Stream gas pipeline, which will pump natural gas from Russia to Germany.

"There cannot be any factors that would substantiate a refusal to issue permission," Medvedev told reporters.

Last week, Nord Stream executives said Gazprom had to push back the start of construction to mid-2009 to have more time to obtain Baltic countries' permission for the pipeline, amid political and environmental concerns.

In other plans, Gazprom is delaying its option to buy 20 percent of its oil arm, Gazprom Neft, and control in two Russian gas units from Eni until 2009, Vedomosti reported Friday, citing a company manager.

Gazprom and Eni did not comment Friday.

Eni's subsidiary in Russia earlier this year bought the Gazprom Neft stake and the two gas units, Arctic Gaz and Urengoil, at a bankruptcy auction in April. Gazprom's option runs for two years after the auction.

*AP, MT*

Text available on World Wide Web, URL:  
<http://www.moscowtimes.ru/stories/2007/11/12/052.html>

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#### **14. Gazprom, Ukraine Reach Gas Supplies Deal Associated Press/Forbes, 9 November 2007**

MOSCOW - Russia's state-controlled gas monopoly has reached a preliminary agreement on the price of gas supplies to Ukraine, and Ukraine has settled its debt for previous shipments, Gazprom's deputy chairman said Friday in a television interview.

But a company spokesman said the agreement was not final. "There is no agreement on price yet; the talks are continuing," Sergei Kupriyanov told The Associated Press.

The negotiations were part of what Russia describes as an effort to end its practice of providing energy supplies to former Soviet republics at a fraction of global prices. That effort escalated in early 2006 into a dispute, however, that led Russia to cut supplies to Ukraine, affecting some European countries further along the export pipeline.

Russia has since sought to assure a worried European Union that export supplies would not be affected, amid Western concerns that Russia was using the issue of energy supply as a political weapon.

Gazprom's deputy chairman Alexander Medvedev said Friday that the gas monopoly and Ukrainian officials had reached a preliminary agreement on a price of US\$160 (euro109) per 1,000 cubic meters for gas supplies to Ukraine next year - a steep increase over the current price of US\$130 (euro89) per 1,000 cubic meters

"The most important thing is that this price is acceptable for Ukraine," Medvedev said in the interview with Russia Today television. "So we believe that it's a reasonable price for the next year and we could work in this framework."

Last month, Russia urged Ukraine to make good on what it said was a US\$1.3 billion (euro890 million) debt for gas shipments, a demand some Ukrainian officials described as an attempt to exert influence on Ukrainian politics following September's parliamentary elections.

Medvedev said Friday that the dispute over debt was over.

"The debt issue is settled, and we are at an advanced stage of negotiations on the future price mechanism for Ukraine," he said.

Medvedev said Gazprom was negotiating a gradual rise in gas prices for Ukraine to a world level.

"It won't be just a one-year agreement but a middle-term solution," Medvedev said. "It coincides with the trend in Russia. In 2011, we'll have the market price for the local market also."

Text available on World Wide Web, URL:  
<http://www.forbes.com/feeds/ap/2007/11/09/ap4323189.html>

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#### **15. Verkhovna Rada Hampers Ukraine's Integration into the WTO Ukrayinska Pravda, 11 November 2007**

Ukraine needs to adopt several small legislative amendments to complete the process of joining the World Trade Organization (WTO).

The information was reported by Deputy Economics Minister Natalia Boytsun in an interview with UNIAN news agency.

"Amendments to the required laws are being now considered by the special working group," she said.

Mrs. Boytsun did not specify the number of laws, having only said that three laws regulating procedures of anti-dumping investigations are to be slightly amended.

"We will slightly amend them and bring into compliance with the WTO norms. Our working group in Geneva received such instructions. It does not mean that we will adopt new laws. We find the last discrepancies and bring such laws into compliance with the WTO norms," said deputy economics minister.

As for now, Ukraine has completed negotiations with all members of the WTO working group, except for Kyrgyzstan.

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/11/9396.htm>

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## **16. Azarov Leaves For Kyrgyzstan To Hold Talks On Ukraine's Accession To WTO Ukrainian News Agency, 12 November 2007**

First Vice Premier and Finance Minister Mykola Azarov has left for Bishkek, Kyrgyzstan, to hold talks on Ukraine's accession to the World Trade Organization.

Finance Ministry press service disclosed this to Ukrainian News.

Ukrainian delegation is also formed of Foreign Affairs Minister Arsenii Yatseniuk.

Kyrgyz delegation is headed by Economy and Finance Minister Akilbek Zhaparov.

During the talks, the sides will consider ways of regulation of financial claims of Kyrgyzstan to Ukraine and also endorsement of compromise decision on antidumping measures of Ukraine concerning electric bulbs imported from Kyrgyzstan.

Ukraine intends to initial bilateral protocol on accession to markets of commodities and services: the last protocol for Ukraine with the country-member of the working group on accession to the WTO.

«The aim of our visit is settlement of all unsolved issues, forget about misunderstanding and finally start new level of economic, cultural, scientific, humanitarian cooperation,» Azarov said launching the talks.

During their visit to Bishkek, Azarov and Yatseniuk plan to meet with Kyrgyz President Kurmanbek Bakiev.

Yatseniuk will meet with his Kyrgyz colleague Ednan Karabaev.

As Ukrainian News earlier reported, on November 9, Ukrainian President Viktor Yushenko and Kyrgyz president discussed prospects for admission of Ukraine into the World Trade Organization.

Yushenko and Bakiev agreed a government delegation led by First Deputy Prime Minister/Finance Minister Mykola Azarov and Foreign Affairs Minister Arsenii Yatseniuk will fly to Kyrgyzstan on November 12 to finalize the issue of admission of Ukraine into the WTO and creation of a joint working group on signing a Ukrainian-Kyrgyz bilateral protocol on access to markets of goods and services.

Ukraine intends to enter the organization by the end of 2007.

During accession to the WTO, Ukraine completed talks and signed bilateral agreement on access to commodity and service markets with 49 countries.

Ukraine has completed talks with Vietnam and consultations with Guatemala.

The Cabinet of Ministers hopes to complete drafting a report on Ukraine's accession to the World Trade Organization in late November.

Ukraine's representative to the headquarters of the World Trade Organization in Geneva, Switzerland, Volodymyr Baluta, forecasts that accession of Ukraine into the organization will take place in autumn 2008.

Text available on World Wide Web, URL:  
<http://www.ukranews.com/eng/article/79377.html>

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**17. Ukraine, World Bank sign big loan deal for power transmission modernization  
Xinhua, 10 November 2007**

Ukraine and the World Bank signed a 200-million U.S. dollars loan deal on Friday for modernizing its power transmission system.

According to the agreement signed by Ukraine's Fuel and Energy Minister Yuriy Boiko and director of the World Bank in Ukraine, Belarus and Moldova Paul Birmingham, the loan term is set for 17 years with a four-year grace period.

In addition, the Eastern European country should pay 0.25 percent of the loan in a one-time commission. The first part of the loan is expected to deliver in 2008.

Boo said that the deal is important for Ukraine economically, as well as politically.

Birmingham pointed out that Ukraine has become the first country to sign a deal with the World Bank since the latter lowered its loan interest rates. He said the funds would help Ukraine in modernizing its electricity transmission system.

As reported, the direct recipient of the loan is the Ukrainian national energy company Ukrenergo.

Text available on World Wide Web, URL:  
[www.chinaview.cn](http://www.chinaview.cn)

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**18. World Bank to extend loan for improving Ukraine's power grid  
Sinhua, 10 November 2007**

The World Bank will provide a loan of 200 million U.S. dollars to Ukraine to help improve the country's electricity grid, under an agreement signed on Friday in Kiev.

The disbursement of the first tranches of the loan, which is payable in 17 years with a grace period of four years, will begin next year, according to the agreement signed by Ukraine's Energy Minister Yuri Boiko and Paul Bermingham, World Bank Country Director for Ukraine, Belarus and Moldova.

The money will be used for upgrading high-tension lines and improving transformer substations in Ukraine, said Bermingham.

The World Bank's financial support for Ukraine was important either economically or politically, Boiko told reporters after signing the agreement.

Text available on World Wide Web, URL:  
[http://news.xinhuanet.com/english/2007-11/10/content\\_7045466.htm](http://news.xinhuanet.com/english/2007-11/10/content_7045466.htm)

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**19. Ukraine recognises Vietnam's full market status  
Nhan Dan, 10 November 2007**

Ukraine became the 14th country to recognise Vietnam's full market economy status at a meeting held in Hanoi on November 5-6, said the Ministry of Industry and Trade.

Already joining in the trend were China , Russia , Venezuela , South Africa and the nine other member countries of the Association of Southeast Asian Nations (ASEAN).

Ukraine will cut import tariffs on a number of Vietnam 's products, including many of its major hard currency earners.

Ukraine , which is now in negotiations for WTO membership, was also committed to the instant and full implementation of WTO agreements, covering trade and services, technical barriers in trade and plant and animal quarantine.

Vu Van Quang, Deputy Head of the Europe Department under the Ministry of Industry and Trade, said Vietnam also recognizes Ukraine 's full market economy status.

Under its WTO commitments, Vietnam accepted the non-market economy status for 12 years, or no later than December 31, 2018.

The current status has tied Vietnam to numerous conditions on anti-dumping trials related to its exports to WTO member markets.

However, prior to the deadline, any country that recognizes Vietnam 's full market economy status will drop the "non-market economy" application against Vietnam. (VNA)

Text available on World Wide Web, URL:  
[http://www.nhandan.com.vn/english/news/101107/domestic\\_uk.htm](http://www.nhandan.com.vn/english/news/101107/domestic_uk.htm)

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**20. Experts forecast UKraine GDP growth rate fall in 2008**  
**By Iana Koretskaya**  
**New Europe Issue : 754, 9 November 2007**

The decrease of the rate of growth of Ukrainian GDP (Gross Domestic Product) in year 2008 is forecast by Ukrainian experts. According to the World Bank calculations, GDP growth in Ukraine in the year 2008 shall come to 5.5 percent at best.

According to the prognosis of the World Bank, published on the November 1 the growth rate of Ukrainian GDP in the year 2007 will come to 6.7 percent. It will be noted that in the prognosis made in July, the growth rate of the GDP was up to six percent.

The revision of the prognosis made is related to the better external price and financing environment. It was mentioned in the World Bank report that national accounts data for the first half of 2007 showed that export prices were up by 23 percent and the terms of trade have improved by eight percent. The consumer price growth prognosis for the year 2007 was also revised towards increasing from 9.7 percent to 12.5 percent. High rates of inflation are a result of a rise in prices of the main export products of Ukraine, a global rise in prices of the foodstuff, energy vector price growth, and, not to forget rates of capital inflow and the growth of housekeeping income. Concerning development projection for the year 2008, most of the experts agreed on the thought that growth rates of the GDP will decrease. World currency reserves forecast the growth of GDP on the 5.4 percent level. The possible decrease of growth in comparison with the last year can happen due to decrease of growth in the industry and construction industries. The international rating agency Standard & Poor's forecasts the deceleration of growth of the real GDP by 4.5 percent in its October's analytical survey. At the same time, in the judgment of the agency's analysts, the main risks of the economics remain dependent on the metal market external price, liabilities in the power sector and paying off populations defaulted savings. Governmental forecasts concerning economic development are somewhat optimistic.

According to the information posted in October on the site of the Department of Economics of Ukraine, inflation forecasts for the year 2007 was at the point of 11.6 percent (8.6 percent in July). At the same time the prognosis of the GDP growth insignificantly improved to seven percent (6.9 percent in July). The inflation rate for the year 2008 shall be equal 7.2 percent, GDP growth - 6.8 percent. World Bank economic adviser Martin Raiser informed that the prognosis for the year 2008 concerning the GDP growth up to 5.5 percent is feasible on conditions that Ukraine will carry into effect three recommendations. It is necessary to develop infrastructure inside the country. As for the legislative field, two laws must be passed: joint-stock company law and governmental purchase law. The third recommendation has to do with realistic budget development.

It is necessary to do things which shall really help to show the potency, i.e. increase in investment portfolio and decrease of consumer portfolio. In other words, the future is the aim of the investment process. "We now have a great opportunity to do things, the benefit of which you will be able to reap for many years. It is the adequate holding of the football championship that will help to show Ukraine on the world map. But if something goes wrong, Ukraine will have to pay for the mistakes made for a very long period of time," Raiser said. The future Ukrainian government will hardly be able to fulfil the recommendations given by the international experts.

The 2008 budget is socially oriented, furthermore, the promise was given to return holdings of the USSR Savings bank to the Ukrainian citizens. Depending on the information of the numerous sources, the total sum of these holdings can be equal from 50 to 123 billions hryvnias, and all this under the conditions of 2007 Ukraine's budget expenditure which is equal to 196 billion hryvnias. So it is more likely that the expert's prognosis will come true.

Text available on World Wide Web, URL:  
<http://www.neurope.eu/articles/79602.php>

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## **21. Observers examples of democratic society**

**By RENO DOMENICO**

**Courier-Post, 11 November 2007**

On Sept. 30, Ukrainian citizens trudged to the polls to cast their votes in the parliamentary elections. It was the culmination of a series of high-wire political events that started last spring and continued through the summer.

Sevastopol, the once-closed city and home of the Russian Black Sea Fleet, is the southernmost point in Crimea and a bastion of anti-Orange Revolution feeling dating back to the events of 2004. These events propelled Ukraine into the forefront of the struggle for democracy in the former Soviet Union. Daunting task

The international observer team organized by the Ukrainian Congress Committee of America (UCCA) was part of an effort that gathered more than 3,500 international observers from 17 nations and 24 organizations. The 10-member UCCA team in Sevastopol was given the daunting task of observing more than 190 polling stations scattered across a city intertwined with waterways, hills and valleys.

The observer team started its day before 6 a.m. and divided the city into quadrants, targeting the densely populated, drearily built, Soviet-era housing district in the eastern part of the city.

With most of the polling stations located in secondary schools, many voting districts included more than 2,500 voters; at times with two or more polling stations in one building. Using paper ballots, it took an hour for most voting stations to be up and running.

Throughout the day, each of the two member teams visited an average of 10 polling stations. At the end of the day, each team picked a locale from which to finish the observation process. With the polls closing at 10 p.m. in most cases it wasn't until just before dawn that the ballots were counted and the protocols stamped and sealed.

Throughout the election, feelings in this very ethnically Russian part of Ukraine were running high and hot. On several occasions the observer teams were confronted with poignant questions regarding the rationale for the international observation corps, and in particular the motives of the Americans in the corps, as well as our international intensions.

In visiting the famous Nakhimov Naval Academy, located on the shores of the Black Sea, scores of Ukrainian naval personnel were voting along with the residents of the neighborhood. Numerous voters politely, but sternly, indicated their preference for close relations with their Russian neighbors and a general disdain for NATO and the international policy pursued by its member states.

In one case it was made clear that any attempt to supplant the Black Sea Fleet with NATO forces would be met with fierce resistance by the residents of Sevastopol. It was very important for the Americans in the international observation corps to understand that in many cases we were the only Americans who many of these residents of deep Southern Crimea had ever met.

Therefore, the onus was on the team to not only observe the election process for fairness and transparency, but also to remember that as Americans, we had the responsibility to be positive examples of our democratic society. Triumph

Once again, Ukraine can look to this election with a turnout of 65 percent, and with very few significant transgressions of a normal election process, as a triumph of the nation's march to democracy. It underscores that of all the former Soviet republics, with all its pratfalls and failings, Ukraine has emerged as the most democratic of the former Soviet states.

Above all, Ukrainian citizens participated in the election to demonstrate this fact to the world.

The writer is a former administrator at Sterling High School in Somerdale. He is president and principal owner of Sterling Business School in Ukraine, and was part of the international observation corps.

Text available on World Wide Web, URL:

<http://www.courierpostonline.com/apps/pbcs.dll/article?AID=/20071111/OPINION/711110311/1047>

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## **22. Court officials to host Ukraine counterparts Deseret News, 10 November 2007**

Federal court officials in Utah will play host next week to a group of court administrators from Ukraine.

The Ukraine group will examine the U.S. judicial system and American rule of law with U.S. District Magistrate Judge David Nuffer and local court faculty.

The visit was arranged by the Open World Program, which is part of the U.S. legislative branch. The program gives foreign officials a look inside U.S. government and promotes the protection of judicial independence and the rule of law.

While in Utah, guests will learn about case management, electronic filing in the federal court system in Utah and the distinction between federal and state courts and the importance of judicial independence and accountability. They will attend meetings of the Utah Federal Bar Association and the Utah State Bar Fall Forum.

Ukraine delegates also will participate in meetings with the University of Utah S.J. Quinney College of Law's Global Justice to Research Think Tank and International Students' Association.

Text available on World Wide Web, URL:

<http://deseretnews.com/article/content/mobile/0,5223,695226569,00.html>

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## **23. UNICEF Ukraine helps re-unite abandoned siblings and encourages family-based care By Guy Degen UNICEF, 9 November 2007**

KHMELNYTSKY, Ukraine, 9 November 2007 – Until recently, Makar, 8, and his sister Shura, 7, were growing up apart, abandoned by their parents into Ukraine's state child-care facilities. But under a new programme to re-unite siblings in state care, the brother and sister are living together once again at the Khmelnytsky Pre-School Children's Home in western Ukraine.

Of the 9 million children in Ukraine, more than 65,000 live in state-run institutions. Poverty, unemployment, alcoholism and drug abuse are leading reasons why parents here abandon their children – many of whom arrive at the facilities without any documents at all.

UNICEF is providing technical assistance to the Ukrainian authorities to help keep siblings such as Shura and Makar together. New methods of assessment and rigorous investigation of case histories are helping to emphasize the individual needs of children.

“When Shura and Makar were in different groups, and met sometimes in outdoor activities, they didn't feel anything special about each other and did not communicate as brother and sister. Now when they are together, Makar is taking care of Shura, just like his younger sister,” said the Deputy Director of the Khmelnytsky home, Nadiya Romanyshyn.

### **Alternatives to state care**

Meanwhile, a new wave of family-centred care for orphaned and abandoned children in Ukraine is offering alternatives to state care. Schoolteachers Sergiy and Magda are part of that trend, having completed a course for foster parents and welcomed Sasha, an eight-year-old orphan, into their family.

With the help of his new brothers – the couple's other three sons – Sasha has become part of the family and is experiencing a life he never knew outside a child-care facility. Among other everyday activities, he helps with trips to the supermarket and household chores.

But the family is not quite complete, say Sergiy and Magda. They hope UNICEF and the state authorities will eventually be able to locate Sasha's sister so that she, too, can come to live with them.

### **A supportive environment**

“Living in a family is one of the child's fundamental rights. UNICEF is trying to help the government to create clear roadmaps and strategies on how to develop family care for children deprived of parental care,” said UNICEF Ukraine Child Protection Officer Andriy Haidamashko.

State funds are also available to support foster parents willing to look after several children – including groups of siblings.

Re-uniting children with their biological parents remains the best outcome for children, but where this is not possible, a supportive family environment provides a much better quality of life than an institutional setting does. Within a family, abandoned children can become socially integrated, gain the protection to which they are entitled and find a path for their lifelong well-being and development.

Text available on World Wide Web, URL:  
[http://www.unicef.org/infobycountry/ukraine\\_41759.html](http://www.unicef.org/infobycountry/ukraine_41759.html)

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## **24. Voinovich presses Poland, Ukraine JTA, 9 November 2007**

U.S. Sen. George Voinovich (R-Ohio) wrote to the Polish and Ukrainian ambassadors about anti-Semitism in their countries.

In letters Voinovich sent to the Polish envoy on Nov. 5 and to the Ukrainian ambassador on Oct. 30, the senator noted his record advocating on behalf of formerly communist lands as well as his history monitoring and combating anti-Semitism.

Voinovich noted that under the previous Polish government, ousted in Oct. 21 legislative elections, Radio Maryja, a popular broadcaster, was allowed to broadcast a stream of anti-Semitism and asked if the new coalition government would address the incitement.

In his letter to the Ukrainian ambassador, he noted seven instances of anti-Jewish violence since July and mass commemorations last month lionizing a pro-Nazi general.

"It is extremely important that Ukraine's government demonstrate its commitment to protecting its Jewish communities with concrete steps to punish the violators and monitor all future incidents with care," he wrote.

Text available on World Wide Web, URL:  
<http://www.jta.org/cgi-bin/iowa/breaking/105208.html>

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**25. HIV a major risk factor for MDR TB in Ukraine**  
**By Keith Alcorn**  
**Aidsmap, 11 November 2007**

Between 10% and 20% of new TB cases in Russia and the Ukraine may be multi-drug resistant, with HIV infection a major risk factor for acquiring MDR TB in the Ukraine, according to surveys presented at the 38th World Lung Health conference in Cape Town, South Africa today.

XDR TB (tuberculosis that is resistant to rifampicin, isoniazid, a fluoroquinolone and an injectable TB drug) was also detected in two districts studied.

MDR TB is defined as tuberculosis which is resistant to two of the first-line drugs, rifampicin and isoniazid. It requires treatment for 18-24 months with a regimen of up to six drugs, some of them injectable, and a period of isolation from the community that may last for six to eight months.

MDR TB has long been a concern in the countries of the former Soviet Union due to the disintegration of the health system since 1990, coupled with antiquated TB control efforts. While the rest of the world has been embracing directly observed therapy in the community, the former Soviet countries remain largely committed to a Soviet-era style of TB control, with mass X-ray programmes for adults, annual tuberculin skin testing in children and compulsory hospitalisation of all TB patients. As the health system has fragmented and moved towards a private model, physicians have become increasingly indifferent to TB.

These factors have led to a huge upsurge in TB cases; between 1992 and 2002 TB rates doubled in Ukraine, reaching an estimated level of 40,000 cases per year by 2004 (82 notifications per 100,000 inhabitants)..

DOTS is only now being introduced in the Russian Federation, through a WHO-sponsored pilot programme in six regions, and longer-term funding of the pilots is uncertain.

Surveys of drug resistance have produced conflicting results over the past decade, but evidence from the Baltic states of Lithuania, Latvia and Estonia, as well as from Central Asia, has pointed to rising rates of MDR TB.

However, figures on drug resistance have not always been accurate due to a lack of standardisation of drug susceptibility testing between laboratories.

But a survey carried out in 2005 in six oblasts (administrative districts) of the Russian Federation, in which laboratories used standardised methods of testing for TB drug resistance, found that 9.5% of new TB cases were multi-drug resistant in 2005, compared with 7.8% in 2002.

Among people previously treated for TB, MDR TB was detected in 18.7% of patients, compared with 14.5% in 2002.

When researchers looked for extensively drug-resistant TB in two oblasts they found that 9.7% of 468 MDR cases had resistance to all second-line drugs.

In Ukraine, a study of TB patients in the city of Donetsk found that among 1293 consecutive TB patients diagnosed smear-positive between July 2005 and June 2006, 15.5% of those diagnosed with TB for the first-time had MDR TB. Among those previously treated for TB, 41.5% had multi-drug resistant TB.

The Ukrainian researchers found that 21% of their TB patients were HIV-positive, and that the rate of MDR TB was significantly higher in HIV-positive patients, who had a 50% higher risk of being diagnosed with MDR TB as their first TB infection.

Amongst prisoners the rate of MDR TB was even higher: 21% in newly diagnosed TB patients and 52% in those previously treated for TB. Among HIV-positive patients in prison, who comprised 17% of the 203 incarcerated TB cases), 58% had MDR TB (a risk ratio of 1.6 compared to HIV-negative TB patients).

The researchers say that clinical management of MDR TB is seriously compromised by interactions between second-line TB drugs and antiretrovirals, which were provided to all patients who qualified according to Ukrainian treatment guidelines. The high rates of MDR TB are a concern for HIV management in the former Soviet Union. Reporting by the Russian Ministry of Health shows that in the Russian Federation, 52% of `late stage` HIV patients had active TB in 2006, and 2.6% of all HIV-positive people had active TB. However, despite the high testing rate among at-risk groups, particularly injecting drug users and people attending sexually transmitted infection clinics, only 46% of HIV-positive people have been tested for TB. HIV prevalence among TB patients was 1.2% nationally, but reached 8% in one region.

Investigators from the Russian Ministry of Health concluded that integration of HIV/TB services is an urgent priority in the Russian Federation.

However, in Ukraine, which has a better-developed system of HIV care than the Russian Federation, Dr Kateryna Gamazina, PATH Country Program Director told **aidsmap** that TB and HIV services remained entirely separate. A pilot integration project, sponsored by PATH, has just got underway, but based on the political difficulties of introducing DOTS to Ukraine, the challenges should not be underestimated, she said.

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<http://www.aidsmap.com/en/news/645A5DFF-F37D-4439-A543-F74A8B720950.asp>