

1. GEORGIA AND UKRAINE: SIMILAR REVOLUTIONS, DIFFERENT TRAJECTORIES (Eurasia Daily Monitor)
2. The Party of Regions Getting Ready to Block the Verkhovna Rada Rostrum (Ukrayinska Prawda)
3. MP Candidate Chornovil: Yushchenko Regrets Dissolution Of Rada Of Fifth Convocation (Ukrainian News Agency)
4. Breslov hassisim meet Ukraine president (Ynet)
5. Yushchenko: Rebbe Nachman's Grave Belongs to the Jewish People (IsraelINN.com)
6. Ukraine wants to establish visa-free regime with Israel (Trend News)
7. Xenophobia are not characteristic of Ukraine's society – Yushchenko (UNIAN)
8. The Politics of Genocide (The American Spektator)
9. Yushchenko: Ukraine solved issue on accession to the WTO (ForUm)
10. European Parliament Simplifies Visa Process with Ukraine (Trend News)
11. Ukraine hails decision of European Parliament to back agreements on readmission and simplified visa regime (NRCU)
12. Ukrainian Economy Grows Despite Political Problems (VOA News)
13. 13 polling stations to be opened in Ukraine for Russians (UNIAN)
14. Ukraine and Russia have not agreed gas price (ForUm)
15. Gazprom says Moscow, Kiev to talk gas prices Nov. 15 – 2 (RIA Novosti)
16. Gazprom, Ukraine have no agreement on gas price 2008 (Itar-Tass)
17. Ukraine's Jan-Oct GDP at 7.3 pct-stats (Reuters/Guardian Unlimited)
18. Ukraine, Russia set up joint group to deal with oil spill (Xinhua)
19. Rezidor to Build Two More Hotels in Ukraine (Property Xpress)
20. Eastern Europe 'unsustainable'? (Estate Angels)
21. Oleksiy Ivchenko: "I'd Buy That Mercedes Now (Ukrayinska Prawda)
22. Lab of agricultural products quality and safety is created in Ukraine (Agricultural Marketing Project)
23. GUAM National Coordinators Council's Meeting to be Held in Kiev on 15, 16 November (Trend News)
24. GUAM National Coordinators – Poland to hold 1st Meeting in Warsaw (Trend News)
25. Ihor Konovalov, SBU Deputy Chief: "The Cabinet Resolution Says nothing about total Tapping" (Zerkalo Nedeli)

1. GEORGIA AND UKRAINE: SIMILAR REVOLUTIONS, DIFFERENT TRAJECTORIES
By Taras Kuzio
Eurasia Daily Monitor, 13 November 2007

The ongoing political crisis in Georgia shares similar roots with the September 2005 crisis in Ukraine (see EDM, September 8, 14, 16, 2005). The Georgian crisis began when former defense minister Irakli Okruashvili accused President Mikheil Saakashvili of money laundering, misuse of power, and instigating violence against his opponents. Arrested on corruption charges, Okruashvili retracted his accusations and then fled abroad.

In Ukraine two years ago, the head of the presidential secretariat and former head of President Viktor Yushchenko's 2004 election campaign, Oleksandr Zinchenko, also accused the president's entourage of corruption, although not of violence.

Both insiders made their accusations without producing evidence. This is a frequent tactic in former Soviet states; that is, using accusations of corruption to discredit opponents. It is difficult to see how the opposition's accusations against Saakashvili can be taken seriously, when the Georgian opposition is headed by Badri Patarkatsishvili. One of the wealthiest oligarchs in Georgia, Patarkatsishvili made his fortune through rather murky means in the 1990s by working for the now-exiled Russian oligarch Boris Berezovsky.

Both Okruashvili and Zinchenko used the accusations to launch opposition political parties that have failed to attract voters. With 0.04% of the vote, Zinchenko's Patriots bloc placed 44th out of 45 parties

in the 2006 parliamentary elections, and it did not contest the September 2007 vote. Okruashvili's Movement for a United Georgia may share a similar fate if he does not return.

The Georgian and Ukrainian presidents have been close friends and allies since 2004, supporting regional organizations and joint efforts toward trans-Atlantic integration. Nevertheless, Yushchenko is closer in personality to the soft-spoken parliamentary speaker Nina Burjanadze than to the firebrand Saakashvili.

For all their similarities, they have responded to challenges differently. Opposition protestors have not been attacked in Kyiv, unlike the police over-reaction in Tbilisi last week. Yushchenko has sought good relations with Russia and cannot play the "Russian card" to win domestic support. Using the "Russian card" brings political dividends in Georgia and the opposition (the Justice Party and Maia Topuria in 2006, the National Council today) is routinely accused of working for Russia.

Georgia and Ukraine have taken different post-revolutionary paths. Georgia's Rose Revolution was a much narrower margin of victory, with estimates ranging from as low as 30,000 votes to as high as 100,000. Similar numbers attended Georgian opposition rallies in the last month. The ability to change regimes and governments with such low numbers of protestors belies a sense of societal instability and fragility of voter allegiances in Georgia. Ukraine's Orange Revolution generated a much larger turnout and managed to keep protests going for 17 days.

The Rose Revolution destroyed the regime of incumbent president Eduard Shevardnadze, meaning it will never return to power. The Orange Revolution failed to defeat the representatives of the Leonid Kuchma era, as its candidate, Prime Minister Viktor Yanukovich, ultimately won a respectable 44% of the vote. Yushchenko won the presidency with a slim 8% majority, while Saakashvili won an astounding 96% of the vote.

In Georgia the two wings of the Rose Revolution (Burjanadze-Democrats and United National Movement [UNM]) merged into an enlarged UNM. In Ukraine the three wings of the Orange Revolution (Our Ukraine, Yulia Tymoshenko Bloc [BYuT], Socialists) have feuded since fall 2005 and Our Ukraine-BYuT only re-forged an alliance in February.

Ukraine's regional diversity has traditionally been treated as a source of its internal weakness. However, unlike Georgia, regionalism in Ukraine has never evolved into separatism and violent inter-ethnic conflict. In fact, regionalism is actually an asset in Ukraine, both preventing the monopoly of power (that exists in Georgia) and encouraging political pluralism.

Ukraine's regional divisions ensured that the opposition would be never marginalized, unlike in Georgia. Yanukovich's Party of Regions won 44% of the vote in 2004, 32% in 2006, and 34% in 2007. Its continued strong representation in parliament has been facilitated by Ukraine's low threshold (3%) for full proportional elections. Georgia's high 7% threshold -- the same as Russia's -- serves to further marginalize opposition parties by making it difficult for them to enter parliament.

Ukraine's orange parties have never monopolized power, unlike the UNM has in Georgia. The 10 parties in the Georgian opposition National Council are not represented in parliament. In contrast, the Party of Regions has over one-third of the seats in the outgoing and newly elected Ukrainian parliaments.

The Orange Revolution was both a popular uprising and a pacted elite compromise. One component of the compromise was constitutional reforms to transform a semi-presidential into a parliamentary-presidential system. Parliament increased its power under Yushchenko, moving it closer to Europe where parliamentary systems predominate, while parliament's powers declined under Saakashvili after reforms moved Georgia closer to the super-presidential systems common among other former Soviet republics.

Free media has been an important positive outcome of both the Georgian and Ukrainian revolutions. In both countries oligarchs control the media, but in Ukraine there is greater diversity of control. Viktor Pinchuk, who owns the greatest number of Ukrainian television stations (ICTV, STB, New Channel), separated himself from politics after the Orange Revolution. Patarkatsishvili, owner of Imedi TV, is

emerging as the main opposition leader since Okruashvili's voluntary exile. The Party of Regions is weakly represented in Ukraine's electronic media.

Georgia's Rose and Ukraine's Orange Revolutions had similar undertones but have produced divergent domestic and foreign policy trajectories. These are a product of different post-Soviet transitions and political cultures.

(Glavred, November 12; Pravda.com.ua, November 8, 9; Zerkalo nedeli, November 11-18)

Text available on World Wide Web, URL:
http://jamestown.org/edm/article.php?article_id=2372585

2. The Party of Regions Getting Ready to Block the Verkhovna Rada Rostrum Ukrayinska Prawda, 14 November 2007

Candidate for MP from the Party of Regions (PRU) Taras Chornovil does not rule out blocking the parliament's work by the PRU in the event the BYuT and Our Ukraine – People's Self-Defense (NU-NS) consider twelve bills before voting for the PM's nomination.

He stated it in his live performance on 5 Kanal, reports Obkom, with reference to Ukrainian News.

"We may block the rostrum but it does not depend on the coalition format. We will do it if the Verkhovna Rada starts its work with those twelve bills," said Mr. Chornovil.

The PRU member has stated that these bills are purely political.

"They are custom-made for a particular coalition," he said.

As such, Mr. Chornovil has noted that the PRU lawyers recommend not to block the rostrum.

"They insist that these bills are passed according to the legislation," stated Mr. Chornovil.

He has also said that the bills proposed by the BYuT and NU-NS can be passed before voting for the ministerial staff of the government.

"But there will be no legislative package. These bills will be considered in the first, second and if necessary third reading. This means that final adoption of these bills will take place after voting for the PM," he added.

As previously reported, the PRU member Vasyl Kiselyov has stated that his political force will block the work of the 6th Verkhovna Rada.

The BYuT and NU-NS intend to consider twelve draft laws before voting for the PM and the Cabinet staff.

This legislative package contains a new text of the Law on the Cabinet of Ministers, the Law on the Opposition and the Law on Cancellation of the Parliament's Privileges.

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/14/9429.htm>

3. MP Candidate Chornovil: Yuschenko Regrets Dissolution Of Rada Of Fifth Convocation Ukrainian News Agency, 13 November 2007

Candidate for the Verkhovna Rada of the Party of Regions Taras Chornovil is sure that President Viktor Yushchenko regrets early disbanding of the Verkhovna Rada of the fifth convocation.

Chornovil disclosed this in an interview to Hlavred Internet publication, text of which Ukrainian News has.

«I think that the Presidential Secretariat is whipping the cat for those April and May decrees on the early [Verkhovna Rada] elections,» he said.

Chornovil is sure that having dissolved the Verkhovna Rada, Yushchenko fulfilled wishes of Yulia Tymoshenko, the Yulia Tymoshenko Bloc leader.

«Yushchenko himself created all grounds for presidency of Tymoshenko, as that was her game,» he said.

According to Chornovil, currently, the president has very few variants: after becoming the premier, Tymoshenko will provoke a scandal and leave the post and will take part in the presidential elections having considerable chances to win them.

«In a year she is likely to provoke a scandal to make either the president or Our Ukraine People's Self-Defense Bloc members to ruin the democratic coalition. Then, Tymoshenko will resign as the premier. Later, she will say: look they have betrayed me again, I am good and all of them are bad. And she will easily take part in the presidential elections,» the MP candidate said.

At the same time, the member of the Party of Regions said he was sure that all events in Ukrainian politics are the game of Yulia Tymoshenko.

«In general, I have such a feeling that everything happening in Ukrainian politics is just a game of Tymoshenko. It'd be better to use her energy for peace,» he said.

Chornovil marked he is concerned about any agreements of his political force with Tymoshenko.

«I am afraid of any agreements with Tymoshenko, as all agreements with her end in her favour,» he said.

As Ukrainian News earlier reported, on April 2, Yushchenko disbanded the Verkhovna Rada and scheduled early Verkhovna Rada elections.

The early Verkhovna Rada elections took place on September 30.

Text available on World Wide Web, URL:
<http://www.ukranews.com/eng/article/79421.html>

4. Breslov hassidim meet Ukraine president Ynet, 14 November 2007

Followers of Rabbi Nahman of Breslov receive promise from Yushchenko to protect gravesite of beloved leader

Ukrainian President Viktor Yushchenko launched his visit to Israel on Tuesday evening with a warm meeting with hassidic followers of Rabbi Nahman Breslov of Uman.

The Breslovs' representatives, Rabbi Daniel Dayan of the World Breslov Center, and lawyer Gilad Corinaldi, said that during their meeting, the president gave a commitment to protect Rabbi Braslev of Uman's gravesite and the nearby synagogue.

The Breslov's followers, for their part, awarded the president a silver trophy and welcomed his intervention against the danger hovering the gravesite.

Breslov delegates said Yushchenko told them during the meeting that "this is an important asset of the Jewish people. Access for Jews to pray there should be allowed and it's important to safeguard freedom of speech.

"We are checking the legal aspects that exist between the business and religious worlds. I declare that there will be no problem and that the matter will come to an agreed upon solution."

Yushchenko added that "the synagogue and the gravesite of Rabbi Nahman of Breslov in Uman are holy cultural and religious assets and belong to the Jewish people. Like in every enlightened country, in Ukraine, holy religious sites are not up for negotiations.

"To the hassidim I say personally that there is no cause for concern and I will act with all my power to protect them, or in the words of Rabbi Nahman of Breslov, there is no despair in the world at all."

Lawyer Corinaldi welcomed the breakthrough and stressed that "the personal intervention of the Ukrainian president sends a clear message that religious sites are out of bounds and nonnegotiable."

He also sought to thank Prime Minister Ehud Olmert and Foreign Minister Tzipi Livni, as well as Industry, Trade and Labor Minister Eli Yishai for their intervention.

Text available on World Wide Web, URL:
<http://www.ynetnews.com/articles/0,7340,L-3471218,00.html>

5. Yushchenko: Rebbe Nachman's Grave Belongs to the Jewish People
By Gil Ronen
IsraelINN.com, 14 November 2007

The President of Ukraine, Viktor Yushchenko, met with a delegation of Breslov Hassidic Jews in Israel Tuesday and vowed to defend Rebbe Nachman's gravesite in Uman along with the synagogue situated there. "This is an important asset of the Jewish people," Yushchenko said in reference to the holy site. "Jews must be allowed access to pray there, and it is important to preserve freedom of worship," he told Rabbi Daniel Dayan of the World Breslov Center and Attorney Gilad Corinaldi, who represents the Breslov Hassidic group.

The threat to the gravesite stems from a Ukrainian court ruling against the Breslov Foundation to pay an alleged debt of \$3 million to a contractor who was hired to expand the synagogue adjacent to the grave. The court ruled that if the Jews don't pay, Rebbe Nachman's tomb may be auctioned off to the highest bidder.

Text available on World Wide Web, URL:
<http://www.israelnationalnews.com/News/News.aspx/124247>

6. Ukraine wants to establish visa-free regime with Israel
Trend News, 14 November 2007

(ForUm) - Ukraine is interested in the establishment of visa-free regime with Israel. President of Ukraine Viktor Yushchenko stated during the meeting with Israel's Ukrainians and members of an organization of Jewish citizens born in Ukraine.

According to Yushchenko, during the meeting with President of Israel Shimon Peres the question on visa regime between Ukraine and Israel will be discussed.

The President has emphasized that taking into account the “historical connectivity” and close relations between Ukraine and Israel, Ukraine would like to reach the establishment of free-visa regime between the countries.

Text available on World Wide Web, URL:

<http://news.trendaz.com/index.shtml?show=news&newsid=1075789&lang=EN>

7. Xenophobia are not characteristic of Ukraine’s society – Yushchenko UNIAN, 14 November 2007

In an interview with Israel 10 in Jerusalem on Tuesday, President Victor Yushchenko said it was important to “intensify Ukraine’s political dialogue with Israel at governmental, business and public levels”, according to the President’s press-office.

When asked about ethnic relations in his country, the president replied: “To my mind, anti-Semitism and xenophobia are not characteristic of Ukraine’s society.”

He said his government always promptly responded to all manifestations of anti-Semitism and added that there was no hostility towards Jews among Ukrainian officials.

Speaking of the situation in the Middle East, Yushchenko said Ukraine would make its contribution to the settlement of the Israeli-Palestinian conflict.

10, formerly trademarked as Israel 10, is the second commercial broadcasting television channel licensed in Israel. It was founded in 2002.

Constant URL of article:

<http://www.unian.net/eng/news/news-221629.html>

8. The Politics of Genocide By Lisa Shymko The American Spektator, 14 November 2007

TORONTO -- This week, Ukraine's President, Viktor Yushchenko, will travel to Israel -- a nation for whom the term "genocide" has become an indelible part of its collective memory -- where he is expected to ask Prime Minister Ehud Olmert to endorse a UN resolution put forth by Ukraine recognizing the Soviet-era forced famine of 1932-33 in Ukraine as an act of genocide. For Prime Minister Olmert and members of the Knesset, it will not be an easy decision to make, since Jewish leaders have long maintained that the Holocaust was unique and should not be equated with other genocides.

Complicating the matter is the new political reality in the Middle East. Israelis have hesitated to endorse the Ukrainian position, for fear of straining Israel's delicate relations with Russia.

Olmert is hoping to convince Russia to use its geopolitical influence in the Caspian basin to stave off a military confrontation with Tehran over its nuclear program. Yet so far, as Moscow undertakes a series of cozy deals with Iran and Syria, Vladimir Putin has done little to appease Israeli concerns.

Will Prime Minister Olmert hold off on backing Ukraine's UN resolution in an attempt to woo the Kremlin? Only time will tell. One thing is clear, the Russians do not want to see improved relations between Israel and Ukraine. Historically, Moscow has benefited from the painful rifts of the past, and the Kremlin is not happy to see Ukraine's President Viktor Yushchenko proposing a more dynamic Ukraine-Israel relationship.

Recently, Ukraine's President announced the return of 1,000 Torah scrolls previously confiscated from Ukraine's Jewish communities during the communist regime. Historic synagogues in Ukraine have

been returned to Jewish communities and President Yushchenko has ordered Ukraine's Security Service to establish a special department to combat hate crimes. Yushchenko has also proposed legislation to criminalize the denial of the Holocaust.

So why is the Kremlin irritated over Ukraine's pursuit of the genocide issue? Because the current government in Moscow is still unwilling to deal with the ugly side of its Stalinist past.

THIS YEAR THE INTERNATIONAL COMMUNITY will begin commemorating the 75th anniversary of the 1932-33 state-sponsored famine in Ukraine, masterminded by Soviet leader Joseph Stalin. The premeditated policy of forced grain seizures targeted Ukraine's anti-Soviet rural population and resulted in mass murder by starvation. The artificially induced famine, known as the Holodomor, claimed the lives of millions of victims. The genocide was the precursor to the bloody Red Terror that later swept the entire USSR.

Having resisted Stalin's forced collectivization, Ukraine's independent-minded rural population faced sweeping food confiscations enforced by the notorious OGPU-NKVD secret police. Starving Ukrainian peasants initially tried surviving on hay, weeds, and leaves, even stripping trees of their bark. As conditions worsened, some, on the verge of insanity, resorted to cannibalism, feeding on the remains of the recently deceased.

But few in the West were aware of the genocide. While Ukrainians starved to death, Moscow dumped millions of tons of cheap grain on Western markets. When Western journalists like the Welsh reporter Gareth Jones, stationed in the USSR in the 1930s, secretly traveled to Ukraine, uncovering information about the decimation of entire rural towns and villages, pro-Soviet apologists like Walter Duranty of the *New York Times* published fabricated stories of well-fed peasants in an attempt to suppress the truth.

Those in Ukraine's Communist Party who dared to speak out, were meticulously purged by Stalin. Ukraine's aspirations for independence were to be squashed at all costs. Mass executions of Ukraine's intellectual elite followed. The result was a campaign of ethnic cleansing on a vast scale. By 1933, as a result of Stalin's State Decree, all territories previously populated by Ukrainians, now de-populated by the forced famine, were systematically settled by ethnic Russians.

In 2006, after decades of denials and cover-ups, the Parliament of Ukraine shed its Soviet legacy and passed legislation recognizing the 1932-33 Ukrainian Forced Famine as an act of genocide. In recent years, an ever-growing number of countries, including the USA, Australia, Italy, Poland, Spain, Brazil, Argentina, to name just a few, have officially acknowledged this heinous crime to be genocide. This year, Canada's Parliament is expected to adopt a similar resolution in the House of Commons, mirroring a unanimous motion passed in the Senate in 2003.

Ironically, as the international community prepares to vote on a UN General Assembly resolution introduced by Ukraine that would condemn Stalin's actions in Ukraine as nothing less than genocide, Russia -- the self-appointed successor state of the Soviet Union -- has vowed to oppose the passage of such a resolution.

THE KREMLIN HAS YET TO COME to terms with its genocidal past. In a recent article published by Russia's *Novosti* news service, the Russian author, Andrei Marchukov, referred to the Famine-Genocide in Ukraine as "propaganda" and called recent efforts to uncover previously censored information on the tragedy "sensation whipped up over by-gones." By-gones indeed!

It is estimated that at least 7 million perished as a result of Stalin's induced famine in Ukraine. According to research presented at a 2001 Population Conference in Brazil, historian Mark Tolts, of the Hebrew University in Jerusalem, stated that, up until recently, it had been difficult for historians to reach an exact figure on the number of victims, since Stalin personally falsified the Soviet Union's demographic data after the 1932-33 famine. In fact, according to Tolts, three successive heads of the Soviet Central Statistical Administration were executed by Stalin, while others were arrested, in a deliberate attempt to cover-up the shocking human losses.

Recently, Ukraine declassified over 100 documents pertaining to the 1932-33 Ukrainian Famine and repressions of the 1930s from its Security Service Archives. The documents are eye-opening because they show that international humanitarian aid was systematically denied to Ukraine's starving population. But countless more Soviet-era documents remain locked in Russian archives, inaccessible to Western historians.

The Kremlin's image is in need of a major makeover. Allegations of state-complicity in the assassinations of Alexander Litvinenko in Great Britain and investigative journalist Anna Politkovskaya in Moscow have done little to enhance Russia's international image as a democratic, peace-loving nation. More recently, the Kremlin has failed to crack down on home-grown racist youth gangs, responsible for a series of cross-border attacks on Jews and visible minorities in Russia and Ukraine.

Last week, Russian politician Grigory Yavlinsky called on the Russian government to undertake "a de-Stalinization program" to remember the millions of victims of Soviet repression. Russia's Memorial Human Rights Society issued a statement asking the Russian government "to acknowledge past crimes and offer apologies to the victims," including the former Soviet Union's repressed ethnic groups.

It's time for Russia to make peace with its past, by showing a willingness to make peace with its neighbors. Acknowledging Stalin's genocidal complicity in the 1932-33 state-sponsored Famine in Ukraine would be an important first step.

Lisa Shymko is a Canadian political scientist and director of the Canada-Ukraine Parliamentary Center in Kyiv (Kiev), Ukraine. The center was established in 2000 by Canadian Friends of Ukraine and the Government of Canada to enhance legislative reform and open access to information.

Text available on World Wide Web, URL:
http://www.spectator.org/dsp_article.asp?art_id=12306

9. Yushchenko: Ukraine solved issue on accession to the WTO ForUm, 14 November 2007

Ukraine has signed bilateral protocol with Kyrgyzstan concerning Ukraine's accession to the WTO and by the end of the current year should obtain right to be a member of this organization. President of Ukraine Viktor Yushchenko said that yesterday in scope of the meeting with expatriates Ukrainian and representatives of Ukrainian community in Israel.

In particular, Yushchenko noted that Ukraine has solved question on accession to the WTO, having signed protocol with Kyrgyzstan.

"In such a way all procedural moments are solved," he said, adding that at the next WTO council session on December 15-20 Ukraine will be joined the WTO officially.

Ukraine tries to join the WTO since 1993. in 2005-2006 the VRU adopted 38 legislation acts necessary for accession to the WTO. On May 31, 2007 the VRU adopted last 11 laws necessary for joining the WTO.

Text available on World Wide Web, URL:
<http://en.for-ua.com/news/2007/11/14/103055.html>

10. European Parliament Simplifies Visa Process with Ukraine Trend News, 14 November 2007

Ukraine, Kiev / Trend corr. Z.Novosvitski / The European Parliament ratified an agreement to simplify the visa process with Ukraine on 13 November.

The agreement on visa changes will allow a fixed price for visas at € 35, and additionally, will waive the visa charge for students, journalists and close relatives.

Under the new regulations, the counsel must explain to citizens the reasons if their visa request is denied. The agreement will not apply to citizens of Denmark, Ireland and Great Britain.

A new agreement on readmission regulations also identifies concrete criteria on when and how to repatriate persons illegally residing in EU member-countries and Ukraine. These new policies concern Ukrainian citizens and EU member-countries, as well as stateless citizens. The readmission regulations will be enforced after a two-year period of transition and will not apply to Denmark.

Both agreements were signed in Luxemburg on 18 June 2007 and were initialed in Helsinki on 27 October 2006 during a Ukraine-European Union summit.

In response, the European Union is demanding the cancellation of some visas for citizens of Romania and Bulgaria, in order to establish equal relations with all EU member-countries.

The agreements will take effect after ratification by the Supreme Rada (Ukrainian Parliament).

Text available on World Wide Web, URL:

<http://news.trendaz.com/index.shtml?show=news&newsid=1075723&lang=EN>

11. Ukraine hails decision of European Parliament to back agreements on readmission and simplified visa regime NRCU, 13 November 2007

As was voiced by Deputy Chief of the Presidential Secretariat Oleksandr Chalyi, the Presidential Secretariat hails this decision. He also hoped that the VR of the 6th convocation will ratify the relevant agreements ASAP and will create all the grounds to exchange the ratified documents.

The agreement on simplified visa regime envisages setting fixed customs due of 35 EUR and free of charge visas to some categories of Ukrainians as well as fixed terms of visa issuance. Besides, in case of refusal, the embassy will be commissioned to reason the refusal. The agreement is invalid in the UK, Denmark and Ireland.

Text available on World Wide Web, URL:

<http://www.nrcu.gov.ua/index.php?id=148&listid=55173>

12. Ukrainian Economy Grows Despite Political Problems By Peter Fedynsky VOA News, 13 November 2007

Ukraine has been experiencing impressive economic growth for most of this decade, despite political turmoil at the highest levels of government. VOA Correspondent Peter Fedynsky recently visited Ukraine and files this report about economic conditions there.

A steady stream of cement trucks regularly wind their way through the streets of Kyiv, a city in the midst of a building boom. Other signs of Ukraine's growing prosperity -- an impressive seven percent annual growth rate, trendy downtown shops, growing sales of luxury and off-road vehicles and increased purchasing power among consumers.

"The middle class is growing," says Tatiana Sytnyk, who is a senior analyst at GfK Ukraine, a market research company. Sytnyk says since 2006 40 percent of urban Ukrainians cannot only afford basic items such as food and clothes, but they can also save for larger purchases. This figure is up by one-third since 2003.

"Income distribution in Ukraine is being equalized. The rich remain rich, but at the same time, the least secure elements of society are getting wealthier," she added.

Increased purchasing power is fueling car sales throughout most of Ukraine, not only basic models, but luxury cars and low mileage sport utility vehicles.

Yaroslav Boyko is assistant sales manager at one of Kyiv's three Nissan car dealerships. "Our average customer understands that earlier cars, Russian models, are leaving the scene. Ours is a middle class buyer, who can afford something better than before, thanks to a wide range of credit programs offered today by banks and financial institutions," he said.

Analyst Sytnyk says retail trade, the service sector and the export of raw materials are fueling Ukraine's economic expansion.

The Danish home furnishing company Jusk has already opened nine stores in Ukraine and expects to open two more by the end of this year.

The company's general director in Ukraine, Yevhen Ivanytsia, notes consumption patterns in the wealthier cities. "If we talk about Yalta or Kyiv, people in those cities have passed the stage when a person needs to be fed, well-dressed, and respectable-looking. Now they are trying to make their homes cozy as well."

But in a sign of potential trouble, GfK's market research indicates wavering consumer confidence that could slow the economy. Company analysis shows many Ukrainians are spending money for big purchases now out of fear of a downturn later.

Ukraine's economic growth has come amid considerable turmoil in government -- frequent elections, charges of widespread corruption, disenchantment with leaders of the so-called "Orange Revolution" -- and protracted struggles to create a ruling coalition in Parliament.

Despite the country's ongoing political problems, a top university professor says Ukrainians have remained calm. Oleksiy Haran teaches political science at the Kyiv Mohyla Academy. "High level politics do, in fact, influence the economy, but economic processes as such have already been set in forward motion. This serves as a basis for optimism."

Ukrainian government statistics confirm the optimism -- wages are rising, unemployment is falling and household incomes are staying ahead of inflation. The challenge will be to maintain and even increase growth to catch up with the country's more prosperous neighbors in Central and Eastern Europe.

Text available on World Wide Web, URL:
<http://www.voanews.com/english/2007-11-13-voa28.cfm>

13. 13 polling stations to be opened in Ukraine for Russians UNIAN, 13 November 2007

13 polling stations will be opened in Ukraine for Russian citizens to take part in the parliamentary election, scheduled for 2 December.

UNIAN was told about this at the press-service of the Russian Embassy to Ukraine.

In particular, Russian citizens, staying at the Ukrainian territory, will have an opportunity to vote at polling stations, which will be opened at RF consulate institutions, and Black Sea Fleet units.

Constant URL of article:
<http://www.unian.net/eng/news/news-221458.html>

14. Ukraine and Russia have not agreed gas price ForUm, 14 November 2007

On November 15 Ukraine and Russia will discuss prices for Russian gas supplied to Ukraine for 2008 and next years. The official representative of "Gasprom" Jsc. Sergey Kupriyanov informed.

"For the present moment there are no definite agreements concerning gas prices," he said.

On October 28 President Viktor Yushchenko informed that he considered the most appropriate gas price of USD 150-160 for thousand cubic meters. As to gas price in amount of USD 190-200, announced in political circles, Yushchenko noted that such price was groundless... taking into consideration tendencies on energy markets.

During negotiations with Russian side on November 6 Fuel and Energy Minister of Ukraine Yury Boyko confirmed that gas price corridor is discussed within limits of USD 150-160 for thousand cubic meters.

Deputy head of "Gasprom" Alexander Medvedev informed that gas price for 2008 for Ukraine can comprise USD 160 in case sides sign agreement on gradual transformation to European prices by 2011. According to him, European price for gas may reach USD 300 in 2008.

From 2006 "Gasprom" set gas price for Ukraine in amount of USD 230 for thousand cubic meters. Due to RosUkrEnergo that mixes Russian gas with Central Asian gas, the gas price comprised USD 95.

Since January 2007 gas price for Ukraine comprises USD 130.

Text available on World Wide Web, URL:
<http://en.for-ua.com/news/2007/11/14/113038.html>

15. Gazprom says Moscow, Kiev to talk gas prices Nov. 15 – 2 RIA Novosti, 13 November 2007

MOSCOW - Russia and Ukraine will discuss prices for Russian natural gas supplies in 2008 and subsequent years at talks planned for November 15, an official Gazprom spokesman said on Tuesday.

"No agreements on gas prices have been reached as of today," Sergei Kupriyanov said.

Alexander Medvedev, a deputy chairman of Gazprom's management committee, earlier said that the price of \$160 per 1,000 cubic meters earlier discussed with Ukraine would be approved if the country signed a deal of gradual transition to the average European price by 2011, which could reach \$300 for 2008.

He also said that a preliminary agreement was reached with Kiev at talks on Russian natural gas supplies in 2008 and a gas deal will be signed well before the end of this year.

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 a mixture of Turkmenistan and Russian gas supplied at the border.

After the Central Asian country 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/russia/20071113/87935239.html>

16. Gazprom, Ukraine have no agreement on gas price 2008
Itar-Tass, 13 November 2007

Gazprom and Ukraine have not reached an agreement on the Russian gas price in 2008, Gazprom spokesman Sergei Kupriyanov told Itar-Tass on Tuesday.

"There is no agreement on the gas price as yet," he said.

In his words, Gazprom CEO Alexei Miller and Ukrainian Fuel and Energy Minister Yuri Boiko will have their next meeting on Thursday, November 15.

"The meeting will focus on the gas price Ukraine will be paying in 2008 and further on," the spokesman said.

Text available on World Wide Web, URL:
<http://www.itar-tass.com/eng/level2.html?NewsID=12066317&PageNum=0>

17. Ukraine's Jan-Oct GDP at 7.3 pct-stats
Reuters/Guardian Unlimited, 13 November 2007

Ukraine's economy grew 7.3 percent in January-October from a year ago against 6.5 percent in the same period in 2006, the State Statistics Committee said on Tuesday, confirming earlier comments by the economy minister.

The committee said growth in October alone was 7.0 percent against the same month last year.

Economy Minister Anatoly Kinakh said earlier he expected growth of at least 7.3 percent in the 10-month period.

The government forecast for full-year growth is 6.5 percent against 7.1 percent last year and officials have made no upward revision, arguing that last year's comparative numbers are high.

In January-September, the economy also grew 7.3 percent year-on-year, slowing from the 7.5 percent it grew in the first eight months of the year.

The committee said January-October growth was fastest in trade, at 17.2 percent, then refining at 13.1 percent and in the construction sector at 11 percent.

(Reporting by Sabina Zawadzki; Editing by Gerrard Raven)

Text available on World Wide Web, URL:
<http://www.guardian.co.uk/feedarticle?id=7073779>

18. Ukraine, Russia set up joint group to deal with oil spill
Xinhua, 13 November 2007

Ukraine and Russia set up a joint working group Tuesday to deal with the environmental disaster in the Black and Azov Seas.

According to reports of the Intefax-Ukraine news agency, the working group will be headquartered in the ports of Kerch, Ukraine, and Kavkaz, Russia.

The first meeting of working group will be held no later than Nov. 15, said a joint communique released after Ukrainian and Russian prime ministers Viktor Yanu kovich and Viktor Zubkov met in Anapa.

The working group would be responsible for cleaning up the oil spill after a tanker broke up in a heavy storm in the Kerch Strait.

It was reported that the Volgoneft-139 tanker released about 2,000 tons of oil into the waters. Local officials described it as an ecological catastrophe.

Text available on World Wide Web, URL:
http://news.xinhuanet.com/english/2007-11/14/content_7068870.htm

19. Rezidor to Build Two More Hotels in Ukraine Property Xpress, 13 November 2007

Brussels-headquartered Rezidor Hotel Group intends to manage five hotels in Ukraine, two of which will be developed in the Ukrainian city of Dnepropetrovsk.

Text available on World Wide Web, URL:
<http://www.propertyxpress.com/getnews/0000003683>

20. Eastern Europe 'unsustainable'? Estate Angels, 14 November 2007

Fast paced house price growth in post-Communist Europe is probably unsustainable and prices could moderate as global borrowing conditions become tighter, the EBRD said on Thursday...

The European Bank for Reconstruction and Development said in its annual Transition Report that an improvement in housing supply could also temper price growth, and warned that any major declines could have a significant economic impact.

"On the basis of income levels in 2006, house prices appear on the high side only in a few capitals. However, the speed of price increases in recent years looks unsustainable in many countries as continued growth would soon lead to overvaluation," the report said.

"As housing supply improves and credit conditions become tighter in the coming years, some moderation in house price growth is likely."

Rise of a sleeping giant?

Dormant during decades of Communist rule, property markets have boomed across the region in recent years as rising wages and easier access to affordable credit convinced people to invest, especially in large cities and coastal areas.

Although the level of debt in relation to gross domestic product is still low on average in the transition region, the bank said a lack of other household financial wealth that could act as a buffer to sustain consumption "is a cause for concern".

It added that real price increases have been the highest in Ukraine, followed by Romania, Latvia, Estonia, Lithuania, Bulgaria, Russia, and Armenia, running at an average annual growth rate of more than 20 percent, well above real GDP growth.

Significant impact expected

The report said the persistent period of increasing house prices has fuelled expectations of potential capital gains, leading to increased speculation.

"In Kazakhstan and Ukraine, for instance, there are signs that many residents have been investing in apartments with the sole purpose of selling them on in order to generate a profit," the report said.

"How households react to larger declines in house prices, leading to negative equity, is largely untested in the transition region and so there may be a significant impact on the real economy."

<http://www.reuters.co.uk>

Text available on World Wide Web, URL:

http://www.estateangels.co.uk/propertynews/2007-11-14/eastern_europe_unsustainable

**21. Oleksiy Ivchenko: "I'd Buy That Mercedes Now
By Mustafa Nayem
Ukrayinska Prawda, 14 November 2007**

If Viktor Yushchenko will forever remain a romantic who started the Orange Revolution and those who stood on Maidan will be called fanatics who finished it, Oleksiy Ivchenko has every chance to receive the label of the shameless rascal who took advantage of the revolution pursuing his own goals.

Ex-head of Naftogaz Ukrayiny is convinced that such an image is the result of a smear war waged against him.

During two years of indifference to criticism from mass media and his rivals he managed to create an odious brand that can compete even with the negative image of Mr. Yushchenko's 'dear friends'. He has been keeping silent for almost two years. No interviews, no explanations, no comments.

Having survived scandals with an expensive Mercedes and snowmobiles worth \$150 000, staying in expensive hotels and giving business preferences to friends and relatives, Mr. Ivchenko is hated now even by his allies.

Having not forgotten the feeling of controlling enormous money flows, Mr. Ivchenko is forced to watch his rivals 'running his show'. Afraid of the mass discontent, even Viktor Yushchenko did not dare to appoint Mr. Ivchenko his advisor. The only joy Mr. Ivchenko has now is peaceful phone talks with the President about energy security of Ukraine.

– How did you earn your first million?

– Well, I started earning money since 7th grade. My parents always wanted me and my sisters to receive a higher education. We all graduated from higher educational establishments. I have been thinking about earning money since childhood.

After the 7th grade I went to Rostov region to work as an assistant to combine operator. I earned 500 rubles. After the 9th grade I worked at the construction of a highway together with my sister's husband. We smashed stones with huge hammers. I was a hard work.

I remember that I earned about 700-800 rubles. It was huge money then! After school I studied in Lviv Polytechnic Institute, Building Department. I have never undergone mandatory practical training...

– You avoided it?

– Yes, I did. Students were not paid anyway. With the fake sick-leave certificates I had three free months. I gathered a crew and we went to work to Surgut. We repaired farms, kindergartens etc.

Of course, it was illegal. I was a foreman and it was a real practice for me. Several years later we went to Kazakhstan to build four-storied buildings there. During the summer we managed to build five or six buildings.

I earned huge money at that time. In the end of the summer I received about 6 000 rubles. After the graduation I even missed several weeks of mandatory practice.

Then I bought my first car. After the institute I was placed on a job in the regional department of highways.

I made my way up very fast. In four years I became director of the reinforced concrete constructions enterprise. At the same time, I was not a member of the Communist Party.

I was 27 then. In 1990, I resigned when the first opportunities of a private business appeared in the country. My colleagues used to say: "What are you doing, stupid?" I would answer: "In two years you will queue up at the door of my office to receive your salary." By the way, so it happened.

I registered my first business in Ivano-Frankivsk. It received the first number in the register.

I gathered 'smart heads' and scientists to begin computerization of banks. We were one of the first in this business. We bought computers in Kyiv, Moscow....We earned good money then.

– Does it have anything to do with Naftogaz?

– Well, the business grew and we traded other things. In 1992, we started trading oil products.

In 1992, we took a banking loan and purchased oil products worth \$2 million. As known, a new currency was introduced then, and all transactions were suspended.

We were the first to introduce a trading scheme using Belarus currency. Although our partners 'suckered' us we earned about \$1.5 million.

Back in 1993, I had Mercedes 600 which we officially purchased in cash. I still prefer Mercedes.

– How come you appeared in the major gas business?

– When in 1994 traders were allowed to trade the natural gas they started looking for those who might help with the contracts.

Intergas company offered me a job in Kyiv. I accepted this proposal. It was the year 1996. I became vice president of the company assuming responsibility for gas supply to industrial enterprises.

– How come you were appointed the head of Naftogaz?

– The president has personally made me an offer.

– Did anyone recommend you?

– I do not know. I think that the president was aware of my skills because I was his advisor for fuel and energy issues when he chaired the Cabinet.

– How long have you known Viktor Yushchenko?

– I first met him when he was the head of the National Bank. Mr. Yushchenko came to Ivano-Frankivsk to have a look at the building the National Bank intended to buy. My close friend and colleague Anatoliy Popadyuk owned that building.

– Did he work in Naftogaz later on?

– Yes. Although mass media claimed he was my relative, it is not true. He is simply my friend.

I WOULD BUY THAT MERCEDES NOW

– **You were severely criticized in the position of Naftogaz chairman. For example, you signed a financial plan which was impossible to execute...**

– But I executed it!

– **You did. But at the same time huge money was channeled to the state budget...**

– Yes. It is true that in 2005 Naftogaz paid 11.5 billion to the budget although the norm was set at the level of 4.5-5 billion a year. Also, I inherited \$500 million debts to Turkmenistan and \$1 billion to Gazprom. 8 billion cubic meters of the Russian natural gas disappeared from the gas storages. As it turned out, Mr. Boyko sold it. We returned everything!

– **The question of how you managed to return money is still open though...**

– It was the money obtained from the gas transit and banking loans we took at a very good interest of 5-6%. Naftogaz has never taken such good banking loans! Even the government takes loans at the interest of 8%.

– **How did Naftogaz receive this money?**

– We carried out a standard international audit. When we published the audit results it turned out that Naftogaz can be a profitable company. We were trusted. Besides, we managed to save UAH 4 billion in 2005...

– **The country learned about cost saving in Naftogaz from the “Mercedes story.” Was it reasonable to buy such an expensive car if Naftogaz was in a poor state?**

– Naftogaz was doing great then!

– **Was such an expensive car really necessary?**

– It was necessary!

There is no doubt about it! I do not regret it despite all the dirt about me in mass media, including *Ukrayinska Pravda*.

When I came to Naftogaz I had a look at transport expenditures. It turned out that we rented over 60 cars. The rent was three times as high as the market prices. Naftogaz could purchase three times as many cars as it rented at that time!

The first thing I did was termination of all car rental agreements. Thus, we saved UAH 4 million. I ordered to purchase 10 cars for Naftogaz, including this Mercedes.

The car was purchased in installments. We paid 10% in advance and had three years to pay the whole sum. Do you know what Mercedes my predecessor have? It was Mercedes 600! This car got into a crash that is why we needed a new one.

What car did I buy? Mercedes 500! Why haven't you picked on my predecessor? Indeed, I had a newer model, but it was still Mercedes 500! Unlike my predecessor, I spent income reserves for the car.

– **If you happened to chair Naftogaz again would you buy this car being aware of all subsequent consequences?**

– Yes, I would.

**THERE WERE NO SNOWMOBILES
I HAVE NEVER STAYED IN BURJ AL ARAB HOTEL
THOSE ARE NOT MY RELATIVES**

– **Ok. But was it necessary to stay in Burj Al Arabi Hotel during your business trip to United Arab Emirates?**

– What is that?

– **That is the most expensive hotel in the world. They say that Naftogaz paid your bill there.**

– When we were in Emirates with an official visit we were staying three days in a five- maybe six-storied hotel. But I do not remember the name of this hotel. I do not know the hotel you mentioned either.

– **I can refresh your memory: the hotel looks like a sail...**

– It was definitely not a sail. I was in Burj Al Arab on excursion with my family during one of our vacations in Emirates. But I have never lived there.

– **Did Naftogaz buy those extremely expensive snowmobiles?**

– It is a very interesting story! In fact there were no snowmobiles at all.

– **What do you mean there were no snowmobiles?**

– I am telling you that Naftogaz has never purchased any snowmobiles when I was in charge of the company.

They simply spread these rumors and even published a picture of me with a glass of champagne on the background of the snowmobiles. Supposedly, I celebrated New Year...

I was not in Naftogaz at that time. I did not celebrate the New Year because I was holding negotiations with Mr. Putin. Even if Naftogaz purchased those snowmobiles the head of this company has nothing to do with it. It is not his competence.

I checked everything and it appeared that there were no snowmobiles. We also checked all affiliate companies but found no snowmobiles there as well. Journalists simply hyped this story.

– **Was it maybe reasonable to invest money in PR and promotion of your positive image?**

– When I came to Naftogaz I was constantly said to invest money in PR. I thought that everything would be just fine if I did my job well. It was naïve, I know...

– **Have you received any offers of your PR support?**

– Yes, many of them. But I have never met with those people. I had no time to hold a press conference, say nothing of PR campaigns.

– **They say that Naftogaz lived through the ‘golden age of nepotism’ under your rule. You appointed the godfather of your child Mr. Lopushansky your deputy, your nephew chaired GazTeplo Company, Mr. Vasyunyk’s brother has also become your deputy...**

– That is rubbish! Mr. Lopushansky is the godfather of my child. It is true. But back then he was simply my colleague whom I had been known for 15 years. He has the necessary skills and education. Why shouldn't I trust him?

Who told you that Deputy Head of GazTeplo Yuriy Panyuk was my nephew? It is not true! As to Mr. Vasyunyk's brother, he has a rich experience and good skills.

– **Did he have the necessary education?**

– As far as I know, he had three diplomas.

– **Does any of them concern oil and gas?**

– He was studying in the Institute of Oil and Gas when he worked in Naftogaz. I do not know whether or not he graduated.

SAPARMURAT NIYAZOV: “LOOK AT IVCHENKO. THAT IS HOW ONE SHOULD DEFEND NATIONAL INTERESTS”

– **When you chaired Naftogaz gas relations between Russia and Ukraine were spoiled. Do you feel personal responsibility for your policy that resulted in conflicts with Gazprom and termination of contracts?**

– You are an intelligent man, aren't you? Name at least one gas contract with Russia which I terminated? Even if I wanted I could not do it without the government's consent.

We have an intergovernmental agreement which is valid until 2013. There are additional protocols stating the gas prices and transit rates. That's it!

What prevented governments of Tymoshenko, Yekhanurov and Yanukovich from signing these protocols? They claimed that relations with Russia had improved! Why are these protocols not signed?

– **But you also did nothing to sign them...**

– That is true. I am not the Cabinet of Ministers! In 2006, I managed to sign agreements without these protocols!

Moreover, I renewed a direct gas contract with Turkmenistan. The gas price decreased to \$44 from \$58. It was the first renewed gas agreement in the world with the lower gas price. You can imagine what kind of negotiations we had...

– **No, I can't. It is strange that they refused their own profit...**

– I have visited Mr. Niyazov ten times in 2005. I had a very strong position because we had no debts to Turkmenistan. Thus, they had no claims...Also, I think that Mr. Niyazov liked me and my style of holding negotiations. He respected me as an opponent.

– **But it seems not enough...**

– I will tell you why I think so. Journalists were reluctant to cover this, but after the successful negotiations Mr. Niyazov gathered his government and journalists saying: “Look at Ivchenko. That is how one should defend national interests!” I think it is the highest praise of an opponent.

– But they lost money!

– Yes. But we had very strong arguments. There was another interesting point. I offered Mr. Niyazov to transport Turkmen gas through the territory of Ukraine. I told him that we had no need in Russia. He found my proposal interesting. Unfortunately, I was sacked...

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/14/9428.htm>

**22. Lab of agricultural products quality and safety is created in Ukraine
Agricultural Marketing Project, 13 November 2007**

A lab for quality and safety inspection of products of agri-industrial complex is created in Ukraine. Mr. S. Melnichuk, the Chief of the Lab, has informed the journalists today that the official opening ceremony is planned for November 16th, UNIAN informs. Mr. Melnichuk pointed out that the Lab is 100% state enterprise: it is subordinated to the Cabinet of Ministers of Ukraine and funded by state budget. He says, one of the main goals of the Lab is to bring the quality of Ukrainian products to European standards, when the label provides not only the caloric content of the product, but also the origin of the products, the production fields, the applied pesticides. According to Mr. S. Melnichuk, the creation of the Lab was fully funded by state budget. He said that they attempted to involve grants and other funds on the first stage, but, as a result, the decision was to make the Lab a state enterprise able to protect national interests.

S. Melnichuk informed, UAH 51 mln. have been spent to create a lab from its designing to equipping. To his opinion, around UAH 10-15 mln. are still needed to equip the lab with all necessary tools. Mr. Melnichuk informed that the Lab possesses gas and liquid chromatography-mass spectrometers able to "define" 183,000 of substances, for example to define the quantity of pesticides and fertilizers applied onto raw materials. Also, the lab has a spectrometer with inductive-coherent plasma able to specify the composition of the product according to Mendeleev table, and to define the presence of all micro elements. To the opinion of S. Melnichuk, such equipment let them protect Ukrainian consumers from poor quality products either imported to the country or produced by national growers. Five more similar research centers should be opened in the country to satisfy the need of Ukraine for such investigations, the specialist thinks.

Text available on World Wide Web, URL:
<http://www.lol.org.ua/eng/showart.php?id=52227>

**23. GUAM National Coordinators Council's Meeting to be Held in Kiev on 15, 16 November
Trend News, 13 November 2007**

Ukraine, Kiev/ Trend corr. Z.Novosvitski / The eighth meeting of the National Coordinators Council the Organization for Democratic and Economic Development of the GUAM (Georgia, Ukraine, Azerbaijan and Moldova) will be held in Kiev on 15 and 16 November, Andrei Deshitsa, the head of the Ukrainian Foreign Ministry's press-service, reported.

According to Deshitsa, the work meeting of foreign experts of political bodies of GUAM member-countries will precede the meeting.

The agenda of the meeting includes development of cooperation among GUAM countries directed to settlement of frozen conflicts.

Furthermore, it is planning to discuss the GUAM's budget for 2008.

Text available on World Wide Web, URL:
<http://news.trendaz.com/index.shtml?show=news&newsid=1075453&lang=EN>

**24. GUAM National Coordinators – Poland to hold 1st Meeting in Warsaw
Trend News, 13 November 2007**

Azerbaijan, Baku / corr Trend S.Agayeva / The first meeting of the Council of National Coordinators and Poland will be held in Warsaw on 17 December, Kshishtoff Kraevskiy, the Polish Ambassador to Azerbaijan, said on 13 November.

Four members-states of the organization, including Georgia, Ukraine, Azerbaijan and Moldova, have give their agreement for the participation in the meeting. Araz Azimov, the Azerbaijani Deputy Foreign Minister, will represent Azerbaijan in the gathering

The first top meeting of GUAM-Poland was held New York on 27 September with the participation of Foreign Ministers of Azerbaijan and Poland, Elmar Mammadyarov and Anna Fotyga.

During the forthcoming meeting the Council of National Coordinators it is planned to define prospects if cooperation in this format and increase of openness of the organization in Europe. Moreover, cooperation between GUAM and Poland will also be discussed. Special attention will be paid to issue regarding transport, energy and assistance to Poland in large-scale operative functioning of free economic zone of GUAM, earlier the GUAM Secretariat told Trend.

Text available on World Wide Web, URL:

<http://news.trendaz.com/index.shtml?show=news&newsid=1075402&lang=EN>

**25. Ihor Konovalov, SBU Deputy Chief: "The Cabinet Resolution Says nothing about total Tapping"
By Inna VEDERNIKOVA
Zerkalo Nedeli # 42 (671) 11 — 18 November 2007**

In the wake of constant scandals related to unsanctioned interception of information from telecommunication channels and leaking of discrediting data, including on the top public officials (e.g. scripts of the Parliamentary Speaker's telephone conversation with a foreign ambassador and of a talk between the Ukrainian and Georgian Presidents published on various websites), Resolution #1669 of the cabinet of Ministers dated 29 September 2007 had a blast effect.

For two months now human rights activists and advocacy organizations, MPs and Internet community representatives have been condemning the document for its unconstitutional nature as it, first, vests chief judges of appellate courts with an exclusive authority to make decisions on launching investigative activities and, second, makes this process top secret.

Ukrainian Internet Association publicly accused secret services of exerting illegitimate pressure on it and trying to obtain confidential data on its clients without valid motivation. The Association sent complaints to practically every public agency or institution (including the President of Ukraine) demanding that the Cabinet Resolution be suspended.

Seeking to clear up the situation and ascertain whether the document is in compliance with Ukrainian laws, *ZN* turned for comments to the Ministry of Justice and Security Service of Ukraine (SBU). The latter, pursuant to the presidential decree of 7 November 2005, was placed in charge of all technical aspects of information tapping from telecommunication channels. The question is why the Cabinet of Ministers made such a generous gift to the President, who controls SBU, by simplifying the procedure for law enforcement authorities' access to confidential personal information.

The Ministry of Justice responded with written explanations, which fully coincide with the SBU interpretation. The Security Service, however, opted for a personal contact with the press. Thus, following are the comments of SBU Deputy Chief Ihor Konovalov, former head of the state Committee for Special Communications, Candidate of Technical Sciences.

— Mr Konovalov, today the Cabinet is being blamed for legalizing total tapping in Ukraine. However, it was the President who, back in 2005, commissioned SBU to provide technical facilities for information tapping from communication channels and instructed the government to develop uniform regulations on conducting investigative activities. Why did it take the cabinet so long to draft and approve the regulations? Are they consistent with the President's guidelines?

— It is hard to say why it took the government so long, but I believe the two branches of power achieved mutual understanding in this case. In 2005, massive leakage of operative-technical information took place to the detriment of numerous persons and organizations. That is why the President required that this sphere of activity should be put in order. One of the tasks was to design a uniform procedure for issuing permits to all law enforcement bodies for tapping information from telecommunication channels, among others. The then prime minister Yekhanurov designated the Ministry of Interior as an agency responsible for drafting the relevant regulations.

One of the factors that necessitated the presidential decree was ambiguity of several legislative provisions in this field. For example, according to the law on investigative activities, in some cases a court decision is required for launching such activities, whereas in other cases a special procedure should be followed subject to approval by the Prosecutor General's Office and Supreme Court. The decree, first, disallowed any investigative operations unsanctioned by the court; second, ordered all agencies conducting investigative operations to bring their internal regulations in conformity with the Constitution and presidential decree; third, set a task of elaborating a uniform, open procedure for obtaining court permits.

It is noteworthy that the practice of issuing court permits was similar to the one described in the government resolution, but the process of applying for such permits was regulated by internal rules of individual ministries and agencies. The Cabinet of Ministers streamlined all approaches to the process and made its description accessible to the public.

— Nonetheless, human rights activists argue that the government substituted a reasoned (What do you mean?) court decision (envisioned by the law on investigative operations) with a discretionary order by one judge. Given the prevalence of corruption in the law enforcement and judiciary, this innovation can lead to "ordering" and providing special services.

— I would like to remind you that in Ukraine, justice is administered both collegially and individually. According to the law on the judiciary, ruling by an individual judge is recognized as a court decision. It is also essential that the governmental resolution regulates only the general procedure for obtaining permits. In no way does it dictate a course of action to the judge.

— Another controversial point about the document is its provision whereby "this procedure applies unless otherwise envisaged by law". Does it mean the authorities are free to do whatever is not prohibited by law? When it comes to human rights a different rule should be used...

— I'll give you an example – the anti-terrorist operation "Nord-Ost" in Russia. The security services limited activities of several telecommunication operators and took all sources of signal (including cell phones, satellite terminals) in the area, as well as stationary telephones in the concert hall under their control. They did so without any judicial permits or court decisions. It allowed them to control all telephone conversations in the area. What I am driving at is that there can be non-standard, extraordinary situations that can be neither anticipated nor described in regulations. In such cases the resolution will not work. Instead, direct norms of the law on investigative operations, on combating terrorism, etc will come into force.

class=Section2>

I cannot say this practice is widespread, but it is fairly common throughout the world. As for SBU, it has applied the special procedure only once this year, to prevent an attempt on the life of a guarded person. The suspect was identified within four hours and apprehended, and charges were brought against that person.

— I understand that you will hardly disclose the name of that “protected person”. But why don’t you want to explain to the Internet provider why he has to open his client’s confidential correspondence to intelligence? The government has classified this kind of information.

— I think the way you put this question is not quite correct. In this case providers bring out the government’s resolution in order to draw public attention to their problems. In other words, they use it for self-advertising.

— **Do you mean that it was exclusively for self-advertising that Mr. Olshansky told about SBU officers who came to his office and “demanded the contents of the mailbox of one political party elected to the parliament”? They showed a warrant issued by the chairman of the appellate court and gave no explanations.**

— Our Internet providers want to sell services to clients and be absolutely immune. That’s inadmissible. And I don’t understand why Mr. Olshansky talks about the court ruling. The court always justifies its rulings.

— **It seems that you don’t know that the judicial system in Ukraine is in a state of collapse and most court rulings are, mildly speaking, unjustified. This concerns high-level entities, let alone some small providers that service the mailboxes of business competitors.**

— Let’s not forget that in accordance with the law, a court ruling must be conveyed to the prosecutor’s office within 24 hours. The prosecutor can come and check the investigation. If he finds any procedural or other violations, he can protest the ruling and stop the execution. In a serious case he can call the judge to account.

— **How often does it happen?**

— I can’t say. You should ask the High Court.

— **How do you explain the criticisms leveled at MP Svyatoslav Oliynyk of the Tymoshenko Bloc, the ex-chairman of the subcommittee on human rights, who stated his intention to fight this “enhanced secrecy” of yours?**

— The law must be maximally open, but investigative operations and documents can never be open a priori. In general, there are two concepts of investigative operations with telecommunication channels. The first concept obliges a telecommunication operator to follow all instructions determined by the law for retrieving information from communication channels. In this case the investigator shows a warrant and the operator does everything himself.

— The second concept provides for installation of special devices on the channels. In this case, an authorized law enforcement body performs the operations and is responsible for them. This concept is accepted in Ukraine. However, Ukrainian providers refuse to install such devices, using loopholes in the law and different interpretations of the terms “operator” and “provider”. In this case, an operating officer comes to the provider and informs him about a court ruling. As a rule, the provider’s personnel have no access to state secrets, so there is nobody to inform. In this case the provider is obliged to obey. Probably, this was the case Mr. Olshansky described.

— **Which concepts are accepted in other countries?**

— The first concept is accepted in the UK, Greece, and France. The second one is accepted in Hungary, Russia, and Kazakhstan.

— **Which is more democratic?**

— It’s not a matter of democracy but of the providers’ readiness for this or that concept. The creation of a data interception system is a very costly and complex process. It is always easier to build an

integrated system than many distributed networks. We are working at it, but we often bump into resistance, especially in the web market. I explain it by the absence of regulatory norms for this sector. Of course, international law defines the Internet as a free area that is not subject to national regulation. However, practically all intelligence services use this area as a transmission channel for secret messages. It is an ideal telecommunication instrument for scheming and perpetrating many economic crimes. That's why it's wrong to say that the Internet should not be subject to interception.

— **But if authorities take full control of the Internet, they may just as well make it their own instrument. On the other hand, what should we do about providers who have no access to state secrets but can do bad turns to clients?**

— Article 8 of the European Convention on Human Rights prohibits bodies of state authority to violate citizens' right to privacy except in cases defined by the law and in case it is necessary for national security, public order, and economic well-being. That's why, when an officer comes to the provider with a warrant, the provider can not disobey.

— There have been a number of scandals about tapping the telephones of first persons in the state. Socialists still insist that monitoring of their leader's telephone conversations is the Presidential special services' doing.

— The representatives of Prosecutors Office of Ukraine have been working in Security Service's operative-technical department for several days. They have tested all servers and systems and haven't found any violations.

— Do you think that there should be special communications which can not be tapped in the country?

— On the one hand, we should have a clear idea about the possible consequences to which crimes with using such communications may lead. But on the other hand, the damage to the country, caused by some third party or other country in case information from special communications is accessible, could be considerable.

— According to Ukrainian-Helsinki Union, fighting with terrorism America issued only three thousand permits for tapping in 2004, and stable Ukraine – 40 (!) thousand. What can you say about this information?

— Security Service of Ukraine doesn't keep record of such statistics. This is a prerogative of judicial bodies of power. I can just analyze the situation considering our in-line information as we are the executors of such decisions.

In 2004, the number of sanctions for tapping issued in Ukraine was only 20% higher than in the USA. I think that 40 thousand figure was simply contrived to draw the attention of the public. Besides, it is not possible to complete such a number of tapping operations from a technical point of view. However, don't forget that they can tap without courts' sanctions in the USA – Prosecutor's sanction is enough for that there.

I would like to assure you that during the two years following the President's decree on interception of information the number of sanctions for tapping decreased 30-40% in Ukraine.

— Anyway, what can be the explanation for Ukraine's hyperactive position in issuing sanctions for interception of information? Russia, which has the same situation, is being blamed for totalitarianism, America is being excused as they are fighting with terrorism, and Ukraine, they say, is still being worried by banal property re-distribution...

— I don't see any hyperactivity here. Everything is according to the law. I can say that any state is obliged to secure itself and its citizens from violations of criminal elements. Someway or other, in order to protect some citizens, the rights of other citizens can be violated.

— The President's Decree states that it is necessary to amend some laws.

— Actually, the discussion on three project-laws, which could regulate a lot of controversial issues, has been taking place in Parliament since 2003. The project-law of Cabinet of Ministers on telecommunications monitoring from 07.08.2003 and the documents on interception of telecommunications written by MPs Lebedivsky and Karamzin have been discussed together with Security Service of Ukraine for a long time. However, none of these projects was taken to the session hall of the Parliament.

— How far are we from European standards now?

— We have almost reached the European level of legislation in this sphere. But how do we implement our laws? That's another question.

— Ihor Viktorovych, I think you will agree with the fact that beside legislative regulation of monitoring and interception of information the matter of its future usage is also important.

— This is one of the key matters today. Let's talk about Internet. The Net is used as a fence for different drawing and inscriptions today. If I want to throw mud at somebody, I display the information at an anonymous site. Then their administrator "accidentally" transfers this information to one of the official sites. Then this information also "accidentally" appears in some Internet-publications. And then printed mass media publish this information referring to the above Internet-publications. And no one is responsible for this process. When we start talking about the necessity to regulate these questions on the legislative level everybody says that Security Service is attacking the Internet. However, in this case we see a quite transparent mechanism when anybody can throw mud at any person...

Additionally, our mass media publish texts of conversations saying that these texts are tapped telephone conversations. Isn't it a divulgation? However no one has been brought up to criminal liability for that. However, Article 163 of Criminal Code defines violation of privacy of telephone conversations as a criminal crime. At the same time this regulation is written in such a way that only law enforcement bodies can be responsible for that. Journalists can't be punished for that as they just draw the attention of the public to matters of outrageous despotism.

Isn't it strange to use discreditable information as an instrument of democracy and for increasing personal ratings?

— Then we should admit that services produced by Security Service of Ukraine have become a daily bread to the journalists and the politicians. Whether you like it or not, your Service has turned into an instrument of different political forces...

— I absolutely disagree with the viewpoint that our Service is an instrument in the hands of politicians, although they would like to present it this way. That's why I talk about the law. However, it looks like there are people not interested in establishing order in this sphere.

On the one hand, it is necessary to protect the rights of the citizens, and on the other hand – to protect the officers of special services from statements like "he was tapping me –he is a criminal". There shouldn't be any gaps in the law. This is the main task of our Service today. The President's Decree and the Resolution of the Cabinet of Ministers are the first steps towards fulfillment of this task.

Text available on World Wide Web, URL:
<http://www.mw.ua/1000/1550/61106/>
