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1. WTO accepts Ukraine, bolstering Yushchenko's case at Davos Kyiv Post, 28 January 2008

DAVOS, Switzerland (AP) - The World Trade Organization agreed Friday to accept Ukraine as a member, giving President Viktor Yushchenko a powerful new sales pitch as he made the case here for greater foreign investment.

Membership in the WTO will open up valuable new market opportunities for Ukraine's industrial exports, and will help the country defend its trade interests, seen as especially important amid fears that the current economic uncertainty could lead to increased protectionism.

WTO membership also will require the former Soviet republic to continue reforms aimed at bringing Ukraine closer to the European Union, which it has aims of ultimately joining. Yushchenko also has hopes of steering the country into the European Union and NATO.

Text available on World Wide Web, URL:
<http://www.kyivpost.com/top/28251/>

2. Final decision on Ukraine's entrance to WTO to be made on February 5th Agricultural Marketing Project, 28 January 2008

This Friday the working group on the issue of the entrance of Ukraine to World Trade Organization (WTO) approved the report about the correspondence of the external trade regime of the country to WTO norms. This step let Ukraine join the organization as soon as on February 5th during the meeting of WTO General Council. There is a possibility that Ukraine will continue correcting the state legislation after WTO membership is approved, because nobody revealed all obligations assigned by the signed protocols.

The meeting of the working group on the issue of the entrance of Ukraine to WTO lasted for a little more than an hour on Friday in Geneva; it predominantly consisted of congratulation speeches. Valeriy Pyatnitskiy, Deputy Minister of Economics, Chief Delegate of Ukraine, informed "Kommersant" that the working group approved report together with all annexes. "The way took a long time", Mario Matus, the Chairman of the Group, concluded. He emphasized the value of "the perfect work of the government" on the adaptation of Ukrainian legislation to WTO norms. The text of the report was ready past year; although it has been approved only after Ukraine guaranteed EU to decrease the export tariff rates for iron and nonferrous scrap, sunflower seeds, live cattle and hides (see "Kommersant" issue dated January 18th).

According to Mr. Pyatnitskiy, Ukrainian application for membership in the organization will be considered on the meeting of WTO General Council on the 5th-6th of February. Pascal Lami, WTO President, has already invited Victor Yuschenko, the head of Ukrainian state to personally attend the meeting of the council which is to approve the decision about Ukraine's entrance to WTO on the 5th of February. "The question about Ukraine's entrance is included to the agenda of the meeting of General Council", the source close to WTO Secretariat informed "Kommersant". "The agenda has not been released yet; taking into account the presence of the President of Ukraine, this point will probably be discussed as the issue of primary importance".

The unnamed representative of Russia participated in the meeting of Ukrainian working group; he saluted the soon entrance of Ukraine to WTO. There is an agreement between two countries not to create obstacles to the partner if one of them enters WTO first. "We have asserted many times already that Ukraine's entrance to WTO is not against any country including Russia", Grigoriy Nemyrya, Vice-Prime Minister confirmed "Kommersant" information.

By the way, this does not necessarily mean the absence of trade requirements to be introduced to Russia. Victor Yuschenko said during International Economic Forum in Davos that he is waiting for State Duma of Russian Federation to ratify Ukrainian-Russian free trade agreement dated 1993 and to reconsider the schedule of reconciliation of the questions about the quota arrangement for the products including sugar, spirit and tobacco postponed to 2009-2011. Earlier Sergey Terekhin (BUT), the Chief of Verkhovna Rada Committee of Tax and Custom Policy supposed that Ukraine will also claim Russia to cancel or decrease the tariff rates for oil exports.

WTO members will have no chance to set forth conditions to our country after Ukrainian trade legislation is approved by the working group. The experts admit the possibility that Ukraine will have to bring again the custom and tax norms in accordance to the obligations included to bilateral agreement. The full text of the agreements is not released until to the entrance to

WTO. Julia Timoshenko, the Prime Minister, has ordered to analyze in details all documents signed in the framework of WTO just after she was appointed to this position.

Svetlana Taran, the expert of "CASE-Ukraine" center says that the requirements, recorded in the minutes, will enter into effect automatically in line with the ratification of the entrance to the organization by Verkhovna Rada. "These requirements are included to Ukraine's obligations to WTO; the international agreements are prior to inner laws", she observed assuming that the key changes have been already released and approved. "After Ukraine enters WTO, Julia Timoshenko will visit Brussels (on the 28th-29th of February - "Kommersant"); according to the conclusions of this visit the decision about changes to legislation will be made", Grigoriy Nemyrya informed "Kommersant".

Text available on World Wide Web, URL:
<http://www.lol.org.ua/eng/showart.php?id=54665>

3. Good WTO News for Yushchenko By Andrew McChesney The Moscow Times, 28 January 2008

DAVOS, Switzerland -- February is shaping up to be a big month for Ukraine, and President Viktor Yushchenko -- backed by a group of heavyweight allies in Davos -- said his country should emerge with flying colors.

On Feb. 5, the World Trade Organization's General Council will vote on Ukraine's long-awaited entry into the World Trade Organization -- a decision that could give Kiev an upper hand over Moscow as well as any European capital tempted to resort to protectionism to ward off global economic turmoil.

Then Yushchenko will fly to Moscow on Feb. 12 for his first visit with President Vladimir Putin since Yulia Tymoshenko replaced the pro-Russian Viktor Yanukovych as prime minister.

Yushchenko, speaking Friday at a lunch on the sidelines of the World Economic Forum, gave few details about what he expected from the Moscow visit but indicated that he hoped for some resolution to issues that have strained relations, including gas transit fees and the price that Ukraine pays for Russian gas.

"We would like to see new prospects for settling problems with Russia," Yushchenko told a restaurant overflowing with guests. Organizers had to turn away 250 people.

But first is the Feb. 5 vote that Yushchenko will attend in Geneva. The WTO confirmed Ukraine's accession at a meeting Friday, clearing the way for the largely formal vote by the 151-member General Council. Ukraine will then have six months to pass the legislation that it agreed to as part of its entry. The country will become a member 30 days after that.

"I have no doubt that Feb. 5 will be a great day for Ukraine and Ukraine's business partners," said Yushchenko, who has made WTO membership a priority since becoming president three years ago.

Speaker after speaker took to the lectern after Yushchenko to praise his initiatives and Ukraine's course. The loud praise was in stark contrast to last year's Ukrainian lunch at Davos, where Yanukovich was the guest of honor and faced a barrage of criticism from then-Latvian President Vaira Vike-Freiberga and other guests over his more Russian-focused vision for Ukraine.

Former World Bank president James Wolfensohn applauded Yushchenko's efforts to bring Ukraine into the WTO as well as NATO and the European Union. "I think the steps you are taking would give encouragement to everyone," he said.

Turning to Yushchenko's upcoming talks with Putin, Wolfensohn said, "We look forward to the Feb. 12 visit as another clarification in the role of your country."

Tymoshenko is expected to visit Moscow in a few days to lay the foundation for Yushchenko's trip.

Yushchenko sharply defended Ukraine's desire to join NATO, a move strongly opposed by Russia. "We do not need anybody's authorization, agreement or their 'yes' or 'no,'" he said. "This is not against any country. It is a reflection of our national interests."

The president touted Ukraine's plans to privatize Ukrtelecom and stakes in around a dozen other enterprises this year, and he called on banks and consulting firms to bring their expertise to the table to ensure the sales' success. "We need partners," he said.

He also said Ukraine would like to float 10 companies on the New York Stock Exchange this year.

Yushchenko won a ringing endorsement from Jean Lemierre, president of the European Bank for Reconstruction and Development. "Ukraine has a sound economy from a business viewpoint," he said, identifying the key benefits of doing business there as cheap energy and cheap labor.

He cautioned that the benefits would not last forever and said the main bottleneck to economic growth remained a lack of infrastructure.

Still, Lemierre praised the latest privatization plans and said foreign investors had "a huge appetite" for Ukrainian assets.

Among the hungry investors is Michael White, head of PepsiCo International, who first visited Ukraine as a college student in the 1970s. White said he was impressed with how much the country has changed and said Pepsi was putting its money where its mouth was, purchasing a local juice company, Sandora, for \$542 million last year and switching from Malaysian palm oil to local sunflower oil at its regional potato-chip plant.

Fred Bergsten, a U.S. economist and co-founder of the Peterson Institute for International Economics, also gave Ukraine's economy high marks, saying robust emerging markets like Ukraine provided guarantees that the U.S. financial crisis would not spread across the entire world. "There will not be -- I repeat -- there will not be a world recession," he said.

Bergsten applauded Ukraine's march toward the WTO and said its accession would place it in a better position to defend its trade interests -- particularly against a growing threat of trade protectionism as EU countries consider ways to avoid economic fallout from the United States. The EU is Ukraine's biggest trade partner.

"It is important ... that Ukraine is about to join the WTO," Bergsten said.

Ukraine, Russia and Iran are the biggest countries outside the WTO. Russia has been trying to join for more than a decade, and European Trade Commissioner Peter Mandelson said in Geneva on Friday that he hoped Russia would enter the trade body this year, Reuters reported.

At the lunch, Yushchenko conceded that he had a way to go to reach his goal of "bringing Ukraine back to Europe." But he said his government was taking the right steps by, among other things, creating a new state agency to fight corruption among civil servants and ensure fair parliamentary elections. He noted that the vote last fall was the first in Ukraine's history to be declared democratic by international observers.

"Ukraine is a young democracy, and one has to go to the first grade, then to the fifth grade, and then to graduate," Yushchenko said.

The Ukrainian lunch at Davos, now in its fourth year, was hosted by Viktor Pinchuk, the billionaire son-in-law of former Ukrainian President Leonid Kuchma. The Ukrainian-themed menu included hors d'oeuvres made with slabs of salo, followed by bowls of dark-red borscht smothered in sour cream, honey-marinated beef stuffed with prunes and apples, and cherry vareniki for dessert.

Text available on World Wide Web, URL:
<http://www.themoscowtimes.com/stories/2008/01/28/003-print.html>

4. EU to speed up talks on Russia's WTO bid **By William Schomberg** **Reuters, 28 January 2008**

DAVOS, Switzerland - The European Union will speed up talks with Russia to try to unblock Moscow's long-delayed bid to join the World Trade Organisation, the EU's trade chief said on Friday.

European Trade Commissioner Peter Mandelson told Reuters, after meeting Russian officials, that he hoped Russia could finally take its place in the global trade body this year, more than a decade after Moscow launched its accession bid.

Mandelson met Russian Finance Minister Alexei Kudrin on the sidelines of the World Economic Forum in Davos on Friday.

"It was a useful and constructive meeting and we have agreed to accelerate and intensify our efforts to resolve all remaining difficulties with a view to getting Russia into the WTO this year. This is our clear goal," Mandelson told Reuters.

Russia remains one of only a very few big economies still outside the 151-member WTO and it saw neighboring Ukraine gain clearance from the EU for its accession bid earlier this month.

Joining the organisation would make it easier for Russian exporters, including major producers of steel and fertilizers, to sell their products while at the same time its own market would open up further for foreign companies.

A WTO panel approved Ukraine's membership bid on Friday, clearing the way for the former Soviet republic's accession.

TENSIONS WITH UKRAINE

Under WTO rules, member countries can require prospective new members to make commitments about their trade rules and economic practices.

Ukraine President Viktor Yushchenko, speaking to reporters at the World Economic Forum's meeting on Thursday, said his government would not use its membership of the WTO to hinder the bid by Russia to join the Geneva-based organisation.

Economic and political relations between Moscow and Kiev have been strained in recent years by rows over gas prices.

Brussels has been pressing Moscow to agree to new rules restricting the export duties that Russia applies to some raw materials, especially those on timber which are a big concern for paper producers in EU member countries Finland and Sweden.

Another issue that the EU has previously said it wants Russia to resolve is railway fees that Brussels says unfairly favor Russian ports.

A European Commission official said the number of outstanding issues preventing the EU from signing off on Russia's accession was slowly shortening but problems remained over export duties and railway fees.

"Russia wants a clear sign it will get accession before moving and the EU wants the opposite. It's chicken and egg," the official said, speaking on condition of anonymity.

The EU and Russia have also been at loggerheads over Russia's ban on meat and other food products from Poland.

Russia is also still in talks with the United States about its WTO bid, with Washington seeking undertakings on issues such as intellectual property rights.

(additional reporting by Gleb Bryanksi in Moscow, editing by Ralph Boulton)

Text available on World Wide Web, URL:

<http://uk.reuters.com/article/oilRpt/idUKL2576035420080125?pageNumber=3&virtualBrandChannel=0>

5. Ukraine resumes debt talks with gas trader Reuters, 28 January 2008

MOSCOW - Trader RosUkrEnerg, which sells Russian and Central Asian gas to Ukraine, said on Monday it had resumed negotiations with Kiev over debt arrears and expressed hope that talks would produce results this week.

The firm said on Friday that talks had stalled, raising fears of another gas row between Moscow and Kiev. Previous disputes led to disruptions in Russian gas supplies to Europe as most of Russian exports to the West passes through Ukraine.

"The talks are proceeding. A working group has been created. It is possible that we will see the first results of the talks by Wednesday," Vitaly Kisel, a RosUkrEnerg spokesman, told Reuters.

RosUkrEnerg, half-owned by Russia's gas monopoly Gazprom (GAZP.MM: Quote, Profile, Research), said last week it failed to agree with Ukraine's state energy firm Naftogaz to redeem debts of about \$600 million to the trader for gas supplies in January and last year.

Naftogaz confirmed that talks were proceeding.

Ukraine, which agreed to buy Russian and Central Asian gas through RosUkrEnerg after a price row with Russia in early 2006, is to pay \$179.50 per 1,000 cubic metres this year. That is 46 percent more than in 2007 but still below European averages of \$350.

Ukrainian Prime Minister Yulia Tymoshenko, who took office in December at the head of a pro-Western "orange" government, has said she wants to re-examine gas deals with Moscow. She specifically wants higher fees for Russian gas transit to Europe, which are to rise by only six percent this year.

President Viktor Yushchenko has rejected the idea of raising transit fees.

Tymoshenko, who had difficult relations with Moscow during her first term as prime minister in 2005, questions the role of RosUkrEnerg in gas trade with Russia, saying intermediaries push up prices.

Naftogaz said at the weekend that the scheme of gas supplies to Ukraine has been made more complicated last year, which "may fully destabilise the situation in Ukraine's gas market and disturb stable transit of Russian gas to Europe".

Tymoshenko is making her first trip abroad as premier on Monday to Brussels and is expected to visit Moscow next month to hold talks with Gazprom. (Reporting by Vladimir Soldatkin and by Yuri Kulikov in Kiev, writing by Tanya Mosolova; editing by James Jukwey)

Text available on World Wide Web, URL:

<http://www.reuters.com/article/rbssEnergyNews/idUSL2853778920080128?sp=true>

6. Ukrainian Gas Talks Called Off
BLOOMBERG/The Moscow Times, 28 January 2008

Naftogaz Ukrainy, Ukraine's state energy company, cut short talks about natural gas sales and debt, said RosUkrEnerg, the country's exclusive supplier of the fuel.

Andrei Knutov, a spokesman for the gas trader, said Friday after the negotiations in Kiev that RosUkrEnerg was concerned by Naftogaz's "refusal to conduct a civilized dialogue."

Natural gas export monopoly Gazprom, which owns half of RosUkrEnerg, also attended the talks, as did UkrGazEnerg, a Ukrainian gas retailer, Knutov said. Ukraine owes \$598 million for fuel deliveries, he said.

Ukrainian Prime Minister Yulia Tymoshenko is looking to scrap a December gas-price agreement, raise transit fees for Russian gas exports to Europe and buy fuel directly from Gazprom. RosUkrEnerg was set up to help resolve a dispute during which Gazprom shut off gas supplies to Ukraine in the first three days of 2006.

Russia, which supplies one-quarter of Europe's gas, primarily through Ukrainian pipelines, agreed to increase the transit fee it pays its neighbor by 6.25 percent to \$1.70 per 1,000 cubic meters for every 100 kilometers traveled under a Dec. 4 agreement. Tymoshenko became prime minister two weeks later.

Gazprom raised the gas price for Ukraine by 38 percent to \$179.50 per 1,000 cubic meters of gas under that deal.

Naftogaz spokesman Dmytro Marunich declined to comment when reached on his cell phone Friday.

Text available on World Wide Web, URL:
<http://www.themoscowtimes.com/stories/2008/01/28/044.html>

7. UPDATE 1-Russia-Ukraine gas row looms as debt talks stalled
Reuters, 25 January 2008

Chances of a new gas row between Russia and Ukraine rose on Friday after a trader selling Russian and Central Asian gas to Ukraine accused Kiev of failing to redeem a \$589 million debt.

Analysts and market observers closely watch all pricing and debt disputes between Moscow and Kiev as 80 percent of Russian gas flowed to Europe transits through Ukraine and a previous disagreement has resulted in supply disruptions.

Trader RosUkrEnerg, half-owned by Russia's gas monopoly Gazprom (GAZP.MM: Quote, Profile, Research), said in a statement it had met executives from Ukraine's state energy firm Naftogaz to discuss the debt, which arose from nonpayment for supplies in January and last year.

"Negotiations were broken off at the fault of the first deputy chairman of Naftogaz Ukraine (Igor) Didenko, who refused to discuss issues on the matter and left the negotiations soon after they began," the statement said.

Naftogaz and Gazprom were not immediately available for comment.

The development takes place as Ukraine's political establishment is split over gas agreements reached by the country's previous government with Gazprom over gas supplies in 2008.

Under the deal, Ukraine agreed to pay \$179.5 per 1,000 cubic metres, 46 percent more than in 2007 but still well below Europe's average prices of \$350.

But Ukraine's New Prime Minister Yulia Tymoshenko, who took office in December, has said she wants to revisit gas deals with Moscow and specifically raise fees for Russian gas transit to Europe, which will rise by only 6 percent this year.

Ukraine's President Viktor Yushchenko rejected the idea of raising transit fees.

Pro-Western Tymoshenko, who traditionally has difficult relations with Moscow, has also questioned the role of RosUkrEnergO in gas trade with Russia, saying the presence of the intermediary was making supplies more expensive.

RosUkrEnergO is seen traditionally close to Gazprom. It is not clear who is the ultimate beneficiary of the other 50 percent in the trader. (Reporting by Dmitry Zhdannikov, editing by Marguerita Choy)

Text available on World Wide Web, URL:
<http://uk.reuters.com/article/oilRpt/idUKN2536423220080125?sp=true>

8. Ukraines's debt talks with RosUkrEnergO fails – extended bbj.hu, 28 January 2008

Ukraine's Naftogaz failed to reach an agreement during debt talks on gas supplies with Swiss trading company RosUkrEnergO, which is its sole gas supplier, co-owned by Gazprom, the trader said on late Friday. Ukraine resumes debt talks with gas trader.

RosUkrEnergO AG, which sells Russian and Central Asian gas to Ukraine, said on Monday it had resumed negotiations with Kiev over debt arrears and expressed hope that talks would produce results this week. "The talks are proceeding. A working group has been created. It is possible that we will see the first results of the talks by Wednesday," Vitaly Kisel, a RosUkrEnergO spokesman, told *Reuters*.

Ukraine, which has received over 1 billion cubic meters of Russian natural gas since the start of January and has debts for gas supplies of \$719 million, disrupted the talks when Ukraine's state oil and gas company Naftogaz top manager, Igor Didenko, refused to discuss issues on the agenda and left the talks shortly after they started, RosUkrEnergO spokesman said. "RosUkrEnergO AG company expresses its concern by the refusal to hold a civilized dialogue by Naftogaz," Andrei Knutov, press secretary of the intermediary firm that transports gas from

Turkmenistan to East European countries, added. **Gazprom's** spokesman confirmed that the talks had taken place and said the gas giant was not a key participant in them.

Knutov said earlier the last week: "As of January 23, more than 1 billion cubic meters of Russian gas has been supplied by RosUkrEnergo AG to Ukrainian consumers," adding that debts owed by UkrGazEnergo, a joint venture between RosUkrEnergo and Ukraine's **Naftogaz**, which sells gas in Ukraine, amounted to \$719 million. RosUkrEnergo earlier said it would sell Russian gas to Ukraine in January-March for \$314 per 1,000 cu m to cover a shortfall in Central Asian supplies. In December, Russian energy giant Gazprom and Ukraine agreed that gas sold via RosUkrEnergo would cost \$179.5 per 1,000 cubic meter in 2008 and Russia would pay Ukraine \$1.7 per 1,000 cubic meter for the transit of gas per 100 kilometer, up from the previous \$1.6. Previously, RosUkrEnergo supplied a mixture of Russian and cheaper Central Asian gas, but in 2007 it switched to Turkmen gas.

Ukraine's new government is seeking to review its existing gas agreements with Russia. Prime Minister Yulia Tymoshenko has pledged to remove intermediary firms from the country's gas market, saying Gazprom could deal directly with Naftogaz. Russia's ex-Soviet neighbor has also planned to raise its transit fee to over \$9. The bulk of Russia's gas supplies to the European Union, which account for one quarter of the bloc's demand, runs through Ukraine. A gas pricing dispute with Ukraine at the start of 2006 prompted Russia to briefly cut off supplies to the country. Europe-bound exports were also affected. (rian.ru)

Text available on World Wide Web, URL:

http://www.bbj.hu/main/news_35571_ukraines%25E2%2580%2599s+debt+talks+with+rosukren ergo+fails.html

9. World Bank ups Ukraine '08 CPI forecast to 13.8 pct Reuters, 28 January 2008

The World Bank on Monday raised its 2008 inflation forecast for Ukraine to 13.8 percent from its previous figure of 9.6 percent.

Martin Raiser, a senior economic adviser to the bank in Ukraine, said new adjustments might be needed if the government proceeded with a planned \$4 billion compensation for depositors who lost savings in Soviet-era deposits.

"If this truly does occur, we will be obliged to review our forecast because additional purchasing power will be transformed into inflation," he told a news conference. (Reporting by Natalya Zinets; Editing by Ron Askew)

Text available on World Wide Web, URL:

<http://www.guardian.co.uk/feedarticle?id=7261747>

10. Russia Cuts Radar Ties with Ukraine but Wants Missile Parts
By James Hydzik
Millennium Capital, 28 January 2008

The Duma, Russia's legislature, voted on Friday 388-58 (1 abstention) to stop using Soviet-era ICBM-alerting radar installations in western and southern Ukraine. The lawmakers cited the actions of the current Ukrainian government in regards to joining NATO and the age of the systems as the reasons behind the move. Russia's Communist Party deputies voted against the issue, with the Moscow Times quoting the party's deputy Anatoly Lokot as saying, "With this decision, we are literally pushing Ukraine to join NATO." On Friday the Duma also voted 446-0 in favor of purchasing Ukrainian parts to maintain its SS-18 ICBM missile force.

We see these moves in the Duma as signs of the current reality regarding Ukrainian-Russian relations. The Russians are replacing the ageing radars on foreign soil with state-of-the-art equipment located at home, and this will be a trend in the future as well. However, they still lack the capacity to be self-sufficient in many areas – the defense industry included – and this will continue to benefit Ukrainian manufacturers.

Text available on World Wide Web, URL:
<http://www.mcapital.com.ua/news.php?id=558197>

11. Ukrainians protest NATO membership bid
UPI, 25 January 2008

Protesters took to the streets of Kiev Friday to voice their opposition to Ukraine joining NATO, news reports said.

The Russian information agency Novosti said about 1,000 marchers denounced NATO as "slavery for Slavs" and echoed calls by lawmakers for the government to take back the request for membership in the alliance.

Novosti said the protest appeared to reflect a tepid nationwide response to NATO membership. Ukraine's Democratic Initiatives foundation published a poll recently in which about half of Ukrainians surveyed opposed NATO membership and feared it could drag their country into unwanted military conflicts.

Text available on World Wide Web, URL:
http://www.upi.com/NewsTrack/Top_News/2008/01/25/ukrainians_protest_nato_membership_bid/7348/

12. Ukrainians dream of EU future
BBC News, 28 January 2008

Ukraine's Prime Minister Yulia Tymoshenko is beginning a visit to Brussels, on a mission to boost ties with the European Union. The BBC's Gabriel Gatehouse in Kiev looks at how Ukrainians feel about the bloc - in a country often portrayed as split between east and west.

Last week, Ukrainians celebrated their Day of National Unity. President Viktor Yushchenko laid a wreath at the foot of a statue to Taras Shevchenko.

The location was significant: Shevchenko is regarded as one of the founders of Ukrainian as a literary language. And language is often cited as one of the fault lines running through Ukraine, dividing the mainly Russian-speaking east from the predominantly Ukrainian-speaking west.

Indeed, the very existence of a Day of National Unity would appear to suggest the need for one. But, when it comes to the EU, it seems that Ukrainians are pretty united already.

Hopes for prosperity

In a recent poll, more than 63% of Ukrainians said they were in favour of joining the bloc.

Yes, there were regional variations: westerners were generally more enthusiastic than easterners.

But in most regions, a majority thought their lives would improve faster if their country were inside the EU.

"It is another step to our future, to a better life," one bystander said, as she watched the president lay his wreath.

"Everyone wants to get into the European Union," she said.

'Lack of consensus'

In many ways, ties between Ukraine and the EU are by necessity already strong.

In 2004, with the accession of Poland, Hungary and Slovakia, Ukraine became the EU's eastern frontier.

The EU is Ukraine's largest trading partner - the latest figures show 26.6bn euros (£20bn) worth of bilateral trade in 2006. And it is a figure that is growing every year.

But the government in Kiev wants full membership and has made no secret of this ambition.

Meanwhile, the EU itself is not quite so enthusiastic. The feeling in many EU countries is that, at 27 members, the Union is big enough for now.

"It may take time," said Hryhoriy Nemyria, Ukraine's Deputy Prime Minister with responsibility for European integration.

"We're fully aware there is still a lack of consensus within the EU about the so-called European prospects of Ukraine, meaning membership in the future.

"But we are also aware of the history of the European Union itself: it started from six countries, and now it is a union of 27," Mr Nemyria said.

Russian power

But not everyone shares the minister's optimism.

Dmitry Pasternak is a haulage broker from Donetsk, in the east of the country. He sends cargo by road from Ukraine to destinations across Europe.

His business would benefit if Ukraine were to join the EU. But he says that many in his home town do not believe the EU will ever let them in. And, meanwhile, they fear alienating Russia.

"Russia can easily raise the price of gas, which means additional expenses for ordinary people. People in the Donetsk region have little hope for support from the European Union. I don't think Russia will easily put up with the loss of Ukraine as a loyal partner," Mr Pasternak says.

The EU says it is not trying to drive a wedge between Ukraine and its giant neighbour to the east.

"Relations between Ukraine and the European Union, on the one hand, and Ukraine and Russia, on the other, are not a zero-sum game", says Ian Boag, the head of the European Commission's delegation to Kiev.

"To get on better with one, you don't have to get on worse with the other. We believe it is in Ukraine's interest, and in the European Union's interest, that Ukraine has good relations with Russia," Mr Boag says.

'Not Ukraine's fault'

And with good reason: Russia supplies Europe with a quarter of its natural gas. Some 80% of that is transported via pipelines that run through Ukraine.

Russia briefly turned off the taps to Ukraine in a dispute over energy prices in 2006, causing shortages there and in several EU countries.

The prospect of Ukraine actually joining the EU remains a long way off. And, according to Mr Boag, that is mostly not Ukraine's fault.

"Many people's reluctance to view Ukraine as a candidate for membership has very little to do with a judgement on Ukraine. A lot of it has to do with a judgement on how deep and how far geographically the European Union should go," Mr Boag says.

Nevertheless, Yulia Tymoshenko will want to persuade leaders in Brussels that her country is serious about implementing the reforms the EU has identified as necessary for Ukraine to continue down the road towards membership.

In exchange, there is talk of a possible free trade agreement.



In opinion polls about the advantages of EU membership, Ukrainians consistently mention two things: a higher standard of living, and the opportunity to live and work abroad.

A free trade agreement could well achieve something in terms of the former. For the latter, Ukrainians still have some time to wait.

Text available on World Wide Web, URL:
<http://news.bbc.co.uk/2/hi/europe/7212672.stm>

13. Ukraine promises to push ahead with NATO plans Euronews.net, 26 January 2008

The Ukrainian government is revising its plans to join NATO after an opposition protest prevented parliament from meeting. Up to two dozen members of the Regions party and their Communist allies gathered around the speaker's seat and placed chairs at entrances to prevent access to the chamber.

It comes after Kiev asked NATO last week to grant it a "Membership Action Plan" the first stage of the long-term adhesion process. Polls suggest the country is sharply divided over the issue, but Volodymyr Polokhalo, an MP from the ruling bloc, believes "there were clearly some foreign powers involved in the anti-NATO protest, first and foremost Russia."

Outside parliament, hundreds more protested against moves to join the alliance. NATO ambassadors will study Ukraine's request before meeting in Romania in April, but some insiders say the Action Plan is unlikely to be approved at that summit.

Text available on World Wide Web, URL:
<http://www.euronews.net/index.php?page=info&article=466683&lng=1>

14. Russian parliament annuls deal with Ukraine on Soviet-built radars The Canadian Press, 26 January 2008

MOSCOW - Russia is revising some of its military arrangements Ukraine in light of Kyiv's bid to join NATO.

The State Duma, Russia's lower house of parliament, cited the NATO issue in voting overwhelmingly Friday to annul a longstanding military radar agreement with Ukraine.

Under the 1997 agreement, Russia used data from radar installations near the western town of Mukachevo and the port of Sevastopol on the Crimean Peninsula.

The huge facilities were part of a Soviet system of early-warning radars intended to spot missile launches.

Ukraine this month formally asked NATO to consider its bid for a Membership Action Plan, a crucial step on the road to joining the alliance.

Russia is angered by NATO's eastward expansion and deployments close to Russia's borders. It argues that the alliance is a Cold War relic that should be replaced by other international security arrangements.

Meanwhile, the Duma extended another deal, which calls on Ukraine to help maintain Russia's intercontinental ballistic missiles - a move reflecting the still strong military-industrial ties between the two ex-Soviet neighbours.

However, Russian Foreign Minister Sergey Lavrov has warned that NATO membership for Ukraine would affect bilateral military-technical co-operation with Russia.

Nikolai Pankov, Russia's deputy defence minister, told the Duma that the radar installations were past their designated lifetime, had become too costly to maintain, and were increasingly unreliable.

Pankov said Russia had built a new early warning radar near St. Petersburg and would soon commission another one near the southern city of Armavir.

The Communist party faction in the Duma opposed the move, saying that the decision would strain ties with Ukraine and hurt Russia's security.

"With this decision, we are literally pushing Ukraine to join NATO," said Communist legislator Anatoly Lokot.

Text available on World Wide Web, URL:
<http://canadianpress.google.com/article/ALeqM5hch7XCIFYLt39KmdHHmkEp3sg0dg>

15. Ukrainian Radar 'No' Ukrainian Parts 'Yes'
By Vladimir Isachenkov
AP/The Moscow Times, 28 January 2008

The State Duma on Friday voted to stop using Soviet-built military radar systems in Ukraine because of Kiev's bid to join NATO.

At the same time, lawmakers extended another deal that calls on Ukraine to help maintain Russia's intercontinental ballistic missiles -- a move reflecting strong military industrial ties between the two former Soviet republics.

The Duma voted 388-58 with one abstention to scrap the 1997 agreement with Ukraine that allowed Russia to use data from radar stations located near the western town of Mukachevo and the port of Sevastopol on the Crimean Peninsula. The huge facilities were part of a Soviet early warning system intended to spot missile launches.

Deputy Defense Minister Nikolai Pankov said the Ukrainian leadership's push for NATO membership had prompted the military to reconsider the agreement.

Pankov also told lawmakers that the sites were past their designated lifetime and had become too costly to maintain. He said the facilities had become increasingly unreliable and could produce faulty information on missile launches.

Pankov said Russia had built a new early warning radar site near St. Petersburg and would soon commission another near the southern city of Armavir.

The Communist Party faction opposed the move, saying the decision would strain ties with Ukraine and hurt Russia's security.

"With this decision, we are literally pushing Ukraine to join NATO," Communist deputy Anatoly Lokot said.

Earlier this month, Ukrainian President Viktor Yushchenko, Prime Minister Yulia Tymoshenko and Parliament Speaker Arseniy Yatsenyuk signed a formal request asking for Ukraine's bid for the Membership Action Plan to be considered at a NATO meeting in Romania in April -- a crucial step on the road to joining the alliance.

NATO membership is a highly controversial issue in Ukraine, where opinion polls show that over half of the country opposes it. Pro-Western Yushchenko, however, has declared joining NATO a priority.

Ukraine's NATO bid faces strong opposition from Russia, which has been angered by NATO's eastward expansion and deployments close to its borders and argues that the alliance is a Cold War relic that should be replaced by other international security arrangements.

Foreign Minister Sergei Lavrov warned earlier this month that Ukraine's bid to join NATO would affect the bilateral military-technical cooperation.

Russia has continued to rely on Ukraine's military-industrial complex for supplies of spare parts for Soviet-designed weapons. Underlining this dependence, the Duma on Friday voted 446-0 to ratify an agreement envisioning Ukraine supplying components for the SS-18 Satan missiles, the heaviest nuclear weapons in the Russian military's arsenals.

During Soviet times, the missiles were manufactured by Ukraine's Yuzhmash missile factory in eastern Ukraine.

"It will help strengthen the positions of our allies -- defense plant workers in Ukraine," United Russia deputy Sergei Markov said during Friday's debates.

Most residents of Ukraine's Russian-speaking east oppose Yushchenko's bid for NATO membership.

Text available on World Wide Web, URL:
<http://www.themoscowtimes.com/stories/2008/01/28/019.html>

**16. EU's Barroso says Ukraine free trade agreement talks could start soon
Thomson Financial, 28 January 2008**

BRUSSELS - European Commission president Jose Manuel Barroso said talks with the Ukraine over a free trade agreement could begin in a matter of weeks.

Speaking here after a meeting with Ukrainian prime minister Yulia Tymoshenko, Barroso said negotiations can begin after the World Trade Organisation (WTO) gives the green light to Ukraine accession to the body.

It is a question of weeks,' he said.

The EU is the Ukraine's largest trading partner and its biggest market.

Speaking to reporters, Tymoshenko said she does not want use the Ukraine's entry into the WTO to put pressure on Russia.

Tymoshenko said entry into the WTO is a good tool for Ukraine's integration into the international community and should not be used to put pressure on any country.
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Text available on World Wide Web, URL:

<http://www.hemscott.com/news/latest-news/item.do?newsId=58999965778503>

**17. Ukraine : Working Party adopts Ukraine's 'accession package'
Fibre2fashion.com, 28 January 2008**

After 14 years of accession negotiations, the Working Party on the Accession of Ukraine successfully adopted Ukraine's 'accession package'. This package consists of a Working Party report, market access schedules for goods and services, a draft General Council decision and a draft Protocol of Accession.

The Chair of the Working Party, Ambassador Mario Matus from Chile paid homage to the Ukrainian delegation which he said remained fully committed to completing accession throughout the negotiations. He said that the accession was long and arduous and required difficult policy decisions from Ukraine. He added that the Government of Ukraine had done an admirable work. He also thanked members for their hard work, goodwill, support and spirit of compromise.

Ukraine's Deputy Minister of Economy said that this negotiation was not simple and that Ukraine managed to overcome many complicated obstacles. He stated that Ukraine's membership will make trade ties closer and economically beneficial for all.

Members said Ukraine's accession would strengthen the multilateral trading system and appreciated the great efforts accomplished by Ukraine to finalise this negotiation.

The 'accession package' will be put forward to the General Council for consideration at the meeting on 5 February 2008. Following approval of the General Council, Ukraine will have to ratify the deal by 4 July 2008. Ukraine will become a member 30 days after this ratification.

Text available on World Wide Web, URL:
http://www.fibre2fashion.com/news/association-news/world-trade-organization/newsdetails.aspx?news_id=48972

18. EU urges stability in Ukraine for closer ties
By Marcin Grajewski
Reuters, 28 January 2008

BRUSSELS - Ukraine needs a period of political stability and to reform its economy if the former Soviet republic is to improve ties with the European Union, the EU said on Monday.

Ukrainian Prime Minister Yulia Tymoshenko chose Brussels, not Moscow, for her first foreign visit since her cabinet was approved in December after months of political turbulence, underlining her pro-Western credentials.

"After ... the creation of a new government, we have now have a sense of unity as far as our wish for European integration is concerned," Tymoshenko said.

"The time has come for our relations to take on an entirely new dimension," she told a joint news conference after meeting European Commission President Jose Manuel Barroso.

Politics in Ukraine have remained turbulent since the 2004 "Orange Revolution" brought President Viktor Yushchenko to power.

"To achieve progress we need political stability, we need a Ukraine that is really committed to political and economic reforms," Barroso said after the meeting.

Tymoshenko has settled her differences with Yushchenko, who also strongly backs Ukraine's drive to join the EU one day.

But the wafer-thin majority she received in parliament for her cabinet augurs ill for reform, analysts say.

The EU has so far not offered Ukraine the prospect of full membership, opting for close political cooperation and a future free trade zone with the country that is a major transit route for energy to the West.

Barroso pledged the EU would soon start talks with Ukraine on a free trade pact after Brussels this month cleared the way for the country to join the World Trade Organisation.

During her two-day trip, Tymoshenko was to meet NATO officials. She favours NATO membership for her country, but Ukrainians are deeply divided on joining the military pact, a move strongly opposed by neighbour Russia.

Tymoshenko reiterated promises to make Ukrainian politics honest and transparent after international watchdogs repeatedly said the country has been plagued by corruption.

Transparency would apply to energy policy, she added. (Editing by Keith Weir)

Text available on World Wide Web, URL:
<http://uk.reuters.com/article/oilRpt/idUKL283713820080128?sp=true>

19. Ukraine's PM Wants Direct Gas Purchases
By JAN SLIVA
AP/Forbes, 28 January 2008

Ukraine is seeking to buy natural gas supplies directly rather than going through an intermediary company partially owned by Russia, the country's prime minister said Monday, citing corruption concerns.

Prime Minister Yulia Tymoshenko, on a two-day visit to Brussels, was meeting with EU officials about energy and economy issues.

She said her government planned to eliminate the middlemen from Ukraine's energy contracts, saying "the presence of such intermediaries is the first indication of some corrupt actions."

"Ukraine does not need any additional shadowy middlemen for its gas contracts with Uzbekistan, Turkmenistan, Kazakhstan," she said.

Nearly all of Ukraine's gas imports come through Russia from the energy-rich central Asian nation of Turkmenistan. The gas is imported through the Swiss-based trading company RosUkrEnergo, half of which is owned by Russian energy giant Gazprom and half by two Ukrainian businessmen.

The deal has been in place since 2004. Losing influence over gas imports to Ukraine would likely anger Russia, which is already unhappy with Ukraine's pro-Western policies.

Ukraine and Russia have clashed over gas imports in the past. Moscow temporarily cut off gas supplies to Ukraine two years ago - a shutdown also felt in Western Europe - in a move widely seen as punishment for Ukraine's pro-Western course.

Tymoshenko's talks with officials at the EU headquarters were dominated by trade and energy issues. She got a pledge from the EU to begin negotiations for a comprehensive free trade agreement with Kiev within weeks.

"It's now just a technical matter. When our experts on both sides are ready, we'll start ... it's just a question of weeks," European Commission President Jose Manuel Barroso said.

The talks on establishing a free trade agreement with Ukraine would offer the ex-Soviet republic better access to the EU internal market, but are contingent on Ukraine's accession to the World Trade Organization.

The EU cleared the way for Kiev to join the WTO earlier this month, after Ukraine guaranteed it would cut export duties on some raw materials.

Barroso urged Tymoshenko to carry out political and economic reforms, saying Ukraine's political stability was key to its forging better ties with the EU. The 27-nation bloc has so far rebuffed Ukrainian requests for EU membership talks.

Tymoshenko said that, if Ukraine did get a chance to open accession talks, "it will do its homework." Her government has promised to end years of political turmoil and turn Ukraine into a law-abiding European nation.

The EU is Ukraine's largest trading partner and its largest market. In 2006, it absorbed 25 percent of Ukraine's exports, worth 8.7 billion euros, and accounted for 42 percent of Ukrainian imports, worth 17.8 billion euros.

Ukraine is also an important transit route for western Europe's oil and gas supplies from Russia and the Caspian Sea region.

In Brussels, Tymoshenko also planned to discuss energy issues with the EU energy commissioner, Andris Piebalgs, and the coordinator for the Nabucco gas pipeline project, Jozias van Aartsen.

The Nabucco pipeline, backed by both the EU and the United States, is designed to ease Europe's reliance on Russia by carrying gas from the Middle East and Caspian countries other than Russia via Turkey.

"There will be more pathways ... for greater diversification of energy supplies and energy security," Tymoshenko said.

Associated Press Writer Maria Danilova contributed to this story from Kiev, Ukraine.

Text available on World Wide Web, URL:
<http://www.forbes.com/feeds/ap/2008/01/28/ap4581887.html>

20. Ukraine opposition expects president to call referendum on NATO Itar-Tass, 28 January 2008

The opposition in the Ukrainian parliament will wait till the end of this week for President Viktor Yushchenko's reply regarding his readiness to call a nationwide referendum on Ukraine's accession to NATO.

Communist Party leader Pyotr Simonenko told journalists after a conciliatory meeting of the heads of parliament factions and committees on Monday, "The deputies plan to get together again approximately on Friday in order to discuss the possibility of unblocking the parliament rostrum on February 5."

Parliament speaker Arseny Yatsenyuk should meet with the president until then and discuss the referendum, Simonenko said.

"The president should tell us whether he agrees to use his constitutional powers and call a referendum on Ukraine's accession to NATO. Much will depend on that," he said.

"The main say on this matter should belong to the Ukrainian people,' Yanukovich said, adding that the Party of Regions had given a "political assessment to the letter signed by the authorities in respect of Ukraine's accession to NATO."

The Region of Party's deputies urged Yatsenyuk to withdraw his signature from the letter or the party will continue blocking the rostrum in the parliament.

Another well-known member of the Party of Regions, Taras Chornovil, drew attention to the Russian Foreign Ministry's response to the letter to the NATO secretary-general about Ukraine's membership in the Western Alliance.

The Communist Party leader pointed out that the country depends on gas and other energy supplies from Russia, as well as on the removal of waste from Ukrainian nuclear power plants for recycling in Russia.

Timoshenko said only people could decide on Ukraine's membership in NATO. "Both Russia and Ukraine are rather widely cooperating with NATO today. Cooperation is not excluded. As for accession to NATO, it can be done only through a national referendum," the prime minister said.

Earlier in the day, Vice Prime Minister Grigory Gmyrya also confirmed that Ukraine would decide on its membership in NATO only "on the basis of a nationwide referendum".

Text available on World Wide Web, URL:
<http://www.itar-tass.com/eng/level2.html?NewsID=12304264&PageNum=0>

21. Russia reiterates concern over Ukraine's desire to join NATO RIA Novosti, 26 January 2008

Russia is concerned over Ukraine's drive to join NATO, which may seriously harm Russian-Ukrainian relations, the Foreign Ministry said on Saturday.

Russian Deputy Foreign Minister Grigory Karasin and Ukrainian Ambassador to Russia Oleh Dyomin met late Friday to discuss prospects of Russian-Ukrainian relations in the light of Ukraine's future membership in NATO.

"The desire to accelerate [Ukraine's] accession to this military-political bloc, expressed by the Ukrainian leadership, will entail serious consequences for the development of Russian-Ukrainian relations and will harm European security in general," the ministry said in a statement, summarizing the results of the talks.

Last week, Ukrainian Foreign Minister Volodymyr Ohryzko handed over a request for Ukraine to join NATO's Membership Action Plan to the alliance's secretary general, Jaap de Hoop Scheffer. The Action Plan is a necessary step on the path to eventual full membership of the organization.

Meanwhile, members of the Party of Regions and the Communist Party of Ukraine have urged the country's leadership to recall the request for NATO membership, claiming that such a step was only possible after a referendum.

Prime Minister Yulia Tymoshenko had previously stated that a decision on whether Ukraine should take up any future NATO offer to join the alliance would only be taken after a national referendum.

A recent poll carried out by Ukraine's Democratic Initiatives foundation reported that over 50% of Ukrainians would vote against joining NATO. In the survey, 51.9% of respondents said they viewed NATO as an "aggressive imperialist bloc that would draw Ukraine into military conflicts."

On Friday, Russian lawmakers terminated an agreement with Ukraine on early warning and space monitoring systems, citing Ukraine's failure to provide adequate technical support to radar facilities located on its territory.

Text available on World Wide Web, URL:
<http://en.rian.ru/russia/20080126/97787901.html>

22. UN urges Ukraine to join key Holocaust education and remembrance body AP, 28 January 2008

The United Nations called on Ukraine Monday to join an international body that fosters Holocaust education, remembrance and research. Ukraine, where about 1.4 million Jews died during World War II, is one of the few European countries still outside the 25-member Task Force for International Cooperation on Holocaust Education, Remembrance and Research.

Speaking at a round table devoted to the remembrance of the killings of European Jews during World War II, UN official Francis O'Donnell said Ukraine's joining the group would be an important step to study the tragedy and promote tolerance in society.

«The Holocaust will forever be a warning to all people of the dangers of hatred, racism and prejudice,» O'Donnell said. Oleksandr Gorin, a Foreign Ministry official charged with promoting tolerance, said Ukraine would join the group soon. Historians say 1.4 million of Soviet Ukraine's 2.4 million Jews were executed, starved to death or died of disease during the war. Their remains are strewn around the country in common graves, many of them ignored and unmarked. But due to decades of Soviet secrecy, Nazi atrocities in Ukraine remain a widely understudied chapter of the Holocaust.

Anatoly Podolsky, the head of the Ukrainian Center for Holocaust Studies, said the government has made progress in addressing this once-taboo topic, but that more effort is needed to research the subject and include it in school curriculums. President Viktor Yushchenko, whose father was prisoner at the Auschwitz concentration camp, has led efforts to honor Holocaust victims and promote tolerance. However, Jewish leaders in Ukraine and Israel reacted coolly last year when he honored a nationalist fighter who historians contend organized pogroms and killed Jews.

Text available on World Wide Web, URL:
<http://www.pr-inside.com/un-urges-ukraine-to-join-key-r408941.htm>