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**1. Yushchenko. Reanimation of Power  
By Serhiy Leshchenko  
Ukrayinska Pravda, 9 November 2007**

Viktor Yushchenko keeps trying to seem a strong president. To create the image of a decisive leader who is going to be re-elected the President of Ukraine, Viktor Yushchenko is balancing on the verge, tending to exceed his authority sometimes.

Having felt himself the master, Mr. Yushchenko decided to take advantage of his 'golden share' which he possesses now having the authority to submit the PM's nomination for parliament's approval.

Mr. Yushchenko's current activity contrasts with the passivity demonstrated during his first two years in the president's office.

Mr. Yushchenko has made a dozen of controversial statements for the recent month. These statements must have aroused astonishment of the people well versed in the constitutional rights of the president.

On the next day after the parliamentary election, Mr. Yushchenko raised concerns over slow vote count. “**I commission** law-enforcement bodies to immediately start investigation of delays in submission of the original minutes of the election commissions,” he stated.

Experts in the president’s constitutional rights were astonished by such an order as Mr. President has no direct authority to issue any commissions to the police.

The president’s lawyers often refer to the ephemeral norm of the Constitution stating that the president is “the guarantor of the people’s rights and freedoms.” However, executing this norm the president may get carried away by assuming authority of the prosecutor and the judge.

Article 19 of the Constitution limits space for maneuver: “State officials are obliged to act according to the Constitution and the laws of Ukraine.”

However, the process of creating the image of a strong president conflicts not only with the legislation but also with a common sense.

On October 3, Mr. Yushchenko made his legendary statement at the entrance of the President's Secretariat: “I commission the Party of Regions, the BYuT and Our Ukraine – People’s Self-Defense (...) to immediately start political consultations as to formation of majority in parliament and the Cabinet of Ministers.”

The President had neither rights nor grounds to issue such a statement because he had interfered with the affairs of the two independent political forces: the BYuT and the Party of Regions. For instance, if the BYuT had refused to hold consultations they would have violated the “president’s commission.”

**On October 13**, Mr. Yushchenko’s press service issued another statement dedicated to events in Dnipropetrovsk. The head of state “**commissioned** Prime Minister Viktor Yanukovich to immediately form a state commission to investigate the explosion.”

Mr. Yushchenko’s actions are certainly welcome in these tragic events, but obviously such a commission would have been formed without his initiatives. The other thing is that such president’s commissions are very doubtful.

**On October 15**, the president issued one more statement with the nature of ultimatum. This time it concerns economy issues. “My **demand** remains unchanged – the state budget 2008 must guarantee improvement of social standards in Ukraine,” stated Mr. Yushchenko.

Interference of the resident in the government’s affairs is not stipulated by Ukrainian legislation. The President is only empowered to suspend governmental decrees. However, this statement is more or less justified in the current situation because Mr. Yushchenko can veto the budget.

**On the same day**, Mr. Yushchenko issued orders after explosion in Dnipropetrovsk.

“**I command** all officials concerned to do everything possible to protect people,” he said.

PR constituent of the president’s statement is obvious. All the officials concerned would have done everything possible to protect people even without the president’s blessing.

It would be more correct for the president to say: “I will do everything possible...” However, issuing such a statement Mr. President would have committed himself to personally control the situation.

The phrase “I command” implies a one-time participation in the events. In fact, this statement implies no responsibility of Mr. Yushchenko if something goes wrong.

**On October 17**, Mr. Yushchenko issued a new statement: "According to the Constitution, I declare my readiness to submit the nominations of the Prime Minister and the ministers based on proposals of the parliamentary coalition. I **commission** the BYuT and NU-NS to execute all constitutional norms."

The first sentence of this statement sounds weird. In fact, it can be interpreted this way: "According to the Constitution, I declare my readiness to fulfill duties of the president." How did Viktor Yushchenko imagine another course of events? Could he possibly refuse to submit the PM's nomination thus violating the Fundamental Law?

The second sentence contains the president's commission to an independent political force, the BYuT, Mr. President has nothing to do with. What would Mr. Yushchenko's reaction be if Mr. Kuchma commissioned Our Ukraine to join the coalition with SDPU back in 2002?

**On October 18**, Mr. Yushchenko repeatedly expressed his indignation about slow tempo of the coalition talks. "I **demand** all participants of the coalition talks to accelerate this process."

This president's statement looks absurd because MPs have a month to form a coalition as provided by the Constitution.

**On October 23, in Kharkiv, Mr. Yushchenko criticized coalition talks once again. "I have officially commissioned** Yulia Tymoshenko and Vyacheslav Kyrylenko to assume responsibility for formation of a democratic coalition," he said.

If an order to Mr. Kyrylenko is more or less logical (Viktor Yushchenko is an honorary president of Our Ukraine) then commissions to Yulia Tymoshenko are absolutely absurd.

And finally, on **November 6**, Mr. Yushchenko issued the **commission** to Acting Interior Minister Mykhailo Kornienko to "work out a draft bill that would considerably increase fines for violations of the traffic rules and empower traffic wardens to impose fine sanctions on-site."

This statement lacks common sense. It could have seemed logical two years ago when the president had influence levers on the executive power. According to the amended Constitution, the police is subordinated to the PM and accountable to the Verkhovna Rada.

Besides, when Mr. Yanukovich returned to the PM's office, the government adopted a special resolution according to which Mr. Yushchenko is not empowered to issue any commissions to the government. The president's lawyers called it illegal and threatened to suspend it and dispute in the Constitutional Court.

However, the official website of the Constitutional Court contains a list of submissions from the president as of October 5, 2007. This list contains nothing that could place in doubt this although illiterate but legitimate resolution.

Viktor Yushchenko begins to enjoy the game of getting his powers back. Taking advantage of the coalition uncertainly he takes back the power that he thinks must belong to him.

This presidential "vacation" when he can set conditions will end after positive voting on the new PM.

The President follows the logic that the President's Secretariat can refuse the proposed nomination for the PM.

In the conversation with *Ukrayinska Pravda* representatives of the President's Secretariat have their own arguments. They claim that if Viktor Yushchenko has 15 days to submit this nomination it means that he does not act as a mere postman, thus he has the right to set his conditions.

However, there are no decisions of the Constitutional Court that would approve Mr. Yushchenko's right to bloc submission of the PM's nomination.

Neither Yulia Tymoshenko nor Viktor Yanukovich have publicly reacted on Mr. Yushchenko's interference with their affairs. They understand that Mr. Yushchenko has another influence level. This is pressuring Our Ukraine with the aim of forming a coalition either with the BYuT or the Party of Regions.

This factor makes leaders of the two most influential political forces quietly listen to the president's increasingly higher demands to the potential coalition partners.

The president's bloc has the most awkward position in this situation.

Collecting signatures under the strange document that allegedly concerns coalition formation is a vivid example.

As known, as of Tuesday it was officially declared that three NU-NS members refused to sign this document. These are Ihor Kril, Vasyl Petyovka (both are Viktor Baloha's allies) and Ivan Plyushch who is the main supporter of the broad coalition.

If all NU-NS MPs except Kril, Petyovka and Plyushch have signed the document the total number of the coalition equals 225. This number can equally form and destroy the democratic coalition.

It is a very favorable situation both for the President's Secretariat and Viktor Baloha with his ambitions for the PM's office to make a pause, thus showing instability of the coalition proposed by Tymoshenko, Kyrylenko and Lutsenko.

That is why there is no wonder that several NU-NS members refused to sign this document.

However, this 'riot of the three' has no consequences whatsoever.

Moreover, the document has been almost classified. This arouses suspicions that more NU-NS members refused to sign it. This may be for instance Stelmahk or Palytsya.

According to sources of *Ukrayinska Pravda*, the long-suffering document is a mere political declaration consisting of three hackneyed items.

"When I signed the document it contained obligation to form a democratic coalition with the BYuT, join NU-NS parliamentary faction and support coalition program," said one of Our Ukraine MPs.

A real coalition agreement will be signed when all MPs take an oath of office in the new parliament. Thus, the above-mentioned document has no value. It only pressures those NU-NS members who hesitate with their choice.

However, all these intrigues are the "public side of the medal."

It was Vyacheslav Kyrylenko who initiated collecting of signatures. His close ally Oleh Humenyuk possesses the only original of the document.

Thus, Mr. Kyrylenko intends to show that he fully controls his faction.

However, it turned into a circus. The public can now see the anarchy in the NU-NS which has more than three decision-making centers.

When Mr. Baloha's people refused to sign the document, Yulia Tymoshenko received a signal that Mr. Baloha possesses the 'golden share' and her coalition talks with Kyrylenko and Lutsenko are a waste of time.

Intrigues in the bloc are the trademark of Our Ukraine. Besides the race for power in the future parliamentary faction, Kyrylenko, Lutsenko and Baloha are now fighting over formation of a united party.

NU-NS declared that formation of a united party after election was a mandatory condition for its further coexistence in a new mega-party.

Last year Viktor Baloha assisted Mr. Kyrylenko's election of Our Ukraine leader. However, in course of time a young leader started playing his own game which made Mr. Baloha angry. The Head of the President's Secretariat considered Mr. Kyrylenko a marionette.

As a result, NU-NS started a real war for power in the bloc. To strengthen own positions Mr. Baloha initiated backstage formation of a united party. His logic is clear. A new party will need a new leader. Mr. Kyrylenko will not become the new head of the party.

Mr. Kyrylenko decided to officially form a united party being aware that he is losing power. As a result, Our Ukraine Political Council created three working groups that would work out the statute of a new party and its action plan.

Mr. Yushchenko who never misses a chance to interfere with Our Ukraine affairs quietly observes this process. He lets the strongest win in order to use the new party in his presidential election campaign.

Permanent Link: <http://www.pravda.com.ua/en/news/2007/11/9/9383.htm>

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## **2. Leaders meeting sought to avoid crisis Ukrainian Journal, 8 November 2007**

Ukrainian leaders must meet Thursday to agree on the date for Parliament to hold its first session after election to prevent a major political crisis, Volodymyr Lytvyn, former parliament speaker, said Wednesday.

Lytvyn, whose centrist party won 20 seats at the Sept. 30 snap election, made the call after a special working group had for the second day failed to approve key decisions on the session.

The Regions and Communist parties, whose pro-government alliance is likely to be replaced by the

The Lytvyn group, which sent one lawmaker to the meeting on Tuesday, decided to skip the meeting on Wednesday.

"Political groups are poised for a conflict," Lytvyn said Wednesday. He said the political leaders, including Prime Minister Viktor Yanukovych and opposition leader Yulia Tymoshenko, must meet "to avoid a further conflict scenario."

Parliament is now facing a delay of its first session following the Sept. 30 election as Yanukovych's Regions Party has been refusing to register its lawmakers at the Central Election Committee.

The meeting is needed to approve organizational basics, such as to approve an interim chairman and the date for the first session of Parliament.

The meeting needs a quorum of 16 lawmakers proportionally representing Parliament's all groups, but only 15 lawmakers - from the Tymoshenko group and Our Ukraine-People's Self-defense - had attended the meeting on Wednesday.

With the Lytvyn group, which is authorized to send one lawmaker, the meeting would have the quorum. Lytvyn, however, refused to send the lawmaker amid fears that confrontation between Tymoshenko and Yanukovych would escalate, instead urging for a compromise between the two.

The Ukrainian law stipulates that the first session of Parliament must be held no later than two months after the election, which sets the deadline at Nov. 26.

Tymoshenko, whose group jointly with Our Ukraine-People's Self-defense will control a slim majority of 228 seats, said Wednesday that her party will work hard to make sure that Parliament holds the session on Nov. 20.

"I think people have been waiting for too long for [new] legislation," Tymoshenko said.

However, the Regions Party, which will control 175 seats, said the session should take place Nov. 25. Viacheslav Chornovil, a spokesman for the Regions Party, rejected speculations that the party may skip registration and thus automatically making the next Parliament incapable.

"Let me calm down everybody," Chornovil said. "All lawmakers elected on the ticket of the Regions Party will get their registration certificates this week." (nr/ez)

Text available on World Wide Web, URL:  
<http://www.ukrainianjournal.com/index.php?w=article&id=5530>

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### **3. Ukraine to Spend \$6m for NATO Promotion Kommersant, 8 November 2007**

*Ukraine will spend roughly \$6 million in the following three years to promote membership in NATO. The respective document was approved by the cabinet of Viktor Yanukovich.*

The state program for informing the nation about integration into the NATO will be in force in 2008 through 2011. The State TV and Radio Broadcasting Committee is to submit the actual program to the government by December 1, 2007.

The previous program that took effect in 2004 to last through 2007 cost \$1 million to Ukraine. During the period, the nation was to be brought up to date in respect of NATO's transformation, peaceful efforts of this organization and consequences of NATO membership.

According to the better part of Ukrainian policymakers, the country should join NATO and EU in future. The polls, however, signal that only 30.9 percent in Ukraine support the idea of NATO's membership and no more than 24.2 percent of them would vote for it during the referendum.

Text available on World Wide Web, URL:  
[http://www.kommersant.com/p-11616/NATO\\_Ukraine/](http://www.kommersant.com/p-11616/NATO_Ukraine/)

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### **4. Tymoshenko, Bogatyryova and Kateryna Yushchenko are the most influential women of Ukraine UNIAN, 8 November 2007**

Yulia Tymoshenko, Raisa Bogatyryova, Kateryna Yushchenko became the three most influential Ukrainian women in line with the rating "100 the most influential women of Ukraine in 2007", drawn up by Focus magazine.

Magazine's editor in chief Mykhaylo Gladkyi said this to the news conference in UNIAN today.

The fourth place is occupied by Yulia Mostova, 5th – Ganna German. At the 6th place there is Valentyna Semenyuk, 7th – Vera Ulyanchenko. The 8th place is occupied by Inna Bogoslovskaya, 9th – Maryna Stavnichuk and the 10th place by people's artist of Ukraine Sophia Rotaru.

The experts were 31 men from politics, business, science, journalistic and show business spheres. They elected the hundred of the most influential women of Ukraine.

According to the words of M. Gladkyi, the magazine gave experts the list, which consisted of 130 nominees and the experts distributed the places. After that, Focus magazine prepared a consolidated rating.

Among the experts were People's Party chief Volodymyr Lytvyn, author and anchorman of "Freedom of Savik Shuster" TV-program Savik Shuster, BYuT member Andriy Shkil, member of the Our Ukraine – People's self Defence Bloc Oleksandr Tretyakov, director of Sophia social researches center Andriy Yermolayev, general director of ICTV channel Oleksandr Bogutskyi.

Constant URL of article:  
<http://www.unian.net/eng/news/news-220836.html>

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## **5. NGO: winter too early for snap election to Kyiv's city council** **By Stephen Bandera** **Kyiv Post, 7 November 2007**

Spring or summer of 2008 is the soonest pre-term mayoral elections could be held in Kyiv, according to elections watchdog Committee of Voters of Ukraine.

In an Oct. 23 report the CVU noted that current Kyiv Mayor Leonid Chernovetskiy and heavyweight boxing champion Vitali Klitschko would likely be frontrunners in a snap mayoral race.

The likely coalition agreement between Yulia Tymoshenko's Byut and the pro-presidential Our Ukraine-People's Self-Defense blocs includes working together toward early elections in the capital – something Byut has been demanding in the last year.

The CVU said that Ukrainian law provides three possible ways to terminate the current city council early: via referendum, a city council vote, or by national parliament.

The CVU said previous attempts to hold a referendum failed partly due to shortcomings in the law regulating plebiscites. If the new parliament changes the law and a new petition of nearly a quarter-million signatures demanding the referendum is successful, then the Kyiv-wide confidence vote could take place as early as May. New elections, however, could take place as late as September of next year, according to the CVU.

Chernovetskiy is supported by a slight majority of the 120 elected officials divided across 11 factions in the current city council, making it highly unlikely that two-thirds of the council will vote to voluntarily disband.

The CVU noted that some of the deputies may lose their seats if the Constitutional Court ruling on the "imperative mandate" finds elected officials cannot defect from their parties after being elected on their ticket. The court's decision is expected in the next three months. Even so, the soonest early mayoral elections could be held is August of next year, according to the CVU.

Concerning the prospect that the new parliament will vote to disband the Kyiv city council, the CVU pointed out that the courts should first rule that the municipal council acted illegally.

"The Klitschko Bloc's claim concerning the illegality of Kyiv council decisions of Oct. 1 can become the first real step in this direction," according to the NGO.

Klitschko's bloc filed a claim with the city administrative court against the hundreds of land transfers that were passed by the council in a matter of a few hours on Oct. 1. Several court cases and inevitable appeals will take three to four months, according to the CVU.

"If there is a slight majority of only 228 deputies [in the parliament], this majority will not vote no-confidence in the Kyiv government because of ties that many have with the city's leadership," the CVU's experts wrote. City council deputies elected on the pro-presidential Our Ukraine list last year voted with the Chernovetskiy Bloc to push through controversial land decisions on Oct. 1 that gave away around 3,000 hectares, or about 3 percent of Kyiv territory to city council members.

"Only if the idea of voting no-confidence is supported by the Party of Regions and Lytvyn Bloc factions... then the elections could be held in April-May 2008."

"Early elections in Kyiv can only be held as a result of a professional and active campaign by forces that are in opposition to the mayor," the report concluded.

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/nation/27765/>

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## **6. Journalists stage protest pledging to eliminate paid-for news** **By Dariya Orlova** **Kyiv Post, 7 November 2007**

Around 50 journalists and activists of the "We Don't Sell Ourselves!" initiative held a symbolic demonstration on Oct. 6 against the broad practice of paid-for news reports and pledged to prevent their production and dissemination in the media.

Journalists said they would monitor 10 leading Ukrainian national TV channels for airing made-to-order reports, called "jeansa" in Russian, which is slang for "money in the pocket."

"Paid stories in news broadcasts, guests buying airtime, and wholly ordered TV programs are no longer just a few cases. They have become a widespread phenomenon, a well-managed industry, which drives out real news, analysis and discussions," read the journalists' statement.

Ihor Sobolev, protest leader and news presenter at Ukraine's 5 Kanal (Channel 5), said that "jeansa" is currently rampant in broadcasting.

"Today there are more paid-for materials in the mass media than at any other time," Sobolev said.

Protesting journalists signed a pledge to not take part in the proliferation or presentation of pre-paid news.

Sobolev also said that each case of purchased journalism should be made public. "We hope that by the end of the month we will have accurate information on paid-for materials broadcasted through TV channels."

Journalists plan to award a monthly "anti-hero" prize of Hr 30 (\$6) to their colleagues caught in the act.

The rise of "jeansa" is associated with the recent elections.

"On some TV channels, all broadcasted election video materials were paid for. In most cases, it was a conscious TV management policy," said Viktoria Syumar, director of the Kyiv-based Institute of Mass Information, a media watchdog.

Speaking at a conference devoted to paid-for reporting several weeks ago, Natalia Ligachova, chief editor of the Telekritika media watchdog publication, said that "during the [parliamentary] election campaign, some TV station owners made \$30-40 million. Television became a mere mouthpiece of messages from big business and politics, whose interests usually diverge from those of civil society."

Paid-for reports were present on all TV channels during the election campaign, albeit in varying degrees, according to experts.

"We've been fighting with censorship from the authorities for so long that we've eventually been censored by money," noted Syumar.

Commenting on the journalists' protest, Syumar said, "We would rather have heard this statement not today, but during the peak payment period of the election campaign. It would have been more appropriate then, but we still welcome this statement."

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/nation/27770/>

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## **7. Chinese man freezes to death in Ukraine border-crossing attempt Earthtimes.org, 8 November 2007**

A Chinese man died from cold and hunger while attempting to cross the Ukrainian border into the European Union member state Slovakia, Korrespondent magazine reported Thursday. The victim had died of exposure to the elements aggravated by extreme hunger, a Slovakian border patrol found.

Ukraine and Slovakia's mountainous Carpathian region in recent days has been hit by this season's first taste of Winter weather, with snow fall and temperatures dipping well below freezing in mountain areas.

An Indian national lying next to the Chinese was still alive, and was transported to a Slovakian hospital for treatment. He is expected to recover, said Tatiana Herasimchiuk, a Ukraine border troops spokeswoman.

Another eight persons of Asian origin, and thought to have originally accompanied the Chinese and Indian, were arrested while walking down rural road near Slovakia's border with Ukraine.

The group apparently abandoned the two men because they were unable to keep up, Herasimchiuk said.

Ukrainian police in a subsequent raid of a house in Maly Berezny, a Ukrainian border village, discovered another nine Chinese illegal migrants locked in the building.

The Chinese told law enforcers they had paid four gangsters to smuggle them into Slovakia, but the Ukrainians locked them inside the house, denied the Chinese food, and beat those complaining of the treatment.

The captives' shoes were removed to prevent escape, according to the report.

Police arrested the owner of the house, who reportedly said he was renting out the building legally, and had no knowledge of plans to transport illegal migrants. Law enforcers were searching for the alleged mobsters.

The nine Chinese were being held in a jail in the city Chop, and would be sent home in coming months, Herasimchiuk said.

Ukraine's western Zakarpatia region borders on Hungary and Slovakia, and is a key transit point for migrants from East and Southwest Asia attempting to enter the European Union illegally.

Zakarpatian border villages are often economically depressed, leading some villagers to cooperate with human trafficking gangs trying to move illegal migrants across the border.

The region itself is mountainous and thinly-patrolled.

Text available on World Wide Web, URL:  
<http://www.earthtimes.org/articles/show/138630.html>

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**8. Unearthing mass graves in Ukraine unveils history**  
**By Michael J. Jordan,**  
**JTA, 9 November 2007**

In May, Ukrainian workers laying a gas pipe in a southern village dug into a buried chamber of thousands of Jews killed during the Holocaust.

That same month, a construction crew building a new office complex in western Ukraine burrowed into the corpses of several dozen more Jews.

Stumbling upon such mass graves is not particularly unusual in Eastern Europe.

Less well known is how many more "martyr sites" lie undiscovered and unmarked in fields and forests across the region -- wherever mobile Nazi killing units scorched the earth in the so-called "Holocaust of bullets."

It seems momentum is growing in the search for such sites.

French Catholic priest Patrick Desbois has pinpointed 600 in Ukraine over the past seven years, and says he may find another 1,800 as he moves farther east.

The Killing Sites Project of the Yad Vashem Holocaust Memorial in Jerusalem has identified from archives some 700 settlements in Ukraine and 200 in Belarus where Jews likely were massacred.

Even on Polish soil, where it seems every aspect of the six Nazi death camps has been dissected and detailed, the country's chief rabbi says evidence is mounting that a number of unmarked mass graves remain in the country's eastern woodlands.

"From time to time we'd hear about them," Rabbi Michael Schudrich said. "But over the past two to three years, more have come forward.... You begin to realize we may be talking about a much larger number than anyone was talking about previously."

Marking and memorializing these killing fields makes for far more than a historical footnote. Research may one day alter the 6 million figure of Jewish victims of the Holocaust, as recently opened archives in Eastern Europe enable researchers to fill in the blanks of what had been a virtual black hole in Holocaust research: the genocide of Jews in the Soviet Union.

With archival materials and witness testimonies casting a spotlight on what today is Ukraine, Belarus, Moldova, eastern Romania and western Russia, scholars soon may be able to record a more accurate death toll from the Holocaust.

Those who still lie buried in unmarked pits may help elucidate.

The primary problem in finding the mass graves is the nature of the killings themselves, which began well before the first gas chamber was operational in Poland in 1942.

When Nazi forces invaded the Soviet Union in July 1941, paramilitary units called Einsatzgruppen, or "special-duty groups," trailed behind, systematically cleansing the countryside of Hitler's "Jewish-Bolshevik" enemies.

The most notorious event occurred at Babi Yar, a ravine in Kiev where nearly 34,000 Jews were shot over two days in September 1941.

The Einsatzgruppen's own records claim responsibility for 1 million deaths; historian Raul Hilberg puts the figure at 1.4 million.

After the Holocaust, relatives who might have memorialized these killing sites were dead themselves or had fled elsewhere.

Then, as the Iron Curtain came down on Eastern Europe, the Soviet Union -- which had lost 20 million of its own citizens during the war -- ordered that no one ethnic or religious group be singled out for its victimization. Instead the carnage was portrayed as an ideological battle between communism and fascism.

This helps explain why the memorials the Soviets did build often were labeled generically for "Soviet victims of fascism."

After Stalin launched his anti-Zionist crusade in the early 1950s, the topic of Jewish victimhood became taboo and those probing it ran the risk of imprisonment.

Nevertheless, members of the Extraordinary Soviet Commission to Investigate the Crimes of the Nazi Occupiers were quite meticulous in documenting the Nazis' vast crimes, Western researchers say, and their evidence was used in court to convict alleged collaborators.

Yet while Germany became a treasure trove for Holocaust research, the Soviet Union remained closed.

Only in recent years have researchers begun to reveal the stories Soviet archives have to tell.

"Political developments in the past 20 years have enabled us to focus on an area of the Holocaust that may not have been prioritized enough," said Philip Carmel, international relations director for the Brussels-based Conference of European Rabbis, which is pursuing an ambitious project of its own to document the Jewish cemeteries of Europe.

One of the more critical breakthroughs in researching the unmarked graves came when the vast Soviet archives on the subject were copied and transferred to the U.S. Holocaust Memorial Museum. When cross-referenced with other sources for reliability, these once-sealed archives illuminate a trail for researchers to follow and unravel the mystery of missing bodies.

A windfall of material also came from the International Tracing Service's secret Holocaust archive at Bad Arolsen, Germany, which recently transferred its millions of images of concentration camp survivors to the museum in Washington.

Buffered by this research, the mass graves movement appears to be gathering speed.

Desbois soldiers on with his small but methodical project. Schudrich says the Polish Jewish community soon will be reaching out to non-Jewish Poles to help locate the last remaining mass graves.

The director of Yad Vashem's Killing Sites project, David Bankier, says he and his colleagues plan to start field research next year in Ukraine.

"Why is this important? It's important for the Jews who live in these countries," said Bankier, who heads Yad Vashem's International Institute of Holocaust Research. "They would like to have a gravestone on the site where their family members were assassinated. And these are the only cemeteries for them."

But even if these graves are discovered and marked, what next?

With few or no Jews remaining in these areas to preserve and protect them, untended sites may become vandalism or looting targets.

Some marked sites already have been spotted with bits of bone lying about. Experts suspect looters went excavating for gold, jewels and other valuables.

Marking these sites "kind of identifies for them where to dig, so rather than be helpful, it does the reverse," said Rabbi Andrew Baker, director of international Jewish affairs for the American Jewish Committee.

"If you create a memorial, have a ceremony, then go back to Israel or the United States, the concern is what happens to that site. You haven't completed the task."

Text available on World Wide Web, URL:  
<http://www.jewishjournal.com/home/preview.php?id=18468>

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#### **9. Ukraine's President comments on turmoil in Georgia RosBusinessConsulting, 9 November 2007**

RBC, 09.11.2007, Kiev 10:55:32. Ukraine's President Viktor Yushchenko believes that only the development of a dialog between all sides interested in settling the conflict in Georgia could create a positive outcome for the current situation. The republic's leader made this statement during a press conference in Poltava, the President's press office reported today.

Yushchenko added that Georgia's authorities had to respect the country's Constitution, as well as the rights and freedom of its citizens. He also pointed out that the conflict in Georgia was solely a domestic matter and had to be resolved by means of democracy.

Text available on World Wide Web, URL:  
<http://www.rbcnews.com/free/20071109105532.shtml>

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#### **10. Ukraine following recent developments in Georgia NRCU, 8 November 2007**

*Ukraine urges parties to the conflict to stick to constitutional rules and adhere to democratic norms and standards, the Thursday statement of the Ukrainian Foreign Ministry said.*

As the Foreign Ministry's press service dwelt on the situation, Ukraine calls on restraint and avoiding steps, which provoke escalation of tensions. Only constructive dialogue between the parties can be a key to settlement of the crisis situation, promote stability and calmness in the country. The Ukrainian Foreign Ministry states the events in Georgia are its internal affairs. Still, Ukraine confirms its readiness to assist Georgian democracy, if need be. Ukrainian Foreign Minister Arseniy Yatseniuk urgently dispatched his special representative, Deputy Foreign Minister Kostiantyn Yelyseyev to Georgia. As is known, the Georgian president introduced the state of emergency in Georgia for 15 days, during which period collection and spread of information, freedom of assembly, manifestations and strikes is restricted.

Text available on World Wide Web, URL:  
<http://www.nrcu.gov.ua/index.php?id=148&listid=54904>

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**11. Ukraine calls on Georgian government, opposition for restraint  
Xinhua, 8 November 2007**

Ukraine called on the Georgian government and opposition on Thursday to not escalate tensions in the country.

The Ukrainian Foreign Ministry said in a statement posted on its web site that "only constructive dialog among all parties can be the key to rectifying the situation, and guaranteeing stability and peace in the country."

The Foreign Ministry pointed out that the events in Georgia are purely its internal affairs.

"At the same time, Ukraine once again stressed its readiness to provide, if necessary, its assistance for Georgia", the statement said.

It also recommended Ukrainians avoid traveling to Georgia.

According to reports, Ukrainian Foreign Minister Arseniy Yatseniuk has sent special representative, Deputy Foreign Minister Kostiantyn Yelyseyev, to Georgia.

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

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**12. Visa confusion  
By Editorial  
Kyiv Post, 7 November 2007**

The issue of visa-free travel in Ukraine and the stricter application of the 90-day visa-free rule is one of concern for many of our readers. As an article in this week's issue of the Post points out, Ukraine considers the 2005 decree on visa-free travel for Europeans, North Americans and Japanese to have been a gesture of good will – one that has not been reciprocated.

Ukraine is right in demanding better treatment for its own citizens traveling abroad. But in the long run, the country may be cutting itself out of the lucrative tourist loop by introducing measures that are unclear in their definition and enforcement.

As for expats looking to circumvent the rules to secure prolonged stays in Ukraine, they should get their residency permits or make arrangements to at least pay taxes in the country.

Ukrainian employers that wish to hire foreigners to work in Ukraine should be responsible for securing visas and the necessary work permits, and not leave that as a problem to be resolved by their expat employees.

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/opinion/editorial/27763/>

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**13. Ukraine, Poland, to facilitate contacts between residents  
UNIAN, 9 November 2007**

On November 5, 2007 Deputy Minister for Foreign Affairs of Ukraine Kostyantyn Yeliseyev met with Ambassador of the Republic of Poland to Ukraine Jacek Kluczkowski, according to the MFA press-service.

The parties discussed the present state of Ukrainian – Polish relations and interaction at the European integration line.

Special attention was paid to preparation of the Ukrainian – Polish Intergovernmental Agreement on the Regulations of Local Border Traffic. Implementation of the said document would enable to facilitate contacts between residents of the border regions of the two states significantly.

Functioning of joint border-customs control over goods and vehicles crossing the Ukrainian Polish frontier was touched.

The Ambassador of the Republic of Poland informed of internal political situation development in the country by the results of prescheduled parliamentary elections of October 21.

Constant URL of article:  
<http://www.unian.net/eng/news/news-220344.html>

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#### **14. Ukraine finished WTO talks with Vietnam UNIAN, 8 November 2007**

A Ukrainian delegation, headed by deputy Economics Minister Valeriy Piatnytskiy, has successfully held bilateral talks concerning the Ukraine's access to the World Trade Organization with a delegation of the Republic of Vietnam, headed by deputy Minister for Industry and Commerce Le Zan Vin.

According to the press-service of the Ukrainian Economics Ministry, the sides agreed to finish the bilateral talks and to carry out all respective internal procedures concerning approval of the signed documents by 15 November.

According to Economics Minister Anatoliy Kinakh, the Ukrainian delegation has proven once more that Ukraine chose the course towards democracy, and is busy with forming a competitive economics.

Ukraine has finished talks with all WTO working group members, except for Kyrgyzstan, and has signed 49 protocols for mutual access to markets of goods and services.

Vietnam became the 150th WTO member on 12 December 2006.

Constant URL of article:  
<http://www.unian.net/eng/news/news-220740.html>

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#### **15. E. Europe house price rise likely unsustainable-EBRD By Alan Crosby Reuters, 8 November 2007**

PRAGUE - 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 (EBRD) 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." 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.

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."

Text available on World Wide Web, URL:  
<http://www.guardian.co.uk/feedarticle?id=7061055>

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#### **16. U.S. Ambassador Taylor`s speech at Kyiv University UNIAN, 8 November 2007**

*Ambassador Taylor`s Speech at Kyiv International University (November 5, 2007)*

Ambassador Taylor:

It's great to be here on the morning of the first snow in Kyiv this year. I think this is an auspicious beginning, and I am very very pleased to continue in the tradition of U.S. ambassadors coming to speak to Kyiv International University. Thank you very much for having me.

The first part of this discussion, as the rector has said, is what I have to go through in order to get to the second part of this morning, which is what I enjoy more, which is your questions. So I will make some remarks this morning talking about Ukrainian politics, Ukrainian democracy, something about American democracy, but then I would very much appreciate the opportunity to hear your reactions and to get your questions about anything that I've said, or anything else that's on your mind. So again, thank you for having me.

I understand that the rector is the first and the only rector of this university, and I am pleased that I am able to speak to the students of a private university that is here in the capital of Ukraine that is moving in the direction that you want to see it go.

I got here about a year and a half ago. And when I got here a year and a half ago in June, this was June of 2006, you'll recall, I got here after your elections of March 2006, and you were still in the process of putting together a government, you were putting together a coalition. When I arrived, I told some people, maybe some of the people of the press who are here, that I was glad to be here. I was going to be here for 3 years, I was going to have a 3-year tour, and I said in June of 2006 that I was glad to be here during a time that there would be no more elections. It turned out of course that I was wrong, that you and your leaders decided that there would be elections. Democracies have elections, so elections are a good thing for a democratic people. I was very pleased to have been here to see that election, even though it surprised me. I didn't think that I was going to be able to see one. And those elections, now a month ago on the thirtieth of September, were free and fair and good elections. And now, of course, you are in the business, your elected officials are in the business, again, of putting together a coalition, and you are again listening to the different kinds of coalitions that could be formed.

I have said before and will continue to say that the United States Government doesn't have a preference on what kind of coalition your elected representatives put together, whether it is an Orange coalition, or a broad coalition, or some other coalition. Since there was a free and fair election, the United States Government, I think most governments around the world are very pleased to work with whatever government emerges from those free and fair elections.

What we do think is it's a good idea to form that government. We think that there are decisions to be made, and actions to be taken, governing to be done that are necessary right now in Ukraine, and I'll come back to this a little later on. But basically these elections I think were good elections of a young democracy.

Full text available on World Wide Web, URL:  
<http://www.unian.net/eng/news/news-220722.html>

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### **17. Ukraine c.bank to extend reserve requirements Reuters/Guardian, 8 November 2007**

Ukraine's central bank indicated on Thursday it would extend minimum reserve requirements to funds obtained from foreign institutions in Ukraine, and take other measures against inflation.

It said in a statement it was worried by the quick growth of borrowing and credits from external banks in foreign currencies, which may destabilise the domestic financial market.

"In the long term that will lead to an accumulation of risks destabilising the financial sphere, linked with the currency risks brought in by market participants and also dependence on the conditions of global financial markets," it said. At the moment, banks are required to keep reserves of 1 percent for hryvnia funds which they are free to move about any time and 0.5 percent for hryvnia funds kept for a set period of time.

Reserves of 5 percent and 4 percent are required for funds in foreign currencies and these levels will apply to the funds received from from institutions and banks from Nov. 20.

The bank also said it would keep its overnight refinancing rate, now 9-10 percent, no lower than inflation.

But it was unclear which calculation it would use -- accumulated price rises in the first ten months of the year (11.7 percent), year-on-year rises in the ten months (12.2 percent) or rises of the past twelve months (14.8 percent).

The bank said it would also actively sell certificates of deposit.

Soaring inflation, boosted by higher staple food prices, has led to debates as to whether the central bank should free up or revalue the hryvnia, which is kept in a narrow 5.0-5.06 band to the dollar.

The central bank has said that revaluation could help fight inflation, but President Viktor Yushchenko has spoken out against this and called for an end to all public discussion of the issue.

(Reporting by Natalya Zinets; Editing by Gerrard Raven)

Text available on World Wide Web, URL:  
<http://www.guardian.co.uk/feedarticle?id=7061372>

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**18. Ukraine must pay market prices for gas from 2011: Gazprom  
ABCmoney, 8 November 2007**

MOSCOW (Thomson Financial) - Gazprom will charge Ukraine 'market prices' for its natural gas exports from 2011, the Russian gas giant said in a statement on Thursday after a visit by Ukraine's Energy Minister Yuri Boiko.

'The topics of discussion included... the gradual transition towards market prices for gas supplies to Ukraine and transit across its territory by 2011,' the company said after Boiko met Gazprom's CEO Alexei Miller.

Ukraine, a former Soviet republic that has set out ambitions for integration with the West, currently pays around 130 usd per 1,000 cubic metres of gas. The global market price for gas is around 230 usd.

Gazprom and Ukraine have had a number of price disputes in recent years.

In 2006, Russia cut off gas to Ukraine because of a price dispute. The cut-off affected Russian gas supplies transiting through Ukraine to European customers further downstream.

Ukraine and Gazprom resolved their latest dispute last month with the signing of an agreement for repayment of a 1.3 bln usd debt for gas supplies.

Text available on World Wide Web, URL:  
<http://www.abcmoney.co.uk/news/082007161575.htm>

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**19. Belarus, Ukraine start gas price talks with Gazprom  
Reuters, 8 November 2007**

Russian gas export monopoly Gazprom (GAZP.MM: Quote, Profile, Research) said on Thursday it had held talks with its key transit partners, Belarus and Ukraine, over 2008 gas prices, but reached no immediate agreements.

Analysts and energy traders watch carefully for any signs of disagreement between Moscow, Minsk and Kiev over gas supplies, as previous pricing disputes have led to disruptions of Russian gas supplies to Europe.

Gazprom, the world's largest gas producer, supplies Europe with a quarter of its gas needs, with some 80 percent going via the territory of Ukraine and another 20 percent via Belarus.

Gazprom said in a statement its head, Alexei Miller, and Ukrainian Energy Minister Yuri Boiko discussed prices for 2008-2011.

The two men will meet again next week. Boiko has previously said he hopes for an agreement this week.

Gazprom insists it will know prices for Ukraine only after it reaches a gas import deal with Turkmenistan, which is also seeking to raise prices in 2008.

Ukraine currently pays \$130 per 1,000 cubic metres compared with an average of \$250, which Gazprom charges in Europe. The Russian firm says it hopes to bring prices to "market levels" for Ukraine by 2011.

Russian President Vladimir Putin said last month Moscow would raise gas prices to Ukraine softly in order not to damage its former Soviet neighbour's economy.

Gazprom said Miller also met Belarussian First Deputy Prime Minister Vladimir Semashko and the two sides confirmed they would stick to an earlier deal, under which gas prices for Belarus change together with global energy prices but are adjusted by a number of discounts.

Belarus currently pays \$100 per 1,000 cubic metres.

Gazprom also said Semashko offered Gazprom the opportunity to buy into Belarussian power generation and fertiliser firms, but did not elaborate. (Reporting by Dmitry Zhdannikov and Tanya Mosolova; editing by James Jukwey)

Text available on World Wide Web, URL:  
<http://uk.reuters.com/article/oilRpt/idUKL0889012120071108?sp=true>

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## **20. YUSHCHENKO WANTS TRANSPARENT ENERGY DEALS WITH MOSCOW** **By Sergei Blagov** **Eurasia Daily Monitor, 8 November 2007**

Russia's top officials are loudly complaining about Kyiv's tactics in a bitter dispute over Ukraine's Kremenchug refinery, pledging to defend the interests of the Russian shareholders there. The incident is just the latest irritant in an already uneasy energy relationship between the two neighbors.

"I believe the incident came as an outrageous development, and we should not leave it unnoticed, because our policies prioritize the protection of Russian business interests outside the country," Russian First Deputy Prime Minister Sergei Ivanov told a cabinet meeting on November 2. Ivanov urged Ukrainian authorities to discontinue what he described as their "inaction," adding that the dispute entailed "clear and significant harm" (Interfax, RIA-Novosti, November 2).

Ivanov ordered Russian Industry and Energy Minister Viktor Khristenko to monitor the situation. The Ukrainian authorities, with their 43% stake in the refinery, have good reason to solve the dispute, Khristenko said.

Furthermore, Khristenko reiterated that Russia's Tatneft oil company has halted crude deliveries to the Kremenchug refinery, adding that other Russian oil suppliers "will have no interest to supply oil to this company before the conflict is settled." Ivanov endorsed Khristenko's statement (Interfax, Itar-Tass, November 2).

The refinery, also known as Ukrtatnafta, in the Ukrainian town of Kremenchug was built during the 1970s to process crude oil pumped in Tatarstan, which is part of the Russian Federation. In 1995 the Tatarstan authorities, Tatneft, and the Ukrainian government agreed to form a joint venture at the Kremenchug refinery, which controls nearly 40% of Ukraine's gasoline market. Tatneft was supplying some 6 million tons of crude a year to Kremenchug and has shipped about 4 million tons so far this year.

According to the joint venture agreement, Ukraine's state-run oil company, Naftohaz, had a 43.035% stake in Ukrtatnafta, the property ministry of Tatarstan region held 28.778%, and Tatneft controlled 8.613%. In June 1999 an 18.296% stake was transferred to U.S.-registered Seagroup International and the Swiss-registered Amruz Trading, companies with reported links to Tatneft.

Naftohaz never accepted the transaction, and in May 2007 the 18.296% stake was handed over to Naftohaz. However, Russian shareholders resisted attempts to remove pro-Tatneft CEO Sergei Glushko and appoint a pro-Naftohaz management team. But on October 19, Pavel Ovcharenko, former CEO of the Kremenchug refinery, supported by armed security personnel, took over the plant, citing a ruling by Ukraine's Sumskoy court.

Russian shareholders responded by cutting oil supplies. In late October Tatneft first deputy CEO Nail Maganov claimed that the Kremenchug refinery was losing \$4–5 million a day because Tatneft had

halted crude supplies. The plant was processing just 7,000 tons per day, compared with 18,000 tons per day before October 19, Maganov said.

On November 1, Tatneft said it expected no direct financial losses, as it had stopped supplies for the Kremenchug refinery. Tatneft pledged to sell its extra volumes of oil in Russia or keep the crude in storage facilities, owned by Tatneft (with a capacity of 700,000 tons) or by Transneft (with a capacity of 6 million tons) (Interfax, November 1).

Meanwhile, the plant's new management responded by accusing Tatneft management of criminal wrongdoing. On November 1 Ovcharenko sent an open letter to Tatarstan President Mintimir Shaimiev, claiming that Maganov and Glushko had conspired to embezzle assets from the Kremenchug refinery. "The current nervousness of Tatarstan shareholders is unjustified and is caused by wrong assessments of the situation," he wrote.

Ovcharenko described the sale of the 18.296% Ukratnafta package to Seagroup and Amruz as a major fraud and alleged that both companies were, in fact, controlled by Maganov's accomplice, Nurislam Syubayev. Ovcharenko also claimed that crude oil from Tatarstan was being sold to the Kremenchug refinery via shell companies, specifically Russian-registered Tais and Ukraine's Taiz, allegedly controlled by Maganov.

Tais was buying oil below cost, Tatarstan was losing hundreds of million of dollars a year, while Maganov was pocketing the proceeds, according to Ovcharenko. Maganov and Glushko allegedly conspired to increase the refinery's debts to Tais to nearly \$300 million by October this year, aiming to force the plant into fraudulent bankruptcy and take over it, Ovcharenko claimed (Interfax, November 1).

On November 2 Ovcharenko sent another letter, this time to Ukraine's Security Service (SBU), claiming that the plant's former management had tried to make the refinery close. In January-September 2007, the plant reported \$25 million in losses, despite a good market, he wrote. In April-September, the plant's former management also dodged Ukraine's value added tax, he claimed (Interfax, November 2).

The same day Ukraine's First Deputy Prime Minister Nikolai Azarov ordered Fuel and Energy Minister Yuriy Boyko, in cooperation with the Justice Ministry and the State Property Fund, to settle the dispute with Russian shareholders. Azarov also ordered assurances that the Kremenchug refinery would operate at levels as high as before October 1, 2007. Also on November 2, Ukraine's Naftohaz indicated plans to process crude from the state reserves at the Kremenchug refinery, adding that it controlled a 61.3% stake in the plant.

Russian and Ukrainian officials appear to disagree about stake-holdings in the Kremenchug refinery. On November 2, Russia's Khristenko said that Ukrainian authorities controlled 43% of the plant, while Naftohaz insisted it had a 61.3% interest. Therefore, the dispute focused not on the management change at the refinery on October 19, but on the questionable June 1999 sale of the 18.296% stake in the plant to Seagroup and Amruz. In other words, Russian officials actually moved to defend a suspicious deal to transfer a sizable stake in Ukraine's major refinery to obscure foreign entities with ill-defined affiliations.

The Ukrainian authorities have also criticized other energy dealings with Russia, involving non-transparent dealings by overseas firms. Under the complex January 2006 agreement between Russia and Ukraine, all Gazprom gas supplies to Ukraine have been funneled via Swiss-registered RosUkrEnerg. Gazprom holds a 50% stake in RosUkrEnerg, Ukrainian businessmen Dmitry Firtash owns 45%, and Ivan Fursin holds 5%. UkrGazEnerg, a joint venture between RosUkrEnerg and Ukraine's Naftohaz, acts as a sole gas importer into Ukraine.

On November 2, President Viktor Yushchenko suggested that Russian gas supplies to Ukraine should become simple and transparent. Ukrainian authorities have nothing to do with RosUkrEnerg, it was not Kyiv's initiative to form this company, he said, adding that Ukraine is interested in direct relations with Gazprom without intermediaries.

Text available on World Wide Web, URL:  
[http://jamestown.org/edm/article.php?article\\_id=2372574](http://jamestown.org/edm/article.php?article_id=2372574)

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**21. CORRECTED - Ukraine, Russia mull oil transit price rise –paper  
Reuters, 8 November 2007**

(Corrects headline to oil from gas)

KIEV, Nov 8 (Reuters) - The Ukrainian and Russian oil transit monopolies, Ukrtransnafta and Transneft, will start talks next week on raising transport prices through Ukraine's network, the head of Ukrtransnafta was quoted as saying.

In an interview with daily newspaper Delo, published on Thursday, Ihor Kyryushyn gave no indication of how much transit tariffs should go up from current prices. "Against a background of global oil price rises -- 64 percent in one year alone -- the cost of transit has not changed. Transit tariffs are unjustifiably low," he said.

"Kazakhstan, Russia, Belarus and Ukraine have an interest in reviewing the tariffs. We all have a common problem -- for many years, the deterioration of pipelines outstrips the spending on renewing them."

Ukrtransnafta transported 43.762 million tonnes in January-October, a rise of 16 percent from the same period last year.

The Druzhba pipeline, one of the largest parts of Transneft's system, starts in central Russia and connects West Siberian fields to major refineries in Europe.

It splits into two legs in Belarus, with the smaller southern one going through the territory of Ukraine to Slovakia, Hungary and the Czech Republic. (Reporting by Pavel Polityuk, editing by Anthony Barker)

Text available on World Wide Web, URL:  
<http://uk.reuters.com/article/oilRpt/idUKL0868765420071108>

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**22. UPDATE 1-INTERVIEW-Tatneft eyes courts over Ukraine oil losses  
By Dmitry Zhdannikov  
Reuters, 8 November 2007**

MOSCOW, Nov 8 (Reuters) - Russian oil firm Tatneft is ready to launch international law suits to defend ownership and management rights at a Ukrainian refinery and recover money for lost oil supplies, a company executive said on Thursday.

First Deputy Director Nail Maganov said management in charge of the Kremenchug refinery, which last month ousted the previous Tatneft-friendly management team, had yet to pay for around 600,000 tonnes of crude that Tatneft delivered to the plant.

"We had oil stocks there as well as money, which was used as working capital," Maganov told Reuters in an interview.

He added that the refinery had a 45-day grace period to pay for oil deliveries and used about 2.1 billion hryvnia (\$420 million) as working capital. The market value of 600,000 tonnes of crude is around \$420 million.

"Our lawyers are studying the situation," Maganov said, adding that a preliminary analysis by the firm's lawyers had found Tatneft could not be sure of a fair hearing in Ukraine.

"So, we are studying international arbitration options and we think we have good prospects," the Tatneft executive said.

Maganov said he travelled to Kremenchug, Ukraine's largest oil refinery, for talks in late October but was ejected from the plant by armed police.

Kremenchug was taken over last month by Pavel Ovcharenko, a former manager of the Ukratnafta company. He arrived at the refinery with armed police after being reinstated by a court.

The plant has cuts runs after Tatneft, controlled by the government of the Russian republic of Tatarstan, reduced supplies.

Tatneft owns 8.6 percent of Ukratnafta, the owner of Kremenchug, while the Tatarstan government itself owns 28.8 percent. Ukrainian state energy firm Naftogaz owns another 43.1 percent, while two Western firms own the rest.

A number of senior Ukrainian officials have criticised the takeover and removal of refinery chief Sergei Glushko, but no further action has been taken. Ovcharenko has accused the previous management of illegal business activities and questioned the way the plant had been privatised in the 1990s.

#### GAS TRADER SELLS OIL

Russian First Deputy Prime Minister Sergei Ivanov said the refinery seizure was a "flagrant outrage" which damaged Russian business interests and could hurt investor confidence.

Some analysts said the dispute could be linked to the political situation in Ukraine, where pro-Western ex-prime minister Yulia Tymoshenko is preparing to take over the cabinet again, replacing Viktor Yanukovich, seen as more pro-Moscow.

Maganov said he would not comment on the political aspects of the dispute. "I can't throw out accusations ... But Ukraine has in theory all means to bring the order back.

"I want to ask, who is in charge, if the President (Viktor Yushchenko) is there, the cabinet is in place, but nothing is changing," said Maganov.

Kremenchug normally processes 180,000 barrels of Russian crude per day, or around 730,000 tonnes per month, which come mainly from Tatneft.

Maganov said Tatneft had not supplied oil to Kremenchug since Oct. 19. "We are also grateful to other Russian oil firms, which showed solidarity and are not supplying either."

The refinery bought 170,000 tonnes of oil for November delivery in Ukraine, a net crude importer.

Maganov said that, according to his information, about 93,000 tonnes were also bought for November delivery from Ukrgasenergo, a unit of RosUkrEnergo, a gas trader partly belonging to Russian gas export monopoly Gazprom.

Maganov also said Tatneft had no problems re-routing crude to other destinations, including to Russian plants and to exports, but declined to specify destinations. (Reporting by Dmitry Zhdannikov; editing by James Jukwey)

Text available on World Wide Web, URL:  
<http://uk.reuters.com/article/oilRpt/idUKL0888291620071108>

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### **23. Go-ahead for sale of Gdansk dock BBC News, 8 November 2007**

*Polish competition authorities have cleared the way for the country's iconic, but struggling, Gdansk shipyard to be bought by Ukrainian firm Donbass.*

Donbass first said in September that it aimed to buy 75% of Gdansk for 400m zlotys (\$161m; £76m), before later adding that it wanted the full 100%.

The Ukrainian firm has also said it will repay state aid given to the yard.

The financial support received by Gdansk has caused a continuing row between Warsaw and the European Union.

#### **Anti-communist vanguard**

Under EU competition rules, a member government cannot use state aid to give struggling companies an unfair market advantage, unless it is accompanied by extensive cost-cutting to restore long-term viability.

Since the summer, Brussels has been telling Warsaw either to close two of Gdansk's three slipways to reduce capacity or else to repay 51m euros (\$75m; £36m) of European aid.

If Donbass repays this money, it will be able to keep Gdansk fully open.

The shipyard has an important place in Polish history, as it is the birth place of the celebrated Solidarity trade union.

Back in 1980, a strike by 17,000 ship builders at Gdansk saw Solidarity recognised as the first non-communist trade union in the then Soviet-dominated eastern bloc.

The move was one of the first successful steps that led to the eventual collapse of communism, not just in Poland but Eastern Europe as a whole.

Under communism, Gdansk could count on regular work from the Soviet Union, but it has struggled to compete in the post-communist free market and now employs 3,000 people.

Because of the historical importance of the Gdansk shipyard, the Polish government was keen to find a buyer that could maintain its existing capacity.

Solidarity founder Lech Walesa said earlier this year that he would consider it a "personal failure" if the Gdansk shipyard was not saved.

Text available on World Wide Web, URL:  
<http://news.bbc.co.uk/2/hi/business/7085361.stm>

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### **24. Ukraine group buys Gdansk shipyard Times Online, 9 November 2007**

Gdansk shipyard, the cradle of the 1980s Solidarity trade union movement, is to be taken over by the Ukrainian group Donbass after the move was approved by the Polish National Competition Office.

The Baltic yard has been in dire financial straits for years and in September Donbass announced that it planned to buy a 75 per cent stake for 400 million zlotys (£80 million). Donbass said that it aimed eventually to take over the remaining 25 per cent and would be ready to repay Polish state aid to the

yard to avoid having to slash capacity. The subsidy issue has been at the centre of a battle between Poland and the European Commission, which said that unless two of the yard's remaining three slipways were closed it could order the yard to repay public funds. Poland has repeatedly said that it would be ready to shut down only one slipway.

The yard has struggled to adapt to the free market. It went bankrupt in 1996, only to be revived in 1998 when it was bought by the shipyard of neighbouring Gdynia. It was taken over by the State in 2004 and now employs 3,000 people. (

Text available on World Wide Web, URL:

<http://www.timesonline.co.uk/tol/news/world/europe/article2835642.ece>

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**25. Tycoons on course to buy historic Polish shipyard**  
**By Mark Rachkevych**  
**Kyiv Post, 7 November 2007**

Facing bankruptcy, the historic Gdansk shipyard, the birthplace of Poland's Solidarity movement, has a buyer in one of Ukraine's largest business groups – the Industrial Union of Donbas – but new complications are tying up the sale.

The Ukrainian group, co-owned by billionaires Serhiy Taruta and Vitaliy Hayduk, hopes to bail out the state enterprise, which has seen 90 percent cuts in jobs in the last 18 years and faces restructuring orders from EU Competition authorities in Brussels.

EU competition authorities claim the shipyard illegally received over \$1.8 million in state subsidies since Poland joined the EU in 2004, and subsequently asked management of the shipyard to shut down two of its three slipways to ensure fair competition with other European shipyards.

These developments have raised fears with Gdansk shipyard workers that Poland's newly elected liberal Civic Platform government would delay the sale of the shipyard to the Ukrainian conglomerate to investigate whether it was carried out fairly along with other former government dealings it considers non-transparent.

Close to 200 Gdansk shipyard workers voiced their fears Oct. 29 that the pro-business Civic Platform government would reconsider the shipyard's takeover.

Back in September 2007, EU Internal Market Commissioner Charlie McCreevy said that the restructuring of the shipyard was necessary to limit the distortion of competition through state intervention.

Now, the Gdansk shipyard risks paying Brussels back the millions of dollars it received in state subsidies if it does not reach an agreement with the Brussels competition authority, which opened a probe into the matter in August 2007. A Competition Commission decision on the shipyard's future is expected in the coming weeks.

"We are aware that there exists the possibility that Brussels will make a decision to return the subsidized funds, however, we take this into consideration in our plans for the shipyard and are ready to pay the money back if required [by Brussels]," said Industrial Union of Donbas (ISD) Vice President Oleksandr Pilipenko.

Although Civic Platform supports further economic reforms and privatization of state enterprises, the new government has yet to give a definite timeframe for the deal to go ahead.

"Privatization of the yard is necessary, and under no circumstances will it be jeopardized," Civic Platform deputy Tadeusz Aziewicz was quoted as saying.

Former Polish President Lech Walesa and former trade union leader of Gdansk shipyard, who led the Solidarity movement that toppled the communist regime in 1989, voiced his opposition to the sale.

"It's a crime to sell the historic shipyard to a foreign investor," Walesa said on Oct. 22.

Economic Counselor at the Polish Embassy in Ukraine, Anna Skavronska-Luchynska, doesn't see what all the fuss is about.

"The new [Polish] government is even more liberal than the previous ones. In fact, I think they will privatize it [the Gdansk shipyard] even quicker than what has been done by the previous government," she said.

ISD's Pilipenko agrees and remains confident his company will take control of the shipyard soon.

"I don't see any cause for concern regarding the new government. We have been shareholders and still are. We patiently waited for the [Polish government] to find a buyer and we kept to all the transparent procedures determined at a general shareholders' meeting," he said.

The Ukrainian group currently holds a minority stake. ISD's intended 83 percent share buyout worth \$400 million could settle the matter on all sides, since it stated it would not cut jobs and plans to diversify and modernize the shipyard using shipbuilders to produce metal parts for bridges or windmills.

Alexander Martynenko, an analyst at the Kyiv offices of brokerage Troika, said the purchase makes economic sense for the Ukrainian industrial group, the country's largest steel-producing company.

"The move to vertically integrate downstream along the metal supply chain will offer security to this [industrial] group from its raw materials [in Ukraine] to the finished goods [in Poland]."

The Ukrainian group is ready to use its other holding, the Huta Czestochowa steel mill, which it purchased in 2005 for \$468 million – especially its assembly lines, which fills orders for the shipbuilding industry – to supply metal products to the shipyard.

"This is very good positioning by the Industrial Union of Donbas," said Concorde Capital's analyst, Eugeniy Cherviachenko.

"They could build ships to supply metals while simultaneously strengthening their supply chain."

Founded in 1995, ISD controls steel mills in Ukraine, Poland and Hungary and holds an interest in a mill in the US.

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/business/general/27759/>

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**26. State telecom launches 3G in six major cities**  
**By Stephen Bandera**  
**Kyiv Post, 7 November 2007**

Ukraine's fixed-line telephone monopoly, Ukrtelecom, launched the country's first UMTS network on Nov. 1, providing third generation mobile communication services in six major cities.

The state-owned company rolled out the high-speed third generation, or 3G universal mobile standard under the Utel brand, formerly known as its long-distance arm. Service is available in Ukraine's largest cities: Kyiv, Kharkiv, Dnipropetrovsk, Donetsk, Odesa and Lviv.

Although two other operators claim to already provide 3G, Utel's services include video calling, mobile television services and high-speed Internet connections in the 3.6-megabit range, currently unavailable from other providers.

Industry analysts agreed that Utel will enjoy a competitive edge in calling to and receiving calls from Ukrtelecom's fixed lines. Utel, operating the 091 area code, is charging the same rates for video and voice calls, while in Europe, video calls can cost twice as much as voice calls.

Utel is also offering a separate high-speed Internet access package. Subscribers can purchase special USB or PCMCIA slot modems (for around Hr 1,100 – \$220) that essentially transform a laptop into a mobile terminal by placing a card directly into the computer. Laptops can take full advantage of the higher bandwidth, while most mobile phone terminals available on the market lack full capacity.

For Hr 70 (\$14), U'net users can send and receive a gigabyte of traffic, and pay an additional 20 kopeks per megabyte. For Hr 300 (\$60), the monthly limits grow to 15 gigabytes of traffic, with additional megabytes costing only one-tenth of a Hryvnia.

The declared technical capacity of the Utel network is 3.6 megabits per second. On average though, "users can expect speeds between 500 kilobits to 1 megabit, depending on the user's equipment, network traffic, distance to the closest base station and the site being visited," a Utel brochure reads.

The network was built by Nokia Siemens, which has more than 100 UMTS networks around the world. Coverage should be extended to all 25 regional centers of Ukraine by the end of next year, according to plans.

## **Competition**

Earlier this year, two other operators have presented higher-speed CDMA services, touted as third generation: Ukrainian Telesystems launched PEOPLEnet, while mobile telecommunications company MTS (formerly UMC) recently started offering its MTS Connect service.

MTS Connect's version of the CDMA network is currently available in Ukraine's largest cities. But MTS offers no voice, only modem and software services for computers to access the network, whose signal fluctuates in the 450 megahertz range – previously occupied by the NMT mobile communication standard, before GSM came along.

On Nov. 3, Ukrainian weekly Dzerkalo Tyzhnia reported that the technical parameters of the three existing networks are essentially the same and that at least three other operators will seek to secure UMTS licenses, currently enjoyed only by Utel.

Two years ago, Ukrtelecom was granted the only license to construct the network and claims to have invested Hr 760 million (\$152 million) into the Nokia Siemens solution.

Ukrtelecom's plans for next year include presenting subscribers with a single bill for Internet, television, fixed-line and mobile phone communications, the Mobility magazine reported on Nov. 6. Convergence of the services comes as Ukrtelecom prepares for its off-again, on-again privatization.

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/business/general/27756/>

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## **27. Government halts rushed sales of top assets** **By Nazar Kudrevsky** **Kyiv Post, 7 November 2007**

Fears that a series of non-transparent and rushed privatizations would be pushed through during elections have subsided, as the outgoing governing coalition led by Prime Minister Viktor Yanukovich

has backed away from controversial plans, essentially giving into demands made by President Viktor Yushchenko.

Ukraine's State Property Fund (SPF) on Oct. 15 canceled a tender scheduled for this month for a controlling stake in the prized Odesa Portside Plant (OPP), Ukraine's leading producer of nitrogen fertilizer and ammonia.

The sale of OPP is expected to fetch about \$1 billion in a transparent tender, which would mark it as the second largest sell-off since Ukraine's flagship steel mill, Kryvorizhstal, was acquired by Mittal Steel in 2005 for a whopping \$4.8 billion.

The OPP sale was suspended after Yushchenko and analysts criticized the government's plans to sell the plant during the politically tense parliamentary election of Sept. 30 and the subsequent coalition-building period.

The government has also postponed plans to yield a major stake in a potentially lucrative ore-enrichment factory to a Russian-Ukrainian group and suspended auctions for minority stakes in a handful of electricity distribution companies.

An earlier decision to grant Smart Group and Russia's Metalloinvest exclusive rights to the Kryviy Rih Oxidized Ore Plant without a tender has been put on hold. Arcelor Mittal has repeatedly expressed its interest in this asset and questioned the transparency of the SPF's decision to award it to Smart Group and Metalloinvest.

The government has also halted tenders scheduled this fall for minority stakes in regional electricity utilities, including Odesaoblenergo, Prykarpattiaoblenergo, Lvivoblenergo, Poltavaoblenergo, Sumyoblenergo, and Chernihivoblenergo.

Yushchenko and former opposition leader Yulia Tymoshenko, the leading candidate for prime minister after a strong showing in the Sept. 30 election, repeatedly urged the government to halt the suspect privatizations deals.

On Sept. 12, Yushchenko moved to halt the Odesa Portside sale with a presidential decree. Yanukovich's outgoing government has since backed down, abiding by the president's position on this and other privatization dealings.

The timeframe for resuming or reorganizing the sales remains uncertain, according to SPF spokesperson Nina Yavorska.

"Everything will depend on the formation of the [new] government and the political situation [in the country]," she said.

Text available on World Wide Web, URL:  
<http://www.kyivpost.com/nation/27767/>

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## **28. FirstService investments in Colliers Russia & Ukraine CNNMoney, 8 November 2007**

*Rapidly growing Colliers Russia complements recent growth in South East Europe Now established in all high-growth BRIC markets - Brazil, Russia, India, China*

TORONTO, Nov. 8 /PRNewswire-FirstCall/ - FirstService Corporation today announced that its subsidiary, Colliers Macaulay Nicolls Inc., which operates globally as Colliers International ("Colliers CMN"), has completed a significant investment in Colliers Russia and Colliers Ukraine. This important transaction compliments Colliers CMN's recent investments in Colliers South East Europe and further

strengthens the size and breadth of its rapidly growing global commercial real estate services business.

"The opportunity to invest in a high growth, emerging market such as Russia and the Ukraine is an important part of our long-term growth strategy and another step in developing our leadership position in key global markets, which now includes operations in all four high-growth BRIC economies," said Jay Hennick, Founder and Chief Executive Officer of FirstService. "Having known and worked with the management team of Colliers Russia and the Ukraine for more than ten years, we are confident that this operation will integrate into our global platform and will create significant long-term value for our shareholders," he concluded.

Colliers CMN will provide important growth capital to support the rapid expansion of Colliers Russia and Colliers Ukraine and will invest in the implementation of enhanced operating and information systems, marketing development and professional training programs. With three offices in Moscow, St. Petersburg, and Kiev (Ukraine), Colliers Russia and Colliers Ukraine together employ more than 250 professionals providing a broad portfolio of commercial real estate services including sales and leasing brokerage, property management, consulting, valuation and advisory services. Revenues during the last twelve months totalled approximately US\$20 million.

"Our investment in Colliers Russia and Colliers Ukraine continues to expand our presence in key strategic global markets, as well as increasing our regional leadership in Europe, now including 13 countries and 16 cities - from Russia in the North to Greece in the South," said Doug Frye, Chairman and Chief Executive Officer of Colliers CMN and Chairman of Colliers International. "We will work very closely with our new partners at Colliers Russia and Colliers Ukraine to enhance their operating systems and processes, as well as sharing best practices to better serve our clients in this important and growing region."

"Our entire senior management teams at Colliers Russia and Colliers Ukraine are excited about our new partnership with Colliers CMN. Their proven global platform, rapidly growing Central and Eastern European operations and exceptional operating systems will help us extend our leadership position in our key markets," said Preston Haskell, Chairman of Colliers Russia. "With the proven track record, performance driven culture and financial and operating resources of FirstService behind us, we have all the tools we need to continue to accelerate our growth well into the future."

Text available on World Wide Web, URL:

<http://money.cnn.com/news/newsfeeds/articles/prnewswire/TO28308112007-1.htm>

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**29. Ukraine: representatives of AIC initiate the prolongation of the moratorium for agricultural lands sales to July 1, 2008  
Agrimarket Consulting, 8 November 2007**

According to the project of appeal of the representatives of agrarian sector of economics to the President of Ukraine Victor Yushchenko signed during the round table "Development of land relations in Ukraine: the prospects of development of the agricultural lands market", the moratorium for the agricultural lands sales should be cancelled on July 1, 2008.

In particular, the laws "About land market" and "About state land cadastre" should be worked out additionally considering the interests of farmers and agrarian associations, as well as they should work out the legal normative base to provide the effective execution of laws.

Besides, according to the participants of the round table, the Land Code of Ukraine should be changed considering the economic necessity of increase of the maximal size of land area that should be transferred into ownership for agricultural commodities production.

Let us remind you that in Ukraine the moratorium for agricultural lands sales to January 1, 2008. Its cancellation on decision of the deputies of Verkhovna Rada is possible after adopting of the laws about land market and land cadastre.

The Law "About state land cadastre" was adopted by Verkhovna Rada on March 20, 2007. On April 13, 2007, the President of Ukraine imposed a veto on it. The Law "About land market" was adopted in first reading on June 17, 2004.

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<http://www.agrimarket.info/showart.php?id=52063>