

HOT NEWS

President to Meet with Hopeless Women

KYIV, July 8, 2007. Ukrainian President Viktor Yushchenko is ready to listen to the women who tried blocking his motorcade on its way to the center of Donetsk on July 6 in an attempt to draw the President's attention to local law enforcers taking no action to investigate the murders of their children and other relatives for several years now, UNIAN reported with reference to Liudmyla Nikitina, chairwoman of a Donetsk oblast public organization.

In her words, a representative of the President has met with the women and promised that their meeting with the President would be appointed.

However, Nikitina said that they had already appealed to the President in 2005, but nothing had changed since then. "We are in despair. We will go to the end," she added.

She also said that after the July 6 action, they had been actively contacted by people whose relatives' murders still had not been brought to court.

Nikitina said she and like-minded people were going to set up a nationwide organization. "We have decided to initiate establishing an all-Ukrainian organization, which will be called 'Ukrainian Children without the Right to Live'," she said.

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POLITICS

Communists Distrust Yanukovych, Moroz

DONETSK, July 8, 2007. Ukrainian Communist Party leader Petro Symonenko is calling on the Regions Party and the Socialist Party of Ukraine to sign a declaration on inadmissibility of any unions with the political forces representing the so-called "orange camp" both during and after the early parliamentary elections, scheduled for Sept. 30, 2007, as follows from a press statement the Communist Party made, while citing Symonenko as saying during the celebration of the 75th anniversary of Donetsk.

The statement reads that the declaration is open to "all political forces opposing ethnic and nationalistic attacks and the President's attempts to usurp power in Ukraine".

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Parliament Blames President's Secretariat

KYIV, July 8, 2007. Ukraine's Parliament leadership blames the Presidential Secretariat of discrediting the Speaker of Parliament by conducting a campaign against the Government Purchases Law, as follows from a press statement the Parliament made.

The statement reads that "a purposeful campaign, which has been conducted since June 2007 to discredit the Parliament, the parliamentary coalition and the Cabinet of Ministers, has added new accusations, in particular to the effect that they have transformed government purchases into a grand lobbyist and corruption scheme".

On June 13, Ukrainian President Viktor Yushchenko stated that he considered the existing edition of the Government Purchases Law inefficient and criminalized.

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Moroz Frightens Europe

KYIV, July 8, 2007. Ukrainian Parliament Speaker Oleksandr Moroz states that preparations for rigging the outcome of the early parliamentary elections were underway in Ukraine. That is what he told Johannes Koskinen, Vice-Speaker of the Parliament of Finland, while commenting on the political situation in Ukraine. Meeting with the Secretary-General of the Organization for Security and Cooperation in Europe, Marc Perrin de Brichambaut, Moroz said objective assessment of the political situation in Ukraine by Europe was all important to Ukraine.

He also expressed concern over the possibility of holding a referendum with the aim of endorsing a new version of the Ukrainian Constitution.

"The text of the new Constitution is about legalizing dictatorship," Moroz said.

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Substantial Agreement Talks Suspended

KYIV, July 8, 2007. The talks over concluding a new substantial agreement between Ukraine and the European Union (EU) have been suspended because the parties still have not entered into free trade zone talks, as follows from a recent statement by Jose Manuel Viegas, Ambassador of Portugal to Ukraine.

“The arising problem is that no talks over the free trade zone agreement have begun, and that suspends the substantial agreement process to some extent,” Viegas told reporters.

In his words, the parties will not be able to enter into the free trade zone agreement talks unless Ukraine joins the World Trade Organization.

Viegas found it difficult to say when the new substantial agreement could be signed.

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Kostenko Men Put Forward Conditions for Mega-Bloc

KYIV, July 8, 2007. The Ukrainian People’s Party on Saturday issued a statement pointing to the need for the single national-democratic mega-bloc to build its election program on heading for NATO, granting the Organization of Ukrainian Nationalists-Ukrainian Insurgent Army the status of combatant party in WWII, recognizing the Ukrainian language the sole official language in the country, supporting small and middle-scale businesses, and implementing an eco-social model of economy, UNIAN reported with reference to the party press office.

The statement also confirms the readiness of the party to run in the early parliamentary elections as part of the mega-bloc and to create a single rightist party after the elections if only clear ideological guidelines of the bloc are observed and the single party is formed on such democratic principles as set forth in the July 4 Declaration of Unification of Democratic Forces.

Party members believe the election program of the bloc should be endorsed in a democratic way, i.e. discussed and approved of by all bloc member-parties.

They also believe it is necessary to take into account certain quotas of the bloc participants in every ten of bloc members while forming the bloc election tickets.

The Saturday meeting of the party board adopted a decision to conduct a convention of the party on Aug. 2 and to recommend that the convention vest Yuriy Kostenko, leader of the party, with the authority to sign the agreement establishing the mega-bloc of democratic forces.

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Tymoshenko Targets at 226 Seats in Parliament

KYIV, July 8, 2007. Yulia Tymoshenko, leader of the political bloc bearing her name, told reporters on Saturday that the bloc was seeking to win 226 seats in the Parliament to come as a result of the early elections. “I believe that our political force will win the necessary number of votes to enable it to have 226 seats in the Parliament,” Tymoshenko said.

She added that the bloc intended to form a parliamentary coalition with the Our Ukraine People’s Union even if it won 226 parliamentary seats.

Asked whether she expected to be appointed to the post of Prime Minister, Tymoshenko said all posts would be discussed after the elections.

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BUSINESS

UniCredit Buys Ukrsootsbank

KYIV, July 8, 2007. Acting on behalf of a group of Ukrsootsbank investors, Interpipe officers have signed an agreement with Austrian Bank Creditanstalt AG, a UniCredit group division that is responsible for its operations in Central and Eastern Europe, in Milan to sell a roughly 95 percent stake in Ukrsootsbank to the foregoing international banking group, as follows from a press statement Interpipe made.

The statement reads that the selling price is based on the existing level of Ukrsootsbank capitalization, which has reached US\$2.2 billion, and may be increased to cover expected changes in the value of Ukrsootsbank assets, including its net income for 2007.

The transaction will be fully financed at the expense of Austrian Bank Creditanstalt AG.

Both the parties intend to complete the transaction in the fourth quarter of 2007.

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Getting State Aid to Become Easier

CHERNIHIV, July 8, 2007. Ukrainian Deputy Prime Minister for Agricultural Policy Viktor Slauta promises to simplify too a complicated procedure for farmers' receiving targeted subsidies in the short term.

"Agricultural producers have to go through fire and water to receive a small amount of Hr100 per one hectare of crops," Slauta said during a recent meeting with Chernihiv oblast farmers. He promised that the procedure would shortly be simplified.

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Harvesting Underway in Almost All Regions

KYIV, July 8, 2007. The harvesting campaign is underway in all Ukrainian regions except the Volyn and Rivne oblasts, according to data provided by the Ukrainian Ministry of Agricultural Policy.

The same data shows that the first one million tons of grain crops have been harvested in the Odesa oblast.

The rate of harvesting winter wheat crops has reached 18 centners per ha on average in Ukraine.

In the Chernihiv oblast it has hit roughly 27 centners per ha, as follows from a press statement the Chernihiv Oblast Administration made.

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June Inflation at 2.2%

KYIV, July 8, 2007. Ukrainian consumer prices went up by 2.2 percent in June, Ukrainian News reported with reference to a press statement made by the State Statistics Committee.

The announcement shows that foods became 3.5 percent more expensive, goods other than food -- 0.3 percent, and services prices increased by 0.6 percent.

The January-June rate of inflation hit 4.2 percent. Specifically, the prices for foods rose by 5.9 percent, for non-foods -- by 0.3 percent, and those for services - by 5.1 percent.

The Ukrainian Cabinet of Ministers forecasts inflation to be 7.5 percent for the whole of the current year.

Inflation rates were 11.6 percent in 2006 and 10.3 percent in 2005.

(31)

Used Homes Keep on Depreciating

KYIV, July 8, 2007. Over the period commencing June 22 and ending July 6, used one-room apartments that are offered in Kyiv depreciated by 0.8 percent or US\$23.9 to US\$3,064.7 per square meter on average, after a 2.4 percent price drop over the previous week, according to data posted at the Internet portal www.realt.ua.

As far as two- and three-room apartments are concerned, their average prices dropped by 0.9 percent and 0.4 percent to US\$3,0851 and US\$3,010.2 per square meter respectively.

In May, the average prices for residential real estate offered on Kyiv's secondary real estate market grew by 1.6 percent to US\$3,095 per square meter, compared to April

The foregoing Internet portal displays data on 246 apartment offers from 63 real estate companies.

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Data Group Expanding on Ukraine

KYIV, July 8, 2007. Data Group, a leader on the Ukrainian market for satellite communication and professional transmission of corporate data, has increased the number of VSAT stations all across the country to 4,500, as follows from a recent statement by Oleksandr Donchenko, chief executive officer of the company.

He also said that the company had built its own infrastructure in Zaporizhia. This is the 19th Ukrainian region where the company is present and provides its services.

In 2003-2006, Data Group financial indicators grew by 500 percent. That rapid business development requires large investments, which is why the company is studying opportunities for entering the IPO market or looking for a strategic partner.

Data Group operates its own trunk optic-fiber network 8,500 km long.

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Pinchuk Searching for Money

KYIV, July 8, 2007. Interpipe, a Ukrainian pipe and wheel producer, has launched a program to draw loan resources on international capital markets as part of its corporate development strategy, according to a press statement the company made.

The statement reads that the company plans to direct the money to be borrowed to financing its investment projects, renewing its operating capital and refinancing its existing liabilities.

Within the framework of this program Interpipe borrowed US\$100 million from Commerzbank in June 2007.

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Ukraine, Russia Discuss Military Cooperation

KYIV, July 8, 2007. Ministers of Defense Anatoliy Hrytsenko of Ukraine and Anatoliy Serdiukov of Russia discussed a number of issues relevant to upgrading different kinds of weapons and materiel, UNIAN reported with reference to Hrytsenko's statement after a meeting with Serdiukov, which took place as part of the second session of the Security Subcommittee, Yushchenko-Putin Commission.

"We discussed issues that open opportunities for upgrading anti-aircraft rocket complexes of the Army and Air Forces of Ukraine, and also prolonging the lifetime of mine and torpedo kinds of armaments", he said.

Hrytsenko also said they had discussed the issue of preparing an agreement on sharing information about transferring Iгла and Strela anti-aircraft complexes to third countries. The agreement will be signed at the third session of the Subcommittee.

Finally, the parties agreed to adjust all questions relevant to An-70 military transporter production by Aug. 15.

"We are calculating expenses of Ukraine and Russia -- this is the first direction. The second one -- we are assessing what we have done from the viewpoint of technical tasks," Hrytsenko said.

In May 2006, Russia officially announced its intention to quit the Ukrainian-Russian project on production of An-70 plane. Later, Ukraine offered Russia joint completion of the project.

(7)

UMC to Focus on Quality, Not Prices

KYIV, July 8, 2007. UMC, a Ukrainian subsidiary of Mobile Telesystems (MTS), Russia has announced the beginning of another stage of its re-branding campaign to focus on becoming number one in terms of major indexes of the operation.

This goal will be attained by the consolidation of the image of the brand, high-quality subscriber base, high-quality services, optimization of expenses, improvement of the efficiency of business processes and qualification of personnel, said Pavlo Pavlovskiy, chief executive officer of MTS Ukraine.

In his words, the company will no longer wage price wars but concentrate on making its subscribers associate the company with high-quality services, and such services cannot be free-of-charge. That is why the company will change its customer relationship policy.

New and existing subscribers will be offered new fee package, new services, and new quality.

The company hopes that subscribers will voluntarily choose new fee packages.

The old fee packages will remain effective, but they will not be sold.

One of the milestones of the company switching to the new brand will be the introduction of equally high fees for the high quality of mobile phone communication and services all across the territory of MTS operations.

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IN THE REGIONS

Over 1.5 mln People Having Rest in Crimea

SIMFEROPOL, July 8, 2007. As of July 6, 2007, the number of Crimean health spas hosting vacationers reached 529, and the ratio of their operation accounted for 82.7 percent of their capacity, as follows from a press statement the Crimean Ministry of Resorts and Tourism made.

To compare, 502 Crimean health spas were operating at 75 percent of their capacity as of the same period a year ago.

The statement also reads that the number of travelers to Crimea has reached 1,611,300 people, an increase of 13.9 percent from 1,415,900 people as of July 6, 2006.

Passenger flows to the autonomy totaled 2,498,800 people for the period commencing on Jan. 1, 2007 and ending July 6, 2007. This is 2.6 percent above the 2006 level of 2,436,200 people.

(7)

Anthrax Found in Kharkiv Region

KHARKIV, July 8, 2007. Anthrax was found in Novotroyitske village, Kharkiv oblast last week, Ukrainian News reported with reference to a press statement made by the State Veterinary Medicine Department of Ukraine.

The statement reads that anthrax was found in one of the dead cows examined after mortality had been registered among local cows. The cow's body was eliminated.

Kharkiv oblast veterinarians are conducting animal epidemic countermeasures.

(86)

Mayor Appears to Be Corrupt

VOLYN, July 8, 2007. Officers of the State Department for Fighting Economic Crimes arrested the mayor of a Volyn oblast town for taking a bribe of US\$9,000, the Internet service www.for-ua.com reported with reference to a press statement made by the Ukrainian Ministry of Interior.

The statement reads that the mayor demanded and received US\$9,000 from a self-employed person for helping him to have a plot of land allocated for the purpose of building a factory.

The crime falls under the qualification as set forth in Section 2 of Article 368 of the Criminal Code of Ukraine.

During the day when the announcement was made 87 criminal cases relevant to economic crimes were started, of which 30 concerned crimes committed in the sphere of public service.

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Sale of Meat for Slaughtering up in Kharkiv Region

KHARKIV, July 8, 2007. Kharkiv oblast farmers sold 27,400 tons of cattle for slaughtering in January-June 2007. This is 2,400 tons or 10.0 percent more than the volume of such sales over the same period a year ago, the Internet service www.fin.org.ua reported with reference to a press statement made by the Kharkiv Oblast Administration.

The statement reads that agricultural producers active in 18 oblast regions increased meat sales.

The same statement also says that the oblast stock of pigs increased by 38,400 heads or 12.3 percent, compared to January-July 2006, to 350,000 heads.

(86)

OTHERS

Poll Shows Five Political Forces Victorious

KYIV, July 8, 2007. Should the early parliamentary elections take place in Ukraine on the nearest Sunday, six political parties and blocs would show victorious, UNIAN reported with reference to the results of a poll, conducted by Shevchenko Institute of Political and Social Studies from June 25 through July 1, 2007.

According to the poll, some 26.3 percent of respondents gave preference to the Regions Party, some 22.7 percent – the Yulia Tymoshenko Bloc, some 20.1 percent -- People's Self-Defense of Yuri Lutsenko, some 10.2 percent -- the Our Ukraine People's Union, and some 3.1 percent – the Communist Party of Ukraine.

At the same time, some 1.4 percent of pollees said they would vote for other political forces, some 5.1 percent spoke against all, some 13.4 percent said they had not made up their mind yet. Another some 9.79 percent said they would not take part in the voting.

The poll was conducted among 2,027 people in all Ukrainian regions.

Its error margin does not exceed 2.4 percent.

(7)

Emergency Call Number to Be Introduced by 2012

KYIV, July 8, 2007. The Ukrainian Ministry of Emergencies intends to launch an emergency number 112 by 2012, as follows from an announcement posted at the official website of the Cabinet of Ministers with reference to Nestor Shufrych, Minister of Emergencies.

In his words, the number has already been in use in Kharkiv, and the ministry is pleased with the results. The system is being implemented in Lviv and Luhansk now.

“We want to launch it in entire Ukraine by 2012,” Shufrych said.

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EXCHANGE RATES

As of Monday, July 9, 2007

Official Foreign Currency Rates

According to National Bank of Ukraine

Hr5.0500/USD

Hr10.152/BP

Hr1.9627/RUR10

Hr686.60/EUR100

Hr767.73/SDR100

BANKING METALS

As of Monday, July 9, 2007, the National Bank of Ukraine has set the following official (discount) rates for banking metals: gold – Hr32,711.38 (down from Hr33,122.95 as of July 6), silver – Hr626.20 (down from Hr636.30), platinum – Hr64,993.50 (no change), palladium – Hr18,306.25 (down from Hr18,432.50 as of July 6) per 10 troy ounces.

NATIONAL WEATHER FORECAST

Sunny weather and western wind are forecast to predominate in Ukraine on Monday, July 9, 2007. Most of the country is expected to rest precipitation-free. The temperature in Kyiv is forecast to hover at between +22C and +25C during the day, dropping to between +17C and +19C at night.