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HUMAN RIGHTS

Ukrainian law enforcers continue attack on independent media

Even though Ukrainian President **Viktor Yanukovych** expressed concern over the launch of criminal cases against some media outlets and issued an order to check the legality of actions, the Kiev prosecutor's office is continuing to investigate a criminal case against staff members of the Lb.ua news and analysis website.

On 24 July 2012, the Lb.ua editorial office said that it refused to participate in a special meeting of the interagency working group on the freedom of speech and protection of the rights of journalists, which should be held on 30 July in the presidential administration. The meeting will be devoted to the situation with Lb.ua and the TV channel TVi.

“Before the Kiev prosecutor's office opened a criminal case, the editor-in-chief of the Lb.ua website, **Kseniya Vasylenko** (penname **Sonya Koshkina**), sent an open letter to Ukrainian President **Viktor Yanukovych** with a request to assist with the resolution of a conflict involving the portal. Today, when there is already a criminal case, the editorial office does not consider it appropriate to participate in such a kind of public hearings on the given topic. Furthermore, the official position of the prosecutor's office on this issue has been already declared by the prosecutor of the Kiev city, **Anatoliy Melnyk**. We believe that the very fact of opening a case against us is the answer to our open letter,” the Lb.ua statement reads.

Koshkina said in an interview with the Austrian newspaper Der Standard that the criminal cases against the Lb.ua website and the TVi channel are aimed at hushing the Ukrainian journalists.

In her opinion, the fact that the criminal case against Lb.ua was opened on the basis of a request from an MP of the pro-presidential Party of Regions, **Volodymyr Landik**, filed eight months ago, shows that this case was “politically motivated”.

“It is important to note that Landik wrote his statement back in November 2011. However, the criminal case started only in June 2012. At the same time, within a course of only one day when the criminal case was launched (18 July), a prosecutor's office gave four (!) different dates when Landik allegedly filed his complaint,” the Lb.ua editor-in-chief stressed.

In an interview with the European publication EurActiv, Koshkina also said that such actions of the prosecutor's office are linked to an upcoming parliamentary election in Ukraine.

It was reported that photos of Landik's text message exchange were taken in the parliamentary chamber in November 2011 by an Lb.ua journalist accredited in parliament. Later, the pictures were posted on the Lb.ua website and the MP filed a complaint with the prosecutor's office. After it turned out that the prosecutor's office was conducting a check, Landik asked it to stop the prosecution of journalists over his case.

On 22 July 2012, Landik denied once again the information that he had submitted a new request to the prosecutor's office to continue the check on the Lb.ua website.

After the prosecutor's office officially stated on 18 July that it had opened a criminal case against Lb.ua, the website suspended its operation. It resumed its work on 24 July. The news portal's editorial office explained the website went offline in order to secure servers and to take other urgent protective measures.

The international community continues to express concern with the persecution of the independent mass media in Ukraine.

On 23 July, **Peter Stano**, a representative of EU Commissioner for Enlargement and Neighborhood Policy **Stefan Fule**, said that the European Commission was closely following the development of the situation with the Ukrainian channel TVi and the Lb.ua website.

On 26 July, the US ambassador to the OSCE, **Ian Kelly**, said that his country was concerned with the fact that the Ukrainian government was restricting the freedom of representatives of the mass media outlets ahead of the October parliamentary election. "A raid on the TV channel TVi, as well as an investigation into Lb.ua journalist Koshkina elicit concern and contradict the ban of the government on checks of the mass media before an election on 28 October," he said during a meeting of the OSCE Permanent Council.

In the opinion of the international human rights organization Reporters Without Borders, the situation with the freedom of speech was deteriorating in Ukraine ahead of the October parliamentary election. "Such a situation is unacceptable in the country which will take over the chairmanship in the Organization for Security and Cooperation in Europe in 2013," a statement issued by Reporters Without Borders on 23 July 2012 said.

On 24 July 2012, the International Federation of Journalists and its regional branch, the European Federation of Journalists, urged Ukrainian President **Viktor Yanukovich** to end the persecution of the Lb.ua website and the TVi channel.

In his blog on the website of the British newspaper The Guardian, a journalist professor at City University London, **Roy Greenslade**, wrote that the South East Europe Media Organisation (SEEMO), which is a partner of the International Press Institute, was concerned about infringements on the rights of journalists in countries of the former Soviet Union, including in Ukraine.

On 27 July, the Kiev prosecutor's office cancelled a resolution of the tax police to launch a criminal case against the director-general of the TV channel TVi, **Mykola Knyazhyskyi**, who was accused of tax evasion. At the same time, cable operators suspended the TVi broadcast in the number of key Ukrainian regions.

INTERNATIONAL POLITICAL

UKRAINE-EU

Ukraine, EU simplifying visa regime

On 23 July 2012, Ukraine and the EU signed an agreement on introducing amendments to the Ukraine-EU deal on simplifying a procedure for receiving visas by Ukrainian citizens, the Lb.ua news and analysis website has reported.

The given agreement extends a list of individuals eligible for a visa to the EU countries, which can be received following a simplified procedure.

“This is a very positive signal for the Ukrainian people. Despite current difficulties in the EU-Ukrainian relations, the EU is firmly committed to the strengthening of personal contacts between citizens of the EU and Ukraine,” the EU commissioner for enlargement and neighborhood policy, **Stefan Fule**, said following the signing of the agreement.

Ukraine, EU complete checking association agreement's text

Ukraine and the EU have completed a legal and linguistic check of the part of the Ukraine-EU association agreement which deals with setting up a free trade area, the Ukrainian Foreign Ministry's press secretary, **Oleksandr Dykusarov**, said on 24 July.

“Now, following the existing practice, we will officially translate the draft agreement into the Ukrainian language and all the languages of the EU member states, and all the sides will start to implement the procedures needed to prepare this document for signing,” he added.

EU stresses need for respecting democratic standards by Ukraine

The issue of the supremacy of law is raised during each meeting with the Ukrainian government, the EU high representative for foreign affairs and security policy, **Catherine Ashton**, said on 23 July.

“We stressed this for Ukrainian colleagues many times: this is not about personalities, this is about the supremacy of law and about a guarantee that justice is done effectively and the right way and does not apply only to [jailed former Ukrainian Prime Minister] **Yuliya Tymoshenko**, but also to others who were detained,” Ashton explained.

In the opinion of Swedish Foreign Minister **Carl Bildt**, “while we can see progress in Georgia and Moldova, there is a lull in Ukraine”.

Premier says Ukraine not very much expected in EU

Certain European politicians will obstruct Ukraine's entry into the EU, Ukrainian Prime Minister **Mykola Azarov** said in an interview with the Russian newspaper *Zavtra* on 25 July 2012.

The prime minister added that the goal of joining the EU was not immediate for Ukraine.

At the same time, Azarov also said that Ukraine was ready to develop cooperation with the Customs Union of Russia, Belarus and Kazakhstan. “Currently, we are studying the experience of the Customs Union's functioning and looking at the positive things which it has,” he explained.

Poland set to bring Ukraine to Europe

Support of Ukraine's European integration is among foreign policy priorities for Poland, Polish President **Bronislaw Komorowski** said on 24 July.

"There should be iron determination, iron will and a desire to bring this strategic goal to complete success in the future," the Polish head of state stated.

UKRAINE-RUSSIA**President suggests ratification of CIS free trade agreement**

On 24 July, President **Viktor Yanukovych** sent to parliament a draft law on ratification of a free trade area agreement (FTA) within the CIS.

This agreement was signed by Prime Minister **Mykola Azarov** in October 2011. The document will replace the intergovernmental agreement signed by Ukraine and Russia back in 1994. In the spring of 2012, several media reported that Ukraine is blocking the ratification of the new agreement, as it objects to a number of the provisions made in the draft document just before the signing. In particular, among such debatable provisions is the imposition of sanctions against those FTA members which establish a free trade regime with third countries or unions, and thereby change the structure of their imports. In the future, this provision can create problems for Ukraine in case of creation of a free trade area with the EU.

According to the head of the parliamentary subcommittee on international economic policy, MP **Oleksiy Plotnikov** of the Party of Regions, the agreement will be put to a vote in the autumn. At the same time, Plotnikov could not explain how Ukraine could solve the problem of the unfavourable provisions in the document. "In theory, the parliament can ratify the agreement with reservations, though it's impossible not to ratify it. It would be too clear a signal to Russia," he said.

Advisor of the Sayenko Kharenko law firm **Natalya Mykolska** explains that Article 22 of the new agreement does not allow the member countries to ratify it with reservations or comments.

In his comments to the Gorshenin Institute, the first deputy head of the parliamentary committee on finance, MP **Serhiy Teryokhin** of the Yuliya Tymoshenko Bloc said that the agreement submitted by Yanukovych is much tougher in terms of trading conditions than the bilateral intergovernmental agreement with Russia of 1994, which remains in effect today.

Earlier, in his interview to the Kommersant Ukraina business daily, Teryokhin noted that despite the fact that many members of the parliamentary majority recognize the disadvantages of the new agreement, the chances of its adoption by the Verkhovna Rada are high, because the president must show that he is a bigger supporter of friendship with Russia than **Viktor Medvedchuk** (former head of the presidential administration), who has become more active recently.

According to Teryokhin, even if the opposition wins the October election, the new Verkhovna Rada will not be able to quickly denounce the document as "the FTA agreement establishes its minimum validity period of ten years."

On 24 July, the EU mission to Ukraine said that the ratification of the FTA with the CIS does not prevent signing a similar document with the EU.

Gazprom refuses gas discount to Poland due to Ukraine

On 20 July 2012, Poland's gas company PGNiG said that it sees no possibility of amicable settlement of the conflict with Gazprom with regards to the revision of the contract and reduction of the gas price.

In the end of 2011 PGNiG filed a lawsuit against Gazprom to the Stockholm Arbitration Court, demanding lower gas prices. This happened after Gazprom had refused to revise the pricing formula for the Polish company, although it reduced prices for a number of other European consumers.

As a source in Gazprom told the Kommersant Ukraina business daily, Gazprom will not cut the price for PGNiG in order to avoid creating a precedent "which could benefit Ukraine." "All the companies that previously received discounts are cooperating with us in one way or other. Polish PGNiG, as well as Naftohaz Ukrayiny, is keeping aloof, and so it would be completely illogical to give them discounts," the source said. He added that "if the court cancels our agreement with Poland, we [Gazprom] will terminate its execution and stop supplying gas to the country. We'll see how the Polish side will convince us to sign a more favorable agreement."

UKRAINE-USA

Freedom House calls Ukrainian president and his family main source of corruption. Pro-presidential party says USA plays political game

According to the Freedom House report published on 19 July, Ukraine's key problems are selective prosecution of opposition figures and corruption. Another serious problem is Ukrainian authorities' control over mass media, in particular, over television broadcasting.

Freedom House's experts note that President **Viktor Yanukovich** and his family, who are considered to be the biggest source of corruption in Ukraine, keep on concentrating power in their hands.

"We are concerned with expanding corruption that used to be in Ukraine before, but in April, when we did our research in Ukraine, we heard a new term 'familization', when interlocutors pointed at the president's family as the major source of corruption," Freedom House's President **David Kramer** said.

MP of the Party of Regions **Olena Bondarenko** said that Kramer's statement regarding President Viktor Yanukovich's image is non-objective and violates the principle of presumption of innocence.

"Considering the fact that this organization [Freedom House] is by 80 percent dependant on the US department of State, I have a question: doesn't this organization fulfill a sort of a political order, isn't it going to take part in the political game to make Ukraine's president more cooperative?" Bondarenko said.

UKRAINE-CHINE

Ukraine boosts import from China

The DaVinci AG analytical group's report published on 23 July says that Ukraine's negative trade balance with China has increased sharply. In January-April 2012 Ukraine's export to China increased by 3.8 percent year on year while import of Chinese goods to Ukraine grew by 25.4 percent.

The DaVinci AG group's analysis say that the negative trade balance with China in 2012 may continue to increase reaching 4.5bn dollars and hitting the level of 5bn dollars next year. This could amount to about one third of Ukraine's overall negative trade balance, seriously affecting the general situation with the import-export balance.

Ukrainian journalist **Roman Olearchyk** in his article for British Financial Times published on 20 July says that a number of recently signed and upcoming contracts between Ukraine and China show a serious activation in bilateral cooperation between the two countries. Olearchyk says this way China in fact financially supports the anti-democratic policy of Ukrainian President **Viktor Yanukovych**.

DOMESTIC POLITICAL

AUTHORITIES

Speaker sets date for extraordinary session

Speaker **Volodymyr Lytvyn** on 26 July 2012 signed a resolution to call an extraordinary session of the Ukrainian parliament following a request from 157 MPs. The sitting will start at 10 a.m on 30 July.

Parliament's press service has said that the extraordinary session will consider staffing issues, ratification of the CIS free trade agreement and a number of other draft laws, including amendments to the state budget.

The UNIAN news agency citing its own source said that if Lytvyn continues refusing to sign the language law, the extraordinary session may consider his resignation. Should this become the case, the speaker's seat may be given to MP of the Communist Party, first deputy speaker **Adam Martynyuk**.

The Segodnya daily reported that speaker Lytvyn now intends to sign the language law and retain his seat.

The opposition Fatherland Party first deputy chairman, Oleksandr Turchynov, said on 27 July that the united opposition will not change the date of the party congress scheduled on 30 July because of the parliament's extraordinary session.

The Party of Regions and the Communist party also plan to hold their party congresses on 30 July.

Ukrainian media: president may sign language law in August

The Segodnya daily with a reference to a source in the Party of Regions' top tier reported on 23 July that President **Viktor Yanukovich** will sign the language law before 20 August.

In an interview with the Strana magazine published on 26 July, former Ukrainian President **Leonid Kravchuk** said that Yanukovich called a group of experts to improve the language law. Kravchuk also said he believes that Yanukovich will follow the Party of Regions' stance regarding approval of the language law.

According to the Front for Change party, OSCE High Commissioner on National Minorities **Knut Vollebaek** critically assessed the law on languages. Vollebaek said that the draft law is not intended to settle the language issue in Ukraine concentrating on promotion of the Russian language instead and provides no guarantees to the speakers of the state Ukrainian language.

A co-author of the law on language policy, MP of the Party of Regions **Vadym Kolesnichenko**, said that Vollebaek's negative reaction to the language law demonstrates European politicians' interests in destabilizing the situation in Ukraine.

Ukrainian parliament speaker signs controversial amendments to law on public procurement

On 23 July 2012 the speaker of the Ukrainian parliament, **Volodymyr Lytvyn**, signed the law amending the procedure for public procurement. The law was forwarded for signature to President **Viktor Yanukovich**.

On 4 July 2012 parliament amended the law on public procurement and relieved state-owned companies from obligatory tender procedures providing they purchase goods, work and services at their own funds. Tender procedures remain obligatory only to state-owned companies that make procurement with public money, specifically funds from the state and local budgets.

According to one of the founders of the Our Money anti-corruption website, **Yuriy Nikolov**, the law passed on 4 July allows the management of state-owned companies to perform procurement operations without any control and without compulsory publication of announcements in the Public Procurement Bulletin. The law covers most of the tenders: in 2011 out of 40.7bn dollars spent on public procurement, 31.3bn dollars were own money of state-owned companies.

Pro-presidential party supports election of Ukraine's capital mayor in 2013

MP of the Party of Regions, **Volodymyr Rybak**, said on 24 July 2012 that the election of the Kiev mayor should be held in 2013, jointly with the election to the Kiev city council.

The head of the Central Electoral Commission, **Volodymyr Shapoval**, said that the election of the Kiev mayor shall take place this year. "The city mayor is the

key official of the local community, and the local community is not properly represented now," Shapoval said. He said however, that he is not certain if parliament approves the election of the Kiev mayor to be held in the near future. "It is difficult for me to say if parliament observes the bounds of decency and the requirements of the law. But I still hope it does!" Shapoval said.

On 7 September 2010 the Ukrainian parliament approved the law splitting the functions of the head of the Kiev city state administration and the Kiev mayor cutting the mayor's powers significantly. The head of the Kiev city state administration is appointed by the president of Ukraine.

MP of the Yuliya Tymoshenko Bloc, **Stepan Kurpil**, told the Gorshenin Institute that the scope of authority of the future mayor of Kiev will directly depend on his/her political affiliation.

Ukrainian former ex-premier jailed in USA ready to testify in Ukraine

Former Ukrainian Prime Minister **Pavlo Lazarenko** said on 27 July 2012 that he is ready to talk to investigators of the Ukrainian Prosecutor-General's Office.

"Recently, the leadership of the Prosecutor-General's Office has made several statements saying that me, Pavlo Lazarenko, refuses to meet their representatives and to give testimony. In this regard, I would like to say that at my meeting with the investigator of the Prosecutor-General's Office in December 2010 I answered all the questions that the investigator asked. If the investigator does not fully understand my explanations I am ready to provide him with my clarifications," Lazarenko's statement, released by his defence lawyer, reads.

At the moment, Pavlo Lazarenko serves his sentence in the USA. In August 2006 he was convicted to nine years in prison for money laundering and other crimes.

In April 2012 representatives of the Prosecutor-General's Office said that **Yuliya Tymoshenko** and **Pavlo Lazarenko** were involved in the murder of Donetsk businessman **Ruslan Shcherban** in 1996.

Ukraine's pro-presidential party urges criminal responsibility for spreading untrue information

The Kommersant Ukraina business daily reported on 24 July 2012 that MP of the Party of Regions, **Vitaliy Zhuravskyy**, has prepared a draft law suggesting criminal responsibility for dissemination of untrue information.

Criminal persecution for slander was dropped in Ukraine in 2001 after enactment of the new Criminal Code.

The head of the parliamentary committee for legal support to law enforcement activities, MP of the Yuliya Tymoshenko Bloc, **Viktor Shvets**, said that the committee will not support this draft law. "This issue is settled in our legislation. We follow the way of humanization of the criminal law and that is why we will not come back to old regulations," Shvets said.

Ukraine hopes to resolve dispute with Vanco by year end

On 25 July 2012, Environment Minister **Eduard Stavytskyy** said that the arbitration dispute between Ukraine and Vanco Prykerchenska company can be resolved before the end of the year.

The minister noted that at the moment the case remains entirely within the competence of the Arbitration Institute of the Stockholm Chamber of Commerce (Sweden), and the government cannot influence the case review process.

On 19 October 2007, the Ukrainian cabinet and Vanco International (Bermuda Islands) signed a production sharing agreement (PSA) with regards to the Kerch section of the Black Sea shelf. However, Vanco International assigned all rights and obligations on the PSA to Vanco Prykerchenska Ltd.

This was the main reason behind the agreement termination by the government and launch of the international investigation. In 2010, the parties suspended the process for the peaceful settlement of the conflict, but have not yet found a consensus.

Ukraine discloses its arms exporters in 2011

As Kommersant Ukraina business daily reported on 27 July 2012, referring to a report by the State Service of Exports Control, in 2011 Ukraine mainly exported weapons to countries in Africa, the Middle East and Asia.

In particular, among the recipients of repaired and upgraded armoured vehicles were Sudan with 79 units of tanks and armoured vehicles, Ethiopia with 72 tanks (out of 200 units under the contract signed in 2011), Thailand with 24 armoured vehicles and Iraq with 24 armoured vehicles. In addition, Ukraine sent to Sudan 30 armoured rocket launchers BM-21 "Grad", the same quantity of 122-millimeter self-propelled artillery systems 2S1 "Hvozhdika" and 42 antimissile systems.

The USA and Germany were the largest buyers of rifles and carbines. According to the report, the U.S. purchased in Ukraine 143,600 units of these weapons, and Germany 53,800 units.

Two combat helicopters Mi-24B were sold to the Central African Republic and 10 portable air-defence systems with 50 missiles were sent to neighboring Chad.

As the paper said, compared to 2010 the structure of Ukrainian arms exports practically did not change.

According to MP **Anatoliy Kinakh** of the Party of Regions, the year of 2011 confirmed the negative trends for Ukraine. "The total volume of our exports includes very few products that were developed and manufactured in the independent Ukraine. Our export is leaning towards supply of arms and military hardware manufactured in the Soviet Union, as well as providing services," he said.

President appoints new Navy commander

On 27 July 2012, President **Viktor Yanukovich** appointed **Yuriy Ilyin** as commander of the Ukrainian Navy.

Previously, Ilyin was acting commander of the Navy.

Ukraine starts Slavic Commonwealth-2012 drill

On 23 July 2012, the Ukrainian-Belarusian-Russian battalion tactical exercises Slavic Commonwealth-2012 were launched in Mykolayiv Region (Ukraine).

96 representatives from Russia, 72 military men from Belarus and 170 Ukrainians are taking part in the exercises.

According to a survey conducted by the Gorshenin Institute in September 2011, the majority of Ukrainian citizens (68.3%) believe that the Ukrainian army will not be able to defend the nation in the event of a real military threat.

UKRAINIAN OPPOSITION

Ukrainian court to continue hearing case against jailed ex-premier over corporation's activity on 31 July

On 23 July 2012, a Ukrainian court postponed a hearing of a criminal case against Ukrainian opposition leader and former Prime Minister **Yuliya Tymoshenko**, who is accused of exceeding her authority when she was the head of the United Energy Systems of Ukraine corporation (UESY), until 31 July due to her absence.

Additionally, a judge said that the court received a conclusion of medical experts who said that Tymoshenko's condition was consistently satisfactory and that it did not prevent her from perceiving information, understanding it and expressing her thoughts.

Commenting on the results of the medical check received by the court, a representative of the state prosecution, **Maryna Kapinos**, said that there were no obstacles for Tymoshenko's participation in trials.

In his turn, Tymoshenko's lawyer **Serhiy Vlasenko** pointed out that medical experts were scared of directly writing in their conclusion that the former prime minister was fit for trial.

On 27 July, the opposition Fatherland party urged the Ukrainian government to refrain from discussing Tymoshenko's participation in court hearings until her complete recovery.

A number of mass media reported that Tymoshenko would be present at the next trial.

The authorities brought new furniture to the hospital where the former prime minister is undergoing medical treatment, which might suggest that they are preparing to hold a hearing of Tymoshenko's case in the building of the medical facility, the Kharkiv newspaper Holovne reported on 27 July.

A court hearing of a criminal case against former Ukrainian Interior Minister **Yuriy Lutsenko** is scheduled for 3 August.

Ukraine mulls setting up joint commission with Germany to treat jailed ex-premier

On 24 July 2012, the Ukrainian State Penitentiary Service submitted a request to the Health Ministry to set up a joint commission of Ukrainian and German medical specialists for determining the timeframe for treating former Prime Minister **Yuliya Tymoshenko**.

The opposition Fatherland party said that the initiative for setting up a joint commission was meaningless since doctors from the German clinic Charite were currently in charge of Tymoshenko's medical treatment.

On 26 July, the chief psychotherapy specialist of the Ukrainian Health Ministry, **Borys Mykhaylov**, said that the doctors from the Berlin-based Charite clinic who were treating Tymoshenko were under political pressure. He stressed that the German politicians who had recently visited Tymoshenko in Kharkiv allowed themselves to comment on her health condition and also on the possibility of treating the former prime minister in Kharkiv's hospitals. In Mykhaylov's opinion, such comments could influence the doctors.

European Parliament representative meets jailed ex-premier

On 23 July 2012, former President of the European Parliament **Pat Cox** held a meeting with former Ukrainian Prime Minister **Yuliya Tymoshenko** in Kharkiv's hospital.

The European Parliament's envoy did not give journalists any comments on the meeting.

At the same time, Tymoshenko's lawyer **Serhiy Vlasenko** said that Cox and the former prime minister discussed the political situation in Ukraine, as well as progress in the court procedures against her.

Cox and former Polish President **Aleksander Kwasniewski** came to Ukraine on behalf of the European Parliament with the goal of monitoring court hearings of the criminal case against Tymoshenko.

EU envoy could not meet jailed Ukrainian ex-premier

Current EU envoy to Ukraine **Jose Manuel Pinto Teixeira** has not come to see former Ukrainian Prime Minister **Yuliya Tymoshenko**, who on 24 July was granted permission to meet him, the Ukrainian State Penitentiary Service said on 25 July.

In its turn, the EU representative office in Ukraine pointed out that Teixeira did not receive timely information about the date of a meeting with Tymoshenko.

On 24 July 2012, the Ukrainian State Penitentiary Service also said that Tymoshenko had already used up the "annual quota" of meetings envisioned by law.

Ukraine's jailed ex-premier, ex-interior minister may be elected to parliament

There is a possibility that former Ukrainian Prime Minister **Yuliya Tymoshenko** and former Interior Minister **Yuriy Lutsenko** can be elected as MPs in the parliament of the next convocation, the deputy head of the opposition parliamentary faction Yuliya Tymoshenko Bloc, **Serhiy Sobolyev**, said on 24 July.

"If Tymoshenko and Lutsenko cannot register for party lists, then a snap election can be held in any single-seat constituency over the next four years," he explained. Sobolyev also clarified that this is envisaged by the new law "On electing MPs".

An MP of the pro-presidential Party of Regions, **Volodymyr Oliynyk**, admitted that such a possibility exists. However, he added, this will be possible only if Tymoshenko's and Lutsenko's conviction is overturned.

Ukrainian ex-governor says opposition preparing to file lawsuits against prosecutors with foreign courts

The opposition Fatherland party is preparing lawsuits against the Ukrainian prosecutors who have "trumped up" cases against the opposition leaders, the head of the Kharkiv regional organization of the Fatherland party and former Kharkiv Region's governor, **Arsen Avakov**, told the Russian service of the Radio Liberty.

He said that representatives of the Fatherland party were planning to file such lawsuits with foreign courts. Avakov added that European laws permitted the handling of such lawsuits and that he had already started to deal with these cases in Italy.

SOCIETY**Ukraine takes lead in online advertising growth in CEE**

As the Lb.ua news and analysis website reported on 25 July, according to a study conducted by Gemius, Ukraine in 2011 was ranked first in terms of growth of the Internet advertising market in Central and Eastern Europe (including Russia). The growth rate of the Ukrainian market was over 59 percent. However, Russia remained the leader in terms of the market size with more than 1bn euros. It is followed by Poland and Turkey. The size of the Ukrainian market last year amounted to about 42m euros.

ECONOMICS**Ukraine named among leaders in offshore wealth transfers**

As the Kommersant Ukraina business daily reported on 24 July 2012, citing a study conducted by independent organization the Tax Justice Network, Ukraine has transferred 167bn dollars to offshore accounts over the years of its independence.

The stated amount of money withdrawn from Ukraine exceeds the gross domestic product in 2011 (165.2bn dollars). Also, it is more than twice the amount of Ukraine's public debt as of the end of June, which was 60bn dollars.

The leader in exporting capital is China. Over 40 years, the country has moved out 1.19tn dollars. The second place is occupied by Russia, where the outflow of capital started only in 1990. Since then, the country has sent offshore 798bn dollars. Ukraine is on the 9th place.

According to **Valery Heyets**, the director of the Institute for Economics and Forecasting under the National Science Academy of Ukraine, the cited figures are accurate. "Sending offshore 167bn dollars over 21 years means that each year 8bn dollars was leaving the Ukrainian economy. These estimates are quite plausible."

Grain harvest forecast lowered again

On 24 July 2012, the Weather Center lowered its 2012 grain harvest forecast from 44m tonnes to 43m tonnes, while the Ukrainian Association of Agribusiness cut its estimate to 40-42m tonnes.

The government forecasts that the harvest in 2012 will total 45.3m tonnes.

Ukraine mulls selling two state banks

As news and analysis website Lb.ua reported on 23 July 2012, the Finance Ministry has announced a tender for the evaluation of the state's shareholding in Ukrhasbank and Bank Kyiv.

The tender winner will evaluate the shareholdings in the banks, and will also provide recommendations regarding the sale procedures and preparation of a plan for the sale of the stakes in these banks. Also, the ministry is seeking for a candidate that would select strategic investors for the two banks.

ENERGY MARKET

Naftohaz Ukrayiny building up debts

As news and analysis website Lb.ua reported on 24 July 2012, Naftohaz Ukrayiny, a state-run energy company, took two loans worth a total of 313m dollars from state-owned Ukrhasbank.

In addition, on 18-19 July Naftohaz Ukrayiny sold government bonds worth 313m dollars to Delta Bank. The redemption amount was 328m dollars (excluding VAT).

In early July 2012, Naftohaz Ukrayiny received a 2bn-dollar credit line from the Russian Gazprombank.

On 21-25 July 2012, the Gorshenin Institute conducted a telephone survey. As many as 2,000 randomly sampled adults aged 18 years and older, living in all the Ukrainian regions, as well as in the cities of Kiev and Sevastopol were interviewed. Region, sex and the age of respondents were selected as quotas. The margin of error is +/-2.2 percentage points.

1. What did Euro 2012 bring to you?

(you can choose several options)

The feeling of pride, patriotism – 40.0%
The feeling of festivity, an opportunity to have a good time – 23.0%
Disappointment – 11.3%
New impressions – 7.2%
Inconvenience, discomfort – 4.5%
An opportunity to earn money – 1.9%
New interesting acquaintances – 1.0%
Other – 7.9%
No answer – 19.8%

2. How do you evaluate Ukraine's overall preparation for Euro 2012?

Definitely positively – 33.5%
Rather positively – 35.0%
Rather negatively – 13.9%
Definitely negatively – 6.6%
No answer – 11.0%

3. In your opinion, did the hosting of Euro 2012 promote the unification of the country?

Definitely yes – 32.3%
Probably yes – 25.0%
Probably no – 13.1%
Definitely no – 15.7%
No answer – 13.9%

4. In your opinion, did the hosting of Euro 2012 contribute to the improvement of the Ukrainian infrastructure (roads, railways and bus stations, airports, etc.)?

Definitely yes – 35.4%
Probably yes – 28.6%
Probably no – 13.9%
Definitely no – 11.6%
No answer – 10.5%

5. Did you follow the Euro 2012 matches?

Yes, completely – 42.9%
Yes, from time to time – 43.4%
No – 13.7%

6. Where did you mostly watch the football matches?
(you can choose no more than two options)

At home – 73.8%
In bars, restaurants, cafes – 5.6%
At a stadium – 3.9%
In fan zones – 3.7%
At a friend's or relative's place – 3.1%
Other – 0.7%
Did not watch any matches at all – 15.3%
No answer – 0.9%

7. Would you like Ukraine to host international sports events (Olympic Games, championships, etc.) in the future?

Definitely yes – 69.1%
Probably yes – 14.4%
Probably no – 4.4%
Definitely no – 5.7%
No answer – 6.4%

8. In your opinion, how did Ukraine's international image change after it hosted Euro 2012?

Definitely improved – 41.9%
Probably improved – 33.1%
Probably became worse – 4.9%
Definitely became worse – 2.7%
No answer – 17.4%

9. Do you believe that the hosting of Euro 2012 can be considered as success in Ukraine's foreign policy?

Definitely yes – 37.7%
Probably yes – 18.6%
Probably no – 12.5%
Definitely no – 12.5%
No answer – 18.7%

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