

# Gorshenin Veekly



## 1. International political

#### **Ukraine-EU**

EU-Ukraine association agreement may be signed next year...page 4.

Mass media: Ukrainian issue sliding down EU agenda...page 4.

Ukraine not on PACE agenda...page 4.

New parliament may disband Eurointegration committee – chairman...page 5.

#### Ukraine-Russia

Ukrainian premier visits Russia...page 5.

Ukraine to commit to Russian gas purchase plan...page 5.

Russian nuclear fuel pushes off US competitor from Ukrainian nuclear plants... page 6.

### 2. Domestic political

#### **Authorities**

Central bank head may become prime minister – website...page 6.

Lytvyn chairs working group to arrange for new parliament work...page 7.

Ukrainian parliament passes law on biometric passports with presidential proposals...page 7.

Ukrainian MPs extend veto on land sale...page 7.

Ukrainian parliament refuses to rescind referendum law...page 7.

Ukraine's new Criminal Procedures Code comes into force...page 8.

Ukrainian pro-presidential party intends to chair key committees in new parliament...page 8.

Ukrainian Communist party might have difficulty with forming parliamentary faction...page 9.

#### **Opposition**

Ukrainian opposition parties continue to report pressure by pro-government party...page 9.

Hearings into Ukrainian ex-premier's case delayed till December...page 9.

Ukrainian court denies jailed ex-minister's appeal request...page 10.

ISSUE #46(115) 11/26/2012

European Human Rights Court denies Ukraine's appeal against verdict on ex-minister's case...page 10.

### 3. Parliamentary election

Ukrainian opposition to challenge in court government's intention to hold repeat elections in problematic constituencies...page 10.

Ukrainian minister dismisses Western criticism of recent parliamentary election... page 11.

Number of spoiled ballots during parliamentary election exceeds 1m...page 11.

#### 4. Economics

IMF reiterates its demands to Ukraine...page 11.

Ukraine may peg hryvnya to dual currency basket...page 12.

World Bank lowers growth forecasts for Ukraine...page 12.

Ukraine borrows 1.25bn dollars on foreign market...page 12.

NBU forces exporters to sell half of currency earnings...page 13.

Parliament cancels tender procedures for central bank...page 13.

Ukraine may impose import restrictions...page 13.

Parliament postpones adoption of currency sales tax...page 13.

#### 5. Energy market

Ukraine ready for heating season...page 14.

Moldova interested in sharing Ukraine's LNG terminal...page 14.

#### 6. Society

Only quarter of HIV-positive receive due treatment in Ukraine...page 14.



### INTERNATIONAL POLITICS

#### **UKRAINE-EU**

#### EU-Ukraine association agreement may be signed next year

The EU-Ukraine association agreement may be signed in 2012, the head of the EU delegation to Ukraine, **Jan Tombinski**, said on 21 November 2012. He added that his optimism does not mean that the EU called off its previous conditions to Ukraine: "The signing was stopped due to the issues concerning selective justice, incomplete judicial reform and our doubts about the recently held election".

The news and analysis portal Lb.ua said on 14 November that the association agreement could be signed in 2013, as mentioned by German Chancellor **Angela Merkel** and Polish Prime Minister **Donald Tusk**.

The Kommersant Ukraina business daily said that Germany had softened its attitude towards Ukraine thanks to German business representatives interested in creating a free trade zone with Ukraine.

The EU is expected to approve the official criteria for signing the association agreement with Ukraine in December. The EU member states' foreign ministers made a decision to this effect at the EU Council meeting on 19 November, the Liga information portal said.

The head of the parliamentary committee for Eurointegration and Our Ukraine-People's Self-Defence MP, **Borys Tarasyuk**, and Fatherland party deputy head **Hryhoriy Nemyrya** said that they would spare no effort calling on the EU to refrain from signing the agreement until the Ukrainian authorities fully meet the already announced EU requirements.

#### Mass media: Ukrainian issue sliding down EU agenda

The EU Foreign Affairs Council met in Brussels on 19 November 2012, planning, in particular, to discuss the future relations between the EU and Ukraine. However, according to Ukrainian media reports, the Ukrainian issue faded into the background of the agenda due to the Gaza situation.

Nevertheless, according to the Liga information portal, the EU member states' foreign ministers dedicated some of their time to the Ukrainian parliamentary election and the prospects for signing the association agreement. In particular, it transpired that the association agreement is technically not ready for signing, and its completion will take several months.

#### Ukraine not on PACE agenda

The Parliamentary Assembly of the Council of Europe (PACE) is not planning to discuss the situation in Ukraine at its next session in January 2013, Ukraine's permanent representative at the Council of Europe, **Mykola Tochytskyy**, said in an interview with the Interfax-Ukraine news agency on 22 November 2012. He said that the PACE was planning to discuss its final report on the Ukrainian parliamentary election on 29-30 November. "As far as I know, the reporters said this



issue was not mandatory for discussion at the next session of the assembly," he added.

#### New parliament may disband Eurointegration committee - chairman

The Party of Regions is toying with the idea of disbanding the committee for Eurointegration in parliament of the next convocation and transferring its functions to the committee for foreign affairs, the acting chairman of the parliamentary committee for Eurointegration, Borys Tarasyuk, said on 21 November 2012.

#### **UKRAINE-RUSSIA**

#### Ukrainian premier visits Russia

Ukrainian Prime Minister Mykola Azarov paid a working visit to Moscow on 21 November 2012 to hold talks with his Russian counterpart **Dmitriy Medvedev**.

According to the Russian government, Azarov and Medvedev discussed the issue of gas supplies and the disposal fee for cars (Kiev and Moscow are preparing an interim half-year agreement suspending disposal fees during the bilateral car trading).

Medvedev also mentioned Ukraine's possible accession into the Customs Union of Belarus, Kazakhstan and Russia. In particular, he recalled a statement made by one of Ukrainian deputy prime ministers who said Ukraine's entering the Customs Union would be unlawful. Azarov responded by saying that statements made by individual officials do not represent the official position of the Ukrainian authorities.

Earlier, on 19 November, Viktor Yanukovych and Vladimir Putin, the presidents of Ukraine and Russia respectively, had a phone talk during which they discussed cooperation issues, including in the energy sector.

#### Ukraine to commit to Russian gas purchase plan

By the end of 2012, the national oil and gas company Naftohaz Ukrainy and Ostchem, controlled by Ukrainian businessman Dmytro Firtash, will have bought around 32.5bn cu.m. of gas from Russia. This is the minimal volume Ukraine has obliged to buy this year under the effective contract, the Kommersant Ukraina business daily quoted its sources in the Ukrainian Energy Ministry as saying on 22 November.

According to expert estimates, Ukraine will buy around 26bn cu.m. of gas, and Ostchem will buy the rest.

The State Statistics Service said that in January-September 2012 Ukraine imported 24bn cu.m. of gas, of which 4bn cu.m. were booked by Ostchem.

On 23 November 2012, President Viktor Yanukovych said that Ukraine would only buy 18bn cu.m. of gas from Russia in 2013.

Honorary lawyer Danylo Kurdelchuk, who is the president of the Ukrainian Bar Association for Foreign Affairs, and his advisor Oleksandr Malynovskyy said in their article for the Dzerkalo Tyzhnya weekly on 23 November that if Gazprom decides to sue Ukraine over low consumption of gas in 2013, it will be able to do so



not earlier than February 2014. The litigation in this case may last from two to four years. During this time Gazprom will have no right to limit gas supply to Ukraine. Naftohaz Ukrayiny will have grounds to file a counter-suit to demand, for example, that the clauses of the effective gas contract be ruled invalid, the lawyers said.

#### Russian nuclear fuel pushes off US competitor from Ukrainian nuclear plants

In January-September 2012, the share of Russian nuclear fuel (TVEL) at Ukrainian nuclear plants grew from 70 percent to 90 percent by its value, while the share of US fuel (Westinghouse) went down from 30 percent to 10 percent, the State Statistics Committee reported on 21 November 2012.

During this period Ukraine imported nuclear fuel worth 466.2m dollars.

The Kommersant Ukraina business daily quoted sources in the Ukrainian cabinet as saying that Russia demanded that Ukraine cut its consumption of the US fuel when Moscow and Kiev were negotiating setting up a joint venture in Ukraine to manufacture fuel elements.

The construction of a nuclear fuel production facility in Kirovohrad Region (Ukraine) began on 4 October 2012. It is being built within the framework of a joint Russian-Ukrainian venture, in which the Ukrainian state-owned concern Nuclear Fuel owns 50 percent plus one share, and the Russian TVEL (Rosatom's fuel company) 50 percent minus one share.

The Energy Ministry said that the price of TVEL fuel had increased by 9.6 percent since the beginning of 2012.

According to a public survey held by the Gorshenin Institute in March 2011, the majority of Ukrainians (66.6 percent) considers Ukrainian nuclear power plants to be unsafe.

# **DOMESTIC POLITICS**

#### **AUTHORITIES**

#### Central bank head may become prime minister - website

The incumbent governor of the National Bank of Ukraine, Serhiy Arbuzov, may take the seat of Prime Minister Mykola Azarov, the news and analysis portal Lb.ua quoted its sources as saying on 21 November 2012.

Mass media earlier reported that the members of the government, including the prime minister, elected to parliament, submitted their resignations. Thus the officials carried out one of the norms of the law on elections, a precondition to receiving an MP status.

According to Kommersant Ukraina, all resignation letters will be signed by President Viktor Yanukovych. First Deputy Prime Minister Valeriy **Khoroshkovskyy**, who did not run for parliament, will be in charge of the cabinet until a new one is appointed.

According to the head of the Party of Regions parliamentary faction, **Oleksandr Yefremov**, the composition of a new cabinet will depend on the format of the majority in a new parliament.

ISSUE #46(115) 11/26/2012

#### Lytvyn chairs working group to arrange for new parliament work

On 22 November 2012, parliament speaker **Volodymyr Lytvyn** was elected head of the working group overseeing the arrangements for the first meeting of parliament of the next convocation.

The representatives of United Opposition Fatherland, UDAR and Freedom did not take part in the vote.

Lytvyn was nominated as head of the working group by National Security and Defence Council Secretary **Andriy Klyuyev** who represented the Party of Regions.

**Serhiy Rakhmanin** said in his article for Dzerkalo Tyzhnya on 23 November that Klyuyev, who seeks the post of the first deputy prime minister in a new government, had been lobbying for Lytvyn's re-appointment as parliament speaker.

The second most probable candidate for the speaker's post is incumbent Justice Minister **Oleksandr Lavrynovych**, who is supported by the head of the presidential administration, **Serhiy Lyovochkin**, Rakhmanin said.

# Ukrainian parliament passes law on biometric passports with presidential proposals

On 20 November 2012, the Ukrainian parliament adopted a law on biometric passports, which considers the amendments introduced by President **Viktor Yanukovych**.

The Kommersant Ukraina daily reported that in his amendments the president considered none of the key objections to the law that had been earlier voiced by public organizations, the Justice Ministry and the Interior Ministry. In particular, the following norms have not been amended: the need for a passport for all Ukrainians from the earliest age, a too long list of documents to which a biometric chip will be attached, the creation of a single database of citizens, etc.

The daily added that the presidential amendments were only technical in nature.

#### Ukrainian MPs extend veto on land sale

On 20 November 2012, the Ukrainian parliament extended a veto on the sale of agricultural land to 1 January 2016. The veto's expiration date was previously set at 1 January 2013.

In the opinion of an MP of the opposition parliamentary faction Our Ukraine-People's Self-Defence, **Andriy Parubiy**, the pro-presidential Party of Regions prolonged the veto following an order from President **Viktor Yanukovych** who does not want to stir public outcry before the forthcoming 2015 parliamentary election.

#### Ukrainian parliament refuses to rescind referendum law

On 20 November 2012, Ukrainian MPs refused to support a proposal of the opposition to rescind a law on all-Ukrainian referendums.

On 6 November 2012, parliament adopted the law "On all-Ukrainian referendums".



The document says that a referendum might be held over a new draft of the constitution, introducing amendments to it, as well as over rescinding the current constitution. Additionally, it can be called over the issue of changing the territory of Ukraine.

Under the current constitution, constitutional amendments might be introduced only by parliament and only when there is a constitutional majority (two-thirds of MPs which is 300 or more votes) in their support.

On 22 November 2012, the referendum law was sent to the president to be signed.

#### **Ukraine's new Criminal Procedures Code comes into force**

On 20 November 2012, Ukraine's new Criminal Procedures Code (CPC), which has drastically changed the criminal justice system, came into force. The Ukrainian State Penitentiary Service said that the introduction of the new CPC would significantly reduce a workload of detention centers. Under the new CPC, a crime suspect might be detained for no longer than one year. Furthermore, new alternative preventive measures such as bail and house arrest are introduced.

The pro-presidential Party of Regions pointed out that with the implementation of new norms of the CPC "a competition among participants in the process will gain more quality" since trial by jury and reconciliation are introduced among other things.

For its part, the opposition criticized the document. In the opinion of an MP of the Yuliya Tymoshenko Bloc parliamentary faction, Serhiy Vlasenko, the new CPC is turning Ukraine into a police state. He believes that under the new CPC, a person is not informed that a criminal case has been launched against them; investigative agencies can conduct searches without an opening of a criminal case or a court order; "testimony from someone's words" might be accepted in criminal proceedings; and, furthermore, the role of a defender in the new code is almost totally diminished.

Presidential advisor Andriy Portnov responded that all the criticism voiced by the opposition was only groundless rumors.

Earlier, Ukrainian Prosecutor-General Viktor Pshonka said that those criminal cases that had been sent to court before the new CPC came into force (on 20 November) would not be affected by the introduction of the new document.

In the opinion of a member of the Council of Kiev Lawyers, **Mykola Sirvy**, the fact that two codes are valid in the country during the transition period is a case of legal "ignorance" and will lead to much confusion in the criminal justice system.

#### Ukrainian pro-presidential party intends to chair key committees in new parliament

The Ukrainian pro-presidential Party of Regions believes that its members should chair all the committees ensuring the work of the state, the head of the Party of Regions parliamentary faction, **Oleksandr Yefremov**, said on 19 November 2012.

"Our position is the following: we are the majority and we should ensure a stable work of the state. It means that we should have the committees that ensure this work," he said.



Discussing the committees that might be chaired by the opposition, Yefremov said that it might be the committee of freedom of speech.

#### Ukrainian Communist party might have difficulty with forming parliamentary faction

On 19 November 2012, Ukrainian President Viktor Yanukovych signed amendments to the law on parliament work that had been adopted earlier.

The Lb.ua news and analysis website reported that under the new draft of the law on parliamentary work, a parliamentary faction is formed by MPs who were elected through party lists and MPs elected in first-past-the-post constituencies.

It is known that candidates from the Communist Party of Ukraine did not win in any single-seat constituency.

Ukrainian parliamentary speaker **Volodymyr Lytvyn** admitted that the Communists at the moment could not formally form a faction, although he believes that the party will form it eventually.

In the opinion of an MP of the opposition parliamentary faction Our Ukraine-People's Self-Defence, Anatoliy Hrytsenko, the Party of Regions might use the issue of the legality of forming a faction by the Communist Party of Ukraine in its negotiations on forming a majority in the new parliament.

#### **OPPOSITION**

# Ukrainian opposition parties continue to report pressure by pro-government

The pro-government party is trying to create a parliamentary majority by bribing MPs, including those from UDAR party, its leader, boxing champion Vitaliy Klitschko, said on 22 November 2012.

The politician added that members of his political force were promised seats in parliamentary committees in return for loyalty. He also stressed that the government in such situations was using the method of "sticks and carrots".

Earlier, on 21 November, one of the leaders of United Opposition Fatherland, Mykola Tomenko, said that harsh pressure had been unleashed by lawenforcement agencies, tax services and local authorities on opposition MPs who were elected in single-seat constituencies.

According to the information at the disposal of the opposition Fatherland party, a new MP who was elected in a first-past-the-post constituency, Iryna Kupreychyk, had to flee Ukraine due to the pressure exerted on her by the government.

#### Hearings into Ukrainian ex-premier's case delayed till December

A Ukrainian court ruled on 23 November 2012 to postpone hearings into the case of former Ukrainian Prime Minister Yuliya Tymoshenko's abuse of office when she chaired the United Energy Systems of Ukraine corporation till 18 December. The ruling was approved because of Tymoshenko's absence at the sitting.



Earlier, on 19 November, the European Parliament special monitors Polish ex-President **Aleksander Kwasniewski** and former President of European Parliament Pat Cox had a two-hours-long meeting with Yuliya Tymoshenko in the Kharkiv hospital. After the meeting they refused from commenting on it to media representatives.

#### Ukrainian court denies jailed ex-minister's appeal request

The Kiev court of appeals on 22 November 2012 rejected the appeal filed by former Interior Minister Yuriy Lutsenko against the verdict regarding his sentence.

In August 2012 the court sentenced Lutsenko to two years in prison for professional negligence when ordering surveillance over a suspect while investigating poisoning of the then presidential candidate Viktor Yushchenko. At that time Lutsenko was already convicted to four years in jail over abuse of power. He lost an appeal regarding his first sentence as well.

The European Parliament's special monitors former Polish President Aleksander Kwasniewski and former President of European Parliament Pat **Cox** attended hearings into Lutsenko's appeal on 21 November. The Lb.ua news and analysis website reported with a reference to own sources that after the court's sitting **Kwasniewski** went to a meeting with Ukrainian president's advisor **Andriy Portnov**. According to the Dzerkalo Tyzhnya weekly, Portnov may receive the post of the Justice Minister in the new cabinet.

In an interview with Lb.ua Lutsenko said that the EU can not yet invent a mechanism of "pinpoint pressure" on representatives of Ukrainian authorities, as Ukrainian business, just like Russian business, will always find a way to bypass the sanctions. Lutsenko came to this conclusion after a conversation with the European Parliament's envoys. He said however that officials in Europe understand very well whom they interact with in Ukraine.

#### European Human Rights Court denies Ukraine's appeal against verdict on ex-minister's case

The European Court for Human Rights (ECHR) on 19 November 2012 rejected an appeal filed by the Ukrainian government against the case regarding illegal detention and arrest of former Interior Minister Yuriy Lutsenko.

On 3 July ECHR ruled Lutsenko's arrest being illegal. Later the Ukrainian government challenged this ruling.

#### PARLIAMENTARY ELECTION

#### Ukrainian opposition to challenge in court government's intention to hold repeat elections in problematic constituencies

United Opposition Fatherland intends to file a lawsuit with the European Court of Human Rights in order to establish of objective results of the 28 October parliamentary election in problematic constituencies, the head of its political council **Arseniy Yatsenyuk** said on 20 November 2012.

At the beginning of November, the Ukrainian Central Electoral Commission



(CEC) declared that it could not establish reliable election results in five constituencies and recommended to hold repeat election in these districts.

Yatsenyuk said that opposition candidates won in the problematic constituencies but the CEC and the pro-presidential Party of Regions refused to "establish the legal expression of will by Ukrainians" and intended to hold repeat elections in order to make their own candidates win.

The opposition is categorically against the holding of repeat elections in a number of constituencies, Yatsenyuk stressed.

Earlier, on 19 November, the head of the Yuliya Tymoshenko Bloc opposition parliamentary faction, Andriy Kozhemyakin, said that the legitimacy of the Verkhovna Rada remained challenged since the election had been rigged.

#### Ukrainian minister dismisses Western criticism of recent parliamentary election

Ukrainian Foreign Minister Kostyantyn Hryshchenko has said that the 28 October parliamentary election in Ukraine was held "in a calm and civilized manner". He wrote this in an article for the French daily Le Monde on 14 November 2012.

Commenting the problems with vote counting in a number of constituencies, the minister stressed that electoral commissions had been formed in line with the law that was passed by parliament jointly by the majority and the opposition.

Discussing international observers, Hryshchenko recalled that the OSCE sent to Ukraine 600 monitors and only 60 to the USA. "There is a need for the same norms for everyone as much as possible. Election observation should not serve as an attempt to solve political problems," the Ukrainian minister said.

At the same time, EU ambassador to Ukraine Jan Tombinski said on 21 November that Europe was disappointed with post-election developments in Ukraine and, in particular, with what happened during the process of vote counting.

#### Number of spoiled ballots during parliamentary election exceeds 1m

The number of spoiled ballots in the 28 October parliamentary election in Ukraine has risen to almost 1.2m, the Ukrainian weekly Dzerkalo Tyzhnya reported on 19 November 2012.

Most of these ballots came from single-seat constituencies. In the majority of cases, they were spoiled in central Ukraine where the rating of the propresidential Party of Regions is lower than that of the opposition forces, the weekly added.

# **ECONOMICS**

#### IMF reiterates its demands to Ukraine

To resume cooperation with the International Monetary Fund (IMF), Ukraine has to fulfill the conditions previously set forth by the fund, IMF Resident



Representative for Ukraine **Max Alier** said on 21 November 2012.

He said that all the requirements are included in the current cooperation programme. Particularly, the IMF demands that Ukraine raise the price of natural gas for households, increase flexibility of the hryvnya exchange rate and adopt a balanced budget for 2013.

On 23 November, Prime Minister Mykola Azarov said that the government was at the final stage of the consultations with the IMF aimed at defining macroeconomic indicators for 2013. "We expect that we will still see growth [of GDP] of about, as we believe, 3 percent," he said.

#### Ukraine may peg hryvnya to dual currency basket

The National Bank of Ukraine (NBU) is studying the possibility of pegging the exchange rate of hryvnya to a dual currency basket, representative of the regulator Oleksandr Dubikhvost said on 21 November 2012.

"Our economy is more linked to the ruble and the euro, not the dollar, and it would be logical to peg it to the basket [of currencies]," he said.

At the same time, Dubikhvost noted said that in order to switch to a dual currency basket, the NBU must have significant international reserves. To achieve a high level of the reserves, he said, Ukraine needs to resume cooperation with the IMF.

According to experts, the hryvnya exchange rate is virtually tied to the dollar.

#### World Bank lowers growth forecasts for Ukraine

The World Bank has estimates that Ukraine's GDP growth in 2012 will be below 2 percent. The forecast was voiced by Senior Economist of the World Bank in Ukraine Ruslan Piontkovsky on 21 November.

In July the World Bank estimated Ukraine's GDP growth at around 2 percent in 2012 and 3.5 percent in 2013.

#### Ukraine borrows 1.25bn dollars on foreign market

Ukraine has placed 10-year eurobonds to the tune of 1.25bn dollars, news and analysis website Lb.ua reported on 20 November 2012. The yield of the eurobonds is 7.8 percent per annum. The bonds coupon is paid every six months.

Fitch Ratings has assigned 'B' rating to the Ukrainian eurobonds. Ukraine has the same country rating.

According to Economics Minister **Petro Poroshenko**, the funds raised by the government will be used for covering the state budget deficit.

Earlier this year Ukraine has already sold 2.6bn dollars in eurobonds.

According to the State Treasury, the budget revenues plan in January-October 2010 was fulfilled by 73 percent.

According to ex-Finance Minister Viktor Pynzenyk, the state budget deficit in 2012 may reach 4.4bn dollars.



#### NBU forces exporters to sell half of currency earnings

The National Bank of Ukraine (NBU) has ordered that Ukrainian exporting companies must sell 50 percent of their foreign currency earnings. The respective decree came into force on 19 November 2012. The effective term of the order is six months

The mandatory sales requirement will apply to U.S. dollars, euros and other currencies that belong to the NBU's first classification group, as well as the Russian rouble.

Exporters should sell the currency no later than the next business day after receiving it.

In addition, another NBU's decree comes into effect on 27 November, according to which individuals who receive money orders in foreign currency during onemonth period in the amount of 18,700 dollars and more will be obliged to sell the currency at the interbank foreign exchange market.

#### Parliament cancels tender procedures for central bank

The Verkhovna Rada has passed a law that allows the National Bank of Ukraine (NBU) to make public procurement without tender procedures. The relevant law was adopted on 20 November 2012. The bill was drafted by the NBU.

According to the document, the NBU is exempted from the tender procedure, if the subject of the purchase includes work related to the production of securities and bank notes, as well as work related to the regulator's management of international reserves.

In addition, the tender procedures do not apply to goods and service that are purchased with the loans obtained under state guarantee to finance projects in agriculture.

Earlier, Ukraine and China signed an agreement on a 3bn dollar loan for the development of Ukraine's agriculture.

#### Ukraine may impose import restrictions

The Economics Ministry has drafted a law that introduces an additional 10percent tax on imports of goods, business daily Kommersant Ukraina reported on 20 November 2012, citing the document.

The bill has already been agreed with the ministries and is being prepared for submission to the government, the newspaper writes.

On his part, Economics Minister **Petro Poroshenko** said that the information about the expected introduction of such duties is premature and incorrect.

#### Parliament postpones adoption of currency sales tax

On 20 November 2012, the Verkhovna Rada refused to vote on the bill that introduces a 16-percent duty (15-percent tax, 1-percent allocation to the Pension Fund) on sales of currency.

ISSUE #46(115) 11/26/2012

The bill was submitted to the Verkhovna Rada by head of the parliamentary committee on finance Vitaliy Khomutynnyk. However, as previously reported by the media, the idea for introducing such a duty was brought up by the Ministry of Finance and the National Bank of Ukraine.

The debate on the document has been postponed indefinitely; however, speaker Volodymyr Lytvyn does not rule out that the parliament will return to it during the next sitting which is scheduled for 4 December.

Ex-Finance Minister **Ihor Umanskyy** believes that the submission of the law on currency sales tax to parliament could be a deliberate provocation by the authorities aimed at provoking the public to sell the currency. He made a statement to that effect during a round table at the Gorshenin Institute held on 22 November.

According to the estimates made by the NBU, the public hold in their hands over 50bn dollars in cash. The regulator has announced the creation of a committee which, jointly with security agencies, will crack down on illegal currency transactions.

### **ENERGY MARKET**

#### Ukraine ready for heating season

Ukraine has pumped over 20bn. cu.m. of gas to its underground gas storages, Energy Minister Yuriy Boyko said in an interview with the Uryadovyy Kuryer official Ukrainian daily published on 23 November 2012.

According to Boyko, by doing this Ukraine has duly prepared itself for the heating period and established conditions for reliable transit of Russian gas to Europe.

#### Moldova interested in sharing Ukraine's LNG terminal

Moldova has discussed with Ukraine a possibility for taking part in construction of the LNG terminal in Odessa Region, Moldovan Deputy Prime Minister and Economics Minister Valeriu Lazar said on 21 November 2012.

The construction of the LNG terminal near the Yuzhnyy Black Sea port in Odessa Region is scheduled to begin on 26 November. At the first stage of construction Ukraine plans to receive liquefied natural gas via a floating leased LNG terminal. It is expected that the first supplies of gas will start as early as in autumn 2013. The completion of construction of own floating terminal is expected in 2015 while the on-shore terminal is supposed to be ready by 2018. After this, Ukraine would be able to receive up to 10bn cu.m. of liquefied gas annually.

# SOCIETY

#### Only quarter of HIV-positive receive due treatment in Ukraine

There are about 130,000 HIV-positive Ukrainians formally registered in the country, out of them 15,000 have been registered during the first 10 months in

ISSUE #46(115) 11/26/2012

2012, the Dzerkalo Tyzhnya weekly wrote on 21 November.

Only one out of four registered HIV-positive patients have received appropriate treatment this year, the weekly says with a reference to the official statistics data.

According to UNO estimates, Ukraine is second in Europe and fifth in the world by HIV spread rate.

The public opinion poll conducted by the Gorshenin Institute in December 2011 showed that 63.9 percent of Ukrainians never had HIV tests.

**Our contact information:** 18b Mala Zhytomyrska st., Kiev 01001, Ukraine +38 044 230 4962 +38 044 230 4966 f



For more information please visit our website http://gorshenin.eu/