



# Gorshenin *Weekly*

**ISSUE #19(138) 06/10/2013**

**Content****1. Pick of the weak**

EU to make mind on association deal with Ukraine in early autumn...page 4.

President sends annual address to parliament...page 4.

Ukrainian opposition parties Fatherland, Front for Change intend to merge...page 4.

**2. International political****Ukraine-EU**

EU to make mind on association deal with Ukraine in early autumn...page 5.

Former prosecutor-general may be seeking political asylum in Europe...page 5.

Europe calls on Ukraine to obey ECHR resolution on Volkov case...page 6.

**Ukraine- CIS**

Government steps up efforts to deepen cooperation with Customs Union...page 6.

Gazprom: gas contract with Ukraine foresees no discount...page 7.

Russia replaces consul-general in Ukraine's Simferopol...page 7.

Parliament ratifies readmission agreement with Russia...page 7.

**3. Domestic political****Authorities**

President sends annual address to parliament...page 7.

Central Electoral Committee chairman resignation proposed by president...page 8.

Party of Regions proposing to fix the date for the elections in five constituencies for 18 August...page 8.

Parliament terminates work of investigation commission on elections rigging...  
page 9.

Party of Regions going to hold extraordinary extramural parliamentary  
session...page 9.

Cabinet drafts bill on protection of copyright in Internet...page 10.

Party of Regions say snap mayoral election possible in Kiev...page 10.

**Opposition**

Ukrainian opposition parties Fatherland, Front for Change intend to merge...page 11.

Two MPs leave Ukrainian opposition parliamentary faction...page 11.

Ukrainian opposition continues nationwide campaign "Stand up, Ukraine!"...page 12.

Ukraine's ex-interior minister to return to politics...page 12.

Jailed Ukrainian ex-premier's lawyer says probe into businessman murder suspended again...page 12.

Ukrainian court again postpones hearing of case against jailed ex-premier, corporation...page 13.

**4. Media**

Journalists name main enemies of press...page 13.

**5. Economics**

Fiscal revenue growth slowing down...page 13.

Parliament refuses to eliminate Cyprus tax breaks...page 13.

Inflation reaches 0.1 percent in May...page 14.

IMF replaces head of mission to Ukraine...page 14.

National Bank limits cash payments...page 14.

Ukraine may introduce currency tax...page 14.

Ukraine's foreign exchange reserves start to decline...page 14.

Revenues and levies ministry proposes to cancel tax benefits...page 15.

Tycoon buys Ukraine's largest telecoms operator...page 15.

**6. Energy market**

Ukraine to receive 140m euros from European bank for developing alternative energy...page 15.

Ukrainian president signs secret order on setting up nuclear fuel cycle...page 16.

European Energy Community fears transfer of control over Ukrainian gas transport system to Russia's Gazprom...page 16.

Ukraine, Slovakia in talks on gas deliveries...page 16.

Court approves amicable agreement between Ukraine, Vanco Prykerchenska firm...page 17.

## PICK OF THE WEAK

### EU to make mind on association deal with Ukraine in early autumn

**David O'Sullivan**, a representative of the European External Action Service, said on 5 June 2013 that the EU would assess Ukraine's progress in meeting the conditions to the association agreement in early autumn.

The EU will then take a political decision whether to sign the association agreement with Ukraine in November, he said.

According to O'Sullivan, the resolution of the European Court of Human Rights provides an option for settling the problem of former Prime Minister **Yuliya Tymoshenko**.

### President sends annual address to parliament

On 6 June 2013, President **Viktor Yanukovych** sent to parliament the text of his annual state of the nation address. The president did not come to parliament to present the address in person.

He paid an official visit to Serbia on 6-7 June.

The parliamentary opposition demanded that Yanukovych read the address in person as stipulated by the constitution.

Yanukovych did not present the address in person in 2012 either.

Yanukovych's address says that relations with Russia remain a priority for Ukraine's foreign policy. In his words, Moscow is a strategic partner of Ukraine with which Kiev seeks to deepen cooperation in all spheres of international life.

### Ukrainian opposition parties Fatherland, Front for Change intend to merge

The Ukrainian opposition parties Fatherland and Front for Change will convene to merge in the next few days, an MP of the Fatherland party and its deputy head, **Oleksandr Turchynov**, said on 7 June 2013.

In addition to Front for Change, the Reforms and Order party, as well as other "like-minded" political forces will be incorporated into Fatherland, he added.

In Turchynov's opinion, the process of merging is irreversible.

The influential Ukrainian business daily Kommersant Ukraina reported on 5 June that the Fatherland party insisted on the disbandment of Front for Change, led by **Arseniy Yatsenyuk**. According to the newspaper, Fatherland members are afraid that Front for Change might refuse to disband and stay intact.

**INTERNATIONAL POLITICAL****UKRAINE-EU****EU to make mind on association deal with Ukraine in early autumn**

**David O'Sullivan**, a representative of the European External Action Service, said on 5 June 2013 that the EU would assess Ukraine's progress in meeting the conditions to the association agreement in early autumn.

The EU will then take a political decision whether to sign the association agreement with Ukraine in November, he said.

According to O'Sullivan, the resolution of the European Court of Human Rights provides an option for settling the problem of former Prime Minister **Yuliya Tymoshenko**.

On 5 June, OSCE Secretary-General **Lamberto Zannier** said that the Tymoshenko issue is a problem of the rule of law in Ukraine.

European Parliament Vice-President **Jacek Protasiewicz** said on 5 June that if Tymoshenko's detention conditions were improved, particularly by letting her undergo medical treatment abroad, Ukraine's chances of signing the association agreement would improve.

PACE Monitoring Committee co-rapporteur **Hanne Severinsen** said on 6 June that President **Viktor Yanukovich** did not want to release Tymoshenko, fearing her competition at the next presidential election.

On 4 June, opposition Fatherland faction MP **Anatoliy Hrytsenko** said that the faction worked out a stance that the signing of the association agreement with the EU is only possible after Tymoshenko is released. In his words, this opinion should be shared by all members of the faction when they talk to foreign ambassadors, EU representatives and journalists.

The same day, pro-government Party of Regions MP **Iryna Berezha** described Fatherland's decision as short-sighted and inconsistent. Earlier, on 30 May, speaking at the second expert forum organized by the Gorshenin Institute, Berezha said that the future of the association agreement should not depend on one person, Tymoshenko.

**Former prosecutor-general may be seeking political asylum in Europe**

On 7 June 2013, the Tyzhden weekly website said that former Prosecutor-General **Svyatoslav Piskun** might be seeking political asylum in France.

Mass media previously reported that Piskun had allegedly left Ukraine due to pressure from the Prosecutor-General's Office over new proceedings in the case of the United Energy Systems of Ukraine (UESU) corporation and former Prime Minister **Yuliya Tymoshenko**.

In 2005, then Prosecutor-General Piskun closed a criminal case against the UESU and Tymoshenko.

### **Europe calls on Ukraine to obey ECHR resolution on Volkov case**

The Council of Europe's Committee of Ministers has called on Ukraine to obey the European Court of Human Rights (ECHR) resolution on the case of **Oleksandr Volkov** vs. Ukraine, the Ukrayinska Pravda news website reported on 7 June.

Earlier, on 9 June, the ECHR obliged Ukraine to reinstate Oleksandr Volkov as judge of the Supreme Court of Ukraine. The court held that Volkov's rights to impartial tribunal and respect for privacy had been violated. The court also held that during the vote in parliament for Volkov's dismissal, several MPs unlawfully cast votes for their missing colleagues.

### **UKRAINE-CIS**

#### **Government steps up efforts to deepen cooperation with Customs Union**

Ukrainian Prime Minister **Mykola Azarov** said on 5 June 2013 that the government had set up a working group to deepen cooperation with the Customs Union of Belarus, Kazakhstan and Russia.

The prime minister said that the working group had already analysed 95 out of 118 agreements of the Customs Union. According to Azarov, the analysis has shown that Ukraine's deeper cooperation with the Customs Union will facilitate the development of the Ukrainian economy.

Parliament speaker **Volodymyr Rybak** said on 3 June that Ukraine was not going to integrate into the Customs Union therefore a memorandum on Ukraine's accession to the Customs Union as an observer did not need to be ratified by parliament.

On 4 June, Fatherland faction leader **Arseniy Yatsenyuk** said that the memorandum is at variance with the law on the principles of domestic and foreign policy.

On 5 June, **David O'Sullivan**, a representative of the European External Action Service, said that the EU had nothing against Ukraine's cooperation with the Customs Union if it did not hinder the association agreement between Kiev and Brussels.

Ukraine signed a memorandum on deeper cooperation with the Customs Union on 31 May.

According to an opinion poll held by the Gorshenin Institute in March 2013, 34.7 per cent of the population believe that Ukraine should integrate into the Customs Union.

**Gazprom: gas contract with Ukraine foresees no discount**

On 4 June 2013, Gazprom's deputy head **Aleksandr Medvedev** said that the current gas contract with Ukraine does not foresee a discount.

He also added that, in theory, the price may change only if some agreements are reached outside the scope of this contract.

**Russia replaces consul-general in Ukraine's Simferopol**

The Ukrainian Foreign Ministry said on 4 June 2013 that a new consul-general of Russia in Simferopol, **Vyacheslav Svetlichnyy**, had taken office.

A previous Russian consul-general, **Vladimir Andreyev**, in May said it was obvious that Crimean Tatars betrayed the Soviet Union in World War II. He added that it was the official position of Russia.

Andreyev's statements sparked a wave of protests by Crimean Tatars. The Russian Foreign Ministry described his words as inappropriate.

Andreyev tendered his resignation shortly after the incident.

**Parliament ratifies readmission agreement with Russia**

Parliament ratified an agreement with Russia on readmission on 5 June 2013.

Russia and Ukraine signed the readmission agreement in October 2012.

**DOMESTIC POLITICAL****AUTHORITIES****President sends annual address to parliament**

On 6 June 2013, President **Viktor Yanukovych** sent to parliament the text of his annual state of the nation address. The president did not come to parliament to present the address in person.

He paid an official visit to Serbia on 6-7 June.

The parliamentary opposition demanded that Yanukovych read the address in person as stipulated by the constitution.

Yanukovych did not present the address in person in 2012 either.

Yanukovych's address says that relations with Russia remain a priority for Ukraine's foreign policy. In his words, Moscow is a strategic partner of Ukraine with which Kiev seeks to deepen cooperation in all spheres of international life.

However, Yanukovych said that Ukraine needed to cut dependence on Russian gas and nuclear fuel.

The president in his address recalled the idea of a gas pipeline project known as White Stream.

As far as foreign policy is concerned, the address says Yanukovych is planning to start revising the constitution in 2014.

The president also said that people's deputies should be held accountable for violating their ethos and defecting to other factions.

The president also suggested a possible move to the exchange rate based on the basket of currencies weighed in proportion to the combination of currencies used in foreign trade.

### **Central Electoral Committee chairman resignation proposed by president**

On 4 June 2013, President **Viktor Yanukovych** submitted to parliament a decree on the resignation of the Central Electoral Commission (CEC) chairman, **Volodymyr Shapoval**, due to his reaching the retirement age.

On the same day, the president submitted to parliament the candidacy of Oleksandr Kopylenko as the CEC member.

On that same day, 4 June, the leader of the opposition fatherland faction **Arseniy Yatsenyuk** said that the opposition stands for amendments to the order of the CEC formation.

He said that the new order provides for each parliamentary faction to have one representative at the CEC, and one representative should be also delegated by non-affiliated deputies.

Yatsenyuk thinks that the changes in the CEC should be applied before the presidential election planned for 2015. According to the politician, before the new law on the CEC is adopted, the opposition will not vote for assignment of new CEC members.

As RNK-Ukraine news agency reported quoting its own sources, the opposition might support Shapoval's resignation. In case Shapoval is dismissed, only nine pro-governmental members will remain in the CEC out of the 10 necessary for the quorum. Meetings of the commission will be impossible to hold without representatives of the opposition.

### **Party of Regions proposing to fix the date for the elections in five constituencies for 18 August**

On 5 June 2013, deputies of the Party of Regions and the Communist Party registered in parliament a bill to assign the re-elections in five constituencies to be held on 18 August.

On 6 June, the leader of the Party of Regions faction **Oleksandr Yefremov** said that the re-election is one of the EU conditions to be implemented before November.



According to Yefremov, the opposition is trying deliberately to delay with addressing the issue.

The opposition Fatherland faction MP, **Oleksandr Turchynov**, in his turn, said that the opposition demanded holding the re-elections in five constituencies and the election of Kiev mayor and the Kiev city council together with the prescheduled elections to local councils in October.

According to Turchynov, the authorities deliberately seek to hold the re-elections in summer, during the vacations period, to use the low turnout and rig the voting results.

Following the parliamentary elections in 2012, the Central Electoral Commission did not succeed in establishing the voting results in five single-seat constituencies.

### **Parliament terminates work of investigation commission on elections rigging**

On 5 June 2013, parliament speaker **Volodymyr Rybak** announced the cease of the work of the interim investigation commission on the falsifications during the parliamentary elections in 2012.

According to Rybak, the commission was supposed to provide a report on its activity before 21 April, but it failed to do so.

The chairman of the commission, deputy head of the Fatherland faction **Arsen Avakov** said that the commission report had been provided to the parliament administration within the due terms, but for unknown reasons was not registered. Thus, Avakov thinks that the parliament leadership deliberately sabotaged the publication of the report in parliament.

Avakov also stated that representatives of the Party of Regions and the Communist Party had been ignoring the work of the commission, and the report was drafted by the representatives of the opposition.

According to the news portal Lb.ua quoting the text of the report, the commission found out that the representatives of the opposition had won in the five problematic constituencies.

### **Party of Regions going to hold extraordinary extramural parliamentary session**

On 7 June 2013, leader of the parliamentary faction of the Party of Regions, **Oleksandr Yefremov**, said that the majority might hold an extramural extraordinary session.

According to Yefremov, the majority would do that if the opposition continues to block the parliament rostrum.

On 6 June, the opposition protesting against the fact that the president refused to personally present his state of the nation address, blocked the parliament rostrum.

Despite the opposition's actions, parliament speaker **Volodymyr Rybak** opened the evening session from the governmental loge of parliament.

On 7 June, the opposition continued blocking the work of parliament.

On 3 June, Rybak said that **Viktor Yanukovych** would come to parliament if the people's deputies show respect for him.

### **Cabinet drafts bill on protection of copyright in Internet**

On 3 June 2013, the government published the bill "On Protection of Copyright on the Internet".

The document provides for the State Service for Intellectual Property to be granted with the right to determine whether a content made available on the Internet is pirated or not.

The draft law also allows the State Service to make hosting providers block access to the content recognized as pirated.

As the business daily Kommersant Ukraina reports, according to copyright holders, the procedure suggested by the bill is too bueraucratished and will not produce effective results.

On 5 June, the State Service for Intellectual Property also suggested the government to introduce a levy on importers and producers of electronic equipment for playing and recording audio and video files. The funds raised are supposed to be intended for the rights holders.

According to the sociological survey conducted by the Gorshenin Institute among youth in March 2013, 42.2% respondents spend their free time online.

### **Party of Regions say snap mayoral election possible in Kiev**

On 6 June 2013, leader of the faction of the Party of Regions **Oleksandr Yefremov** said that snap mayoral elections should be held in Kiev.

Yefremov stressed that the decision of the Constitutional Court about holding the elections of Kiev mayor and Kiev Council in autumn 2015 is related to the scheduled elections.

Early elections, he said, should be held twice a year in spring and autumn.

On 4 June, EU Delegation to Ukraine's press officer **David Stulik** said that the EU was concerned about the decision of the Constitutional Court about holding the local elections in Kyiv in 2015.

On 4 June, parliament could not adopt the bill proposed by the opposition on merging the posts of the Kiev mayor and the chairman of the Kiev City State Administration. Party of Regions refused to support the document.

## OPPOSITION

### Ukrainian opposition parties Fatherland, Front for Change intend to merge

The Ukrainian opposition parties Fatherland and Front for Change will convene to merge in the next few days, an MP of the Fatherland party and its deputy head, **Oleksandr Turchynov**, said on 7 June 2013.

In addition to Front for Change, the Reforms and Order party, as well as other "like-minded" political forces will be incorporated into Fatherland, he added.

In Turchynov's opinion, the process of merging is irreversible.

The influential Ukrainian business daily Kommersant Ukraina reported on 5 June that the Fatherland party insisted on the disbandment of Front for Change, led by **Arseniy Yatsenyuk**. According to the newspaper, Fatherland members are afraid that Front for Change might refuse to disband and stay intact.

On 6 June, the mass media published a letter written by MPs and members of the Fatherland party to its leader, jailed former Prime Minister **Yuliya Tymoshenko**. They accused Yatsenyuk of his unwillingness to fight for her release, of the emergence of party members who are ready to switch political camps, as well as of his desire to monopolize the party.

The Lb.ua news and analysis website reported that the letter had been signed by 12 heads of regional branches of the Fatherland party, nearly a third of its political council members and regular party members. The letter was authored by Fatherland MP **Yuriy Odarchenko**.

In an exclusive commentary with Lb.ua on 7 June, Fatherland MP **Andriy Senchenko** expressed confidence that the parties Fatherland and Front for Change would be able to overcome their disagreements and take a decision about merging their political forces.

### Two MPs leave Ukrainian opposition parliamentary faction

Two MPs of the Ukrainian opposition parliamentary faction Fatherland, **Volodymyr Kupchak** and **Vyacheslav Kutovyy** have submitted a request to leave the political force, parliamentary speaker **Volodymyr Rybak** said on 6 June 2013.

Kupchak and Kutovyy explained that they had quit the faction because they disagreed with the actions of its head **Arseniy Yatsenyuk**. Many other Fatherland lawmakers have been planning to leave the faction for a long time now because of their disapproval of its leaders, but have not mustered courage for such a step yet, they added.

MP Fatherland **Yuriy Odarchenko** noted that Kutovyy and Kupchak represented the party Front for Change, which was led by Yatsenyuk.

The same day, 6 June, a score of Fatherland MPs said that representatives of the pro-presidential Party of Regions had offered them from 3m to 10m dollars for

either leaving their faction or for supporting legislative initiatives of the government.

On 7 June, unaffiliated MP **Volodymyr Lytvyn** said that there were reports from four more lawmakers about their exit from the Fatherland faction.

### **Ukrainian opposition continues nationwide campaign “Stand up, Ukraine!”**

On 9 June, the Ukrainian opposition held a rally in the western city of Khmelnytsky as part of its nationwide protest campaign “Stand up, Ukraine!”

Earlier, jailed former Ukrainian Prime Minister **Yuliya Tymoshenko** in the address to her associates “Day of Europe”, which was published by the Lb.ua news and analysis website on 29 May, urged the opposition to end the “Stand up, Ukraine!” campaign, also calling on the authorities to stop their “anti-fascist” movement.

On 7 June, former Ukrainian Interior Minister **Yuriy Lutsenko** noted that the opposition should have ended the “Stand up, Ukraine!” campaign in Kiev on 18 May.

### **Ukraine's ex-interior minister to return to politics**

On 7 June 2013, former Ukrainian Interior Minister **Yuriy Lutsenko** announced that he would return to politics since his health condition allowed him to do so.

On 7 June, a court postponed a hearing of Lutsenko's complaint about the closing of a criminal case against the first deputy prosecutor-general, **Renat Kuzmin**.

In December 2012, Lutsenko accused Kuzmin of authorizing his illegal arrest.

After the court hearing, Lutsenko said that he would seek Kuzmin's dismissal from the post of deputy prosecutor-general.

### **Jailed Ukrainian ex-premier's lawyer says probe into businessman murder suspended again**

The Ukrainian Prosecutor-General's Office has suspended an investigation into the murder of businessman and MP **Yevhen Shcherban**, the lawyer of jailed former Ukrainian Prime Minister **Yuliya Tymoshenko**, **Serhiy Vlasenko**, said on 6 June 2013.

He added that a resolution to this effect had been adopted on 21 May.

The Prosecutor-General's Office has already suspended the investigation into this case once.

It suspects that the former prime ministers, **Yuliya Tymoshenko** and **Pavlo Lazarenko**, were involved in Shcherban's killing.

**Ukrainian court again postpones hearing of case against jailed ex-premier, corporation**

On 7 June, a Ukrainian court postponed until 5 July a hearing of the case against jailed former Prime Minister **Yuliya Tymoshenko**, who is accused of exceeding her authority while serving as the head of the United Energy Systems of Ukraine corporation. This decision was taken because of the former prime minister's absence at the hearing.

**MEDIA****Journalists name main enemies of press**

The Independent Media Trade Union of Ukraine and the Institute of Mass Information on 6 June 2013 published results of an anti-rating called "The Enemies of the Press in Ukraine 2012".

The first place in the ranking is taken by Prime Minister **Mykola Azarov**, the second position is occupied by President **Viktor Yanukovich**. The third place is given to Interior Minister **Vitaliy Zakharchenko**.

**ECONOMICS****Fiscal revenue growth slowing down**

In January-May 2013, the general fund of the national budget received 14.75bn dollars, the State Treasury reported on 5 June 2013. Compared to the same period of the previous year, revenues increased by 350m dollars.

At the same time, according to Kommersant Ukraina business daily, the fiscal revenue growth rate is declining in Ukraine.

As reported by the publication, the growth rate was 9.1 percent in January-March 2013, 5.5 percent in January-April, and only 2.4 percent in January-May.

According to government's plans, the revenue growth in 2013 should reach 8.9 percent.

In the opinion of ex-Finance Minister, MP **Viktor Pynzenyk** of UDAR party, the slow growth of budget revenues indicates the need for a budget sequestration.

**Parliament refuses to eliminate Cyprus tax breaks**

On 5 June 2013, parliament turned down the bill proposed by the opposition that envisages denunciation of the agreement with the government of Cyprus on avoidance of double taxation.

Among the parties that refused to support the document were the Party of Regions and the Communist Party.

### **Inflation reaches 0.1 percent in May**

Inflation in May 2013 was 0.1 percent, the State Statistics Service reported on 6 June 2013. In January-May 2013, inflation totaled 0.2 percent.

Compared with May 2012, consumer prices in May 2013 fell by 0.4 percent.

### **IMF replaces head of mission to Ukraine**

The IMF Resident Representative Office in Ukraine announced on 4 June 2013 that **Nikolay Gueorguiev** was appointed mission chief for Ukraine.

Previously, **Jerome Vacher** replaced **Max Alier** as IMF Resident Representative in Ukraine.

### **National Bank limits cash payments**

The National Bank of Ukraine (NBU) on 6 June 2013 made a decision to limit the amount of cash payments to 18,700 dollars.

The restriction will come into force on 1 September 2013.

### **Ukraine may introduce currency tax**

The Ministry of Revenues and Taxes on 7 June 2013 published a bill that introduces a tax on purchase of foreign currency in non-cash form.

According to the document, a fee of 1 percent will be paid by companies engaged in foreign trade.

### **Ukraine's foreign exchange reserves start to decline**

By the end of May 2013, foreign exchange reserves of the National Bank of Ukraine (NBU) decreased from 25.2 to 24.54bn dollars, news and analysis website Lb.ua reported, citing data from the NBU.

The regulator explains that the drop in reserves was due to a large repayment of debts owed to the IMF (968m dollars), as well as a payment on government bonds in the amount of 427m dollars. They were partially covered by a placement of domestic bonds in foreign currency.

According to Forbes, U.S. dollars account for 60.3 percent of the NBU's foreign exchange reserves, while euros make 21.7 percent.

**Revenues and levies ministry proposes to cancel tax benefits**

The Ministry of Revenues and Levies has drafted a bill reducing the list of industries that enjoy tax benefits, the Kommersant Ukraina business daily reported on 3 June 2013.

According to the document, the following enterprises may lose their privileges: baby food manufacturers, filmmakers, hotels, firms in priority sectors of the economy, companies producing and using gas from coal deposits, the magazine says.

The ministry explains the benefits revision by the fact that the mentioned tax privileges do not create favorable conditions for stabilization of the financial state of the industries, and lead to decreasing revenues.

**Tycoon buys Ukraine's largest telecoms operator**

SCM, a holding company controlled by Ukrainian businessman **Rinat Akhmetov**, on 3 June 2013 announced that it purchased 92.79 percent of shares in Ukrtelekom from Austrian company EPIC.

Ukrtelekom is the largest Ukrainian fixed-line telecommunications and 3G mobile network operator.

In 2011 EPIC won the privatization tender for the purchase of Ukrtelekom. The deal amount was 1.32bn dollars.

According to news and analysis website Lb.ua, the privatization terms established by the State Property Fund barred large international telecommunications companies from taking part in the auction.

**ENERGY MARKET****Ukraine to receive 140m euros from European bank for developing alternative energy**

The European Bank for Reconstruction and Development (EBRD) intends to double its funding of alternative energy projects in Ukraine to 140m euros this year, the EBRD senior manager for Ukraine, **Serhiy Maslychenko**, said on 6 June 2013.

He added that at the moment the EBRD was considering six projects for funding allocation.



**Ukrainian president signs secret order on setting up nuclear fuel cycle**

On 5 June 2013, Ukrainian President **Viktor Yanukovych** issued an order, which enacted a resolution of the Ukrainian National Security and Defence Council (NSDC) on the development of the atomic energy industrial complex and the establishment of a nuclear fuel cycle.

The NSDC adopted the resolution on 5 June. The text of the secret order has not been publicized.

**European Energy Community fears transfer of control over Ukrainian gas transport system to Russia's Gazprom**

On 5 June 2013, the head of the European Energy Community, **Janez Kopach**, said in an interview with the Ukrainian government newspaper Uryadovyy Kurier that the transfer of the Ukrainian gas transport system under Gazprom's control might have negative repercussions.

He explained such a position by Gazprom's refusal to follow the rules that were commonly accepted in the EU, such as transparency in business and equal access of all suppliers to pipelines. Therefore, he voiced fears that the Russian company might dictate its own terms and rules of the game if it became the owner of the Ukrainian gas transport system.

On 3 June, the deputy head of the Ukrainian state-run oil and gas trader Naftohaz Ukrayiny, **Vadym Chuprun**, said that the German bank Deutsche Bank and German companies, including Ferrostaal, might be involved in a 5bn-7bn-dollar project for the upgrade of the Ukrainian gas transport system.

**Ukraine, Slovakia in talks on gas deliveries**

Ukraine and Slovakia will sign in the nearest future an agreement on reverse gas deliveries, Ukrainian Energy and Coal Industry Minister **Eduard Stavytskyy** said on 5 June 2013.

On 3 June, the deputy head of the Ukrainian state-run oil and gas trader Naftohaz Ukrayiny, **Vadym Chuprun**, also said that Ukraine was holding negotiations on reverse gas deliveries with Romania.

Currently, Ukraine imports gas from Europe through Polish and Hungarian territory.

On 4 June, the deputy head of Gazprom, **Aleksandr Medvedev**, opined that Ukraine's decision to launch reverse gas deliveries from Europe were improper and unsafe.

According to a forecast balance of the natural gas import and distribution, Ukraine plans to import 1.3bn cu.m. of gas from Europe this year.



**Court approves amicable agreement between Ukraine, Vanco Prykerchenska firm**

A court has approved an amicable agreement between Ukraine and the company Vanco Prykerchenska on the Kerch area of the Black Sea shelf, the Lb.ua news and analysis website reported on 7 June 2013.

In October 2007, the Ukrainian government and the company Vanco International signed an agreement on the extraction of oil and gas in the Kerch area of the Black Sea shelf. Later, Vanco International transferred all its rights and obligations to the company Vanco Prykerchenska. This became the major reason for terminating the agreement by the government and the beginning of international court proceedings. In 2012, Ukraine and Vanco Prykerchenska agreed to resume their cooperation.

**Founded in July 2010, Gorshenin Weekly is a weekly digest of expert analysis covering the most important political, social and economic events in Ukraine. It is the key source of information about opinion polls carried out by the Gorshenin Institute as well as the best professional commentaries on recent developments.**

**Gorshenin Weekly is available in Russian and English.**

**Gorshenin Weekly has over 700 subscribers in the EU, the USA, Russia, Ukraine and other countries. Its regular customers are representatives of the embassies, the European Commission, the European Parliament, the US Department of State, leading international analytical centres, Ukrainian and international mass media.**

**If you wish to subscribe to Gorshenin Weekly please send your request to the following e-mail address: [weekly@gorshenin.eu](mailto:weekly@gorshenin.eu).**

**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/>