



Gorshenin *Weekly*

ISSUE #06(125) 02/25/2013

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INTERNATIONAL POLITICAL

UKRAINE-EU

EU sets deadline for Ukraine to meet conditions for signing association agreement

Ukraine has until May to show substantial progress in meeting conditions mentioned by the EU in the December conclusions of the EU Council of Ministers, the Interfax-Ukraine news agency has quoted the European External Action Service as saying on 21 February.

The deadline was set for May because technical preparations must be carried out before signing the agreement at the Eastern Partnership summit in November, the service said.

To be eligible for signing the agreement, Ukraine must overcome the consequences of selective justice, advance its electoral legislation and speed up reforms.

The news and analysis website Lb.ua quoted Ukrainian Foreign Minister **Leonid Kozhara** as saying on 18 February that during the visit to Kiev on 7-8 February, European Commissioner for Enlargement and European Neighbourhood Policy **Stefan Fule** gave the Ukrainian authorities the list of 11 conditions critical to the signing of the association agreement. Media outlets earlier reported that the EU Council had put 19 conditions on this list.

On 20 February, Ukraine's ambassador to the EU, **Kostyantyn Yeliseyev**, said in a commentary for EurActiv website that Ukraine did not accept any preliminary conditions to signing the association agreement.

On 13 February, the government approved this year's plan of European integration. The government-adopted plan only partially meets the EU conditions, the Kommersant Ukraina business daily said.

Yanukovich promises EU compromise on Tymoshenko, Lutsenko

On 21 February 2013, Ukrainian President **Viktor Yanukovich** said that a compromise should be reached with regard to jailed ex-Prime Minister **Yuliya Tymoshenko** and ex-Interior Minister **Yuriy Lutsenko**. He said this during a meeting with Polish President **Bronislaw Komorowski** and Slovak President **Ivan Gasparovic**.

According to Yanukovich, Ukraine has "a great understanding" of the difficulties and of the EU point of view on the matter.

The Slovak president warned his Ukrainian colleague that if the agreement is not signed, Ukraine's European integration will be frozen.

Earlier, on 20 February, Party of Regions MP **Yevhen Balytsky** said that Tymoshenko and Lutsenko would serve full sentences even if it impedes Ukraine's European integration.

Parliament passes resolution on Ukraine's European integration

On 20 February 2013, parliament adopted a resolution on Ukraine's European integration and on the association agreement with the EU.

For the sake of a compromise, the majority and the opposition removed from the text any mention of specific obligations undertaken by the Ukrainian authorities with regard to the EU conditions, the Kommersant Ukraina daily said.

Foreign Ministry announces agenda for Ukraine-EU summit

During the summit in Brussels on 25 February 2013, Ukraine and the EU will discuss the prospects for signing the agreement on association, liberalization of visa regulations and modernization of the Ukrainian gas transport system, a representative of the Ukrainian Foreign Ministry, **Yevhen Perebyynis**, said on 19 February.

On 20 February, Ukrainian Foreign Minister Leonid Kozhara said that a number of agreements, including a loan agreement under which Brussels is giving Kiev microfinancial assistance of more than 600m euros, are expected to be signed during the summit.

PACE: Tymoshenko and Lutsenko must be recognized as political prisoners

On 21 February 2013, **Pieter Omtzigt**, who is preparing a report for PACE on "Keeping political and criminal responsibility separate", has said that it is urgent to address the status of former Prime Minister **Yuliya Tymoshenko** and former Interior Minister **Yuriy Lutsenko** as 'political prisoners'. He said this after his three-day visit to Ukraine during which he visited Lutsenko in prison.

EU insists on tripartite gas consortium

On 21 February 2013, European Commissioner for Energy **Guenther Oettinger** said that a consortium to manage the Ukrainian gas transport system should be tripartite. In his words, a decision on the funding to upgrade the Ukrainian gas transport system will be made by the end of the year.

In a commentary for the Dzerkalo Tyzhnya weekly, Oettinger said that the main objective of the Ukrainian gas transport system upgrade is to preserve Ukraine's key role in the pan-European energy system.

Minister: EU to support Ukraine in talks to push down Russian gas price

On 21 February 2013, Energy Minister **Eduard Stavytskyy** said that the EU was ready to help Ukraine in its negotiations to push down the price of Russian gas. He said that Europe offered Ukraine several mechanisms how to settle this problem. Stavytskyy said this in Brussels after he met European Commissioner for Energy **Guenther Oettinger**.

UKRAINE-CIS

Russia set to deepen cooperation with Ukraine

Russia considers Ukraine a priority partner in the CIS and is going to involve Kiev in deeper integration processes, as declared in Russia's foreign policy concept approved by Russian President **Vladimir Putin** on 12 February, the news and analysis portal Lb.ua has said.

Russia to soften control over Ukrainian cheese imports

On 19 February 2013, the Russian Federal Service for Consumer Rights Protection, Rospotrebnadzor, said that it was going to remove Ukrainian cheese from the list of goods subject to constant monitoring.

In February 2012 Rospotrebnadzor said that it found palm oil in Ukrainian cheese and banned several Ukrainian producers from supplying to the Russian market. As a result of long negotiations, the ban was lifted.

Ukraine asks Russia for submarine berth

On 20 February 2013, Ukrainian Defence Minister **Pavlo Lebedyev** said that his office asked the Russian counterparts to allocate one of the berths used by the Russian Black Sea Fleet in Sevastopol so that Ukraine could dock its submarine Zaporizya which it plans to float out soon.

Zaporizya is the only submarine of the Ukrainian navy.

Ukraine to share intellectual rights to An-140 with Russia

The state-owned Ukrainian company Antonov is going to set up a joint venture with the Russian holding Russian Machines shortly. Ukraine will invest intellectual rights to the An-140 aircraft into the joint venture, the Russian daily Vedomosti said on 21 February 2013.

It said that the Russian Defence Ministry, which is planning to buy Ukrainian aircraft, requested that Ukraine transfer the rights.

Ukraine looking forward to receiving gas directly from Turkmenistan

On 20 February 2013, Energy Minister **Eduard Stavytskyy** said that Ukraine was expecting to start pumping gas directly from Turkmenistan.

On 13 February, Ukraine and Turkmenistan signed a memorandum to expand cooperation in the oil and gas sector.

The Ukrainian authorities are expecting to ship the gas via Russia. Prime Minister **Mykola Azarov** said that access to the Russian gas transport system is guaranteed by the agreement on free trade among the CIS countries, including Russia, Ukraine and Belarus.

On 22 February, President **Viktor Yanukovich** warned that a possibility of cooperation with Turkmenistan should not be overestimated.

UKRAINE-PAKISTAN

Ukraine signs 50m-dollar military contract with Pakistan

On 18 February 2013, the state-owned supplier of arms and special-purpose goods, Ukrspetseksport, said it had signed a contract to supply 110 engines for tanks to Pakistan. The contract has the budget of 50m dollars and is valid for four years.

Ukrspetseksport said that it had already sent over 300 such engines to Pakistan.

DNIESTER CONFLICT

Ukraine hosts talks on Dniester conflict settlement

On 18-19 February 2013, Lviv hosted a round of closed talks on the settlement of the Dniester conflict. The talks were held in the five plus two format, including Moldova and the Dniester region as the sides, Ukraine, Russia and the OSCE as intermediaries, and the USA and the EU as observers.

No agreements were reached during the talks, the Kommersant Ukraina daily said.

Moldovan Prime Minister **Vlad Filat** and Dniester president **Yevgeniy Shevchuk** refused to take part in the negotiations a week before the meeting.

The next round of the talks is expected to be held in Odessa on 23-24 May.

DOMESTIC POLITICAL

AUTHORITIES

President answered citizens' questions in live TV Q&A session

On 22 February 2012, Ukrainian President **Viktor Yanukovich** took part in the Dialogue with the Country Q&A session, during which he had been answering people's questions for four hours.

During the session, Yanukovich said that the authorities were not planning to increase the gas price for households or enterprises. He also said that Ukraine was considering leasing its gas transport system in order to accumulate funds necessary for its upgrade, maintenance and receiving the guaranteed transit volumes of gas. The president also warned not to overestimate the current prospects of cooperation with Turkmenistan, despite the memorandum to expand cooperation in the oil and gas sector. He added that Ukraine was not happy with the stance of the European Energy Community, which did not provide support to Kiev in its gas talks with Russia.

Asked about the ex-Prime Minister **Yuliya Tymoshenko**, Yanukovich said that he would rather not comment on the issue of her conviction in order not to overstep

his authority and not to put pressure on courts. But he said that if a court proves that she inflicted losses on the state, she has to reimburse them.

Speaking about her jailing conditions, Yanukovych called on the penitentiary service to remove video surveillance cameras from Tymoshenko's ward.

On the same day the cameras were removed, media reported later.

The president also said that he was ready to pardon ex-Interior Minister **Yuriy Lutsenko** if he files the application to this effect.

Ukrainian parliament resumes work

On 22 February 2013, the Ukrainian opposition resumed the work of parliament after reaching a compromise with the pro-government Party of Regions regarding a system of personal voting.

During the opened session, lawmakers amended the parliamentary rules that will ensure personal voting of MPs.

The next session of parliament is scheduled for 5 March.

The opposition had been blocking the work of parliament since 5 February.

Gorshenin Institute's expert **Yevhen Kurmashov** said that the UDAR party of boxing champion **Vitaliy Klitschko** was the political force that proposed to block the parliamentary rostrum and to demand that lawmakers switch to the personal voting system - "the position to which in a few days opposition partners and representatives of pro-government political parties were forced to somehow react". In Kurmashov's opinion, this is how UDAR demonstrated that it can really play the role of an actual parliamentary opposition.

According to the Dzerkalo Tyzhnya weekly, after stepping up control over the personal voting of MPs, the presidential administration decided to remove from the parliamentary faction MPs elected via party lists, who often skip parliamentary sessions. MPs will be stripped of their statuses via courts, and the relevant lawsuits will be filed by opposition members, the newspaper said.

Ukrainian pro-government party proposes to simplify voting procedure

On 22 February 2013, the leader of the pro-government Party of Regions parliamentary faction, **Oleksandr Yefremov**, proposed to amend the constitutional article that regulates the procedure of adopting laws by parliament. In particular, he proposed to make amendments which will allow bills to be passed by the majority of MPs who are present in parliament, if their number reaches at least 150.

Under the current constitution, a law is considered to be adopted if at least 226 lawmakers vote to pass it.

Ukrainian foreign minister opposes dual nationality

On 20 February 2013, Ukrainian Foreign Minister **Leonid Kozhara** said that the introduction of dual citizenship in Ukraine was pointless.

Earlier, unaffiliated MP **Lev Myrymskyy** registered in parliament a draft law on introducing dual citizenship in Ukraine.

OPPOSITION

Ukrainian opposition Fatherland party ready to back boxing champion as Kiev mayor candidate

On 18 February 2013, the head of the opposition parliamentary faction Fatherland, **Arseniy Yatsenyuk**, said that his political force was ready to support the UDAR party leader, boxing champion **Vitaliy Klitschko**, as a candidate for Kiev's mayor post.

In his turn, Klitschko said that representatives of the Fatherland party did not discuss the issue of the Kiev mayor candidacy with him.

On 21 February, 11 MPs of the Fatherland party and the All-Ukrainian Freedom Association, who were elected through the first-past-the-post system in Kiev districts, urged Klitschko to decide by 1 March whether he would like to run for the post of Kiev mayor.

Ukrainian pro-government party intends to strip lawyer of jailed ex-premier of parliamentary powers

On 22 February 2013, the lawyer of jailed Ukrainian former Prime Minister **Yuliya Tymoshenko**, **Serhiy Vlasenko**, said that the pro-government Party of Regions intended to strip him of his parliamentary powers. MP of the Party of Regions **Volodymyr Mysik** asked the parliamentary leaders to file a motion with the Supreme administrative court to strip Vlasenko of his powers as an MP. Mysik accused Vlasenko of combining his parliamentary activities with the work as a lawyer.

Vlasenko responded that in cases opened against Tymoshenko, he is acting not as a lawyer, but as a defender and an MP.

On 22 February, the leader of the pro-government parliamentary faction Party of Regions, **Oleksandr Yefremov**, said that a draft law had been submitted to parliament under which a court would be able to decide on stripping an MP of his parliamentary powers.

Ukrainian opposition proposes to disband Supreme administrative court

On 20 February 2013, lawmakers of the opposition parliamentary faction Fatherland registered in parliament a draft law on disbanding the Supreme administrative court of Ukraine (SACU).

In the opinion of the draft law's authors, the SACU undermined its reputation with its actions on multiple occasions and, in particular, while it was considering cases related to the 2012 parliamentary election.

On 8 February, the SACU stripped unaffiliated MPs **Pavlo Baloha** and **Oleksandr Dombrovskyy** of their parliamentary powers. The Constitutional Court of Ukraine is currently assessing how legitimate the SACU ruling on this matter was.

Ukrainian court postpones hearing of businessman murder case until March

On 19 February 2013, a Ukrainian court postponed a hearing of the case over the murder of businessman and MP **Yevhen Shcherban** until 4 March. The decision was taken due to an illness of witness **Volodymyr Shcherban**, who is the son of the killed politician.

The Prosecutor-General's Office accused jailed former Ukrainian Prime Minister **Yuliya Tymoshenko** and former Ukrainian Prime Minister **Pavlo Lazarenko**, who served time in a US prison for money laundering, of organizing and funding Shcherban's murder.

On 14-15 February, the court questioned two witnesses in Shcherban's case. They indirectly confirmed in their testimony that Tymoshenko had been allegedly involved in the funding of the murder; the Lb.ua news and analysis website reported.

The former deputy head of the Security Service of Ukraine, MP of the opposition Fatherland party **Hennadiy Moskal**, said that one of the witnesses in Shcherban's case had testified against Tymoshenko in order to avoid criminal punishment for his crimes.

Ukrainian Health Ministry says jailed ex-premier requires no medical treatment

On 22 February 2013, the Ukrainian Health Ministry said that jailed former Ukrainian Prime Minister **Yuliya Tymoshenko** did not need further medical treatment and therapy in a hospital.

The same day, 22 February, the Ukrainian State Penitentiary Service denied permission to German doctors to see Tymoshenko before 25 February.

Ukrainian court refuses to release jailed ex-interior minister due to his health condition

On 18 February 2013, Chernihiv Region's court of appeals refused to cancel the ruling of a lower court and to release the jailed former interior minister, **Yuriy Lutsenko**, due to his health condition.

During the hearing, lawyers of the former interior minister pointed out that he had been diagnosed with the diseases that could not be treated in the penal colony.

GONGADZE'S CASE

Deputy prosecutor-general speaks about ex-president's involvement in Gongadze murder

First Deputy Prosecutor-General **Renat Kuzmin** on 20 February 2013 said that his agency began a new investigation in relation to the party that ordered the murder of journalist **Heorhiy Gongadze**. According to Kuzmin, the prosecution

has enough evidence to prove the involvement of ex-President **Leonid Kuchma** in the crime.

Kuzmin said prosecutors had registered a corresponding resolution on bringing Kuchma to responsibility and launching the investigation.

At the same time, Kuchma called Kuzmin's statement a provocation.

HUMAN RIGHTS

Court obliges Ukrayinska Pravda to disprove comment on its website

The Kiev court of appeal on 14 February 2013 ordered news and analysis website Ukrayinska Pravda to refute the information posted on its Internet site. The matter concerns a commentary that one of the publication readers left on the website in 2009. The court demands that the website post the refutation on its home page, the Institute for Development of Regional Press announced on 20 February.

According to the institute's lawyers, by issuing the decision the court has set a dangerous precedent when owners of websites are responsible not only for the information they publish, but also for the comments left on their sites.

Human Rights Watch calls on Ukraine to stop anti-gay propaganda

On 21 February 2013, Human Rights Watch, an international organization that advocates human rights, and 23 other organizations appealed to the EU leadership to urge the Ukrainian authorities at the upcoming EU-Ukraine summit on 25 February to end discrimination against sexual minorities in the country.

On 2 October 2012, the parliament adopted at the first reading a draft law that introduces criminal liability of up to 5 years of imprisonment for promotion of homosexuality.

According to a survey conducted by the Gorshenin Institute in November 2011, the majority of Ukraine's population (78.1%) considers unacceptable under any circumstances a sexual relationship with a person of the same sex.

ECONOMICS

Ukraine repays 634m dollars to IMF

In February 2013, the Ministry of Finance transferred 634m dollars to the International Monetary Fund in principal and interest payments on the stand-by arrangement extended in 2008-2009. As the finance ministry said on 19 February, Ukraine will have to make another debt repayment already this May.

According to news and analysis website Lb.ua, Ukraine is obliged to pay about 5.63bn dollars to the IMF in 2013. Last year Ukraine repaid 3.71bn dollars of debt to the in IMF.

Government launches forward grain purchases

Agricultural Policy Minister **Mykola Prysyazhnyuk** on 19 February 2013 said that the government was starting forward purchasing of grain. According to the minister, at the first stage the government will allocate 1bn dollars for grain purchases.

Cabinet wants to control production of alcohol, cigarettes

The Cabinet of Ministers on 19 February 2013 registered with the parliament a draft law on setting up a unified state register of equipment for production of spirits, alcohol and cigarettes.

Under the document, the state register will be maintained by the tax authorities. The document prohibits production of spirits, alcohol and tobacco using unregistered equipment.

Government puts up for sale six power distribution companies

On 18 February 2013, the government adopted a decree "On privatization of enterprises in the fuel and energy sector". According to the document, the government will sell the state's stakes in six power distribution companies Khmelnytskoblenerho, Mykolayivoblenerho, Ternopiloblenerho, Zaporizhzhyaoblenerho, Kharkivoblenerho and Cherkasyoblenerho.

ENERGY MARKET**Chevron may abandon gas production in Ukraine**

On 20 February 2013, Chevron's country manager **Peter Clarke** said that the company may drop the idea of production of shale gas in Ukraine if they fail to reach understanding with the local authorities.

In May 2012, Chevron won the auction for the right to develop the Oleske field in Ukraine. To start the work, the company must obtain consent from the regional councils in Lviv and Ivano-Frankivsk regions, where the deposit is located. The regional councils refuse to give such permission. In particular, the local authorities fear that the production will affect the environment.

Naftohaz Ukrayiny loses lawsuit to Italian company – media reports

In December 2012, Naftohaz Ukrayiny, a state-run energy company, lost a case to Italian company Italia Ukraina Gas. The case was considered by the Stockholm arbitration, business daily Kommersant Ukraina reported on 21 February 2013.

According to the newspaper, the court found that Naftohaz Ukrayiny had failed to fulfill a contract signed in 2003 to supply 13.1bn cu.m. of natural gas to Italia Ukraina Gas. Kommersant Ukraina estimates the Ukrainian monopolist's liability at 3.9bn dollars.

On the same day, 21 February, Naftohaz Ukrayiny denied the information disclosed in the publication. In particular, Naftohaz Ukrayiny said the court ordered the

company to pay a fine of 12.7m dollars, issuing no decision on gas deliveries to Italia Ukraina Gas.

German company to supply Ukraine with 5bn cu.m. of gas annually

On 22 February 2013, President **Viktor Yanukovich** said that Ukraine entered into a contract with German gas trader RWE Supply & Trading for natural gas supplies of up to 5bn cu.m. a year.

According to news and analysis website Lb.ua, last year Ukraine imported from Germany 52.7m cu.m. of gas to the tune of 22m dollars. The average price of 1,000 cu.m. made 417 dollars.

In 2012, Ukraine bought from Russia 32.87bn cu.m. of gas to the tune of 14bn dollars. The average price was 426 dollars per 1,000 cu.m.

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.

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