



# Gorshenin *Weekly*

**ISSUE #33 10/03/2011**

**Court to declare  
verdict in Yuliya  
Tymoshenko case on  
11 October 2011**

**On 11 October 2011 a Kiev district court will start to read the verdict regarding the leader of the opposition Fatherland party and former Ukrainian Prime Minister Yuliya Tymoshenko.**

A correspondent of the Ukrainian news and analysis website Lb.ua reported that that court debates in Tymoshenko's case were completed on 30 September 2011. It was expected that Tymoshenko would deliver a concluding speech in the court on the same day. However, the former prime minister requested her address to be rescheduled for 2 October 2011. She explained her demand by the fact that prior to her speech, the prosecutor's office and civil plaintiff had unveiled fresh "aspects that totally differ from the indictment."

The judge overseeing the Tymoshenko trial, **Rodion Kireyev**, took the former prime minister's request as a *de facto* refusal to deliver a concluding speech and left to deliberate over the case until 11 October 2011. At the same time, he ruled that only the participants in the court proceedings and representatives of the mass media would be allowed to be present in a court chamber when the verdict is handed down.

It is well known that Tymoshenko is accused of overstepping her authority by signing gas contracts with Russia in 2009. It is believed that her actions inflicted losses of over 125m dollars on the state. More specifically, in 2009, the former prime minister single-handedly and without the approval of members of the cabinet, approved directives for a Ukrainian delegation to sign gas contracts with Russia.

On 27 September 2011, the public prosecutor in the Tymoshenko case, **Liliya Frolova**, demanded a seven-year prison sentence and a three-year ban on occupying top public positions for the former prime minister. Furthermore, Frolova voiced a demand to exact 125m dollars from Tymoshenko for the benefit of the Ukrainian state-run oil and gas trader Naftohaz Ukrayiny. Additionally, the prosecution obliged the former head of the Ukrainian government to pay the cost of the court proceedings.

We would like to note that Naftohaz Ukrayiny had earlier filed a civil lawsuit as part of the court proceedings in the Tymoshenko case by demanding that she pay 188m dollars to the company due to the severe deterioration of its financial situation after the Ukrainian-Russian gas contracts were signed in 2009.

On 29 September, Tymoshenko's lawyer, **Oleksandr Plakhotnyuk**, said that multiple violations had been committed in the case launched against the former prime minister. These include the following:

- At the stage of the pre-trial investigation into the case, an investigation was carried out on a daily and extremely active basis. In particular, as many as 15-18 investigation actions were conducted on certain days. Not a single criminal case in Ukraine has been investigated so speedily.
- The case materials demonstrate that the experts of the Kiev-based scientific research institute of forensic analysis conducted an investigation over the course of two to three days despite the fact that this research was qualified as "complex" and should have been carried out for as long as up to two months. Furthermore, the conclusions of the forensic and economic analyses, which according to the pre-trial investigation agencies confirm that Tymoshenko's actions had inflicted a 194.6m-dollar loss on the state, demonstrate that primary accounting documents were not

consulted in the process, as legislation mandates.

- The pre-trial investigation agencies and representatives of the prosecution contend that Tymoshenko's signature can be found on the former prime minister's directives of 19 January 2009. However, it turned out during the trial that Tymoshenko's signature was only stamped on this document. The court repealed the motion filed by Tymoshenko's lawyers to conduct an additional forensic and criminal analysis of the issue.

- During the investigation into the case, the court questioned over 30 witnesses of the prosecution. However, only two witnesses of the defense were allowed by the court to testify.

- A large number of documents – over 200 pages – are missing from the materials of the criminal case.

- The case materials contain two protocols of the document inspection and two rulings on adding documents to the criminal case that are dated 31 April 2011. However, there are only 30 days in April.

- Tymoshenko's lawyers filed around 100 motions during the investigation. The court honored only about five of them and did so partially.

It is noteworthy that public prosecutor **Liliya Frolova** believes that the date of 31 April on several documents, which were added to the materials of the criminal case against former prime minister Yuliya Tymoshenko, is a technical mistake. “However, these mistakes have no impact whatsoever on either the legitimacy or the acceptability of the acquired case evidence,” she added.

In her turn, Tymoshenko contends that the charges brought against her in the gas case are absurd, as the directives do not mention at all that a Ukrainian delegation was obliged to sign contracts with Russia. The directives were intended for negotiations. “I have nothing to do with either drawing up, initialing or signing the contracts. For this reason, even if there were billions in losses, I cannot legally bear responsibility for them. However, there are no losses there either,” Tymoshenko noted.

In the opinion of the former prime minister, her verdict had been written even before her trial commenced “since the country's president believes that I am a dangerous political rival.” Additionally, Tymoshenko contends that the Ukrainian authorities deliberately launched a campaign against the gas contracts signed with Russia in 2009 in order to cover up the surrender of national interests and of the Ukrainian gas transportation system, in particular. Additionally, the Fatherland party's leader said that with the help of the gas case, Ukrainian President Viktor Yanukovich attempts to explain why he signed the Kharkiv Agreements with Russia and why he “had surrendered national interests.”

It is noteworthy that at a briefing held after an Eastern Partnership summit, journalists asked Ukrainian President **Viktor Yanukovich** whether Tymoshenko's case was discussed during the meeting in Poland and whether it could have an impact on an association agreement which Ukraine aspires to sign with the EU. The president responded: “this question is periodically raised and it needs to be answered. We see that representatives of certain EU states are concerned about this issue. We are explaining to them that the trial has not been completed and that a court is an independent body. It is difficult to provide any kind of answer right now.”

“When it comes to me personally, I would not like to comment on this issue since it might be viewed as putting pressure on the court or law-enforcement bodies. For this reason, I attempt to avoid specific answers to the questions that I really cannot respond to,” the Ukrainian president added.

We shall remind you that on 29-30 September, a summit of the Eastern Partnership was held in Poland. During the event, high-profile EU's politicians let President Yanukovich know that there is a link between the conclusion of the talks on an association agreement with the EU and honoring democratic standards in Ukraine and especially their application in the Tymoshenko case.

**Ukrainian-Russian gas talks break impasse albeit without reaching of specific results**

**On 30 September 2011, Ukrainian Energy and Coal Industry Minister Yuriy Boyko and Gazprom's CEO Aleksey Miller met in Moscow to discuss the issues of cooperation in the gas sphere.**

As Gazprom's press service reported, the negotiations on the cooperation in the gas sphere were “constructive.” The parties intend to continue the talks on the gas issue next week.

We shall remind you that on 24 September 2011, Ukrainian President Yanukovich paid a visit to Russia. During the trip, the head of the Ukrainian state met with his Russian counterpart **Dmitriy Medvedev** and Russian Prime Minister **Vladimir Putin**. The press service of the Ukrainian president reported that the parties discussed the development of Ukrainian-Russian relations in the future. Additionally, they reached consensus on future cooperation in the gas sector.

Later, the Ukrainian mass media quoted Ukrainian Prime Minister **Mykola Azarov** as saying at a government meeting on 26 September that during President Yanukovich's meeting in Moscow the head of state had reached a deal on lowering the tariffs for Russian gas transit through Ukraine to the level of cost price. For its part, Russia will reduce the gas price for Ukrainian needs in the budget and social areas.

Later, Prime Minister Azarov told journalists that Ukraine expected that, as a result of the negotiations with Russia, a new gas price will be applied at the beginning of 2012, while the talks will be completed in October 2011.

Additionally, Prime Minister Azarov said that the Russian party agreed to set up a trilateral Ukrainian-Russian-EU gas consortium.

For its part, Gazprom declared that Ukraine and Russia had not yet agreed on revising the gas contract and that the negotiations would be continued shortly. At the same time, the Russian gas trader clarified that the idea of setting up a trilateral consortium with Ukraine and the EU to manage the Ukrainian gas transportation system was not among its priorities.

In his turn, Russian ambassador to Ukraine **Mikhail Zurabov** explained that Russia was interested in the construction of new gas pipelines, as opposed to the upgrade of the Ukrainian gas transportation system.

At the same time, the EU Commissioner for Energy, **Guenther Oettinger**, believes that it makes sense to set up a trilateral consortium for managing Ukraine's gas transportation system. The EU intends to allocate 310m dollars for its upgrade in 2012, he added.

**Ukraine and EU to finish free trade zone talks in October 2011**

**Ukraine and the European Union intend to finalize negotiating on setting up the Free Trade Zone in October 2011.**

Agreements to this effect were reached in course of another round of negotiations in Brussels on 19-23 September 2011, the Ukrainian Foreign Ministry's spokesman, **Oleksandr Dikusarov**, has said.

**Ukrainian president proposes to decriminalize economic offences**

**On 27 September 2011, Ukrainian President Viktor Yanukovich submitted a draft law on decriminalizing economic offenses for Parliament's consideration.**

Earlier, commenting on the president's legislative initiative, his advisor **Andriy Portnov** said that the draft law proposed to abolish imprisonment as a punitive measure for committing economic crimes.

We would like to note that the first deputy head of the Fatherland party, **Oleksandr Turchynov**, stated that the presidential draft law submitted to Parliament had nothing to do with the gas case launched against former Prime Minister Yuliya Tymoshenko.

"The articles which the president wants to decriminalize concern exclusively his entourage involved in smuggling and embezzling budget funds. They have nothing to do with this process [Tymoshenko's trial]," Turchynov said. In his opinion, the prosecutor's office could not charge the former prime minister with "a single economic offence."

**Ukraine attempts to receive another tranche from IMF not raising gas tariffs**

**Ukraine considers avoiding gas price hike for public**

"Today we cannot say for sure whether or not the price of gas will be raised. No-one has yet approved a decision like this", - the deputy prime minister and minister of social policy of Ukraine, **Serhiy Tihipko**, said at a news conference on 27 September 2011. Tihipko also said that now it would be good to talk not about an increase in the price of gas for the public, but rather about decreasing the price of gas as such, as this approach would bring even better results.

Earlier, on 26 September 2011, Tihipko said that Ukraine would have to raise the price of gas for public before the end of 2011 to satisfy the key condition for resuming credit financing from international financing organizations in times of instability at international capital markets.

Experts and media believe that such a quick change of stance occurred because of agreements to lower the price of Russian gas to consumers in two spheres: general public and organizations funded from the state budget, were reached in Moscow on 24 September 2011.

A reminder that the International Monetary Fund (IMF) requires that Ukraine raise the price of gas up to the market level to cut Naftohaz Ukrayiny's deficit in order to continue cooperation with the country.

As you know, the last time the Ukrainian government borrowed money from the IMF was in December 2010. Since then, Ukraine was supposed to receive three tranches for the total sum of 4.5bn dollars. However, financing is always postponed. Moreover, it is not only the financing that is postponed, but also visits by the IMF mission to Kiev. The last time an IMF mission was to visit was August 2011, but it was postponed for two months.

**Pension reform law comes into force in Ukraine**

**On 1 October 2011, the law of Ukraine "On legislative measures to ensure pension system reform" entered into force.**

The document envisions a retirement age raise for women from 55 to 60 years. The work experience qualifying one for a pension was increased from 5 to 15 years. To receive a minimal pension, men should have 35 years of work experience (an increase from 25 years). This figure was increased from 20 to 30 years for women.

It is well known that the law on pension reform was adopted on 7 July 2011.

It is worth noting that a sociological survey conducted by Gorshenin Institute on 11-13 June 2011 suggests that over 80 percent of the Ukrainian population considers a state pension the only source of income upon retirement. At the same time, 43.2 percent of those polled believe that the pension system should rely on welfare principles, with funds for pensions deducted from taxes of the work force. As many as 33.2 percent of the respondents said that the Ukrainian pension system should be based on the principle of savings, with wage deductions deposited to special bank accounts.

**Russian President Dmitriy Medvedev to visit Ukraine in late October 2011**

**The regional Ukrainian-Russian economic forum to take place in Ukraine's Donetsk in the second half of October 2011**

Media reports say with a reference to sources in diplomatic circles that the precise date of the forum has not yet been finally approved. However, it is already known that Ukrainian President **Viktor Yanukovich** and Russian President **Dmitriy Medvedev** will take part in the event.

**Russia trying to seduce Ukraine into Customs Union by benefits for exporters – mass media**

**Russia will change its tone in the negotiations with Ukraine on the entry into the Customs Union with Belarus and Kazakhstan.**

The mass media quoted informed sources as saying that to make the Customs Union more attractive for Ukraine, the Russian party will switch from posing ultimatums to demonstrating to Ukrainian leaders the actual benefits of participating in this organization.

In particular, the Customs Union might make several decisions that will benefit Ukrainian exporters.

The mass media reported that the Customs Union has already decided to simplify the procedure for importing Ukrainian steel pipelines on the territory of Russia, Belarus and Kazakhstan.

We shall remind you that representatives of the Russian government stated on multiple occasions that Russia will be forced to erect barriers for Ukraine's products if the latter sets up a free trade area with the EU.

**USA to allocate 60m dollars for Ukraine to remove enriched uranium and build research reactor**

**USA-Ukraine deal on cooperation in nuclear sector.**

Ukrainian Foreign Minister **Kostyantyn Hryshchenko** and US Secretary of State **Hillary Clinton** signed a memorandum of understanding and cooperation in the field of nuclear safety on 26 September 2011.

According to the memorandum, Ukraine is committed to dispose of all its stock of highly enriched uranium before the next nuclear safety summit in March 2012. The USA, for its part, undertakes to provide Ukraine with financial and technical assistance to help dispose of highly enriched uranium and modernize Ukrainian civil research nuclear installations.

In particular, the United States assists with the conversion of those facilities to

operate on safer, low-enriched uranium fuel and builds a state-of-the-art neutron source facility in Ukraine. It is planned that the neutron source facility will be able to produce over 50 different medical isotopes to treat cancer and other diseases. The United States is committed to meet all agreed milestones for construction of the neutron source facility by March 2012 and to provide a fully operational facility by 2014.

The Ukrainian Foreign Ministry's spokesman, **Oleksandr Dikusarov**, said that the total scope of US government's investments will exceed 60m dollars.

**Ukrainian cabinet seeks to nullify law on "Access to public information"**

**The public is concerned about government plans to restrict the access of Ukrainian citizens to information.**

On 29 September 2011, the website of the New Citizen civil organization posted an appeal by civil groups to the government which said that the Ukrainian authorities intended to revoke the law "On Public Information" and adopt a new draft law "On Information."

The authors of the statement pointed out that on 15 September 2011, the government submitted to Parliament a draft law (registered under number 9153) on amending certain Ukrainian legislative acts that pertain to accessing classified information which significantly curtails the right of citizens to have access to information.

The authors of the appeal believe that the Ukrainian Cabinet of Ministers will be granted the power to determine the terms of providing requested official information at its own discretion if draft law No 9153 is adopted. This contradicts the law "On access to public information," they contend.

Those who signed the appeal urged the president as the guarantor of the Constitution of Ukraine to intervene in the situation and ensure the observance of those norms that provide for access to public information and are in line with European standards.

**Tvi TV channel might lose license**

**On 28 September 2011, the National Television and Radio Broadcasting Council of Ukraine issued a warning to the Tvi TV channel.**

The national council is predominantly dissatisfied with the fact that the broadcasting network of the TV channel does not correspond to the approved programming blueprint. Furthermore, Tvi is not available in many towns.

The management of the Tvi channel believes that the issued warnings are illegal since they are based on the results of a check that was conducted in November 2010. "Under the Commercial Code, sanctions based on checks can be imposed only within six months. Hence, regardless of the reasons, the sanctions are illegal," the channel's director-general, **Mykola Knyazhyskyy**, explained.

Furthermore, the Tvi editorial office holds the opinion that the accusations of the national council are groundless. In particular, the channel pointed out that the National Council had no clear criteria for determining various types of programs and shows. Consequently, it is impossible to establish whether a broadcasting network follows an approved programming blueprint. According to Tvi, its unavailability in certain towns can be explained by the actions of the National Council and other state agencies.

Knyazhyskyy believes that the illegal warning signals the intention of the National Council to revoke the broadcasting license issued to the channel.

"They revoke a license after a company receives two warnings... The main objective is to give a second warning and to take away the license," the channel's director-general said, adding that Tvi will challenge this decision in court.

We would like to note that Tvi, which was founded in 2008, is considered to be among a few independent Ukrainian channels. One of its key investors is a former top manager of the Russian oil company YUKOS, British national **Konstantin Kagalovskiy**.

We shall remind you that three Kharkiv-based local TV channels, which criticized Kharkiv mayor **Hennadiy Kernes**, have lost their broadcasting licenses.

**Ukraine is placed 40<sup>th</sup>  
in reputation ranking  
of countries**

**The New York-based Reputation Institute publishes reputation ranking for 50 countries.**

Canada heads the list followed by Sweden, while Australia is ranked third from the top.

Ukraine is placed 40th in the ranking immediately after Bolivia but running up ahead of Israel (41), China (43) and Russia (45). The lowest ranked countries were Pakistan, Iran and Iraq.

The results are compiled by polling over 42,000 respondents in 50 countries measuring the overall trust, esteem, admiration and good feelings the public holds towards these countries.

**European officials see  
no progress with  
fighting corruption in  
Ukraine**

**German ambassador to Ukraine Hans-Jurgen Heimsoeth sees no progress in Ukraine's efforts to fight corruption.**

"In terms of fighting corruption no real improvement is felt. Moreover, voices sound claiming the contrary," ambassador Heimsoeth has said. He also expressed his regret over Ukraine's continued non-transparency of economic activity and privatization processes that are difficult to understand.

"All this creates an impression that Ukrainian politicians and business representatives, as before, believe the best option for the country is when they deal with all matters among themselves," Heimsoeth said.

**Venice Commission to  
publicize conclusions  
regarding Ukrainian  
law on parliamentary  
elections on 17  
October 2011**

**The Venice Commission is preparing to release a final decision about the draft law on electing MPs in Ukraine.**

"On 14-15 October, conclusions about the draft law [on parliamentary elections in Ukraine] will be discussed in Venice. The ultimate conclusion and decision will be posted on the commission's website on 17 October 2011," the head of the European Council representation in Ukraine, **Volodymyr Rystovskyy**, said.

It is noteworthy that the EU requested that the draft law on electing Ukrainian MPs to be submitted for Parliament's consideration after the Venice Commission presents final conclusions regarding this piece of legislation, a statement issued by the office of the EU Delegation to Ukraine said.

The Ukrainian news and analysis website Lb.ua reported that Ukrainian Justice Minister **Oleksandr Lavrynovych** said on 27 September 2011 that the new draft law on parliamentary elections will not be submitted for voting on by MPs until the Venice Commission issues its conclusion. At the same time, he noted that the draft law will be at the stage of revision in Parliament by the time the Venice Commission conclusions become available.

"As to the deadlines, then it seems like we have a certain conflict here. On the one hand, the Venice Commission recommended that we adopt this law in a year. On the



other hand, there is a request to postpone the adoption of the law until a final discussion is carried out at a plenary meeting of the commission. We have here an agreement which was confirmed by a representative of the Council of Europe, Mr Rystovskyy, that we would work until the official conclusions of the Venice Commission are issued," the justice minister stressed.

At the same time, Ukrainian parliamentary speaker **Volodymyr Lytvyn** said on 29 September 2011 that legislatively sanctioned time limitations regarding amendments to the law on electing MPs did not exist at present.

A reminder that on 13 September 2011, the Ukrainian Justice Ministry received preliminary informal conclusions of the Venice Commission about the draft law on Ukrainian parliamentary elections. The Venice Commission identified a number of significant flaws in the document.

At the same time, the public consortium of electoral initiatives reported on 28 September 2011 that a presidential work group headed by Justice Minister **Lavrynovych**, which has been making final amendments to the draft law, did not take the Venice Commission comments into consideration. Hence, the draft law still allows for abuse and manipulation during elections.

It is worth mentioning that during a roundtable organized by Gorshenin Institute, lawmakers concluded that parliamentary elections would be held under a mixed electoral system so the current government could establish a monopoly on power.

**Ukrainian Economics  
Ministry to extend  
grain export duties,  
impose them on  
sunflower seed oil,  
rapeseed, soy**

**Ukrainian agricultural sector producers may suffer an extension of grain export duties, imposing new export duties on oilseeds.**

On 29 September 2011 the Ukrainian Economics Ministry unveiled details of the draft law "On rates of export duty on some products of agriculture". The draft law imposes export duties on sunflower seed oil in the amount of 10% of the contract price (but at least 84 euros per ton), soy beans - 12% (33 euros per ton), rapeseed - 9% (15 euros per ton). Moreover, the draft law includes a provision for extending grape export duties till the end of the next year. Initially, it was planned to lift the existing grain export duties on 1 January 2012.

In the ministry they explain their position with fears of a price hike at the domestic market of agricultural products because of excessively large export volumes.

Nevertheless, the Ukrainian Ministry of Agricultural Policy opposes the export duties. In particular, in the Agricultural Policy Ministry they said they are concerned with the slowdown in grain export because of existing export duties. "Based on initial forecasts, we were supposed to export 6m tons of grain but in fact we exported only 3m tons", - the Ukrainian Agricultural Policy Minister, **Mykola Prisyazhnyuk**, said. He added that if the same pace continues, it is unlikely that the target of 24m tons will be met this year. The minister also said that as a consequence, agricultural producers may be short of funds for autumn field works to cut and plant areas, thereby reducing future production of agricultural products.

Experts says that export duties of oilseeds will result in reduction of future export lowering domestic prices of raw materials and negatively affecting the profitability

of agricultural companies.

Participants of the oilseed market and experts believe that export duties on sunflower seeds oil will result in a serious cut in both the production rates and export of sunflower seeds oil. As a result, Ukraine will lose its positions on the international market and open space for Russia. Moreover, export duties will result in lower demand on the domestic sunflower seeds market and purchase prices will drop. As a consequence, the profitability of agricultural companies will worsen.

It is worth mentioning that Ukrainian agricultural producers plan to hold protests in response to the imposition of new and extensive existing export duties.

It is also worth mentioning that experts forecast this year's sunflower seeds harvest in the amount of up to 8.55m tons, allowing the production of about 3.32m tonnes of sunflower seeds oil. According to the agricultural policy minister, the grain gross yield in 2011 is expected to exceed 50m tonnes.

**China to invest 10bn dollars into Ukraine's agricultural sector****The Chinese Export and Import Bank is ready to invest 10bn dollars into Ukrainian agricultural sector.**

This information has been presented by the Ukrainian Agricultural Policy Minister **Mykola Prysyzhnyuk** after his visit to China.

According to Prysyzhnyuk, the Chinese bank intends to send specialists to set up a working group for continuous interaction with Ukrainian partners.

**Naftohaz Ukrayiny involves foreign companies in developing Ukrainian gas deposits****Naftohaz Ukrayiny and German RWE Dea AG signed memorandum on cooperation in examining the Black Sea shelf on 28 September 2011.**

Naftohaz Ukrayiny deputy board chairman **Vadym Chuprun** said that the memorandum mainly covers cooperation in the Black Sea shelf survey. However, more talks between the companies will be held in mid-October in Kiev. Also, on the same day Naftohaz Ukrayiny and US-based Halliburton signed an agreement for support in monitoring of initial service, construction and operation of oil and gas wells on the Black Sea Shelf.

The agreement provides for cooperation in commissioning of the Petro Hodovanets self-elevating drilling rig, supply of equipment, training of personnel and provision of services related to construction of wells and management of the drilling project. The project covers drilling 60 wells within 30 years.

Moreover, Naftohaz Ukrayiny reached an agreement with the US ExxonMobile on cooperation in the surveying and development of deposits of non-conventional hydrocarbons (shale gas, methane from coal mines) in Ukraine. Within the framework of the agreement ExxonMobile plans work in Western Ukraine and in the areas of the Donetsk and Dniprovsk bowls.

**Ukrgezvydobuvannya gas drilling company discovers new gas field in Kharkiv Region****Another gas field discovered in Ukraine.**

Naftohaz Ukrayiny's daughter company, Ukrgezvydobuvannya, has discovered a new gas field in Bohodukhiv district, Kharkiv Region. The Kuzmichevske gas field was discovered as a result of the company's geologic exploration efforts; perspective reserves of gas are assessed at 1.5bn cubic metres. This is the company's second gas field discovery in 2011.

**German businessman demands arrest of Pivdennyi bank assets in Ukraine's Odessa**

**German businessman Aleksandr Likht files a civil suit against management of Pivdennyi bank.**

"To protect the rights of German owners of DIS, this week I am filing a civil suit against the management of Pivdennyi bank. I also filed an appeal to the Prosecutor's Office in Germany asking to open a criminal case against the management of the Pivdennyi Bank, **Yuriy Rodin, Mark Bekker** and **Vadym Morokhovskyy**, " Likht has said. "I demand the seizure of the bank's assets in EU countries till the end of the litigation. I have no other instruments to affect them. An attempt on my life shows that these people would go any length and they are not going to refund the debt".

Just to remind You, Earlier, German DIS director Likht's car was attached on the 40<sup>th</sup> kilometre of Odessa-Kiev road on by fire 14 September 2011.

**Two policemen died in fire fight with criminals near Ukraine's Odessa**

**Law enforcers in Odessa Region failed to detain dangerous criminals.**

On the night of 30 September 2011, at the traffic police checkpoint outside the village of Koshary in Odessa Region, Ukrainian policemen tried to detain three individuals suspected of a number of contract murders. In course of the operation, an exchange of fire occurred between the criminals and policemen. As a result, two policemen were killed and another four were injured. The criminals managed to escape from the scene by car.

Later information appeared that the criminals crossed the Ukrainian border and escaped in Moldova.

Commenting on the event, the Ukrainian Interior Minister, **Anatoliy Mokhylyov**, said that the armed attack by the criminals during the operation to detain them was unexpected, "even for those who were involved in the operation". "The situation went beyond a routine check of a car, that is why the consequences are so severe", - Mokhylyov said.

**Moldova's leader pays visit to Ukraine**

**On 25-27 September 2011, the acting president of Moldova and the country's parliamentary speaker, Marian Lupu, paid an official visit to Ukraine.**

He met with his Ukrainian counterpart **Viktor Yanukovych**, Prime Minister **Mykola Azarov** and parliamentary speaker **Volodymyr Lytvyn** in Kiev. After the meeting, the parties declared the resumption of the bilateral dialogue and the readiness to activate trade and economic relations at all levels. Additionally, the Moldovan leader expressed gratitude to Ukraine for its stance on the Transnistrian issue and the assistance with the renewal of talks between Moldova and Transnistria in the official "five plus two format," in particular. At the same time, President Lupu voiced his hopes that "such a position will be retained in the future and that Ukraine will assist with the final resolution of the Transnistrian issue."

We shall remind you that Ukraine's stance on the issue envisages the preservation of the Moldovan territorial integrity and granting the Transnistria breakaway region special status.

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