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PICK OF THE WEEK:

Yanukovych pardons ex-interior minister

On 7 April 2013, President **Viktor Yanukovych** pardoned former Interior Minister **Yuriy Lutsenko**.

The pardon application was referred to the president by ombudsman **Valeriya Lutkovska**.

For details, see page 12.

Russia suspends talks on gas consortium with Ukraine - media

Russia has suspended its negotiations on setting up a consortium for managing the Ukrainian gas transport system, the business daily Kommersant Ukraina reported on 5 April 2013.

For details, see page 7.

Party of Regions lobbies for referendum

The head of the pro-government Party of Regions parliamentary faction, **Oleksandr Yefremov**, said on 5 April 2013 that the only legal solution to the current parliamentary crisis is to hold a referendum on the future of parliament.

For details, see page 8.

INTERNATIONAL POLITICAL

UKRAINE-EU

Both Ukraine, EU to lose if association agreement not signed, envoy says

Both Ukraine and the EU will end up in a “lose-lose” situation if they fail to sign the association agreement, Ukrainian ambassador to the EU **Kostyantyn Yeliseyev** wrote in an article for The International Herald Tribune on 4 April.

In Yeliseyev's opinion, the EU will miss out on benefits for its businesses if it decides not to sign the deal with Ukraine.

In his article for The New York Times, which was published on 29 March, former US ambassador to Ukraine **John Herbst** argued that Ukrainian President **Viktor Yanukovych** would not agree to release jailed former Prime Minister **Yuliya Tymoshenko**, which is the chief requirement for signing the EU association agreement. Therefore, he believes that after November 2013 the country will be left without prospects for the European integration, while Yanukovych will be isolated from the West.

Poland refuses to back construction of Russia's new gas pipeline bypassing Ukraine

Poland does not support the construction of a second branch of the Yamal-Europe gas pipeline through its territory, Polish Prime Minister **Donald Tusk** said on 5 April 2013.

On the same day, Gazprom and the Polish company Europolgaz, in which the Russian gas monopoly is one of the major shareholders, signed a memorandum of understanding for the construction of the mentioned gas pipeline, which should pass through Belarus and Poland to Slovakia. Later, Polish Minister of Treasury **Mikolaj Budzanowski** said that the document did not oblige the country to build any gas pipelines.

Der Spiegel: Ukrainian authorities make slanderous statements about Brok

On 2 April 2013, the German Der Spiegel said that the Ukrainian authorities had found themselves in an awkward situation due to the scandalous allegations made against the head of the European Parliament Committee on Foreign Affairs, **Elmar Brok**.

According to the magazine website, reporting on Brok's visit to Kiev in December 2012, several Ukrainian media outlets said that he was allegedly involved in a sexual offence.

The website recalled that it is not the first time that "the Ukrainian services try to draw less favoured guests in sexual scandals". The same happened to one of the doctors from the German Charite hospital who came to see ex-Prime Minister **Yuliya Tymoshenko**.

Der Spiegel said that all the hints about Brok's stay in Kiev being under scrutiny originate from the Ukrainian judiciary, namely from First Deputy Prosecutor-General **Renat Kuzmin** who has been banned from visiting the USA.

UKRAINE-USA

US envoy to Ukraine visits Donetsk Region

US policy towards Ukraine will remain the same, US ambassador to Ukraine **John Tefft** said during his visit to Donetsk Region on 4 April 2013. The USA believes that direct dialogue and direct communication with the current Ukrainian government are appropriate, he added.

Touching upon the prospects for shale gas extraction in Ukraine, Tefft stressed that it can be extracted without any environmental damage if the technological procedure is closely observed.

The mass media reported that on 4 April Donetsk's activists staged a protest entitled "No to colored revolutions in Donbass" against the visit of the American ambassador. The protesters were holding banners which read "No to 'Arab Spring' in Donetsk", "Tefft, hands off Donbass" and "No to a Syrian revolution in Ukraine". Additionally, participants in the demonstration were chanting "Yankee, go home!".

Ukrainian-US trade declines in 2012

In 2012, trade between Ukraine and the USA reached 584m dollars, dropping by 97m dollars in comparison with 2011, the influential business daily Kommersant Ukraina reported on 3 April 2013, quoting the US trade representative office.

Ukraine demands that USA present report on all adopted children

Ukraine would like to receive information about all the Ukrainian children adopted by American citizens, the Ukrainian presidential representative for children's' rights, **Yuriy Pavlenko**, said on 4 April 2013.

Earlier, it was reported that a Ukrainian child adopted by an American family was shot dead by the foster father in 2011.

UKRAINE-CIS

Ukrainian president hopes for observer status in Russia-led regional bloc

Ukraine expects to be granted observer status in the Customs Union of Belarus, Kazakhstan and Russia and then to start considering a score of documents for participating in the bloc's work, Ukrainian President **Viktor Yanukovich** said on 5 April 2013.

Ukraine will try to sign those Customs Union provisions that do not go against the country's international obligations, the head of state added.

Earlier, Yanukovich also spoke about a possible meeting with the leaders of the Customs Union's member states in April in order to discuss further cooperation.

On 4 April, the Ukrainian Foreign Ministry said that the exact date for the meeting remained unknown.

Russian leaders have stated on multiple occasions that Ukraine can attain only a full membership in the Customs Union. Otherwise, preferences given to other members of the bloc will not be available to it.

The head of the Federation of Employers of Ukraine, tycoon **Dmytro Firtash**, said that Ukrainian importers will suffer annual losses worth 15bn dollars if Ukraine fails to adjust its technical standards to the Customs Union norms.

Russia suspends talks on gas consortium with Ukraine - media

Russia has suspended its negotiations on setting up a consortium for managing the Ukrainian gas transport system, the business daily Kommersant Ukraina reported on 5 April 2013.

The same day, 5 April, Ukrainian Energy and Coal Industry Minister **Eduard Stavytskyy** said that the ministries of the two countries continued holding consultations on the issue. Previously, he spoke about the absence of progress in the gas negotiations with Russia.

Stavytskyy added that Ukraine had suspended imports of Russian gas starting from 1 April.

Ukraine, Belarus intend to form joint military unit

Minsk and Kiev have launched negotiations on setting up a joint military unit, Belarusian First Deputy Defence Minister Maj-Gen **Pyotr Tsikhanowski** said on 4 April 2013.

The official added that the Armed Forces of the two countries would take part in a military exercise called "Slavic Brotherhood-2013".

Ukrainian president appoints new envoy to Belarus

On 3 April 2013, Ukrainian President **Viktor Yanukovych** appointed former Defence Minister **Mykhaylo Yezhel** as ambassador to Belarus.

Ukraine refuses to extradite Tajik ex-premier

On 4 April 2013, the Prosecutor-General's Office of Ukraine said that the government would not extradite former Tajik Prime Minister **Abdumalik Abdullojonov**.

The same day, 4 April, the former prime minister was released from detention.

The Lb.ua news and analysis website reported that **Abdullojonov** was detained at Kiev's international Boryspil airport on 5 February 2013. On 18 February, Tajik government officially requested his extradition from Ukraine. Back in Tajikistan **Abdullojonov** is accused of attempting to kill President **Emomali Rakhmon** in 1996 and of being involved in a coup.

DOMESTIC POLITICAL

AUHORITIES

Party of Regions lobbies for referendum

The head of the pro-government Party of Regions faction, **Oleksandr Yefremov**, said on 5 April 2013 that the only legal solution to the current parliamentary crisis is to hold a referendum on the future of parliament.

He also said that there is a discussion whether there should be a two- or one-chamber parliament in a unitary state.

The opposition was blocking the parliament rostrum during the entire plenary week, from 2 to 5 April. The main opposition demands are to schedule the Kiev mayoral and city council elections, cancel the pension reform and dismiss Prime Minister **Mykola Azarov**.

On 5 April, the opposition UDAR party said that the leaders of the parliamentary opposition were summoned to court to give statements within the framework of an administrative case on the parliament blockade.

Ex-Interior Minister **Yuriy Lutsenko** said in an interview with BBC Ukraine on 3 April that the presidential administration consciously provoked the opposition into blocking the parliament work. This way the authorities created prerequisites for a future referendum to set up a two-chamber parliament controlled by the Party of Regions.

On 3 April, the head of the opposition Fatherland parliamentary faction, **Arseniy Yatsenyuk**, said that the opposition was going to appeal to the European Court of Human Rights to have the law on referendum cancelled since, as they believe, the principle of personal voting was violated during its adoption.

Instead of holding a new referendum, the authorities might enforce the results of the 2000 referendum held during President **Leonid Kuchma's** tenure, Lb.ua editor in

chief **Sonya Koshkina** said in an editorial. She recalled that in 2000 Ukrainians voted in a referendum to introduce a two-chamber parliament, limit officials' immunity, cut the number of parliament seats from 450 to 300, and give the president additional rights to disband parliament. These results were never implemented.

On 6 November 2012, parliament adopted the law allowing changes to be introduced to the constitution if adopted in a referendum. According to the law, referendum results have direct effect and do not require parliament endorsement.

According to a study conducted by the Gorshenin Institute among children in December 2012, the majority of respondents (58.7 per cent) do not like Ukrainian politics and politicians.

Parliamentary majority holds extra-mural session

MPs from the pro-government Party of Regions faction and the Communist Party held an extra-mural session on 4 April 2013, during which they adopted seven bills. The bills regulate loans for the farming industry, state guarantees on investment credits of national importance, and the allocation of 738m dollars to the Ministry of Revenues and Levies. The majority also passed a number of amendments to the customs, budget and tax codes.

The Party of Regions described the extra-mural session as a forced measure because the parliament rostrum had been blocked by the opposition.

Speaker **Volodymyr Rybak**, a member of the Party of Regions, said that all the procedures were observed at the extra-mural session.

However, the Dzerkalo Tyzhnya weekly website said that in accordance with the procedures, a decision to hold an extra-mural session shall be made at a plenary session of parliament, which was not the case. Therefore, it said, the extra-mural session organized by the majority contradicted the constitution.

On 4 April, jailed ex-Prime Minister **Yuliya Tymoshenko** asked President Viktor **Yanukovych** not to sign the bills adopted by the majority at the extra-mural session into laws.

The leaders of the parliamentary opposition requested that the Prosecutor-General's Office investigate the extra-mural session and bring those responsible for it to account. The opposition also demanded that the adopted bills be put to re-vote.

The opposition also insists that only 182 MPs in fact attended the extra-mural session while others were outside the congress hall as confirmed by relevant video footage. The opposition interprets this as a violation of the constitution which says that laws are considered adopted if they are approved by the majority of the constitution composition of the 450-seat parliament, which is at least 226 MPs.

On 5 April, Fatherland MP **Mykola Katerynchuk** asked the Supreme Administrative Court to invalidate as unlawful the parliament session outside the parliament building.

On 5 April, the head of the Party of Regions parliamentary faction, **Oleksandr Yefremov**, dismissed as ungrounded the opposition demands to put the adopted bills to re-vote.

Parliament fails to schedule Kiev mayoral election

On 2 April 2013, parliament failed to schedule the regular elections of the Kiev mayor and city council for 2 June. The respective draft resolution was supported by the opposition parliamentary factions of Fatherland, UDAR and Freedom, and some members of the Communist Party.

The Party of Regions refused to support the resolution.

In protest against the actions of the Party of Regions, the opposition blocked the parliament rostrum.

The opposition held a rally outside the parliament building on voting day, demanding that mayoral election be scheduled.

Authorities schedule inspection of leading online mass media

On 2 April, the news and analysis website Lb.ua said that the State Service for Protection of Personal Data would check the leading online mass media, among them Lb.ua (a project of the Gorshenin Institute), the Korrespondent website and Ukrayinska Pravda, along with several Internet stores and IT companies over their compliance to law.

The respective resolution was adopted on 22 March.

The ain.ua website quoted the head of the State Service for Protection of Personal Data, **Liliya Oleksyuk**, as saying that they had not received any complaints about the mentioned companies.

According to a public survey conducted by the Gorshenin Institute among young people in March 2013, the majority of young Ukrainians (72.3 per cent) prefer the Internet as the main source of information about current developments.

For details, see page 18-19.

Transparency International: Ukraine's anti-corruption programme on verge of failure as parliament postpones session on anti-corruption bill

On 1 April 2013, the Ukrainian office of Transparency International (TI) said that the anti-corruption programme for 2011-15 adopted by the Ukrainian authorities is on the verge of failure.

According to the TI, the state programme has had very limited progress, with the average score of implementation being 2.7 out of 5.

On 4 April, parliament referred for the repeat first reading the bill on advancing the legislation on corruption prevention and counteraction.

The bill was developed with a view to bringing the Ukrainian legislation in compliance with recommendations issued after the third round of appraisal by the Council of Europe's Group of States against corruption.

Mass media: government cuts Foreign Ministry's financing

On 3 April 2013, the Dzerkalo Tyzhnya weekly website said that for the reasons of saving, the Foreign Ministry has cut the funding of its central apparatus and diplomatic offices abroad.

According to the website, Ukrainian diplomats abroad who were scheduled to return home in 2013 received instructions to do so as soon as by 30 April. Their replacements will not take over until 1 December 2013.

Dzerkalo Tyzhnya said that dealing with the problem of reduced budget funding this way, the Foreign Ministry will "bring the work of embassies to a nearly complete collapse".

Spring draft begins in Ukraine

On 1 April 2013, the Defence Ministry announced the start of spring conscription for fixed-term military service.

It is planning to enlist 13,900.

The ministry also said that this is a penultimate conscription, the last one being planned for the autumn. Afterwards the army will be based on contract service.

OPPOSITION**Yanukovych pardons ex-interior minister**

On 7 April 2013, President **Viktor Yanukovych** pardoned former Interior Minister **Yuriy Lutsenko**.

The pardon application was referred to the president by ombudsman **Valeriya Lutkovska**.

In February 2013, the EU parliament mission of Pat Cox and Aleksander Kwasniewski asked Yanukovych to pardon Lutsenko.

Lutsenko told BBC Ukraine on 3 April that he did not mind being pardoned by President Viktor Yanukovych. He added though that he did not consider himself a criminal and that neither he, nor his family were going to appeal for his pardon. Earlier, on 2 April, Lutsenko told the news and analysis website Lb.ua that his son had been asked to file a plea to have his father pardoned.

On 3 April, the Supreme Specialized Court upheld the ruling handed down on ex-Interior Minister Yuriy Lutsenko.

On 4 April, EU High Representative for Foreign Affairs **Catherine Ashton** and European Commissioner for Enlargement **Stefan Fule** in a joint statement expressed their regret over the specialized court ruling on Lutsenko's appeal, noting that his trial was not up to international standards.

In February 2011, Lutsenko was found guilty of office abuse and sentenced to four

years in prison, his property was confiscated. Lutsenko has been behind bars since December 2010.

Investigation into Shcherban's murder continues

On 2 April 2013, the Kiev Pechersky district court questioned businessman **Serhiy Taruta**, a witness in the case of MP and businessman **Yevhen Shcherban** killed in 1996.

Taruta said that there was no hostility between the companies of Yevhen Shcherban and former Prime Minister **Yuliya Tymoshenko**, however there was a conflict of business interests.

Yuliya Tymoshenko did not attend the questioning.

Prosecutors said that during an earlier questioning, which was closed to public, the businessman made a different statement.

According to Tymoshenko's defence counsel **Serhiy Vlasenko**, Taruta's statement means that there is no case on Tymoshenko's involvement in Shcherban's murder at all. The questioning of the next witness, businessman **Vitaliy Hayduk**, is scheduled for 16 April.

The Prosecutor-General's Office suspects Tymoshenko and former Prime Minister **Pavlo Lazarenko** of organizing the murder of Shcherban.

Lawyer of jailed Ukrainian ex-premier allowed to travel abroad

On 3 April 2013, the Ukrainian State Border Service said that the lawyer of jailed former Prime Minister **Yuliya Tymoshenko** and a former MP, **Serhiy Vlasenko**, was no longer banned from traveling abroad.

Earlier, the State Border Service also spoke about the grounds for Vlasenko's travel ban, explaining that the Kiev Pechersky district court had ruled to temporarily suspend his right to travel abroad.

Four MPs leave opposition faction

On 4 April 2013, parliament speaker **Volodymyr Rybak** announced that four MPs have left the opposition Fatherland parliamentary faction.

Three of them – **Ihor Skosar**, **Vitaliy Nemilostivyy** and **Roman Stadniychuk** – were elected to parliament on the Fatherland party's election list. The other one, **Oleh Kanivets**, a member of the Civil Position party, was elected in a single-seat constituency in Lviv Region with the support of the united opposition.

Anatoliy Hrytsenko, Civil Position leader and member of the Fatherland faction, said that Kanivets had agreed his decision to leave the faction with him. Although he has left the faction, Kanivets will stay with the opposition camp, Hrytsenko said.

Hrytsenko believes that the opposition leaders only pretend to fight the authorities and thus are losing public support. If the situation remains unchanged, more MPs may leave the faction, including him, Hrytsenko suggested.

According to **Arseniy Yatsenyuk**, the defection of four MPs was aimed at toppling him as Fatherland faction leader and at driving a wedge into it. He suggested that this plot had been designed by President **Viktor Yanukovych** and was being implemented by the secretary of the National Defence and Security Council, **Andriy Klyuyev**.

According to Yatsenyuk, the defectors might have been paid from 10m to 15m dollars to do so.

On 5 April, the Fatherland faction expressed confidence in Yatsenyuk as its leader. The issue was initiated by Yatsenyuk after four members had left the faction, the Ukrayinska Pravda news and analysis website has said.

Ukrainian opposition holds meeting with EU envoys

On 5 April 2013, the leaders of Ukraine's opposition parliamentary factions met with ambassadors of the EU member states.

During the meeting, the opposition asked the diplomats to provide expert assistance with drawing up draft laws which are required for the country's European integration.

The head of the far-right All-Ukrainian Freedom Association, **Oleh Tyahnybok**, told the Europeans taking part in the event that the Ukrainian government frequently introduced in parliament laws which were disguised as promoting the country's EU bid but in fact represented the interests of lobbyists.

Tyahnybok also stressed that the recent holding of an extra-mural parliamentary sitting by pro-presidential MPs was a sign of a constitutional coup.

On 6 April, the opposition leaders urged the EU to impose personal sanctions against the officials who were responsible for carrying out a campaign of political repression in Ukraine.

Ukrainian opposition party demands that parliament consider draft law on impeaching president

On 1 April 2013, the leader of the opposition UDAR parliamentary faction, **Vitaliy Klitschko**, said at a meeting of the coordinating council of the faction leaders and representatives of parliamentary committees that his political force demanded that parliament consider a draft law on impeaching President **Viktor Yanukovych**.

ECONOMICS

Cabinet prepares 2012 budget performance report

The Ukrainian government on 2 April 2013 submitted to parliament for approval a report on the fulfillment of the 2012 budget.

According to the document, the budget deficit in 2012 amounted to 6.68bn dollars. The Law "On the State Budget for 2012" (including all the amendments) projected a deficit of 4.85bn dollars.

In 2012, the real GDP growth totaled 0.2 percent. Nominal GDP compared with 2011 increased by 8.2 percent to 176.26bn dollars.

In an article for news and analysis website Lb.ua of 25 February 2013, former acting Finance Minister **Ihor Umanskyy** wrote that the real budget deficit for 2012 was one-and-a-half times larger than the amount officially declared by the government.

According to Umanskyy, about 2.79bn dollars should be added to the official figure of 6.68bn dollars, as the indicated amount was withdrawn by the government from the single treasury account at the expense of local budgets. Also, as Umanskyy noted, the government spending does not show around 876m dollars that was spent on the capitalization of state-run energy companies Naftohaz Ukrayiny and UkrHydroEnerho.

Ukrainian president's administration expects compromise with IMF

First Deputy Head of the Presidential Administration **Iryna Akimova** on 2 April 2013 said that in the nearest time Ukraine may reach a compromise in the negotiations with the International Monetary Fund.

An IMF mission is working in Ukraine from 27 March to 10 April. Following the mission's visit, the fund is expected to make a decision on allocating to Ukraine a new stand-by loan worth a total of 15bn dollars.

According to Honored Economist of Ukraine **Oleksiy Plotnikov**, during the negotiations with the Ukrainian authorities, the IMF will set forth new requirements. At the same time, the expert does not rule out that the new requirements will omit the demand to raise natural gas prices for households. According to Plotnikov, the IMF will insist on switching to a more flexible exchange rate policy. The expert made a statement to this effect at a roundtable discussion that took place at the Gorshenin Institute on 4 April.

World Bank worsens economic growth outlook for Ukraine

Senior economist of the World Bank in Ukraine **Ruslan Piontkovsky** on 2 April 2013 announced that the bank lowered the 2013 GDP growth forecast for Ukraine from 3.5 to 1 percent. Ukraine's GDP growth forecast for 2014 has been downgraded from 4 to 3 percent.

On 4 April, Foreign Minister **Leonid Kozhara** said that the Ukrainian economy is in a critical condition, particularly because of the ever-growing foreign trade deficit.

Ukraine's foreign exchange reserves grow to 24.7bn dollars

As the State Statistics Service reported on 5 April 2013, the international reserves of Ukraine in March 2013 increased by 0.1 percent, or 16.91m dollars, to 24.727bn dollars.

Since the beginning of 2013, the gold and foreign currency reserves have increased by 0.7 percent, or 180.58m dollars, from 24.546 to 24.727bn dollars.

NBU may soon limit cash payments

On 3 April 2013, Deputy Governor of the National Bank of Ukraine (NBU) **Vira Rychakovska** announced that the regulator in May-June plans to limit the maximum amount of cash payments to 18,700 dollars.

In September 2012, the parliament gave the green light to the NBU to limit cash payments.

Ukraine boosting grain exports

Minister of Agrarian Policy **Mykola Prysyazhnyuk** on 1 April 2013 said that since the beginning of the current marketing year (July 2012 - June 2013), as of 30 March, Ukraine has exported 19.4m tonnes of grain, which is 24.7 percent up on the same period of the previous season. In January-March Ukraine exported 3m tonnes of grain.

According to the minister, currently there are about 1.3m tonnes of grains expecting shipment in Ukrainian ports.

Revenue and taxes ministry suggests 7-percent VAT for farmers

Minister of Revenues and Levies **Oleksandr Klymenko** on 1 April 2013 said that his agency is exploring the possibility to oblige farming businesses to pay a 7-percent value added tax (VAT).

At present, agricultural enterprises in Ukraine do not pay VAT.

Ukraine bans coke imports, imposes quota on coking coal imports

In early April 2013, the cabinet of ministers introduced a quota on coal imports of 10.2m tonnes for the current year. Also, the government banned imports of coke, semi-coke, and rotary coal.

According to news and analysis website Lb.ua, the government adopted the respective decree on 13 March; the document shall become effective 21 days after publication.

Parliament decides to finalize bill on transfer pricing

On 3 April 2013, the Parliamentary Committee on Taxation and Customs Policy decided by April 17 to finalize the draft law on transfer pricing, taking into account the suggestions received from the MPs.

Privatization of mines postponed until 2014

On 1 April 2013, the cabinet of ministers decided to postpone the launch of privatization of state-owned enterprises in the coal-mining industry until 2014.

Earlier, the government planned to sell 10 coal enterprises in the current year, and put up for sale seven more mines next year.

Ukraine records zero inflation in March

The State Statistics Service on 5 April 2013 reported that Ukraine showed zero inflation in March. Compared to March 2012, consumer prices fell by 0.8 percent.

In January-March 2013, inflation in Ukraine totaled 0.1 percent.

EBRD replaces director in Ukraine

The European Bank for Reconstruction and Development on 3 April 2013 announced the replacement of the Ukrainian office director. Starting from 1 June, the bank's office in Ukraine will be managed by **Sevki Acuner**, who is replacing **Andre Kuusvek**.

ENERGY MARKET

Ukraine increases gas import from Europe

Starting from April, Ukraine will increase a daily volume of gas imported from Europe through Poland to 5m cu.m., the Ukrtransgaz company said on 1 April 2013.

The increase in gas deliveries is envisaged by a contract signed by the German company RWE and the Ukrainian state-run oil and gas trader Naftohaz Ukrainy.

The Lb.ua news and analysis website reported that Naftohaz Ukrainy had started to import gas from Germany through the territory of Poland in November 2012.

On 28 March 2013, Ukraine started reverse deliveries of gas through Hungary.

In 2013, Ukraine plans to import 7bn cu.m. of gas from Europe should it prove to be expedient in economic terms.

On 30 March, Gazprom CEO **Aleksey Miller** stated that Ukraine was de facto importing from Europe Russian gas which was returning to the country upon crossing the western border. In his opinion, such schemes are fraudulent.

On 5 April, Ukrainian Energy and Coal Industry Minister **Eduard Stavytsky** said that Moscow had not accused Kiev of anything in connection with its reverse gas deliveries from Europe.

New gas trader to work on Ukrainian market

On 4 April 2013, a large oil trader called Western Oil and Gas Company said that it intended to carry out deliveries of 6bn cu.m. of gas for the domestic market in Ukraine.

The company plans to purchase imported gas from the Cherkasy-based chemical plant Azot, which belongs to Ukrainian tycoon **Dmytro Firtash**, as well as gas extracted in Ukraine.

Then the trader plans to supply gas to industrial companies and firms dealing with gas deliveries.

The Lb.ua news and analysis website reported that at present, the key gas suppliers on the Ukrainian market were the state-run oil and gas trader Naftohaz Ukrainy, along with Ostchem Holding, owned by Firtash.

COMMENTARY OF THE WEEK**Lutsenko freed thanks to Kwasniewski-Cox mission, Putin – Gorshenin Institute president**

The policy of maneuvering and bluffing is no longer effective in Ukraine's relations with the EU and Russia. The release of **Yuriy Lutsenko** means that Ukraine has received a serious signal from Europe, saying that specific actions were required for the continuation of dialogue, the president of the Gorshenin Institute, **Vadym Omelchenko**, has said.

"The news about Lutsenko's pardon is good news. Not just because a person, whose fault is doubtful, has been freed from jail. This also shows that the policy of maneuvering and bluffing in Ukraine's relations with the EU and Russia is no longer effective," Omelchenko said.

"First, this is the achievement and victory of the Kwasniewski-Cox mission. Second, it is worth paying attention to the fact that the initiative to pardon Lutsenko emerged immediately after Moscow's statement on the suspension of talks on the creation of a gas transport system consortium and after Moscow formally rejected Ukraine's proposals on the format of cooperation with the Customs Union. For its part, Europe sent a serious signal to Ukrainian authorities that specific actions were required for the continuation of dialogue. A clear deadline was set. It is fair to say that Lutsenko owes his release to the **Cox-Kwasniewski** mission and to **Putin**," Omelchenko said.

In his opinion, the nearest future will show how consistent Ukrainian authorities are. "Of course, the actions of Ukrainian authorities can hardly be called consistent, and it is hard to imagine that the decisions to strip **Serhiy Vlasenko** of his MP seat, to attack **Elmar Brock** and to pardon Lutsenko were all taken at one place," Omelchenko said. "I hope that they will have to become consistent not only by logic and political vision, but also because of the economic situation, which, according to our experts, is very difficult."

The Modern Youth of Ukraine, an all-Ukrainian public opinion survey, was carried out by the Gorshenin Institute from 1 to 20 March 2013.

The survey covered 2,000 respondents, aged 15 to 21, in population centres of over 100,000 residents in 24 regions of Ukraine and in the Autonomous Republic of Crimea. The sample was based on respondents' age, gender and type of their population centres. The margin of representation error does not exceed +/-2.2 per cent.

What source of information do you prefer?

(Respondents are offered to name up to three options)

Internet – 72.3%
Television – 58.2%
Socializing (relatives, friends) – 21.7%
Printed media (newspapers/magazines) – 12.4%
Radio – 5.8%
Other – 0.8%
Difficult to answer – 2.2%

Do you use the Internet? If so, how often?

Frequently, daily – 71.9%
Several times a week – 19.3%
Several times a month – 3.9%
Occasionally, at least once in six months – 0.9%
Do not use – 2.9%
Difficult to answer – 1.1%

Why do you need Internet access? (applicable to Internet users only)

(Respondents can mention several options)

To look up information – 65.8%
For work, study – 58.7%
To talk to other users in chats, social networks and on forums – 47.6%
To listen to music, watch films, read books and so on – 41.1%
To follow the news, global and local developments – 39.6%
To use e-mail – 33.1%
To play games – 24.6%
To find new friends, people with similar interests – 23.4%
To stay in touch with relatives – 22.2%
To do shopping – 10.5%
To browse erotic content – 4.5%
Other – 1.2%
Difficult to answer – 0.6%

Do you use social networks? If so, how often? (facebook, vkontakte, odnoklassniki and other)

(applicable to Internet users only)

Frequently, daily – 62.4%

Several times a week – 28.6%

Several times a month – 7.3%

Occasionally, at least once in six months – 1.3%

Difficult to answer – 0.4%

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