

UT DIARY
BELGIUM

June 14: Defense ministers from the NATO member countries hold the meeting of the North Atlantic Council in Brussels (to June 15). As expected, Ukrainian defense minister Anatoly Grytsenko will participate in the sitting of the commission NATO-Ukraine.



UKRAINE

June 15: A calf house will be auctioned in the city of Zaporizhia. The initial bidding price of the building, which is based in the village of Novoivanivka near the town of Orikhiv, amounts to 40,000 hryvnias.

June 16: Together with the foundation AntiAIDS, English singer Elton John will give a charity musical performance in the Independence Square in Kiev. According to observers, his music has always been restlessly eclectic.

UNITED STATES

June 17: The motor racing Formula One will kick off in Indianapolis.

UKRAINE

June 18: The commodity exchange Almaz will put a room on the first floor of an office building up for sale in the city of Kherson. The initial bidding price of property occupying the total area of 353.4 square meters amounts to 2.766 million hryvnias.

TURKEY

July 22: Early parliamentary elections will be held in the country.

CANADA

July 24: The Agora financial investment symposium will take place in Vancouver (to July 27).

SYRIA

August 30: The international fair and Ukrainian-Syrian business forum will open in Damascus (to September 11).

Journalists share experience of relations with authorities



THE TWO-DAY SEMINAR for the press, which was entitled "Interrelationship between local authorities and journalists: Polish experience", took place in the city of Chernihiv in early June.

Together with the Poland's Embassy in Ukraine and editors of the Chernihiv-based newspaper Siverschyna, the foundation Partnership for Democracy invited about 50 journalists of Ukrainian, Belarusian and Polish publications to discuss such topical issues as the position of the local press and

possibilities for its improvement, privatization of regional publications as well as relations between editors and local authorities.

In particular, Polish journalists shared the experience of media work after Poland's entry into the European Union. It was pointed out that the market share of the public mass media accounts for only 10% in Poland today while the rest of them are private and their owners are mainly foreign companies.

Belarusian participants in the seminar told about authoritarian methods of control over the press in their country as well as pressure on independent media outlets and their employees. According to Anatol Gatouchyts of the Belarusian Association of Journalists, a print run of the non-state media averages 15,000 copies, compared with 130,000 copies issued by state owned publications.

At the same time, Ukrainian journalists debated about privatization of their publications. The deputy head of the Chernihiv regional council said the share of subsidies in financing of the state owned media ranged between 70% and 80%.

Organizers of the seminar invited journalists from the Crimea and eastern regions of Ukraine to visit Poland and acquaint themselves with activities of the Polish mass media after the country had entered the EU and the NATO, which is unpopular in Ukrainian society.

Odessa's long-term credit rating upgraded to uaA-

THE AGENCY CREDIT RATING has raised Odessa's long-term credit rating from uaBBB- to uaA- with a stable prospect. The rating uaA means the great capability of a borrower to meet its liabilities under conditions of the Ukrainian market. In addition, Gennady Nechaevsky, head of the stock activity and securities department under the municipal council said Odessa plans to issue Eurobonds in the amount equivalent to 335 million hryvnias in late June. The yield of bonds is supposed to be no less than 9.5%.

Israeli delegation to visit Kiev

PLANS ARE IN HAND to hold a meeting of the bilateral economic commission Ukraine-Israel in July. A delegation headed by the Israeli minister of industry will visit Kiev. On the part of Ukraine the commission is to be chaired by deputy prime minister Dmitry Tabachnik.



Dmitry Tabachnik

As far the visa policy of Israel is concerned, the Israeli ambassador to Ukraine said there would be no problems in terms of the issue of visas to

those who visited Syria, Libya and Iraq — the countries that deny visas to persons who visited Israel.

U.S. accused of media killings in Iraq

ACCORDING TO THE IPI WORLD PRESS FREEDOM REVIEW, the failure of the U.S. military to investigate their involvement in the death of journalists in Iraq was raised again last year, when a number of independent investigations found that journalists had been killed unlawfully by U.S. soldiers. The failure to produce credible and transparent reports, the refusal to respond to appeals for independent and inclusive investigations and the tendency to exonerate U.S. personnel in the involvement of journalists' deaths have prompted several international human rights' groups to accuse U.S. authorities of indifference over their role in media killings. To make its life harder, the American army is suffering from the humiliation of its aborted role in the Iraqi war.

On April 28 Reuters News Agency released the finding of an inquiry it had commissioned into the shooting of correspondent, Waleed Khaled, by U.S. troops. Khaled was instantly killed after being shot in the head and chest by snipers as he was reporting on the killing of two Iraqi police in Baghdad. The inquiry, conducted by the European-based Risk Advisory Group (TRAG), found Khaled's shooting to be unlawful and a violation of the U.S. military rules of engagement. The TRAG report stated that Khaled had not taken any action that could have been perceived as hostile and that ballistic evidence showed his car had been stationary when snipers fired to kill or injure its occupant rather than disable the vehicle.

On October 13, a British coroner ruled that the death of ITN reporter Terry Lloyd, during a firefight between Iraqi and U.S. troops in March 2003, was an "unlawful killing". The inquest verdict could allow for legal action against the U.S. to bring those responsible for Lloyd's death to justice.

On December 8, Spain's Supreme Court reopened a judicial investigation into the death of Spanish cameraman, Jose Couso, who was killed when a U.S. tank shelled the Palestine Hotel in Baghdad on April 8, 2003. The case had been temporarily closed when the U.S. government refused to allow three named soldiers involved in the attack to cooperate with the court's investigation. It is expected that Spain will request the extradition of the three soldiers.

Readers of *The Ukrainian Times* know that Taras Protsyuk, Ukrainian journalist for Reuters, was also killed when the American tank fired at the Palestine Hotel, hitting the 15th floor. He was wounded and pronounced dead on arrival at hospital. Jose Couso was working on the floor below.

The family of Taras Protsyuk must join with relatives of Jose Couso in suing the American killers, namely tank commander Sgt. Thomas Gibson, and his commanding officers, Captain Philip Wolford and Lt. Colonel Philip D. Camp. All of them are assigned to the 3rd infantry division whose tank fired at the Palestine Hotel, a base for foreign journalists in Baghdad.

To date, Washington has not yet admitted its guilt and does not pay the family of Taras Protsyuk compensation for the loss of their breadwinner. Most Ukrainians say the guilty should be severely punished, and there should be no doubts about that. The hostility to America, echoed by a range of residents of Ukraine, is understandable.

The American aggressors' guilt against civilians in Iraq, former Yugoslavia, Vietnam, Hiroshima and Nagasaki shall never be forgotten.

40 Ukrainian companies shortlisted to become members of WEF Community of Global Growth Companies

GENEVA — Forty Ukrainian companies have been shortlisted to become members of the World Economic Forum's Community of Global Growth Companies.

A select group of Global Growth Companies such as KINTO, Infocom, VABank, Ukrainian Cargo Couriers and others have been invited to a private networking event organized in collaboration with the American Chamber of Commerce in Ukraine. The purpose of this meeting is to discuss the role of this new business community and, particularly, how Ukrainian companies can benefit from it.

The Community of Global Growth Companies includes companies that:

- are established and expanding outside their traditional boundaries;
- experience growth rates exceeding 15% year-on-year;
- have revenues typically between \$100 million and \$2 billion;
- are proven entrepreneurial companies in the early stages of going global;
- demonstrate strength in a particular niche.

On September 6-8, the World Economic Forum (WEF) will bring together in Dalian, China, this new generation of companies that will fundamentally change the global competitive landscape. These are the Microsofts, Googles, Nestles and Siemens of tomorrow, the companies, which are yet small compared with today's multinationals, but have the potential to join the global top-500 companies within the next decade.

In this context, Peter Torreele, Managing Director of the World Economic Forum, sees Ukraine as a country with huge potential for Global Growth Companies: "Ukraine, being one of the largest countries in Europe, with tremendous industrial and intellectual potential, will definitely advance its position in the global markets in the nearest future. I see Ukrainian Global Growth Companies as a locomotive for this process; these companies will demand access to the global business community, international networking and strategic insights on foreign markets. I hope that our new initiative will be the optimal solution for them."

Foreigners adopt Dniprodzerzhynsk children

SINCE THE START OF THIS YEAR 37 orphans from the city of Dniprodzerzhynsk have been taken by unnatural parents into their families, including 24 children who have been adopted by residents of Spain, Italy, Canada, the United States and Germany. This became possible owing to the charity drive "Care for the Child", said Tatiana Gerasyuta, deputy mayor of the city. Presently, 349 Dniprodzerzhynsk orphans are registered with the state department of adoption and protection of the rights of a child.

Shady privatization of Indar won't resolve problem of diabetes in Ukraine



AT PRESENT, there are only four specialized plants in the world that have up-to-date technologies of manufacturing insulin preparations within a closed cycle. The Kiev-based joint stock company **Indar** (www.indar.kiev.ua) is one of them. According to **Aleksei Lazarev**, Doctor of Biological Sciences and Indar Director, this young enterprise is the keystone of Ukraine's insulin sovereignty and the state program "Diabetes Mellitus", with which the life and health of two million Ukrainian diabetics is connected.

"This unique pharmaceutical site — in actual fact, the whole sector of national security and defense can be sold now like a trivial store," he said.

The plant Indar has been entered in the list of enterprises subject to privatization. Both experts and the Ukrainian public at large were shocked at the news. Mr. Lazarev pointed out that preparations for the entry of Indar in the list were made in the strictest secrecy without compulsory consultations with the Ministry of Public Health. Moreover, this was done without necessary conclusions of experts of specialized institutes, without comprehensive consideration of the vital problem by a competent parliamentary committee and the National Security and Defense Council, even without the feasibility study and analysis of issues affecting the supply of vital medicines to a great number of people.

"Frankly, I can't imagine fighting against diabetes mellitus with the help of privatization of Ukrainian insulin sovereignty," noted Aleksei Lazarev, citing several indisputable facts.

Firstly, the problem of diabetes affects the life and health of millions of Ukrainians. Secondly, according to experts' estimates, the effective fight against this disease requires about two billion hryvnias per year at the expense

of each patient and budgets at all levels. Thirdly, today the government allocates 174 million hrn for the fight against diabetes mellitus. Given that the funds have been exclusively channeled into the centralized purchase of insulin in recent years, guaranteed aid was provided to only 140,000 people. At the same time, 1.1 million officially registered diabetics and at least one million Ukrainians who do not even know they have diabetes received nothing.

"It turns out that we have been practicing self-deception all the time," thinks Mr. Lazarev. "Any privatization without mentioning the shady one will never resolve the headache problem in the public health system."

It was absolute insulin sovereignty exercised by the state-owned enterprise Indar that enabled Ukrainian people to cope with unheard-of insulin famine in 1991-2000. The disaster was prevented on a country scale after Ukraine had set about implementing the large-scale state program "Diabetes Mellitus" with determination. As Aleksei Lazarev put it, it was the Ukrainian state that established the efficient system of centralized supplying of insulin preparations to patients and provided for its financing at the expense of the national budget as well as built the insulin plant, into which the government pumped not only a loan of about 100 million deutsche marks but also heavy intellectual and technical investments. Indar fully satisfied the needs of the country for insulins in one year after its commissioning. Today this unique enterprise produces 28 insulin preparations within closed cycle and ensures the high quality of drugs that allows physicians to use any treatment regimen.

"The level of purification of our insulins is 6-10 times higher than the permissive standard set by European and American pharmacopeias," said the director of the unique Ukrainian

enterprise that received the certificate GMP (Good Manufacturing Practice) of production of 28 insulin preparations with the full technological cycle.

The government has effectuated unprecedented monitoring of the efficacy of insulin preparations, involving more than 80,000 diabetics from all Ukrainian regions. Results of the monitoring that has been lasting nine years are in keeping with the best world practice.

Ukraine develops production of insulin. In particular, Indar has organized technology-intensive production of genetically engineered insulin crystals. In the meantime the enterprise is reducing prices of its medicinal preparations.

According to Mr. Lazarev, Ukraine saved over 15 million hryvnias for the budget last year alone, thanks to the difference between prices of Indar's and foreign-made insulins. Over the course of six years the insulin project has enabled saving in the amount of 120 million hrn.

Ukraine is entering the world insulin services market. Currently, the Ukrainian drugs are being registered in 17 countries.

Indar takes care of the dissemination of scientific information about its medicinal preparations and is constantly providing a considerable amount of humanitarian aid.

Aleksei Lazarev pointed out that in recent years Indar had gratuitously supplied regions with insulins and special equipment worth more than seven million hrn.

He is sure that presently, it is necessary to strengthen Ukraine's insulin sovereignty and introduce state order into use of budget allocations.

"Elaboration and the implementation of national programs in the sphere of protection of the people's health should be aimed at assistance to our citizens only, not foreign companies," stressed the Indar director.

Moos in the news



"WE PLAN TO COMPLETE the identification of cattle in Ukraine by this year-end," said Grygory Ivanov, head of the state veterinary medicine department.

He told the press that these requirements were set by the European Union. As recently as September 2005 the project of the identification and registration of cattle were initiated in five Ukrainian regions within the framework of a program for Ukraine's entry into the WTO. The projects provide for control over the transfer of domestic animals

from one farm to another, their health, process of slaughter and utilization. In December 2006 the Cabinet of Ministers approved a plan of measures designed to improve the quality of Ukrainian meat and dairy produce. According to this plan, the Ministry of Finance and Ministry of Agrarian Policy are to complete the primary identification and registration of cattle before January 1, 2008.

UBM seeks to add value and provide superior, risk-adjusted returns in the building materials sector



THE Ukrainian investment group **Ukrainian Building Materials (www.ubm.ua)** deals with investing in building materials portfolio management — production, extraction of raw materials and real estate. UBM provides discretionary investment management services and consulting in the building materials market of Ukraine.

Demand for the real estate has stimulated the Ukraine's construction industry and sector of building materials production. In 2006 an increase in the construction made 9.8%, and the fixed capital investments in this sector amounted to \$13.5 billion.

UBM is interested to attract investments in the branch of building materials and resources. Some of the current projects:

- cellular concrete plant, the volume of investments is EUR9 million;
- glassware factory, the volume of investments is EUR5 million.

In 2006 UBM organized two joint ventures in cooperation with foreign partners: Quarzwerke and Sanitec group.

the Antimonopoly Committee, Gulova Enterprises Limited specializes in management of corporate rights, while the Makiyivka enterprise produces hardware and casts nonferrous metals. Data from the Securities and Stock Market State Commission shows that 25.09%, 23.65%, 21.32% and 29.32% of plant's shares are held by Ukrn III, Techno-iron Ltd., Ukrn I and Ukrn II respectively.

Ukrainians can get satisfaction of the Rolling Stones' live show in Kiev

ACCORDING TO VALERY POVALYAEV, director of the company Solex Plus, the British group Rolling Stones will very likely make a tour of Kiev in August. Previously, their concert has been scheduled for July 25 but it turned out that they were to play in Warsaw on this day. "There are a lot of reasons behind the postponement, including the unstable situation in the country," said Mr. Povalyaev.

Although Solex Plus and Rolling Stones have already discussed the August concert, a date is not set yet. "This postponement won't inflict losses on our company financially. Anyway, we were going to rent the carpeting to cover the field of the stadium Olimpiysky," noted Valery Povalyaev.

Tickets for the concert on July 25 at prices ranging between 180 and 5,000 hryvnias were to go on sale in the near future, according to representatives of the firm Olvia. However, preparations for a booking have been suspended.

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THE UKRAINIAN TIMES UPDATE. (ISSN 1816-1464)

Published by The Ukrainian Times,
P.O. Box 127, Kiev, 04211, Ukraine.

Tel.: +38 044 418-8423, e-mail: **ukrtimes@yandex.ru**.

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Publisher and Founding Editor-in-Chief: **Vladimir V. Sytin**

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