

Ukraine

KEY FACTS

Official name: Ukraina (Ukraine)

Head of State: President Viktor Fecorovych Yanukovych (Partiya Regioniv (PR) (Party of the Regions)) (from 25 Feb 2010)

Head of government: Prime Minister Mykola Yanovych Azarov (PR) (from 2010; re-elected 28 Oct 2012)

Ruling party: Partiya Regioniv (PR) (Party of the Regions) (from 2010; re-elected 28 Oct 2012)

Area: 603,700 square km

Population: 45.45 million (2012)*

Capital: Kiev (Kyiv)

Official language: Ukrainian

Currency: Hryvna (H) = 100 kopyvka (plural hryvni)

Exchange rate: H8.13 per US\$ (Jul 2013)

GDP per capita: US\$3,877 (2012)*

GDP real growth: 0.15% (2012)*

GDP: US\$176.24 billion (2012)*

Labour force: 21.72 million (2012)*

Unemployment: 8.05% (2012)*

Inflation: 0.56% (2012)*

Natural gas production: 18.60 billion cum (2012)

Balance of trade: -US\$22.83 billion (2012)*

Annual FDI: US\$7.21 billion (2011)

* estimated figure



When the ethos of elected leadership prompts observations about the rightful pillaging of state assets being solely the province of the native-born, something's surely amiss in the political culture – and much more besides. But such is the upside-down nature of geopolitical gamesmanship in Europe that more than two decades on from the collapse of the Soviet Union, that same ethos not only is tolerated but it's legitimised.

Witness Ukraine, where the desire of both West and East to bend the country's 45.5 million people to their respective wills has in 2013 made for diplomatic tenterhooks. Fresh from elections in October 2012 that saw President Viktor Yanukovych's Partiya Regioniv (PR) (Party of the Regions) retain parliamentary control – albeit by manipulating the country's electoral code before the vote – both the European Union (EU) and Russia appear willing to over-look political and economic failings in Kiev that also include attempts to lessen reliance on Russian-supplied energy as they work to weave the country deeper into competing hegemonic spheres.

And that has enabled Yanukovych and the government of Prime Minister Mykola Azarov to put off the sorts of called-for

reforms, both structural and legal, that look sure to threaten their power base. This even as Yanukovych and his son, Oleksandr, work to consolidate that base via political appointments, securing of energy contracts and the sort of selective application of the rule of law that works to dampen needed foreign direct investment.

While the president has softened his political stance somewhat – in April 2013 releasing one of two opposition-party leaders that were jailed at the time of the October vote – he's failed to meet demands contingent on the extension of an expired International Monetary Fund (IMF) credit facility necessary to bridge the structural current account deficit engendered by local gas subsidies and to bolster dwindling foreign reserves. Nor has he met the criteria necessary to secure an association agreement that is a step toward deeper EU integration.

Family business

Among the primary reasons – apart from Yanukovych's desire to ensure control of what is termed 'the family' over an ever-larger portion of the national economy – is the lucrative trade in natural gas, much of it imported from Russia and distributed to

homes at subsidised costs. Moscow is keen for Ukrainian participation in its Eurasian Economic Commission (EEC) trading bloc, which also comprises Belarus and Kazakhstan, to the point of forgiving contractual transgressions arising from a 2010 energy policy that takes as its primary goal the curbing of energy imports.

While the time to declare – both on the IMF loan and the EU association agreement – was set for the fourth quarter of 2013, such is Kiev's progress (or lack of) on key issues that it appeared at the turn of the fourth quarter that it might be deferred at least into the new year. However, with presidential elections looming in 2015, Yanukovich and the parliament his party controls will be forced to choose between access to Eastern energy supplies and their subsidised provision that is considered an essential element of popular support, and the free-market principles, including higher energy prices, on which deeper integration with the West is predicated.

That Yanukovich spent the year following the October vote playing Brussels and Moscow off against each other is indicative of the parliamentary machinations that mask the government's foot-dragging. Political rivals Yulia Tymoshenko, the former prime minister who narrowly lost the 2010 presidential vote, and Yuri Lutsenko, a former interior minister in Tymoshenko's government post the 2004 Orange Revolution, have been jailed and summarily expunged from the ballot. This nevertheless still means the Party of the Regions will require reversion to a system of non-party majority votes in half the country's voting districts to build a narrow majority in coalition with independent MPs.

While the election in 2012 was notable for the successes of anti-corruption parties – including the Ukrainian Democratic Alliance for Reforms (UDAR) led by former heavyweight boxing champion Vitlay Klychko – and the trebling of seats won by the Komunistychna Partiya Ukrainy (KPU) (Communist Party of Ukraine), those groups have failed to knock out the endemic provisioning of tenders and permits for those closely connected to the Yanukovich regime. The latest example of which saw a company called VETEK, formed in February 2013 and which traces its genesis to gas imports and trading company GazUkrainia-2009, purchase media conglomerate United Media Holdings (UMH) for around US\$500 million.

Business as usual

The June 2013 deal is notable because UMH owns the license to publish the

Ukrainian version of *Forbes* magazine, which prior to the sale had waged an investigative campaign on the activities of 'the family', a group of businessmen and politicians that surrounds the president and his son. Among its reports were those linking companies accounting for some 60 per cent of all government contracts to just 10 beneficial owners. One of which, 27-year-old 'multi-millionaire from nowhere' Serhiy Kurchenko, controls VETEK.

The moves come on the heels of privatisation deals made over the course of 2012 that saw Rinat Ahkmetov, the country's richest man and an ally of Yanukovich, acquire stakes in thermal power generation and distribution concerns. The billionaire who hails from the same town as the president spent about US\$600 million to acquire control of entities responsible for around 70 per cent of the country's power output.

Observers contend that the UMH sale eliminates one of the few non-aligned publishers left in the domestic media landscape. And note that the purchase appears engineered to stifle criticism ahead of the 2015 presidential election. Still, it was not enough to derail discussions either with IMF officials or the European Commission in the run-up to a November session in Vilnius at which the EU is scheduled to, via the signing of a treaty described by one EU

commissioner as the 'most ambitious and complex agreements the European Union has ever negotiated with a third country', facilitate Ukrainian entry in to a free-trade pact with the Group of 28.

Structural balancing act

An upward turn in economic fortunes helped allay balance of payments pressures associated with high levels of energy imports and their subsidised provision to the citizenry in 2012, when gross domestic product (GDP) declined in the second half. Although the economy returned to modest growth (0.6 per cent) in the first quarter of 2013, weak demand for steel and other key exports saw industrial production for the half-year fall by 5.3 per cent. Facing still more outflows at year-end, the contraction prompted an increase in the pace of negotiations for resumption of an IMF lending programme suspended in 2011 over the slow pace of reform.

While Moscow chipped in with credits and loans valued at some US\$8 billion that in large part arose from the failure of the Ukrainian government to meet contractual import minimums of natural gas, the country's foreign reserves declined to six-year lows as Kiev struggled to make good on external liabilities. And Russian largesse is not without strings, as Moscow continues to angle for control over the

KEY INDICATORS

Ukraine

	Unit	2008	2009	2010	2011	2012
Population	m	45.84	*45.71	*45.96	*45.55	*45.45
Gross domestic product (GDP)	US\$bn	180.30	127.10	136.40	165.00	*176.24
GDP per capita	US\$	3,926	2,542	3,000	3,621	*3,877
GDP real growth	%	2.3	-14.8	4.1	5.2	*0.2
Inflation	%	25.2	15.9	9.4	8.0	*0.6
Unemployment	%	6.4	8.8	7.8	7.9	*8.0
Industrial output	% change	3.5	-19.5	9.6	–	–
Agricultural output	% change	15.0	-2.0	-1.3	–	–
Natural gas output	bn cum	18.7	19.3	18.6	–	18.6
Coal output	mtoe	40.2	38.3	38.1	45.1	45.9
Exports (fob) (goods)	US\$m	67,717.0	40,394.0	52,191.0	62,383.0	*64,003.0
Imports (fob) (goods)	US\$m	84,651.0	45,049.0	60,903.0	80,414.0	*86,834.0
Balance of trade	US\$m	-16,934.0	-4,655.0	-8,712.0	-18,031.0	*-22,831.0
Current account	US\$m	-12,933.0	-1,801.0	-2,884.0	-10,233.0	*-14,407.0
Foreign debt	US\$bn	101.7	103.3	–	–	–
Total reserves minust gold	US\$m	30,800.6	25,556.9	33,327.4	35,817.2	*22,655.8
Foreign exchange	US\$m	30,791.9	25,493.3	33,319.4	35,779.9	*22,646.6
Exchange rate	per US\$	5.26	7.79	7.94	7.96	7.99
* estimated figure						

pipeline network that traverses Ukraine to deliver gas to markets in the West.

Should the current account end the year at a deficit equivalent to eight per cent of GDP, as some analysts forecast, the effect would be to reduce reserves that stood at US\$25 billion at mid-year closer to US\$15 billion. As a result, Ukraine is seeking IMF cash to make good on its year-end 2013 obligations. This despite being US\$8 billion in arrears thanks to loans that are almost double a pre-set IMF quota.

In April, the World Bank cited the impact on revenues of GDP growth that failed to meet government expectations of above three per cent. The bank reduced its own forecast for full-year 2013 to a one per cent increase. While the bank is optimistic for 2014 and 2015, forecasting rises of three per cent and four per cent, respectively, it noted those figures are based on the predicted return to health of the global economy and contingent on Ukraine implementing the structural reform necessary to jump-start growth.

Serving two masters

Among the conditions, agreed by Kiev in 2011, for the EU authorising the association agreement are compliance with international standards of electoral practice, ending selective justice and 'implementing the reforms defined in the jointly agreed Association Agenda' – a broad agenda that, in part, draws domestic energy subsidies into the frame. And while it is no guarantee of future membership, deeper ties with the EU offers the country a chance to distance itself from its historical overlord.

While Moscow makes no such demands on self-government, it does require Ukraine to abide by terms of its customs union. Moscow is keen to exercise economic control over Ukraine, much as in the way it influences development in member-states of the Eurasian Customs Union. Should the EU formalise association, Ukraine likely will face the prospects of tariffs and sanctions from its Russian energy benefactor.

And while Lutsenko's April release from prison is viewed a positive step, Tymoshenko continues to languish. Given the choices, small wonder the rapacious Yanukovich regime is in no hurry to commit to what one analyst terms a 'civilisational' choice that has confronted the country since independence. Notwithstanding the fact that there is no timeline for the EU to sign the association agreement, the presidential election in 2015

appears the next firm date on the calendar on which policymakers in Kiev are focused.

Risk assessment

Politics	Poor
Economy	Fair
Regional stability	Good

COUNTRY PROFILE

Historical profile

1917 The Bolsheviks consolidated control over Ukraine, until the incorporation of the republic into the Soviet Union. The Russians retained direct control of eastern Ukraine from 1918 until the country's independence from Russia in 1991. The city of Lviv (formerly Lvov) near the western border was seized from the collapsing Austro-Hungarian Empire.

1920s Russia lost control of parts of western Ukraine to Poland, Czechoslovakia and Romania during the civil war between the Bolsheviks and counter-revolutionary forces supported by Western European armies. Soviet dictator, Josef Stalin, initiated a system of collective agriculture which forced Ukrainian farmers to render fixed quantities of produce to the authorities. These quotas were unrealistic, creating entirely artificial famine conditions during which over five million Ukrainians were estimated to have died.

1932 It is estimated that at least three million, and possibly as many as 10 million, died of starvation in the *Holodomor* or 'famine plague' when the 1932 grain harvest did not meet Kremlin targets and Joseph Stalin sent activists to villages to confiscate all food. The move was part of Stalin's determination to crush the resistance to the collectivisation of farming. 1945 Following the end of the Second World War, the Soviet Union regained control of the lost areas of western Ukraine.

1954 Responsibility for the government of Crimea, an autonomous republic within Ukraine, was transferred from Russia to Ukraine as part of reforms initiated by Nikita Khrushchev after Stalin's death. 1986 The Chernobyl nuclear reactor based in Ukraine exploded, causing widespread damage in both Ukraine and neighbouring Belarus.

1991 Under pressure from the opposition parties, in particular Narodniy Rukh Ukrayiny (Rukh) (People's Movement of Ukraine), the government gradually moved towards independence. Political power was transferred from the government of the former Soviet Union to Ukrainian national authorities in Kiev. A majority voted for independence in a referendum, leading to a declaration of independence and the recognition of

Ukraine as an independent state by the international community. Leonid Kravchuk won the presidential elections.

1992 Disagreements over economic policy saw the resignation of Ukraine's first prime minister, Vladimir Fokin, who was replaced by Leonid Kuchma.

1993 Arguments over economic policy and labour strikes led to the resignation of Kuchma and Yukhlym Zvyahilsky assumed the post.

1994 Kuchma returned as the main challenger to Kravchuk in the presidential elections, finally defeating Kravchuk in the run-off. Kuchma's attempts to swing the balance of power from parliament in favour of the presidency, in order to reduce the opposition to his economic programme, achieved mixed success.

1996 A new constitution gave the president the power to appoint a government formed by parliamentary deputies.

1997 Valeriy Pustovoitenko became prime minister.

1998 After elections, the *Komunistychna Partiya Ukrainy* (KPU) (Communist Party of Ukraine) emerged as the largest single party.

1999 Kuchma was re-elected president. He appointed reformist independent deputy Viktor Yushchenko as prime minister. 2000 Over 80 per cent of voters in a referendum supported President Kuchma's proposals for constitutional reform, designed to increase the powers of the presidency.

2001 Yushchenko's pro-reform government was toppled by the KPU-dominated parliament. Anatoly Kinakh became prime minister.

2002 In parliamentary elections, Viktor Yushchenko's *Narodnyi Soyuz Nasha Ukraina* (NSNU) (People's Union Our Ukraine) bloc gained the highest percentage of votes at 23.6 per cent. Russia, Ukraine, Kazakhstan and Belarus signed an economic union treaty.

2003 Mass demonstrations in Kiev demanded the resignation of President Kuchma. Ukraine and Russia signed an agreement on the joint use of the Kerch Strait and the status of the Azov Sea.

2004 Russian-backed Viktor Yanukovich won the presidential election and opposition supporters gathered in Kiev to protest against election fraud (the Orange Revolution) and the Supreme Court annulled the result. Viktor Yushchenko won the re-run election.

2005 Yushchenko was sworn in as president and Yulia Tymoshenko was approved as prime minister. Yushchenko dismissed Tymoshenko and replaced her with Yuri Yekhanurov. Russia cut off gas supplies after Ukraine refused to agree to a four-fold price increase. The BJT was disbanded and merged with the

Vseukrayins'ke Obyednannya Bat'kivshchyna (Fatherland) (All-Ukrainian Union (Fatherland).

2006 Prime Minister Yekhanurov was sacked by parliament. Yushchenko, unwilling to lose his prime minister refused to nominate another candidate and Yekhanurov remained in office. In general elections (judged free and fair by international observers), the ruling NSNU lost ground to both the Partiya Regioniv (PR) (Party of the Regions) led by Viktor Yanukovich and the party created by the president's erstwhile colleague Yulia Tymoshenko of Blok Yulia Tymoshenko (BJT) (Yulia Tymoshenko Bloc). President Yushchenko was forced to nominate his archrival, Viktor Yanukovich (PR), as prime minister or call another general election. The Yanukovich cabinet was later approved by parliament.

2007 Months of friction between the pro-Western president and the pro-Russian prime minister lead to a political stalemate, resulting in a presidential decree dissolving parliament. Prime Minister Yanukovich refused to obey the decree, but eventually agreed to early elections, won by the PR. Yulia Tymoshenko (BJT) was proposed as prime minister; she lost three rounds of voting but was eventually elected.

2008 Ukraine became a member of the WTO. The Russian state-owned gas producer Gazprom cut supplies of gas by 25 per cent, claiming Ukraine had debts of US\$1.5 billion. Gas supplies were resumed when an agreement was reached whereby Gazprom supplied industrial customers directly and cut out a Ukrainian intermediate supply company. The ruling coalition collapsed following the refusal by BJT to back the president's support of Georgia in its dispute with Russia, and the BJT's unwillingness to support the president's veto of several laws aimed at reducing the power of the presidency.

2009 Russia suspended gas supplies to Ukraine again, due to non-payment of Ukraine's debt. Gas supplies to the rest of Europe fell, amid accusations by Russia that Ukraine was 'stealing' gas supplies transiting Ukraine and destined for Europe. Within a week a ten-year gas transit deal was signed. The International Court of Justice settled a 40-year disagreement on the maritime boundary dispute between Romania and Ukraine, with a new border extending a line from the land border over an area of the Black Sea and giving each country an area of what is thought to contain rich fields of hydrocarbons.

2010 Former revolutionary leader, Victor Yushchenko, won fewest votes in the first round of presidential elections; he stepped down as president. In the run-off,

Viktor Yanukovich (PR) won 48.95 per cent and Yulia Tymoshenko (Fatherland) 45.47 per cent. However Tymoshenko refused to accept the result and challenged it with accusations of electoral fraud. She eventually withdrew her objections following a legal ruling that denied her permission to scrutinise certain voting papers. Yanukovich was sworn in as president. Prime Minister Tymoshenko and her government lost a vote of no-confidence in parliament and were forced to resign, while President Yanukovich began forming a coalition government. Oleksandr Turchynov was named acting prime minister; however parliament appointed Mykola Azarov (PR) as prime minister. The parliamentary session debating the extension of the lease on a Russian naval base on the Black Sea erupted as politicians brawled and the speaker was pelted with eggs and smoke bombs exploded. After order was restored, the lease was extended to 2045, in return for cheaper supplies of Russian natural gas. Yulia Tymoshenko was arrested and charged with misusing state funds as prime minister. Political blocs (alliances) were banned from forming to contest elections.

2011 During her trial Yulia Tymoshenko accused President Yanukovich of orchestrating her arrest, aimed at destroying the country's opposition, and in June that the judge was a 'puppet'. In August, Tymoshenko was arrested during her trial for systematically disrupting proceedings; her supporters fought with police as she was driven away from court. In October, Tymoshenko was sentenced to seven years, for abusing her powers in office and paying too much for Russian natural gas imports. She was also ordered to pay damages to the state-owned energy company, Naftogaz, the sum of H1.5 billion (US\$187.4 million). Criticism of the conviction came from the US and EU, which referred to the trial and result as 'politically motivated' and 'selective justice'.

2012 Ukraine had agreed to eliminate its stockpile of weapons-grade nuclear material and the US was confident this would be completed by the end of the year. Yulia Tymoshenko ended her hunger strike in prison after 21 days in protest at her treatment. European leaders expressed their concerns for her welfare. A controversial vote to move the Russian language to the status of 'regional language' was passed in parliament on 5 June (234 votes out of 450). It requires a second reading of the bill, due later in 2012, and the sanction of President Yanukovich. Nine new political parties took part in parliamentary elections held on 28 October, although only three won seats. The ruling PR won 187 of 450 seats and the right to form a coalition

government. The newly formed Ukrainian Democratic Alliance for Reform (UDAR), a party that had once dominated the BJT, led by Yulia Tymoshenko, won 40 seats. International observers of the elections considered the process flawed because they 'were characterised by the lack of a level playing field, caused primarily by the abuse of administrative resources, lack of transparency of campaign and party financing, and lack of balanced media coverage'. On 5 November, opposition parties held a rally in Kiev in protest at the elections results, which they considered as having been rigged in favour of pro-government candidates. Prime Minister Azarov resigned on 28 November; President Yanukovich finally accepted his resignation on 3 December.

2013 On 24 October Vitali Klitschko, leader of the UDAR party, announced that he would stand for the presidency in 2015, despite a recent bill passed by parliament banning candidates who have lived outside the country in the last 10 years. Mr Klitschko has permanent resident status in Germany.

Political structure

Constitution

The 1996 constitution defines Ukraine as a sovereign, unitary state answerable to individual citizens, with the protection of citizens' rights as its foremost responsibility. The constitution forbids multiple nationality for Ukrainian citizens. The development and protection of the Ukrainian language is a constitutional obligation, but the constitution also guarantees free use of Russian and other minority languages, and requires the state to promote the study of languages of 'international communication'.

The constitution recognises and guarantees the right to local self-government. Local government is based on 24 *oblasts* (regional divisions) and one autonomous republic (Crimea). The *oblasts* are further divided into *rayons* (districts).

The Autonomous Republic of Crimea is bound by the Ukrainian constitution and by acts of the Verkhovna Rada (Supreme Council). However, it has the power to legislate separately on matters such as transport, planning, land use and healthcare.

Constitutional changes agreed in December 2004, which entered into force in January 2006, have given more power to the parliament at the expense of the office of president. Following the parliamentary elections on 26 March 2006, the parliament now nominates the prime minister who must then be approved by the president, replacing the previous system under which the prime minister was nominated

by the president and approved by the parliament.

Independence date

24 August 1991

Form of state

Presidential democratic republic

The executive

The highest executive authority rests with the president, who is directly elected for a five-year term and nominates the prime minister and regional governors, whose appointment are subject to the approval of parliament. The president has the power to appoint the cabinet, although parliament must approve it. Members of the cabinet do not necessarily need to be drawn from parliament. The president may rule by decree and did so in 1998, during deadlock in the legislature. Under normal circumstances, the prime minister shares some executive powers with the president and both can propose and approve legislation. This creates the potential for conflict between the two executive branches.

National legislature

The unicameral Verkhovna Rada (Supreme Council) (commonly called the Rada) has 450 deputies, of which 225 are elected by proportional representation (PR) from party lists and 225 in single-seat constituencies. Only parties that obtain over 4 per cent of the vote are allocated PR seats. All deputies are elected for a five-year term.

The Rada elects a speaker and plays an active role in proposing and enacting legislation.

Legal system

The legal system is based on a civil law code and, since the collapse of communism, has been engaged in an ongoing process of reform. The Constitutional Court is the highest interpreter of the constitution and is permitted to carry out judicial review of legislation. There are 18 Supreme Court judges, six each appointed for a nine-year non-renewable term by the president, parliament and a congress of Ukrainian judges.

The Supreme Court is the court of final appeal for civil and criminal cases originally heard in the lower courts. The Supreme Court's judges are appointed by a plenary session of existing judges. The lower courts are organised according to both geography and legal specialisation. The constitution encourages trial by jury and forbids the creation of emergency courts. Judges are granted legal immunity and can only be dismissed by a verdict of the Supreme or Constitutional Courts, or by an order of parliament.

Last elections

17 January / 7 February 2010 (presidential, first round and runoff); 28 October 2012 (parliamentary)

Results: Presidential first round: Viktor Yanukovich (PR) won 35.37 per cent of the vote, Yulia Tymoshenko (Vseukrayins'ke Obyednannya Bat'kivshchyna (Fatherland) (All-Ukrainian Union (Fatherland)) 25.01 per cent, Serhiy Tihpko (independent) 13.05 per cent, Arseniy Yatsenyuk (independent) 6.95 per cent, Victor Yushchenko (independent) 5.45 per cent. Runoff: Yanukovich won 48.95 per cent, Tymoshenko 45.47 per cent
Parliamentary: The Partiya Regioniv (PR) (Party of the Regions) won 30.1 per cent of the vote (187 of 450 seats), Vseukrayins'ke Obyednannya Bat'kivshchyna (All-Ukrainian Union) (Fatherland) won 25.5 per cent (103 seats), Ukrainian Democratic Alliance for Reform (UDAR) 13.92 per cent (40), Komunistychna Partiya Ukrainy (KPU) (Communist Party of Ukraine) 13.2 per cent (32), Vseukrayinske obyednannia (Svoboda) (All-Ukraine Union) 10.4 per cent (37); Independents 44 seats, four other political parties won the remaining seven seats between them. Turnout was 58 per cent.

Next elections

2015 (presidential); 2017 (parliamentary).

Political parties

Ruling party

Partiya Regioniv (PR) (Party of the Regions) (from 2010; re-elected 28 Oct 2012)

Main opposition party

Blok Nasha Ukrayina-Narodna Samooborona (NU) (Our Ukraine-People's Self Defense bloc)

Population

45.45 million (2012)*

Last census: December 2001: 48,457,102

Population density: 87 inhabitants per square km. Urban population 69 per cent (2010 Unicef).

Annual growth rate: -0.6 per cent, 1990–2010 (Unicef).

Ethnic make-up

Ukrainian (72 per cent), Russian (22 per cent), Belarussian, Moldovan, Polish, Romanian and Tatar (in Crimea). Over 10 million ethnic Russians live in eastern Ukraine; Crimea is about 63 per cent Russian.

Religions

The principal religion is Christianity, of various denominations including Ukrainian Orthodox, Autocephalous Orthodox, and Ukrainian Greek Catholic (Uniate) Church. There is a small Jewish minority, and a Muslim minority mostly located in Crimea.

Education

The reversal of the Russian dominated education system is the primary aim of the government.

Literacy is almost universal in Ukraine, reflecting the high level of educational participation and high quality of teaching. Increased emphasis has also been placed on Ukrainian history, culture and literature.

Elementary schooling must begin by aged seven (parents may choose to enrol their children in school at aged six), and lasts until aged 10. This is followed by secondary basic education, which lasts until aged 15 when examinations determine academic upper secondary education until aged 18, or vocational education which lasts until aged 20.

Ukraine has large scientific and educational centres in Kiev, Odessa, Lviv, Kharkiv and Donetsk, with more than 200 higher educational institutes. There are 10 universities.

Literacy rate: 100 per cent adult rate; 100 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: 6/7 to 16.

Enrolment rate: 78 per cent gross primary enrolment; 105 per cent gross secondary enrolment, of relevant age groups (including repeaters), (Unicef 2004)

Pupils per teacher: 21 in primary schools.

Health

The precipitous economic decline since 1991 has significantly lowered living standards in Ukraine and adversely affected health. Although high soil fertility enables most Ukrainians to enjoy a sufficient diet, nutrition levels remain lower than optimum and high alcohol and tobacco consumption does little to improve matters. Moreover, lacking adequate funds, many health facilities have closed or reduced their level of service since independence. Although the number of doctors is well above the Organisation for Economic Co-operation and Development (OECD) average, they lack the training, facilities and medicines to provide adequate preventative or primary healthcare. One result of this has been outbreaks of tuberculosis, which reached epidemic levels in the late 1990s.

HIV/Aids

HIV prevalence: 0.1 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 67 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 1.4 births per woman, 2010 (Unicef)

Birth rate/Death rate: 10 births and 16.4 deaths per 1,000 population (2003)

Child (under 5 years) mortality rate (per 1,000): 11 per 1,000 live births (WHO 2012)

Head of population per physician: 2.95 physicians per 1,000 people, 2003 (WHO 2006)

Welfare

As part of its plan to reduce the fiscal deficit and meet IMF spending restrictions, the government has been forced to alter its social security structure.

More targetting of assistance to vulnerable groups is being planned, with reforms to family benefits, sickness benefits and the employment fund. A social insurance system provides benefits for old age pensions, sickness, maternity, work injury, and employee family allowances.

The pension system is being reformed, with preferential pensions being scaled down. The retirement age is 60 and 55 for men and women, with 25 or 20 years contributions, respectively. Reforms being enacted in 2004 intend to raise this and introduce additional voluntary and mandatory savings schemes. There are also plans to increase the pension age gradually.

The insurance scheme is funded by employee earnings of 1 per cent on wages up to H150 and 2 per cent on wages of H150 or more (capped at wage of H1,600 per month); employers pay 37 per cent of payroll and central and local governments provide subsidies as needed. There are an estimated 2.2 million Ukrainians who are eligible for extra social security payments as victims of the 1986 Chernobyl disaster.

Main cities

Kiev (Kyiv) (capital, estimated population 2.7 million (m) in 2012), Kharkiv (Kharkov) (1.5m), Dnepropetrovsk (1.0m), Donetsk (999,975), Odessa (979,263), Zaporizhzhya (776,998), Kryvyy Rih (740,632), Lviv (Lvov) (733,856), Mykolayiv (505,777).

Languages spoken

Ukrainian, Polish and German are widely spoken in western Ukraine, while Russian is widely spoken in the east. Romanian, Bulgarian, Hungarian and Belarusian are also spoken.

Controversial legislation was enacted on 3 July 2012 whereby the Russian language was upgraded to a 'regional language'. This enables it to be used in public services and for teaching in schools in predominately Russian speaking areas, historically in the east of the country.

Official language/s

Ukrainian

Media

Press

Press freedom in the Ukraine has been described as partial, by the UK-based Freedom House, in 2007. Violence and intimidation of journalists is ongoing, perpetrated by politicians and criminals, while the legal system has not succeeded in finding those responsible for the death of prominent journalist Georgiy Gongadze in 2000.

Dailies: In Ukrainian, *Fakty i Kommentarii* (www.facts.kiev.ua), *Segodnya* (www.segodnya.ua) and *Vecherniyi Vesti* are mass-circulations newspapers, others include *Silski Visti* (www.silskivisti.kiev.ua) and *Kievshiyi Vedomosti* (www.kv.com.ua), *Ukrayina Moloda* (www.umoloda.kiev.ua) and *Holos Ukrayiny* (<http://uamedia.visti.net/golos>) the parliamentary newspaper. In English, *Den* (www.day.kiev.ua), and online *Ukrynska Pravda* (www2.pravda.com.ua/en).

There are also local newspapers in provincial cities, including *Oga* (www.ogo.ua) from Rivne, *Slovo* (www.slovo.odessa.ua) from Odesa and in Russian, *Zik* (www.zik.com.ua) and *Ekspres* (www.expres.ua) from Lviv, and *Gorod* (www.gorod.donbass.com) from Donetsk in Russian.

Weeklies: Magazines in Ukrainian include *Krytyka* (<http://krytyka.kiev.ua>), *Zerkalo Nedeli* (www.zn.ua) comments on politics, and *Ji* (www.ji-magazine.lviv.ua), a cultural magazine. In English, *The Ukrainian Observer* (www.ukraine-observer.com) and *Kyiv Post* (www.kyivpost.com).

Business: In Ukrainian, *Kontrakty* (www.kontrakty.com.ua) and *Delovaya Stoliitsa* (www.dsnews.com.ua) are newspapers. *Finansovaya Ukraina* covers financial news. In English, the *Eastern Economist* is published weekly.

Broadcasting

The Derzhkominform of Ukraine (state committee, for television and radio broadcasting) is responsible for providing transmission frequencies and dissemination of official information.

Radio: The government operated national service is *Ukrayinsko Radio One* with three stations (www.nrcu.gov.ua), plus *Radio Ukraine International*, with external transmissions. There are many private, commercial radio stations which are based regionally or in a city including *Trand M Radio* (www.trans-m-radio.com), from the Crimea, *Shanson Radio* (www.shanson.ua), from Kharkov, *Melodia FM* (www.melodia.ua), *Planeta FM* (<http://planetafm.net>), and *Dovira FM* (www.dovira.com.ua), from Kiev, *Mama Radio* (<http://mama.odessa.fm>) from Odessa.

Television: The government-operated network, National TV Company of Ukraine (www.1tv.com.ua), (known as UT1) operates three network channels, which broadcasts over 97 per cent of the territory. There are plans that by 2009 UT1 will acquire public broad broadcaster status and the government will forego its control of the network.

There are a number of commercial channels broadcasting via cable, satellite and terrestrial signals with a range in product content from entertainment, news, music, sports and culture. The most popular TV channel is *Inter* (<http://intertv.com.ua>) followed by *Studio 1+1* (<http://1plus1.tv>).

National news agency: *Ukrinform* (Ukrainian National News Agency)

Other news agencies: *Unian*:

www.unian.net/eng

Interfax-Ukraine: www.interfax.com.ua/en

Economy

Ukraine's economy has been transformed in many ways since its break with the old Soviet Union in the 1990s. It has always had the potential for strong economic growth with its natural resources of coal, iron ore, mineral deposits, timber and many hectares of fertile agricultural land, coupled with traditional industries such as mining, iron and steel production, light engineering industries such as machinery and transport manufacturing, food-processing, textile and clothing manufacturing as well as modern industries including power generation and communications. However, Ukraine's economic development has been marred by a lack of political consensus on which way to turn to best provide the conditions for a market economy—west towards the European Union or east towards the Russian Federation.

The political instability since 2004 between the factions that proposed partnerships either west or east undermined Ukraine's ability to focus on economic growth. The global economic crisis was particularly hard for the Ukraine in 2008, as its vulnerability was exposed as a steel exporter and a borrower on international markets. As one of the world's least energy-efficient countries Ukraine is highly dependent on natural gas imports from Russia. When global oil prices were at an all-time high in 2008, imported energy cost the country US\$22 billion, up from US\$15.3 billion in 2007, and before falling to a still high US\$14.5 billion in 2009. This unwelcome drain on the country's balance of payments compounded the government's financial problems. Confidence in the currency and banking sector was eroded causing a system-wide run on deposits, further reducing government revenue.

GDP growth was 2.3 per cent in 2008, down from 7.9 per cent in 2007. By 2009, growth had plummeted to a negative -14.8 per cent, as both exports and domestic demand dropped. As global trade picked up in 2010, so the economy rebounded and growth climbed to 4.1 per cent and further still to an estimated 5.2 per cent in 2011.

In 2010 the International Monetary Fund (IMF) approved a 29-month, US\$15.1 billion loan, with an immediate US\$1.89 billion disbursement, under a stand-by arrangement, with other disbursements subject to quarterly reviews by the IMF.

The loan was set up to address the structural weaknesses, assist in social programmes for the poor and boost the country's long-term growth prospects. In June 2012, IMF considered the Ukraine's recovery to be strong but was slowing due to weakening exports and slow credit growth. Previously, in 2009, the IMF had highlighted the need for the state-owned gas company, Naftogaz, to be restructured and for a programme of increasing prices to customers to bring them up to market levels. The IMF warned that unless the new political regime enhanced policies designed to foster the economic environment through necessary reforms its loans and help could be wasted. In January 2012, the energy minister rejected the proposal that Naftogaz sell a share of Ukraine's gas pipeline network to its Russian counterpart Gazprom in return for cheaper natural gas supplies. Russia has already signed agreements with countries in the Balkans to build a gas pipeline to Western Europe and bypass Ukraine, which would reduce the transit fees charged to Russia by Naftogaz, thereby losing a source of valuable foreign exchange.

External trade

Following the break-up of the Soviet Union, trade was formalised with former republics through the Commonwealth of Independent States (CIS), however a free trade zone between members had not, by 2007, been implemented, due to differences in economic objectives, degrees of reforms and economic development. The Ukraine has declared its intentions of applying for membership of the European Union and has begun reforms necessary to align its economy with the EU. As the world's fifth largest exporter of cereals, and sixth largest exporter of iron, primary industries are important to the economy. Over 30 per cent of all exports are traded to the EU and 25 per cent to Russia. Manufacturing reflects the Ukraine's historic role as an important manufacturing base of the former Soviet Union with production in heavy industry

including steel making, shipbuilding, locomotive and aerospace industries, nuclear reactors and boilers, machinery and machine tools. Fees for oil transiting the country from Russia to Europe provide an important source of foreign earnings.

Imports

Principal imports include oil and natural gas (comprising around 30 per cent of all imports), vehicles, machinery, equipment, chemicals and plastics.

Main sources: Russia (32.4 per cent of total in 2012), China (9.3 per cent), Germany (8 per cent).

Exports

Principal exports are ferrous and non-ferrous metals, fuel and petroleum products, chemicals, tools and machinery, transport equipment and cereals.

Main destinations: Russia (25.3 per cent of total in 2012), Switzerland (24.2 per cent), UK Virgin Islands (7 per cent).

Agriculture

Historically known as the 'bread basket' of the former Soviet Union, Ukraine used to produce 25 per cent of the total Soviet agricultural output. The agricultural sector, despite Ukraine's rich land resources (with one-third of the world's total acreage of black soil), went into decline for several years as a result of general inefficiency, late payments and a lack of finance for fuel, fertilisers and machinery. Progress of agricultural sector reforms included price and trade reforms, and agriculture-specific institutional reforms will have a significant impact on the future of agricultural production. Economy-wide reforms will allow the sector to absorb technological advances more rapidly. The main agricultural products are wheat, barley, potatoes, sugar beet and flax. Ukraine is the world's largest producer of sugar beet.

The fishery sector is an elaborate organisational complex of oceanic fisheries, pond fish farms, co-operatives, scientific research and education as well as enterprises dealing with processing and the sale of fish products, stock protection and restoration. The sector typically employs more than 60,000 people. The Black Sea fishing industry is concentrated around the ports of Odessa, Mariupol, Sevastopol, Berdyansk and Izmail.

Ukraine has a potential capacity to harvest and rear between 700,000–800,000 tonnes (t) of fish, with an annual output of food fish products from vessels and coastal enterprises amounting to more than 600,000t. The country exports over a third of its fish catch and the industry makes a substantial contribution to the country's trade balance.

Ukraine has mainly mixed and steppe forests, which account for one-sixth of the

land area, with forest cover estimated at 9.5 million hectares (ha). Nearly two-thirds of the forest is available for wood supply, although consumption of forest products per capita is significantly below the European average. The state owns all the forest area.

The Zavarpattska and Polisia regions are the main centres for the forestry and paper industries. Apart from the smaller wood processing enterprises, most of the forest industry is privatised and caters to domestic demand. The industry is being modernised by improving the sawmills and other manufacturing operations. Small quantities of roundwood and half-finished products are exported to the Middle East and European countries. Wood pulp and paper, mainly from the Russian Federation are imported.

Industry and manufacturing

The industrial sector, which contributed around 37 per cent to GDP in 2004, is essentially divided into two. Most of the sector is concentrated on heavy industry, principally in metallurgy, mining and mechanical engineering. The iron and steel industry is the main earner of hard currency revenues. It is dominated by large companies, such as JSC Zaporozhstal, and the government has been reluctant to introduce privatisation and other reforms. Ukraine has benefited from China's increasing demand for steel.

The high-technology industry, having been located in Ukraine in Soviet times, is modern and internationally competitive.

Tourism

Ukraine is a large country with rich cultural and environmental resources that offers considerable potential. There are four historic sites included on Unesco's World Heritage List, as well as the primeval beech forests of the Carpathians. There are ski resorts, health clinics, cities and coastal destinations, the Black Sea resorts have been prime destinations for tourists for decades, although the best beaches are located on the southern coast of Crimea.

Tourism is treated as essential for the modernisation of the economy, although its contribution is as yet modest. Capital investment in travel and tourism has remained at between 2–3 per cent of total investment since 2006 (average 2.1 per cent 2001–10). Ukraine played joint host, with Poland, to the finals of the UEFA European Football Championship in June–July 2012. Matches were played in various cities around Ukraine, highlighting the country's lack of sufficient and varied accommodation, so that tents had to be provided for thousands of visiting football fans.

Travel and tourism contributed an average 8 per cent of GDP (2007–11) and provided employment to 7.1 per cent of the workforce (1.5 million jobs) in the same period. However, the industry has taken some knocks, with visitor numbers dropping from 25.5 million in 2008 to 20.8 million in 2009 before recovering somewhat, with 21.2 million visitors in 2010. Visitor revenue in 2007 was US\$5.1 billion, falling to US\$4.1 billion in 2008, before recovering and registering US\$5.3 billion in 2011.

The transport system is one of the weaker elements of the travel and tourism industry with a acknowledged need to refurbish, redevelop and upgrade. The rail system has developed a new, fast route from Odessa (in the south) to Kharkiv (north-east), also Vinnitsya (central west) and Dnipropetrovsk (central east). The road network lacks high speed motorways which limits internal travel, although there are projects underway to upgrade the system.

Environment

Extensive pollution is one of the more persistent legacies of the Soviet regime when massive industrialisation was pursued at any cost. The most obvious example is the Chernobyl nuclear power explosion which increased rates of thyroid cancer, leukaemia and birth defects in the surrounding areas. All Ukraine's cities suffer from pollution, both in the air as well as rivers and agricultural land. The Lviv region has the most polluted water in the country. Only about 55 per cent of the Ukrainian population has access to safe water.

Mining

The mining sector traditionally accounts for 10 per cent of GDP and employs 3 per cent of the workforce.

Ukraine possesses an estimated 5 per cent of the world's mineral reserves. It has the world's largest supply of titanium, the third-largest deposit of iron ore (more than 200 billion tonnes) and 30 per cent of the world's manganese ore. It also has deposits of mercury, uranium and nickel, and a small amount of gold.

The largest iron ore deposits are in the Krivoy Roj area, with estimated reserves of 18 billion tonnes, Kremenchuk with 4.5 billion tonnes and Kerch and Belozerskie in the Donetsk region. The manganese deposits around Nikopol are thought to be the largest in the world. Gold deposits containing an average of between five and six grammes of gold per tonne of ore exist in the Trans-Carpathian region. The area also contains deposits of zinc and lead.

Other natural resources present in Ukraine include salt, lime, limestone, china clay, sulphur (around Lviv) and

granite. Phosphorus deposits of about 20 billion tonnes are also present.

Ukraine typically produces 50 million tonnes per year (tpy) of iron, 1,000 tpy of nickel and 500 tpy of uranium.

Hydrocarbons

Proven oil reserves were 11.3 million barrels in 2011, the majority of which is located in the Dnieper-Donetsk basin in the eastern part of Ukraine. These reserves are under-exploited while Ukraine typically relies on oil imports from Russia. Ukraine and Russia have been in conflict since the latter began charging market rates for its hydrocarbons. Around 900,000 barrels per day (bpd) of Russian oil and gas transits Ukraine, via pipelines, of which around 250,000bpd is reserved for domestic use. There are six oil refineries with total capacity of 880,000bpd. Efforts to reduce dependence on Russian oil have included the construction of an international oil terminal at Odessa port.

Proven natural gas reserves were 900 billion cubic metres (cum) in 2011, with annual production of 18.2 billion cum. However consumption was 53.7 billion cum in 2011 so Ukraine relies on imported Russian and Turkmenistan natural gas to make up the shortfall.

Two disputes, in 2006 and 2009, over the price of Russian natural gas compared with the levy for transporting the gas across Ukraine territory, resulted in gas supplies being shut off and European customers left without energy during winter. Russia and the EU have both planned and taken measures to avoid future natural gas supplies transiting Ukraine.

Ukraine has 33.9 billion tonnes of coal reserves, but these are under-exploited, with production at 45.1 million tonnes of oil equivalent in 2011. Ukraine is a net importer of coal. Reserves are set to last for the next 400 years.

Energy

Total installed generating capacity was 54 gigawatts (GW) in 2006. There are four major thermal power stations and four nuclear power plants. The last working nuclear reactor at the Chernobyl plant was closed in 2000. Thermal power, much of which is gas-fired, accounts for nearly 50 per cent of the electricity produced in Ukraine, while nuclear energy provides 40 per cent and hydroelectric plants supply the remainder.

A state-owned company, Enerhoatom, oversees the nuclear power plants. Lack of funding has meant that safety standards continue to be lax and strike action and power breakdowns are frequent.

A second reactor at the Khmel'nitsky nuclear power plant was switched on in August 2004, the first new nuclear reactor since Chernobyl.

A five-year gas supply deal was reached with Russia in 2006. The price per 1,000 cubic metres (cum) of gas was set at US\$230 (up from US\$50) but in a complex deal the Russian gas is sold to Gazprom-owned Roskurenergo, which is mixed with cheaper gas from Turkmenistan, Uzbekistan and Kazakhstan and then sold to Ukraine at US\$95 per 1,000cum.

Another dispute with Russia was brewing in September 2011 when Ukraine said it would go to court to secure a 'fair' price for gas from Gazprom. Gazprom is also facing a challenge from a number of European customers over the pricing formula.

Financial markets

Stock exchange

Ukraine Stock Exchange

Banking and insurance

There are seven domestic banks operating in the banking sector, two of which are state-owned and originate from the Soviet era. Foreign investors are permitted to participate in the banking sector, but are only granted a licence after at least a year of running an office in the country.

In February 2004, Ukraine was removed from the OECD Financial Action Task Force (FATF) list of non-co-operative countries on money-laundering after reforms had been implemented.

Central bank

National Bank of Ukraine

Time

GMT plus two hours (daylight saving, late March to late October, GMT plus three hours)

Geography

Ukraine is situated in Eastern Europe. The largest country entirely within Europe, Ukraine covers 603,700 square kilometres, stretching 2,000km from east to west and 1,000km from north to south. The Crimean peninsula in the south juts into the Black Sea, and has the Sea of Azov to the east.

In eastern Ukraine, the country is bordered by Russia to the east and north. In the western part of the country the northern border is with Belarus, and there are western borders with Poland and Slovakia. There are also short borders with Hungary, Romania and Moldova to the south-west, and a small salient of land south of Moldova which borders Bulgaria and has access to the Danube River delta. The average height above sea level in Ukraine is only 175 metres, and most of the land area is composed of rolling steppes and wooded plains. About two-thirds of the country is covered by a thick layer of humus-rich soil, making it

one of the most fertile regions in the world.

The only mountains are in the south on the Crimean peninsula (maximum height 1,545 metres) and the Carpathians in the west (maximum height 2,061 metres). The main rivers are the Dnepr which drains the central regions of the country and flows into the Black Sea near Kherson and the Dnestr which flows through western Ukraine and Moldova before entering the Black Sea near Odessa.

Hemisphere

Northern

Climate

The moderate continental climate varies little across the country. The Black Sea resorts around Odessa and Yalta are usually warmer and drier than the rest of Ukraine. The average rainfall per year is 1,440mm, with the Crimea receiving only 400mm. Average temperatures in Kiev range from 20 degrees Celsius (C) in July to minus 7 degrees C in January. Average temperatures in Lviv in western Ukraine range from 16 degrees C in July, to minus 5 degrees C in January.

Dress codes

Business clothes are appropriate for meetings, including a suit or jacket with a tie for men and formal clothing for women.

Entry requirements

Passports

Required by all, valid for one month beyond departure date.

Visa

Required by all, except nationals of EU/EEA countries, North America, Japan, Switzerland, Andorra, Vatican City, Monaco and San Marino. Letters of invitation are not required for either business or tourist visits by nationals of EU countries, US, Canada, Japan, Switzerland, Slovakia, or Turkey.

Currency advice/regulations

Import and export of local currency is restricted to H1,000; up to H5,000 may be exported subject to customs declaration. Import and export of foreign currencies is restricted to US\$1,000 or, subject to customs declaration, up to US\$10,000.

Customs

Small amount of personal goods, 200 cigarettes, 1 litre spirits, 2 litres wine and 10 litres beer are allowed duty free. There are strict regulations governing the export of antiques and items of historical interest. If in doubt seek prior permission from customs authorities.

Prohibited imports

Weapons, illegal drugs and certain pharmaceutical and communications products are subject to import restrictions; licences are issued by the relevant government ministries.

Health (for visitors)

Mandatory precautions

Vaccination certificates if travelling from a cholera or yellow fever infected area. An HIV/Aids test is required for long-stay visitors only. A UK-issued certificate is usually accepted. All visitors entering Ukraine are required to purchase health insurance at the airport of entry and prior to passing through immigration control. British passport holders are exempt due to a reciprocal agreement between the Ukrainian and British governments.

Advisable precautions

It is advisable to be in date for the following immunisations: polio (within 10 years), tetanus (within 10 years), typhoid fever and hepatitis A (moderate risk only). There is a rabies risk. Any medicines required by the traveller should be imported and it is advisable to have precautionary antibiotics if travelling outside the major urban centres. However, there are restrictions on the import of some pharmaceuticals and visitors are advised to check with their local Ukrainian embassy prior to travel. A travel kit including a disposable syringe is a reasonable precaution. Water precautions are recommended (water purification tablets may be useful).

Hotels

Kiev has a shortage of hotels. It is worth booking rooms several weeks in advance through the Intourist travel agency.

Credit cards

Credit cards are not widely accepted.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 7 Jan (Orthodox Christmas Day), 8 Mar (Women's Day), 1-2 May (Labour/May Days), 9 May (Victory Day), 28 Jun (Constitution Day), 24 Aug (Independence Day).

Variable dates

Orthodox Easter Monday, Orthodox Whit Monday.

Working hours

Banking

Mon-Fri: 0930-1730.

Open 24 hours at Kiev Borispol airport, but only until noon at Odessa.

Business

Mon-Fri: 0900-1800.

Government

Mon-Thu: 0700-1700; Fri: 0900-1200.

Shops

Mon-Sat: 0900-1900.

Social customs/useful tips

Tips are not expected at most cafes, although at more expensive restaurants a tip of between 5 and 10 per cent is appropriate. Small gifts for your host are appreciated in the event of personal hospitality.

Handshaking is customary on meeting and on leaving. The formal mode of address, *Pan* (Mr) or *Pani* (Mrs) is usual even after several meetings. The use of business cards is widespread. It is important to be on time for meetings and appointments.

Referring to Ukraine as part of the Soviet Union or, even worse, as part of Russia, is a serious insult. The post-independence reaction to decades of 'Russification' led to strong nationalistic feelings, particularly in western Ukraine.

Security

Normal precautions should be taken when visiting Ukraine – avoid displaying large amounts of cash or expensive personal belongings. Avoid travelling alone at night in Kiev, particularly on the metro or in the city's parks.

Getting there

Air

National airline: Ukraine International Airlines

International airport/s: Kiev-Borispol International Airport (KBP), 27km from city centre; bank, post office, duty-free shop, car rental.

Other airport/s: Zhulhany Airport (IEV), 6km from Kiev.

Airport tax: None

Surface

Ukraine is included in the Pan-European Corridor 5 scheme. The project has some 3,270km of railways, linking Kiev in the Ukraine with western Europe via Italy, and 2,850 of new and upgraded roads.

Road: There are roads into Ukraine from all neighbouring countries.

Rail: There are links connecting Kiev and Lviv with all Commonwealth of Independent States member states. Direct rail connections are available to Warsaw in Poland, Budapest in Hungary and Bucharest in Romania.

Water: There are ferry services from Russia to the Crimean ports. Odessa and Yalta on the Black Sea have regular arrivals from Haifa, Istanbul, Limassol, Piraeus and Port Said. Riverboats from Odessa go to a number of Central European cities via the Danube.

Main port/s: The main Crimean ports are Yalta and Sevastopol, with Kerch the main port for the Sea of Azov. Izmail is the main Danube River port, and Odessa is the largest Black Sea port.

Getting about

National transport

Air: The main airports for domestic air traffic are Borispol International and Zhulany, from which there are connections to Chernivitsi, Dnepropetrovsk, Donetsk, Ivano-Frankivsk, Kharkov, Lugansk, Lviv, Mariupol, Odessa,

Simferopol, Uzhgorod and Zaporizhzhya. Services during the winter months are often subject to cancellation or delay.

Road: There is an extensive road network comprising approximately 172,000km of road, with around 29,000km of these being main or national roads. Many roads are poorly surfaced and in need of modernisation.

Buses: Ukraine has an extensive bus network, with routes to every city and most smaller towns.

Taxis: Using taxis for long-distance journeys is an option as they are reasonably cheap. Payment is usually requested in hard currency. Agree a price before setting off.

Rail: The Ukrainian rail network links the major cities, most of which are at least one night's travel apart. There are three types of sleeper carriage: the *spalny vagon* is the first class compartment for two people; the *kupe* or *kupeyny* is the second class compartment for four people; and the *platskart* is the third class open carriage with groups of six bunks in each alcove, with more beds along the aisles – avoid the *platskart* unless absolutely necessary.

It is advisable to pre-book tickets before arriving in Ukraine. Foreigners can usually buy rail tickets from separate offices with English-speaking clerks, although the price will be slightly higher.

Although journey times are slower than air, rail travel is more reliable during the winter months.

Water: Passenger transport is available on the Dnepr and Dnestr rivers, which traverse large areas of the country, but price increases, lack of spare parts and cheaper land-based transport have caused a sharp decline in services.

City transport

Taxis: In most cities there are metered official taxis, unofficial 'gypsy cabs' with negotiated fares and fixed route, fixed price shared taxis and minibus services.

Car hire

International agencies are represented in the main cities, in addition to local agencies, offering a range of vehicles. Car hire is relatively cheap.

Speed limits are 60kph (37mph) in built-up areas, 90kph (55mph) in open areas and 110kph (69mph) on motorways. An international driving permit is required. It is illegal to drive having consumed any amount of alcohol.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially

to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling code (IDD) for Ukraine is + 380, followed by area code and subscriber's number:

Dnepropetrovsk	56	Odessa	48
Donetsk	62	Sevastopol	69
Kharkov	57	Simferopol	65
Kiev	44	Yalta	65
Lviv	32		

Useful telephone numbers

Fire brigade: 01
Militia (Police): 02
Hospital enquiries: 003
Directory enquiries: 09
Address enquiries: 061
Lost property office: 229-7844
Paid enquiries service: 009
Railway timetable: 09
River port: 416-1268
Taxi: 058
Taxi enquiries: 225-0396
Time: 060

Chambers of Commerce

American Chamber of Commerce in Ukraine, 42 Shovkovychna Street, 01601 Kiev (tel: 490-5800; fax: 490-5801; e-mail: acc@amcham.ua).

British-Ukrainian Chamber of Commerce, 34a Grushevskogo Street, 01021 Kiev (tel: 410-5720; fax: 230-2151; e-mail: administrator@bucc.com.ua).

Crimea Chamber of Commerce and Industry, 45 Sevastopolskaya Street, 95013 Simferopol (e-mail: cci@cci.crimea.ua).

Dnipropetrovsk Chamber of Commerce and Industry, 4 Shevchenko Street, 49044 Dnipropetrovsk (tel: 236-2258; fax: 236-2259; e-mail: miv@dcci.dp.ua).

Donetsk Chamber of Commerce and Industry, 12 Dzerzhinskogo Avenue, 83000 Donetsk (e-mail: dccci@dtp.donetsk.ua).

Kharkov Chamber of Commerce and Industry, 3a Kartsarskaya Street, 61012 Kharkov (e-mail: info@kcci.kharkov.ua).

Kiev Chamber of Commerce and Industry, 55 Bogdana Khmelnytskogo Street, 01054 Kiev (tel: 246-8301; fax: 246-9966; e-mail: info@kiev-chamber.org.ua).

Lviv Chamber of Commerce and Industry, 14 Stryisky Park, 79011 Lviv (e-mail: lcci@cscd.lviv.ua).

Odessa Chamber of Commerce and Industry, 47 Bazarna Street, 65011 Odessa (tel: 728-6610; e-mail: orcci@orcci.odessa.ua).

Sevastopol Chamber of Commerce and Industry, 34 Bolshaya Morskaya Street, 99011 Sevastopol (e-mail: stpp@op-tima.com.ua).

Ukrainian Chamber of Commerce & Industry, 33 Velyka Zhytomyrska, 01601 Kiev (tel: 272-2911; fax: 272-3353; e-mail: ucci@ucci.org.ua).

Banking

Aggio Joint Stock Bank, 9 Leskova Street, 252011 Kiev (tel: 295-0305; fax: 295-3164).

Commercial Bank (Ekspobank), 2-4 Volodarskogo Street, 254025 Kiev (tel: 216-1676; fax: 216-6073).

First Ukrainian International Bank (under full management of Bank Mees and Hpe Pierson NV, ABN/AMRO), 8 Prorizna Street, 252034 Kiev (tel: 224-2187; fax: 224-2055).

Gradobank, 1 Dimitrova Street, 252650 Kiev (tel: 261-9191; fax: 268-1530).

Inki Bank, 10/2 Mechnikova Street, 252023 Kiev (tel: 294-9219; fax: 290-6292).

Legbank Commercial Bank for Light Industry, 8/10 Esplanadna (Kuybysheva) Street, 252601 Kiev (tel: 220-6125; fax: 220-8684).

Ukreximbank, 8 Kreshchatyk Street, Kiev (tel: 226-3363; fax: 229-8082).

Ukrainian Bank for Foreign Economic Affairs, 8 Kreshchatyk Street, 252001 Kiev (tel: 293-1698).

Ukrainian Financial Group Joint Stock Commercial Bank, 7 Vokzalnaya Street, 252032 Kiev (tel: 245-4560; fax: 245-4587).

Central bank

National Bank of Ukraine, 9 Institutska Street, Kiev 01601 (tel: 253-0180; fax: 230-2033; e-mail: info@bank.gov.ua).

Stock exchange

Ukraine Stock Exchange, www.ukrse.kiev.ua

Travel information

Ukraine International Airlines, 63A Bogdana Khmelnytskogo Street, 01054 Kiev (tel: 461-5656; fax: 216-7994; e-mail: uia@ps.kiev.ua).

Ukrainian Travel Information System, 29A, Elektrikov Street, 04176 Kiev (tel/fax: 537-2727; e-mail: info@utis.com.ua)

Ministry of tourism

Ministry of Culture and Tourism, 19 Ivana Franka Street, 01601 Kiev (tel: 235-2378; fax: 235-3257; e-mail: info@mincult.gov.ua).

National tourist organisation offices

State Tourism Administration of Ukraine, 36 Yaroslaviv Val Street, 01034 Kiev (tel: 212-4215; fax: 212-4277; e-mail: info@tourism.gov.ua).

Ministries

Ministry of Agriculture and Foodstuffs, 24 Kreshchatyk Street, 252001 Kiev (tel: 226-2772; fax: 229-8756).

Ministry of the Coal Industry, 4 Bohdana Khmelnytskoho Street, 252001 Kiev (tel: 226-2273, 228-0372; fax: 228-2131).

Ministry of Communications, 22 Kreshchatyk Street, Kiev (tel: 226-2140; fax: 228-6141).

Ministry of Culture, 19 Ivana Franka Street, 252030 Kiev (tel: 224-4911, 226-2645, 226-2902; fax: 225-3257).

Ministry of Defence, 6 Povitroflotsky Avenue, 252168 Kiev (tel: 224-7152; fax: 226-2015).

Ministry of Education, 10 Peremogy Avenue, 252135 Kiev (tel: 216-7210, 216-7763, 216-1575; fax: 274-1049).

Ministry of Engineering, the Defence Industry and Conversion, 6 Pushkinska Street, 252034 Kiev (tel: 229-0390; fax: 228-7653).

Ministry of Environment Protection, 5 Kreshchatyk Street, 252001 Kiev (tel: 226-2428, 228-0644; fax: 229-8383).

Ministry of Finance, 12/2 Hrushevskoho Street, 252008 Kiev (tel: 226-2044; fax: 293-2178).

Ministry of Foreign Affairs, 1 Mihaylivska Square, 252018 Kiev (tel: 226-3379, 293-1581; fax: 226-3169, 293-3302).

Ministry of Foreign Economic Relations, 8 Lvivska Square, 254655 Kiev (tel: 212-3005; fax: 212-5259).

Ministry of Forestry, 5 Kreshchatyk Street, 252001 Kiev (tel: 226-3253, 226-2735, 228-5666; fax: 228-7794).

Ministry of Health, 7 Hrushevskoho Street, 252021 Kiev (tel: 293-6194; fax: 293-6975).

Ministry of Industry, 34 Kreshchatyk Street, 252001 Kiev (tel: 226-2623; fax: 227-4104).

Ministry of Information, 2 Prorizna Street, 252601 Kiev (tel: 226-2871).

Ministry of Internal Affairs, 10 Bogomoltsa Street, 252021 Kiev (tel: 291-3333, 226-3317; fax: 291-3182).

Ministry of Justice, 13 Karl Marx Street, 252001 Kiev (tel: 226-2416; fax: 226-2416).

Ministry of Labour, 28 Pushkinska Street, 252004 Kiev (tel: 226-2445, 226-2639, 226-3215; fax: 224-5905).

Ministry for Nationalities, Migration and Cults Issues, 21/8 Instytutska Street, 252021 Kiev (tel: 293-5335; fax: 293-3531).

Ministry of Power Engineering and Electrification, 30 Kreshchatyk Street, 252001 Kiev (tel: 224-9388; fax: 224-4021).

Ministry for Protection of the Population against the Consequences of Chernobyl, 8 Lvivska Square, 254655 Kiev (tel: 212-5049; fax: 212-5069).

Ministry of Social Welfare, 26-28 Kudriavka Street, 252053 Kiev (tel: 222-5555, 226-2401; fax: 212-2535).

Ministry of Statistics, 3 Shota Rustaveli Street, 252023 Kiev (tel: 226-2021, 227-7057; fax: 227-0783, 227-4266).

Ministry of Transport, 51 Horkoho Street, 252005 Kiev (tel: 226-2266, 227-1029, 227-7087; fax: 227-7351).

Ministry of Youth and Sports Issues, 42 Esplanadna Street, 252023 Kiev (tel: 220-0200, 220-1461; fax: 220-1294).

Ukrainian Ministry for Economics and Issues of European Integration, 12/2 Hrushevskoho Street, 252008 Kiev (tel: 293-4005, 293-9329; fax: 293-6371).

Other useful addresses

British Embassy, 9 Desyatynna, 01025 Kiev (tel: 462-0011/15; fax: 462-0013; internet: www.britemb-ukraine.net).

Cabinet of Ministers, 12/2 Hrushevskoho Street, 252001 Kiev (tel: 226-3263; fax: 293-2093).

Committee for Standardisation, Methodology and Certification, 10 Kypska Street, 252021 Kiev (tel: 226-2971).

EBRD Kiev Office, c/o National Hotel, 5 Lipska Street, 252021 Kiev 21 (tel: 291-8847, 291-8977; fax: 291-6246).

EU Co-ordination Unit – TACIS Programme, Agency for International Co-operation and Investment, 1 Mihailivska Ploscha, 252018 Kiev (tel: 212-8312; fax: 230-2513).

European Centre for Macroeconomic Analysis of Ukraine, Kiev (tel & fax: 228-3283; e-mail: ecman@gv.kiev.ua).

Foreign Trade Organisation (UKRIMPEX), 22 Vorovsky Street, 252054 Kiev (tel: 216-2174; fax: 216-1926, 216-2996).

International Finance Corporation Field Office, Suite 7, 28-A Lyuteranska Street, 252024 Kiev (tel: 293-4857, 293-8341; fax: 293-0539).

Kiev City Administration, 36 Khreshchatyk Street, Kiev (tel: 220-8065; fax: 228-4718).

Kiev Universal Commodity Exchange (KUCE), 1 Kudryashova Street, 252035 Kiev (tel: 276-7129, 244-0143, fax: 276-7129).

Soros International Economic Advisory Group, Kiev (tel: 296-9877; fax: 269-5263).

State Ukrainian Property Fund, 18/9 Kutuzova Street, 252133 Kiev (tel: 296-6963; fax: 296-6984).

Ukrainian Association of Industrialists and Entrepreneurs, 34 Kreshchatik Street, 252001 Kiev (tel: 224-3122, 228-3069; fax: 226-3152).

Ukrainian Embassy (USA), Suite 711, 3350 M Street, NW, Washington DC 20007 (tel: (+1-202) 333-0606; fax: (+1-202) 333-0606; e-mail: vmar@aol.com).

Ukrainian Exchange (commodities and stock exchange), 15 Proreznaya Street, 252601 Kiev (tel: 228-6481; fax: 229-6376).

Ukrainian League of Enterprises with Foreign Capital, 19A Lyuteranska Street, 252073 Kiev (tel: 229-3544; fax: 229-8739).

Ukrainian National News Agency (UKRINFORM), 8-16b Khmelnytski Street, 252601 Kiev (tel: 226-2469, 229-0143; fax: 229-2439/8007, 228-1659).

Ukrainian Universal Commodity Exchange, 1 Akademika Glushkova Avenue, 252085 Kiev (tel: 261-6333, 261-6375; fax: 261-6362).

UKRINTERENERGO (State Foreign Trade Company), 27 Komintern Street, 252032 Kiev (tel: 291-7296; fax: 220-1885).

World Bank Field Office, Suite 2/3, 26 Shovkovychna Street, 252024 Kiev (tel: 293-1110, 293-4045; fax: 293-4236).

National news agency: Ukrinform (Ukrainian National News Agency)

8/16 Bohdan Khmelnytsky St, Kiev 01001 (tel: 234-8366; fax: 279-8665; email: office@ukrinform.com; internet: <http://news.ukrinform.ua>).

Other news agencies: Unian: www.unian.net/eng

Interfax-Ukraine: www.interfax.com.ua/en

Internet sites

Ukraine gateway site: <http://www.brama.com>

Ukraine Embassy, London: <http://www.ukrainet.org>

Ukraine Embassy, Washington: <http://www.ukremb.com>

General information: <http://www.bizukraine.com>

Ukraine International Airlines: <http://www.ukraine-international.com>

History and culture: <http://www.uazone.net>

News on Ukraine: <http://www.infoukes.com>