

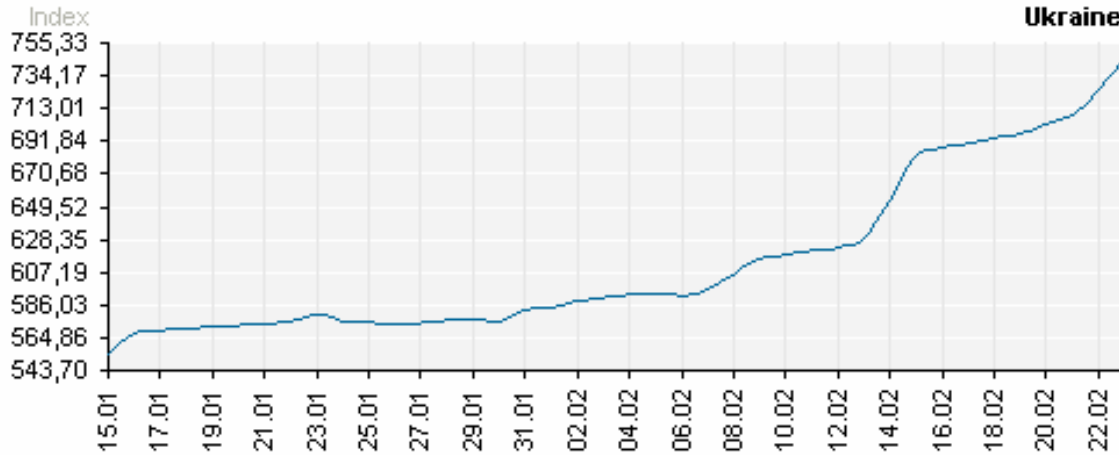


Ukraine Update 16 – 23 February, 2007

<p>Political updates</p> <p>Yushchenko to ban privatization of gas transport system The President of Ukraine Viktor Yushchenko promises to sign a law that forbids privatization of gas transport system of Ukraine. Yushchenko noted that he absolutely supports this document. "And not because it was a political reaction of the parliament to these events, but because it corresponds national interests," the Head of the State said. The President noted that he has never given authorities on negotiation concerning gas transport system. "I have given nobody authorities on negotiations concerning fate of gas transport system, neither the Prime Minister, nor the Energy Minister," Yushchenko said, adding that he understands that Ukraine's gas transport system is an element of national security.</p>	<table border="1"> <thead> <tr> <th colspan="4">STOCK INDICES →</th> </tr> <tr> <th></th> <th>COUNTRY</th> <th>INDICES</th> <th>TIME</th> </tr> </thead> <tbody> <tr> <td>PFTS</td> <td>UA</td> <td>744.75 ↑</td> <td>23.02 17:00</td> </tr> <tr> <td>S&P-500</td> <td>US</td> <td>1 448.55 ↓</td> <td>26.02 09:35</td> </tr> <tr> <td>MIB-30</td> <td>IT</td> <td>42 457.00</td> <td>26.02 09:35</td> </tr> <tr> <td>FTSE-100</td> <td>GB</td> <td>6 401.50</td> <td>26.02 09:35</td> </tr> <tr> <td>CAC-40</td> <td>FR</td> <td>5 716.38</td> <td>26.02 09:35</td> </tr> <tr> <td>DAX</td> <td>DE</td> <td>6 998.20 ↑</td> <td>26.02 09:35</td> </tr> <tr> <td>SMI</td> <td>CH</td> <td>9 205.98 ↓</td> <td>26.02 09:35</td> </tr> </tbody> </table>	STOCK INDICES →					COUNTRY	INDICES	TIME	PFTS	UA	744.75 ↑	23.02 17:00	S&P-500	US	1 448.55 ↓	26.02 09:35	MIB-30	IT	42 457.00	26.02 09:35	FTSE-100	GB	6 401.50	26.02 09:35	CAC-40	FR	5 716.38	26.02 09:35	DAX	DE	6 998.20 ↑	26.02 09:35	SMI	CH	9 205.98 ↓	26.02 09:35
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<p>Macroeconomic updates</p> <p>Yanukovych is satisfied with cooperation with OSCE The Prime Minister of Ukraine Viktor Yanukovych considers that the parliamentary cooperation within OSCE contributes to creation conditions for effective counteraction of security threats. "Cooperation within OSCE contributes to single standards for legislation of countries-participants. It will allow to create effective conditions for constructive cooperation in sphere of counteraction of regional security threats," Yanukovych said.</p>	<table border="1"> <thead> <tr> <th colspan="5">EXCHANGE RATES IN UKRAINE →</th> </tr> <tr> <th></th> <th colspan="2">Cash 26.02.07 09:29</th> <th colspan="2">Cashless 23.02.07 15:38</th> </tr> <tr> <th></th> <th>BID</th> <th>ASK</th> <th>BID</th> <th>ASK</th> </tr> </thead> <tbody> <tr> <td>1USD</td> <td>5.0300 ↓</td> <td>5.0600 ↑</td> <td>5.0350 ↑</td> <td>5.0450 ↓</td> </tr> <tr> <td>1EUR</td> <td>6.6000 ↓</td> <td>6.6800 ↑</td> <td>6.6000 ↑</td> <td>6.6340 ↑</td> </tr> <tr> <td>10RUB</td> <td>1.9000 ↓</td> <td>1.9300 ↑</td> <td>1.9200 ↑</td> <td>1.9300 ↑</td> </tr> </tbody> </table>	EXCHANGE RATES IN UKRAINE →						Cash 26.02.07 09:29		Cashless 23.02.07 15:38			BID	ASK	BID	ASK	1USD	5.0300 ↓	5.0600 ↑	5.0350 ↑	5.0450 ↓	1EUR	6.6000 ↓	6.6800 ↑	6.6000 ↑	6.6340 ↑	10RUB	1.9000 ↓	1.9300 ↑	1.9200 ↑	1.9300 ↑						
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<p>Ukraine and Romania strengthen cooperation Ukraine and Romania strengthen cooperation in different spheres. This question was discussed in the scope of the forum-meeting, dedicated to development of transport cooperation between the countries that took place in Chernovtsi region. The objective of this meeting is to improve and strengthen cooperation between neighboring countries on the basis of functioning programs like "Neighborhood program of Ukraine-Romania 2004-2006", program "PHARE CBC 2005". Within these programs 45 projects were represented; 29 of which are already financed and being realized. Four of these projects are realized under support of Chernovtsi administration. They foresee cooperation in economic sphere, roads modernization, development of tourist sphere and mass arrangements".</p>	<table border="1"> <thead> <tr> <th colspan="5">CREDIT FOR BUSINESSES IN UKRAINE →</th> </tr> <tr> <th></th> <th colspan="4">26.02.07</th> </tr> <tr> <th></th> <th>1 MON.</th> <th>3 MON.</th> <th>6 MON.</th> <th>12 MON.</th> </tr> </thead> <tbody> <tr> <td>UAH</td> <td>22.00%</td> <td>22.00%</td> <td>22.00%</td> <td>22.00%</td> </tr> <tr> <td>USD</td> <td>16.00%</td> <td>16.00%</td> <td>16.00%</td> <td>16.00%</td> </tr> <tr> <td>EUR</td> <td>15.00%</td> <td>15.00%</td> <td>15.00%</td> <td>15.00%</td> </tr> </tbody> </table>	CREDIT FOR BUSINESSES IN UKRAINE →						26.02.07					1 MON.	3 MON.	6 MON.	12 MON.	UAH	22.00%	22.00%	22.00%	22.00%	USD	16.00%	16.00%	16.00%	16.00%	EUR	15.00%	15.00%	15.00%	15.00%						
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<p>Economic updates</p> <p>Gazprom satisfied with cooperation with Ukrainian companies Gazprom is satisfied with cooperation with Ukrainian companies in Russian gas transit to the European market, Deputy Chairman of the joint-stock company Gazprom Aleksandr Medvedev said during a videoconference between Moscow and Brussels on Wednesday. Medvedev noted that this winter good results have been reached in transit and foreign consumers' demands were completely met.</p>																																					



Dynamics of change the index PFTS Index, Ukraine



Sectoral updates

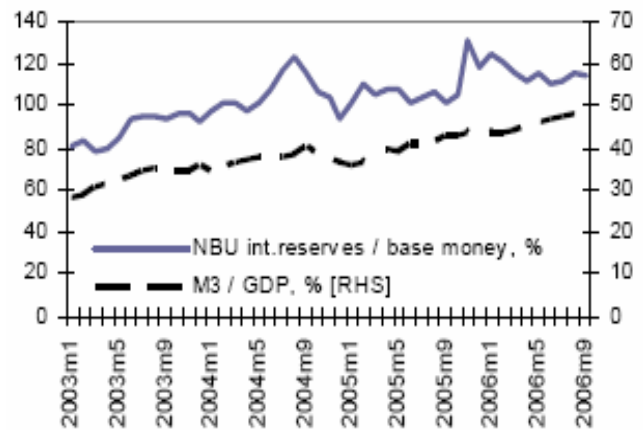
Koreans are interested in tourist sphere of Ukraine

Koreans businessmen plan to realize some projects in tourist sphere in Ukraine at the cost of approx. USD 600 million. According to the press service of the Ukrainian union of industrialists and entrepreneurs, the Ukrainian entrepreneurs and representatives of business circles of Korea discussed this question during their meeting. The representative of the Korean delegation Chu Kim noted that companies and firms are ready to make investments of full projects cost in particular investments in constructions of mini hotels and rest zones. Now the Korean businessmen provide for development and realization of some projects of USD 600 million.

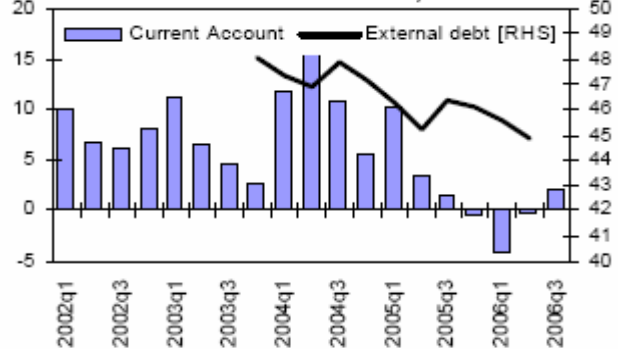
European Commission means to support "UkrTransNafta" projects

The European Commission supports all six projects, which are being realized by the "UkrTransNafta" together with the European Bank for Reconstruction and Development and the European Investment Bank, adviser for energy of the European Commission Directorate General for External Relations Faouzi Bensarsa said while meeting with "UkrTransNafta" leadership. According to Deputy Chairman of the "UkrTransNafta" Board Ihor Horodets, out of six projects the paramount is the construction of the 120,000-ton oil reservoir at the marine oil terminal "Southern", "as the project is strategic in the context of development of the Odesa-Brody system and will play an important role in the structure of oil supply to Europe."

Monetization and Reserves



CAB and External Debt, % GDP



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