

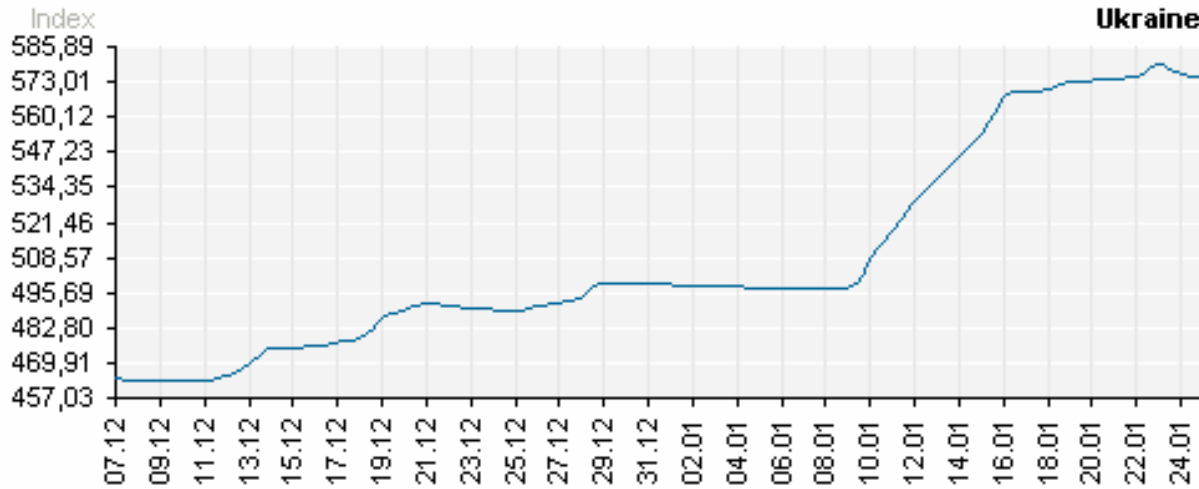


## Ukraine Update 22– 26 January, 2007

<p><b>Political updates</b></p> <p><b>President's Secretariat satisfied with Yanukovich's work</b>          First deputy Secretariat Chief of Staff Arseny Yatsenyuk considers economic showings of social and economic development of Ukraine in 2006, announced by PM Victor Yanukovich at the session of the Cabinet, to be unbiased. Yatsenyuk told journalists in the Cabinet.          "The government managed to maintain economic stability, provided by the government of Yuri Yekhanurov. That's why, these achievements must be shared between two governments," Yatsenyuk noted.</p> <p><b>Macroeconomic updates</b></p> <p><b>UNO appreciates Ukrainian peacemakers</b>          In 2006 United Nations Organization forwarded five proposals to Ukraine concerning participation in new peacemaking missions. Acting deputy head of Euro-Atlantic integration department of General Staff of Armed Forces of Ukraine. During 2006 there were four-five offers from UNO.          There was an offer to direct peacemaking mission to Sudan in particular. UNO is interested in aviation, military police and other subdivisions          The colonel informed that General Staff scrutinizes direction expediency of Ukrainian peacemaker to these countries.          "Days of NATO" to be held in Ukraine          In 2007 Defense Ministry of Ukraine plan to hold actions of international cooperation with 57 countries.          In the margin of bilateral cooperation the most actions (71, 1%) are planned with EU countries.          "We are Europe and the most intensified dialogue will be with these countries," Androsenko, the head of International cooperation department of the Defense Ministry told.          Attention will be focused mainly on militaries and their families. It is stipulated for holding the so-called Days of NATO in academies of Armed Forces of Ukraine.</p> <p><b>Economic updates</b></p> <p><b>Ukraine and Turkmenistan discussed investment projects</b>          The Representatives of the Ukrainian delegation headed by the first deputy Fuel and Energy Minister of Ukraine Vadym Chuprun discussed with the Government of Turkmenistan way of realization of investment projects, realized in the republic by the Ukrainian companies.          During negotiations the parties agreed to speed-up temp of construction objects in particular railway bridge over Amudarya river, agreed questions on financing, schedule and terms of construction.</p> <p><b>Ukraine's GDP exceeds USD 100 million for the first time</b>          Ukraine's GDP grew by 7% in 2006 to exceed USD 100 million for the first time.          According to Valeriy Lytyvtsky, the leader of a group of adviser to the National Bank of Ukraine, Ukraine's GDP growth rate reached the forecast rate for the first time in 2006.          For the first time since 1998, the rate of industrial output in Ukraine was slower than the rate of GDP growth in 2006.</p>	<table border="1"> <thead> <tr> <th colspan="4" style="background-color: #4CAF50; color: white;">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>574.96 ↓</td> <td>25.01 17:00</td> </tr> <tr> <td>S&amp;P-500</td> <td>US</td> <td>1 420.42 ↓</td> <td>26.01 17:12</td> </tr> <tr> <td>MIB-30</td> <td>IT</td> <td>42 111.00 ↓</td> <td>26.01 17:12</td> </tr> <tr> <td>FTSE-100</td> <td>GB</td> <td>6 240.80 ↓</td> <td>26.01 17:12</td> </tr> <tr> <td>CAC-40</td> <td>FR</td> <td>5 571.70 ↓</td> <td>26.01 17:12</td> </tr> <tr> <td>DAX</td> <td>DE</td> <td>6 690.45 ↓</td> <td>26.01 17:12</td> </tr> <tr> <td>SMI</td> <td>CH</td> <td>9 065.72 ↓</td> <td>26.01 17:12</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5" style="background-color: #4CAF50; color: white;">EXCHANGE RATES IN UKRAINE →</th> </tr> <tr> <th rowspan="2"></th> <th colspan="2">Cash 26.01.07 15:10</th> <th colspan="2">Cashless 26.01.07 15:35</th> </tr> <tr> <th>BID</th> <th>ASK</th> <th>BID</th> <th>ASK</th> </tr> </thead> <tbody> <tr> <td>1USD</td> <td>5.0600 ↓</td> <td>5.0750</td> <td>5.0500 ↓</td> <td>5.0600</td> </tr> <tr> <td>1EUR</td> <td>6.5000 ↓</td> <td>6.6500 ↑</td> <td>6.5250 ↓</td> <td>6.5500 ↓</td> </tr> <tr> <td>10RUB</td> <td>1.8600</td> <td>1.9200</td> <td>1.9000 ↓</td> <td>1.9100</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5" style="background-color: #4CAF50; color: white;">CREDIT FOR BUSINESSES IN UKRAINE →</th> </tr> <tr> <th></th> <th colspan="4">26.01.07</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>	STOCK INDICES →					COUNTRY	INDICES	TIME	PFTS	UA	574.96 ↓	25.01 17:00	S&P-500	US	1 420.42 ↓	26.01 17:12	MIB-30	IT	42 111.00 ↓	26.01 17:12	FTSE-100	GB	6 240.80 ↓	26.01 17:12	CAC-40	FR	5 571.70 ↓	26.01 17:12	DAX	DE	6 690.45 ↓	26.01 17:12	SMI	CH	9 065.72 ↓	26.01 17:12	EXCHANGE RATES IN UKRAINE →						Cash 26.01.07 15:10		Cashless 26.01.07 15:35		BID	ASK	BID	ASK	1USD	5.0600 ↓	5.0750	5.0500 ↓	5.0600	1EUR	6.5000 ↓	6.6500 ↑	6.5250 ↓	6.5500 ↓	10RUB	1.8600	1.9200	1.9000 ↓	1.9100	CREDIT FOR BUSINESSES IN UKRAINE →						26.01.07					1 MON.	3 MON.	6 MON.	12 MON.	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**Dynamics of change the index PFTS Index, Ukraine**



**Sectoral updates**

**Fuel and Energy Ministry expects gasoline prices to fall**

The Fuel and Energy Ministry believes that there are grounds for a fall in the prices of petroleum products in Ukraine.

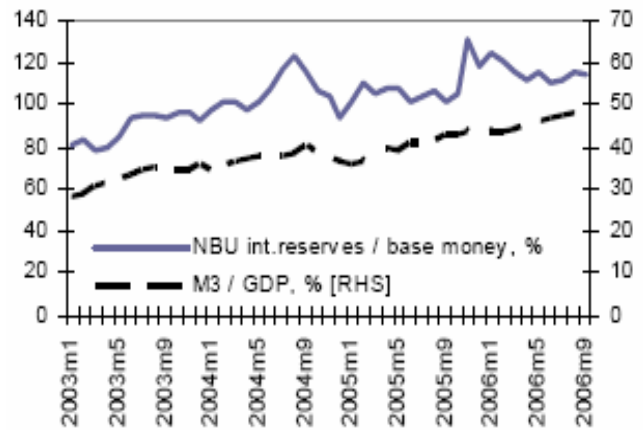
An analytical group of experts on the market of crude oil and petroleum products has analyzed the situation including prices on the market of petroleum products and supply on the market during the January-February period of this year.

Fuel and Energy Ministry calculations based on data from petroleum refineries and major importers indicate that there will be a surplus of petroleum products in January 2007, compared with January 2005.

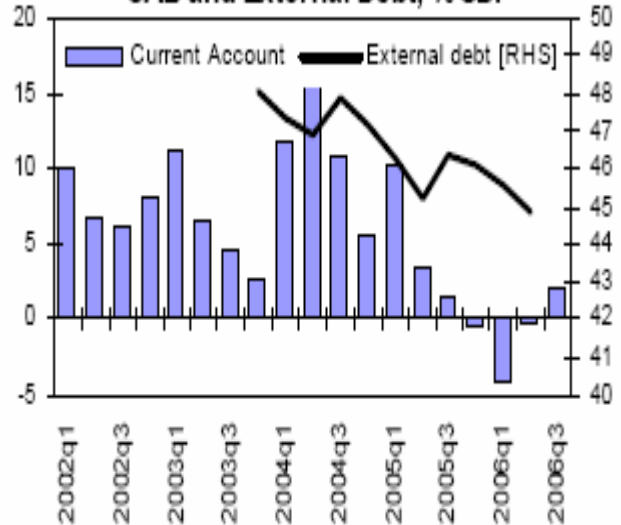
The main basis for such a forecast is a steady fall in the prices of petroleum products on the European market.

Specifically, the prices for the A-95 brand of gasoline fell by 14.8% while the price of Russian fuel fell by 11.1% during the first 12 days of January

**Monetization and Reserves**



**CAB and External Debt, % GDP**



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