



He added that the government would inform Ukrainians well in advance of any changeover. Kuchma also said that Ukraine is building a stabilization fund of \$1.5 billion to back the currency. The hryvna is to replace the interim karbovanets currency which, since its introduction in 1992, lost value continually under high inflation which reached over 90 per cent per month.

The karbovanets stabilized only in 1995 under a reform plan agreed to with the International Monetary Fund. Since January, the karbovanets has traded between 150,000 and 160,000 to the US dollar. Ukrainian inflation, which started with 50.7 percent in the first quarter, was down to 5.8 percent in April 1 under the government new economic development program, which anticipates monthly inflation down to two percent by December.

National Bank of Ukraine Chairman Viktor Yushchenko confirmed that a stable exchange rate for the karbovanets, the sharp fall in inflation and the receipt of large international credits had created the right conditions to introduce the hryvna. Deputy Chairman Volodymyr Naumenko said that the introduction of the hryvna would be gradual, giving the economy time to dispose of its karbovanets before they are rendered invalid. The NBU is determined to press ahead this time with the new currency and is already calculating the particulars, such as an effective coefficient for exchanging karbovanets for hryvna and the precise value of the new unit. *(with files from Reuters)*

## UKRAINE FIRST ON GATT LIST

*March 1995...* The working group of the General Agreement on Trade and Tariffs World Trade Organization (GATT/WTO) held its first meeting concerning Ukraine's membership. Serhiy Osyka, Deputy Prime Minister, headed the Ukrainian delegation. According to Foreign Trade Ministry press centre officials, the meeting participants said changes in Ukrainian foreign trade liberalization legislation are necessary if Ukraine is to become a GATT/WTO member. The GATT/WTO Secretariat will assess Ukraine's application first out of 26 applications to be discussed this year. *(IntelNews/Unian)*

## UKRAINE SEEKS OECD MEMBERSHIP

*March 1995...* Ukraine's inability to pay membership dues is the major obstacle to its membership in the Organization of Economic Cooperation and Development (OECD), according to Oleh Popov, presidential advisor on foreign trade. Popov and other Ukrainian officials participated in an OECD Investments and Joint Ventures Committee session March 1-2 in Paris. Experts from Germany, France, Great Britain, Japan, Netherlands, and Turkey gave suggestions for a Ukrainian foreign investment bill to help bring domestic legislation in line with international standards. *(IntelNews/Unian)*

## UKRAINE'S FOREIGN POLICY RECOGNIZED BY UN

*May 1995...* Ukraine has been elected to the United Nations Human Rights Committee, the United Nations Development Program Executive Council and the United Nations Children's Emergency Fund Executive Council this week, according to the Foreign Ministry. These UN agencies play an important role in development of international cooperation in the socio-economic and humanitarian spheres. The ministry said that Ukraine's admission to the UN organizations indicates international recognition of Ukraine's growing influence in the world and as a sign of respect to Ukraine's consistent and judicious foreign policy. *(Ukrainian News)*

## EU FINANCE MINISTERS TO AGREE ON CASH FOR UKRAINE

*Brussels, May 1995...* - European Union finance ministers agreed on Monday to let Ukraine have an 85 million European-currency-unit (\$108 million) balance of payments loan, diplomats said. The decision to release the money was originally taken in principle last December but made conditional on Ukraine promising to close the Chornobyl nuclear plant. Ukraine has now pledged to shut

down the other three reactors by 2000.

"Under these circumstances, the (European) Commission considers that the conditions for the release of the macro-economic aid of 85 million Ecus decided by the Council (of Ministers) last December have been fulfilled," the ministers said in a statement. The ministers also agreed in principle to lending Ukraine a further 220 million Ecus (\$254 million) in two equal tranches, but made release of the money conditional on Ukraine sticking to its closure timetable for Chornobyl. This period is in keeping with the prospects for Ukraine's balance-of-payments situation in the medium term.

Mr. Yves-Thibault de Silguy, the Commissioner responsible for economic, monetary and financial affairs, welcomed the substantial progress made by Ukraine with economic stabilization and structural reform since last October. He stressed that Ukraine has met all the quantitative performance criteria under the IMF's Systematic Transformation Facility program. *(Reuters)*

## UKRAINE PRESENTS PLAN ON CLOSING CHORNOBYL

*Kyiv, May 1995...* Ukraine's environment minister said Kyiv had presented Western experts with a \$4 billion plan to close the Chornobyl nuclear power station and said it was up to the West to find the money to finance it. "Ukraine has entirely fulfilled its obligations to prepare proposals on decommissioning Chornobyl," Yuri Kostenko told a news conference after two days of talks with a delegation from the G7 leading industrialized countries; "The final word is with G7 to determine to what extent they will assist us in this very important global problem."

Ukraine has pledged to close Chornobyl, site of the world's worst nuclear accident nine years ago, by the year 2000. But Kyiv says the West must come up with \$4 billion to build a replacement thermal station and replace the cracking "sarcophagus" covering Chornobyl's stricken fourth reactor. Kostenko said funding should start from next year. The plan envisages closing the second reactor, which has stood idle since a fire three years ago, by 1996, the first reactor in 1997 and the third