



the Central Bank, but is to be determined in trading against other currencies on the Kyiv currency exchange. In addition, as of September 20, Ukraine planned to make exporters sell all their export earnings at a market rate set on the Kyiv currency exchange, scrapping regulations introduced in August, central bank head Viktor Yushchenko said.

## ENERGY

### UKRAINE TO BUILD OIL TERMINAL IN BLACK SEA PORT

British and Dutch firms won a tender on September 14 with their bid to build an oil terminal in the Black Sea port of Odessa, a project which could give Ukraine new sources for all its requirements of imported oil. Britain's J.P. Kenny group of companies and Single Buoy Moorings Inc., a unit of Dutch firm IHC Caland NV, plan a terminal able to handle 40 million tonnes of oil a year (800,000 barrels per day) for processing in Ukrainian refineries. The terminal will take two years to build and cost between \$130 million and \$150 million, Ukrainian officials said.

Energy-starved Ukraine imports about 90 percent of its 40 million-tonne annual oil requirement from its powerful neighbour Russia. But energy dependence on Russia, and \$2.5 billion in debts to Moscow - mainly for energy imports - have turned into a major political issue in Ukraine. President Leonid Kravchuk cited the arrears in agreeing this month to study the transfer of Ukraine's share of the Black Sea fleet to Russia.

Three other foreign firms vied for the bid, including the Houston-based engineering and construction firm Sofec Inc. "Of course Sofec is stronger, but the Dutch and British companies proposed a cheaper version," Volodymyr Kuznetsov, a member of the tender commission, told reporters. "Besides that, a large part of the work will be done by Ukrainians."

In early September, Ex-Prime Minister Leonid Kuchma concluded a deal to secure 12 million additional tonnes of Russian oil,

using a Swiss firm as an intermediary. Ukraine has a contract with Iran to supply four million tonnes of oil annually and is negotiating with other countries for additional supplies, but prospective deals have been held up by financial and technical problems. Other possible barriers to the plans for the terminals could include objections from Turkey, also on the Black Sea coast. "The Turkish side maintains quite a strict position, because of environmental issues and the heavy burden already on the Bosphorus and Dardanelles," said foreign ministry official Yuri Bohayevsky at a news briefing on September 14. Turkey hopes to curb the flow of oil being shipped through the Bosphorus, much of it from Russia's port of Novorosiisk. It favours using pipelines to send the oil to Western markets.

### UKRAINE TO PRIVATIZE LARGEST OIL REFINERY

The Ukrainian government has approved plans to privatize the country's largest oil refinery and will offer a 55 percent stake of the Lisichask plant for auction, Ukrinform news agency said. The agency, quoting a statement from the Ukrainian Cabinet of ministers, said the refinery, which has a capacity of 34 million tonnes of oil a year, would be transformed into a joint stock company by December 15 in preparation for the sell-off. Twenty percent of the shares would remain in the hands of the Ukrainian state property fund and most of the remaining shares would be offered to refinery employees.

### UKRAINE WILL SELL SUGAR FOR PETROLEUM PRODUCTS

The Ukrainian state food industry committee has been given permission to allocate 200,000 tonnes of sugar from the national reserve for purchase of one million tonnes of petroleum products, a senior industry official said. Individual sugar refineries will be allocated sugar from the reserve according to their need for fuel oil and other petroleum products to complete the harvest, said Petro Chymerys, a senior official at the food industry committee. The refineries may also negotiate contracts individually.

Ukraine is the biggest ex-Soviet sugar producer and forecasts a 1993 harvest of 4.5 million tonnes, up from 3.2 million in 1992.

## MILITARY

### UKRAINE SIGNS MILITARY COOPERATION AGREEMENT WITH GERMANY

On 16 August Ukrainian Minister of Defense Konstantin Morozov and his German counterpart, Volker Ruehe, signed an agreement on military cooperation that provides for official and working visits between delegations of the armed forces of the two countries. Ukrainian Radio reports that Ruehe was on an official visit to Kyiv, during which he also met with President Leonid Kravchuk and Foreign Minister Anatoli Zlenko. This is the second agreement on military cooperation that Ukraine has signed with a Western country; the first was signed earlier this year with the United States.

## AGRICULTURE

### PREMIER ROY ROMANOW NAMES SASKATCHEWAN-UKRAINE ADVISORY COUNCIL

Making good on a commitment made last year by Premier Roy Romanow, the Saskatchewan government on June 30, 1993 created a community based Advisory Committee on Saskatchewan-Ukraine relations. Taking advantage of the opportunity presented by a banquet in honour of the visiting Vice-Premier of Ukraine, Victor Pynzenyk, to announce the Committee's formation, Premier Romanow clearly stated his personal commitment as well as that of the government, in increasing economic and social ties with Ukraine.