

**STATEMENT BY THE  
PRIME MINISTER OF UKRAINE**

**ADDRESS**  
**of the Prime Minister of Ukraine, Yu. V. Timoshenko,**  
**at the opening of the first session of the Board of Governors**  
**of the European Bank for Reconstruction and Development**  
**(18 May 2008, Kyiv)**

Dear Participants,

I welcome you all to the opening of the annual meeting of the Board of Governors of the European Bank for Reconstruction and Development.

The holding of this year's financial forum of such a high level in the capital of Ukraine is the determinative event of the year. For Ukraine this is an extraordinary opportunity to open itself to you once again. But first of all I would like to highlight the importance of this event for the entire region.

In the next few days Kyiv will serve as the platform for discussion of problems that are of concern to the whole world. Today we have brought together leading politicians, business people, donors and independent experts. Together we will look for ways of meeting the new global challenges. Above all the lack of energy resources, the financial crisis and the food crisis.

The conservation of energy by more efficient utilization is our immediate priority. The whole of Europe is excessively dependent on energy supply. The prices of energy sources are rising uncontrollably. This is affecting the competitiveness of our business. Climate deterioration is already a reality. We cannot delay any longer.

Already in 2006 the European Union recognized this problem and its consequences for the future. The decision was taken to introduce initiatives to increase energy efficiency. Each of the member states undertook to achieve the 9% index in the ninth year of implementation of this Decision.

Please allow me as the host to raise some questions for discussion by those attending this year's meeting. What strategy do we have for increasing energy efficiency? How do the countries with a transitional economy view this strategy? Can we be guided solely by our own countries' interests in this question? How can the tasks of transforming the economy be reconciled with the tasks of increasing energy efficiency? What economic strategies will allow us to guarantee continuous economic growth and the proper conditions for human development? How should financial resources and new technologies be employed?

Ukraine is laying the foundation for continuous economic growth. The structural reforms that Ukraine has lacked are beginning to be introduced by our government. In spite of the increasing prices of energy resources and the crisis on the world financial markets, the country is demonstrating adequate reserves of strength and positive development trends.

The challenges facing Europe and the world have not passed us by, however. These challenges are the inflationary processes and slowing-down of economic growth, the negative trends on the stock and mortgage markets. I hope that during this year's forum we will find a common answer to these challenges.

We are once again opening our country to the world, and especially to investors, our important partner in the development of Ukraine. My government's programme, "The Ukrainian breakthrough – for people, not politicians", has identified collaboration with business as one of the main priorities.

We have set up a Board of Investors attached to the Cabinet of Ministers, within which regular consultations are held with business. This collaborative effort has resulted in decisions and draft laws to improve the investment climate in Ukraine.

In this context I want to thank the EBRD for yesterday's Investment Forum, which was attended by representatives of business circles all over the world. I am sure that they will have sensed the enormous changes that have taken place in Ukraine in the last few years. I am convinced that they will have realized the investment opportunities that are available in Ukraine, especially in connection with the holding of the Euro 2012 championship. I am grateful to them for the open dialogue and for their willingness to invest in our country.

I want to reiterate my position – Ukraine is open to investors. My government is doing everything possible to bring Ukraine's investment potential to fruition.

In this context our collaboration with the European Bank for Reconstruction and Development is extremely important. Today we are partners in 160 large-scale investment projects. We are collaborating in the development of the energy sector and the transport and urban infrastructure. This is a sign of the EBRD's confidence in the reforms that the government is putting into effect.

Of particular importance is the opening of the EBRD's Resident Office in Dnipropetrovsk. This will provide a stimulus for the development of Eastern Ukraine.

In particular I would like to highlight the Bank's continuous efforts to guarantee the nuclear safety of Ukraine. The EBRD is helping us to increase the

operational reliability of the units at the Khmelnytsk and Rivno nuclear power plants. The EBRD itself is administering the resources of the Chernobyl Shelter Fund and the Nuclear Safety Account. I would like to applaud the Bank's plans to examine questions relating not only to administration but also contributions in future years.

The EBRD is the biggest investor in our region and the only one that is able to mobilize a significant volume of foreign investment and technical aid from many different sources. That is why I would like in particular to highlight the Special Donor Forum which is being held as part of the EBRD's Annual Meeting. It is extremely important that donors' aid should be focused on initiatives relating to energy efficiency, food security and adaptation to climate change in Ukraine and other countries of the region.

No less important for our region is the stimulation of foreign trade. In this context the EBRD programme to support the development of trade is making it possible to discuss and find an effective way of developing the financing of trade in Ukraine and the CIS countries.

This coincides with the priorities of our government. We are trying to strengthen the positive trends in our trade relations with the Russian Federation and to develop partnership with other CIS member states.

With pride I would like to draw attention to an important step taken by Ukraine towards integration in world markets. On 16 May this year Ukraine became a member of the World Trade Organization. It is an important task of my government to fulfil the obligations that our country has undertaken in relation to the WTO member countries. This will open Ukraine to the world and give better access to world markets for our goods and services.

At the same time, membership of WTO does not merely provide short-term benefits. We have been granted the opportunity to take part in the development of new international rules for trade. Ukraine will become a world player that will determine the future of world trade together with the leading countries of the world.

But the WTO is Ukraine's first step towards integration. We are trying to achieve a significant strengthening of our commercial and economic links with the EC. The EC is our biggest trade partner. At the same time, only the EC is proposing a development model that will allow us to guarantee continuous economic growth and create the proper conditions for human development.

In February this year Ukraine started negotiations with the EC for the creation of a more extensive and comprehensive free trade zone. The abolition of customs tariffs on trade in goods will not be the only thing we will be talking about with the EC. A key question in the negotiations will be that of bringing Ukraine's regulatory environment into conformity with EC standards and rules.

Closer compliance with these standards and rules will open up the EC Internal Market to Ukrainian goods and services (and this will total 450 million consumers and 27% of world GDP). In addition, we expect an increase of 4-7% in general prosperity. The citizens of Ukraine will have more high-quality and cheap goods and services. Transparent and easy-to-understand rules of play for business will stimulate increased investment.

But the greatest positive consequence is the conversion of Ukraine to an area of economic stability. In the first instance for our partners in the WTO, EC and CIS.

I hope that this time again you will find Ukraine a hospitable and friendly European country. **I am sure that the Ukraine of today can play an important role in solving global problems!**

**I wish you success!**