

No Clarity on Gas Price for Ukraine

By [The Moscow Times](#)

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Medvedev strolling with Yanukovich at the Bocharov Ruchei presidential residence in Sochi on Thursday. **Mykhailo Markiv**

President Dmitry Medvedev met in Sochi on Thursday with his Ukrainian counterpart Viktor Yanukovich, but there were no announcements about agreement on the main conflict between the two countries: the price of Russian gas.

"Surely, we will discuss this issue. I believe it is in our best interests, both those of Ukraine and Russia, to find a compromise solution, and we will be trying to find it," Yanukovich said before the meeting.

The Ukrainian president also said the countries' joint Interstate Commission will meet either in September or October this year.

Medvedev seemed to be focused on other issues, saying prior to the summit, "We need also to think about definitively settling the state border issue. We have a lot of subjects for a conversation. Therefore, I believe this conversation should be sincere, open and friendly, just

as it has always been between us."

Yanukovych said bilateral trade might near \$50 billion by year-end.

Meanwhile, the International Monetary Fund announced that it will send a mission to visit Ukraine to review government policies at the end of August, as the former Soviet republic seeks the next installment of a \$15.6 billion bailout.

"An IMF mission headed by Mr. Thanos Arvanitis will visit Ukraine [from] Aug. 29 to Sept. 9 to continue discussions," Max Alier, head of the Washington-based lender's Ukraine office, said Thursday in an e-mailed statement.

Ukraine was granted its second IMF bailout in three years last July after the global recession cut demand for its exports, including steel, and the budget deficit swelled. So far, it has received two payments totaling \$3.4 billion. A third, expected in March, was delayed after the government failed to raise the retirement age and increase household energy prices to help balance the budget, conditions set by the lender.

Having approved a pension overhaul in July, Ukraine "hopes to find understanding on gas prices," Iryna Akimova, first deputy head of the president's staff, told a news conference in Kiev on Thursday. The IMF may release \$3 billion by the end of September, Deputy Prime Minister Serhiy Tigipko said June 22.

(Interfax, Bloomberg)

Ukraine's gross domestic product growth this year is forecast at 4.7 percent to 4.8 percent, owing to the renewal of investment inflow, the deputy head of the Presidential Administration, Irina Akimova, said at a briefing in Kiev on Thursday, Interfax reported.

"The GDP [growth] rate will come to 4.7 percent to 4.8 percent by year-end. This is a reliable figure," she said.

Akimova said the gradual restoration of both domestic and foreign investment makes this forecast for economic development realistic.

She also said that earlier reforms would produce tangible economic results in the second half of 2011.

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