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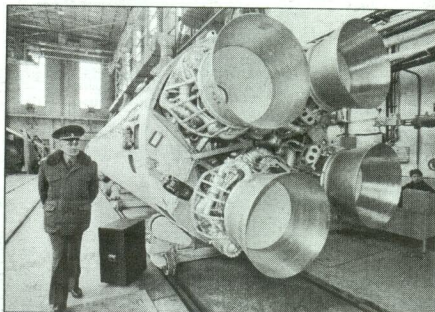
Pervomaisk poisoning

DEADLY CONTAMINANTS

PERVOMAISK. The territory of five villages situated near Pervomaisk, Mykolaiv Oblast was declared an environmental disaster zone this past week. This status was assigned to the region after more than 400 cases of people falling ill with toxidermatosis of unknown origin were recorded over a period of two months. These include 168 victims from Boleslavchyk, 93 from Chausovo, 47 from Pidhirya and 61 from Michurino. Experts must now determine whether the source of contamination is waste dumps on land once occupied by defense missile silos, as doctors are insisting, or the after-effects of pesticides used in farming. Doctors have been called upon to give answers as to the true cause and possible consequences of this epidemic.

The Danger Zone

The world would never have found out about the existence of those villages located in the flood-lands of the southern Buh and Sinyukhin rivers, 10-15km from Pervomaisk, had the number infected with the strange disease been lower. But in June there was a wave of disease that is afflicting the village residents at an ever growing rate. Victims are being diagnosed with "toxidermatosis of



Where did all the fuel go?

Photo: K. Khivrenko

unidentified etiology". Yet more victims from the neighboring villages of Chausovo, Pidhirya and Michurino have checked in to the regional hospital where doctors are diagnosing them with "acute exogenic poisoning by an unidentified chemical substance, toxidermatosis and toxic affections of the liver and pancreas."

Notwithstanding, the public only learned of these ailments in July, despite the fact that independent ecological organizations provided information that symptoms of the disease were detected three or four months ago. Over the summer, the number of cases grew rapidly and it was difficult to contain the epidemic.

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IMF relations

Does Kuchma want funding?

KYIV. Sept. 10 marks a year that Ukraine has survived without foreign loans. That same date in 1999, the IMF suspended loan assistance to Ukraine under the EFF lending program. At the same, Ukrainian officials assured that the suspension was not associated with problems in relations between Ukraine and international financial institutions. For example, then premier Valeriy Pustovoitenko reaffirmed that the IMF was waiting for the results of the presidential elections held Oct. 31, 1999 – a common practice for the fund. President Leonid Kuchma announced immediately after his election to a second term that Ukraine cannot survive without IMF lending. "The IMF and World Bank offer the lowest interest rates on loans that are suitable to us," Kuchma stated immediately following his inauguration. Today, the president's opinion on the problem of renewing IMF financing of Ukraine has changed dramatically.

With Or Without You

Commenting on the repayment of nearly US \$100mn to the IMF by the NBU on Aug. 29 of this year, President Leonid Kuchma stressed that he would gladly settle with the IMF prematurely if such a possibility existed. He also reaffirmed that Ukraine has demonstrated in the past year that it can go without foreign lending. In fact, the topic of Kyiv's independence from foreign loans has become extremely popular among government bureaucrats and senior officials in the presidential administration. First Vice Premier Yuriy Yekhanurov, who is responsible for relations between Ukraine and the IMF, stated Aug. 30 that the Cabinet is ready to wind up the fiscal year without foreign lending. He traditionally expressed his hope that IMF funding would be renewed in October, though Yekhanurov made it clear that the government is not counting

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A revived town after Chernobyl

company	percentage of private market
Lotos	29.5%
SportTovary	10.9%
TransNafto Produkt	7.9%
Maket	7.0%
Atma-Farm	5.8%
Viktor	5.0%

paid services 1999	
housing	61.6%
communication	20.8%
household	4.5%

The total value of these services was Hr 9.54mn.

One of the major companies in Slavutych is the ATASS open joint-stock transport company with its regional monopoly and three subsidiaries: ATASS international transport, ATASS commercial enterprise, and ATASS local transport. In 1999 the company transported 86,900 t of cargo worth Hr 809,200, and 1.58mn passengers for Hr 2.69mn. This was an overall drop from 1998 of 34.8%. The ATASS vehicle park is composed of:

large and small buses	62
light vehicles	48
cargo vehicles	50
total	160

Communications

Communications in the city are handled by the local telephone exchange and MiskTelecom. A recent survey of business activity for 1999 showed that both were profitable, although the number of services provided dropped from the previous year. Money transfers accounted for 39% of the profits generated by the local telephone exchange. However, debts receivable as of Jan. 1 totaled Hr 1.52mn, of which the general population owed Hr 646,100.

Capital investment in construction projects in the city totaled Hr 4.58mn. A new residential apartment block with 20 flats was

opened in 1999 with a total area of 1,180 sq m. The total area of residential space is 414,000 sq m. The level of consumer payments for rent and services is unusually high for the country, which has allowed the local housing authority to supply 85-95% of heating, running water and garbage removal. Nevertheless, the services system runs a deficit.

registered business activities in 1999 by legal entities

trade-intermediaries	49.7%
construction-repair	20.4%
transportation	16.4%
manufacturing	6.2%
household services	4.9%
science	1.3%
printing services	0.6%
other	0.5%

by private individuals

trade-intermediaries	83.6%
household services	7.1%
transportation	3.1%
medical services	3.1%
legal services	1.0%
manufacturing	1.0%
construction-repair	0.1%
other	1.0%

The value of consumer products manufactured in 1999 was Hr 1.6mn, or Hr 389,300 less than in 1998. Paid services in the private sector totaled 11% of all paid services, but 80.6% of all household services. Banks employed 1,500 people, and non-legal entity businesses – 2,300 persons.

businesses

type	1998	1999
registered	142	158
legal entities	62	59
private individuals	80	99
employed	2,200	2,300
% of total employed	15.3%	16.2%
value of goods	Hr 1.6mn	Hr 1.2mn
retail turnover	Hr 9.8mn	Hr 1.3mn
% of total turnover	30.1%	38.5%

Special Economic Zones

The Presidential Decree on Slavutych SEZ until 2020 was approved by the Verkhovna Rada June 3, 1999. The SEZ's main purpose is to create jobs for ChAES workers when the plant closes at the end of 2000. Slavutych's status as a Special Economic Zone has motivated local authorities to accelerate privatization and prepare the way for investments. Thus, in 1999 the speed for registering the business activities of private individuals was increased, the number of private businesses and limited liability companies grew, while the number of collectively owned enterprises remained the same, and the number of companies involved in job creation also increased.

Nine business projects are currently underway in the SEZ and have so far generated Hr 500,000 for the local budget:

- new manufacturing skills development;
- manufacture of polymer-covered metal

structures;

- a new office supplies store;
- a multi-purpose enterprise;
- bread, candy and meat production;
- fish processing;
- milk production;
- a sewing factory;
- a paper-making enterprise.

The total investment is US \$5.47mn and 549 jobs have been created thus far. For the food products projects, the Slavutych and Nikor companies are already operating, and Vlad and Datex are now producing paper products.

In the area of economic development, Slavutych has opened an international business development center called Slavutych in the 21st Century, which includes an agency or 'business incubator' devoted to business development, the SEZ administration, offices of the joint EU-Ukraine-USA Action Plan project for dealing with social problems related to the ChAES disaster, and the Slavutych-Chornobyl AES Development agency. There is also a hi-tech venture run by the Arbis company which specializes in manufacturing laser equipment for medicine and science.

For a Healthy Town

So far, 3,897 of 7,621 flats have been privatized, and in 1999 alone, 591. Slavutych has 4 schools with 5,600 students, and nine licensed vocational programs.

On the cultural side, the city hosts an international children's art festival and the children's television program Golden Autumn of Slavutych which features a variety of themes performed by children.

Located near a dying nuclear power station, health is naturally a major concern and a number of special medical centers have been established. International assistance helped create two international laboratories researching nuclear technology, and radiation and the environment. In 1994, the World Health Organization began funding its Healthy City project, devoted to health education and health care for children. In fact, the international organization World Ecoform recently awarded Slavutych a gold medal for achievements in rehabilitation and in preserving the local environment. •

– S. Vlasenko

Environmental safety

Waste not, want not

Economic development of every country in the world is accompanied by environmental contamination. Natural resources are consumed in the production process; following processing numerous wastes remain. A significant issue for Ukraine, particularly in the time of economic crisis is understanding environmental problems.

THIS WEEK IN BRIEF

PUSTOVOITENKO JOINS FRAY

KYIV. People's Democratic Party head Valeriy Pustovoitenko claimed that President Kuchma must establish special control over the Fuel and Energy Complex. According to Pustovoitenko, only special presidential control from will allow the state to get over crises in the sector. Pustovoitenko asserted that Yushchenko's government has lost control over events on energy market and Ukraine is on the edge of energy catastrophe. (O. Yurchuk, Aug. 30)

VR CAN COOPERATE ON BUDGET

KYIV. First Deputy VR Head Viktor Medvedchuk said the Verkhovna Rada has good opportunities to find common ground with the government through compromise. He supports Viktor Yushchenko's statement that adopting the 2001 budget will be very complicated since the budgets are not easily passed by the VR. Medvedchuk said the deputies will improve the document from the government's viewpoint to adopt the budget most profitable to the country. (UNIAN, Aug. 30)

EEF LOAN RENEWAL

KYIV. Ukraine hopes to receive more loans from the IMF in October, said First Vice-Premier Yuriy Yekhanurov. He stated that if this happens, the government can calmly finish the financial year. (O. Yurchuk, Aug. 30)

TRADE WITH IRAN IS GOOD

KYIV. Ukraine is interested in increasing imports from Iran, mostly through fuel delivery said First Vice Premier Yuriy Yekhanurov. According to Yekhanurov, one of the most profitable ways to increase goods turnover between the countries will be in payments for Iranian oil by Ukrainian goods. He also said that investment cooperation between Iran and Ukraine has good prospects since Ukrainian enterprises have solid experience in completing large industrial objects. (UNIAN, Aug. 30)

DECLINE IN EURO

KYIV. The Euro's decline will not affect the Ukrainian market, according to a poll of top Ukrainian banks. Most of the experts polled stated that the drop in the European currency does not threaten the Ukrainian market, since US dollar deals account for the majority of trade. Experts believe that by year's end the EURO/US \$ rate will be 0.8. (UNIAN, Aug. 30)

BUSINESS REGISTRATIONS BOOM

KYIV. 34,000 new small businesses were registered in 1999 compared to 150,000 over the previous 8 years, stated State Committee on Entrepreneurship Chair Oleksandra Kuzhel. This growth is from presidential support for entrepreneurial activities as well as new regulatory policies. According to IFC research, the number of audits of small business decreased as well as their tax rates, which encourages the growth of entrepreneurial activity. The only factor limiting the development of small businesses is the pressure of local administrations said Kuzhel. (P. Nesterenko, Aug. 30)

Tip of the Iceberg

The environmental issue at energy companies in Ukraine is only the tip of the iceberg. Of all the harmful substances emitted into the air in 1999, 36.2% were attributable to the generation of electricity and a significant part was generated at thermo-electric stations.

The energy companies have an effect on the environment at all stages of extraction and utilization of fuel. A thermo-electric station consumes large quantities of oxygen from the air. The combustion gases transfer the main part of the heat to the boilers of the electricity installation, a part of the heat is lost to the air and part is carried by the exhaust combustion gases out the smokestack into the atmosphere. Combustion products released into the atmosphere contain nitrogen, carbon and sulfur oxides, hydrocarbons, steam and other products in gas, liquid and solid states. Table 1 shows the average atmospheric contamination at TES while operating on various types of fuel.

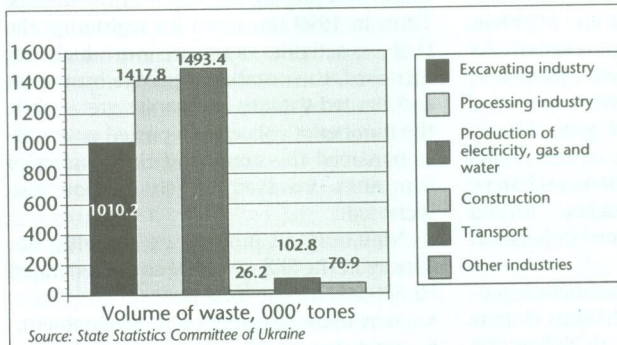
Atmospheric contamination at TES while operating on different fuels, g/kWh

Combustion Product	Fuel type			
	Bituminous coal	Lignite	Burner oil	Natural gas
SOX	6.0	7.7	7.04	0.002
NOX	21.0	3.4	2.4	1.9
Hard parts	1.4	2.7	0.7	-
Fluoride compounds	0.05	1.11	0.004	-

Source: International Institute of Applied Systemic Analysis

In addition to the atmospheric effects, significant areas of land are used for ash dumps, which leads to intensive contamination of the soil and local surface and ground waters have a dangerous effect on the environs of a TES. Both dust pollution and fuel emission by-products are possible during transportation and storage. The creation of slag and ash have different effects on the environment. Currently, ash dumps comprise 3,000 ha of territory and contain 300,000 t of ash/slag. The annual ash waste of 12mn t, adds to the negative effect on the TES surroundings.

If the ash level in coal delivered by the coal mines in Ukraine is not reduced in the near future, the waste at ash dumps will significantly increase and lead to a rapid overflow. This will make increasing the share of coal in the energy - fuel balance more difficult.



In Hot Water and Ash

The interaction between the TES and the hydrosphere is characterized by the consumption of water by the water supply system, including the consumption of water. Turbine condensers take up most of the energy generated at TES. In addition, waste heat has a negative influence on the hydrosphere. The after effects can be a continual localized increase in temperature in river basins, temporary rises in temperature, changes in ice-melting and the winter hydrological regime, a change in high-flood conditions, a change in precipitation, and generation of steam and fog. Besides climate changes, waste heat leads to a rise in water temperatures and a reduction in the dissolved oxygen levels, which threaten the ecosystems in rivers and lakes.

The main impacts of a TES on the landscape are solids and liquid solutions and the use of lithospheric resources, including cutting forests for fuel, fuel extraction activities, and removal of farm land from production during construction of TESs and ash dumps. The consequences are changes to the landscape.

The installation of equipment at energy stations under the Energy Ministry is made up of energy units of 150, 200, 300 and 800 MW. The majority of TESs in Ukraine were designed to burn solid fuel, which consists of 80% of the established capacity. Currently, all boilers are operating on the designed fuel. The low quality of coal has led to all coal fired boilers being supplemented with 30% natural gas and burner oil for stabilizing combustion at low output in furnaces. The cleansing systems for exhaust gases at TESs were designed in the 1960-70s and do not comply with state-of-the-art requirements. There is no systems for removing sulfur or nitrogen oxides from boiler gases at TESs in Ukraine. The only boiler exhaust gas cleaning is the removal of ash.

In market economic conditions, the use of active organizational and economic methods should serve as a promising means of enhancing the environmentally safe operation of energy stations. These include introducing mandatory quality standards for coal supplied to TES by coal mines, implementing flexible and economically sound differential tariffs for the use of thermal and electric energy, setting up a system of payments for the use of water, land and air by energy stations, the introduction of fines and penalties for exceeding emission limits, as well as the implementation of environmental components to tariffs and the price of electricity. The interaction of these factors in a market system will facilitate the economical and environmentally sound operation of thermo-electric stations

- Y. Brydun