EXHIBIT 4

Country:	**Ukraine**
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Report Title:	UKRAINE COUNTRY COMMERCIAL GUIDE FY 2002
Chapter #:	1:
Chapter:	EXECUTIVE SUMMARY

Ukraine is a country of nearly 50 million people in close proximity to the markets of Central and Western Europe and the Middle East. The country's vast agricultural potential, its highly educated population, its transportation networks and the technological infrastructure it inherited from the Soviet Union provide Ukraine with excellent preconditions for strong economic growth. Upon gaining its independence in 1991 Ukraine focused attention on consolidating its nascent state and did not implement the types of deep structural reforms that laid the basis for rapid economic growth in some parts of Eastern Europe. Instead, it adopted a "go slow" approach to economic reform that led to nine years of successive economic declines. While the pace of reform has accelerated since early 2000, Ukraine is still far from joining the ranks of the world's developed market economies. Having taken serious strides toward fiscal and monetary stability which have stimulated significant economic growth, Ukraine must now create a strong legal basis for a market democracy in order to compete effectively for capital with its neighbors.

After contracting in every year since independence in 1991, Ukraine's economy started growing in 2000, with real GNP growing by 5.8%, and industrial output, disposable income, and consumer spending all growing by double-digit figures. The pace of growth has accelerated thus far in 2001, with year-on-year growth in the first half of 2001 at about 9 percent. At the same time, inflation dropped to 5.3% in the first six months of 2001 -- down from over 20 percent in the same period of 2000. The national currency, the hryvnia, has remained stable, and even appreciated slightly in 2001 as the demand for money increased with the growing economy. Ukraine's external economic situation remained sound as the trade surplus and foreign currency reserves both grew as foreign debt declined.

... the main factors behind Ukraine's ... partner, boosted Ukrainian exports. At home, pension and wage arrears were paid off, lifting consumer spending and consumer confidence. Food products and consumer goods industries are now the fastest growing sectors in Ukraine. Increased consumer confidence is also being reflected in the troubled banking sector with household bank accounts increasing by 45 percent in the first half of 2001. Business confidence in general is up as well, as evidenced by the strong growth in new business registrations, mostly in the small- to medium-enterprise sector. Growth was also fueled by the first successes of the reform-minded government that came into power in early 2000. Cash collections and transparency were improved in the notoriously corrupt energy sector, and new legislation was enacted which should simplify the licensing of business activity.

A lengthy period of political uncertainty distracted the government and parliament away from the real work of reform in late 2000 and early 2001. Despite the level of anxiety among business circles and foreign investors, however, economic growth continued throughout the crisis (although its pace has increased as the political situation has calmed). The political unrest began in the fall of 2000 with the disappearance and subsequent confirmed death of a journalist, and with allegations of presidential involvement in the journalist's death. Preoccupation with the scandal and subsequent political infighting led to a virtual halt in the forward progress of reforms in many areas and even reversals in some.

After the government of the reform-oriented Prime Minister Yushchenko fell to a no confidence vote in April of 2001, many observers feared that political forces in the Rada were arrayed in such a way as to make approval of a new reform-minded Prime Minister impossible. Many in business and media circles predicted that any new government would simply serve as a caretaker until the Parliament elections in March of 2002 and would therefore lack the political power to rejuvenate the reform agenda. As of mid-2001, these fears appeared to have been unfounded. Immediately upon assuming office in May, Prime Minister Kinakh declared his intention not only to maintain the reforms of the Yushchenko era, but to accelerate them. Within just a few months, President Kuchma and Prime Minister Kinakh have successfully lobbied the Rada to pass key reform legislation, including a very progressive budget code, the first three books of a comprehensive civil code that will help bring order to fundamental commercial matters such as contract law, and a new and more effective criminal code. In addition to these major legislative achievements, the government managed the passage of less notable but still significant pieces of legislation such as laws aimed at streamlining and standardizing the product certification process and laws to reduce government regulation of the economy.

While these reform successes are welcome, they represent the beginning rather than the end of what will be a long process. At present, the investment and business climate in Ukraine remains fraught with difficulties. A large overhang of underutilized industrial capacity facilitated the economic growth that began in 2000. The economy is likely to run into trouble within the next two years as remaining excess capacity is put back into production unless the pace of new investment picks up. Unfortunately, the investment climate in Ukraine remains poor with both domestic and foreign direct investment hampered by a number of structural barriers. Ukraine's complex and contradictory tax system as well as the overall high tax rates are cited by both foreign and domestic businesses as a major deterrent to investment. As in many other transition economies, the rule of law in Ukraine remains in its infancy. While the government is attempting to pass new basic legislation to help improve the independence and professionalism of the judiciary, courts remain very weak and subject to political and other pressures. Allegations of unfair rulings in commercial cases are common. While private ownership of land is enshrined in Ukraine's constitution, a land code laying out the legal foundations of private property and well as the foundations of a market for land has yet to be passed. The legal basis for corporate governance is weak and minority shareholders have almost no legal ability to protect their interests. Rules governing privatization will need to be applied more consistently and with more transparency if Ukraine is to realize its dream of using foreign direct investment to privatize and revitalize former state enterprises. The shadow economy remains large, with many observers estimating that it is as large if not larger than the "official" economy.

Corruption acts a severe brake on investment. Ukraine consistently ranks among the most corrupt countries in Transparency International's annual review of transparency and corruption. A World Bank study published in 2000 ranked Ukraine among the worst Eastern European nations in terms of both administrative and state capture corruption. The World Bank defines administrative corruption as the taking of bribes and other illegal payments. In a 2000 business survey conducted by the International Financial Corporation (IFC), 100% of firms responding indicated that they had been compelled to pay unauthorized fees to obtain basic government services such as business permits, fire inspection reports, etc. An aggressive campaign instituted by the government of Ukraine to reduce over-regulation is leading to a decrease in administrative corruption but much remains to be done. Many observers believe administrative corruption must be addressed in tandem with the problem of unrealistically low government wages. As long as members of the Cabinet of Ministers make only about US$300 per month while police and other inspectors often make as little as $30, stamping out administrative corruption will remain difficult. Many observers believe that state capture corruption represents a more severe threat to economic growth and foreign investment. The World Bank defines "state capture corruption" as occurring when politically influential individual or groups use their power to appropriate for themselves sections of the economy. In Ukraine, a group commonly referred to as "oligarchs" control a significant portion of the economy, particularly in the spheres of mass media, energy and heavy industries such as steel and chemicals. Many of these oligarchs enjoy immunity from prosecution thanks to their seats in the Rada (parliament).

Despite the many hurdles they face, U.S. companies have consistently remained at the top of the list of foreign direct investors in Ukraine and have remained active in seizing the opportunities offered by Ukraine's growing economy. Growth prospects and investment opportunities are particularly strong in IT and telecommunications, food processing and packing, textile cutting and sewing, woodworking, furniture and building materials, automotive parts, pharmaceuticals, medical equipment and aerospace. In addition, the Department of Commerce's Foreign Commercial Service has identified significant investment opportunities in the fields of electrical power systems, energy efficiency, and oil and gas equipment. The U.S. Embassy's Commercial Section intends to promote stronger relationships between U.S. and Ukrainian producers in these business sectors, and plans to have another USA Pavilion at a Telecoms/IT trade show and large catalog shows at leading construction and automotive parts trade expositions.

Although foreigners may at first glance find Ukraine's import regime daunting, experience shows that it is not insurmountable and is comparable to other transitional economies in the region. Importers must pay a series of import taxes, including value-added-tax, import duties and fees, and, if applicable, excise taxes. Import duties are often higher for products that are also produced in Ukraine. Customs valuations generally conform to world standards. While the number of goods requiring specific import licenses has been cut considerably, a large number of goods are still subject to import licensing. There are numerous other non-tariff barriers to trade, including a range of technical and phytosanitary regulations and inspection procedures. A draft Customs Code as well as continuing accession negotiations with the World Trade Organization (WTO) offer hope for easier import procedures and lower tariff and non-tariff barriers in the coming years.

U.S. businesses exporting goods to Ukraine will discover that the country's commercial infrastructure, which still only partially developed, has matured rapidly over the last two to three years. Logistics and distribution networks have improved dramatically, and Western forms of structuring businesses such as franchising, leasing, and licensing are becoming more common. The U.S. Embassy strongly advises U.S. companies to consider using competent legal counsel before and while doing business in Ukraine, since the country's weak and ever-evolving legal institutions and infrastructure have in the past caused [illegible] country. Due to weak corporate governance laws and courts' track records on adjudicating commercial problems, care should also be taken when choosing distribution and marketing partners, and when establishing joint ventures with Ukrainian companies. Dispute settlement can prove difficult, expensive, time-consuming and ultimately unfair.

CCG Customer Satisfaction Survey

U.S. Department of Commerce
International Trade Administration
The Commercial Service

The U.S. Department of Commerce would appreciate input from U.S. businesses that have used this CCG report in conducting export market research. Please review the privacy statement / disclaimers at the bottom of this Web site. Please take a few moments to complete the attached survey and fax it to 202/482-0973, mail it to QAS, Rm. 2002, U.S. Department of Commerce, Washington, D.C. 20230, or Email: Internet [Robert.Opfer@mail.doc.gov].

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* * * About Our Service * * *

1. Country covered by report: ___________

Industry/title: ____________

Commerce domestic office that assisted you (if applicable):

2. How did you find out about the CCG service?
__Direct mail
__Recommended by another firm
__Recommended by Commerce staff
__Trade/state/private newsletter
__Department of Commerce newsletter
__Other (specify): ______________________________

3. Please indicate the extent to which your objectives were satisfied:
1-Very satisfied
2-Satisfied
3-Neither satisfied nor dissatisfied
4-Dissatisfied
5-Very dissatisfied
6-Not applicable

__Overall objectives
__Accuracy of information
__Completeness of information
__Clarity of information
__Relevance of information
__Follow-up by Commerce representative

4. In your opinion, did using the CCG service facilitate any of the following?
__Decided to enter or increase presence in market
__Developed an export marketing plan
__Added to knowledge of country/industry
__Corroborated market data from other sources
__Decided to bypass or reduce presence in market
__Other (specify): ______________________________

5. How likely would you be to use the CCG service again?
__Definitely would
__Probably would
__Unsure
__Probably would not
__Definitely would not

6. Comments:

____

* * * About Your Firm * * *

1. Number of employees: __1-99 __100-249 __250-499
__500-999 __1,000+

2. Location (abbreviation of your state only):______

3. Business activity (check one):
__Manufacturing
__Service
__Agent, broker, manufacturer's representative
__Export management or trading company
__Other (specify):______________________________

4. Value of export shipments over the past 12 months:

__Less than $10K
__$11K-$100K
__$101K-$500K
__$501K-$999K
__$$1M-$5M
__More than $5M

May we call you about your experience with the CCG service?
Contact name: ____
Phone: ____
Fax number: ____
Email: ____

Thank you--we value your input!

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