

Transportation and communications

In accelerating rates

As noted by Nikolay Rud'kovskiy, Minister of transport and communications, analysis of transportation and road complex and communications social and economic development over the first half year of 2006 showed that populous staff of the industry steadily provided high-quality, regular, and reliable transportation and communications services to national economy and Ukrainian society. Activities on creation of real prerequisites for realization of potential competitive advantages of Ukraine in piling of the state transit potential, telecommunication, information, and postal services, as well as development of road and international transportation corridors' network development are quite active.

Ministry of transportation and communications of Ukraine secured growth in railway freight carriages' volumes, processing of freights in international sea ports, communications services, as well as construction and reconstruction of highways in the national network of international transportation corridors in the period under review against the results of the first six months of 2005. International road carriages increased by almost 20%.

Additional non-governmental resources to increase volumes of works on roads of Ukraine were attracted as a result of active cooperation with the European Union, international community, and foreign financial establishments. Road works for the total amount of UAH 1.8 bn were fulfilled over the first half of 2006. It is 1.4 times more than over the similar period of 2005.

Concession agreements on construction and operation of roads Lvov-Krakovets and Lvov-Brody were concluded for the first time.

Citibank loan in the amount of UAH 1.8 bn was attracted in 2006 according to the results of an international tender for construction, reconstruction, and repairing of roads Kopti-Glukhov-Bachevsk, Kiev-Kovel-Yagodin, Kiev-Odessa, Kharkov-Simpheropol-Sevastopol, and Kiev-Kharkov-Dovzhanskiy.

Infrastructure of railway international transportation corridors was modernized in the first half of 2006. Track facilities were repaired and electric power supply systems were upgraded for the total amount of UAH 164 mn. In particular, a part of railway between Korosten and Shepetovka 156 km long was electrified for the first time over Ukrainian independence. Pilot project of computerized reference information and analytical database was installed at state border checkpoint Chop. It secures electronic exchange of information on freights with neighboring states and makes it possible to shorten time of freight customs operations at the border.

Suburban railway station was constructed in Kharkov. Railway stations of Krivoy Rog and Kotovsk, as well as five small stations of Donetsk railway were upgraded. Railway station Darnitsa complex construction, and railway and car bridge across Dnepr erection continues in Kiev. New kind of railway transportation – railway bus – was launched for the first time in Ukraine. Speed passenger trains were launched in 6 routes.

Pursuant to financial plan envisaging efficient program of fixed assets' upgrading, Ukrzaliznytsya (Ukrainian railway) purchased 3.5 ths. of freight and 100 passenger cars for the amount of UAH 1,053.8 mn, 17 electric trains, and 99 cars of diesel and electric trains for the amount of UAH 664.1 mn, and modernized track facilities and railway machinery for the amount of UAH 1.7 bn in the second half of 2006. Design plans and specification of railway construction Izmil-Reni are being developed. Start of construction is planned for the end of the year.

Meanwhile, activities on reforming of railway industry are continued. Complex program of railway rolling stock renovation over 2006-2010 has been approved, while draft Concept of state program of railway transportation development and reform has been already prepared.

Sea transportation industry features change of specialization of existing underloaded terminals and construction of new transshipping complexes in Yuzhnyi, Odessa, Ilyichevsk, Mariupol, and Nikolayev sea commercial ports. Transshipping facilities were put into operation in Ilyichevsk port for the largest in Europe oil and fat integrated works.

Construction of a deep-water way Danube-Black Sea is going on. It would expand access of Ukrainian ships to strategically important European Danube ports without calling Romanian inner waters and provide growth of Danube region economy. By the way, 150 ths. Ukrainians reside in the region.

Activities of seaports also need reforming with delimitation of administration, state, and economic functions, and preparation to port infrastructure privatization.

Further on water area and hydraulic facilities maintaining necessary safety of navigation in zone of port administration responsibility should remain in state property. Sea port administration should control navigation safety and fulfill state obligations assumed by Ukraine. It became one of the main industry priorities in the second half of 2006.

A new draft of the Law of Ukraine "On road transportation" appeared last year thanks to Ministry of transportation and communications efforts. It clearly defines basics of organization and activities of road transportation and basics of relations between car carriages, customers of transportation services, executive bodies, passengers, and owners of means of transportation.

Ukrainian carriers are completely supplied with international carriages' permits with 43 countries in view of creating favorable conditions for business activities. Quotas of international carriages' permits to/from the third states are doubled for Ukrainian carriers if compared with 2005. In general it exceeds the amounts allotted for Russia.

It was planned to complete development and to implement automated system of interregional carriages dispatcher management with a single database on existing routes, carriers, and available vehicles in the second half of 2006 with the aim to improve servicing of passengers.

Works were conducted to modernize Ukrainian airports and to create favorable conditions for development of Ukrainian airlines. Upgrading of terminal B in state international Boryspol airport (departure and arrival zone) was conducted for the total amount of UAH 32.5 mn. Light signaling equipment of runway was repaired in Zaporozhye airport, while outer communication system was modernized. Airport coating and light signaling equipment were repaired in international Simpheropol airport.

Development of leading Ukrainian airports complex strategy and creation of an international transit hub on the basis of Boryspol airport are among priorities for the Ministry in the second half of 2006. Financial resources in the amount of UAH 1.6 bn were concentrated for the development of Boryspol airport.

Communication and informatization spheres are intensively developing in Ukraine. Network of cellular communications grew in rapid rates in 2006. The number of subscribers reached 35.5 mn people. Consumption of communication services per one citizen of Ukraine increased in the period under review by 24% against the results of the first half year of 2005. Mobile communication is settled with Zmeinyi island and in Danube region.

The number of modern communication services is on rise, including Internet kiosks, e-trade, international delivery "Consignment", money orders in currency, and e-orders.

The era of digital signature is opened in Ukraine. The first stage of the technological center of Central verification body was launched. It creates conditions for legitimate sales of electronic state services, electronic document circulation in state bodies, between commercial organizations, banks, and clients, and for e-commerce.

The following are main priorities of communication and informatization sphere in the second half of 2006: maintenance of new communication development level in Ukraine, wireless Internet access (Wi-Fi, Wi-max), development of the draft National strategy of informational

society formation and Concept of state target program of digital television broadcasting introduction in Ukraine. It will satisfy needs of population in multi-program high quality television and radio broadcasting of a new quality level with possibility to provide other services. Also it will become the first step to development and introduction of interactive multimedia broadcasting.

Departments of Ministry of transportation and communications were actively involved in elimination of disasters and natural calamities' consequences, in particular in wrecking works to supply heat to 380 houses in Alchevsk, reinforcement of three out of six embankment parts on Tisa river destroyed by spring flood, urgent wrecking works to resume train movement in the direction Lvov-Solotvino-state border, and in rebuilding of railway bridge across Tisa river.

Mr. Rud'kovskiy asserts that Ministry of transportation and communications managed to reach high results in the period under review. Reformation of the Ministry would be continued. It would secure amplification of industry production potential for establishing of Ukraine as a developed European state.