

Ukraine Local Election Wrap

Yanukovich's party emerges as top vote-getter

Event: Regions is top party in Ukraine local vote

Ukrainians cast their ballots on Sunday for leaders and council members for municipalities, villages and the Autonomous Republic of Crimea. President Viktor Yanukovich's Party of Regions, as expected, appears to be in the lead (36%, GfK Ukraine exit poll). Final results are due by November 6.

Implications: Economic reform is next on political agenda

- With local elections over, the Ukrainian political machine can turn to badly needed and unpopular economic reforms. First up is tax reform, due to be discussed by parliament in mid-November. The legislative process will be scrutinized for transparency and investor friendliness.
- Local election results will have little direct effect on national politics. However, the Party of Region's victory is marred by record low turnout and opposition candidates leading or strongly contesting key mayoral races (namely Kharkiv, Zaporizhyya, Lviv).
- Election monitor reports were mixed, with procedural and organizational issues noted, as well as shortcomings in election laws themselves.

Risks: Parliamentary election moves to 2011

The key risk concerning Ukraine is that parliamentary elections will be rescheduled for 2011, not 2012, potentially stalling any difficult reforms or privatization in the interim. The current parliament was elected in 2007 to a five-year term. However, the Constitutional Court ruled in October that 2004 amendments to the Constitution invalid and reinstated the 1996 Constitution, which foresees only a four-year term for MPs.

Report date 2 Nov 2010

Exit poll results (All-Ukraine)

Party of Regions	36.2%
Tymoshenko Bloc	13.1%
Front of Changes	6.8%
Communist Party	5.9%
Svoboda	5.1%
Strong Ukraine	4.3%

Source: GfK Ukraine, regional council election

Government overview

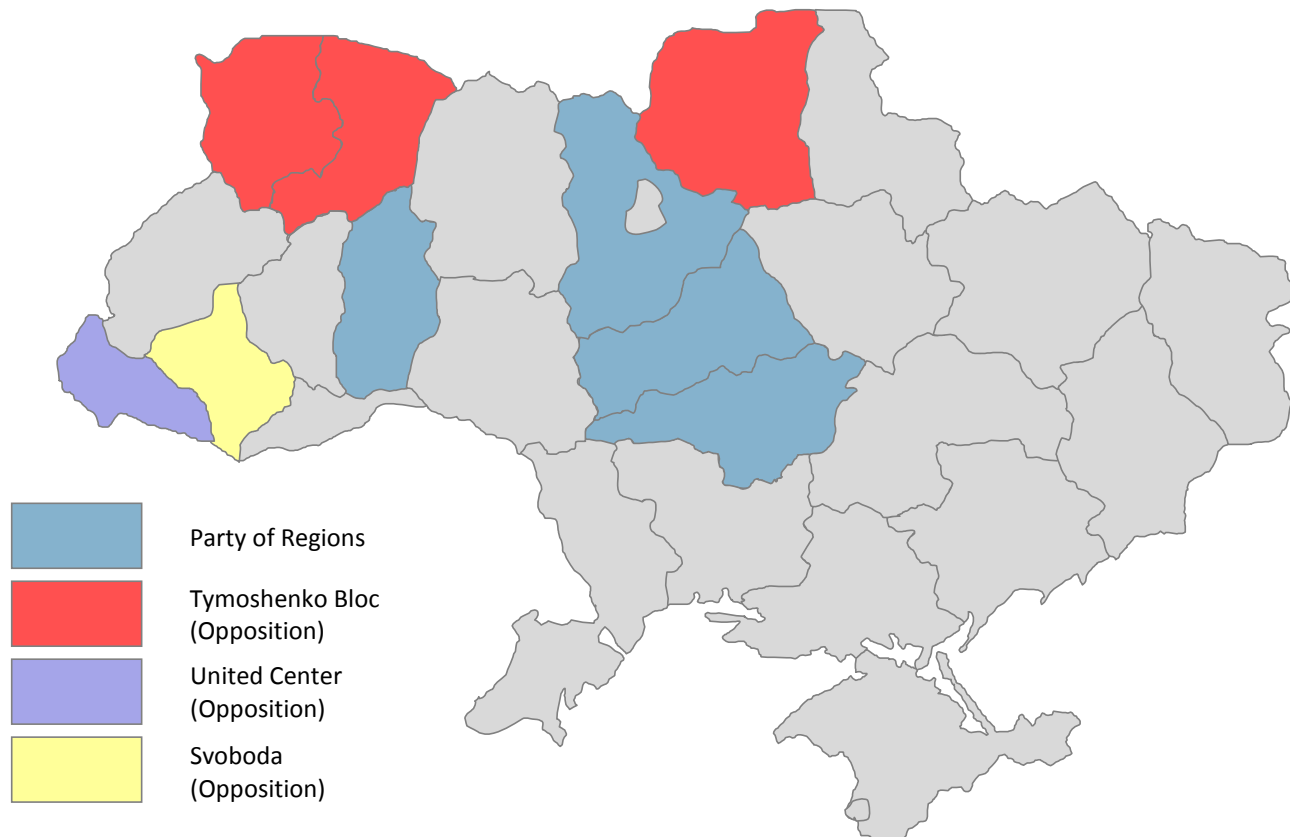
Type	Democratic republic
Format	Presidential-parliamentary
Independence	August 24, 1991

Political watch list

Tax reform	Mid-November
US-EU Summit	November 22

Appendix 1: Exit poll results

Ukraine exit poll results by region, leading political party



Note: Ukraine is administratively divided into 24 regions and one autonomous republic, Crimea. The cities of Kyiv and Sevastopol have special status.

Source: GfK Ukraine

Exit poll results

GfK Ukraine for the political party United Center, regional council seats

Political party	All-Ukraine	Volyn	Zkrpattya Iv-Frankivsk	Kyiv	Kirovohrad	Rivne	Khmelnytsk	Cherkasy	Chernihiv	
Party of Regions	36.2%	15.6%	25.9%	5.9%	23.0%	40.9%	15.9%	21.7%	27.2%	20.3%
Tymoshenko Bloc	13.1%	32.7%	10.6%	15.1%	8.4%	17.3%	25.0%	19.0%	20.8%	23.6%
Front of Changes	6.8%	6.3%	6.9%	14.0%	11.4%	8.2%	4.6%	11.2%	5.6%	6.3%
Communist Party	5.9%	-	-	-	3.2%	5.8%	-	2.6%	3.8%	6.3%
Svoboda	5.1%	10.9%	-	24.7%	7.6%	-	8.5%	5.6%	2.5%	-
Strong Ukraine	4.3%	2.4%	3.9%	-	7.8%	3.6%	3.4%	6.9%	-	4.2%
United Center	1.6%	1.5%	27.4%	0.4%	0.7%	1.3%	1.6%	4.4%	1.1%	0.8%
Against all	7.2%	5.4%	3.0%	4.3%	11.9%	5.5%	6.2%	7.4%	4.3%	6.4%

Survey notes

GfK Ukraine (United Center) exit poll: 43,800 participants at 560 polling stations. Margin of error: $\pm 2.5\%$ - 4.4% .

Appendix 2: Major political parties in Ukraine

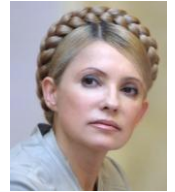
Party of Regions

Leader: Prime Minister Mykola Azarov. Electoral base: East and Southeast Ukraine. Ideology: Pro-Russian, Center-left. Currently controls Cabinet of Ministers and leads a majority in the Verkhovna Rada (parliament).



Yulia Tymoshenko Bloc

Leader: Former Prime Minister Yulia Tymoshenko. Electoral base: Western and Central Ukraine. Ideology: Pro-European, Center-right. Main opposition party.



Front of Changes

Leader: MP Arseniy Yatseniuk. Electoral base: Western and Central Ukraine. Ideology: Centrist. Opposition party.



Communist Party

Leader: MP Petro Symonenko. Electoral base: Eastern Ukraine. Ideology: Pro-Russia, Communism. Parliamentary faction allied with Party of Regions.



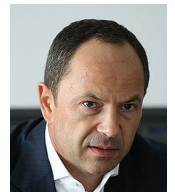
Svoboda Party

Leader: MP Oleh Tyahnybok. Electoral base: Western Ukraine. Ideology: Right, Nationalism. Opposition party.



Strong Ukraine

Leader: Deputy Prime Minister Sergiy Tigipko. Electoral base: Central and Eastern Ukraine. Ideology: Centrist. Allied with Party of Regions.



United Center

Leader: Former Head of the Presidential Secretariat Viktor Baloha. Electoral base: Western Ukraine. Ideology: Centrist. Opposition party.



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