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Ringing in the Old New Year
Actors perform the traditional "Goat Ritual" in Mamayeva Sloboda, the Cossack-themed park in Kyiv on Jan. 14. The ritual is a Ukrainian tradition to celebrate Malanka, or the Generous Eve, on Jan. 13. A group of carolers walks a man dressed as a goat from one house to another, singing carols and wishing wealth and health to the hosts. The goat is a symbol of fertility. Ukrainians have the best of both worlds in extending the Christmas and New Year's holidays. Under the discarded Julian calendar, Christmas falls on Jan. 7 and New Year's Day – or Orthodox New Year – is on Jan. 14. Consequently, celebrations last for three weeks. (Kostyantyn Chernichkin)

Peace remains elusive despite renewed push to end conflict

BY OKSANA GRYTSENKO
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The West may be determined to bring Russia's war against Ukraine to an end, or at least to a more manageable state, in 2016. But it's not clear that Russia feels the same way.

Western leaders have again urged both Ukraine and Russia to fulfill the second Minsk truce, signed on Feb. 12, yet widely ignored.

On Jan. 13, U.S. President Barack Obama in a telephone conversation with his Russian counterpart Vladimir Putin urged Russia to fulfill its side of the deal, while German Chancellor Angela Merkel and French President François Hollande

more **Peace** on page **16**

Poroshenko justifies his decision to keep Shokin

BY OLEG SUKHOV
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President Petro Poroshenko on Jan. 14 defended his decision not to fire Prosecutor General Viktor Shokin, who has failed to investigate and prosecute high-profile criminal cases since his appointment in February.

Speaking at a Jan. 14 news conference, Poroshenko didn't challenge arguments that Shokin is a failure. Instead, he said that the Prosecutor General's Office would become less powerful as prosecutors are deprived of anti-corruption and investigative functions.

Shokin has come under intense fire because he has failed to take a single corruption case against ex-President Viktor Yanukovich and his top allies

more **Shokin** on page **2**

No Revolution Here: News Media In Ukraine Remain In Same Hands

Editor's Note: The following is an investigation conducted with the support of Objective Investigative Reporting Project, funded by the Danish Ministry of Foreign Affairs. Oksana Lyachynska is a freelance journalist and former Kyiv Post staff writer. Re-publication of this story is encouraged with proper credits.

BY OKSANA LYACHYNSKA
OKSANA.LYACHYNSKA@GMAIL.COM

The new, post-revolutionary Ukraine looks a lot like the old Ukraine in many areas – courts, prosecutors and Soviet-style bureaucracy – but also, conspicuously, in media ownership.

Press freedoms have gained ground since President Viktor Yanukovich fled into the night on Feb. 21, 2014, capping the EuroMaidan Revolution. Ukraine's new political leadership shows less appetite for the state-sponsored censorship and harassment of journalists that characterized Yanukovich's four-year rule.

In fact, Ukrainian journalists are doing a far better job than state institutions – namely prosecutors, judges and police – in exposing corruption. And some of Ukraine's best journalists and civic activists – Sergii Leshchenko, Svitlana Zalishchuk, Mustafa Nayyem and Hanna Hopko among them – are now in parliament, putting them in a better position than ever to blow the whistle on corruption around them.

News organizations such as

Guide to ownership of Ukrainian news media, pages 6-9

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Ukraine enters 2016 with lots of unfinished business

BY YULIANA ROMANYSHYN
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Three groups get credit for pushing through pro-democratic reforms last year, according to Yaroslav Yurchyshyn, advocacy expert at civic group Reanimation Package of Reforms. They are pro-reform officials, Western governments, and advocacy groups.

Much remains to be done to make government more accountable, open and graft-free. Required measures include stripping lawmakers and certain judges of prosecutorial immunity, changing the election system, and selling off more than 1,500 state-owned enterprises. Changes to the Constitution could also happen this year.

The following are highlights of the successes and failures:

Key successes: Free trade zone with European Union

As of Jan. 1, customs duties were removed on most imports and exports of Ukrainian and EU products.

Elimination of electric car duty

Government cancelled customs duties on electric cars.

Identification card

Instead of passports, Ukrainians who



Deputy Economy Minister Maxym Nefyodov gives thumbs-up to members of parliament after they approved the 2016 budget on Dec. 25. ProZorro, an online system of transparent public procurement championed by Nefyodov, was approved as part of the legislation for all state purchases. (Ukrinform)

are 16 or older will receive an identification card with biometric data, something all Ukrainians will get by 2019.

The card will digitally store such information as a driver's license, medical insurance, subsidy and pension information. "It will be easy to renew a card if it is lost," Yurchyshyn said.

Public procurement through ProZorro

All state purchases will shift to the online platform ProZorro, which was launched in February. The public will be able to monitor all state procurement tenders, excluding secret military orders. According to Deputy Economy Minister Maxym Nefyodov, this will increase transparency and reduce corruption, while saving \$200 million in taxpayers' money in 2016.

Civil service

Future civil servants will be appointed competitively. Moreover, all ministers, their deputies, the prime minister, president, and lawmakers are no longer classified as civil servants as of Jan. 1. The law also doesn't allow civil servants to belong to a political party and limits the length of service of high-ranking civil servants.

Decentralization

More functions and power were delegated to local and regional governments. The reforms also pave the way for local businesses to get registered locally.

Audits of political parties

Applying for state funding, a political party will be forced to report its property, number of employees, salaries and expenditures on public events, etc. Parties will also have to submit to international audits.

Police expansion

This year, the national police, which was formed in July in Kyiv, will be present in all big cities and even in the Donbas, including the cities of Sloviansk, Kramatorsk, and Mariupol.

Traffic fines

A flexible system of fines for violating traffic rules will be introduced on Jan. 16. Those who pay for minor violations within 20 days will be granted a 50-percent discount. If the fine is not paid within a month, the amount doubles. Citizens may also pay a fine to the police officer issuing the ticket.

Recognition of labor migrants

For the first time, the Ukrainian parliament recognized the existence of migrant workers abroad, their rights, and guaranteed commitments to them and their families.

Transparent media

The law on media privatization aims to remove state and local councils as media owners. According to the media group at Reanimation Package of Reforms, approximately 550 newspapers remain under government control.

Their privatization has to be finished by the end of 2017. Also, the owners of media are required to reveal their names.

Pension limit

Pensions will be capped at Hr 10,740. "The subsistence minimum level will continue to grow, so we suppose that pension level should not exceed reasonable limits," Social Policy Minister Pavlo Rozenko said.

Key failures: Electoral system

Ukrainians were deprived of the opportunity to vote for specific candidates, and instead must vote for party lists in future elections.

Judicial reform

Few of the nation's 10,000 judges were fired or replaced.

Immunity

Lawmakers and certain judges still enjoy prosecutorial immunity. "Lawmakers have to have immunity for their political positions," Yurchyshyn said, but not their crimes.

Privatization

State-owned businesses are often used for corrupt schemes and are often unprofitable, costing the state money. Many want them sold through transparent and competitive auctions.

Visa-free travel

The possibility to travel to European Union without needing a visa is at risk after lawmakers snuck a provision into the 2016 budget law to delay electronic public declarations of assets.

Combating corruption

The National Agency for Prevention of Corruption, expected to be formed in 2015, is still not staffed and working.

Prosecutorial reform

Attempts to reform the Prosecutor General's Office failed, Yurchyshyn said. He noted that among the newly appointed chiefs of regional bureaus, 83 percent were previously prosecutorial heads. The remaining 17 percent came from lower management positions. "No one outside the system was appointed there," Yurchyshyn said. ■

Rather than fire Shokin, Poroshenko opts to weaken prosecutors' powers

Shokin from page 1

to trial, along with a host of other high-profile suspects, including allies of Poroshenko and Prime Minister Arseniy Yatsenyuk.

Another critique is that little progress has been made on the investigation into the murder of more than 100 protesters during the 2013-2014 EuroMaidan Revolution that prompted Yanukovich to flee power.

"Over the whole 25 years of independence, there has been no prose-

curator general that society was happy with," Poroshenko said. "I won't go down the path of replacing the prosecutor general."

Instead, he said that he would change the law enforcement system.

However, even on that score, Shokin is accused of derailing reform and installing loyalists. More than 80 percent of top local prosecutors chosen in a recent hiring process turned out to be incumbent top prosecutors, and not a single person from outside the prosecutorial system was hired.

Poroshenko boasted that Ukrainian authorities had created an independent Anti-Corruption Bureau in April and appointed an anti-corruption prosecutor in November. But Poroshenko did not mention that lawmakers and Western officials had accused Shokin of trying to sabotage that appointment.

At the news conference, Poroshenko also signed a law transferring investigative functions from the Prosecutor General's Office to the yet-to-be-created State Investigation Bureau. ■

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With cyberattack on power, Russia diversifies its attack

BY ALLISON QUINN
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Ukraine may now have more to fear than a shooting and trade war from Russia.

A month after Ukrainian activists cut off power supplies to Russian-occupied Crimea, a cyberattack on a regional power grid in western Ukraine left about 80,000 people without power for six hours in 289 settlements on Dec. 23.

Experts say the digital stealth war could be the start of a more ominous era of cyberwarfare.

Although Russian hackers have previously been blamed for attacks on Ukrainian government websites, the cyberattack on Prykarpattyaoblenergo in Ivano-Frankivsk Oblast marks a new step.

Other energy companies were hit as well, according to the Security Service of Ukraine. After noticing the problem, utility employees were able to restore power by manually re-closing hacked circuit breakers to reintroduce the flow of electricity. A request for comment sent to Prykarpattyaoblenergo went unanswered.

Russian hackers

Cyber security and defense experts see something much more sinister and organized than just a group of vigilante hackers.

U.S. cyber firm iSight Partners has pointed the finger at a Russian hacking collective called Sandworm – a group believed to have been involved in cyber espionage against foreign governments since 2009, according to a 2014 iSight report.

John Hultquist, iSight's director of cyber-espionage analysis, said he could not say with absolute certainty that the hackers were working on behalf of the Kremlin, but that their interests always coincided with those of the Russian government.

An official with the U.S. Department of Homeland Security, whose cyber department has teamed up with Ukrainian authorities to get to the bottom of the attack, told the Kyiv Post that Black Energy 3 malware had been found in the grid system.

According to people familiar with the investigation, hackers were able to use the malware to enter the electric station's internal network. While investigators have not yet established how the hackers managed to trigger the region-wide outage, experts believe that the attack was likely done remotely, and not by an insider at the plant.

Black Energy, a Trojan horse type program and Sandworm's signature weapon, was used in targeted attacks against state organizations and private businesses in Ukraine and Poland in 2014, in the wake of Russia's seizure of Crimea.

At that time, experts warned that Russia was perhaps the only country capable of combining cyber with traditional warfare, warning that its greatest weapon would prove to be its arsenal of hackers.

That prediction now appears to have come true.

Crimea link?

The latest attack came just weeks after Ukrainian activists cut off power supplies in November to Russia-annexed Crimea, leaving thousands without electricity for the holidays.

"If Russia cooperates in prosecuting the Sandworm group, one could legitimately argue that this is not a part of the Kremlin's hybrid war against Ukraine," said Andreas Umland of the Institute for Euro-Atlantic Cooperation. "Yet, I suspect that the Russian prosecutors and police will not cooperate in clarifying this cyberattack. It is more likely that Sandworm is a peculiarly post-Soviet front organization of the Kremlin,

Experts take part in a round table discussion on national security in the energy sector in Kyiv on Jan. 12. (UNIAN)



fulfilling tasks that the Russian government will not implement so that Russia can preserve 'plausible deniability.'"

Ukraine's Security Service, or SBU, has blamed Russia for the attack, while Moscow has remained silent.

More trouble

The attack came ahead of a new ceasefire in Ukraine's war-torn east, as fighting between Ukrainian forces and Russian-backed separatists continued, although on a much smaller scale than previously.

According to Umland, even if fighting in the east stops completely, that doesn't mean Russia is done with Ukraine.

"This episode illustrates that Ukraine's troubles with Russia will not be over once the fighting in the Donbas finally stops. Rather, we should expect an increase of non-traditional Russian warfare in such fields as public security, industrial production, international trade, mass media, cyberspace, party politics, and civil society," he said.

While hackers in Russia have long been thought to be recruited by the

Federal Security Service to act as proxies against the country's foes, Russia's Defense Ministry is believed to have taken this cooperation a step further in the spring of 2015, when U.S. Director of National Intelligence James Clapper told the Senate that Moscow was "establishing its own cybercommand" responsible for "conducting offensive cyberactivities."

'Historic' hack

ICS Security Expert and SANS Instructor Robert M. Lee stopped short of pinning the blame on Russian hackers, but told the Kyiv Post that the hackers were "likely very competent, likely well-funded and likely a state-sponsored group."

While he said there was not sufficient evidence to say with certainty that the Sandworm group was to blame, there were "indications" to suggest this.

Describing the incident as "an extreme historical event," he said "we've never seen anything like this before. This is the first time we've had a power outage linked to a cyberattack."

"This has crossed a lot of lines. This is civilian infrastructure, there's

no military value whatsoever," he said.

Lee said that the attack recalls the Stuxnet virus. Discovered in 2010, the Washington Post described Stuxnet as a U.S.-sponsored cyber weapon used to sabotage Iran's nuclear program. That virus, Lee said, relied on "intimate" knowledge of Iranian nuclear infrastructure in order to disable the country's nuclear program.

In the same way, Lee argued, a more destructive attack on Ukrainian infrastructure would require granular knowledge of the country's power system.

"Being able to open and close the breakers to cause a six-hour power outage is a big difference between a week, a month-long power outage," Lee said.

The hack on Ukraine's electric grid follows years of escalating cyberwarfare. Last year saw hackers steal information of U.S. federal employees, an attack blamed on China.

In 2007, Estonia suffered cyberattacks that disabled government websites, banks, and media outlets. The hacks came after the Estonian government removed a Soviet monument. ■

Advertisement

ON THE MOVE



Vladyslav Podolyak
Counsel

Vasil Kisil & Partners Announces Expansion of Its Management Team

Vasil Kisil & Partners Law Firm announced expansion of its management team. Its Senior Associate Vladyslav Podolyak was promoted to Counsel and Head of Intellectual Property Practice.

Vladyslav Podolyak specializes in intellectual property law and personal data protection.

Mr. Podolyak is a member of the International Association of Privacy Professionals and International Trademark Association.

Vladyslav has been with Vasil Kisil & Partners since 2008. In 2015, in its review "TOP 100 Best Ukrainian Lawyers: Client's Choice" conducted jointly with Kyiv Post, the legal periodical Yurydychna Gazeta recommended Vladyslav Podolyak among 14 leading lawyers practicing in the field of copyright and intellectual property protection.



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Editorials

Take responsibility

Coca-Cola has made a fortune since 1886 perfecting the art of advertising, marketing and public relations to convince countless billions of people to drink artificially colored, sugary water that neither they, nor their bodies, need.

So it's ironic that the Atlanta-based company made one of the great PR blunders of all time over the holiday season by leaving the disputed Crimean peninsula off a map of Russia, then putting it on with an apology to Russians, and then removing the whole campaign after Ukrainians complained.

Coca-Cola says it just wants to sell more of their products, not engage in politics.

But that is part of the problem.

Too many businesses like Coca-Cola don't care whether they are selling in a dictatorship or a democracy, whether human rights are being violated or not. They care too much about market share and profits.

For the world to make progress, everyone has to voice strong stands for democracy and human rights, corporations and governments included. Do not put the burden on civil society and journalists alone.

In Ukraine, it's almost universally acknowledged that powerful business interests – oligarchs by another name – have stunted this nation's economic and political development almost since the inception of national independence in 1991.

But the nation has choices.

In this edition of the Kyiv Post, we are publishing an investigation by Objective Investigative Reporting Project, a partner of the newspaper, as well as a detailed report by Insider online news site into ownership of Ukraine's news media.

The findings show that, despite the EuroMaidan Revolution that changed the nation's political leadership two years ago, no revolution took place in media ownership. The same handful of oligarchs control most outlets. Not only that, but ex-President Viktor Yanukovich's fugitive front man Serhiy Kurchenko somehow still controls media holdings despite being wanted for serious financial crimes.

While we no longer believe that President Petro Poroshenko (the owner of Channel 5, incidentally) is serious about fighting corruption, the nation still has choices and can transform society on its own.

Boycotts may not be necessary. But consumers, advertisers, subscribers and businesses have choices in their media outlets, just as they have choices in whether to speak out publicly against corruption, law-breaking and human rights abuses.

People and companies can use their buying power to simply support independent journalism in Ukraine, the kind practiced by the Kyiv Post and many other outlets, and to shun the media outlets owned by oligarchs that use their influence to further their business and political interests, not the public interest.

Evasion of civic duty should not be a way of doing business. Sorry, Coca-Cola, nobody needs a product with no nutritional value. For it to sell, people have to want the product and feel good about the seller. Staying silent in the face of a clear-cut injustice, such as Russia's seizure of Crimea, is no way to win respect of anyone. It's just a cop out.

Virtual battlefields

In the wake of last month's cyber attack on a Ukrainian power company, which left nearly 80,000 people briefly without power, cyber experts and observers have hinted that the Kremlin is to blame.

That's an obvious suspect. Recall the widespread and at times debilitating attacks on official Georgian websites during the 2008 Russia-Georgia War. Or the crippling cyber assault against Estonian government sites in 2007, when Tallinn was at loggerheads with Moscow over the relocation of a Soviet-era monument.

Those attacks were so sophisticated and all-encompassing that they went down in history; they now serve as case studies in cyber security and military planning for many Western countries.

Russia's proxies don't include just gun-toting separatists in eastern Ukraine; scores of them sit behind computer screens, ready to menace. They have drastically upped their game with sophisticated malware. And this seems to be a response to the lower-tech knocking out of Ukrainian electricity to Russian-occupied Crimea, tacitly accepted by Ukraine's authorities.

The evidence and incidents show that Ukraine must be prepared to defend itself in cyberspace as well as the eastern Ukraine battlefield.



NEWS ITEM: While Kyivans suffered from the municipal authorities' failure to remove snow, Mayor Vitali Klitschko and his brother, boxer Wladimir Klitschko, posted a photo from a ski slope abroad.

Ironically, the hills on the photo weren't covered with snow, unlike Kyiv's streets.

NEWS ITEM: Coca-Cola came under criticism when its Russian office apologized for forgetting to include Kremlin-annexed Crimea into the holiday map of Russia. Coke then republished the map with Crimea as part of Russia, only to reverse course and remove the map after Ukrainians complained.



NEWS ITEM: President Petro Poroshenko has denounced oligarchs as a threat to Ukraine. But the near-billionaire has increased his fortune since coming to power as oligarchs have lost much of their wealth.

NEWS ITEM: On Dec. 25, Ukraine's parliament passed the budget and obliged politicians to fill out electronic income and property declarations, effective Jan. 1. However, an amendment was discreetly made to postpone the requirement to 2017, a change that puts visa-free travel to the European Union at risk.



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Monitors say some media owners pose serious threat to free speech

Media from page 1

Slidstvo.Info, Nashi Groshi, Ukrainska Pravda, Radio Free Europe/Radio Liberty's "Schemes" program and several others routinely expose wrongdoing and even crimes – even though they rarely, if ever, get prosecuted.

Same old oligarchs

By and large, the same six oligarchs remain in charge of most major media outlets in TV, radio and print. They are: Ihor Kolomoisky, Dmytro Firtash/Serhiy Lyovochkin, Rinat Akhmetov, Victor Pinchuk, President Petro Poroshenko, and, amazingly, Serhiy Kurchenko, the fugitive who was Yanukovych's alleged front man.

All six, in varying degrees, were either allies or found a working accommodation with Yanukovych and his two predecessors, Viktor Yushchenko and Leonid Kuchma.

Media analysts say that most outlets remain unprofitable yet valuable tools for their owners in wielding political influence with few of the media moguls respecting the principle of editorial independence.

Just as some dogs resemble their owners, or so the saying goes, some Ukrainian news media outlets reflect the interests of their holders.

"Revolution in the Ukrainian media environment did not happen," said Oksana Romaniuk, executive director of the Institute of Mass Information, which monitors the nation's media. "We can now identify media ownership just by their content. Owners' censorship is one of the most serious challenges to freedom of speech."

Natalya Ligachova, former head of Telekrytyka media watchdog, now launching her new project Detector Media, agreed:

"What did not change absolutely (after the revolution) and what evokes great concern is the totally oligarchic nature of media ownership. And what became even worse in contrast to Yanukovych times is that oligarchic TV channels even formally discarded such standards as balance."

Media monitors have flagged some of the biggest violators of such journalistic principles as balance and fairness at some of the biggest TV stations, including Firtash and Lyovochkin's Inter TV station, Akhmetov's Ukraina channel, Kolomoisky's 1+1 and Pinchuk's ICTV. Some analysts also say Poroshenko's Channel 5 has lowered its standards.

Elections expose bias

The biased coverage is especially noticeable ahead of elections. The October 2014 parliamentary elections were no exception.

Organization for Security and Cooperation in Europe media monitors took note.

"The growing power and politicization of media groups affect both national and regional media. The political and business interests controlling the media often influence editorial policy, and the malpractice of paid-for journalism is widespread," according to the post-election report, adding that monitoring "showed that only three registered parties were



Ukrainian TV camera operators shoot video of Ukrainian President Petro Poroshenko's press conference in Kyiv on Jan. 14. (Volodymyr Petrov)

granted meaningful editorial coverage across the media landscape."

The bias was obvious when the Kyiv Post monitored top TV channels on Oct. 23 – just two days before Election Day.

TV news reports resembled advertising in lining up with their owners' choice of candidates.

Kolomoisky's 1+1 channel favorably covered the owner's ally, Hennady Korban, a Kyiv mayoral candidate who was arrested after the election on suspicion of numerous financial crimes – charges that he denies.

The Firtash/Lyovochkin Inter TV channel, which has national reach, favored the old Yanukovych allies who were running under the flag of the Opposition Bloc, a successor to the Yanukovych-led Party of Regions. Journalists, for instance, interviewed Mykhaylo Dobkin, a former Kharkiv Oblast governor and Party of Regions top figure, who was warning about rigged elections.

Akhmetov's Ukraina channel invited a top Yanukovych ally, Borys Kolesnikov, a former vice prime minister and minister of infrastructure, to warn that Poroshenko's allies were going to disrupt elections in Mariupol because they were afraid of defeat. The channel also regularly covered humanitarian aid to Russian-occupied Donetsk by Akhmetov's foundation.

Pinchuk used his ICTV station to urge voters to support Oleksandr Vilkul, the Opposition Bloc candidate.

"He has job experience," Pinchuk said on his channel. "He is young, full of energy."

Regional problems

Away from the capital, media monitors say the situation in the regions remains deplorable, with local outlets mimicking the bad habits of national and Kyiv-based media – or even worse.

"Unfortunately, the situation in the regional media is catastrophic, and after (the revolution), it did not improve," said Svitlana Yermenko, executive director at Pylp Orlyk

Institute of Democracy.

The institute's monitoring of local newspapers and news sites in different parts of the country one month before the elections revealed that almost 40 percent of stories had signs of hidden political and commercial advertising.

"If we don't change our media, if we don't change the attitude of journalists to their job, then in fact any changes in the country won't happen," Yermenko said. "A new Ukraine cannot be built with such media for sure."

Free speech in war

Russia's seizure of Crimea and war in the Donbas, coupled with non-stop Kremlin propaganda against the West and Ukraine, triggered a patriotic backlash among Ukrainian journalists. It was so pronounced that crisis coverage frequently was uncritical of Ukrainian authorities.

"A phenomenon which happened with Ukrainian journalism is called 'loyal journalism,'" said Valeriy Ivanov, president of the Academy of Ukrainian Press. "Many journalists decided that their support of the country means that they should give only those stories which, to their mind, will support their country. This is a big mistake...because a journalist is not the Lord God and is not able to decide what will be better and what will be worse for his country, for his audience."

As the crisis eased, however, and the military conflict ebbed, journalists returned to their watchdog role in varying degrees.

The case of Vesti

Ukraine's relatively free speech climate – certainly far better than most of its former Soviet neighbors – also made room for Vesti, a free and large-circulation tabloid that is suspected of having Kremlin financial backing and coverage to match.

It began publication on May 14, 2013 with massive financing of unknown origin. It claimed a daily print run of 350,000 copies and more than 100 employees with distri-

bution in all parts of Ukraine.

Its existence was quickly noticed by the new Ukrainian officials, who launched an investigation into tax evasion and promoting separatism. Authorities conducted raids on the newspaper's offices, finding large amounts of cash and seizing its servers in 2014. The raid on May 22, 2014, by tax police discovered Hr 1.8 million and \$60,000 in cash. Also, bank accounts with more than Hr 400,000 were seized.

The probe appears to have stalled with inconclusive findings, but officials haven't said much publicly. The publication is still in business.

"Our point of view: an outlet publishing so many materials which have all signs of fomenting separatist sentiment; a publication with a completely non-transparent funding, cannot operate," said Valentyn Nalyvaychenko, the former head of the Security Service of Ukraine in an interview with local news site www.lb.ua published last year. "This is our position and we will defend it in court."

Nayyem, the former investigative journalist now in parliament, launched his own investigation.

Nayyem's investigation also brought him to Oleksandr Klymenko, Yanukovych's top tax man, with whom Guzhva was acquainted. A subsequent investigation by Ukrainian media outlet Insider found that Klymenko owns Vesti.

Vesti newspaper turned out to be also linked to Kurchenko. His Real Bank transferred a financial aid to the newspaper though a fictitious firm without paying taxes. Journalists of the YanukovychLeaks project also found out that Vesti newspaper was in the list of duties of Anna Sytnyk, a staff lawyer of Kurchenko's company VETEK.

"The newspaper was really funded by people who were in Yanukovych's government, whose money are arrested now in the country, who are not allowed to enter Ukraine, who fund separatism, according to the

VOX
populi

WITH OLENA ASTAKHOVA



What news sources do you use? Do you trust Ukrainian media?



Volodymyr Lavrenenko,
retiree

"I read Fakty newspaper. Aside from that I regularly watch television news on channels 112

Ukraine or ICTV, and I believe they give mostly truthful information. I like it that journalists there follow journalism ethics and standards."



Andriy Nagnybydiuk,
student

"Just watching TV for one hour a day is enough for me to know what is happening in the

world. I prefer watching news on channels 1+1, Inter, ICTV and Noviy. Sometimes, I scan the headlines on my favorite news websites – Hromadske.tv and Ukr.net. But I can't say that I trust Ukrainian media, because mostly reality is different from what they report."



Maria Kolesnyk,
nanny

"I don't read a newspaper on a daily basis. Sometimes I watch TV, but I mostly rely on (online) news

feeds. I use social networks as a news source. I'm especially fond of Facebook where my friends post news they like. Ukrainian journalists can earn people's trust only by interaction with society."



Iryna Moskalchuk,
decorator

"I rarely watch TV news or read newspapers. I'm simply not interested. I understand that current

events affect my life a lot, but the business of journalism now is to destroy the truth and lie outright. When you read the news, it seems that only terrible, depressing events are reported."



Andriy Korin,
entrepreneur

"I don't read any newspapers. I do sometimes look up the news online, and I always watch the 6

p.m. news when not at work. Our news (programs) are biased. If you want to find the truth, you need multiple people to look critically at the same facts, and to have an open debate about how to interpret it."

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Insider's guide to who owns Ukrainian news media



Microphones stand on a table before a news conference on Dec. 24, 2013 in Kyiv. (UNIAN)

Editor's Note: The following is a list of who owns the largest TV channels, radio stations, newspapers, magazines and online news websites compiled by Insider. The original story is here: www.theinsider.ua/infographics/2014/2015_smi/vlasnyky.html. The Kyiv Post has translated the information and added its own for context and background. The material is reprinted with Insider's permission. Their sources include The National Council on Television and Radio, the Register of Legal Entities and Individual Entrepreneurs and other open sources. In some cases, the real owners of publishing houses, TV channels and radio stations differ from the registered ones.

BY YULIANA ROMANYSHYN
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In sheer quantity, Ukrainian news consumers have lots of choices.

However, the majority of Ukrainian media outlets are unprofitable and sponsored by financial, industrial or political groups, with only a small segment of the industry trying to survive or become self-sustaining through advertising and subscription revenues alone.

Consequently, the lack of resources leaves many outlets at the mercy of their owners, who often dictate coverage in their outlets and disregard the principle of editorial independence. The lack of money, in other cases, prompts journalists to adopt unethical practices, such as finding patrons to pay for tailor-made stories or disguising advertising as news.

The public, therefore, has a strong interest in knowing who owns media in Ukraine and what policies they pursue on the news pages.

Serhiy Kurchenko Ukraine Media Holding

The owner is Serhiy Kurchenko, the fugitive former alleged front man for ex-President Viktor Yanukovich. Despite being in exile on charges of embezzlement, Kurchenko's media empire goes on.

Ukraine Media Holding remains one of the largest holdings, owning and operating online editions, radio, newspapers and magazines. UMH includes such sites and magazines as Forbes, Korrespondent, Bignir.net, I.ua, Tochka.net, and Football.ua. The holding company publishes the newspapers: Komsomolskaya Pravda v Ukraini, Arguments and

Facts, Telenedelia and the Football magazine.

UMH operates five radio stations: Autoradio, Nashe Radio, Europa Plus, Retro FM, and Friday Radio. It also manages three local radio stations: Lounge FM, Holos Stolytsi (Voice of the Capital) and Jam FM.

Kurchenko became the owner of UMH Group in 2013, acquiring it from Boris Lozhkin, who currently is the chief of staff for President Petro Poroshenko's administration. Lozhkin and Poroshenko were also partners at the Korrespondent magazine.

The acquisition agreement of UMH was financed by bank lenders, which, among others, was state-owned Ukreximbank. As it became known in 2015, this state-run bank issued a loan of \$160 million for buying the media holding company.

In 2015, American publishing house Forbes prohibited UMH to use the brand. After that, the magazine's website was transferred to a new domain Forbes.net.ua. The magazine continues to be published.

Ownership of a second international brand – Vogue – passed from UMH to Media Group Ukraine owned by billionaire Rinat Akhmetov.

Rinat Akhmetov Media Group Ukraine

The holding company Media Group Ukraine is owned by billionaire Rinat Akhmetov, Ukraine's richest person, and unites TV channels, websites and print media. They feature regional media and broadcasting in industrial cities where Akhmetov's System Capital Management plants are located.

In particular, the Media Group Ukraine consists of national TV channel Ukraine, cable channels NLO TV and Indigo, and Football 1 and Football 2 sports channels. Besides them, regional Channel 34 (in Dnipropetrovsk), Donbas (Donetsk) and Sigma (Mariupol) are also a part of this group.

Akhmetov's print media group is called Segodnya Multimedia. The



A TSN cameraman of the 1+1 TV channel shoots video of the monument to World War II hero Zoya Kosmodemyanska in Kyiv on Dec. 18, 2010. (UNIAN)

main publication is daily newspaper and website Segodnya. Other media in this group are the magazine and website Vogue, TV guide RIO, social and political weekly edition Donetsk News, political newspaper Pryazovskiy Rabochiy, and Dom Sovetov.

Among online media, Akhmetov owns: Segodnya (Segodnya.ua), Vecherniy Donetsk (Veчерка.donetsk.ua), Gorod (Gorod.dp.ua), Priazovskiy Rabochiy (Pr.ua) and Donetsk News (Dnews.donetsk.ua).

Akhmetov's holding company also includes online service Oll.tv, the subscription website with movies, TV shows, and TV series.

Dmytro Firtash/ Sergiy Lyovochkin Inter Media Group

The main asset of the Dmytro Firtash and Sergiy Lyovochkin holding is the national Ukrainian TV channel Inter. In addition, the group includes a number of niche channels such as NTN, Mega, K1, K2, Enter Film, and children's channel Piksel.

Lyovochkin, the former chief of staff to ex-President Viktor Yanukovich, is a lawmaker from the Opposition Bloc. Firtash is in Vienna, where

he was arrested in 2014 on a U.S. warrant charging him with bribery – charges he denies. Subsequently let free, if he returns from exile, Ukraine's Interior Ministry has said he will be arrested.

InterTV Channel owns news agency Podrobnosti, which prepares news releases for the channel and develops its own website, Podrobnosti.ua.

Among online media, Firtash and Lyovochkin are owners of Ukrainian News website (Un.ua). News website Ukranews.com and photo website Ukrafoto.com.

Victor Pinchuk StarLightMedia

Victor Pinchuk, the son-in-law of ex-Ukrainian President Leonid Kuchma, owns six television channels under the StarLightMedia holding. One feature of Pinchuk's media empire is the emphasis on entertainment content. His holding company includes such TV channels as STB, ICTV, Novy Kanal, music channel M1 and M2, and broadcasting cartoons QTV Channel. The holding owns the production of TV shows for the chan-



Billionaire Rinat Akhmetov talks with activists who protested outside his residence in Donetsk on Dec. 31, 2013, during the EuroMaidan Revolution. (UNIAN)

Information as weapon: Ownership of Ukraine's mass media can reveal biases in news coverage

Owners from page 6

nels of the group and an advertising sales house.

Igor Kolomoisky/ Gennadiy Bogolyubov 1+1 Media

Eight TV channels belong to the Privat media holding group of oligarchs Igor Kolomoisky and Gennadiy Bogolyubov. The most valuable is national channel 1+1. In addition, the 1+1 Media includes 2+2, TET, PlusPlus, 1+1 International, Bigudi Channel for women, TV Channel of the news agency UNIAN, and foreign broadcaster Ukraine Today. Among online media, Kolomoisky owns the news agency UNIAN, website Tsn.ua and Glavred.info.

Press and online media

Olena Prytula Ukrainska Pravda

The outlet combines several different content websites: economy, history, European integration, life, lifestyle and tabloid. Olena Prytula is the owner, co-founder and former chief editor.

"I share their moral values and am always ready to help them. But not with money," Russian oligarch Konstantin Grigorishin said in an interview to the magazine Novoe Vremya. The editorial staff of Ukrainska Pravda rents an office in a building owned by Grigorishin.

Group of journalists Hromadske TV

The Internet television and news website was created in 2013 by a group of journalists on the eve of the EuroMaidan Revolution that prompt-

ed President Viktor Yanukovich to flee power two years ago. It survives on grants. The founders of the non-governmental organization Hromadske Television are Serhiy Andrushko, Yulia Bankova, Andrii Bashtoyyi, Roman Vintoniv, Dmytro Gnap, Mustafa Nayyem, Roman Skrypin and Danylo Yanevsky. The editorial staff rents an office owned by Russian oligarch Konstantin Grigorishin.

Serhiy Kurchenko Forbes.net.ua

The site had previously worked on the domain Forbes.ua. However, American Forbes took away the license of Serhiy Kurchenko, the fugitive owner of Ukrainian Media Holding.

Yuriy and Rostyslav Brodsky Obozrevatel

Obozrevatel website belongs to the children of businessman Mykhailo Brodsky. He is the owner of Veneto mattress manufacturing. Brodsky is an ally of Igor Kolomoisky.

Sergiy, Maryna and Dmytro Bondarenko, Volodymyr Yehipko LigaBiznesInform

LigaBiznesInform is a part of a group of companies Liga, which provides legal and information services in the legal and accounting fields. In particular, the group owns the Law League system, a database of legislation of Ukraine.

Radio Free Europe/ Radio Liberty Radio Liberty

RFE/RL Ukraine is a branch of

an international media organization funded by the U.S. Congress. The Ukrainian online edition publishes news, reports, analytical stories and investigations. Radio Liberty produces the investigation TV show Schemes.

Igor Kolomoisky UNIAN

UNIAN is the oldest news agency in Ukraine. Today, the news agency, press center, photo service and television of the same name are based at UNIAN.

Serhiy Kurchenko Korrespondent

Until it was sold to Ukrainian Media Holding by President Petro Poroshenko's chief of staff Boris Lozhkin, Korrespondent website and magazine were among the most popular news outlets in Ukraine.

Yulia, Oleksiy and Volodymyr Mostovyi Dzerkalo Tyzhnia (Mirror of the Week)

Dzerkalo Tyzhnia is one of the oldest analytical news organizations in Ukraine. The newspaper is a weekly. Its owner and editor-in-chief is Yulia Mostova, the wife of politician and ex-Defense Minister Anatoliy Grytsenko.

Rinat Akhmetov Segodnya

Daily newspaper and website Segodnya is a member of the Media Group Ukraine, owned by billionaire Rinat Akhmetov. Vesti newspaper, which until recently was distributed for free near metro stations, is a competitor.



Ukrainian businessman Dmitry Firtash listens while attending the Ukraine Tomorrow forum in Vienna on March 3. (Ukrainian photo)

Free Information Agency Censor.net

Yuriy Butusov, a journalist, blogger and activist, is the chief editor of the website. The owner of the edition is Aгенство Vilnoi Informatsii, or Free Information Agency, a non-profit organization. It was founded by Ilona Yanko and Olena Baida. Yanko is an aide to a lawmaker from Prime Minister Arseniy Yatsenyuk's People's Front Party, Ruslan Lukianchuk, while Baida was the authorized person from the People's Front at the parliamentary elections in 2014.

Gorshenin Institute Levyi Bereg

Journalist Sonia Koshkina is the chief editor of Lb.ua website. In addition to website management, Gorshenin Institute holds conferences and roundtables, and provides an advisory service to politicians.

Gorshenin Institute was founded by Vadym Omelchenko, Ksenia Vasylenko (real name of Sonya Koshkina), Oleksiy Leshchenko, and Viktor Sokolov.

Oleksiy Tamrazov Insider

The website Theinsider.ua was launched by journalist Sergiy Shcherbyna in 2013. Limited liability company Ukrainian Media Group is the owner of the website. Businessman Oleksiy Tamrazov is an investor of the company. In 2010-2014 years, he was the first deputy chairman of the state-owned public joint stock company UkrGasVydobuvannya. Insider announced it will close on Feb. 1.

more Owners on page 8

BDO NETWORK REVENUE INCREASED 13% IN 2015



The steady growth in total revenues generated by the BDO Network continues. In 2015 the revenues totaled \$7.3 billion — a 13% increase on 2014.

The BDO Network has grown organically to span 154 country locations and recently won the prestigious International Accounting Bulletin (IAB) Awards 2015 for its efforts. The number of offices has increased by 6% (1,408), the total number of employees by 8.2% (64,303). The BDO Network continues to cement its position as fifth largest provider of audit, accounting and professional services in the global marketplace.

BDO's impressive growth figures are the result of a number of factors:

- Continued consolidation in the audit market
- BDO's effective strategy to expansion in all global regions including 19 large mergers which were of strategic importance as well as sustained organic growth both in emerging and developed markets;
- Joining the number of new companies in all regions of BDO
- Increased productivity of BDO professionals

Martin van Roekel, global CEO of BDO said: "The mid-tier accountancy market has become increasingly consolidated in recent years, driven by the requirements of clients requiring international expertise. The concurrent challenges of

increasing costs, a shrinking talent pool, the need to invest and to manage regulation demands mean that most of the firms and networks outside the six largest have very small market shares and are starting to assess the sustainability of their margins. It is this sort of consistent success, together with our growth achievements and ongoing merger activity. BDO is well placed to continue building on our success, as both public and private entities are attracted to the breadth and quality of our service offerings and our industry expertise. We have an efficient infrastructure, proven global capabilities and the momentum and power to continue at the forefront of the ongoing consolidation of the mid-tier."

AccountancyAge 2015 top 20 networks

Rank	International organisation	Latest combined annual total income (\$m)	Previous year's income (\$m)	% change
1	Deloitte	34,200	32,400	5.6%
2	PwC	33,952	32,088	5.8%
3	EY	27,369	25,829	6.0%
4	KPMG	24,820	23,420	6.3%
5	BDO	7,021	6,453	9.0%
6	Grant Thornton	4,729	4,519	5.0%
7	RSM International	4,391	3,714	18.0%
8	Baker Tilly International	3,563	3,400	5.0%
9	Crowe Horwath International	3,436	3,168	8.0%
10	Nexia International	3,072	2,900	5.9%

Plenty of voices, but many are not independent ones

Owners from page 7

Boris Kaufman Focus

Odesa businessman Boris Kaufman bought the weekly magazine and website Focus from Boris Lozhkin, President Petro Poroshenko's chief of staff, in 2013. Kaufman is a founder of the investment company Vertex United, which manages such hotels as Bristol, Londonskaya, and President Hotel. The magazine and online media Focus.ua are media assets of the Vertex United Company.

Sherell Limited Comments.ua

Comments.ua online media was sold by businessman Vitaliy Haiduk in 2013, when Serhiy Kurchenko and other allies of ex-President Viktor Yanukovich actively absorbed the media firm. Today, the ultimate owner of the edition is unknown.

Roman Vavrysh Gazeta.ua

The website Gazeta.ua and the magazine Kraina (Country) are members of LLC Publishing Group New Information, which belongs to Roman Vavrysh, an ally of the politician Ihor Vasyunyk.

Roman Vavrysh Kraina magazine

Gazeta.ua website and Kraina magazine are a part of LLC Publishing Group New information, which belongs to Roman Vavrysh, an ally of politician Ihor Vasyunyk.

Tomas Fiala Novoye Vremya

Novoye Vremya magazine was created after presidential chief of staff Boris Lozhkin sold Ukrainian Media Holding, which included Korrespondent magazine. This magazine was headed by Vitaly Sych, who quit after the sale because of restrictions on editorial independence. He launched Novoye Vremya with a



A woman places her order at a news kiosk on Jan. 13 in Kyiv. (Volodymyr Petrov)

substantial contingent of journalists from Korrespondent magazine. The investment company Dragon Capital, owned by Tomas Fiala, is the financial backer.

Yuliya Lymar, Viktor Shlinchak Glavcom.ua

Before founding Glavcom.ua, Yuliya Lymar and Viktor Shlinchak had worked in senior positions at Glavred Media Holding, funded by Igor Kolomoisky. Glavcom's source of funding is unknown.

Sergiy Kurchenko Komsomolskaya Pravda

Komsomolskaya Pravda is a part of Ukrainian Media Holding.

Joint stock company Kartel Depo

JSC Kartel has united Vlast Deneg, Delovaya Stolitsa, and Depo website. The owners of Kartel were Vagid Alekperov and Leonid Fedun, co-owners of Russian Lukoil Oil Company. In 2014, the holding was sold to Vadym Denysenko, a member of parliament from President Petro Poroshenko's Bloc. According to Hubs online media, the agricultural magnate Oleg Bakhmatyuk might be an investor of Kartel.

Kateryna Kit-Sadova Zahid.net

The popular western Ukrainian outlet belongs to Kateryna Kit-Sadova, wife of Lviv Mayor Andriy Sadoviy.

Zahid.net is a part of Sadoviy media holding – Lux Radio Station. It also includes 24 TV Channel, Lux FM Radio, Radio 24, Football24.ua website and Lux advertising agency.

Oleksandr Martynenko, Tevana Global Limited (British Virgin Islands) Interfax-Ukraine Information Agency

Interfax-Ukraine is one of the three news agencies in Ukraine, selling their content to subscribers. Its head and co-owner is Oleksandr Martynenko, a former press secretary for ex-President Leonid Kuchma. Another shareholder is British Virgin Islands offshore company Tevana Global Limited. The beneficial owner is unknown.

Ukrainian Ministry of Information Policy Ukrinform

Ukrinform is a state-owned news agency. A multimedia foreign broadcasting platform was launched by Ukrinform.

Dmytro Firtash Ukrainian News Agency

Ukrainian News is a member of the Inter Media Group of Dmytro Firtash and Sergiy Lyovochkin.

Uliana Lozan UNN

Previously, UNN was linked to ex-President Viktor Yanukovich's ally Hanna Herman. Today, it officially belongs to the editor-in-chief, Uliana Lozan. With Anastasia Matsalo, they also own LLC Ukrainian Independent News Information Agency. The source of financing is unknown.

Alfred Wilhelm Mallmann, Yuri Makarov Tizhden (Week)

The magazine and the website belong to LLC Ukrainskiy Tizhden.

The owners of the company are journalist Yuri Makarov and Austrian citizen Alfred Wilhelm Mallmann.

Borys and Mikhaïlo Komissaruk, Olha Hrach Ukr.net

Ukr.net website is the largest news aggregator in Ukraine. In addition to advertising, it earns money by selling traffic to other Ukrainian media. Ukr.net belongs to Borys and Mikhaïlo Komissaruk and Olha Hrach. They also own Familnyi Bank.

Yosyp Pintus RBC Ukraine

Previously, RBC Ukraine worked through the Russian RBC license. Today, the news outlet belongs to RBC Media Company. Yosyp Pintus is general director and owner.

Oleksandr Klymenko Vesti

Vesti Holding unites a daily newspaper, Vesti radio and Reporter magazine, which stopped issuing print copies in 2015. The owner of the holding company is Ilya Hayevoi, a co-founder of the NGO Vidnovlennia Donbasu (Donbas Restoration). The website of the Ex-minister of Revenues and Duties Oleksandr Klymenko says that exactly he is a founder of NGO Vidnovlennia Donbasu.

Mykola Koman, Ihor Pochynok Expres

Lviv newspaper Expres is one of the oldest newspapers in Ukraine. It has been published since 1992. The newspaper is known for its investigations against the sponsor of Svoboda political party Ihor Kryvetskiy and his ties with the criminal world.

Petro Dymynskyi Zik

Information agency Zik.ua was founded in 2003. According to Nashi Groshi investigation website, Zik came under the control of the president Karpaty football club Petro Dymynskyi. In addition to Zik.ua website, the holding has a TV channel.

Yuriy Nikolov, Oleksa and Olga Shalayskiy Nashi Groshi

Nashi Groshi website specializes in anti-corruption investigations in public procurement. It is funded by grants from international organizations.

Russian government RIA Novosti Ukraine

The Ukrainian unit is part of Russian state agency RIA Novosti in Ukraine.

Mohammad Zahoor Kyiv Post

Kyiv Post is the only English-language newspaper in Ukraine. The owner is British citizen and Pakistani native Mohammad Zahoor, the husband of singer-actress Kamaliya. His ISTIL Group invests in media, real estate,



Shadows of TV camera operators are reflected on the wall during the 11th annual Yalta European Strategy conference on Sept. 12, 2014. (Mikhailo Palinchak)

more Owners on page 9

No dominant or international news outlets exist in Ukraine

Owners from page 8

energy and hotel businesses. The publisher's policy is editorial independence of journalists; the newspaper's editorials have historically supported democracy, Western integration and free markets.

Vitaliy Haiduk Day newspaper

Vitaliy Haiduk is a former shareholder of Industrial Union of Donbas and an ally of ex-Prime Minister Yulia Tymoshenko. Haiduk financed Comments.ua media, which he sold in 2013.

British Broadcasting Corporation BBC Ukraine

BBC Ukraine is a Ukrainian website of the British Broadcasting Corporation.

German government Deutsche Welle

Deutsche Welle is a German state radio station and TV channel, which broadcasts to other countries. It has a Ukrainian version of the website and the editorial office is in Bonn, employing Ukrainian journalists.

Television channels

Igor Kolomoisky 1+1

The 1+1 channel is a flagship asset of billionaire oligarch Igor Kolomoisky's media holding. In addition, 1+1 Media includes 2+2, TET, PlusPlus, 1+1 International, Bigudi Channel for women, TV Channel of the news agency UNIAN, and broadcasting abroad Ukraine Today.

President Petro Poroshenko 5 Kanal (Channel 5)

After his inauguration in 2014, Ukrainian President Petro Poroshenko said he will not sell the station.

Dmytro Firtash and Sergiy Lyovochkin Inter

The TV channel Inter is a part of the Dmytro Firtash-Serhiy Lyovochkin holding and its main asset. It includes a number of other channels: NTN, Mega, K1, K2, Enter Film, and Pixel.

Rinat Akhmetov Ukraina (Ukraine)

The TV channel Ukraina belongs to billionaire Rinat Akhmetov's holding. It includes NLO TV, Indigo, Eskulap TV, Football 1 and Football 2 sports channels.

Victor Pinchuk Novy Kanal

Novy Kanal is a part of StarLightMedia holding of Viktor Pinchuk. Oligarch's holding also includes such channels as STB, ICTV, music channel M1 and M2, and QTV.

Ukrainian government Pershyi

The public broadcasting station is based on Pershyi Natsionalnyi TV Channel.

Lviv Mayor Andriy Sadovyi's family Channel 24

Channel 24 is part of Lux Radio Station holding, owned by Kateryna Kit-Sadova, the wife of Lviv Mayor Andriy Sadovyi.

Andriy Podshchypkov 112 Ukraine

Channel 112 Ukraine was launched on the eve of the EuroMaidan Revolution, when it was assumed to be owned by fugitive ex-Interior Minister Vitaliy Zakharchenko under ex-President Viktor Yanukovich. The official owner of the channel is Andriy Podshchypkov, an ally of lawmaker Serhiy Kaplin.

Larysa Knyazhytska, Vadym Denysenko Espresso TV

The channel is controlled by the lawmakers Vadym Denysenko (President Petro Poroshenko's Bloc) and Mykola Knyazhytsky (People's Front).

Peter Zika (Cyprus) Tonis

The end beneficiary of the channel is Petr Zika of the Czech Republic. It is registered in Cyprus. The source of financing is unknown. Previously, it was in ownership of Volodymyr Kosterin. He was dispossessed of the channel by the Yanukovich family, he told the Hubs online media in 2014.



Activists dressed as zombies hold the pro-Russian Vesti newspaper during a protest in front of the Security Service of Ukraine on June 21. The demonstrators demanded the daily newspaper be closed for pro-Russian and anti-Ukrainian coverage. (Kostyantyn Chernichkin)

Esparon Sandra Jean (Seychelles) Business Channel

Business Channel belonged to businessman Ruslan Demchak. In 2013, it became known that the TV channel and other media assets were sold to the Yanukovich family.

Yevgen Murayev NewsOne

NewsOne Channel belonged to Vadym Rabinovich, who is now a member of parliament from the Opposition Bloc. In 2014, he sold the channel to another member of his party, Yevhen Muraev.

Radio Stations

Anatoly and Yevgeniy Yevtukhov Business Radio Group

The Business Radio Group includes such radio stations as Shanson, DJFM, Lyubimoe Radio, and Business FM. They estimate their market share as 15 percent.

Nikolay Bagraev Tavr Media Radio Group

Tavr Media Radio Group includes six major national radio stations: Kiss FM, Russkoye Radio, Hit FM, Radio Melodia, Radio Roks, and Radio Relax. Tavr Media occupies almost 30 percent of the radio market in Ukraine. Nikolay Bagraev was a lawmaker when ex-President Viktor Yanukovich was in power. He is a founder of Tavria Games music festival.

Serhiy Kurchenko UMH Radio Group

Eight radio stations are included in the Serhiy Kurchenko's media holding: Retro FM, Europa Plus, Nashe radio, Holos Stolytsi (Voice of the Capital), Jam FM, Lounge FM, Avtoradio, and Radio Pyatnica. The UMH radio group market share is around 25 percent.



A cameraman takes position in a manhole during the commissioning of a new water main in the Shevchenko district of Kyiv on Dec. 8, 2010. (UNIAN)

RadioCorp Holding Yevropeyska Stantsiya (European Station)

Radio Yevropeyska Stantsiya is the new name of Gala Radio. It changed its name and owners last year. The new investor is RadioCorp Holding, a Dutch company which runs several radio stations and media in Netherlands, Austria, Bulgaria and other countries. The previous owner was American businessman Joseph Lemir.

Lviv Mayor Andriy Sadovyi's family Lux FM

Lux FM is included in the Lux media holding owned by Kateryna Kit-Sadova, the wife of the Lviv mayor Andriy Sadovyi.

Andriy Karpiy Perets FM (Pepper FM)

Andriy Karpiy is a former partner of Lviv Mayor Andriy Sadovyi on Lux FM. In 2014, Karpiy sold four radio stations that broadcast in 27 cities to Ihor Huzhva, which owned Vesti Radio at that time.

Oleksandr Klymenko Vesti Radio

Vesti Radio is included in the Oleksandr Klymenko's Vesti media holding. He is an exiled ex-minister of revenue and duties under former President Viktor Yanukovich.

Andriy Derkach Era Radio

The owner of Era Radio, Andriy Derkach was a lawmaker with the former ruling Party of Regions under ex-President Viktor Yanukovich. ■



Victor Pinchuk (C) speaks with the participants of the 11th annual Yalta European Strategy conference on Sept. 10, 2014. (Volodymyr Petrov)

Aslund says Ukraine should have better year than Russia

BY BRIAN BONNER
BONNER@KYIVPOST.COM

Anders Aslund, the Swedish economist and senior fellow at the Atlantic Council, said Russia is not likely to rebound anytime soon from its string of bad fortune – including low oil prices, conflicts with other nations and President Vladimir Putin's economic ignorance.

And Ukraine will benefit from this, Aslund told the Kyiv Post this week during his four-day visit to Kyiv.

"There are many things Putin doesn't understand," Aslund said in an interview. "He has no understand-

ing of trade or sanctions or structural reforms...He is a convinced crony capitalist."

In one example alone, Aslund noted that Russian state-controlled Gazprom – the world's largest producer of natural gas – as recently as 2008, had a market capitalization of \$369 billion and almost monopoly status as a gas supplier. Today, it's worth \$40 billion as world gas supplies increase. He also expects that Nord Stream II, a gas transit pipeline to bypass Ukraine, will fail for economic and political reasons.

"We are pursuing a campaign against it and we will stop it," Aslund



Anders Aslund

said, noting that only German Social Democrats, Holland and Austria support the venture. He expects German Chancellor Angela Merkel will also eventually come out against it.

Additionally, Aslund said, Putin was slow to catch on to Saudi Arabia's success in undercutting the price of oil in Russia's traditional markets, such as Poland.

Adding up all the factors, Aslund expects Russia's economy to drop even sharper than most forecasts, which already put the nation in recession for 2016. Demand in Russia is falling faster than production, he said, and oil prices may still

have not reached bottom.

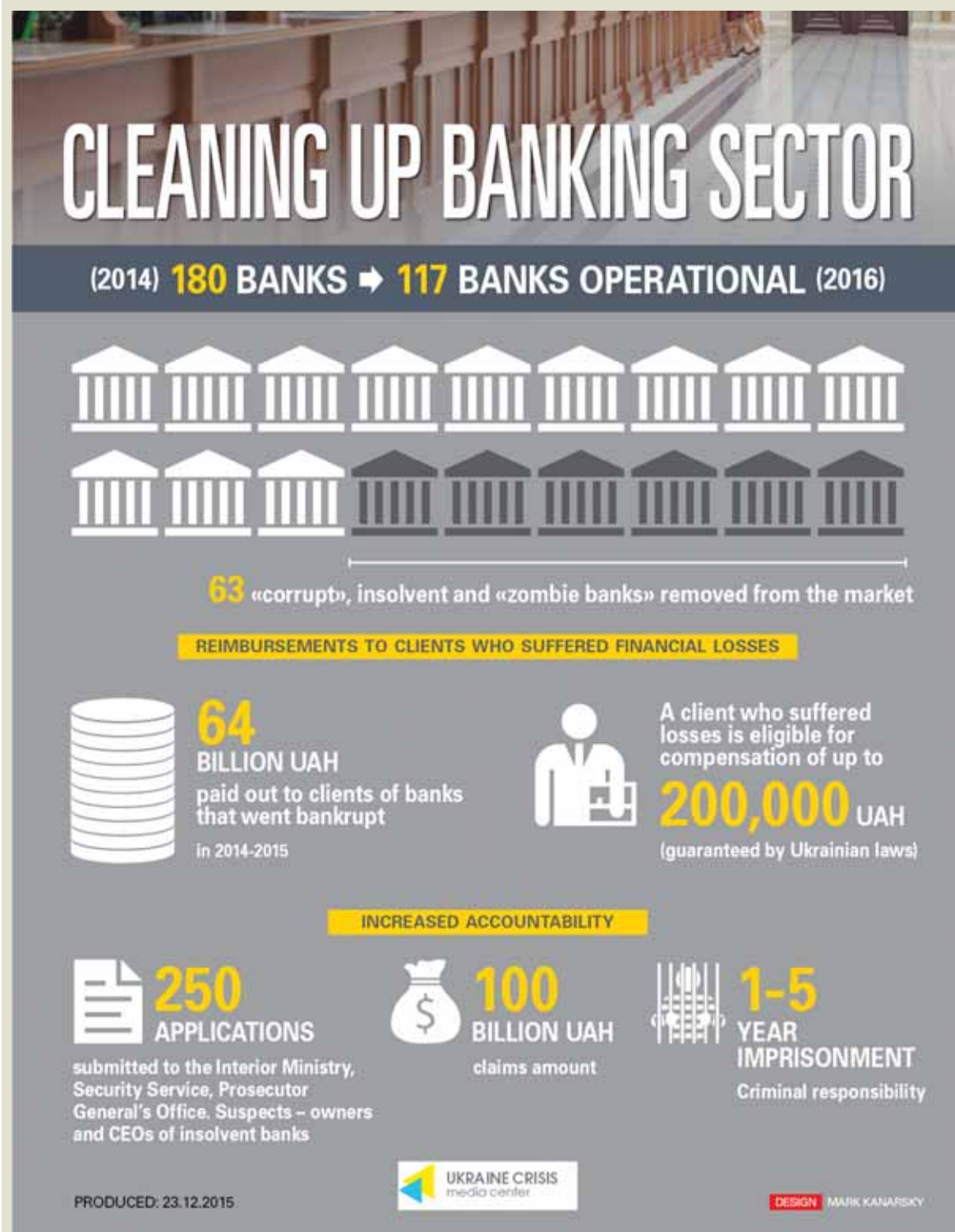
And the good news for Ukraine, he said, is that its economy is less dependent on Russia and in fact, stands to benefit from a Russian downturn.

"Ukraine has an objective interest in the Russian economy doing poorly. Ukraine would not be dragged down by a poor Russian economy," Aslund said. "Ukraine does not benefit from a Russian recovery, either, because it is not allowed to export, but it can benefit from a Russian decline."

Ukraine previously sold to Russia

more Aslund on page 11

Signs that 2016 economy in Ukraine may be on rebound

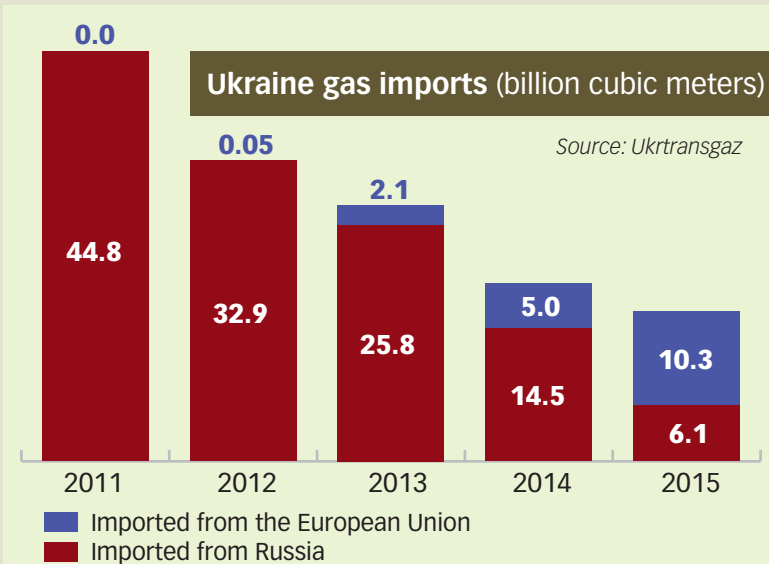


Making banking progress

National Bank of Ukraine Governor Valeria Gontareva said last year that the clean-up stage of reforming the banking sector is over, while the reset stage has begun this year. The central bank's goals include restraining inflation to 12-14 percent, restoring public trust in banks and strengthening creditor and consumer rights.

KYIV POST

For a nation that has seen mostly gloomy economic news in recent years, the storm clouds may start to lift in 2016. Too many explosive variables exist to make any kind of prediction: Russia's war could heat up and commodity prices could continue sinking. Moreover, Ukraine's political leaders still have done nothing to instill investor or public confidence in the nation's rule of law – including its judicial system, from prosecutors to judges and police investigators. Additionally, while the banking sector is being purged of its weakest and most corrupt elements, no one has been prosecuted or gone to jail for bank fraud. Lending, meanwhile, remains at a standstill. Borrowers are turned off by high interest rates. Lenders are turned off by a lack of creditor rights. Moreover, even under optimal circumstances, Ukraine's official gross domestic product in 2016 is expected to be less than \$100 billion, only a slight increase. And much of this economy will stay in the shadows.

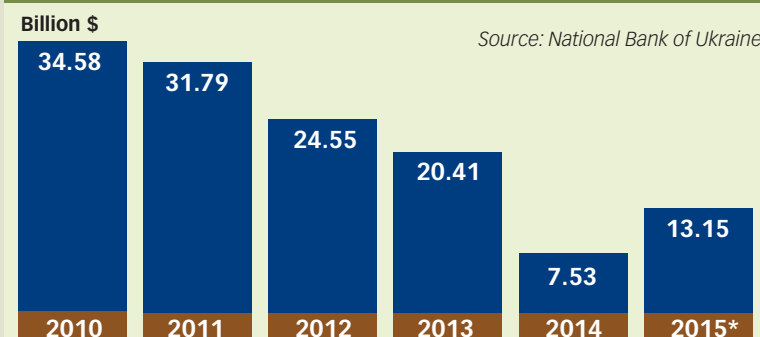


Less from Russia, more from EU

Ukraine has eliminated Russia as the nation's chief natural gas supplier, replacing it with imports from the European Union through reverse gas flows. Last year, EU gas imports doubled over the previous year, while Russian supplies more than halved to just 6.1 billion cubic meters.

Rebounding Reserves

Ukraine's hard-currency stash set to grow in 2016



A better cushion

Ukraine's international reserves rebounded to \$13 billion in 2015 thanks to International Monetary Fund lending, the first annual increase since 2010, giving Ukraine some help in reviving an economy shrunk by Russia's war in the Donbas and annexation of Crimea. Another \$4 billion in Western, including IMF, credit should be coming Ukraine's way in 2016 as long as its political leaders meet fiscal guidelines and enact anti-corruption measures.

Aslund says Ukraine needs new judges, prosecutors, police

Aslund from page 10

in four major areas: armaments, steel, agriculture and chemical products.

"Most of this is disappearing," Aslund said, mainly for political reasons.

Ukraine's Motor Sich will continue to supply helicopter engines to Russia because it has no alternative.

Steel prices are low and Russia is capable of protecting its own domestic steel-making industry.

In agriculture, Aslund said Ukraine can find other customers to replace the lost Russian market.

And, he said, the chemical and fertilizer plants such as Azot in Severodonetsk and Strol in Horlivka were viable only because of cheap Russian natural gas, which will never return.

Aslund also believes that Russia is finally looking for a way out of its war against Ukraine and that a peace agreement could be finalized and go into effect this year. One factor driving Russia is the elimination of Western sanctions.

He cited a Russian public survey that identified the main enemies of

Russia first as Turkey, the U.S. as second, Ukraine third and ISIS (Islamic State) fourth.

He believes the poll reflects Putin's desire "to forget about Ukraine" in one of two ways: a frozen conflict or simply passing on the "poisoned chalice" of governing a war-destroyed Donbas back to Ukraine.

But Ukraine could still falter on the domestic front if it doesn't wage a war on corruption. For that to happen, he said President Petro Poroshenko and Prime Minister Arseniy Yatsenyuk will have to lead.

He said that they, not Ukraine's oligarchs, have most of the powers.

"The oligarchs are beaten," Aslund said, citing their drop in wealth and political influence. In recent years, Ukraine's No. 1 oligarch, Rinat Akhmetov saw a drop in his wealth from \$20 billion to \$4.5 billion. Last year's loss of \$1.8 billion to Akhmetov's System Capital Management "is the biggest loss any Ukrainian company has recorded."

Politically, he said, Akhmetov blundered by trying to stay friendly with everyone – Ukraine, Russia and

the Kremlin-backed separatists in the Donbas. "He tried to have good relations with everyone in a situation where you cannot," he said.

"The problem is Poroshenko," Aslund said, when asked to explain why the war against corruption is not being waged. He believes a combination of Western, civil society and other internal pressure will eventually force Poroshenko and Yatsenyuk to act.

Aslund does not expect the clean-up to include high-level lawbreakers going to prison.

"I don't think they will be prosecuted," Aslund said. "The Ukrainian state is not strong enough to prosecute people in high positions. I don't believe at all in the anti-corruption bodies. They will simply be too weak."

He cited the mismatch in resources, with the National Anti-Corruption Bureau getting only 70 investigators while the Security Service of Ukraine has 4,000 investigators who are supposed to be investigating corruption with no progress to show.

The key, Aslund said, is lustration. He believes Ukraine should start



Activists hold banners as they stand in front of President Petro Poroshenko's residence on Oct. 31 to demand the dismissal of Prosecutor General Viktor Shokin. (Volodymyr Petrov)

over and sack all 18,000 prosecutors, 10,000 judges and 4,000 investigators in the Security Service.

Poroshenko and Yatsenyuk need each other, Poroshenko said, and have become good at deflecting blame and creating the erroneous impression that they are at odds with each other.

"Since court reform is under Poroshenko, Yatsenyuk and (Interior Minister Arsen) Avakov will push for it because it's not their responsibility. It's an interesting dialectic. They always suggest reforms in the area of the other," he said.

For all their faults, however, Aslund doesn't see a better pair of leaders for Ukraine and believes it would also be a mistake to hold early parliamentary elections before 2017.

"You don't want to have elections one and half to two years after a democratic breakthrough," Aslund said. "That's when you have the lowest mood."

He detects a calmer mood among the public because the economy may have bottomed out.

He expects inflation to be at only 12 percent this year, which should eventually lead to lower interest rates and spur lending in the second half of 2016.

As for American policy, he doesn't expect U.S. President Barack Obama to visit Ukraine during his last year in the White House.

"He has not got Ukraine right, so why should he come?" Aslund asks. "He has not been particularly interested in Ukraine." ■

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Welcome, 2016: What we expect from this year

City Life

WITH NATALIYA TRACH
TRACH@KYIVPOST.COM

Why cleansing, cold-water dip at Epiphany endures as tradition

I've noticed many foreigners grow pale when they discover how Ukrainians traditionally celebrate the Epiphany – a Christian festival that in the Orthodox tradition marks the baptism of Jesus.

According to custom, Ukrainian believers plunge into ice-cold water in rivers and lakes on Jan. 19, a time of year when temperatures are usually below freezing.

It is believed that on Epiphany all water areas symbolically become the Jordan, the river in which Jesus was baptized. The celebration also completes the cycle of Christmas holidays. On this day, the water is believed to gain miraculous qualities – it can bring happiness and health for the whole year. That is why, on Jan. 19 the banks of rivers and lakes in Ukraine are crowded with half-naked people – a scene that can bewilder those unfamiliar with local traditions.

Having been born and grown up in Ukraine, I never found this tradition shocking, although I had trouble understanding why people would voluntarily plunge into ice-cold water. Nine years ago I got a chance to try it myself while on vacation in western Ukraine.

We dropped by the St. Anna spring at St. Anna Monastery in Rivne Oblast and took a plunge into an ice-cold well there. Even though I was not prepared for winter swimming at all, I liked the experience. I dried myself with a terry towel and immediately felt warm. With the heat came a feeling of lightness, as if I had lost some sort of burden.

The fact that I didn't even get a head cold from the experience impressed me. Even so, when several years later my friends suggested that I take a plunge in the Dnipro River on Epiphany I saw the idea as a challenge. The idea of walking on the snow bare footed and changing wet clothes in the cold air scared me. So I decided to prepare by taking cold showers in the morning.

At first it was hard, but this practice, which turned into a habit, had some benefits. First of all, I became less sick with the flu and cold during the autumn and winter seasons. Second, the



A woman takes photo of her friend posing with the New Year decoration installed at the Troitska Square in Kyiv on Jan. 13. (Volodymyr Petrov)

BY KYIV POST LIFESTYLE

As the year begins, the Kyiv Post looks at the events that will shape 2016 in art, culture and entertainment.

Movies: 'Captive,' 'Luxembourg,' 'Polina'

Planned for release in February, the documentary "Captives" by director Volodymyr Tykhyi is a story of a young EuroMaidan Revolution activist Sashko and his search for what had happened with the police trooper that he captured during the standoffs.

One of the most anticipated releases is "Luxembourg" by Myroslav Slaboshpytsky, the director behind

the acclaimed 2014 movie "The Tribe." His new movie is about the people who reside in the Chernobyl exclusion zone. "Luxembourg" will be released at the Cannes Film Festival in May 2016.

Another release this year is "Polina," a €2 million family fantasy co-production of Ukraine, Belgium, and France. It's a story of a girl trying to figure out what happened to her missing parents. The movie will hit theaters in fall of 2016.

The year of soccer

Fans of Ukrainian soccer teams will have a lot to see this year. For the first time in 17 years Dynamo Kyiv will play in the playoff stage of

the Champion's League. Dynamo's Round of 16 opponent is Manchester City, and their two-legged series is on Feb. 24 and March 15.

Later in the year, the national team will compete in the European soccer championship in France. The first group fixture is against Germany on June 12.

Boxing: Important fights for Klitschko and Usyk

After having his first defeat in 11 years last year, Wladimir Klitschko will fight Briton Tyson Fury in a rematch. The date of the boxing match is not fixed yet, but both sides said it will happen.

Ukrainian cruiserweight

Oleksander Usyk will fight for his first heavyweight title in April or May. Polish boxer Kshyshtof Glovazki will be his opponent.

Visa-free travel

In December, the European Commission said Ukraine fulfilled all the conditions for a visa-free regime with the European Union. Ukrainian Foreign Minister Pavlo Klimkin expects the visas to be canceled in summer.

Prominent renovations

Restoration of the 17th-century Zhovkva Castle in Lviv Oblast is

more **Expect** on page 13

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more **Epiphany** on page 13

From silly to serious, this is what's ahead in 2016

Expect from page 12

planned for completion this year thanks to Hr 3.8 million that the government allocated. The castle lost its original beauty due to faulty restorations in the past.

Bialy Slon (White Elephant), a castle-like former observatory on the top of Pip Ivan Mountain in the Carpathians will be renovated, too. This fairy tale-like building stands on a height of 2,018 meters and serves as a mountain rescue point.

English translations of new Ukrainian books

"Airport" (2015), a novel by Los Angeles Times journalist Sergei Loiko, will be published in the English and German languages. The novel is based on the heroic defense of Donetsk Airport by Ukrainian soldiers and volunteer battalions against Russian-separatist forces between May 2014 and January 2015.

Another anticipated translation is a collection of autobiographical short stories by Oleg Sentsov, a Ukrainian film director illegally imprisoned in Russia. The book will be published in English and German.

Ukraine turns 25

On Aug. 24, Ukraine will celebrate its 25th anniversary of independence. Traditionally, music, concerts, and outdoor events accompany the celebrations, while citizens put on their ethnic or modern embroidered garment vyshyvanka and pin or bind a strip in yellow and blue colors of the national flag.

30 years since Chernobyl disaster

On April 26, Ukraine marks a sad 30th anniversary of the Chernobyl nuclear disaster. Approximately 100,000 square kilometers of land was significantly contaminated and nearly 2 million people have been



Ukraine national soccer team players celebrate their goal against Slovenia during the Euro 2016 playoff football match between Ukraine and Slovenia at the Arena Lviv stadium on Nov. 14. (AFP)

affected by the tragedy. To secure the exploded reactor, a new shelter over it will be built by 2017 with financial help from foreign donors.

Most anticipated shows

Legendary German rock band Scorpions will perform in Kyiv on Feb. 19 as part of their 50th anniversary tour. Tickets are selling for Hr 590–3,490.

On March 3, Kyiv night club Stereo Plaza will host British synth-pop duo Hurts with their new album "Surrender" (Hr 700–3,500).

Once very popular, The Prodigy band comes to Kyiv's Palace of Sports on April 12 to give a concert in support of its newest album (Hr 690 – 2,990).

Ukraine's most successful band Okean Elzy will perform on June 18 in the Olympic Stadium in Kyiv (Hr 250–1,750).

American cult punk rock band Red Hot Chili Peppers (RHCP) will perform in Kyiv on July 6 as part of the Ukrainian music festival U-Park. RHCP last visited Ukraine in 2012. Tickets go for Hr 960–1,900.

New restaurants

Several new eateries will open their doors in Kyiv this year. Asian food lovers wait eagerly for the opening of Bao, a modern Chinese cuisine restaurant, on 14 Mechnykova St. The opening date is yet to be announced.

Serhiy Husovsky, a Kyiv restaura-

teur and a Kyiv City council member, plans to open a new restaurant on Strutynsky Street in Pechersk, Kyiv's oldest and most prestigious district. The restaurant will serve Italian and European cuisine yet its name and prices remain undisclosed.

Ukrainian premiere of Václav Havel's play

Kyiv and Prague actors will present the joint staging of "Redevelopment," a play by Václav Havel, a Czech writer, philosopher, dissident and last president of Czechoslovakia and later the Czech Republic. The tragic-comedy ridicules bureaucratic arrogance and will be presented to the Ukrainian public on Oct. 5, the day of Havel's 80th birthday. ■



Young Ukrainian actress Polina Pechenko stars in "Polina" fantasy movie on Nov. 7 in Kyiv. (Courtesy)

City Life: Plunging into ice cold water on Epiphany isn't that bad after all

Epiphany from page 12

cold water helped me wake up and show up for work almost on time. Finally, it's the best preparation for those planning to swim in winter. It seems to me that the Dnipro water on Epiphany is never as cold as the cold water in my bathroom.

In fact, the cold water in a river or a lake won't chill you to the bone, and fears of getting a cold are only in our minds. Panic is the greatest obstacle and the most difficult part of plunging into cold water. And the most pleasant part of the experience is the awareness that you have won a small victory over your own fears.

I'm going to take the plunge again this year, as small victories add up to bigger ones in the end. ■

Where to plunge into ice water, or watch the others do it, on Jan. 19 in Kyiv:

Obolonska Quay near St. Pokrov Cathedral (5 Pryrychna St.) at 12 p.m.
Hydropark, near the Epiphany Chapel at 2 p.m.
Feofania park, (37 Akademika Lebedeva) at 8 a.m.
Mamayeva Sloboda ethnographic village (2 Mykhayla Dontsya St.) at 12 p.m.



People plunge into the cold waters of Dnipro River during the Epiphany celebration in Kyiv's Obolon neighborhood on Jan. 19, 2015. (Volodymyr Petrov)



'Make like a tree'

Want to discover an inner world of nature, woods and mountains? The "Make like a tree" show puts together minimalistic travel photography and indie-folk music by Sergey Onischenko, a Ukrainian traveler who has been hitchhiking around the world. His works reference the ideas of the Beat Generation.

"Make like a tree" (exhibition-concert). Jan. 15. 8 p.m. Mezzanine (31 Nyzhnoiurkivska St.). Free

'Winter Wonderland'

The Friday night concert "Winter Wonderland" is a compilation of the best jazz compositions from the late 1930s to the early 1950s. The show includes vocals and aims to get the audience into the holiday spirit.

Winter Wonderland (concert). Jan. 15. 8 p.m. Caribbean Club (4 Symona Petliury St.). Hr 80-380



'The Genotype of Freedom'

"The Genotype of Freedom" is a retrospective exhibition opened by one of the best-known Ukrainian modern artists, Ivan Marchuk. The display features 150 paintings in the artist's original technique he calls plantanizm (from the Ukrainian word for "weave"): It shows objects as if behind a spider's web.

"The Genotype of Freedom" (retrospective exhibition). Jan. 13 - 31. Mystetskyi Arsenal (10-12 Lavrska St.). Hr 20-40



Scorpions

This German rock band, formed in 1965, is a living legend on the world's rock scene. In 2015, the band celebrated its 50th anniversary, and their ongoing anniversary tour now brings Scorpions to Kyiv.

Scorpions (concert). Feb. 19. 7 p.m. Palats Sportu (1 Sportyvna Square). Hr 590 - 3,490

Hurts

Hurts is a British synthpop duo formed in 2009. Their first two albums, "Happiness" and "Exile," both reached the Top 10 in charts across Europe. Only 24 cities in Europe will have an opportunity to see their show, and Kyiv is one of them.

Hurts (concert). March 3. 8 p.m. Stereo Plaza (119 Chervonozoryanyy Ave.). Hr 700 - 3,500



Zhanna Kadyrova exhibit

In this new personal exhibition, the acclaimed modern Ukrainian artist Zhanna Kadyrova explores the topic of the metaphorical walls between people, and touches the subject of the new division between Crimea and Ukraine.

"Yours/Mine" (exhibit by Zhanna Kadyrova). Mystetsky Arsenal's Small Gallery (10 Lavrska St.). 7 p.m. Free

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Russia keeps up its war, refuses to surrender control of eastern border

Peace from page 1

called on Ukrainian President Petro Poroshenko to make progress on Ukraine's commitments.

A year ago Ukraine was ready to cut off the Kremlin-controlled parts of Donetsk and Luhansk oblasts amid fighting that has killed more than 9,000 people since April 2014 when a Kremlin-engineered uprising started.

But on Jan. 14, Poroshenko said at a news conference in Kyiv that 2016 should be "the year of the return of Ukrainian sovereignty over the occupied territories of Donetsk and Luhansk oblasts," including 400 kilometers of its eastern border that Russia now controls.

Boris Gryzlov, Russia's envoy at the Trilateral Contact Group that includes Russia, Ukraine and the Organization for Security and Cooperation in Europe, came to Kyiv this week for meetings.

The European Union applied

sanctions again him in July 2014, yet he was welcome in Kyiv on Jan. 11. Gryzlov is a heavyweight in Russian politics, whose appointment to lead peace talks is part of what some see as a bid by the Kremlin to end the war.

It's unclear, however, whether either Ukraine or Russia are ready to make concessions for lasting peace.

Ukraine is unwilling to grant amnesty to separatist fighters considered to be war criminals.

It will be also hard to secure the required 300 parliamentary votes for constitutional changes that would grant autonomy to separatist-controlled areas of Donetsk and Luhansk oblasts, even though special status is one of Ukraine's obligations under the peace deal reached in the Belarusian capital. Parliament gave initial approval on Aug. 31, but has to vote for them again by Feb. 2.

Parliament also has to pass a law enabling Ukraine to hold local

elections on separatist-controlled territories.

Poroshenko could dissolve parliament and announce snap elections if the ruling coalition falls apart and lawmakers fail to pass the laws required by Minsk II, said political analyst Kostiantyn Bondarenko. And

Speaking on Jan. 14, Poroshenko said the Ukrainian military has photo and video evidence of Russian troops and armored vehicles still crossing into Ukraine. Regaining control over the border with Russia is key to restoring peace in the Donbas, he said.

But for Russia to surrender control would deprive Moscow of a way to pressure Ukraine not to join NATO, said Anna Pechenkina, a political scientist at Carnegie Mellon University in the United States.

"If the EU alleviates Russia's commitment problem by guaranteeing that no further military integration of Ukraine will take place, and if the EU monitors Ukraine's compliance with

amnesty provision for the rebels, then under those conditions it may work," she said.

Russian elites may also grow tired of the economic hardships and international estrangement that the war has caused.

"If the Russian elites perceive the Donbas as an important source of their legitimacy, then Russia is more likely to make a power shift in favor of the rebels, which will lead to another spell of heavy fighting," Pechenkina said.

Leonid Poliakov, a military expert at the New Ukraine think tank and former deputy defense minister, said the Minsk II agreement gave Ukrainian forces a break. Poliakov said that if the peace process stalls again this year, limited-scale fighting is likely to resume in spring.

But Russia used the pause to re-arm separatist forces with old Soviet weapons, especially artillery systems. "Now they probably have the third biggest army in Europe in

terms of amounts of weapons, after Russia and Turkey," he said.

The first 2016 peace talks ended on Jan. 13 with an agreement to cease fire by midnight, and the exchange of 50 prisoners on both sides, as proposed by Ukraine. Instead, the Ukrainian military said separatists attacked them about 70 times, a record number of attacks over a 24-hour period this year.

Alexander Hug, deputy chief monitor of the OSCE Special Monitoring Mission to Ukraine, told the Kyiv Post that the first steps in the peace process, including the cease-fire and removal of heavy weaponry from the separation line, have yet to be taken. While the mission recorded a decrease in fighting near Donetsk airport since late December, the situation has deteriorated near Horlivka in Donetsk Oblast.

Kyiv Post staff writer Alyona Zhuk contributed reporting to this story. ■

Media ownership gives oligarchs political influence, not profits

Media from page 5

SBU (Security Service of Ukraine)," Nayem said.

Meanwhile, monitors of Vesti's content — including those from Telekrytyka — found that some stories spread panic, were pro-Russian and anti-Ukrainian, presented issues in a one-sided manner and commonly used anonymous sources and rumors.

Last year, protesters even demanded that the Security Service of Ukraine shut down the newspaper. But unethical journalism is not illegal.

Guzhva has denied wrongdoing and criticized the police raids.

"We are deeply convinced that the only goal of the search was to block the activity of the staff of Vesti newspaper," read an appeal signed by Guzhva. "Given that the company performs the function as the publisher of the biggest daily newspaper in Ukraine, the interference with the media may be regarded by the international community as a limitation of pluralism, tolerance and broadmindedness without which a democratic society is impossible."

He also dismissed criticism that Vesti is a Kremlin propaganda tool.

"We are not an instrument of the informational war," Guzhva wrote on his Facebook page. "We are trying to help people understand the reality that surrounds them and to survive in it."

But his past is also fuel for critics. He launched Vesti shortly after returning from Moscow to Ukraine nearly three years ago. In Russia's capital, he was the chief editor at Moskovskie Novosti newspaper and

also once headed Ukraine's Segodnia daily newspaper, owned by the billionaire Akhmetov, who strongly backed the pro-Russian Yanukovich.

After Guzhva left Vesti last summer, the publication became less pro-Russian and started portraying former Yanukovich allies in a more favorable light. It also became less critical toward the current Ukrainian leadership.

Kurchenko's holdings

Kharkiv businessman Serhiy Kurchenko, 30, became rich during Yanukovich's presidency from 2010-2014. After Kurchenko's companies won lucrative government tenders to buy liquefied gas at discounted prices he was called "The Gas King" in a cover story by Forbes Ukraine magazine in 2013. He decided to buy Ukrainian Media Holding, which publishes Forbes and other editions, from Borys Lozhkin, now President Petro Poroshenko's chief of staff.

"We are looking for profitable and promising Ukrainian media assets," Kurchenko said in a statement explaining the reported \$340 million deal.

But Vladimir Fedorin, former editor-in-chief at Forbes Ukraine, told the Kyiv Post that Kurchenko's motivation was different. "I am convinced that the buyer pursues one of the three aims (or all three at once): to shut the journalists' mouths before the (2015) presidential election, to whitewash his own reputation, and to use the publication to solve problems that have nothing to do with the media business."

The EuroMaidan Revolution that forced his patron Yanukovich to flee



Billionaire Igor Kolomoisky is one of Ukraine's top media owners. Media monitors say that he and other oligarchs have reputations for interfering with the editorial independence of journalists in news outlets. (UNIAN)

also forced Kurchenko and other Yanukovich allies to leave Ukraine.

Kurchenko is wanted by Ukrainian authorities and is under U.S. and EU sanctions. He is suspected of large-scale embezzlement, theft of funds and causing the state Hr 5 billion in damages.

Nevertheless, Kurchenko's media business, though not as lucrative as before, is still functioning.

"Putting on a wanted list or criminal probations regarding someone is not an obstacle for a person to be an owner of some business," explained Roman Holovenko, head of the legal

department at the Institute of Mass Information. "He could be deprived of his business only after the court verdict that sanctioned him with confiscation of property. Otherwise he has no legal problems."

It is still a question who is the real owner of the Ukrainian Media Holding.

The state register says that the beneficiary owner of Ukrainian Media Holding is 28-year-old Belize city resident Matthew Adrian Bradley. He is also listed as an officer in more than 40 other companies, according to the U.K. company registry. "According

to the law, as I understand, it is difficult to deprive Kurchenko of his property," Ligachova said. "As far as I know, he remains the owner of the holding."

Oligarchs won't let go

While Russia's war, the Kremlin annexation of Crimea, the hryvnia's loss of two-thirds of its value and economic recession have caused the top oligarchs to lose more than half their wealth since 2012, they are not shedding their unprofitable media assets.

Ivanov, president of the Academy of Ukrainian Press, thinks the oligarchs will keep their media assets.

"Media are a powerful instrument of influence and nobody wants to refuse from it just so," Ivanov said. "And they will rather save money on something else but will keep these channels of influence open."

The willingness of the oligarchs to heavily subsidize their media makes it difficult for outlets that survive on paid advertising or subscriptions.

The financial woes contribute to an assessment by media watchers that the industry is not healthy and must improve or risk further losing public trust, which has never been high anyway. A 2015 survey by the Institute of Sociology of the National Academy of Science of Ukraine found that only 25 percent of Ukrainians trust the news media in general.

"Problems will simply accumulate more and more," said Ihor Rozkladay, a media expert from the Reanimation Package of Reforms. "Falling trust in media is a serious signal that something should be changed." ■