

Coming in the Sept. 27 edition of the Kyiv Post

In Partnership with

Panasonic



WORLD IN UKRAINE: JAPAN

Please contact us at advertising@kyivpost.com or call +38044 591-7788

KyivPost Employment Fair
We offer work, not talk!

September 21
10 a.m. — 5 p.m.

The Ukrainian Chamber of Commerce and Industry
33 Velyka Zhytomyrska st.

If you want to participate in the Employment Fair, please contact us at +380 44 591-7788 +380 44 591-3408 advertising@kyivpost.com

18th Anniversary

KyivPost

vol. 18, issue 37

INDEPENDENCE. COMMUNITY. TRUST

www.kyivpost.com

September 13, 2013

Abuse Of Power



In "Abuse of Power: Corruption in the office of the president," Ukrainian-American author Jaroslav Koshiw, a former Kyiv Post editor, relies extensively on the 1999-2000 recordings of ex-presidential bodyguard Mykola Melnychenko. Koshiw concludes that all four of Ukraine's presidents were corrupt in varying degrees. Pictured on the book's cover from a 2004 photograph are, from left, Viktor Yushchenko, Viktor Yanukovich and Leonid Kuchma. All presidents have denied any illegal actions and officials have disputed the authenticity of the Melnychenko recordings. (AFP)



Jaroslav Koshiw hopes that his book "Abuse of Power," published this year, will stimulate an anti-corruption campaign. (Courtesy)

BY BRIAN BONNER and OKSANA GRYTSENKO
BONNER@KYIVPOST.COM AND GRYTSENKO@KYIVPOST.COM

Whatever readers think of Jaroslav Koshiw's latest book "Abuse of Power: Corruption in the office of the president," no one can accuse the Ukrainian-American author of shying away from powerful targets.

The 313-page book by Koshiw, a scholar and a former Kyiv Post editor, takes on Ukraine's four presidents for a very simple reason.

"Corruption in Ukraine emanates from the office of the president. Once you understand this, it's so much easier to understand what is happening in the rest of the country," Koshiw, who lives in the United Kingdom, said in an interview. "All four were corrupt. Some more, some less. Almost every governor is chosen on the basis of how corrupt he is. Once a person becomes president, he becomes a dictator of Ukraine. Through the governors, he rules the country and there's no other structure that competes with president." → 6

From Jaroslav Koshiw's book



Georgiy Gongadze

"In the six months before giving the order to extrajudicially punish the journalist Georgiy Gongadze, President [Leonid] Kuchma was obsessed with the 'Georgian,' as he called him, and his Internet newspaper Ukrainska Pravda. In the period, Gongadze's name came up at least 20 times in his conversations," Koshiw writes. Kuchma denies ordering Gongadze's murder.



Pavlo Lazarenko

Koshiw writes that Leonid Kuchma had no problems with Pavlo Lazarenko's financial corruption until the prime minister challenged the president politically. "Following Lazarenko's demise, the president continued to sanction large-scale abuse of power, as long as the oligarchs remained loyal," Koshiw writes, noting that others allegedly stole more.



Mykola Azarov

Now prime minister, Azarov served as head of the tax office under Leonid Kuchma. The author writes that Azarov manipulated Kuchma into battling Azarov's enemies while protecting Azarov's friends — namely the Donetsk clan led by then-Governor Viktor Yanukovich and billionaire Rinat Akhmetov. Azarov's spokesman called the allegations "nonsense."



Yevhen Marchuk

Koshiw writes that the idea for Mykola Melnychenko to record Leonid Kuchma came from Yevhen Marchuk, a former prime minister who challenged Kuchma's re-election. The taping lasted from spring 1999 until Sept. 27, 2000. Marchuk has denied any involvement. The author writes that Marchuk lost credibility by selling out to Kuchma for material gain and political positions.

Inside:

Business → 8, 9

News → 3, 6, 7

Opinion → 2, 4, 5

Lifestyle → 11 - 14

Employment/Real Estate/Classifieds

→ 15

CURRENCY WATCH

Hr 8.17 to \$1

Sept. 12 market rate



Advertising: +380 44 591-7788 advertising@kyivpost.com

Editorial staff: +380 44 591-3344 news@kyivpost.com

Subscriptions: +380 44 591-3408 subscribe@kyivpost.com

4 820131 720013 3 7

The material published in the Kyiv Post may not be reproduced without the written consent of the publisher. All material in the Kyiv Post is protected by Ukrainian and international laws. The views expressed in the Kyiv Post are not necessarily the views of the publisher nor does the publisher carry any responsibility for those views.

Газета "Kyiv Post" видається ТОВ "Паблік-Медіа". Щотижневий наклад 11,000 прим. Ціна за домовленістю. Матеріали, надруковані в газеті "Kyiv Post" є власністю видавництва, захищені міжнародним та українським законодавством і не можуть бути відтворені у будь-якій формі без письмового дозволу Видавця. Думки, висловлені у дописах не завжди збігаються з поглядами видавця, який не бере на себе відповідальність за наслідки публікацій.

Засновник ТОВ "Паблік-Медіа"

Головний редактор Януб Парусинський

Відповідальний за випуск Януб Парусинський

Адреса видавця та засновника

співпадають: Україна, м. Київ, 01004,

вул. Пушкінська, 31А, 6-й поверх.

Реєстраційне свідоцтво

Кв № 15261-3833ПР від 19.06.09.

Передплатний індекс ДП Преса 40528

Надруковано ТОВ «Новий друк»,

02660, Київ, вулиця Магнітогорська, 1,

тел.: 559-9147

Замовлення № 13-7725

Аудиторське обслуговування

ТОВ АФ "ОЛГА Аудит"

З приводу розміщення реклами

звертайтеся: +380 44 591-77-88

Відповідальність за зміст реклами

несе замовник.

Mailing address:

Kyiv Post,
31A Pushkinska, Suite 600, 6th floor
Kyiv, Ukraine, 01004

Advertising

tel. +380 44 591-7788
fax +380 44 591-7789
advertising@kyivpost.com

Editorial staff

tel. +380 44 591-3344
fax +380 44 591-3345
news@kyivpost.com

Subscriptions

Svitlana Kolesnikova
tel. +380 44 591-3408
fax +380 44 591-7789
subscribe@kyivpost.com

Distribution

Andrey Beley
tel. +380 44 591-3409
fax +380 44 591-7789
distribution@kyivpost.com

Ukraine will benefit from Vilnius signing



JAN TOMBINSKI

Just a few months ago I was talking to students at Donetsk National University, which I very much enjoyed. These young people were clear in their ambition for closer European Union-Ukraine relations.

The discussion was interesting and at one point someone asked me: Why does Europe need Ukraine? At first I was surprised, as the answer seems so clear to me, but then Mark Twain's remark on Wagner's music came into my mind. This question is also "not as bad as it sounds." Why does Europe need Ukraine? And why does Ukraine need Europe?

Of course, one always can repeat the obvious: Ukraine is an important economic partner, a source of energy security, a bridge to Russia. And certainly, given its territorial size, its geographic position, its 46 million population and its role as the main transit state for Russian oil and gas exports to Central and Western Europe, Ukraine is critical to European security.

But let us stop here for a moment and look at the map. Ukraine is not only one of the biggest EU neighbors. It borders directly on four of the 28 EU member states: Poland, Slovakia, Hungary and Romania.

It never rains on your neighbors without you getting your feet wet, as the Chinese say, and I think it is very true also when we are talking about relations between countries. So, it is quite natural for Europeans to aspire to expanding European, dem-

Eastern Partnership Summit

Nov. 28-29
in Vilnius, Lithuania

Will EU sign agreement with Ukraine?

ocratic values to their neighbors and, in particular, Ukraine.

If we further study the map, we can also see that there are only two places in Europe, where in a narrow circle of roughly 100 kilometers as many as five states meet. The other one is around Luxembourg with Germany, France and the Benelux countries bordering each other – the exact place where the EU was born.

In the case of Ukraine we have a similar geographic situation. So why not use all this as a birthplace of a new Ukraine, a new extension of a European integration?

The EU Delegation to Ukraine was opened 20 years ago. Relations between the EU and Ukraine have dramatically intensified during the last decade. Today Ukraine stands at a critical crossroad between developing a more open society increasingly integrated into the European space of democracy, prosperity and market-based economics grounded in respect for human rights and the rule of law, or an increasingly autocratic system, mired in the economic stagnation and political instability that is historically characteristic of Europe's borderlands.

The choice is straightforward: Ukraine can either

join the European mainstream or remain in a grey zone of insecurity between Europe and Russia.

In recent years the authorities in Ukraine - both the government and parliament - have repeatedly confirmed their choice of the European way. European integration is one of the most important political and economic priorities. Right at the moment we are just a step away from realizing the major goal of signing the Association Agreement. But this step seems to be a difficult one.

Though we note the progress being made in the implementation of reforms in Ukraine, there are still important elements – such as judicial reform, electoral law or a solution to (imprisoned ex-Prime Minister) Yulia Tymoshenko's case – that are missing. The clock is ticking; we have less than three months left until the Vilnius Summit.

So, why should Ukraine make an effort?

First of all, because the Association Agreement offers a unique opportunity to Ukraine. This opportunity will positively affect many aspects of day-to-day life for all businesses and citizens. The EU is here to continue to support Ukraine and its citizens in their reform efforts. The signature and implementation of the AA/Deep and Comprehensive Free Trade Agreement will completely revolutionize not only the economic, trade and investment relationship between Ukraine and the EU but the whole administrative and economic landscape of the country.

It is the most ambitious bilateral agreement that the EU has ever negotiated. It will not only open up our mutual markets by removing and reducing tariffs and quotas; it will also result in an extensive harmonization of laws, norms and regulations across all economic sectors with European standards. This will boost investors' trust in Ukraine.

We are convinced that over time, the agree- →5

The Kyiv Post's Business Focus in its **Sept. 20** edition will be on:

LEGAL SERVICES

STORIES INCLUDE:

- The people behind Euro-integration legislation
- An insider's look into the legal world of sports
- Framing legislation to let prisoners seek medical care abroad

To advertise please contact us at advertising@kyivpost.com | +380 44 591-7788

INTERDEAN
RELOCATION SERVICES

THINKING RELOCATION?
THINK INTERDEAN.
"We make it easy"

Relocation | Immigration | Moving | Real Estate

Contact Interdean:
T: +38 (044) 576 7370
E: kiev@interdean.com

ISO FAIM FIDI IAM

www.interdean.com

Executive Moves & Office Relocation Service
We Forward The World

KIMET
UKRAINE'S FAVORITE MOVER

- Door-to-door moving worldwide
- Office & residential relocation
- Customs clearance service & storage
- Boryspil a/p City express deliveries

For a free estimate call us now at
236-61-77 483-24-20
483-24-61
e-mail: kimet@merlin.net.ua
YOUR COST-SAVING ALTERNATIVE
License series AB No 544771 given by the Ministry of Transport of Ukraine on 20.07.10

WHEN IT'S NOT JUST BOX

MOVE ONE
ukraine@moveoneinc.com
+38 044 369 30 77
moveoneinc.com

AGS Worldwide movers, you deserve the best

International Moving & Storage

AGS, for moving with peace of mind

Safe, secure international and local removals, storage and archiving

AGS UKRAINE
Tel. : +380 44 502 39 23
manager-kyiv@agsmovers.com
www.agsmovers.com

SOPHIA
BUSINESS CENTER

OFFICE FOR LEASE IN THE CENTER OF CBD

Office for lease at Rytsky lane, 6
Class A Business center with magnificent views over Kiev CBD:

- lift access
- ventilation and air conditioning
- on site parking and reception service
- excellent access to public transport
- professional management

+38 096 487 96 82
(English / German speaking staff)

Find stories by Kyiv Post on the popular news app for Android phones UA Today, created by Stanfy.

Investigation into drug market uncovers endemic violations

BY KATERYNA KAPLIUK
KAPLIUK@KYIVPOST.COM

Corruption in government purchase of medication through public procurement procedures is endemic, according to a parliamentary commission which found that the state often buys drugs at inflated prices.

The problems extend beyond the public sector, the commission found. Taken together, the practices are contributing to an unknown number of deaths and costing the state and patients too much money, according to investigators.

The full report of the findings will be presented in early October, but a preview shows that — besides the needless patient suffering and costs — the corrupt practices have created shortages of quality medicine.

One of the biggest problems in the pharmacy sector is monopolization, says Pavlo Petrenko, the opposition Batkivshchyna faction's representative on the inquiry commission. Last year, some 80 percent of 138 townships across Ukraine studied by the Antimonopoly Committee were controlled by only a few companies. The investigators made a similar discovery on the wholesale markets, finding that four companies controlled about 70 percent of drug sales in 2012.

"The State Inspection for Price Control has monitored about 70 drugs that were procured for budget funds, and compared them with prices in

Belarus, Russia, Poland and Bulgaria. None of these items were found to have lower prices in Ukraine compared to reference countries," Petrenko says.

In the retail market, for example, the price for the antibiotic Loraxone was 79 percent higher in Ukraine than in Russia or Belarus while the anti-fungal drug Orungal cost 56 percent more than in Russia, according to the report.

Importers of medicines are exempt from value-added tax, so the budget gets no taxes off the inflated price. Lawmakers estimated that the losses to the state budget are huge because of the VAT exemption. They put the cost to the state budget at Hr 3.4 billion in 2011 or Hr 3.1 billion in 2010.

One of the schemes commonly used for transferring money abroad is inflated customs value of the imported medicines, Petrenko says. As a part of the inquiry, Ukraine's customs authorities sent requests to 46 exporting countries and cross-checked the prices. Eight out of 19 replies showed that the producers' price is anywhere between 2 to 4 times lower than those declared by Ukrainian intermediaries in their customs declarations.

For instance, one Ukrainian company declared the value of medicine imported from India at nearly \$1.2 million when the real value was only \$583,000.

Each step in the transaction gives an opportunity to inflate the prices even more.

In one such scheme uncovered by



Dubious procurements conducted by the Ministry of Health have attracted the attention of regulatory authorities. (Ukrainian News)

the tax service, an Indian resident registered two companies in Ukraine, called Abryl and Abryl Formulations. According to their customs declarations, they purchased drugs from an overseas company owned by the same person. However, in reality medicines were transported directly from Indian factories to Ukraine without intermediaries, which were only needed to introduce an extra margin.

These imported medicines went on to be sold to Alba Ukraine, Optima Pharm and BADM — companies that are infamous now for their uncanny ability to win public procurement tenders.

Abryl Formulations could not be reached for comment because it has been liquidated. Abryl's number listed

in its registration documents no longer exists.

Health Ministry adviser Viktor Chumak says officials are addressing the problem. He cited a pilot project that reduced the price of anti-hypertension medicine by 15 percent.

Volodymyr Ignatov, executive director of the Association of International Pharmaceutical Manufacturers in Ukraine, says that state procurements only account for 13 percent of Ukraine's pharmaceutical market and that only a third of those drugs are purchased by the Health Ministry. Ignatov says that most of the rest of the market lives by normal market rules.

He says that the ministry's practice of holding a tender once a year

makes no sense because it's hard to predict the demand. "It's like the Ministry of Health is trying to buy one-size boots for the entire country," Ignatov says.

The violations and inefficiencies contribute to late deliveries of drugs to patients, among other problems. Patients often end up buying drugs at their own expense, if they can afford them, rather than having the state provide them as required by law.

In Donetsk Oblast, only 53 percent of adults with cancer and 66 percent of children with the same disease were provided with drugs by the state, and the figures are similar for the rest of the country. The problems with obtaining cancer drugs contribute to the nation's higher cancer mortality rate, which grew by 4.5 percent in just one year, reaching 14 percent of the total mortality rate, according to Petrenko's letter to the General Prosecutor's Office.

To counter shortages, the Ministry of Health says it has increased the funding of drugs by 20 percent compared to last year. The budget for drugs to supply children with cancer increased from Hr 91 million last year to Hr 216 million in 2013. "The Ministry of Health for the first time plans to provide 100 percent of medicine to children with cancer," the head of the ministry's procurement department Galyna Dovganchyn said in a prepared statement.

Kyiv Post staff writer Kateryna Kapliuk can be reached at kapliuk@kyivpost.com.

Advertisement

Roman Romanchuk, CEO of "Sushiya", discusses the hidden dangers of delegation and the network's expansion to European countries.



Name: Roman Romanchuk
Nationality: Ukrainian
Vocation: CEO of "Sushiya",
a chain of restaurants
producing modern
Japanese cuisine,
EBA Member

Do you have plans for expansion on Ukrainian market, e.g. introducing new brands? What are your growth ambitions?

"Sushiya" will stay on the same level of growth for the next two years, opening 10 restaurants on average per year, with 350,000 guests visiting each month. Today we remain the biggest Ukrainian chain of Japanese cuisine and the fastest-growing. In addition we will continue developing new pilot projects and building new brands.

What is, in your opinion, the best tool to retain brand loyalty?

There are several factors which are essential to retaining clients — the best service, the best price, unprecedented quality, and the ability to listen to guests and admit any mistakes. We are sincerely concerned about every complaint we hear, whether in our restaurants or in social media and we react immediately.

What key market drivers are positively impacting your business?

The market itself creates the factors that force us to grow and develop. One of them is the growth and development of our competitors, who continually progress. On the one hand, it gives us additional incentives to become more efficient, on the other hand, our customers have more options to choose from. New restaurants and new products appear — and if a customer switches to try a new product, and certain waves of inflows and outflows appear, they influence on our business. But even after tasting something new, our guests come to us back quite often.

Purchase power is another factor that has a huge impact on the restaurant's business. It corresponds with the mood and behavior of the customer in every market. However, in other markets if the customer endures a decrease in purchasing power, they will switch to a smaller shopping basket or will spend less, but in the restaurant business, they will just stop coming. It's among the first segments where the consumer starts to save.

Have you launched any new initiatives to combat the current challenges?

"Sushiya" is among the biggest market trendsetters. We've never aimed to copy any strategy or actions of other market players — never in the history of the network. Moreover, we know that some of our competitors try to copy us, our standards and technology. We're continually looking for new possibilities for developing our business model. Among the latest innovations in "Sushiya" — is a system of mobile terminals for Guests servicing that allows them to transfer an order automatically to the kitchen. The system allows us to decrease the servicing time, reduces the human factor, improves the quality of the service, efficiently allocates the orders within the production line, improves project management and allows us to receive statistics that permanently improve the process. Servicing efficiency grew by 35% and today the average time in "Sushiya" it takes for food to arrive is 25 minutes from the Guest arriving in the restaurant.

Additionally, we continue to broaden the "Tochnaya dostavka" service that ensures food delivery to any location in the city within 60 minutes. This year the service grew by 20%. Customers can order meals not only through the web-site or hot-line, but by installing a special application on their computer — yet another innovative tool we've implemented in the network.

If you look ahead five years, how do you see the future of "Sushiya"?

Looking ahead, I can tell you — the company will be different. It will be managed by another set of rules; it'll become larger, turning into a global player, and will include several brands in its portfolio. Brand "Sushiya" itself will continue to develop by the same pattern, but the employees will change. It will become a team of technologically well-adjusted functions, working fast, efficiently and systematically, interacting with each other. Management will be built on the principles and values that will allow the company to become the place where every person can demonstrate and develop their professional ambitions, as well as derive pleasure from work, and where everyone can grow in comfort and enjoyment.

What is the most important management lesson you have learned in your life?

Probably, it is connected with people and delegation. I have a democratic style of management and in the early stages of the company development I delegated many tasks and trusted my employees too much. Now I understand that not every employee can take on a particular responsibility, whether due to their personal qualities or lack of competence. The success of "Sushiya" is 90% due to the success of each team member and 10% due to the success of the investors who developed this business model.

What defines the success of the business model — marketing or sales?

The must-have of ensuring an effective business model in the restaurant business is the right service and the right product. If there isn't one or the other, then marketing will never guarantee good sales, meaning that marketing is simply needless. The task of marketing in our segment is to create a quality environment for sales growth, due to a good product or service. Marketing activities and effective promotion go next, provided a particular added value to the product. Upon reaching it, we can assume that we have a good business model.

What are the main challenges for you to overcome?

Policy decisions do not stimulate business in our country and we continue to live by the rules and regulations of the 60s, trying to adapt to them and trying to minimize their negative impact on the business. There are no stimulating factors — and this is a barrier for business development. The regulatory standards often conflict with each other, often with rules adopted in just the previous year. Thus, every year, when seeking permission for a summer terrace installation a restaurant, we are facing the new rules, which are often adopted just before the start of the season. It is difficult to say if it's done intentionally or not, but some of the institutions benefit from it. We waste a lot of time on bureaucracy issues. Each restaurant has to have a staff member to deal with that, which in fact is unnecessary for the business. Accounting obstacles is another issue.

Ukraine is a country that needs economic growth, as purchasing power directly depends on consumers' mood as they go through hard times. And we understand that the worst times is a barrier for the business, and the best times — an opportunity for growth.

What are the main methods for motivating your team?

The main motivating factor for "Sushiya" employees is transparent standards and team work without backstage and warring camps. And it will never change. There is a series of logical steps and good opportunities that can be taken for creating growth in the chain, and together we will reach a new round of developments and new results, and that is exceedingly stimulating.

Can you compare the financial performance of the company over the last year?

We remain the fastest growing network of Japanese cuisine restaurants, opening 10 restaurants this year alone. Even without adding new restaurants, the number of visits to restaurants in our network has increased by 2-3% on average and 5% at the most.

What inspires you as a business leader and why?

The results of the people — that inspires me. I admire when a person grows and receives sincere satisfaction from the process. And this is my dream — to build a company in which the vast majority of employees are in the right positions, enjoying the process and are able to grow as fast as the business needs. We want to build a market leader holding a significant share of national sales. And not only nationally.

Do you plan to expand into other markets?

It's true, we are exploring several interesting markets now, most of them are European ones. Next year we will restructure the company and will do substantial groundwork to go beyond the Ukrainian market. And I am sure in the near future we'll talk about it again.



Editorials

Kazakh experience

If Ukraine is looking for arguments in favor of signing a Deep and Comprehensive Free Trade Agreement with the European Union this year, it should look closely at Kazakhstan's experience in the Customs Union.

The country signed up to the trade bloc with Russia and Belarus on July 5, 2010. At the time the spin was that the removal of customs checks and tariffs will boost mutual trade and help economies thrive. Higher import tariffs adjusted to the level of Russia's were also supposed to shelter producers from cheap Chinese (and other) imports.

But three years on, the results are very different. In Kazakhstan, the only industries that got a boost are those producing raw materials that mostly go to Russia. Anything with added value gets non-tariff barriers, like Russia's notorious health and technical standards. The middle class got hit particularly hard. Consumers also suffered as prices for food and basic goods started to inch up.

Trade overall dipped this year in the whole of Customs Union. In five months of this year, the drop was 9.9 percent over the same period of last year, and Kazakhstan was hit the most, losing 15.8 percent of trade compared to last year.

At the same time, Russia's trade share in the Customs Union has been on the rise, confirming the basic suspicion of many skeptics that this is an organization chiefly invented to protect and promote the interests of its main, and biggest, patron.

As the share of Russia's goods in the structure of imports of both Belarus and Kazakhstan increased, imports from outside of Customs Union decreased as they became uncompetitive because of prohibitive tariffs. This has hit whole industries, most notably Kazakhstan's growing agricultural sector, which ended up unable to replace and improve the stock of foreign-made equipment. Because of the high import tariff, its price grew by over a third virtually overnight.

And if that's not enough, there is another industry on the up in Customs Union – illegal drug trafficking, which benefited from fewer checks and customs points.

So, the question is clear: Does Ukraine need this? The answer is probably even clearer.

While there are plenty of skeptics of the Deep and Comprehensive Free Trade Agreement offered to Ukraine, the deal still sounds better than the other option. That does not mean that Ukraine won't have growing pains once the DCFTA comes into effect. But the growing will be very real (especially in the long term), and in many directions.

Democracy now

As much as the Kyiv Post editorial board wants Ukraine to eventually join the European Union, we don't believe the 28-member EU bloc should compromise on human rights or democratic values. Still, this leaves us split over whether the EU should sign a political association and free-trade agreement with Ukraine this autumn.

One view in the Kyiv Post is that the signing should take place, no matter what, as a major impetus for Ukraine's leaders to change their undemocratic ways and a major tool for Europe to prod them to it. Without the incentive of an association agreement, according to this argument, Ukrainians may be locked out of institutional development, free trade and free travel for years to come.

The opposite view is that no signing should take place at the Eastern Partnership Summit in Lithuania on Nov. 28-29 unless Ukraine's leaders are forthcoming on basic EU requirements. Going easy on Ukraine would send the wrong signal to Ukraine's unworthy leaders, according to this line of thinking.

President Viktor Yanukovich can certainly increase the chances of such a signature taking place by dropping the fiction that he has nothing to do with ex-Prime Minister Yulia Tymoshenko's imprisonment since 2011. Then he should pardon her and let her go free. But freeing Tymoshenko is not enough.

Ukraine needs to follow through on laws passed that would improve election laws, curb prosecutorial powers, establish an independent judiciary and make government more accountable to the people. As we are reminded by the new book written by former Kyiv Post editor Jaroslav Koshiw, excerpts of which are contained in today's front-page story, Ukraine's presidents have run the nation with near-authoritarian powers. Impunity reigns among the elite. The president serves as referee in an oligarchy, and the kind who increasingly favors one of the players.

We are in agreement on these issues at the Kyiv Post. What we disagree about is whether a signed political association and free trade agreement with the EU will speed Ukraine's democratic transition or merely embolden its leadership to act with more impunity and do nothing to check extraordinary powers of a president who acts today as a referee in an oligarchy. In any case, EU should not let go. Keep the pressure on.



NEWS ITEM: With Russia stepping up pressure on Ukraine to reject a political association and free-trade agreement with the European Union at a summit in Vilnius, Lithuania, on Nov. 28-29, the European Union launched its own drive to persuade Ukrainians to join the West. The EU kicked off its "Stronger Together" conference on Sept. 10 with a keynote address by EU Ambassador Jan Tombinski. A press release laid it on thick in extolling the benefits of EU integration, including: "Ukrainian citizens will enjoy clear drinking water, breathe cleaner air and enjoy safer roads..."

Push for Customs Union turning friends into foes



ANDERS ASLUND

British Prime Minister David Cameron took umbrage this month when President Vladimir Putin's spokesman Dmitry Peskov allegedly ridiculed Great Britain as a "small island." But Russia and Britain suffer from similar ailments: their inability to overcome their glorious imperial past and adjust to the modern world. Their minds are too 19th-century, but Russia far more so.

By pushing its plan to build a political Eurasian Union of neighboring states, the Kremlin is digging itself even deeper into a neo-imperialist hole, presumably to appeal to Russian nationalist sentiments. It is on an offensive to expand this entity of unwilling allies. This costs Russia large amounts of money, harms its economy and alienates the country from the rest of the world. Russia's immediate aim is to hinder Ukraine, Moldova and Georgia from signing free trade agreements with the European Union at its summit on the Eastern Partnership in Vilnius, Lithuania, in late November. The Kremlin proceeds with threats and sanctions rather than trying to attract anybody.

Since Russia is comparatively protectionist, any country that joins the current Customs Union is compelled to raise its custom tariffs, which leads to trade diversion that reduces economic welfare. Since nobody wants to join voluntarily, Russia has to pay costly subsidies to any potential member. Ironically, the post-Soviet countries with the best relations with Russia are probably Estonia, Latvia and Lithuania because they have never joined any of Russia's post-Soviet alliances.

Nobody is closer to Russia than Belarus. Through subsidized oil and gas supplies, Belarus receives from 15 percent to 18 percent of its gross domestic product from Russia every year. Even so, Belarussian President Alexander Lukashenko's populist economic policies put the country in financial jeopardy in 2011. Russia had to bail it out with a

financial package of some \$20 billion over three years. Yet with huge and unjustified wage increases, Lukashenko has driven his country into a new financial crisis while refusing to sell enterprises to Russia. At present, Belarus and Russia have entered a trade war within the Customs Union.

No post-Soviet leader is a finer diplomat than Kazakh President Nursultan Nazarbayev. Given his country's great dependence on its northern neighbor, Nazarbayev always tries to get along with Russia. But its entry into the Customs Union hit Kazakhstan hard. It almost doubled its customs tariffs, compelling the Kazakh middle class to purchase substandard Russian cars rather than freely imported ones. Its tariff raises will block Kazakhstan's almost consummated membership of the World Trade Organization. Even Nazarbayev has put his foot down and said there will be no Eurasian Union.

This month, Putin called Armenian President Serzh Sargsyan to the Kremlin. Without warning, Putin and Sargsyan announced that Armenia would join the Customs Union. This looked like straightforward Russian blackmail. Since the ceasefire with Azerbaijan in 1994, Armenian troops occupy one-fifth of Azerbaijan's territory, but Azerbaijan has taken off economically thanks to oil and Armenia has become comparatively weaker. Russia guarantees Armenia's security, but recently it has also sold large volumes of arms to Azerbaijan.

Presumably, Putin told Sargsyan that Armenia had to join the Customs Union instantly. Otherwise, Russia would no longer guarantee Armenia's security. The Customs Union makes no sense for geographically isolated Armenia, and it now has to abandon a comprehensive free trade agreement it concluded with the European Union in July.

Moldova has also concluded a free trade agreement with the EU and Russia's nationalist Deputy Prime Minister Dmitry Rogozin paid a visit. In his usual malicious fashion, he warned that the people in Transdnestr, which is occupied by Russian troops, might oppose an agreement with the EU. He also suggested the Moldovans might freeze this winter if they signed their EU agreement, implying that Russia may turn off its gas supply again. Needless to say, Moldova is hastily building a gas pipeline from Romania and is adamantly sticking to the EU.

Russia's main Eurasian battlefield is with Ukraine, which is the most important country at stake and the front- →5

KyivPost
INDEPENDENCE. COMMUNITY. TRUST

Published by Public Media LLC

Editors: Katya Gorchinskaya, Christopher J. Miller,
Mark Rachkevych, Olga Rudenko

Staff Writers: Anastasia Forina, Olena Goncharova, Oksana Grytsenko,
Kateryna Kapliuk, Vlad Lavrov, Daryna Shevchenko

Photo Editor: Pavlo Podufalov. Photographers: Kostyantyn Chernichkin, Anastasia Vlasova
Chief Designer: Vladyslav Zakharenko

Sales Managers: Alyona Nevmerzhytska,
Elena Symonenko
Internet Sales Manager: Svitlana Kolesnikova
Project Manager: Elena Pashkovskaya

Transport Manager: Mykola Andruska
Chief Accountant: Galyna Rogachova
Accountant: Lyudmila Rikhluk
IT Manager: Oleksiy Bondarchuk

To inquire about distribution of the Kyiv Post, please contact Andrey Beley
at beley@kyivpost.com or by phone at 591-3409

Feel strongly about an issue? Agree or disagree with editorial positions in this newspaper?

The Kyiv Post welcomes letters to the editors and opinion pieces, usually 800 to 1,000 words in length. Please email all correspondence to Brian Bonner chief editor, at bonner@kyivpost.com or letters@kyivpost.com. All correspondence must include an email address and contact phone number for verification.

Who will get stolen Lazarenko money?



HALYNA
SENYK
AND
DARYNA
KALENIUK

American prosecutors proved on June 3, 2004 that former Ukrainian Prime Minister Pavlo Lazarenko laundered illegally obtained money from Ukraine. After the criminal case in California, the U.S. government started a civil process in a Washington, D.C. district court to confiscate the pilfered assets. The case kicked off on June 30, 2005, and is still dragging on, more than eight years later.

The U.S. government identified about \$250 million in Lazarenko bank accounts around the world, including Guernsey, Antigua, Switzerland, Liechtenstein and Lithuania. The governments complied with a U.S. government request to freeze the assets.

Consequently, a lot of nations, institutions and people are lining up to claim the money. Among them are the U.S. Department of Justice, liquidators of the bank in Antigua, U.S. company Universal Trading & Investment Co., Ukrainian businessman Oleksiy Dityakovskyi, Russian Gazprom, Lazarenko's family and others.

Lazarenko, who ended his prison sentence on Nov. 1, 2012 but who remains in America seeking a residency permit, has consistently attempted to reclaim some of the frozen assets. But the district court in San Francisco refused his claims, finding that Lazarenko obtained the money by illegal means.

Lazarenko was convicted in America for laundering money through U.S. banks. It is a complex accusation, requiring proof of the loot's criminal origin. Documents in Lazarenko's case clearly state that the money was acquired from corrupt activities in Ukraine, in particular, through extortion, fraud and transportation of stolen property.

The evidence unearthed showed that Lazarenko, while serving in government including as prime minister from 1996-1997, extorted from businesses in exchange for giving them government protection and economic privileges. In court, Lazarenko acknowledged that he received 50 percent of profits in kickbacks in many of the most lucrative sectors in Ukraine – including natural gas, grain, dairy and the sale of state resources.

Lazarenko's accomplice Petro Kirichenko testified in court that Lazarenko used this extortion scheme with everyone, allowing him to become fabulously wealthy, especially from selling natural gas purchased from Russia at highly favorable rates. His actions defrauded the Ukrainian people.

Breakdown of claims

The U.S. Department of Justice has the dominant



Ukrainian Prime Minister Pavlo Lazarenko in 1997. After serving a lengthy prison sentence in America for laundering money illegally obtained in Ukraine, a long-running court battle continues among governments, businesses and individuals over who will get \$250 million he stashed in banks. (UNIAN)

claim to receive Lazarenko's money because he was arrested, tried and convicted in America. The Justice Department is now awaiting the Washington D.C. district court's ruling on the distribution of Lazarenko's money.

Dityakovskyi, the former owner of Dnipronafta company, claims that he incurred \$1.38 million in losses because of Lazarenko's kickbacks. A U.S. court declined Dityakovskyi's claim.

Universal Trading & Investment Co., a Massachusetts-based company which was contracted by Ukraine's general prosecutor in 1998 to help investigate the activity of United Energy Systems of Ukraine (UESU) that was partly owned by imprisoned ex-Prime Minister Yulia Tymoshenko, a former Lazarenko protégé, and United Energy International in London, claims it has a right to 12 percent of any recovered money for its services. The company claims it played an important role in the freezing of \$144 million that used to belong to Balford Trust, the beneficiary owner of whom is Lazarenko, in Guernsey, in 1998.

Gazprom has also claimed that it is owed \$65 million, citing a decision by a Russian court in 2001, according to which UESU owed Russia money. But a Washington court also turned down the claim.

Ukraine's government, in particular the general prosecutor's office, also made a claim on Lazarenko's money. On May 14, 1998, General Prosecutor Bogdan Ferentz signed an agreement with UTICo on legal

assistance in returning Lazarenko's money to Ukraine for a 12 percent commission.

The successor of Ferentz, Mykhailo Potebenko, broadened the mandate and entrusted UTICo with returning the money taken out of Ukraine by Lazarenko partner Kirichenko. However, in 2003, the Pechersk District Court of Kyiv ruled that the power of attorney issued by the general prosecutor is not enforceable. Ukraine's Supreme Court upheld this decision on June 14, 2006, and Ukraine's Justice Ministry explained in two 2010 letters that UTICo had no power to represent Ukraine's interests in U.S. courts in the Lazarenko and Kirichenko cases.

Separately, Ukraine's government wants Lazarenko's money returned. But American officials have insisted that stolen assets should be returned to the people who suffered and not to their corrupt politicians.

In a nutshell, the fate of roughly \$250 million illegally obtained and laundered by Lazarenko is now in the hands of a American court in Washington, D.C. Even after the ruling, the actual return will take much longer. We are hoping that Lazarenko's stolen money will be returned where it belongs – to the Ukrainian people.

Halyna Senyk is member of the board of directors of the Anti-Corruption Action Centre in Kyiv, a non-governmental organization, and Daryna Kaleniuk is its CEO.

Tombinski: EU, Ukraine stronger together

→2 ment will lead to higher productivity, higher wages and growth, together with new employment opportunities. Thanks to this agreement Ukrainian manufacturers will be able to compete effectively and win a place in the European market, find their niche and promote high-quality Ukrainian products at a good price.

Domestic consumers, in turn, will have access to high-quality European goods in Ukraine at lower prices. Just take the example of Poland, the country I know best. Twenty years ago Poland's GDP was the same as Ukraine's. Today it is twice as much.

Increased "people-to-people" contacts are also a way to reinforce and cement our relations and our shared goals. Already Ukraine is attracting more and more international visitors, and it is my firm hope that mobility of Ukrainian citizens travelling to the EU will be further increased through successful implementation of the Visa Liberalization Action Plan we are working on together.

Twenty two years of independence constitute a historical achievement for Ukraine. Now the time comes to find the best way to strengthen the state by institutional and economic reforms and to respond to the expectations of future generations.

Of course, the early years of adaptation may be difficult in some areas. This is not surprising, because systemic transformations inevitably lead to short-term losses for some, and even to struggle for economic survival for some sectors currently protected from competition.

But this is a struggle where the citizens of Ukraine, its economy and the country as a whole will be the winners. This will come as resources tied up in inefficient, uncompetitive sectors are released to higher value-added uses elsewhere in the economy. The Association Agreement allows transitional periods for the most sensitive sectors of the Ukrainian economy to give the necessary time for this adaptation.

By concluding the agreement, Ukraine declares its determination to make a fundamental step: change from a post-Soviet country to a state that is an integral part of Europe. At the same time the Association Agreement is just a tool – a toolbox for reform. It is not the end, only the beginning of Ukraine's journey to achieving its potential. There is a lot of hard work still to do.

Rule of law, the fight against corruption, independence of the judiciary and free media are all good examples of areas requiring attention. The EU is much more than an economic community. It is a community of shared values and these values are at the basis of the long-term relations the EU wants to establish with Ukraine.

Nobody says that it will be easy. But, the association is the interest of both Ukraine and Europe. We are neighbors and I am sure that at the end of this road we will be stronger together.

Jan Tombinski is the European Union ambassador to Ukraine.

Aslund: Customs Union harms Kazakhstan, Belarus economies

→4 runner in EU integration. In November 2011, Ukraine concluded negotiations with the EU on a deep free trade agreement and it has also concluded a political Association Agreement with the EU. Both are supposed to be signed in Vilnius in November.

Ukrainian President Viktor Yanukovich's problem has been that the EU demands that Ukraine complies with European values. Until recently, it appeared as if he preferred to stay above the rule of law and keep former Prime Minister Yulia Tymoshenko in prison, but suddenly everything has changed thanks to Russia's offensive.

In July and August, Russia started a trade war against Ukraine. It picked key Ukrainian tycoons as its victims, gradually broadening its attack. In late July, Putin seemingly went to Ukraine just to insult Yanukovich, offering him nothing. He has resorted to standard Russian nationalist slurs, such as calling Russians and Ukrainians "one people" with "a common language."

Moscow is threatening Kyiv with severe trade sanctions if Ukraine signs its agreements with the EU. Putin's economic adviser, Sergei Glazyev, said: "By signing an Association Agreement with the European Union, Ukraine would be depriving itself of its sovereign right on all issues of trade policy that we have handed over to the Customs Union. For us, Ukraine would stop being a strategic partner because it would be disappearing as an international partner, as an entity under international law because it will have to agree with all its actions on trade with the European Union."

Suddenly, Ukraine has no choice but to accept the EU demands, and Yanukovich understands that. "For Ukraine, association with the European Union must become an important stimulus for forming a modern European state," he said in his Independence Day speech last month. Also this month, the Ukrainian parliament adopted a major reform package, including constitutional changes of the judicial system.

Today, only one important EU demand remains to be fulfilled: the release of Tymoshenko. Considering how concerned Yanukovich is about Russian aggression, her release has suddenly become plausible.

The Customs Union is a disaster for all involved, but most of all to Russia, which it isolates. Economically, its protectionist collection of semi-developed countries keeps all these economies back. Politically, Russia's relentless aggression to bring countries into its union turns potential friends into foes. In various ways, Russia has to pay for the costs it causes others, leaving it with the bill. Nobody suffers more from the Customs Union than Russia.

This article first appeared in the Moscow Times here (<http://www.themoscowtimes.com/opinion/article/push-for-customs-union-turns-friends-to-foes/485789.html>) and is reprinted with permission of the author and the newspaper. Anders Aslund is a senior fellow at the Peterson Institute for International Economics in Washington, D.C.

Officials have long denied allegations on recordings

→1 The book is bound to be controversial because it relies heavily on the 1999-2000 recordings of Mykola Melnychenko, a former presidential bodyguard for President Leonid Kuchma. The Melnychenko tapes are one of Ukraine's greatest scandals.

The narrative shows little evidence that Koshiw tried to contact many of those accused for their responses. Officials implicated in wrongdoing on the recordings have always denied the recordings' authenticity or alleged that the tapes were tampered with to create false impressions.

Still Koshiw remains confident of his findings and conclusions. He said that he is convinced of the authenticity of the recordings that he relied on for many reasons, including by comparing the conversations to events happening in Ukraine at the time. He says he is not worried about a libel lawsuit.

"I am very confident. It's all on the recordings or (verified by) witnesses," Koshiw said. "I am not worried."

Presidential excess

In some ways, Koshiw said that presidential excess is even worse today under Viktor Yanukovich since 2010 than at any other time during Ukraine's 22 years of independence under predecessors Leonid Kravchuk (1991-1994), Leonid Kuchma (1994-2005) and Viktor Yushchenko (2005-2010).

"It's so obvious," Koshiw said. "Kuchma did his best like his Soviet predecessors to cover it up. Either Yanukovich is not very intelligent or doesn't care. He doesn't seem to be hiding his wealth, his son's money and the building of all these luxurious palaces."

There's another aspect to Yanukovich's character that Koshiw finds troubling as the nation approaches a presidential election in 2015.

"The one thing about Yanukovich is that he will fight to the very end for power and he is not going to go away from his office without a struggle," Koshiw predicted. "He was caught cheating in the 2004 election and he never admitted to it. He still maintains



Ukraine's four presidents sit together in a patriotic display of support for the national football team in its match against England in Kyiv's Olympic Stadium on Sept. 10. The presidents (first row, second from left) are Viktor Yushchenko (2005-2010), Leonid Kuchma (1994-2005), Leonid Kravchuk (1991-1994) and Viktor Yanukovich, elected in 2010. Parliament speaker Volodymyr Rybak and billionaire Rinat Akhmetov are at right. (Kostyantyn Chernichkin)

that he won that election."

What were the greatest sins of each president?

This is how Koshiw answers the question:

Leonid Kravchuk

"When Ukraine owed a few billion dollars for gas purchases from Turkmenistan he gave the contract to a young 29-year-old who had no experience in the gas field called Ihor Bakai, who then created an even bigger debt – he doubled the debt – and the money he made he just kept for himself."

Leonid Kuchma

"The killing of Georgiy Gongadze must be the worst thing he (allegedly) did

[Editor's Note: Kuchma has consistently denied any involvement but remains under criminal investigation.] The effect of Gongadze on him and the population was so trivial. Very few people had ever heard of Ukrainska Pravda then or had Internet connections. Kuchma is a really trivial man who couldn't see the big picture."

Viktor Yushchenko

"It's really the betrayal of the 2004 Orange Revolution, which was sparked by the feeling of a huge number of people that the election was fixed. Yushchenko had all the information he wanted, including recordings by the election fixers about how he had lost the election and Yanukovich had won.

The fixing clearly shows the office of the president was involved as well as all of Yanukovich's closest political aides and advisers and Yushchenko decided to forgive them. This is really placing people above the law and this is Yushchenko's biggest crime."

Viktor Yanukovich

"The imprisonment of ex-Prime Minister Yulia Tymoshenko is really his crime and if he thinks her imprisonment will ensure his re-election in 2015 he has something else coming, because I think Vitali Klitschko has a much better chance to win than Tymoshenko."

Official denials

Since many of the allegations that

Koshiw examines have been in the public domain for years, his book may only prompt renewed denials of wrongdoing by current and former officials.

And that's what happened, for the most part, when the Kyiv Post sought reaction. Yanukovich's press service merely said that the president's views on the 2004 election and Tymoshenko are widely known. Spokespersons for Yushchenko and Kuchma could not be reached for comment. Kravchuk denied giving any preferences to Bakai through gas contracts. "To be precise, it was not me, but the Cabinet of Ministers that gave the assignment to Bakai," Kravchuk told the Kyiv Post.

Years in making

Koshiw published this book through his Artemia Press Ltd. that also published "Beheaded: The Killing of a Journalist," about the kidnapping and murder of Gongadze on Sept. 16, 2000.

Over several years, Koshiw sifted through 170 hours of audio recordings made between the spring of 1999 and Sept. 27, 2000 by Melnychenko, who was in a position to record Kuchma because he was ironically at the time in charge of making sure that no one was eavesdropping on the president.

Koshiw, a native Ukrainian speaker, listened to many hours of "extremely boring conversations" to get to the real gems that, taken together, add up the state being run as a criminal enterprise for the benefit of the president and an oligarchic elite that Kuchma created.

Of the recorded conversations, Koshiw said he can't remember hearing Kuchma or anyone else talk about acting in the national interest. He heard many conversations about how to get rich from the state, often through illegal activities. Koshiw concluded that presidents get away with a lot, but not everything. "In the end, they're restrained in the sense that they have to pretend that they are working for the population. They have to put on a show," Koshiw said.

→7

Protecting Business In Ukraine: Challenges of 2014

A potential for rapid growth and strong margins continues to attract firms to Ukraine.

However, severe problems with the business climate, notably in regards to relations with tax authorities and protecting intellectual property rights remain major challenges.

These are the topics of a special roundtable discussion sponsored by the Kyiv Post in cooperation with Lavrynovych & Partners on Sept. 17 at the Intercontinental Hotel in Kyiv, from 9 a.m. until 12:30 p.m.

This timely conference is open to CEOs and business owners and will feature top businesspeople in Ukraine discussing their problems, their concerns and their hopes.

The Kyiv Post and Lavrynovych & Partners bring you a roundtable you can't afford to miss.

PROGRAM:

- 9:00 – 9:15 Arrival and welcome coffee
- 9:15 – 10:45 Tax authorities: Source of stability or risk?
- 10:45 – 11:00 Networking break
- 11:00 – 12:30 Protecting intellectual property

KyivPost
INDEPENDENCE. COMMUNITY. TRUST

Lavrynovych & Partners
law firm

Koshiw: 'Without an incorruptible president, Ukraine has no chance'

→6 No heroes in story

The book will contain revelations for all but the most hard-core political news junkies of Ukraine. Even if Koshiw did not get every fact right on every page, he creates a powerful narrative about dark chapters in Ukraine's history.

But there are few "good guys" to be found on Koshiw's pages, either among Ukraine's presidents or their trusted underlings. There are some would-be heroes, including former Prime Minister Yevhen Marchuk and Kuchma bodyguard Melnychenko. But Koshiw writes that both sold out their integrity for material or political gain and lost their credibility.

Marchuk did not respond to a request for comment while Melnychenko accused Koshiw of working for Kuchma.

Koshiw believes that Marchuk put Melnychenko up to recording Kuchma, allegations that Marchuk has denied.

The reason, the author concludes, is that Marchuk was hoping to embroil Kuchma in a scandal that would force him out of office. Marchuk unsuccessfully challenged Kuchma's re-election in the first round of the 1999 presidential election, but threw his support to the incumbent in the decisive second

round battle against Communist Party leader Petro Symonenko.

Oleksandr Moroz, the Socialist Party leader who also challenged Kuchma's re-election in 1999, also could have become the hero because he worked with Melnychenko to make the recordings public. But Moroz also lost credibility by not following through on the explosive allegations.

Azarov influence

These are not distant events that Koshiw is writing about.

Prime Minister Mykola Azarov, who was a much-feared director of the tax service under Kuchma, features prominently on the Melnychenko tapes, the authenticity of which he has always denied. Azarov spokesman Vitaly Lukyanenko called Koshiw's accusations "nonsense" and demanded proof.

Koshiw came to the conclusion that Azarov manipulated Kuchma to protect such Donetsk oligarchs as Rinat Akhmetov and that region's political elite, including Yanukovich, who became governor of Donetsk Oblast in 1997.

"I found Azarov's role of manipulating Kuchma the most interesting thing of all the recordings," Koshiw said. "He systematically found faults and crimes of all the oligarchs across

Ukraine except Donetsk. His mission seemed to be to destroy the credibility of ... anybody who would pose a commercial or political opponent to the Donetsk mob. He succeeded. Kuchma never understood how Azarov manipulated him. When you hear all the discussions about who was corrupt during Kuchma's time, Azarov named everybody except" Akhmetov, Yanukovich and others from Donetsk, Koshiw said, calling Azarov's manipulation "brilliant."

Gas 'golden thread'

No national study of corruption would be complete without an examination of the natural gas trade between Russia and Ukraine. The sale of gas has been the source of many fortunes among Ukraine's elite. Koshiw's book notes the role of Semion Mogilevich, one of the U.S. Federal Bureau of Investigation's most-wanted fugitives. "All through the 1990s, some form of gas intermediary existed and Mogilevich was at the center of this exchange," Koshiw said. "When you ask the question of what Russia politically gained, they gained the loyalty of the president's office and a large number of oligarchs in Ukraine. They literally get free money from this buying and selling of gas and other energy resources." Koshiw said the



Ukrainian native Semion Mogilevich has been at the center of shady gas trading schemes between Russia and Ukraine dating back to the early years of national independence in the 1990s, author Jaroslav Koshiw writes. Mogilevich, 63, remains on the U.S. FBI's most wanted fugitive list and is believed to be living in Moscow.

intermediaries profited at the expense of the public – "a golden thread that ties the oligarch system together." He said Ukraine has no need for gas intermediaries.

Tymoshenko's role

One person who comes off looking the better than others in Koshiw's account is Tymoshenko, the imprisoned ex-prime minister and Yanukovich foe.

Koshiw traces her career and the corrupt early origins of personal fortune as protege of Prime Minister Pavlo Lazarenko, who served from 1996-97 before being convicted in America for money laundering. Lazarenko remains in America after spending more than a decade in U.S. prisons. Many parties are seeking to reclaim more than \$250 million that Lazarenko allegedly stole.

Koshiw writes that Tymoshenko, as deputy energy minister in 2000 under Kuchma and then-Prime Minister Yushchenko, turned against the oligarch system and tried to bring trans-

parency to gas and other trades. "Now she has lost heavily," he said.

No Ukrainian version

Koshiw's book is available on Amazon.com only in English. He is trying to raise money for a Ukrainian version. Koshiw, a former editor of the Kyiv Post, is an American citizen who was born in Ukraine. He wants to go on a promotional book tour, but lacks the money.

Koshiw is hoping his book will be well-read and help stir change in Ukraine.

"As far as the political impact, I just hope it raises the consciousness of the political activists who really want or desire change in Ukraine – I want them to understand that without an incorruptible president, Ukraine has no chance for fairness and for everybody being equal in front of the law."

Brian Bonner can be reached at bonner@kyivpost.com and Oksana Grytsenko at grytsenko@kyivpost.com

The advertisement features a bright yellow background with a pattern of small circles. On the left, there is a large, colorful logo for 'lactel NOKO MOKO'. Below the logo, there are three product containers: a large tub, a smaller tub, and a box. To the right of the products, there are three small icons representing 'Omega 3', 'vitamin D3', and 'Ca calcium'. On the right side of the ad, a cartoon lion with a large red mane is holding a scroll. The scroll contains the following text: 'Omega 3 has a positive influence on: ✓ memory ✓ concentration of attention ✓ perception of information ✓ reduction of mental load and physical exertion'. At the bottom of the ad, there is a large red banner with white text that says 'FOR THE REALLY SMART KIDS!'.



World in Ukraine

Editor's Note: World in Ukraine takes a look at Ukraine's bilateral relations with different nations. To sponsor this news feature, please contact the Kyiv Post's sales team at advertising@kyivpost.com or call 591-7788.

In partnership with PrJSC "AEGas-Terminal"

Kazakhstan, Ukraine ties survive Soviet collapse

BY ANASTASIA FORINA
FORINA@KYIVPOST.COM

Once a part of the same monstrous Soviet economy, Ukraine and Kazakhstan as independent nations have retained strong economic ties with each other. Kazakhstan remains Ukraine's third trade partner in the Commonwealth of Independent States, an association of some post-Soviet states.

Kazakhstan's sales turnover with Ukraine reached \$5.5 billion in 2012, double the 2010 level, while Kazakhstan's investment in Ukraine reached \$792 million in 2012.

Kazakhstan's macroeconomic figures are in some ways superior to those in Ukraine. The nation with 17 million people had a gross domestic product of \$200 billion in 2012 while Ukraine, with its 45 million people, had GDP of \$176 billion in the same year.

The 2012-2013 Global Competitiveness Report produced by the World Economic Forum places Kazakhstan 51st on its list of 144 nations, with Ukraine trailing in the 73rd spot. Moreover, Kazakhstan has been clawing its way up the World Bank Doing Business ranking to the 49th place in 2013 while Ukraine sits near the bottom at 137th among 185 countries.

But despite poor business rankings in Ukraine, there are plenty of Kazakh companies venturing into the Ukrainian market.

Air Astana, Kazakhstan's leading airline with \$870 million in profits last year from its global operation, kicked off its operation in Ukraine in April. It launched direct flights from Kyiv to Almaty and Astana with good connections to many Asian and European countries. Prices start from \$350 for a return trip.

"We're the only company (operating in) CIS countries and Central Asia which is honored with four stars," says Sergali Amirbekov, country manager of Air Astana in Ukraine. The high rating came from Skytrax, which reviews more than 681 airlines and 728 airports across the world and has put Air Astana on the list of four-star companies in 2012 alongside giants like British Airways and Air France.



A production line at the Kriukiv Railway Car Building Works in Kremenchuk has filled orders from Kazakhstan. After the collapse of the USSR in 1991, the two former Soviet republics of Ukraine and Kazakhstan maintained strong economic ties. (Kostyantyn Chernichkin)



Sergali Amirbekov



Gaidar Abdikerimov

Skytrax measures services on board and in airports as well as the quality of

meals and planes. Five-star companies number only seven and all of them

are Asian, Amirbekov says. His company's flying stock is one of its great advantages, according to Amirbekov. It features Western-made aircraft Boeing, Embraer and Airbus no older than 5-6 years old.

Before Air Astana came, Ukraine International Airlines was the only company that offered direct flights to Kazakhstan from Ukraine. There were also just a few companies like Aeroflot, Turkish Airlines and Turkmenistan Airlines offering distant flights to Asian countries, after AeroSvit, Ukraine's biggest airline, went bankrupt.

"We're happy with passenger flow both on direct and transfer flights," Amirbekov says, adding that average occupancy is about 70 percent. "If the occupancy is higher than 60 percent, then the company is profitable."

Kazakhstan Temir Zholy, the

national railway carrier, also has business interests in Ukraine. The company, one of the largest in Kazakhstan, employing close to 1 percent of the population, is one of the biggest clients of Ukraine's monstrous metallurgy and heavy machinery industry.

These two sectors account for a major share of Ukraine's exports to Kazakhstan, almost 50 percent, or about \$1.5 billion in 2012.

Kazakhstan Temir Zholy has been operating a representative office in Ukraine since 2005, which has helped it supervise transportation of gas, oil, grain and iron ore to Ukraine and through Ukraine to Europe as well Kazakhstan's imports via and from Ukraine.

"(In Ukraine) there are industries that have analogues neither in former Soviet Union nor in the world," says Gaidar Abdikerimov, head of the railway's representative office in the European part of the CIS. "We used to buy a lot of machinery (carriages, rail tracks and sleepers) here in (Soviet times) as our machinery industry wasn't developed at that time and keep doing it now."

The company has been buying around 5,000 carriages every year at about \$85,000 each, according to Abdikerimov. Its major suppliers are Kriukiv Railcar plant, Azovelektrostal, Stryiskiy, Zaporizkyi and Dnipropetrovskiy plants.

But Kazakhstan has made an effort to wean itself off Ukraine's suppliers since 2012, when several car building facilities were opened in the country, according to Abdikerimov.

Ukraine remains one of Kazakhstan's biggest transit partners due to geography. Kazakhstan has no access to the sea, so 13 million tons of its cargo goes through Ukraine, according to Abdikerimov. By comparison, Ukraine's northern neighbor Belarus ships 2 million tons of its cargo through Ukraine.

"Ukraine is unique in terms of its location. It has access to the sea and European Union, which Kazakhstan lacks," Abdikerimov says. "This is a big problem for us. So we're actively using transit potential of Ukraine."

Kyiv Post staff writer Anastasia Forina can be reached at forina@kyivpost.com.



Precision in every step,
efficiency in every action



Transshipment of LPG

PrJSC "AEGas-Terminal"

51 Tsementnaya slobodka st.,
Kerch, 98329, Crimea, Ukraine,
t./f.: +38 06561-6-19-93
e-mail: aegas@front.ru

Kazakhstan unhappy with Customs Union

BY ANASTASIA FORINA
FORINA@KYIVPOST.COM

When Kazakhstan joined the Russian-led Customs Union in 2010, its leaders were extremely upbeat about the prospects of this trade organization that also includes Belarus.

Kazakhstan President Nursultan Nazarbayev hailed the bloc and said it would give a \$16 billion boost to his country's economy annually and help the trio of nations take a key position in the world energy and grain market.

However, just three years on, moods have soured. Trade volumes are shrinking within the Customs Union this year, and Kazakhstan is being hit the most. Its trade dropped by 15.8 percent in the first five months of this year, according to Customs Union statistics quoted in a September report by Da Vinci AG, a Ukrainian consultancy.

Kazakhstan is even talking about conducting a referendum on leaving the Customs Union. Instead of the expected economic boost, the trade union brought a price hike for many goods, including food and fuel, and many other troubles such as non-tariff barriers for trade – particularly technical, health and safety requirements.

Kazakhstan's experience in the Customs Union can be especially valuable for Ukraine as it strives to sign an Association Agreement with the European Union during the Nov. 28-29 Eastern Partnership Summit in Vilnius, Lithuania. Ukraine has come under intense pressure by Russia to join Customs Union instead.



Ukrainian President Viktor Yanukovich is in the foreground at left. Behind him from left are Belarusian President Alexander Lukashenko, Kazakh President Nursultan Nazarbayev and Russian President Vladimir Putin. The presidents met in Astana, on May 29. (AFP)

Kazakhstan and Belarus had to adjust to the Russian customs tariffs for foreign goods, which were the highest among the three nations. "Astana reluctantly agreed to increase its import tariffs at the level of Russia's, but that predictably backfired," says Margarita Assenova, director of programs for

Balkans, Caucasus and Central Asia at Jamestown Foundation.

The reason Kazakhstan agreed to this is because the "Customs Union was negotiated during the peak of the economic crisis in 2009 when Kazakhstan was hard pressed to find economic and trade options," she says.

Even though trade turnover did grow within the Customs Union since 2010, nasty side effects showed up quickly, too.

"The high import tariffs affected the middle class that has to pay more for European, American and Chinese automobiles, furniture and apparel, but they also had a profound effect on the small and medium business that is critical for the country's economic development," says Assenova.

William Veale, executive director of U.S.-Kazakhstan Business Association, says that import tariffs in some cases affected whole industries, most notably agriculture. "The modernization of Kazakhstan's agricultural sector through imports of reliable, quality agricultural machinery has been put at risk by high (33 percent) tariffs on outside equipment," he says.

Business started to look for ways out of this problem. American company John Deere, whose combines are in high demand in Kazakhstan, is expected to launch the production of combines there, Marat Tolibayev, agriculture deputy minister of Kazakhstan said in February, according to Tengri news portal.

"Nowadays, the import tariffs on John Deere combines are 32.5 percent (the average price of a combine is 250,000-300,000 euros). It's obvious that combines made in Kazakhstan will be cheaper," Tolibayev was quoted as saying.

On the other hand, the removal of customs checks within the borders of Customs Union led to an increase in illegal drug trafficking from Kazakhstan as well as from China via Kazakhstan to Russia, and has "exceeded all expectations," according to the Da Vinci AG study.

The problem can be resolved by toughening the process of customs inspection at Kazakhstan's border with Russia, and Russia's with Belarus, which, though, contradicts the point of Customs Union," the report concludes.

The Jamestown Foundation's Assenova notes: "Although Kazakhstan's President Nursultan Nazarbayev was the one to initially promote the idea of an Eurasian Union as an economic cooperation mechanism, he would not agree to a political union or any kind of political domination by Russia. If the Kremlin continues to use the Customs Union as a tool to establish economic and political control over the neighboring countries, Kazakhstan will not participate in such an attempt and may even withdraw from the Customs Union when it joins the WTO."

Kyiv Post staff writer Anastasia Forina can be reached at forina@kyivpost.com.

Kazakhstan at a glance:

Territory: 2,724,900 square kilometers.

Population: 17.7 million.

Government type: republic, authoritarian presidential rule; little power outside the executive branch.

Head of government: Prime Minister Serik Akhmetov (since September 2012).

GDP: \$235.6 billion.

GDP per capita: \$14,100.

Main industries: oil, iron and steel, chemicals, tractors and other agricultural machinery, electric motors, construction materials.

Ukrainian-Kazakh relations:

Trade: \$5.5 billion in 2012

Exports from Kazakhstan to Ukraine: oil, ferrous metals, chemicals, reactors

Exports from Ukraine to Kazakhstan: metallurgy products, railway locomotives, reactors, dairy, bread and flour products, pharmaceuticals

Kazakhstan's investment in Ukraine: \$792.7 million

Ukraine's investment in Kazakhstan: \$69.3 million

Source: Embassy of Kazakhstan in Ukraine, CIA Factbook

www.airastana.com



Kazakhstan 8 times a week



Best Airline Central Asia and India, Skytrax World Airline Awards 2012-2013

Air Astana welcomes you on board of Airbus A320 and Embraer E190 aircraft operating the direct flights from Kyiv to Astana and Almaty. Choose one of our eight weekly flights to Kazakhstan and enjoy the wide network of connections across Asia, including Bangkok, Hong Kong, Kuala Lumpur, Delhi, Beijing, Tashkent, Dushanbe, etc.

Tel.: +38 044 3907368





KyivPost
 Have your company's logo and information on the Kyiv Post's pull-out map and watch your business grow!
 Contact advertising at +380 44 591-7788
 or email advertising@kyivpost.com
 31A Puskhinska St.

VISIUM

The Kyiv Post is available for purchase at more than 300 stores and kiosks in Kyiv. It is also available for free at selected airlines, business centers, restaurants and hotels.
 For a complete list, go to:
<http://www.kyivpost.com/newspaper/distribution/>.

SOPHIA
 BUSINESS CENTER
 OFFICE FOR LEASE
 IN THE CENTER OF CBD
 Office for lease at Ploshcha Kyivskaya, 6
 Class A Business center with management
 views over Kiev CBD
 ventilation and air conditioning
 on-site parking and reception service
 professional management

+38 096 487 96 82
 (English / German speaking staff)

European and Ukrainian
 cuisine
Karaoke
LEO
 RESTAURANT
 KARAOKE

20 Parkova Road, Kyiv
 +380 44 270-71-71
 +380 67 505-59-58
www.leo.ua

AMERICAN
 MEDICAL CENTERS
 Kyiv's Premier International
 Health Clinic
 +38 (044) 490 7600
 1 Barchynska Str. 04116 Kyiv, Ukraine
www.amccenters.com

HIMALAYA
 THE INDIAN RESTAURANT • BUSINESS LUNCH HR 65
 ONLY AUTHENTIC INDIAN CUISINE IN CITY CENTER
 23 KISHINEVSKA STR. TEL: 270 54 37

+
 NEW CENTRAL PHARMACY
 BEAUTY CARE CENTRE
 WE SPEAK ENGLISH
 38-044 492-91-84
 KISHINEVSKA STR. 44
 WWW.PHARM-CENTRE.COM

1-6 Oct. the Terracotta Restaurant presents
 The Festival of Antipasti – Antipasto Evenings, Culinary
 Master Class and Sunday Brunch. H. 295 per person.
PHARMACY
 CONCEPT STORE
 8th FLOOR, Premier Palace Hotel
 5-7 Shevchenka Blvd./29, Puskhinska St.
www.facebook.com/terracotta.restaurant
 +380 (44) 244 12 35

KIDEL
 8th km
 Borspilska road

Sept. 15



Ukrainian Drift Championship

One of the biggest events in Ukrainian motorsports – the Drift Championship – will take place in Kyiv's Chayka Racetrack later this week. Drifting is a relatively new sport but has already won over the hearts of millions of people. This year drifters from Ukraine, Russia, Belarus, Poland, Lithuania, Latvia and many other countries are ready to entertain and compete for prizes. During breaks, master classes in drifting and stand riding will be given to the sound of music.

Ukrainian Drift Championship. Sept. 15. 10 a.m. Chayka Racetrack (2 Antonova St.). Hr 150 - 800



Beer weekend

On the coming weekend Kyivans will get two equally good opportunities to fall in love with beer. Two separate three-day events, both modeled after the famous Oktoberfest, will take place in the city. SeptemberFest, held in ExpoCenter Ukraine, will offer more than 100 different kinds of beer and delicious snacks. It is advised to bring your ID with you – underage guests of the festival can only get soft drinks. The fun atmosphere will be supported by performances from bands like Lyapis Trubetskoy, Lezo Terezy, Without Limits and Skryabin.

At the same time, a similar OktoberFest event will be held at Spartak Stadium. Organizers promise to have some "exclusive beer" from Munich and to serve it in one-liter glasses only.

SeptemberFest. Sept. 13 – 15. 12 p.m. ExpoCenter Ukraine. (1 Hlushkova Sq.). Free
OktoberFest. Sept. 13 – 15. 11 a.m. – 11 p.m. (starts at 3 p.m. on Friday). Spartak Stadium (105 Frunze St.). Hr 50-80

Sept. 13 – 15

Sept. 14



Traverse Kyiv with tea

The beauty of Kyiv has fascinated historians, natives and guests for a long time. This time, you are invited to experience yet another exciting Kyiv tradition, the ceremony of drinking tea. To add more excitement, the tea drinking ritual will take place inside a tram car as you travel around the city, seeing its best sights, including Kontraktova and Shevchenko Squares. The tour is an opportunity to explore this magical city more while enjoying a nice cup of good tea.

Tram journey with tea. Sept. 14. 3 p.m. Kontraktova Ploscha Metro. Hr 150

Fire high diving

Organizers for the annual Sport and Physical Education Day celebrations promise entertainment they have never seen before. Starting in the morning, Khreschatyk will be filled with a variety of different sport activities designed to promote healthy lifestyles. The highlight of the night will be a performance by an extreme diving team, which will jump into a 2.5-meter deep pool from a height of 12-25 meters. To further shock the audience, on the last jump, one diver will wear a fire proximity suit.

Sport and Physical Education Day. Sept. 14. 10 a.m. Khreschatyk Street. Free

Sept. 14



Selena Gomez

Singer, actress, former Disney star Selena Gomez is bringing her first solo album "Stars Dance" to Kyiv. This pop-rock and dance-pop diva has already gotten great reviews after she hit the stage with "Stars Dance" in London and is ready to continue blowing her European fans away. Her single "Come and Get It" has won Best Pop Video on VMA's 2013 and her first solo album sold 97,000 copies in its first week and in January it rightfully took its place on top the Billboard 200 chart.

Selena Gomez with "Stars Dance" tour. Sept. 21. 7 p.m. Palats Sportu. Hr 400 – 2,300

Sept. 21



Sept. 13 – 22

Gogolfest 2013

The long-awaited multidisciplinary international festival of modern art is finally here. Consistently triumphant each year, this one shouldn't be an exception with plans to involve even more people than usual. New horizons as the artists will give audiences chances to explore and applaud. Every genre (music, literature, theater, film) has a specific project that is being developed. Movie directors and film enthusiasts, for instance, will seek perfect thoughts in the "Ideas and Actions" project. Apart from the screening of a great variety of international films, festival goers will be able to produce their own short film dedicated to finding ideal solutions.

Gogolfest 2013. Sept. 13 – 22. ArtKlaster Vydubychi (Inzhenerna Street). Hr 50

Compiled by Alisa Shulkina

INDIAN CUISINE

SUMMER OFFER!
 discounts for all drinks and menu – 25% to 09.01.13
 Hurry to try the best dishes of indian cuisine with the best prices!

Metro Station "Politekhnicna"
 3 Gali Timofeyevoy st. ("TMM" building)
 044 569-37-66 • 097 077-99-99 • www.sutrakiev.com.ua Halal is in the menu



Lviv entrepreneurs ride creative ideas to culinary success



WITH OKSANA GRYTSENKO
GRYTSENKO@KYIVPOST.COM

Around the Balkans in 14 days

Built upon the remnants of the Austro-Hungarian and Ottoman empires at the junction between East and West, the Balkans are made up of a distinctive patchwork of states that one could spend years enthusiastically exploring. These countries have high mountains, a warm sea, Mediterranean wine and Turkish coffee, Austrian architecture and Slavic hospitality.

With low-cost airline WizzAir (Kyiv-Sofia-Kyiv for about \$150) and sticking to visa-free countries (except for Bulgaria), this Kyiv Post staff writer traveled to Bulgaria, Macedonia, Albania, Montenegro, Bosnia and Serbia for a fascinating, diverse and an occasionally tense journey.

Bulgaria

Sofia, the capital of Bulgaria and the only European Union member state on the itinerary, turned out to be quiet, clean and comfortable. A taxi from the airport to the city center cost no more than \$10, and a tasty pork, potatoes and salad dinner with beer at a restaurant was only \$10 per person.

The most entrancing sights the city had to offer were the ancient churches, seemingly everywhere, including the entrance to metro station and the yard of the presidential office. A highlight was observing the change of guard outside the entrance of the presidential administration building.

From Sofia, the Kyiv Post traveled to Skopje by bus (five hours, about \$18 per person).

Macedonia

Skopje, Macedonia's capital city, is a marvelous city, bustling as swiftly as the Vardar River that runs through it. Among the notable sights: a huge statue of Alexander the Great, riverside cafes and the newly built snow-white museums on the left bank. From Skopje, travel to Ohrid takes three hours by bus and costs about \$10. Locals in Skopje said many city dwellers prefer to spend summer holidays in Ohrid, a small resort town on the border with Albania with a lake of the same name. Lake Ohrid, deep, crystal clear and located between the mountains, was a warm and pleasant place to swim. Picturesque churches dot the area, including St. Sofia Church and a humble residence for Archbishop Stephen, head of the Macedonian Orthodox Church.

Albania

Little known Albania was the biggest concern prior to the → 13



Visitors can see for themselves how pastries are made in the recently opened Lvivsky Plyatsky cafe in Kyiv's historic Podil district. The new eatery is the latest cafe from Andriy Khudo, Yuriy Nazaruk and Dmytro Gerasyimov, who together own !Fest Emotions Holding, which includes several dozen restaurants and franchises, a chain of grocery and souvenir stores, a pig farm that raises its own animals, a catering service and a tourism agency. (Anastasia Vlasova)

BY OLENA GONCHAROVA
GONCHAROVA@KYIVPOST.COM

LVIV – They have created more bright and controversial brands in the restaurant business than anyone else in Ukraine. They have become a case study for business schools before they hit 30. They are a trio of restaurateurs in the western Ukrainian city of Lviv

with global ambitions.

Andriy Khudo, Yuriy Nazaruk and Dmytro Gerasyimov are the three young men, all in the early 30s, who own !Fest Emotions Holding. It started off in 2007, and by now owns several dozen restaurants and franchises (including one outside of Ukraine), a chain of grocery and souvenir stores, a pig farm that raises its own animals

and produces ham, a catering service, a tourism agency and a few handfuls of ideas for other businesses.

They are the fathers of Kryivka (The Dugout), a famous restaurant in Lviv themed as an underground resistance base left over from World War II, which has been a must-see for tourists for years now.

They conceived Masoch, the cafe

named after Leopold Masoch, a famous Lviv native who lent his name to the concept of masochism, deriving pleasure from your own pain.

They are the Willy Wonkas of the Lviv Chocolate Factory, a famous brand of shops and cafes that makes chocolates to its own unique recipe.

They are also no strangers to criticism for their bold ideas and → 14

Advertising: +380 44 591-7788 advertising@kyivpost.com

Editorial staff: +380 44 591-3344 news@kyivpost.com

Subscriptions: +380 44 591-3408 subscribe@kyivpost.com





The medieval bridge over Neretva River in Mostar city of Bosnia and Herzegovina, destroyed during the war in 1993, was reconstructed and reopened in 2004. (Oksana Grytsenko)

World Traveler: A worthwhile journey

→ **12** journey, but it turned out to be the most fun. The country's underdeveloped transport system is compensated by thousands of private drivers. They drive fast, look menacing and don't speak English. But they are usually very helpful and decent people. The long and winding route to Berat consisted of small moves: from Ohrid to the Albanian border, and then to Pogradec, Elbasan and finally Berat (six hours in total for around \$30 per person).

The medieval UNESCO heritage city of Berat offers a number of tourist attractions without hordes of tourists. The most impressive is the white fortress, Kala, and the ethnographic museum located in an 18th century Albanian house that is fully equipped with antique furniture on which visitors are allowed to relax. It was no less fun to walk around the old city, counting the popular old Mercedes cars and extravagant mohawk hairstyles of the local teenage boys.

The next destination was the city of Shkodra near the border with Montenegro. The bus there took about six hours with a change in Tirana, cost \$7 in all.

Shkodra is more modern and developed than Berat, with bicycles instead of old Mercedes dominating city roads. It has a high medieval fortress with an impressive view of the lake and an unforgettable Marubi photo museum with hundreds of photos made at the junction between 19th and 20th centuries. In the evening, the pedestrian street in the city center and the cafes along it fill with people. Also, there is monument to Mother Teresa that is worth a brief visit (yes, she was Albanian).

Montenegro

Tiny Montenegro was easy to travel through. A comfortable bus took us from Shkodra to Sveti Stefan with a change in Ulcinj, making it a four-hour trip costing about \$13.

Sveti Stefan, often praised for having the most beautiful view of the Montenegrin coast, proved to be great but sometimes unfriendly. Its tiny and picturesque island linked to the mainland by the bridge now hosts a luxury hotel allowing visit only for its guests, a public beach was overcrowded by the (mostly Russian) tourists and the local restaurants, while offering tasty food, were pricey.

Cetinje, a former capital of the country, would be a good alternative for those willing to see less crowded and touristy Montenegro. The town offers half a dozen museums as well as a modest king's palace (\$13 for joint ticket), an old Orthodox monastery and inexpensive meals at the local restaurants (about \$15 for two).

Bosnia and Herzegovina

The way from Sveti Stefan to Mostar is best traveled at night by bus from



The soldiers of the presidential guard march in Sofia, Bulgaria (top). A picturesque view of Sveti Stefan Island, a former fishing village that has been converted into a luxury hotel in Montenegro. (Oksana Grytsenko)

Budva or from Podgorica (about six hours and \$26).

Mostar, with its famous stone bridge over a blue-sky river, was a postcard-worthy city with bright cafes and shops offering dozens of hand-made souvenirs. The idyllic picture was, however, sometimes ruined by buildings riddled with bullet holes – sad reminders of the war that shook former Yugoslavia some 20 years ago.

In Sarajevo, which is best to travel to by railway (some 2.5 hours and \$9), the war remains are everywhere. Its unique Tunnel Museum, constructed on the remnants of the of so called "tunnel of life" dug under the city airport to carry food, arms and medication from the Bosnian army to the residents of Sarajevo, is well worth a visit. To recover from the sad war tales, spend the rest of the day in the medieval district and taste the famous *cevapi* – kebab and onions wrapped in a pita – and Sarajevo coffee.

Serbia

The easiest way to get from Sarajevo to Belgrade is by bus (about 7 hours and \$25).

The Serbian capital resembles Kyiv: broad streets, massive river and architectural eclecticism. But unlike Kyivans, the residents of Belgrade make more efforts to preserve what they have. As a result, many streets have been turned into pedestrian areas, including its picturesque embankment. Something not to miss is the museum of inventor Nikola Tesla. Another must-see is Skadarska Street, or "Skadarlija," once populated by the Roma community but remade in the early 19th century into the city's bohemian quarter.

A 10-hour night train from Belgrade to Sofia (\$40) brought the trip full-circle. This shabby train makes one homesick for the relative comforts of Ukraine.

Kyiv Post staff writer Oksana Grytsenko can be reached at grytsenko@kyivpost.com.

Jamala's outdoor concert

Sept. 20

After taking the grand prize at the New Wave international singing contest in 2009, Jamala made her stand in the music industry, using her spinto soprano to charm people all over Ukraine and the world. This time the singer will present an all new set list as well as deliver some material that everyone knows and loves. Nine different musicians will play alongside Jamala underneath the Kyiv sky at the outdoor Green Theater club. This jazz, blues and soul singer delivers amazing shows when she is on stage and often surprises people with her creativity in vocal performance and stage sets.

Jamala's show "All or Nothing." Sept. 20. 7 p.m. Green Theater (2 Park Alley). Hr 150 – 800



(Courtesy)

HIMALAYA

THE INDIAN RESTAURANT • BUSINESS LUNCH HR 65

ONLY AUTHENTIC INDIAN CUISINE IN CITY CENTER

23 Khreschatyk Str., Tel: 270-54-37
www.himalaya.com.ua,
reservation@himalaya.com.ua

kks-rlb.com
KUMAR'S RESTAURANT LOUNGE BAR
OPEN

presents:

BOLLYWOOD FRIDAY

20th September 2013 @ 21:00

Dance and enjoy with a mix of pop and Bollywood remixes!

DJ Karma (India)

Get unlimited food! (European & Indian Cuisine)

All this & more for just 160 UAH

For Bookings call: +38 (063) 979-7661, 280-8833/9900
 25 Naberezhna highway (Dnipro metro station)

After changing restaurant scene, chain's owners have big dreams

→ 12 fantasies they have turned into a restaurant empire that makes them a good buck.

On one of the last days of summer Andriy Khudo, the budgets man and the public face behind the chain, shows off one of those controversial restaurants with considerable pride. "So we're at the executioner's home. He knows everything about meat," Khudo says at the First Lviv Grill Restaurant of Meat and Justice.

He talks about a medieval Lviv executioner who worked in the very spot upon which he is standing. But the tale, while captivating, is a tall one and the guillotine it features is merely a prop to stimulate dinner conversation. The meat, fortunately for carnivores, is very real.

For the last several years the land this restaurant partially occupies has been a subject of lawsuits. Mayor Andriy Sadovy accused !Fest of taking over a part of it illegally at a recent briefing in Lviv on Sept. 4. Others say the bold restaurateurs often lag with paperwork when they open restaurants, all of which are located in prime properties in the city center.

But thousands of guests that visit their chain each day seem to enjoy the food, the humor and the atmosphere in their restaurants. "Everything we do is about great hospitality toward our customers," Khudo explains. "But it gets harder to invent and generate more 'wow' projects to attract customers."

They have managed to wow some government institutions, too, most notoriously - the National Commission on Ethics and Morals that investigated their Masoch Café. "The commission came to find out what we offer our clients," said Khudo. Apparently the interest was piqued by an item on the menu called "whip beatings."

The chain's very first offering was less controversial. The cafe Diana on central Rynok Square was among the first classy outdoor offerings in Lviv.

"There were some plastic tables



Visitors enjoy drinks in Kryivka (The Dugout) restaurant in Lviv. Kryivka's theme pays homage to Ukrainian patriotism and, in particular, the Ukrainian Insurgent Army, known by the UPA acronym, that fought for national independence through the 1950s. Kryivka is one of the best-known venues opened by !Fest Emotions Holding. (AFP)

→ The restaurateurs who gave Ukrainian diners Gasova Lyampa, Kryivka, Diana and Lviv Chocolate Factory are still trying to come up with new ideas.

under umbrellas where you get your beer in plastic cups. We wanted to bring a European atmosphere to Lviv, and we had everything we needed – decorations are on the Rynok Square itself. But good coffee, jazz music, weekend tango classes and a cozy

atmosphere make it popular," Khudo said.

Many of the !Fest restaurants exploit local myths, legends and heroes – a trait that many locals consider a little too cheesy, but the one that is equally loved by the city's multiple visitors. In

2008, they opened Gasova Lyampa, a gas-lamp themed museum and restaurant to celebrate the invention of this lamp in Lviv. Predictably, it features an impressive collection of such lamps.

Kryivka, their second restaurant to open in 2007, claims to have about 1 million visitors and has been so popular that its brand name has even been adopted by a book store in Kyiv.

To get inside the patriotic pub, one must say the password ("Glory to Ukraine") in Ukrainian, of course, to a guard at the entrance.

Khudo and his pals also came up with an idea to open Galician Jewish Kneipp "Under the Golden Rose," which emphasizes the tradition of bar-



Andriy Khudo, a co-owner of !Fest Emotions Holding. (Anastasia Vlasova)

gaining. Without prices on the menu, patrons must negotiate what to pay with their waiter. Those who win the waiter's favor tend to come out ahead, Khudo hints.

The restaurateurs also figured out early on that creating a good concept for franchising is a real money-making idea. Thus the Lviv Chocolate Factory came about. It has now become popular in many cities, including Kyiv, Dnipropetrovsk, Donetsk, Odesa, Zhytomyr and Kharkiv.

They tried to repeat their success in Krakow, Poland, only to discover that both the concept and investment projections have to be very different to satisfy the tastes of the neighboring Poles. This experiment has not stopped them from dreaming big.

They have now started cloning their second franchise idea, Lvivsky Plyatsky (Lviv pastry shop). After a hugely successful launch in Lviv, the trio opened one in Kyiv on Sept. 1 at 5 Spaska St. in the city's Podil district. And it seems that they're not going to stop there.

Kyiv Post staff writer Olena Goncharova can be reached at goncharova@kyivpost.com.



VIVA MEXICO!

Each September, the whole of Mexico comes alive for 'El Grito de la Independencia' – Independence day. InterContinental Kyiv has partnered with the Mexican Embassy to bring this vibrant festival to Kyiv in a series of delicious food fiestas!

Authentic dishes by a top Mexican chef will be served at a spectacular opening party and two Sunday brunch extravaganzas whilst a Mariachi band will re-create the unique atmosphere of old Mexico – we will even provide the sombreros.

Enjoy our a la carte menu daily between 15th and 22nd September from 12:00 till 15:00 and from 17:00 till 23:00. Welcome to Sunday Brunch on 15th and 22nd September from 12:00 till 17:00. Price: 690 uah person. Children up to 6 years – free. Children from 6 till 12 years – 50% discount.



For more details or to make a reservation, please call +38 044 219 1919 or visit intercontinental-kiev.com


INTERCONTINENTAL
KYIV

In over 170 locations across the globe including KYIV • LONDON • NEW YORK • PARIS

USAID Public Private Partnership Development Program (P3DP) is seeking an **EXPERIENCED RISK MANAGEMENT AND RISK ASSESSMENT EXPERT** for a short-term assignment for the development of a Draft Methodology for PPP Risk Management and Assessment in Ukraine. Interested candidates should send inquiries for a Request for Application to p3dp@fhi360.org.
Due date of Applications: September 30, 2013 by 17:00 Kyiv time.

Personal Assistant for CEO (Part Time, Outsource)
Assist expat CEO to organize work Social Media BLOG LinkedIn, FB, Tweeter, YouTube, Livejournal
WebSite content management, US UK EU Cloud BizHiTech
SEO search engine optimization skills
US UK EU Bachelor in Marketing, Journalism, Public.
vip@wealth90s3r.com

TENDER
Financial Sector Development Program (USAID/FINREP-II)
Financial Markets International, Inc. (FMI)
Request for Proposal
USAID/FINREP-II implemented by FMI is soliciting proposals for printing of Financial Literacy Course materials. Interested vendors with a proven track record for providing such services should send their offers not later than 21:00 on September 20, 2013. For more information please visit: www.finrep.kiev.ua
No telephone inquiries will be accepted.

PLACE YOUR TENDER ANNOUNCEMENT
+38 044 591 34 08
kpad@kyivpost.com

Project Manager / Coordinator
RESUME
Male 36 y.o.
Fluent German, English.
12 years professional experience with world-known German&Austrian firms.
Higher technical and economical education.
German citizenship, based in Kiev.
pankratof@gmail.com
+38 096 286 77 40 Dmitry

PLACE your vacancy
In the paper's **EMPLOYMENT** section and get your vacancy duplicated at www.kyivpost.com

KyivPost is looking for an **CORPORATE SUBSCRIPTIONS MANAGER**
The ideal candidate will be a highly motivated self-starter. Responsibilities include: sales of corporate subscriptions, managing distribution, placing print orders and organizing contracts, as well as maintaining contacts with clients and distributors.
Requirements: Intermediate English, MS Office, strong sales and organizational skills. Full-time job. Base salary + commissions.
Please send your CV and cover letter including salary requirements and the subject "Corporate Subscription Manager" to parusinski@kyivpost.com and pashkovskaya@kyivpost.com, +38 044 591 7788

Account Manager
RESUME
F/30, degree in Linguistics and International Operations Management (FEA), fluent English, speaks also German and Italian, good PC user, has more than 5 years of work experience in local and international companies is looking for the position of Account Manager or similar.
Please contact Olga
+380 95 826 0385
olga_anf@ukr.net

Professional french teacher
RESUME
Native french teacher give french lessons for all levels, all teaching themes (business, tourism...), 8 years teaching experience in international schools, certificate of teaching CEFLE speak english, russian
mob : +380639527917
mail : lycee.kiev@gmail.com

For 500 UAH for a week

KyivPost is looking for a **SALES MANAGER**
We're looking for an aggressive sales manager.
The ideal candidate will be a motivated self-starter with a broad knowledge of market players and trends. Responsibilities include ad sales, contract execution, and contract payment follow through for all advertisers.
Experience in print and online media sales is desired, as is a result-oriented attitude and proficiency in English.
Full-time job. Base salary + commissions.
PLEASE send your CV and cover letter including salary requirements and the subject "Sales manager" to parusinski@kyivpost.com +38 044 591 7788

Technical auditor / Consultant
RESUME
Project manager with extensive experience fulfills services:
• Due diligence of construction
• Due diligence of developments
• Contract preparation negotiation
• Monthly valuation of GC works
• Construction monitoring
Result oriented, flexible, ready to meet strict deadlines.
M/47 Kyiv
ynikiforov@smbkiev.com
+380 50 441-39-82
Yuri

Accountant part-time
RESUME
Accounting (local/GAAP)
Statutory reporting
Payroll calculation
Management reports
Other accounting tasks
Solid experience
Certificates (ACCA finishing)
Fluent English
Kyiv
hzytsev@gmail.com
+380 67 365-33-24

THEY CHOSE THE KYIV POST!

WINNER Pechersk School International
DANONE
UKRAINE CONSULTING Accounting • Tax • HR • Office • IT
eincore RAMADA
Coca-Cola
Queen Bakery
AVELLUM PARTNERS
NIKO Lavrynovych & Partners law firm
SIEMENS SOFIYSKIY FITNESS CENTER
LACTALIS UKRAINE
ERNST & YOUNG Quality In Everything We Do
Horizon Capital
MINISTERIUM DOOMA CLUB
LONDONSKAJA HOTEL
Opera Hotel KYIV/UKRAINE LEADING HOTELS
Regus Work your way
TINK-BP

SUBSCRIPTION OPTIONS

Copies weekly	12 months/ 1 issue	6 months/ 1 issue
1	676 / 13.00	416 / 16.00
25	4,056 / 3.12	2,495 / 3.84
50	4,498 / 1.73	2,769 / 2.13
100	5,200 / 1.00	3,120 / 1.20

Stand rent (12 months) - Hr 440
* - all prices are in hryvnias including VAT

SUBSCRIBE TO THE KYIV POST:
Feel free to contact us:
(+380 44) 353-9024,
mail to subscribe@kyivpost.com or order at kyivpost.com

Classifieds

REAL ESTATE SERVICE

FOR RENT
3-room apartment, Str., P.Myrnogo, New building, one apartment on the floor, panoramic view, 120 m², dressing room, 2 bath rooms, equipped 100%. Security. 24000 UAH.
099-224-66-30
www.pm15.kiev.ua

FOR RENT
"Park Avenue" Golosievski 58, Cozy one-bedroom studio apartment for long term rent. Fully equipped and furnished.
24/7 reception and security. Photos are available on request.
12 000 UAH/month.
+38 067 5000 288 - Taisia

FOR RENT
APARTMENTS
+380 67 404 56 52
+380 44 289 39 49
www.teren.kiev.ua

Develop your music talent with the assistance of a true professional!
Irena offers piano lessons, designed to be easy and enjoyable. Beginners are most welcome.
095-074-00-49

www.villa-kvitka.com.ua
Mineral water
Therm bath&spa
Family friendly hotel
+38 067 320 75 83

Notice of Dissolution of ARGUS ENTERPRISES LTD IBC No. 111497
The Company.
In accordance with section 88 (2) of the International Business Companies Act of 1994 of the Republic of Seychelles and in the matter of ARGUS ENTERPRISES LTD (The Company), we hereby inform that on August 14th 2013, the company is in the process of being dissolved as company under the International Business Companies Act.
Dated 14th August 2013
MR. DAVID LOWSECK, Liquidator

FOR RENT
1-room apt. (from the owner) Chervonoarmiyska str. (metro "Olimpiyska" or "Lva Tolstogo") 45 sq.m. fully equipped and furnished quiet, guarded building
Hiv 360/night or Hiv 5200/month
(067) 702-43-33 or (095) 452-86-49 Anna

FOR RENT
Best location in Kiev! Grushevskiy str 9 (next to Mariinsky park and metro)
Two level, 4 bedrooms, 170 sq. m. apartment, secure courtyard, elevator.
Great family apartment!
22400 UAH per month, call 0503108241(owner)

FOR SALE
Visible piece of land, Zabuch'e village, 22km from Kyiv, 50 are of land, all necessary service lines. 38400 UAH per are of land.
050-332-04-04

Sold an active business engaged in development of granite quarry and crushed stone production at two plants in Zhytomyr region. (Ukraine).
Possible exchange for property
+380503117828.
an-suprun@yandex.ru

Marriage Agency
We can help you to meet ur love .
+38 (044) 528-75-76
+38 (067) 408-20-20
www.ukraine4date.com



UEFA CHAMPIONS LEAGUE
UEFA EUROPA LEAGUE
PREMIER LEAGUE (ENGLAND)
BUNDESLIGA (GERMANY)
SERIE A (ITALY)
LA LIGA (SPAIN)
LIGUE 1 (FRANCE)



UEFA CHAMPIONS LEAGUE IS BACK ON SEPTEMBER 17!

From **29** UAH/month per package, VAT incl.

48 international and local channels

24 channels in English

9 thematic packages



067 759-5-759

Cost of calls to these numbers - according to the tariffs of your operator.

www.xtra.tv